

Insurance & Pensions Commission Baseline Survey Final Report



04 December 2019

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1.0: Research Background



- ❑ The Insurance and Pensions Commission (IPEC) was established in terms of the Insurance and Pensions Commission Act [Chapter 24:21], to regulate the insurance and pensions industry to develop the industry for protection of insurance policyholders and pension fund members' interests.
- ❑ Consumer protection is at the heart of the Commission, hence, the Commission's vision is to achieve a safe, vibrant and sustainable insurance and pensions industry by 2022.
- ❑ IPEC has noted with concern a situation where pensioners are not claiming their benefits as expected.
- ❑ As at 30 June 2019, about 52, 150 members had unclaimed benefits.
- ❑ Uptake of insurance and pensions has been very low with other customers lapsing for the past 3 years. Hence, the need to understand underlying reasons for this phenomenon.
- ❑ In line with its mandate, IPEC commissioned a survey to determine baseline data on the awareness and uptake of insurance products as well as consumer perceptions.
- ❑ The information from this survey helps IPEC in its intervention as a regulator of the sector.

1.1: Research Objectives

- ☐ Establish awareness & knowledge of insurance and pension products & services and sources of information;
- ☐ Identify other means consumers use to provide for their financial security;
- ☐ Measure uptake (usage) and consumer perceptions of insurance and pension products & services;
- ☐ Identify factors driving or hindering uptake of insurance and pension products & services;
- ☐ Measure levels of consumer satisfaction with insurance and pension products & services;
- ☐ Identify causes of dissatisfaction (Pain points) among consumers of insurance and pension products & services;
- ☐ Gauge stakeholders awareness and perception of IPEC &
- ☐ Recommendations on measures that IPEC can implement to increase awareness and uptake of insurance and pension products & services;

2.0: Research Design



- ❑ The study was designed with a national scope covering all the country's 10 provinces engaging both urban and rural people.
- ❑ The research was conducted through qualitative and quantitative research techniques.
- ❑ The qualitative component comprised of 18 In-depth interviews (IDIs) with high-level stakeholders and 10 focus group discussions with consumers and non-consumers of insurance & pension products,
- ❑ The quantitative phase on the other hand had a total sample of 3 200 interviews split between individual customers (3 000) and informal sector (200). The minimum respondents age was 16 as this is the legal age permissible according to Zimbabwe laws.
- ❑ The informal sector was included because of the appreciation that the Zimbabwean economy is largely informalized. Their views, therefore, were crucial to the subject.

2.1: Sampling procedures



(i) Individual segment:

National – Province – District – Enumeration Area – Household – Participant

- The EAs provided by ZIMSTAT were primary sampling units (PSUs).
- In the first stage EAs were selected using Probability Proportional to Size (PPS) sampling method.
- Second stage sampling involved systematic random sampling of properties.
- Random method KISH GRID was then used in the third stage to select 10 households and participants in each selected EA.

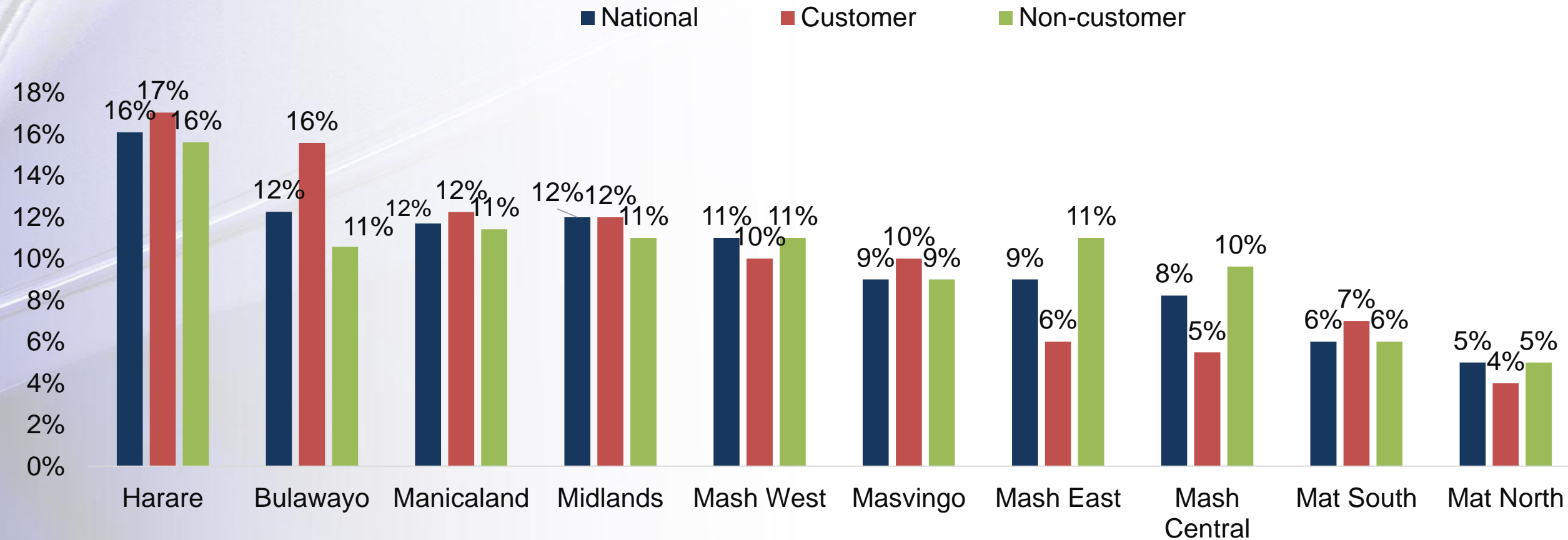
(ii) Informal market segment (SMEs):

- The sample was designed to cover 5 main cities of Zimbabwe that is Harare, Bulawayo, Gweru, Mutare and Masvingo.
- SMEs, mainly in the informal market were targeted in areas such as Magaba and Glenview 8 in Harare.



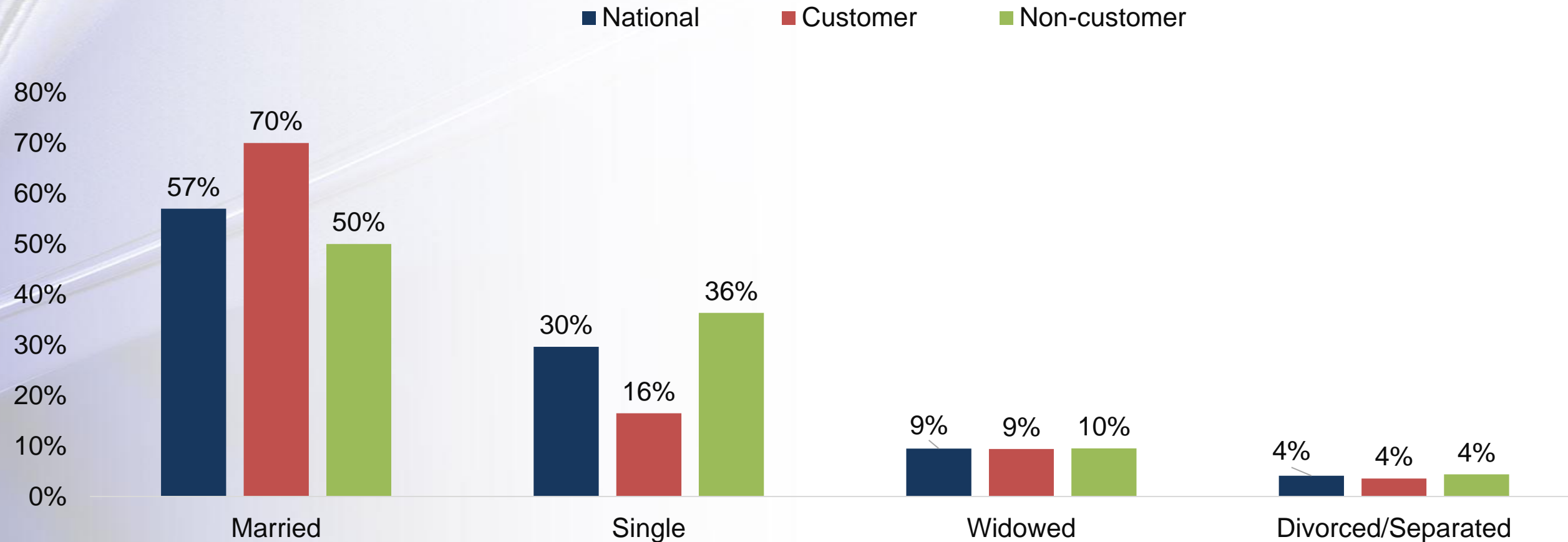
3.0: Demographics

3.1: Respondent profile by area



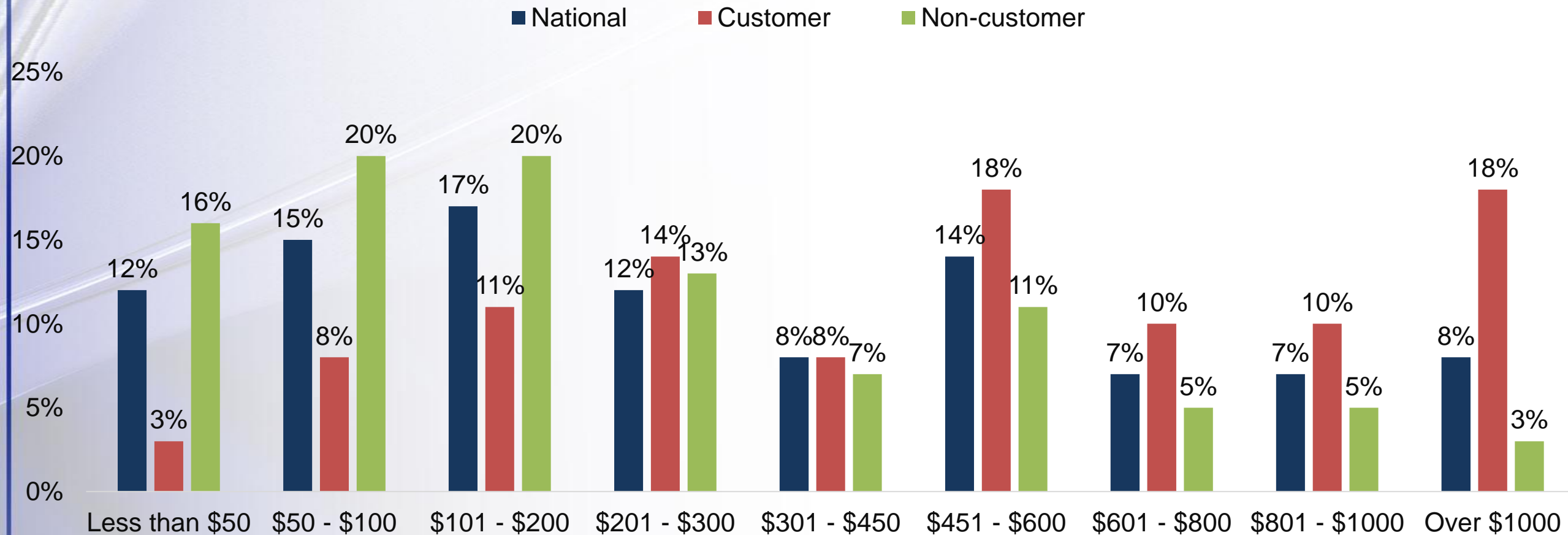
- By design the sample was skewed towards the two main cities that is Harare and Bulawayo.
- However, interestingly, there were different dynamics across provinces.

3.2: Marital status



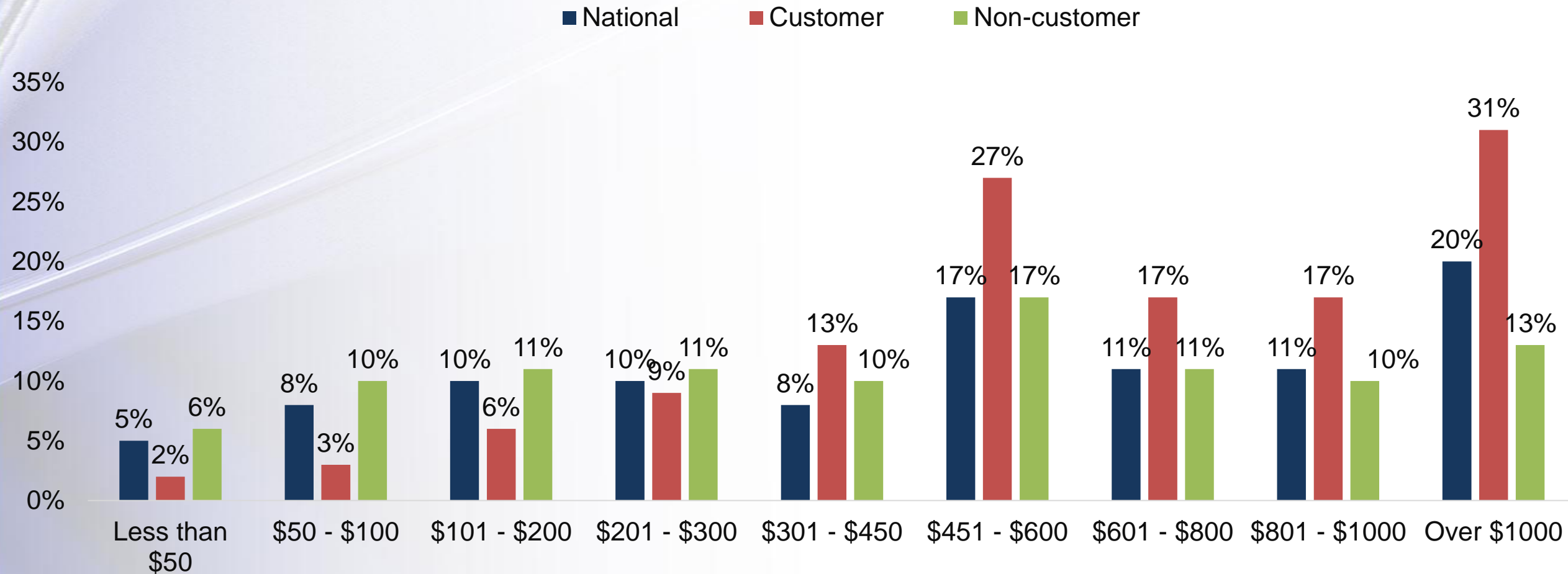
- The market is largely married followed by the single segment.
- Insurance/pension customers have higher proportion in the married segment than non-customers.
- Non-customers have the highest proportion of single people compared to current customers.

3.3: Respondent profile by personal income



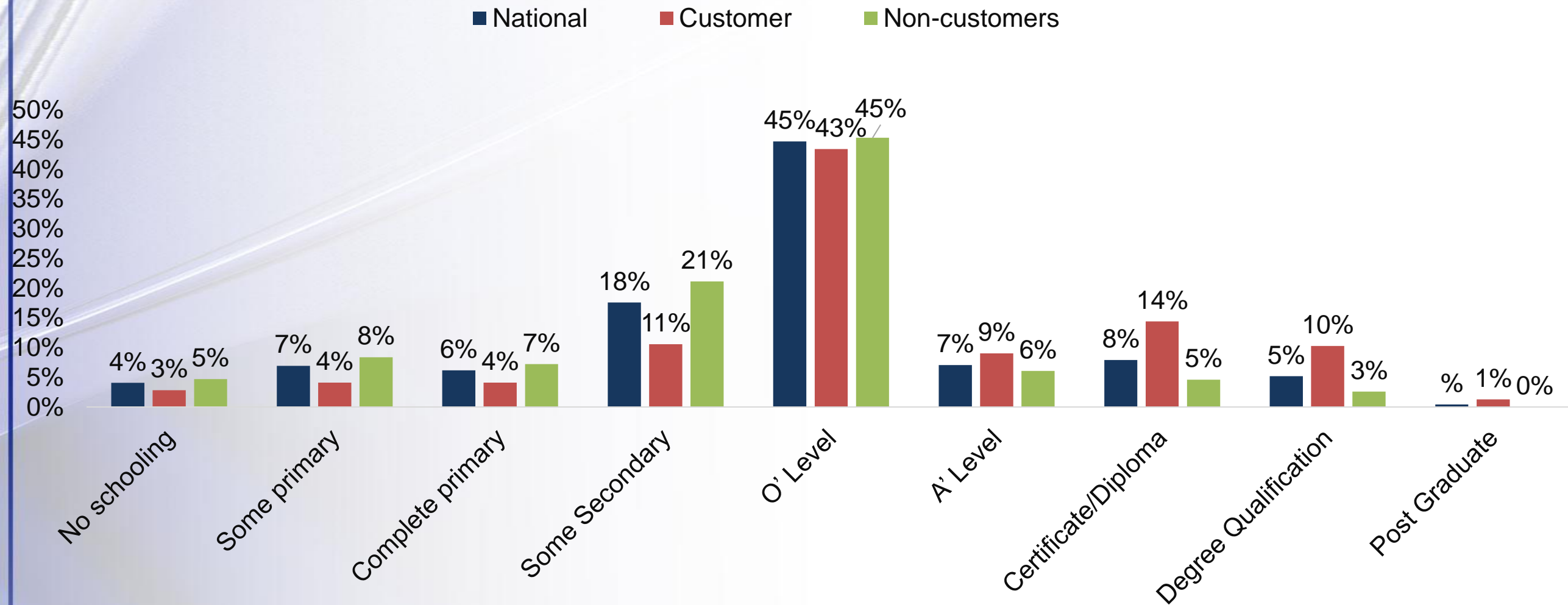
- Income levels were quite suppressed.
- However, current insurance/pension customers had a higher income profile than non-customers which points to the fact that affordability or price remains an issue in the insurance and pensions industry.

3.4: Respondent profile by household income



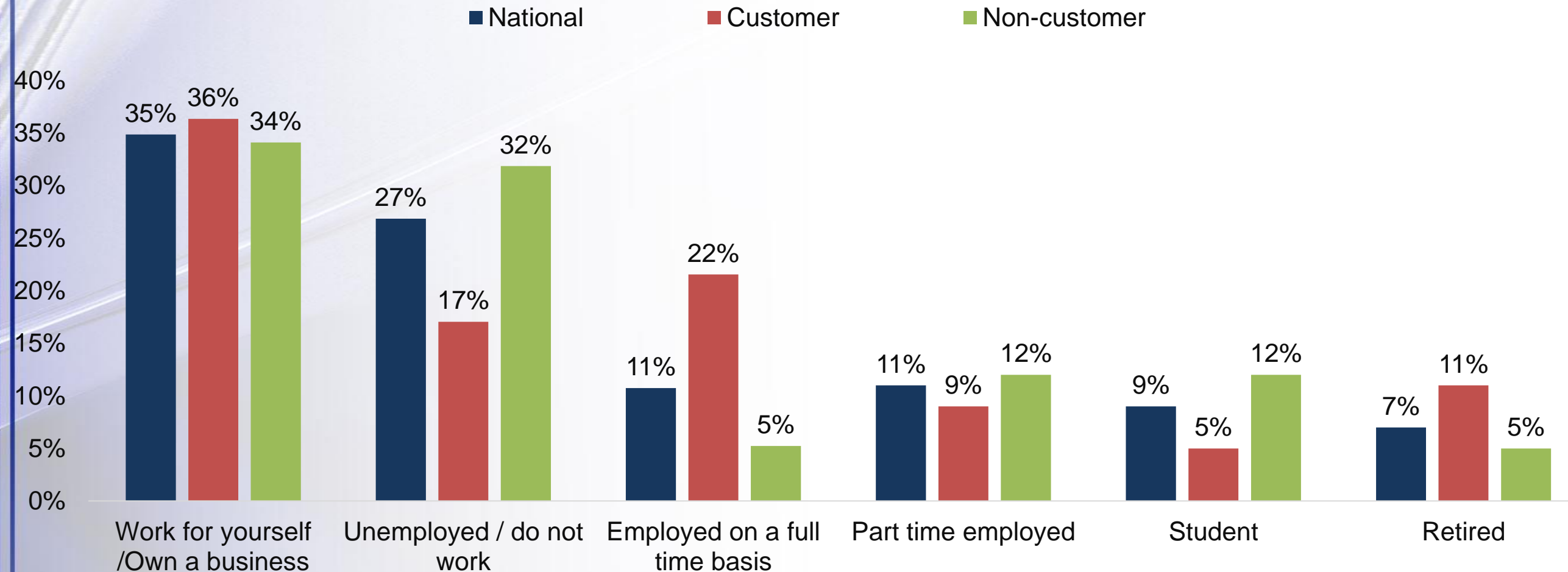
- Household income levels were also very low.
- Current customers still had the highest income compared to non-customers.

3.5: Respondent profile by education



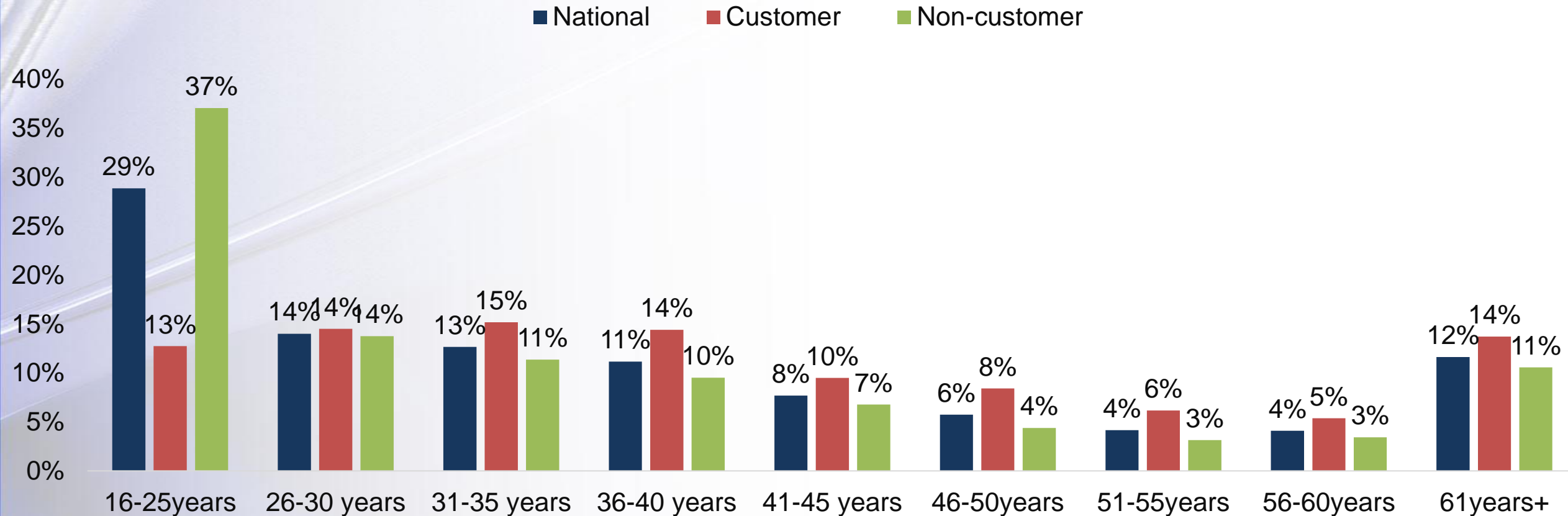
- The market high levels of general literacy where only 4% have not gone through school at any point in life.
- Current customers were more educated than non-customers which points towards knowledge as the key driver for usage.

3.6: Respondent profile by occupation



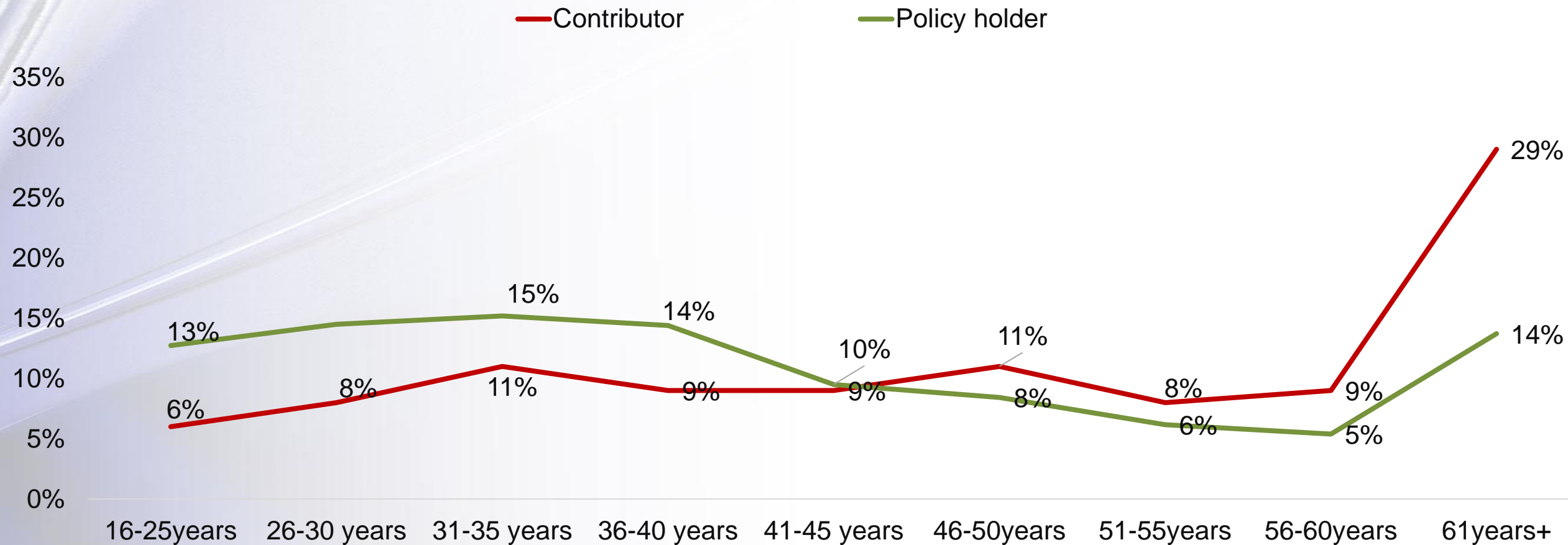
- The market is largely self-employed (35%) followed by the unemployed segment (27%) which is bigger among non-customers.
- Current insurance or pension customers had a higher proportion in the fulltime employment than non-customers.

3.7: Respondent profile by age



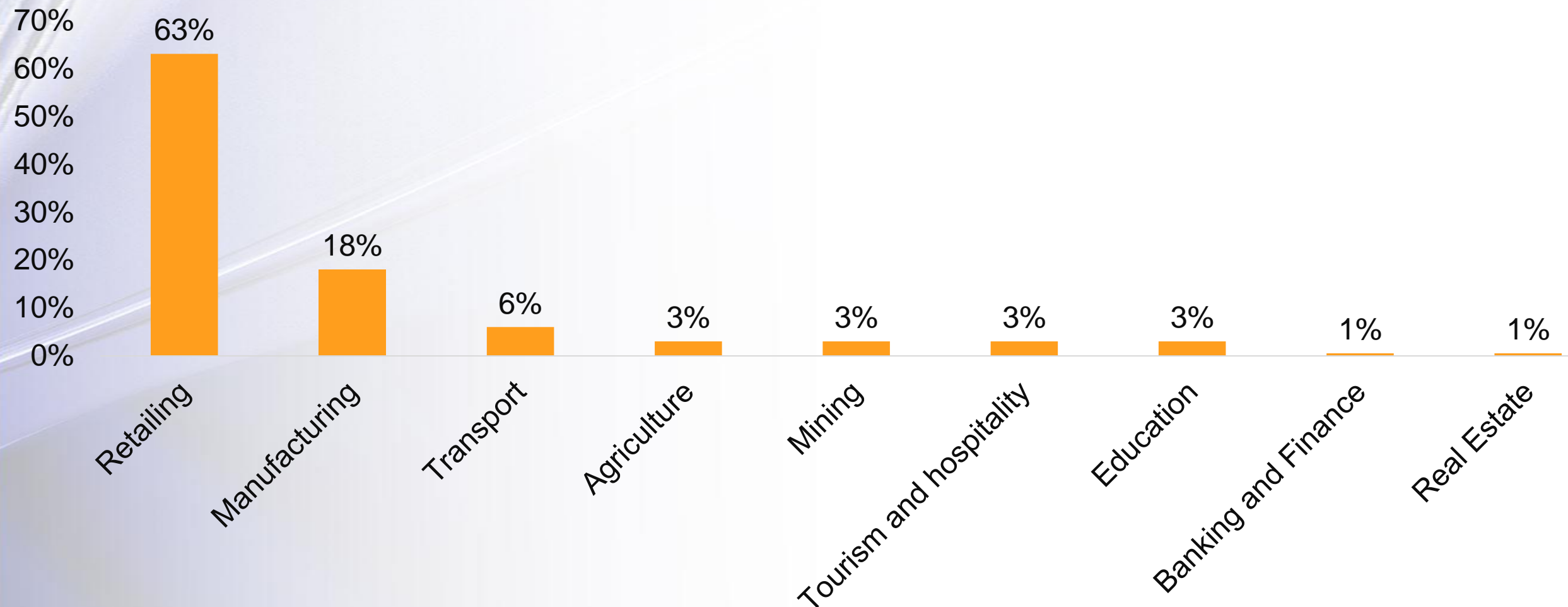
- Trends in the graph above indicate that insured people have a much older age profile than those who are neither on pension nor insurance.

3.7.1: Pension contributor & Policy holder profile by Age



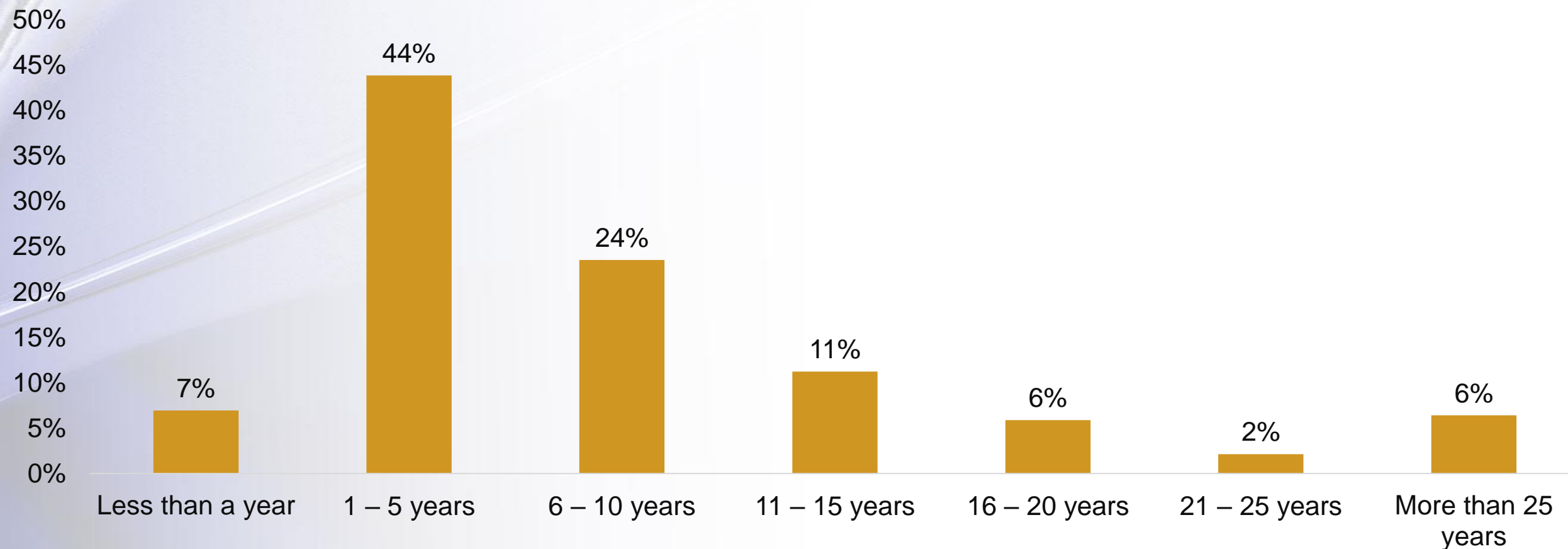
- Trends in the graph above indicate that pension members were of the older age profile.
- On the other hand, policy holders had a much younger age profile.

3.8: Informal market respondent profile by sector



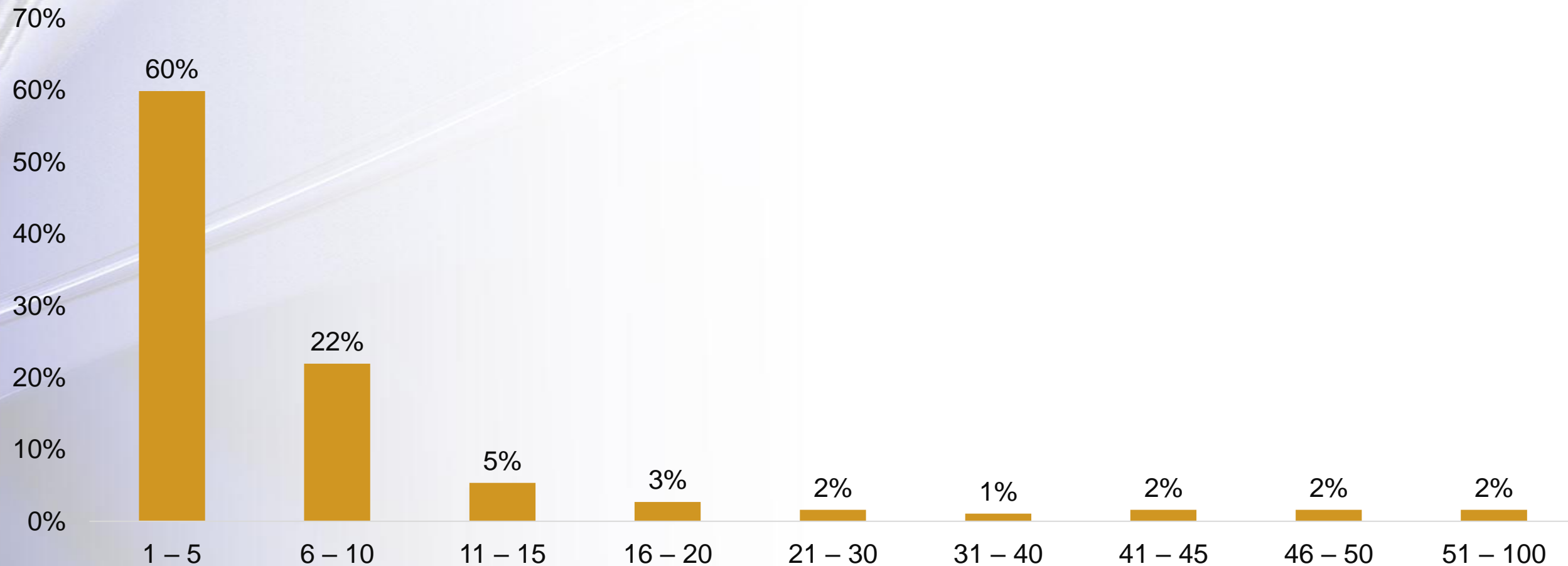
- Retail (63%) was the biggest sector followed by manufacturing (18%).
- This shows that the country has become a retail economy and this could be where majority of the people spent their income on especially food products.

3.9: Informal market respondent profile by years of operation



- Majority of SMEs (44%) engaged had been in business for a period of 1 - 5 years.

3.10: Informal sector respondent profile by number of employees



- Majority of SMEs engaged had between 1 and 5 employees followed by those who had 6 to 10 people.



4.0: Psychographics

4.1: What do you value the most in life?

"**Education** because if you keep on learning you will stay open minded. I also value *sound health* which means that you have to have good food."
(16-35yrs)

"I value **God** a lot because he is good all the time, my family, children and also value young children mostly."
(36-55yrs)

"I value my life, good health and **my family** is my first priority in whatever I do."
(35-55yrs)

"I have two children. I value my children, God and **my house**. looking for money."
(16-35yrs)

4.2: What is your greatest fear in life?

"I fear **not being able to take care of my children**. Our country is facing hardships so I am just wishing to be able to cater for their needs."
(36-55yrs)

"I fear **uncertain future**. In the event that I am not there will my children and wife still be able to live the good life they used to live when I was there." (36-55yrs)

"**I fear getting sick** because it inconveniences a lot of people who come to visit you. You may not find money to pay for medical bills with this current economy."
(16-35yrs)

"**Death** is my greatest fear because I am still young and also have a young child. If I die I don't even have a house. I don't have anything I call mine (belonging). So if I die I wonder how my child will sustain or survive when I don't have anything." (16-35yrs)

"**I fear losing value** especially properties because death is inevitable. One way or the other it is going to happen. I cannot worry about something I have no control over but I can control my properties." **(36-55yrs)**

4.3: When I say, '*Financial security*' or '*Wealth creation*'?



"Mostly for a person to be called wealthy it means they have a lot of things so that means **savings**, gathering of a lot of things and then security is guaranteed. At times with **savings** you are also thinking of your **future**, how you can you take care of the future." (36-55yrs)

"I think of **financial literacy**. Because you cannot create finance without the knowledge of how to do it. You have to understand how finance works." (16-35yrs)

"The moment you hear the word financial security you can think of **risks or losses**. It is very possible to have the money or property you have stolen from you or to lose it." (36-55yrs)

"On financial security I also think of **Insurance** in terms of Life cover. It can include wealth creation and can take care of generations to come." (16-35yrs)

"On wealth creation my mind thinks of **inheritance**. So I think of writing my will because if it is not written people might misuse my things when I am gone or my children will be taken advantage of." (16-35yrs)



5.0: Insurance

5.1: What comes to mind when I say, “Insurance”?

- **Types of insurance**
- **Accidents/Unforeseen disasters.**
- **Compensation.**
- Security.
- Safety.
- Expensive products (For the rich).
- Benefits of insurance.
- Protection/cover from loss.
- Pension.

“Not all hope is lost if anything happens because you will be **compensated**. You might encounter a problem or get involved in an accident but you can get something out of it. Accidents happen without planning for them.” (16-35yrs)

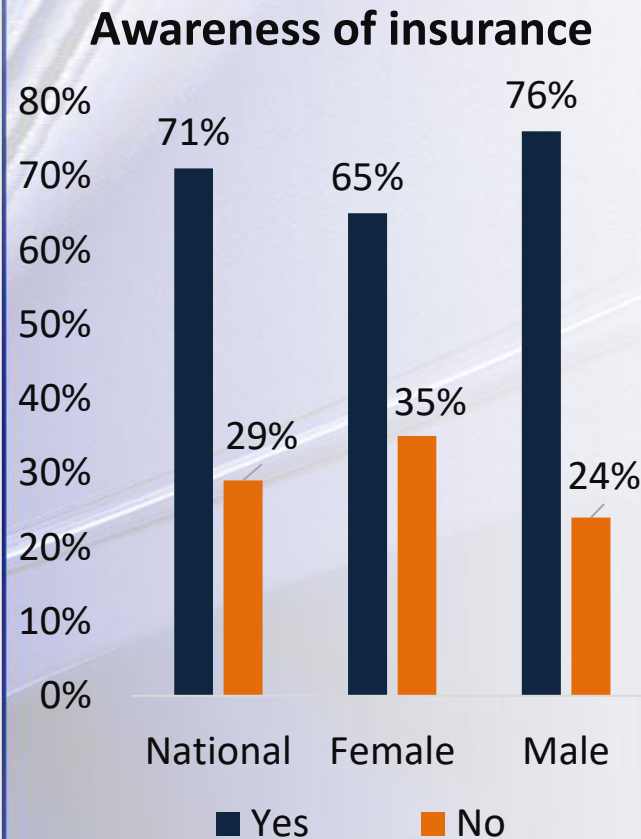
“I think of **types of insurance** where people who insure their cars or houses.” (16-35yrs)

“I think of being insured against **unforeseeable disasters**. For example maybe I had planted Tobacco and it is destroyed by hail storm. Moreover, I was expecting to get foreign currency from selling that tobacco.” (36-55yrs)

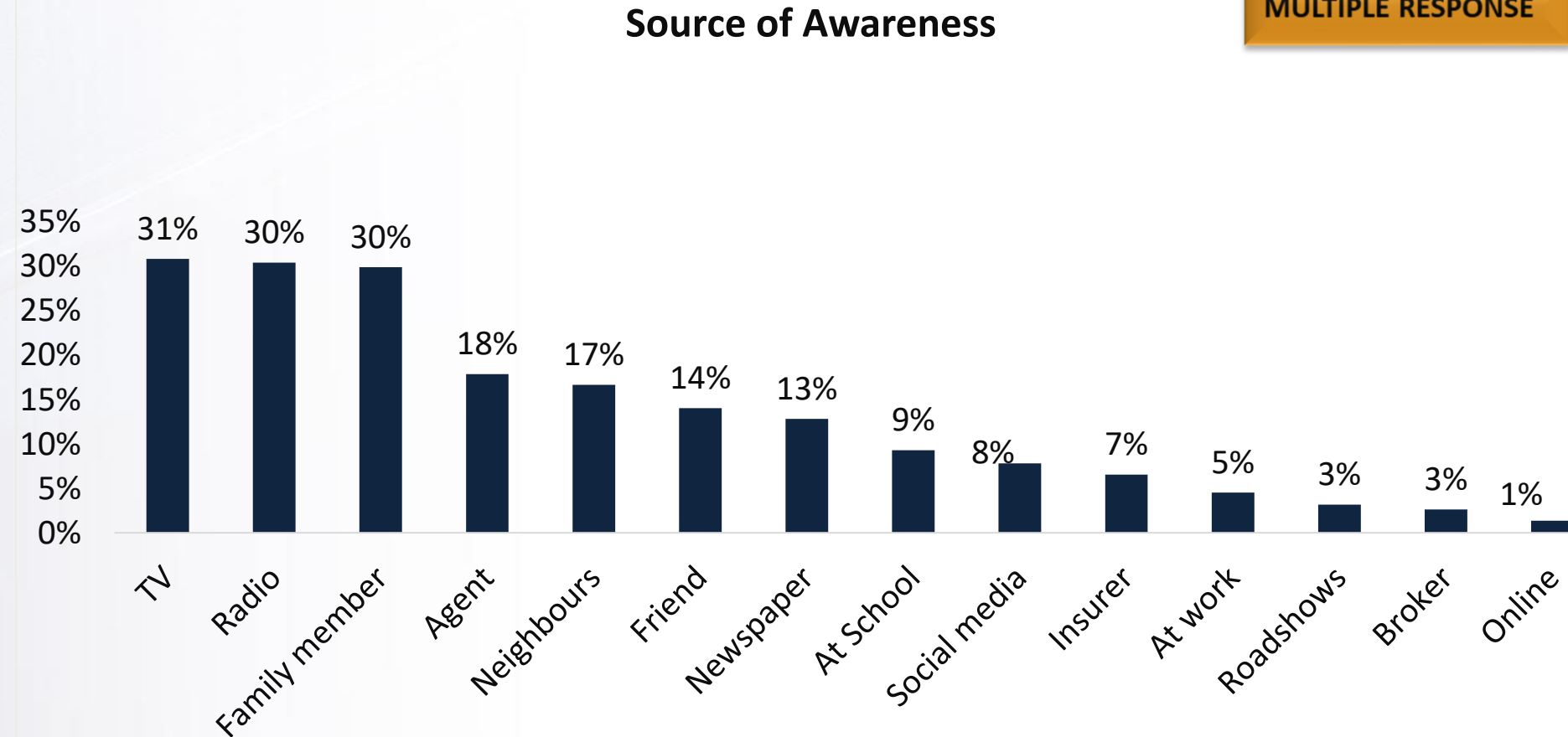
“I **think of past events** like when my neighbour's house caught fire. Maybe if he had insured his house he might have gotten something out of it.” (36-55yrs)

5.2: Awareness of insurance & source

MULTIPLE RESPONSE



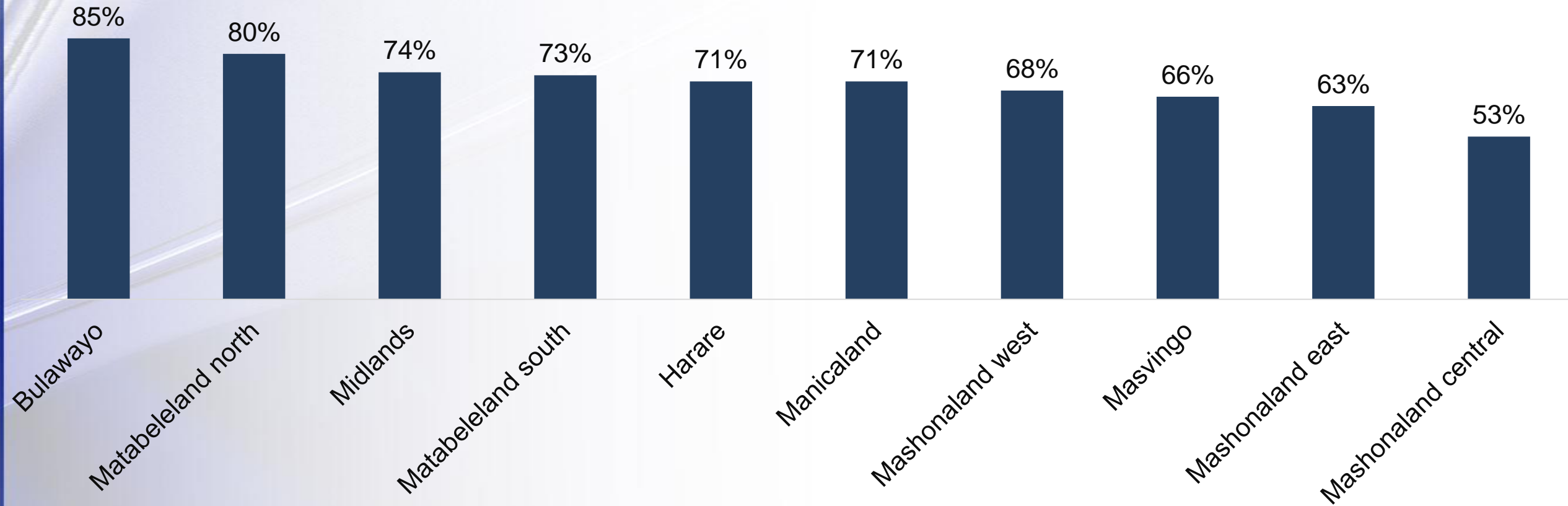
Q: Do you know anything about insurance?



Q: How did you get to know about insurance?

- A significant proportion of the market knew about insurance with 71% where males had higher awareness than females.
- For individual customers TV (31%), radio (30%) and family member were key sources of awareness.

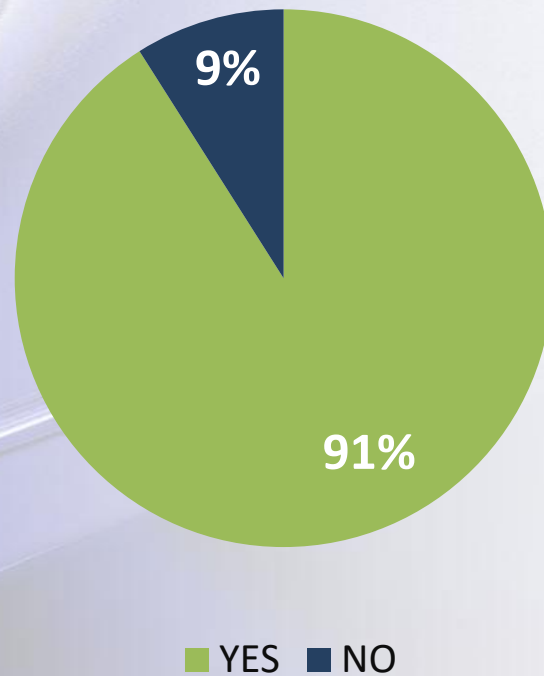
5.3: Awareness of insurance by Province



Q: Do you know anything about insurance?

5.4: Awareness of insurance & source - Informal

Awareness of insurance

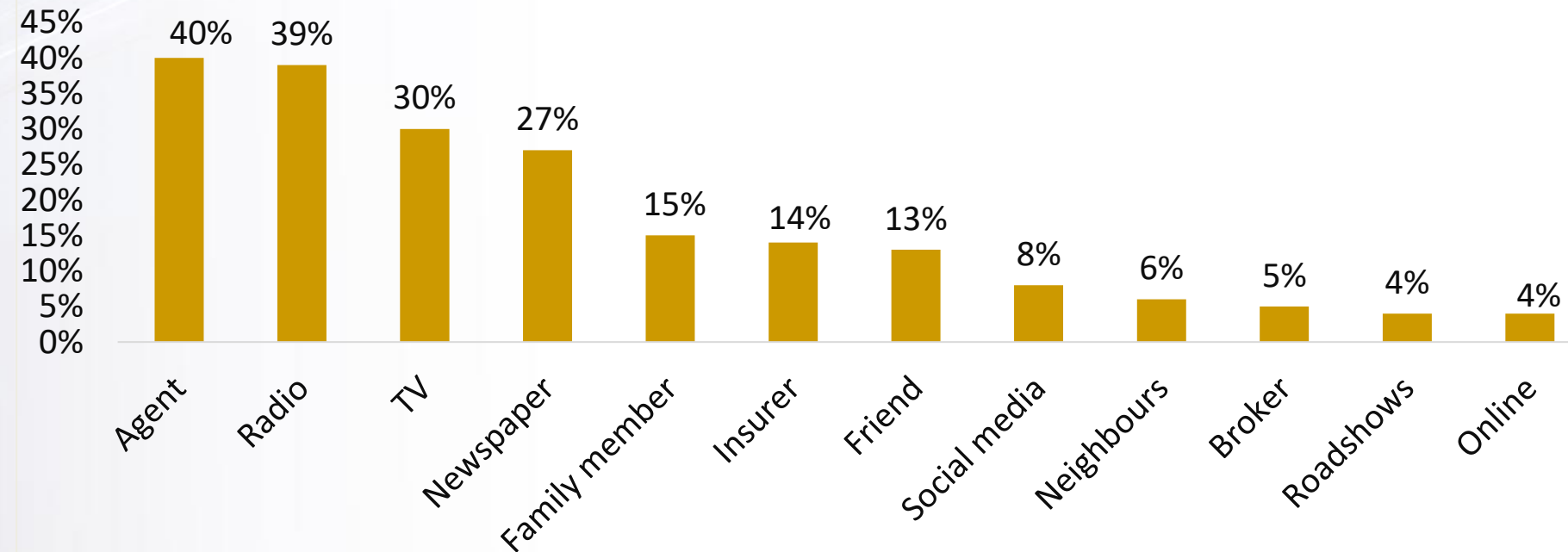


Q: Do you know anything about insurance?

- 91% of the informal market knew about insurance.
- Agent, radio, TV and newspaper were the key sources of awareness for the informal market.

Source of Awareness

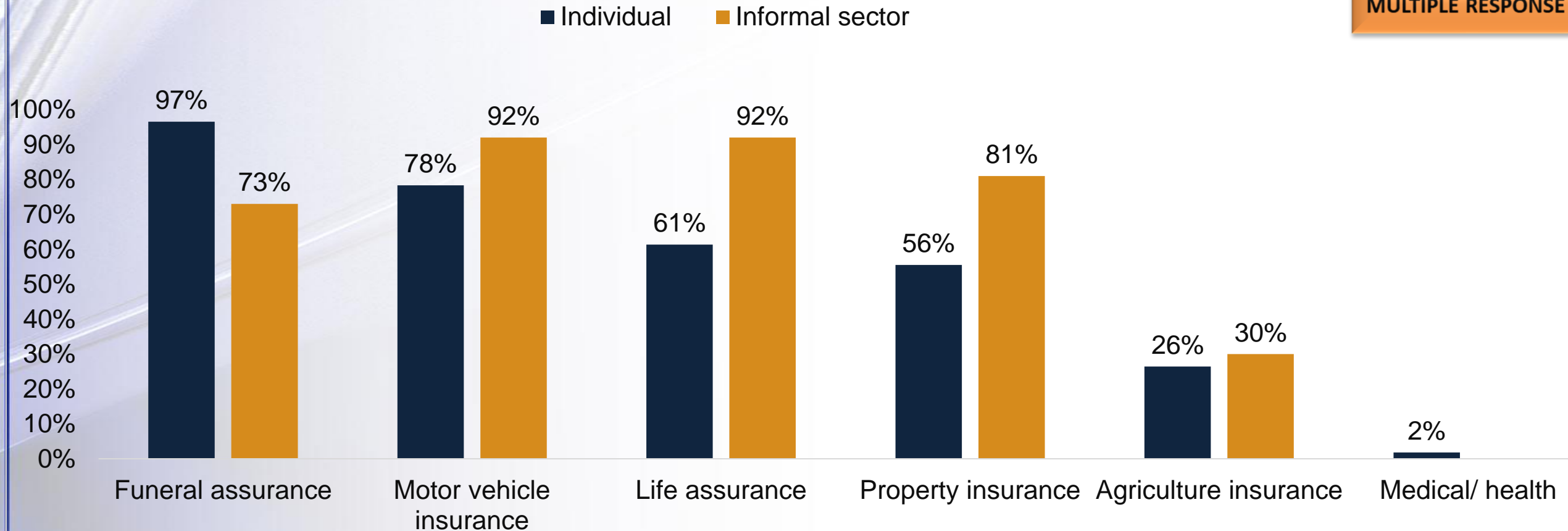
MULTIPLE RESPONSE



Q: How did you get to know about insurance?

5.5: Awareness of insurance types

MULTIPLE RESPONSE

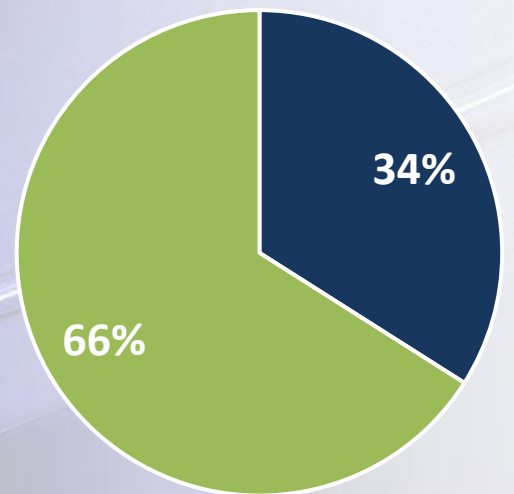


Q: Which insurance type or types do you know?

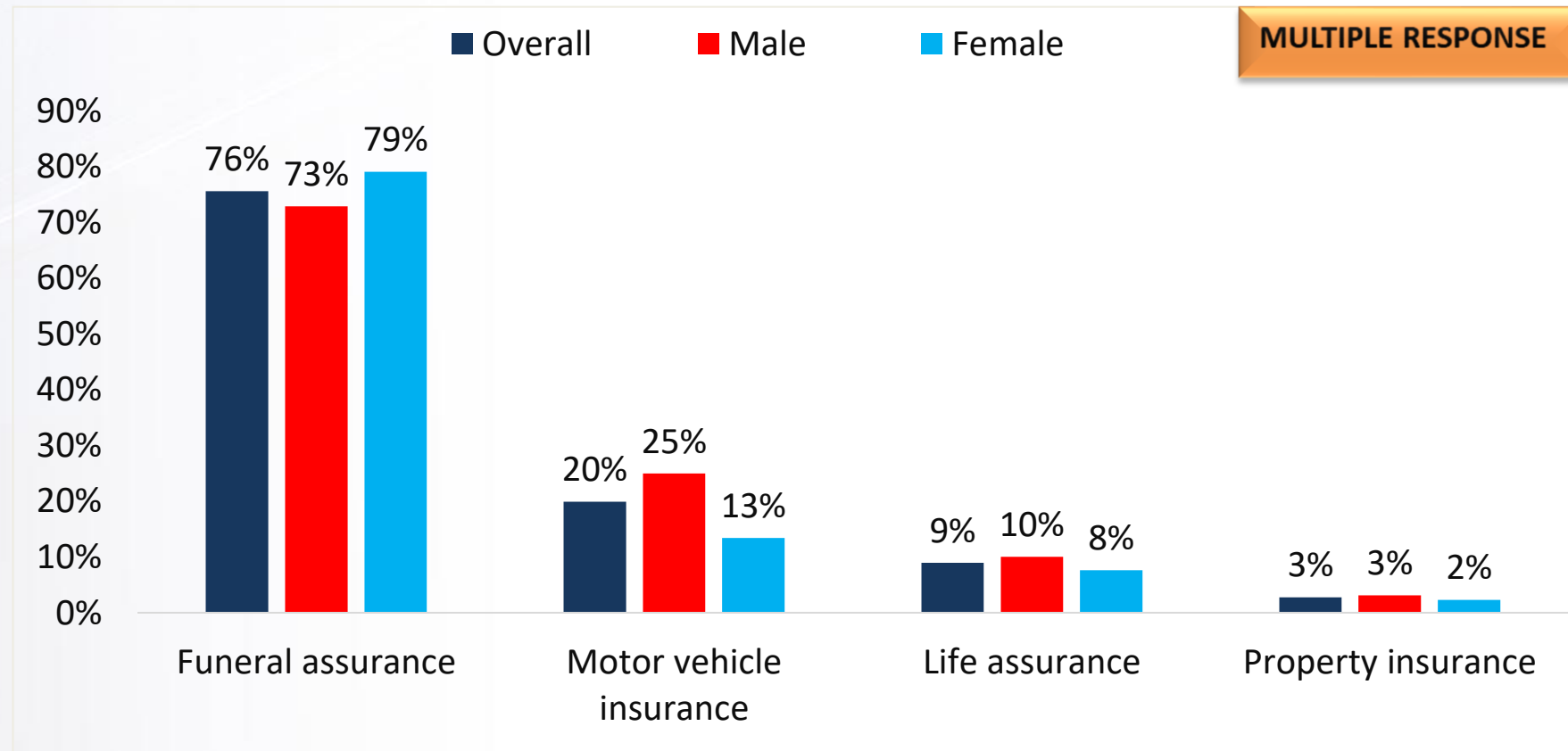
- Funeral was the most popular type of insurance known on the market followed by motor vehicle insurance.
- Awareness levels were generally higher for most types among SMEs compared to individuals.

