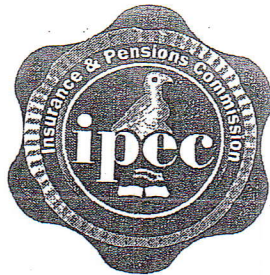


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Zimbabwe

May 14, 2009

Circular No. 3 of 2009

Insurance Council of Zimbabwe ( ICZ )

Zimbabwe Association of Reinsurance Organisation ( ZARO )

Zimbabwe Insurance Brokers Association ( ZIBA )

Zimbabwe Association of Funeral Assurers ( ZAFZA )

Life Offices Association ( LOA )

Fund Administrators

Multiple Agents

Re : MINIMUM CAPITAL REQUIREMENTS

1. Following the dollarization of the country's economy as per the Short Term Economic Recovery Programme ( STERP ), it has become imperative for all entities transacting insurance business to raise foreign currency denominated capital.
2. With this realization, all entities registered with the Insurance and Pensions Commission must have raised the requisite capital as per Table A attached, by the 1<sup>st</sup> January 2010.
3. The Insurance and Pensions Commission is also aware that there are some market players who have been writing business in foreign currency for net yet they have Zimbabwe dollar denominated capital. This obviously puts the insured at risk especially if claims arise before premiums paid in foreign currency are enough to meet claims.

4. In view of this, all registered entities are required to show proof to the Insurance and Pensions Commission that they have raised capital reserves by 31<sup>st</sup> July 2009 amounting to 25% of the proposed capital levels as per Table A attached [ Also see table 2 for guidance ] Moreover proof must be given as to how these capital reserves have been invested.
5. Associations are requested to present their comments on the above proposals within 14 days from the date of this circular.

Your co-operation in this matter is appreciated.

  
M.S. Mpofu

COMMISSIONER OF INSURANCE PENSION AND PROVIDENT FUNDS