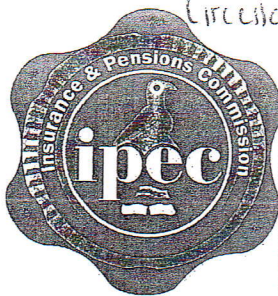


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D/45/23

13 January 2011

Circular No. 1 of 2011

Insurance Council of Zimbabwe (ICZ)

Zimbabwe Association of Reinsurers Organisations (ZARO)

Zimbabwe Insurance Brokers Association (ZIBA)

MINIMUM PREMIUM RATES

It has come to the attention of the Commission that some market players are quoting premium rates below the minimums that were agreed to in the Insurance Council of Zimbabwe Executive meeting of 5 May 2010 and approved on 9 June 2010 by the Commissioner of Insurance, Pensions and Provident Funds in terms of section 6(d) of the Insurance Act (Chapter 24:07).

The undercutting of rates is not only unethical and unfair competition but it also increases the risk of the failure to meet claim obligations.

You are all advised to desist from gaining market share through such strategies that threaten the reputation and stability of the insurance industry.

Investigations into this malpractice are underway and all offenders will be penalised in terms of the law. Should your institution be involved in undercutting, it should stop forthwith as the consequences of doing so will be quite unpleasant if you are caught.

Please be guided accordingly


M. S. Mpofu

COMMISSIONER OF INSURANCE, PENSIONS AND PROVIDENT FUNDS