



**Insurance and Pensions Commission**

Date of Issue: 11 February 2025

**Circular No. 5 of 2025**

**To: All Insurers and Reinsurers**

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

**Zimbabwe Association of Funeral Assurers (ZAFA)**

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

**Zimbabwe Association of Reinsurance Organisations (ZARO)**

**AMENDMENTS TO THE DIRECTIVE ON SYSTEM OF GOVERNANCE AND RISK  
MANAGEMENT FOR INSURANCE COMPANIES**

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1. In order to ensure continuous improvements in governance structures and systems and align to best practice, the Commission has made amendments to the Directive on Governance and Risk Management for Insurance Companies.
2. The following is a summary of the changes to the Directive:
  - a) Previously under paragraph 1.2, the Directive was issued in terms of Statutory Instrument 69 of 2020. To ensure that the Commission has powers to impose regulatory sanctions to enforce the provisions of the Directive, this has been expanded to read as follows:

“1.2. This Directive is issued in terms of section 6 (c) of the Insurance Act [Chapter 24:07] as read with section 3 of Statutory Instrument 69 of 2020

which empowers the Commissioner to formulate standards and practices for the conduct of insurance business with which registered insurers may be required to comply."

- b) By the insertion of a new paragraph under paragraph 1.2. which gives the Commission the right to exempt microinsurers from complying with any of the provisions stated in the Directive. The new paragraph should read as follows;

"1.3. The Commission reserves the right to exempt microinsurers from complying with any of the provisions stated in this Directive."

- c) By the insertion of a definition of a "senior manager" under paragraph 4.3.1. to read as follows;

"A senior manager means an individual who directly reports to the Principal Officer of an insurance company."

- d) By the insertion of an additional word, "or" between qualifications and experience for directors under paragraph 4.3.3 (b) (ii) to permit both requisite qualifications and corresponding experience or either of the two. ICT skills have also been added to the board's minimum requisite skills under the same paragraph and shall read as follows;

"4.3.3 (b) (ii) The Board of Directors must at least have individuals with qualifications and or experience in insurance and risk management, investment, legal, accounting and ICT."

- e) By the deletion of "board member or members" and substitution with "non-executive director" and insertion of a distinction to the term of office for directors to paragraph 4.3.4 of the Directive. The paragraph will now read as follows;

"4.3.4 No non – executive director shall sit on the board of directors of the same insurance company for more than two terms, provided that each term of office shall not exceed 5 years."

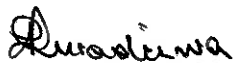
- f) Insertion of a new paragraph under paragraph 4.3.6 of the Directive to permit directors within the same group to sit on the boards of other

insurance companies within the same group. The new paragraph should read as follows;

"4.3.7 Notwithstanding the above, directors of insurance companies within the same group are permitted to sit on the boards of all other such insurance companies."

- g) By amendment to the definition of a Principal Officer of an insurance company under paragraph 4.17.4 of the Directive to include other qualifications and skills deemed appropriate by the Commission. The definition should now read;

"4.17.4 A principal officer shall be an individual who holds a minimum qualification of a diploma in insurance or an equivalent qualification from a recognized institution or any other such qualification or skills deemed appropriate, with at least five (5) years' experience in any senior position in any role within the insurance sector."

  
Grace Muradzikwa

**COMMISSIONER IF INSURANCE, PENSION AND PROVIDENT FUNDS**