



Circular 25 of 2020

19 November 2020

- To : Principal Officers of Life Insurance Companies
: Principal Officers of Short-Term Insurance Companies
: Principal Officers of Funeral Assurance Companies
: Principal Officers of Reinsurance Companies
: Chairperson- Life Offices Association (LOA)
: Chairperson- Insurance Council of Zimbabwe (ICZ)
: Chairperson- Zimbabwe Association Funeral Assurers (ZAFA)
: President - Actuarial Society of Zimbabwe (ASZ)

**ZIMBABWE INTEGRATED CAPITAL AND RISK PROGRAMME (ZICARP) – LAUNCH OF
QUANTITATIVE IMPACT STUDY 2 (QIS 2)**

1. As you are aware that few years ago, we made a bold decision to embark on a journey to develop our own risk-based capital regime, which we coined Zimbabwe Integrated Capital and Risk Programme (ZICARP).
2. Since then, we have been interacting with various stakeholders to ensure that the solution speaks to the needs of our industry.
3. ZICARP has the following three key Pillars:
 - 3.1. Pillar 1: Quantitative Solvency and Capital Requirements
 - 3.2. Pillar 2: Corporate Governance and Risk Management (Own Risk and Solvency Assessment, ORSA)
 - 3.3. Pillar 3: Disclosure Requirements.
4. To date, the Commission has shared the key requirements for Pillars 2 and 3

through the following Circulars:

- 4.1. Circular 11 of 2016 Corporate Governance and Risk Management Directive for insurers which addresses the key requirements of Pillar 2 under the ZICARP framework
- 4.2. Circular 3 of 2020 on the Disclosure requirements for insurers which primarily covers the key requirements of Pillar 3 of the ZICARP framework.
5. The Commission appreciates the full support received from the industry and other key stakeholders for the successful launch and conclusion of Quantitative Impact Survey 1 (QIS1).
6. The Commission is pleased to notify the industry of its readiness to launch Quantitative Impact Study 2 (QIS 2).
7. As we launch the QIS 2 under Pillar 1 of the ZICARP framework, we expect the insurance industry to:
 - 7.1. Dedicate resources to go through the proposed frameworks in detail and provide robust feedback on all aspects of Pillar 1 on or before the **11th of December 2020**. Such feedback must be submitted to the Commission on an individual company basis. ASZ and Industry associations are also encouraged to submit their feedback.
 - 7.2. Carry out test runs of the frameworks on your individual companies and provide results and feedback to the Commission on or before the **22nd of January 2021**.
8. To facilitate smooth launch of QIS 2, the Commission will therefore share with the industry a link on our website on all the proposed frameworks under Pillar 1.
9. The virtual official launch of QIS 2 is scheduled for **Tuesday, 24 November 2020** at **0900hrs**. This is expected to be a short session which will take a maximum of 30 minutes.
10. Attendance is compulsory for all Principal Officers and Appointed Actuaries of

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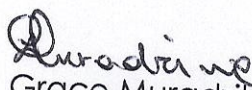
the regulated firms. We encourage technical person who will be running with the implementation to also attend the launch.

11. May you please send your nominations to Mr. M. Mukome on mmukome@ipec.co.zw and Mrs. M. Macharaga on mmacharaga@ipec.co.zw so that details of joining the virtual launch can be send to their individual emails ahead of the launch date.

12. The Commission looks forward to your usual support as we launch QIS2.

13. Please be guided accordingly.

Yours sincerely,


Grace Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS