



Insurance & Pensions Commission



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TO: All Insurers (Insurance Companies, Reinsurers, Mutual Societies)

All Insurance Brokers

CC: Insurance Council of Zimbabwe

Life Offices Association of Zimbabwe

Insurance Brokers Association of Zimbabwe

Zimbabwe Association of Reinsurance Offices

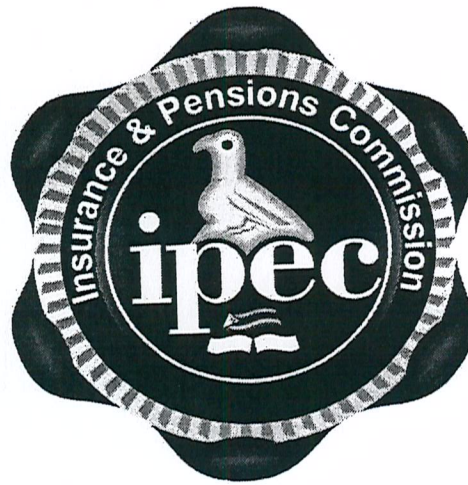
MINIMUM DISCLOSURE GUIDELINES FOR INSURERS AND INSURANCE BROKERS

1. This circular is issued in terms of section 5 and 6 (b) & (c) of the Insurance Act [Chapter 24:07] and applies to all insurers and brokers that are registered in terms of the Insurance Act [Chapter 24:07].
2. As a means of promoting disclosure of information, which is critical for fostering transparency, access to information for stakeholders and confidence building, the Insurance and Pensions Commission has developed the "Minimum Disclosure Guidelines" for Insurers and Brokers
3. The Minimum Disclosure Guidelines set out the minimum disclosures expected from insurers and brokers.
4. All registered insurers and brokers are directed, with immediate effect, to comply with the Minimum Disclosure Guideline which is attached hereto.

G. Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS

INSURANCE AND PENSIONS COMMISSION



MINIMUM DISCLOSURE GUIDELINES

FOR

INSURERS & INSURANCE BROKERS

Scope of Application

This Guideline, which is issued in terms of section 5 and 6(b) & (c) of the Insurance Act [Chapter 24:07], applies to all insurers and brokers that are registered in terms of the Insurance Act [Chapter 24:07].

In this Guideline, the term insurer means all registered insurers, reinsurers and mutual societies supervised by IPEC under the Insurance Act [Chapter 24:07].

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1. INTRODUCTION

Information disclosure is fundamental for transparency and confidence building in the financial services sector by reducing information asymmetry. It is also critical in enhancing market discipline, facilitating informed decision making, and incentivising the adoption of sound corporate governance and risk management practices and prudent internal control systems in the conduct of insurance business.

Disclosure information should be timely, reliable, comprehensive, accessible, relevant, comparable and consistent. This is particularly important for the insurance industry given the second policyholder loss of value in a decade following the recent currency reforms.

Section 5 of the Insurance Act [Chapter 24:07] provides for the objects which the Commissioner is supposed to have regard to at all times in the performance of the functions conferred upon him / her, the objects include:

- Protection of the rights, benefits and other interests of policyholders and beneficiaries;
- Monitoring of the solvency of insurers and the maintenance of sound insurance principles and practices in the conduct of insurance business in Zimbabwe; and
- The regulation and strengthening of the insurance market in Zimbabwe.

Against this statutory background, the Insurance and Pensions Commission has developed minimum disclosure requirements for insurers and brokers.

2. OBJECTIVES

The guidelines which have been developed in line with the ZICARP Pillar III relate to supervisory reporting and public disclosure. The objectives of the guidelines are as follows:

- i. To ensure the disclosure of timely and sufficient information to facilitate informed decision making by stakeholders;
- ii. To ensure that Boards of Directors and senior management maintain oversight over disclosure information by insurers;
- iii. To ensure that the scope of disclosure is related to the size and nature of activities of the insurer (proportionality principle).
- iv. Support confidence building initiatives, instil market discipline and empower prospective policyholders and investors in making

informed decisions. The disclosure requirements will also ensure an effectively supervised, safe and sound insurance industry.

- v. Improve compliance with international standards and conventions to which Zimbabwe is a signatory and, which, if not complied with have serious ramifications in the form of sanctions from the international community. Zimbabwe, being a member of the East and Southern African Anti Money Laundering Group (ESAAMLG), a Financial Action Task Force (FATF) Regional Style Body is required to uphold the FATF standards.

In accordance with the FATF standards, financial service providers are required to comply with the provisions of the Money Laundering and Proceeds of Crime Act [Chapter 9:24], particularly Sections 30 and 77.

Non-compliance with the FATF standards attract sanctions that isolate such countries from transacting with the countries that have implemented its recommendations and related conventions. Other conventions include the East and Southern African Anti-Money Laundering Group (ESAAMLG). Insurers are required to disclose relevant AML/CFT information to both the Commission and the Financial Intelligence Unit (FIU).

3. DISCLOSURE POLICY

Every insurer shall develop and maintain a formal disclosure policy, approved by its Board of Directors, which at a minimum, should, meet the disclosure requirements contained in this guideline. The policy should provide details of all areas of disclosure by the insurer.

The disclosure policy should provide for the Board and/or senior management oversight over the information to be published. Disclosure information should be verified for accuracy before dissemination. While disclosure requirements are standard, the scope of disclosure will vary depending on the size and nature of activities of the insurer. The disclosure policy should specify the disclosures that are relevant to the insurer based on materiality and appropriateness.

All insurers are expected to provide sufficient, timely and detailed information that allows stakeholders to make informed decisions based on their assessment of the insurer's financial condition, performance, business activities, risk profile, risk management practices, corporate governance and compliance programmes.

4. MINIMUM DISCLOSURE AREAS

Every insurer's Disclosure Policy must have the following four (4) minimum disclosure components:

- a. Financial Statement Disclosures,
- b. Solvency and Financial Condition Reports, Regular Supervisory Report, and Quantitative Reporting Templates,
- c. Disclosure to Policyholders, and
- d. General Administrative Disclosure Requirements

4.1. Financial Statement Disclosures

The following broad areas constitute the minimum financial statement disclosures expected of every insurer when reporting its year-end results:

- a) Chairman's statement;
- b) Auditor's report;
- c) Finance Director's report;
- d) Financial statements comprising of:
 - Statement of financial position and statement of comprehensive income;
 - Statement of changes in equity;
 - Cash flow statement; and
 - Maturity profile of assets and liabilities.
- e) Notes comprising a summary of accounting policies and other explanatory notes;
- f) Capital adequacy and solvency position;

In addition to the general disclosure requirements outlined above, the following specific disclosures should be made in the financial statements: -

4.1.1 Statement of Financial Position

Unless exempted, in writing, by the Commissioner of Insurance, every insurer shall publish a Statement of Financial Position relating to the previous financial year within six (6) months from the end of its financial year.

In addition, the Statement of Financial Position should clearly include a statement certifying the proportion of policyholder and shareholder funds to the total balance sheet size for the previous three years.

The contents of the Statement of Financial Position should conform to the requirements of International Financial Reporting Standards.

4.1.2 Statement of Comprehensive Income

The scope and contents of the income statement should comply with applicable International Financial Reporting Standards. The following minimum disclosures shall be made in the income statements and / or accompanying notes:

- a. gross premium (local market);
- b. gross premium (offshore);
- c. reinsurance outwards;
- d. net premium earned;
- e. unearned premiums;
- f. claims provisions (claims incurred & IBNR);
- g. commission earned;
- h. commission paid out;
- i. operating / administrative expenses;
- j. total expenses (claims incurred, commission and operating expenses);
- k. operating / technical result;
- l. investment income;
- m. rental income;
- n. interest;
- o. dividend income;
- p. dividend payments;
- q. management fees income;
- r. investment management costs;
- s. foreign exchange gains/loss;
- t. profit/loss on financial assets;
- u. profit before taxation;
- v. taxation;
- w. profit after tax;
- x. opening retained earnings, and

- y. retained profit for the year.

4.1.3 Cash Flow Statement

The cash flow statement for insurers should have the following broad headings;

- a. Cash flows from Operating Activities
- b. Cash flows from Investing Activities
- c. Cash Flows from Financing Activities
- d. Net increase in cash and cash equivalents
- e. Cash and equivalents at beginning of period
- f. Effect of exchange rate changes on cash and equivalents
- g. Cash and equivalents at close of period

4.1.4 Statement of Changes in Equity

The statement of changes in equity for insurers should show the following:

- a. profit or loss for the period;
- b. each item of income and expense for the period that, as required by other Standards or by Interpretations, is recognised directly in equity, and the total of these items;
- c. total income and expense for the period (calculated as the sum of total amounts attributable to equity holders of the parent and to minority interest; and
- d. for each component of equity, the effects of changes in accounting policies and corrections of errors recognised in accordance with IAS 8. An entity shall also present, either on the face of the statement of changes in equity or in the notes:
 - i. the amounts of transactions with equity holders acting in their capacity as equity holders, showing separately distributions to equity holders;
 - ii. the balance of retained earnings (i.e. accumulated profit or loss) at the beginning of the period and at the date of the statement of financial position, and the changes during the period; and
 - iii. Conciliation between the carrying amount of each class of contributed equity and each reserve at the beginning and the end of the period, separately disclosing each change.

4.1.5 Frequency and Timelines for Financial Statement Disclosures

The frequency and timelines for disclosure of information is given below:

Type of Disclosure Report	Disclosure Method	Due dates	Applicable to	To be Certified by
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Audited Financial statements including income statement, cashflow statement and statement of changes in equity	Submission of Audited financials to IPEC	30 June of each year	Registered insurers and brokers	External auditors, Board of Directors
Audited Financial statements - income statement, cash-flow statement and statement of changes in equity	To be published by the insurer in at least two (2) widely read local newspapers Publish on websire	30 June of each year after approval by IPEC to publish	Registered insurers	External auditors, Board of Directors
3.Unaudited Management Accounts	Submission of quarterly returns in the prescribed format to IPEC	21 January, 21 April, 21 July and 21 October of each year	Registered insurers and brokers	Principal Officer and Finance Director
4.Summarised financial statements (statement of financial position and income statement)	To be provided to clients at any of their offices on request	Upon request after publication of the results	Registered insurers and brokers	Principal Officer and Finance Director

5. SOLVENCY DISCLOSURES

The public disclosure by each insurer should contain the following reports at a minimum:

- a. Solvency and Financial Condition Report (SFCR);
- b. Regular Supervisory Report (RSR); and
- c. Quantitative Reporting Template (QRT) forms

Most of the contents of the SFCR and RSR are currently contained in the Actuarial Function Report, and insurers are now required to disclose aspects of AFR in the form of SFCR and RSR.

5.1. Reporting Frequencies

The reporting frequencies, submission formats, audit requirement, signing off requirements and target audience of the disclosure documents are tabulated below:

Report	Frequency of Reporting	Format for submission	Should it be audited?	Who signs off the document?	Target Audience
SFCR	Annually	Electronic copy via company website	Recommended for audit	Approval by Board of Directors,	Public document

RSR	Once every three (3) years	Electronic copy	No	Approval Board Directors	by of	Regulator
QRTs	Quarterly	No changes to current requirements	No changes to current requirements	No changes to current requirements		No changes to current requirements

5.2. Outline of the SFCR and RSR

The following table outlines the characteristics of the SFCR and RSR reports:

RSR	SFCR
Stand-alone document submitted to the regulator	Standalone document made available to the public
The contents are directed to the regulator and hence are more detailed	The contents are directed to stakeholders and therefore the report should be simple and understandable
More focused information	Only public information should be disclosed

The following table outlines guidance on the preparation of the SFCR and RSR:

Section	Start Date	Notes	Reporting Requirement/document
A. Business and Performance			
Business profile and information	Immediate	New Requirement	SFCR and RSR
Underwriting performance	Immediate	New Requirement	SFCR and RSR
Investment performance	Immediate	New Requirement	SFCR and RSR
Performance of other activities	Immediate	New Requirement	SFCR and RSR
B. System of Governance			
General information on the system of governance	Immediate	Directive on Governance and Risk Management for Insurers	SFCR and RSR
Fit and proper requirements	Immediate	Directive on Governance and Risk Management for Insurers	SFCR and RSR
Internal control system	Immediate	Directive on Governance and Risk Management for Insurers	SFCR and RSR
Internal audit function	Immediate	Directive on Governance and Risk Management for Insurers	SFCR and RSR

Actuarial function	Immediate	Directive on Governance and Risk Management for Insurers	SFCR and RSR
Outsourcing	Immediate	Directive on Governance and Risk Management for Insurers	SFCR and RSR
C. Risk Management and Profile			
Risk Management system including Own Risk and Solvency Assessment (ORSA)	Launch of ZICARP	New Requirement	SFCR and RSR
Underwriting risk	Immediate	New Requirement	SFCR and RSR
Market risk (Including Investment credit risk)	Immediate	New Requirement	SFCR and RSR
Credit risk	Immediate	New Requirement	SFCR and RSR
Liquidity risk	Immediate	New Requirement	SFCR and RSR
Operational risk	Immediate	New Requirement	SFCR and RSR
Other material risks	Immediate	New Requirement	SFCR and RSR
D. Valuation Results for Solvency Purposes			
Assets	Immediate	New Requirement	SFCR and RSR
Technical provisions	Immediate	New Requirement	SFCR and RSR
Other liabilities	Immediate	New Requirement	SFCR and RSR
Alternative methods for valuation	Immediate	New Requirement	SFCR and RSR
Any other information	Immediate	New Requirement	SFCR and RSR
E. Capital Adequacy and Management			
Own Funds	Launch of ZICARP	New Requirement	SFCR and RSR
The Solvency Capital Requirement and Minimum Capital Requirement	Launch of ZICARP	New Requirement	SFCR and RSR
Use of the duration-based equity risk sub-module in the calculation of the SCR	Launch of ZICARP	New Requirement	SFCR and RSR
Differences between the standard formula and any internal model used	Launch of ZICARP	New Requirement	SFCR and RSR
Non-compliance with the MCR and non-compliance with the SCR	Launch of ZICARP	New Requirement	SFCR and RSR
Tiering of capital	Launch of ZICARP	New Requirement	SFCR and RSR

5.3. Outline of QRTS

Insurers are to continue submitting the current quantitative reporting templates ('QRT's') on current basis until further guidance following the launch of ZICARP.

6. CONTENTS OF THE SFCR AND RSR

The SFCR and RSR reports should disclose the following sections at a minimum:

1. Business performance;
2. System of governance;
3. Risk management and profile;
4. Valuation results for solvency purposes; and
5. Capital adequacy and management.

Sections 8.1 to 14 provide guidance on the disclosures referred in this section.

6.1. Disclosure on Business Performance

Insurers should disclose the following business performance information in the SFCR and RSR reports at a minimum:

- a. company profile and information;
- b. underwriting performance;
- c. investment performance; and
- d. performance on other activities.

Sections 9.1 to 9.4 provide guidance on the disclosures referred to in this section.

6.2. Company Profile and Information

Every insurer must publish information about its company profile which includes the nature of its business, a broad description of its key products, the external environment under which it functions, its aims and objectives and its strategies to achieve the objectives.

Additionally, insurers should describe the following:

- a) the name and location of the legal or the natural persons that are direct and indirect holders of qualifying holdings in the undertaking (including the immediate and ultimate parent entity or natural person), the proportion of ownership interest held and, if different, the proportion of voting rights held;
- b) A list of material related undertakings including:

- the name;
- legal form;
- country;
- proportion of ownership interest held and, if different, proportion of voting rights held;
- a simplified group structure.

6.3. Underwriting Performance

Each insurer should report on premiums, claims and expenses by business line and geographical location. Additionally, each insurer should provide high-level explanation on existing reinsurance covers.

6.4. Investment Performance

Every insurer should report on the investment performance of funds invested on behalf of policyholders and shareholders.

6.5. Performance of Other Activities

Every insurer should disclose in general other activities for example for leasing arrangements information in relation to each material leasing arrangement, separately for financial and operating leases.

6.6. DISCLOSURE ON SYSTEM OF GOVERNANCE

Insurers should disclose the following information on the system of governance in the SFCR and RSR reports:

1. general information on system of governance;
2. fit and proper;
3. internal controls;
4. internal audit;
5. actuarial function; and
6. outsourcing.

Sections 6.7 to 6.10 provide guidance on the disclosures referred to in this section..

6.7. General Information on System of Governance

Every insurer should report on the structure of administrative and management bodies. Additionally, insurers should make assessment system adequacy and are required to disclose material changes to the system of governance. Furthermore, each insurer should report on the remuneration policies and highlight the relationship between risk and remuneration.

6.8. FIT AND PROPER

Every insurer should disclose the process for assessing fitness and probity test for persons responsible for key functions and should disclose the minimum requirements for skills, knowledge and expertise of persons in key functions.

6.9. INTERNAL CONTROLS

Every insurer should provide an overview of internal controls. The report should cover the following:

- a. administrative and accounting procedures;
- b. delegation of responsibilities, reporting lines and segregation of duties; and
- c. integration of compliance function.

6.10. INTERNAL AUDIT

Every insurer should report on the operation and independence of the internal audit function.

6.11. ACTUARIAL FUNCTION

Every insurer should report on the responsibilities and objectivities of their actuarial function.

6.12. OUTSOURCING

Every insurer should report on the location and ownership of material service providers.

7. DISCLOSURE ON RISK MANAGEMENT AND PROFILE

Insurers should disclose the following information in the SFCR and RSR reports:

1. risk management system;

2. risk categories; and
3. details on self-insurance.

7.1. Risk Management System

Every insurer should disclose an overview of risk management systems including risk strategy and process to achieve compliance with risk appetite.

7.2. Risk Categories

Every insurer should report on its exposure, concentration, mitigation strategies, and level of sensitivity to the following risk categories at a minimum:

- a. underwriting risk,
- b. market risk,
- c. credit risk,
- d. liquidity risk,
- e. operational risk,
- f. asset liability modelling risks, and
- g. any other material risks.

For each risk category the insurer should provide details on recent historical development, its limits and risk appetite.

Material risk concentration: Every insurer should provide a description of the types and level of risk concentration for both assets and liabilities. Additionally, every insurer should describe the methods and assumptions used to arrive at quantitative data.

Risk mitigation: Every insurer should describe its risk mitigation strategy and methodology.

Sensitivity: Every insurer must perform and disclose a sensitivity analysis for each risk category and show how the profit and loss and equity will be affected by the risk.

7.3. Self-Insurance

To manage self-insurance risks, every insurer shall disclose a summary of the policies on self-insurance transactions, which should include the description of self-insurance in terms of:

- a. types of policies under self-insurance;

- b. applicable limits of liability;
- c. total gross exposure on all policies under self-insurance
- d. total net exposure on all policies under self-insurance
- e. total premiums on all policies under self-insurance
- f. Current claims experience per policy type for all policies under self-insurance policies and procedures for approving and monitoring these transactions.

8. DISCLOSURE OF REGULATORY STATEMENT OF FINANCIAL POSITION FOR SOLVENCY PURPOSES

SFCR and RSR reports produced by insurers should disclose the following information pertaining to the regulatory statement of financial position for solvency purposes: a) assets; and b) liabilities.

8.1. Assets

Every insurer should disclose its tradeable and non-tradeable assets and give a description of:

- a. types of assets;
- b. basis, methods and assumptions used for valuation;
- c. quantitative and qualitative explanation of differences to accounting valuation of assets;
- d. financial instruments and how they are valued; and
- e. differences between group and individual asset valuations.

8.2. Liabilities

Technical Liabilities

Every insurer should disclose its technical provisions. The report on technical provisions should include the following:

- a. amount of best estimate liabilities (split by line of business);
- b. key assumptions and methodologies used to value the liabilities;
- c. prior year comparisons (and report on any material changes); and
- d. differences between group and individual liability valuation.

OTHER LIABILITIES

Every insurer should disclose any other liabilities (besides technical provisions), and give a description of basis, assumptions and valuation methodology of

those liabilities. Additionally, insurers should report on differences between groups and individual liability valuations.

8.3. General Guidance on Liability Valuation

For each class of financial assets and financial liabilities, an entity shall disclose the fair value or market value of that class of assets and liabilities in a way that permits basic asset-liability matching permutations. Disclosure of fair value information shall include disclosures of the method(s) used in determining fair values and the significant assumptions made in its application.

An insurer is required to disclose the value of its insurance liabilities valued by an Appointed Actuary on annual basis together with the audited financial statements. The valuation must then be used for the purpose of calculating the insurer's Minimum Capital Requirements in accordance with the Insurance Regulations of 1989.

In determining the value of its insurance liabilities, an insurer (after taking advice from its Appointed Actuary) must determine the value for both its:

- a) outstanding claims liabilities and
- b) premiums liabilities

for each class of business.

The Insurance Liabilities Valuation Report must provide sufficient information in relation to the assumptions and methods used for the valuation of liabilities clearly indicating:

- a. the valuation process and results;
- b. any inherent limitations in the process and results; and
- c. the key risks pertaining to the insurance liabilities of the portfolio.

9. DISCLOSURES ON CAPITAL MANAGEMENT AND ADEQUACY

An insurer must hold sufficient capital which at a minimum should be least equivalent to the minimum capital requirements prescribed by IPEC from time to time.

As a minimum, capital disclosures shall contain the following information:

- d. The quantum of the capital as prescribed in the Insurance Act or its regulations;
- e. Comparative figures for the previous corresponding period;

- f. The insurer's objectives in managing minimum capital requirements as well as the extent of compliance with internal capital standards;
- g. An assessment of available capital to support current and future activities.

Insurers should continue disclosing on capital management and adequacy using existing regulations.

Every insurer shall report, in tabular form, the amount of capital held as at the end of the previous financial year breaking down the assets and liabilities as outlined below:

Assets / Liabilities	Market Value (\$)	Discount factor as per Statutory Instrument 95 of 2017	Current Adjusted Value	Previous Year's Value
Cash and money market instruments		100% admissibility		
Government securities or prescribed assets- government, parastatals, local authorities		100% admissibility		
Prescribed assets-private companies not related to Government		100% admissibility		
term deposits		100% admissibility		
quoted equities		20% admissibility		
Unquoted or private equities		non-marketability discount of 20% and illiquidity discount of 30%		
Property		As per the independent's forced sale price valuation		
Premium debtors		if they are aged less than sixty days from due date		
Administrative assets/ operational assets (e.g. funeral parlour, coffin manufacturer, coffins)		non-marketability discount of 20% and illiquidity discount of 30%		
Other assets (specify)-Other receivable		Other Investments (Intangible assets + other current asset + Account receivables)		
Other assets (specify)- Intangible assets		100% inadmissible		
Total Assets				
Liabilities				
Capital				

Further guidance on disclosure under capital management and adequacy will be rolled out when ZICARP is launched.

10. GROUP REPORTING REQUIREMENTS - SFCR

Groups are required to either produce an SFCR covering the group on its own, with each solo entity producing a separate SFCR, or it can submit a single return that includes not only the aggregate group position but also the information for each solo entity.

11. ADDITIONAL PUBLIC DISCLOSURE REQUIREMENTS

Insurers should disclose financial statements to the public over and above the SFCR, RSR, and QRT disclosure requirements. Additionally, insurers should disclose adequate information to policyholder (both existing and prospective policyholders) to help them make informed decision.

11.1. Disclosure to Policyholders

In addition to public disclosure requirements, it is the responsibility of every insurer to develop a mechanism to keep policyholders well informed and educated about insurance products, claims and complaint-handling procedures and in particular to ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall:

- be maintained from the point of sale and at periodic intervals during the subsistence of the insurance contract;
- put in place proper procedures and effective mechanism to address complaints and grievances of policyholders; and
- Ensure compliance with the statutory requirements as laid down in the regulatory framework.

11.2. Disclosures on Non-Compliance Issues

Every insurer or insurance broker shall disclose any issues of non-compliance with the Insurance Act, Regulations, Money Laundering and Proceeds of Crimes Act and other applicable laws. Among other issues, the disclosure statement should include violations relating to:

- a. the capital adequacy ratios below the prudential minimum thresholds:
- b. prescribed assets ratios below the statutory limits:

- c. non-compliance with minimum corporate governance standards as laid out in the Insurance Act or Regulations;
- d. Circulars, directives or guidelines issued by the Insurance and Pensions Commission or any other applicable enactments;

Every non-compliant insurer shall:

- a. disclose the causes of non-compliance;
- b. Provide a statement of the proposed compliance plans and timeframes for addressing the non-compliance.

