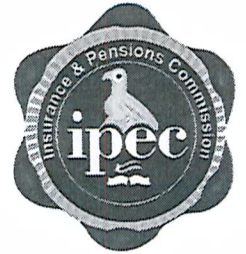


**Insurance & Pensions
Commission**



Date of Issue: 2 April 2020

Effective Date: 2 April 2020

Circular 7 of 2020

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

All Insurance Brokers

CC: Insurance Council of Zimbabwe

Life Offices Association of Zimbabwe

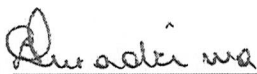
Insurance Brokers Association of Zimbabwe

Zimbabwe Association of Reinsurance Offices

**PAYMENT OF PREMIUMS IN FOREIGN CURRENCY FOR ZIMBABWE DOLLAR
PREMIUMS IN LINE WITH STATUTORY INSTRUMENT 85 OF 2020 AND EXCHANGE
CONTROL CIRCULAR NO. 3 OF 2020**

1. As part of measures to mitigate financial vulnerabilities caused by the novel corona virus (commonly referred to as COVID-19), the Government issued Statutory Instrument 85 of 2020 to facilitate payment for goods and services chargeable in Zimbabwe dollars, in foreign currency using free funds at the prevailing rate on the date of payment.
2. As a result, policyholders may now pay their insurance premiums in foreign currency using free funds at the prevailing rate on the date of payment. This means that in respect of policies that are denominated in Zimbabwe dollars, policyholders may pay their premiums in foreign currency as provided for in S.I 85 of 2020.
3. For the avoidance of doubt, the provisions of S.I 85 should not in any way be misconstrued as authorisation to issue foreign currency denominated policies.

4. Instead, as is clearly articulated in section 6 of S.I. 85 of 2020, policyholders have an option to pay their premiums, which are chargeable in Zimbabwe dollars, in foreign currency using free funds.
5. Thus, with the exception of policies that are expressly denominated in foreign currency as authorised in terms of Statutory Instrument 212 of 2019 and IPEC Circular 13 of 2019, all other policies shall remain Zimbabwe dollar denominated policies.
6. The amount of the premium in foreign currency must be determined in reference to the Zimbabwe dollar amount, at the ruling rate on the date of payment. Policyholders who wish to pay their premiums in Zimbabwe dollars can continue to do so as normal.
7. It should be noted that the measures outlined in Statutory 85 of 2020 are a reprieve to the adverse impacts of COVID-19, and are expected to be reviewed when the situation improves.
8. All insurers and insurance brokers are required to comply with the provisions of Statutory Instrument 85 of 2020 and Exchange Control Circular No.3 with respect to treatment of receipts of premiums in foreign currency.



Grace Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS