



**Presentation by
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Presentation Outline



WHO WE ARE

Overall Functions

State of the Industry

Challenges

2021 Priorities

Appreciation

WHO WE ARE



IPEC is regulator in the Financial Services

- **A statutory body established in terms of the Insurance and Pensions Commission Act [Chapter 24:21]**

To regulate insurance and pensions business in Zimbabwe.

- **These include private Occupational Pension Schemes and the Individual Pensions Policies**

The Commission's principal function is to protect the interests, rights and benefits of insurance and pension consumers (policyholders and fund members)

To ensure that there is general stability of the insurance and pensions industry.

Our Vision and Mission



VISION

A safe vibrant
and sustainable
insurance and
pensions
industry by 2025

MISSION
*To regulate,
supervise and
develop the
insurance and
pensions industry for
the protection of
policyholders and
pension scheme
members through
regulatory
excellence."*

VALUES
Professionalism
Accountability,
Fairness, Integrity,
Excellence

Overall Functions



The Commission's main function is to oversee and ensure proper and efficient functioning of the insurance and pension industry in Zimbabwe.

To that end, the Commission performs the following functions;

- To register insurers, mutual insurance societies and insurance brokers in terms of the Insurance Act [Chapter 24:07];
- To regulate and monitor the business of insurers, mutual insurance societies and insurance brokers;
- To register pension and provident funds in terms of the Pension and Provident Funds Act [Chapter 24:09]

Overall Functions



To regulate and monitor the management and administration of the pension and provident funds;

To monitor the activities of insurers, pension funds, intermediaries and other service providers to ensure adherence to applicable legal and regulatory frameworks

To inform the public on matters relating to insurance and pension and provident funds;

Overall Functions



To encourage and promote inclusive growth and development of the insurance and pensions industry

To protect the rights and interests of policyholders and pension scheme members;
and

To advise Government on insurance and pension and provident fund issues

State of the Industry - Insurance



Gross premiums amounting to ZW\$18.48 billion in 2020.

- **Increasing by 586% from ZW\$2.69 billion in 2019**
- **Translating to a real growth of 52.9%**

Registered Entities

- **Sector has 9 classes of business from life assurance, funeral assurance, short term insurance, composite insurers, microinsurance, reinsurers brokers and agents**
- **Registered entities increased by 9% from 1846 in 2020 to 2030 in 2019**

State of the Industry - Pensions



Industry has remained resilient during a difficult period

967 registered funds as at 31 December 2020

- Of which Inactive funds were 36.92%

Total income for the industry grew by 255% to ZW\$79.21 billion in 2020

Industry's asset base increased by 273% from ZW\$29.55 billion in December 2019 to ZW\$110.24 billion in December 2020.

- Good asset quality

The pensions industry's share of ZSE market capitalisation was 11.92% in 2020

Benefits being paid timeously for pensions it was ZW\$3.28 billion in 2020

Evolving Projects



ZICARP

- To modernize the risk and solvency assessment
- Own Risk Self-Assessment was launched in March and final ZICARP to launched in May 2021.

Mortality Tables Development

- Commission set up the Zimbabwe Mortality Tables Development Working Group
- Fundraising stage

Asset Separation

- Asset separation for life companies concluded

Guidance Paper

- Commission implementing requirements of the Guidance Paper

Evolving Projects



ZICARP

- To modernize the risk and solvency assessment
- Own Risk Self-Assessment was launched in March and final ZICARP to launched in Q2.

Mortality Tables Development

- Commission is spearheading the development of the Zimbabwe Mortality Tables
- The project is progressing well and now at fund raising stage

Asset Separation

- An Asset separation project was instituted in with the Acts
- Objective being to improve governance of the insurance and pension funds

Guidance Paper

- Objective being to ensure that revaluations gains from currency changes are passed to respective policyholders and pension fund members

Challenges



Increase in unclaimed benefits this is of great concern

Non-compliance on shareholding structure

Slow progress - legacy loss of value – pre-2009

Threat of self-insurance owing to low disposable incomes

Adverse impact of COVID 19 on labour, which affects pension and insurance contracts

Increase in inactive funds

2021 Priorities



Transition to risk based supervision

Improve governance and disclosure requirements

Strengthen institutions
- Enact 3 bills (IPEC, Insurance & Pension bills)

Conclude 2009 compensation & implement 2019 compensation

Continuous review of current administration models and products for relevance

Align the three pillars of pension provision in Zimbabwe (NSSA, occupational & private pension provision)

Improve provision of micro-insurance and micro-pensions