Despite fully complying with the minimum guideline standards in this Guideline, it is the responsibility of the insurer to provide sufficient additional disclosures, should the need arise, in order to give a true and fair representation of the true status of the institution.

12. GENERAL ADMINISTRATIVE DISCLOSURE REQUIREMENTS

12.1. Proposal Forms

The insurance proposal form is an important and basic document required prior to the issuance of an insurance contract between the insured and insurer. From consumer protection as well as know-your customer point of view, a proposal form contains the insured's valuable information like address, age, name, education, occupation and insurance benefits expectation

Every insurer / insurance broker or agent shall put in place measures to ensure that proposal forms are completed and are well documented and authenticated before issuance of an insurance policy.

12.2. Policy Schedule

Every insurer or insurance broker / agent shall provide each insurance customer with a policy schedule. The policy schedule is an important disclosure document to third parties such as the regulator, arbitrators, the courts, The Policy wording is the terms and conditions and definitions of insurance coverage as they are written down in the insurance policy. Any ambiguity in an insurer's proposal form or policy wording will be construed against the insurer.

In order to avoid any disputes over risks covered, policy wordings must be precise, clear and written in plain easily-understandable language. Policy schedules, policy wordings (whether in electronic or physical format) should be received by policyholders within 14 (fourteen) working days from the date the

proposal form was signed by the proposer, beneficiaries and finance company or bank since it is a detailed record of the policy, including the level of cover, excess and details of other conditions.

Insurers should ensure that policy schedules (whether in electronic or physical format) are received by policyholders within 14 (fourteen) working days from the date the proposal form or renewal instructions were signed by the proposer.

12.3. Policy Wordings

The Policy wording is the terms and conditions and definitions of insurance coverage as they are written down in the insurance policy. Any ambiguity in an insurer's proposal form or policy wording will be construed against the insurer.

In order to avoid any disputes over risks covered, policy wordings must be precise, clear and written in plain easily-understandable language. Policy schedules, policy wordings (whether in electronic or physical format) should be received by policyholders within 14 (fourteen) working days from the date the proposal form was signed by the proposer.

12.4. Complaints Handling Procedures

The Insurance and Pensions Commission is aware of the efforts by the insurance industry to provide their customers with competitive services. However, occasionally it is possible that players may fail to meet policyholder's expectations.

An insurer shall disclose to its policyholders a Complaints Handling Procedure on its policy documents, notice board, website or other on-line platforms. The Complaints handling procedure should clearly show the contact details of their complaints handling officials such as the email address, physical address, mobile numbers and or other online portals.

The complaints handling procedure must spell out the format in which the complaints (whether electronic or physical) should be submitted.

Upon receipt, the insurer shall promptly acknowledge receipt and assure their client that they are dealing with the issue as a matter of urgency, providing expected timelines for addressing the complaint whilst divulging the contact details of the office of the arbitrator or IPEC in extreme cases.

12.5. Reinsurance Treaty and Proof of Payment

The Commission considers reinsurance treaty programs to be critical in risk mitigation. Accordingly, at the end of every treaty anniversary, the insurer, reinsurer or reinsurance broker shall furnish the Commissioner with copies of the treaty programs per cedant accompanied by proof of payment of such reinsurance treaties.

The Insurance and Pensions Commission reserves the right to cause a presentation by the insurer to clarify to the Commission further, on any issues related to the reinsurance programme submitted.

12.6. Display of Trading Licence

Every registered player shall display its operating licence issued by the Commissioner of Insurance on a conspicuous place in all its operating premises including branches.

From time to time, the Commission or its inspectors may carry out random checks on the display of licences in clearly visible places at the reception for all the offices and branches of registered entity.

13. IMPLEMENTATION OF THE GUIDELINE

This Guideline and any amendments thereto shall remain in force unless withdrawn, or cancelled by the Insurance and Pensions Commission.

14. EFFECTIVE DATE

The Guideline is effective from 17 February 2020.


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Grace Muradzikwa

Commissioner of Insurance, Pensions and Provident Funds

Dated 17 February 2020