



NEWSLETTER

Protecting The Interests Of Insurance And Pension Consumers

Q1

2024



Regulation

Reimagined

**Protecting The
Interests Of
Insurance And
Pension Consumers**

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NEWSLETTER

Protecting The Interests Of Insurance And Pension Consumers

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Editor's Note

Dear Readers,

We are thrilled to present the inaugural edition of the Insurance and Pensions Commission (IPEC)'s quarterly newsletter, dedicated to sharing key regulatory developments and insights from each quarter.

In this edition, we delve into Circular 3 of 2024, a pivotal directive issued to the insurance industry, outlining strict timelines for claim settlements. This was prompted by recurring complaints received by IPEC regarding unwarranted delays in the settlement of admitted claims.

We also spotlight our collaboration with the

Insurance Council of Zimbabwe in training officers from the Ministry of Women Affairs, Community, Small, and Medium Enterprises Development in risk management and business insurance. Micro, Small, and Medium-sized Enterprises (MSMEs) constitute a vital segment of the economy, yet they face numerous risks that threaten their sustainability. The trained officers will empower MSMEs with knowledge on the importance of insurance in mitigating these risks.

Additionally, we feature an article on the Commissioner's breakfast meeting with executives from the insurance and pensions industry, where pertinent sector issues were discussed.

This edition also highlights the public notices issued by IPEC during the quarter ending on 31 March, ensuring that our stakeholders are well-informed.

Your feedback is invaluable to us, and we eagerly anticipate engaging with you on our journey ahead.

Best Regards,

Lloyd Gumbo
Public Relations Manager



Regulation Reimagined



IPEC Vision

"To be a safe, vibrant and sustainable insurance and pensions industry by 2025."



IPEC Mission Statement

"Regulate, supervise and develop the insurance and pensions industry for the protection of policyholders and pension scheme members through regulatory excellence".

IPEC Values

Professionalism

We are professional in the way we conduct ourselves, carry out our business.

Accountability

We are answerable, and responsible for all our actions and decisions.

Fairness

We develop and apply rules, regulations and procedures equitably among all clients and stakeholders.

Integrity

We are ethical and honest in our dealings with all our stakeholders.

Excellence

We are exemplary in the way we do our business. We strive to exceed expectations by upholding the utmost quality standards in carrying out our work.



Pay claims timeously: IPEC directs insurers

The Insurance and Pensions Commission (IPEC) has directed insurance entities to settle claims within three days after the claim authorisation process has been finalised.

IPEC has been receiving complaints from policyholders who felt short-changed by their insurance entities for the delay in settling their claims.

In line with its mandate of protecting the interests of policyholders, IPEC issued [circular 3 of 2024](#), directing

insurers to communicate with policyholders the outcome of a claim application within seven days after receiving all the required submissions.

Timeous settlement of claims helps in restoring policyholders' confidence in insurance.

While some claims may be complex and require more time before a decision is made on a claim, under such circumstances, the insurer is required to advise the policyholder of the anticipated delays in finalising the process but must indicate the expected timeframe within which the claim would be finalised.

Failure to comply with the provisions of the circular, attracts a level 4 penalty for each day the insurer is in default in terms of section 5 of the Insurance and Pensions (Issuance of General Guidelines and Standards) Regulations, 2020.

Click [here](#) to read or download the circular.

IPEC & ICZ conduct insurance training for Ministry of Women Affairs officers



In March, the Insurance and Pensions Commission (IPEC) and the Insurance Council of Zimbabwe conducted a train-the-trainer programme on Risk Management and Business Insurance, for Business Development Officers in the Ministry of Women Affairs, Community, Small, and Medium Enterprises Development.

The objective of the training was to capacitate the ministry officials with insurance knowledge so that they could also train Micro, Small and Medium-sized Enterprises (MSMEs) on risk mitigation.

The officers were drawn from the country's 10 provinces.

Women Affairs, Community, Small, and Medium Enterprises Development permanent secretary,

Dr Mavis Sibanda applauded IPEC and ICZ for the training.

"The training being conducted today is going to empower us to also include insurance and risk management in our training programmes," she said in a speech read on her behalf by Chief Director Enterprise and Community Development, Engineer Francis Gondo.

"Risk management is not a luxury but a necessity for SMEs striving for long-term success. By adopting a proactive and comprehensive approach to risk management, SMEs can mitigate potential threats, seize opportunities and enhance their resilience.

I, therefore, want to encourage you the trainees here present to fully embrace the skills and knowledge

which will be imparted to you today. I urge you to learn and have a deeper understanding of insurance and risk mitigation measures, which I positively believe will enable you to competently train SMEs when you go back to your stations.”

In her remarks at the same event, IPEC Director of Insurance, Mrs Sibongile Siwela said the training of ministry officials aligned with the National Financial Inclusion Strategy.

“The thrust of the National Financial Inclusion Strategy is to ensure that we promote financial inclusion in various sectors, particularly those who were previously excluded such as MSMEs, women, and the youth.


“The Insurance and Pensions Commission values collaboration with key stakeholders in promoting financial inclusion such as the training we are having today is happening as a result of collaboration

between IPEC, ICZ and the Ministry of Women Affairs, Community and Small and Medium Enterprises Development,” said Mrs Siwela.

In his remarks, ICZ chief executive officer, Mr Donald Muthe said MSMEs were exposed to risks that impacted their livelihoods.

He cited the frequent fire outbreaks at Glenview 8 complex and at buildings occupied by MSMEs in the cities as well as the climate-related risks affecting smallholder farmers as some risks that MSMEs face.

“Resuscitating operations after such losses is difficult particularly for SMEs who have limited financial resources or who do not have any form of security for example insurance and to greater extend have limited knowledge and appreciation of risk management and insurance as a security tool for assets and economic activities,” he said.



**Protecting
the Interests
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Commissioner hosts breakfast meeting for insurance and pension executives

The Commissioner of Insurance, Pension and Provident Funds, Dr Grace Muradzikwa hosted a breakfast meeting with insurance and pension executives to discuss issues of interest to the sector.

The closed-door meeting held in Harare in February drew participation from industry executives drawn from insurance, pensions, fund managers, and the academic sector.

The Commissioner provided updates on achievements registered on issues raised at the inaugural meeting in 2023.

The various industry representatives also presented on issues affecting their respective sectors.

The Commission also presented its strategic focus areas for 2024, anchored on five outcomes – Improved Organisational

Performance & Image; Improved Pension & Insurance Benefits; Improved Industry Compliance; Improved Industry Soundness & Resilience; and Increased Industry Growth.

The industry expressed its commitment to align its objectives with the Commission's strategic focus areas.

Click [here](#) to view pictures from the meeting.



Anti-Money Laundering Insurance Sector Working Group launched

A working group comprising representatives from various sectors has been appointed to spearhead the Money Laundering Sectoral Risk Assessment process for the insurance and pensions sector following the national launch of the National Risk Assessment (NRA) in November 2023.

The committee comprising representatives from all insurance industry associations; compliance officers from Life, Pensions, Reinsurance, Funeral; IPEC Supervisory Staff; Consumer Council of Zimbabwe; and the Financial Intelligence Unit (FIU) as the secretariat, had its inaugural meeting on 01 February this year.

Recommendation 1 of the Financial Action Task Force (FATF) standards requires countries to conduct a money laundering national risk assessment to understand prevalent risks and apply the risk-based approach in mitigating them.

The risk assessment process is undertaken at institutional, sectoral, and national levels. The insurance industry as a designated sector in terms of the Money Laundering and Proceeds of Crime Act [Chapter 9:24], is required to conduct sectoral risk assessment on money laundering, the report of which informs the national risk assessment.

Officially launching the Working Group, IPEC Commissioner,

Dr Grace Muradzikwa
underscored the importance of a shared understanding of national and sectoral risks for the country, sector and institutions.

“As a country we are due to undergo the 3rd round of Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Mutual Evaluation in 2026, which is aimed at assessing the effectiveness of our AML systems both at national and institutional level,” she said.

To read more about the Anti-Money Laundering and Counter-Terrorism Financing Act activities, click [here](#)

Financial sector in financial literacy drive



The financial services sector spearheaded a financial literacy campaign targeting school children and young people to educate them about financial matters so that they can be empowered to make informed financial decisions.

IPEC, Reserve Bank of Zimbabwe (RBZ), Securities and Exchange Commission of Zimbabwe (SECZim), the Deposit Protection Corporation (DPC), and the Postal & Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) as well as financial services providers, conducted a financial literacy outreach programme in a month-long financial literacy campaign under the auspices of the Global Money Week campaign in March.

Global Money Week (GMW) is an awareness-raising campaign on the importance of ensuring that young people, from an early age, are financially aware,

and are gradually acquiring the knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being and financial resilience.

This year's Global Money Week campaign ran under the theme:

“
**Protect
Your Money,
Secure Your
Future”**

The outreach programme saw teams visiting schools in

Mashonaland West, Masvingo, and Mashonaland East provinces while several schools in Harare attended the Global Money Week exhibition at the RBZ Sports Club. GMW symposiums were also conducted at Harare Polytechnic and UMAA, which was also attended by students from Roosevelt.



Public Notices published

The Commission published several public notices during the quarter including the suspension of Heritage Life from writing new business, an update on pre-2009 compensation, and publication of the top 50 companies with contribution arrears.

Suspension of Heritage Life from writing new business

IPEC suspended Heritage Life from writing new business in January this year after conducting an onsite inspection on the entity, which revealed significant compliance and governance deficiencies.

The inspection was conducted in terms of Section 6 (b) of the Insurance Act [Chapter 24:07], which empowers IPEC to supervise the activities of registered insurers to ensure the protection of policyholders.

To read or download the statement, [click here](#).

Public Notice on pre-2009 compensation

The Commission provided an update to stakeholders on the status of the pre-2009 compensation, which was scheduled to commence in March.

IPEC had not approve any of the submitted pre-2009 compensation schemes as at 31 March 2024 as the schemes did not meet all the requirements of Statutory Instrument 162 of 2023 – Pensions and Provident Funds (Compensation for Loss of Pre-2009 Value of Pension Benefits) Regulations, 2023.

As at the end of the quarter, IPEC was actively engaged with each pension fund and pension fund administrator to enforce compliance within the confines of the law.

To read more on pre-2009 compensation updates [click here](#)

Top 50 entities with pension contribution arrears

IPEC published the list of the Top 50 sponsoring employers, by value, with pension contribution arrears aged 30 days and above as at 31 December 2023.

You can click [here](#) to read or download the list.

The purpose of the publication was to inform members belonging to the affected funds and relevant stakeholders as part of the Commission's disclosures.

Employers that deduct pension contributions are required in terms of section 16(3) of the Pensions and Provident Funds Act [Chapter 24:32], to pay contributions to the pension fund not later than 14 days after the end of the month in which the contribution is payable.

Members of Boards of the pension funds in question must put measures in place to ensure the defaulting employers remit outstanding contributions, for the benefit of their pension scheme members.





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