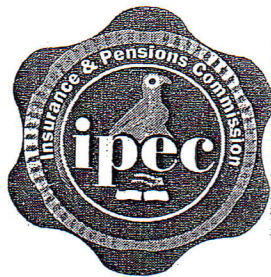


Telephone: 250613/64  
251060-61  
734506  
Facsimile: 251889  
Website : TBA  
Email : enquiries@ipec.co.zw

P.O. Box HR 6773  
Harare



**INSURANCE & PENSIONS  
COMMISSION**  
3<sup>rd</sup> Floor, Finsure House  
84-86 Kwame Nkrumah Avenue  
Harare  
Zimbabwe

December 10, 2007

### **Circular No. 12 of 2007**

To: **Insurance Council of Zimbabwe (ICZ)**

**Zimbabwe Association of Reinsurance Organisations (ZARO)**

**Life Office Association of Zimbabwe (LOA)**

**Zimbabwe Association of Funeral Assurers (ZAFA)**

**Zimbabwe Insurance Brokers Association (ZIBA)**

### **REVIEW OF CAPITAL LEVELS**

1. As has been pointed out on several occasions before, the minimum paid up equity capital of institutions registered in terms of the Insurance Act Chapter 24:07 and of Fund Administrators registered in terms of Statutory Instrument 243 of 2006 have become meaninglessly low while property values have continued to rise in line with inflation.
2. It has therefore become imperative to raise these capital levels without any further delay so as to cushion the insured against possible failure to honour claims when they occur.
3. As more and more market players express the wish to write business in foreign currency, the need for capital levels to be raised becomes even more urgent.
4. It is in view of the above that the Commission is proposing to introduce the following levels of capital early 2008:-

**Proposed Minimum Paid Up Equity Capital**

| Type of Company       | Current Level | Proposed Level |
|-----------------------|---------------|----------------|
| 1. Life Insurer       | \$30 Million  | \$6 Trillion   |
| 2. Non Life Insurer   | \$10 Million  | \$2 Trillion   |
| 3. Reinsurer          | \$30 Million  | \$6 Trillion   |
| 4. Funeral Insurer    | \$15 Million  | \$3 Trillion   |
| 5. Insurance Broker   | \$5 Million   | \$1 Trillion   |
| 6. Multiple Agent     | \$2.5 Million | \$1 Trillion   |
| 7. Fund Administrator | \$10 Million  | \$2 Trillion   |

5. We would appreciate your comments on the above proposals by the 21<sup>st</sup> of December 2007.

*M. S. Mpofu*  
M. S. Mpofu

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