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Insurance & Pensions Commission

Circular 21 of 2026

Date: 1 July 2026

To: All Insurance Companies
All Reinsurance Companies

Cc: Insurance Council of Zimbabwe
Zimbabwe Association of Funeral Assurers
Zimbabwe Association of Reinsurance Organisations
Life Offices Association

COMPLIANCE WITH THE PRESCRIBED ASSETS REQUIREMENT

1. Reference is made to Statutory Instrument 206 of 2019, which sets out the prescribed assets requirements applicable to insurers and reinsurers.
2. The Commission wishes to remind all registered entities of their obligations under the Statutory Instrument, particularly the requirement to maintain the prescribed minimum assets ratios and to regularly assess compliance with these requirements.
3. The minimum prescribed assets ratios applicable to each class of insurance business are as follows:

Category of Insurer	Minimum Prescribed Assets Ratio
Life Assurance Business	15%
Funeral Assurance Business	10%
Short-Term (Non-Life) Insurance Business	10%
Short-Term (Non-Life) Reinsurance Business	10%

Category of Insurer	Minimum Prescribed Assets Ratio
Composite — Life portion	15%
Composite — Non-Life portion	10%

4. It is important to note that compliance with the prescribed assets requirement is not a once off exercise but an ongoing compliance matter. According to section 3 of the Statutory Instrument, every insurer/ reinsurer is required to monitor its compliance position continuously and conduct a formal self-assessment of its prescribed assets ratio within fourteen (14) days after the end of each calendar month.
5. These assessments should be based on the entity's management accounts for the relevant month, and adequate records must be maintained to demonstrate compliance when requested by the Commission.
6. The Commission would like to emphasise that the monthly self-assessment is a statutory requirement and does not replace any reporting obligations that may be separately required by the Commission. Failure to carry out the monthly self-assessment constitutes non-compliance with the regulations, regardless of whether an entity meets the prescribed assets ratio or not.
7. The Commission has observed that some entities are not making sufficient progress towards full compliance with the prescribed assets requirements. Entities that are not compliant are expected to regularly assess their positions and develop practical compliance roadmaps, which should be submitted to the Commission for consideration and monitoring.
8. All registered entities are, therefore, urged to review their current compliance status, strengthen their internal monitoring processes, and take prompt action to address any deficiencies.
9. The Commission urges all registered entities to familiarise themselves with the provisions of Statutory Instrument 206 of 2019 and to take the necessary measures to ensure full compliance.
10. Please note that the Ministry of Finance, Economic Development and Investment Promotion expects the industry to report investment in

Government instruments. The Commission acknowledges that there are Government instruments such as treasury bills and bonds that are trading on the secondary over the counter market. To distinguish instruments bought on the secondary over the counter market and new investments in Government instruments, all entities are required to separate the direct investments in such instruments and the indirect investments in the secondary market.

Yours sincerely

Grace Muradzikwa
COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS