



12 August 2023

Circular 25 of 2023

Insurance Brokers Association of Zimbabwe (IBAZ)

Reinsurance Brokers Association of Zimbabwe (RBAZ)

Insurance Council of Zimbabwe (ICZ)

Zimbabwe Association of Reinsurance Organisations (ZARO)

**cc: All insurance Brokers
All Short-Term Insurers**

OPERATIONALISATION OF THE NO PREMIUM NO COVER

Following the gazetting of S.I. 81 of 2023 on the No Premium No Cover, the Commission hereby issues operational guidelines for the Statutory Instrument to guide the industry as below:

1. HANDLING OF INSURANCE PREMIUMS

An insurance contract becomes valid on receipt of premiums by the insurer or the insurance broker from the insured. Upon receipt of insurance premiums, an insurance broker will issue instructions to the insurer confirming receipt of insurance premiums to initiate the insurance contract.

In this regard, all premiums received by the insurance broker will be remitted to the insurer within seven (7) working days, in line with Section 6.7.4 of the Broker and Agents Guidelines issued in terms of Circular 22 of 2020.

Consequently, the Not Taken Up (NTU) Policies will cease to exist.

2. TREATMENT OF LEGACY DEBTORS

Concerning legacy premium debtors, **all insurers** are directed to clear all legacy debtors by 31 December 2023. Therefore, Q4 2023 returns for insurers should demonstrate clearance of all legacy debt, failure of which the Commission will take punitive measures against the non-compliant entity.

3. MOVEMENT OF BUSINESS BETWEEN INSURERS

Movement of business between insurers will be subject to clearance of outstanding premiums. An insurer will issue a **Certificate of No Outstanding Premiums** as a condition precedent to the movement of business to another insurer. This requirement is applicable to **all businesses**.

4. REGULATORY SANCTIONS FOR FAILURE TO COMPLY WITH REQUIREMENTS STATUTORY INSTRUMENT.

The provisions prescribed in terms of Statutory Instrument 81 of 2023 shall be enforced on non-compliant entities.

Please be guided accordingly.



Grace Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS
