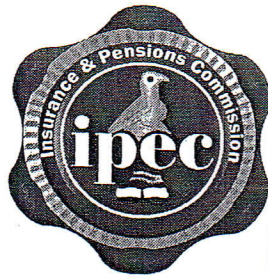


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**INSURANCE & PENSIONS  
COMMISSION**  
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84-86 Kwame Nkrumah Avenue  
Harare  
Zimbabwe

P.O. Box HR 6773

January 09, 2008

Circular Number 1 of 2008

TO: INSURANCE COUNCIL OF ZIMBABWE (ICZ)  
ZIMBABWE ASSOCIATION OF REINSURANCE ORGANISATIONS (ZARO)  
LIFE OFFICES ASSOCIATION OF ZIMBABWE (LOA)  
ZIMBABWE ASSOCIATION OF FUNERAL ASSURERS (ZAFA)  
ZIMBABWE ASSOCIATION OF INSURANCE BROKERS (ZIBA)

### **MARGIN OF SOLVENCY**

1. Further to our Circular Number 3/2005, insurance companies registered with the Insurance and Pensions Commission in terms of Section 24 of the Insurance Act [Chapter 24:07] must submit quarterly returns of their solvency margins by the 21<sup>ST</sup> of the first month of the succeeding quarter.
2. The returns must be submitted by Insurance Council of Zimbabwe (ICZ) and Zimbabwe Association of Reinsurance Organizations (ZARO) members while the rest of the addresses are being sent this circular for information only at this stage while we are still figuring out what their own returns should contain.
3. Attached is the prescribed format for your submissions. Please note that because of the delay in dispatching this circular, we require the 4<sup>TH</sup> quarter of 2007 return to reach IPEC by the 30<sup>TH</sup> of January 2008. Thereafter the information should be supplied as per paragraph 1 of this circular.

*M.S. Mpofu*  
M.S. Mpofu (Mrs.)

**COMMISSIONER OF INSURANCE AND PENSIONS**

**Insurance Act [Chapter 24:07]**

Insurance Regulations, 1989

Name of Insurer or Reinsurer.....

**SOLVENCY CHECK AS AT QUARTER ENDING .....**

- A Total Assets
- B Total Liabilities
- C Excess of Assets over Liabilities (A less B)
- D Gross Premium Written
- E Premium ceded
- F Net Premium Income (D Less E)
- G 25% of Net Premium Written (25% of F)
- H Shareholders' Funds
- I Safety Margin (H Less I)
- J % Solvency Margin  $(F/H)*100$

The above statements reflect a true and fair value to the best of my knowledge

**Signed**

Principal Officer ..... Date.....

Finance Manager..... Date.....