



**CIRCULAR NUMBER 12 of 2025**

01 April 2025

**TO: All Insurance Companies**

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

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

**CLARITY ON APPLICATION OF "NO PREMIUM NO COVER" ON CEDING OF INSURANCE BUSINESS TO REINSURERS**

1. The Commission has noted the misinterpretation of Statutory Instrument 81 of 2023, on No Premium, No Cover, regarding insurers' remittance of premiums to reinsurers.
2. Section 5AA (1) of the cited instrument states that, "the receipt of an insurance premium shall be a condition for a valid contract of insurance and there shall be no cover in respect of an insurance risk unless the premium is paid in advance." Consequently, coverage is contingent upon the receipt of the premium.
3. For the purpose of clarity, kindly note that the above provisions also apply to transactions between insurers and reinsurers.
4. In this regard, a reinsurer cannot assume liability if an insurer has not remitted the premium.
5. Please be guided accordingly.

Grace Muradzikwa

**Commissioner of Insurance, Pension and Provident Funds**