



Circular No. 7 of 2012

Insurance Council of Zimbabwe (ICZ)

Life Offices Association of Zimbabwe (LOA)

Zimbabwe Association of Reinsurance Organisations (ZARO)

Zimbabwe Insurance Brokers Association (ZIBA)

Zimbabwe Association of Pension Funds (ZAPF)

Fund Administrators

Zimbabwe Funeral Assurers of Zimbabwe (ZAFA)

RE: PROPOSED MINIMUM CAPITAL REQUIREMENTS

- Following the realisation that capital levels for players in both the insurance and pensions industry need to be reviewed upwards, IPEC is proposing the levels in the tables below:

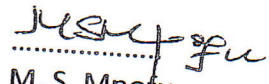
Class of Business	Current (\$)	Proposed (\$)
Life assurance company	500 000.00	3 million
Non-life insurance company	300 000.00	2 million
Composite insurance company	800 000.00	5 million
Non Life reinsurance company	400 000.00	3 million
Life reinsurance company	400 000.00	3 million
Funeral assurance company	400 000.00	2.5 million

- For broking companies, the following levels will apply:

(PS) Minimum Prescribed Securities and Professional Indemnity (PI)

Class of Business	Current		Proposed	
	PS (\$)	PI (\$)	PS (\$)	PI (\$)
Insurance Broker	100 000.00	100 000.00	100 000.00	200 000.00
Reinsurance Broker	100 000.00	100 000.00	100 000.00	250 000.00

3. All Pension Fund Administrators are required to raise capital of US\$250 000.00. In addition, fund administrators will be required to possess professional indemnity cover of US\$100 000.00 and to be incorporated as companies.
4. All institutions are required to have complied with 50% of the capital requirements by 31st December 2012. Full compliance is expected by 31st December 2013.


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M. S. Mpofo

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS

04/09/2012