

6 June 2006

Circular No. 4. 2006

**TO: ALL INSURERS, BROKERS AND REINSURERS**

**RE: PLACEMENT OF BUSINESS ON THE EXTERNAL MARKET**

In order to expedite the processing of applications to externalize risks, please be advised that the following requirements should be submitted with your applications:-

- (a) Negative market slip signed by all players in the market. (Direct companies and reinsurers).
- (b) Supporting documents showing that cover has been secured externally. These should show a breakdown of how the risk has been shared, clearly showing the proportion to be externalized and the proportion to be retained locally. Only the portion that is not covered locally should be externalized.
- (c) Do not apply to remit 100% of premiums where a certain portion has been retained locally.
- (d) For all treaty business please furnish this office with your treaty programmes in advance and up date us on any changes to your treaties. All companies with treaties with external business partners should submit their treaty programmes by end of January of every year. All affected companies should therefore submit their treaty programmes for 2006.

(e) You are further advised that we do not have the authority to permit insurers to write business in foreign currency as this falls within the Jurisdiction of the Exchange Control Authority. We only support your applications to the RBZ to remit premiums on the external market when the above conditions have been met.

M. S. Mpofu

**COMMISSIONER OF INSURANCE, PENSIONS AND  
PROVIDENT FUNDS**