5.6: Uptake of insurance-Individual

**Insurance uptake
(Any policy)**



■ Insured ■ Uninsured

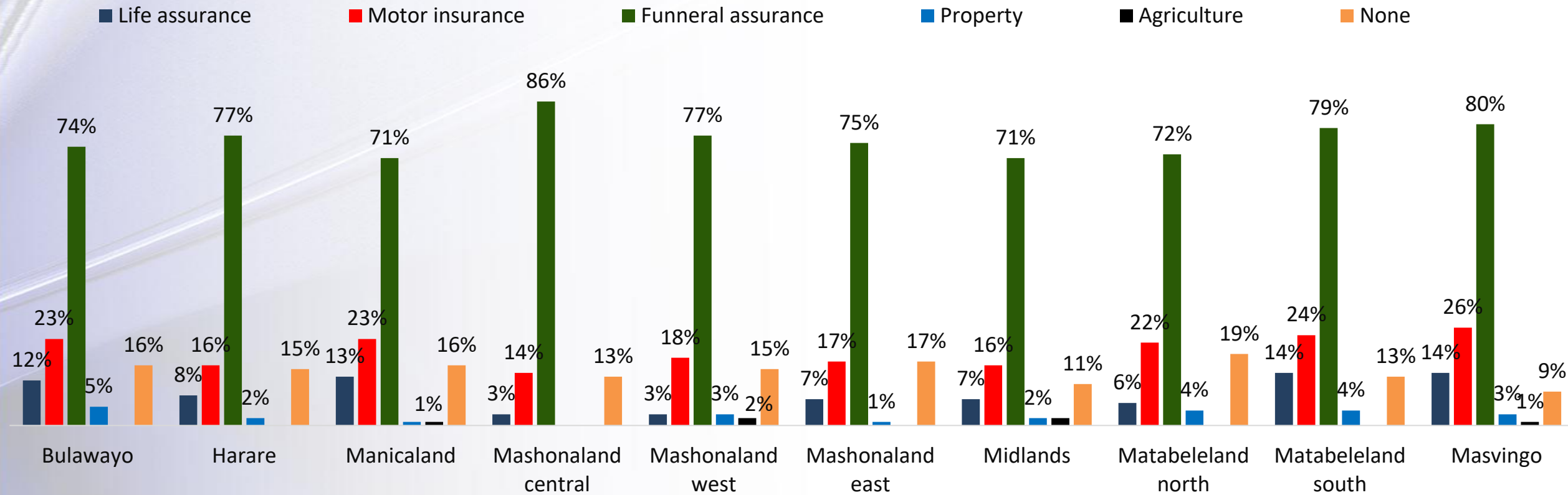


Q: Which insurance types are you currently using?

- Nationally, 34% of the market had at least one insurance policy.
- Among the insured, 76% used funeral while 20% were on motor vehicle insurance.

5.7: Usage/uptake of insurance-individual

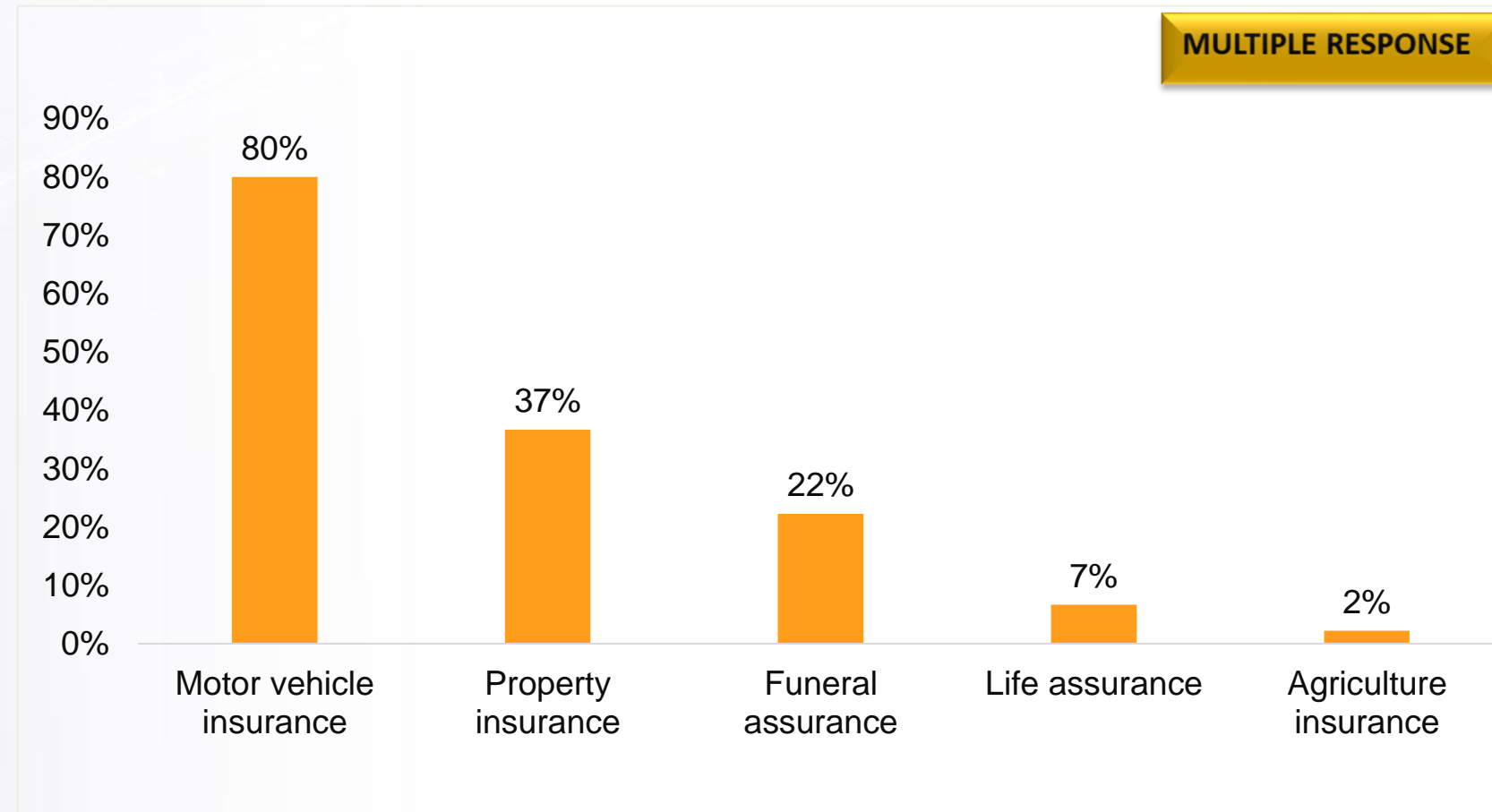
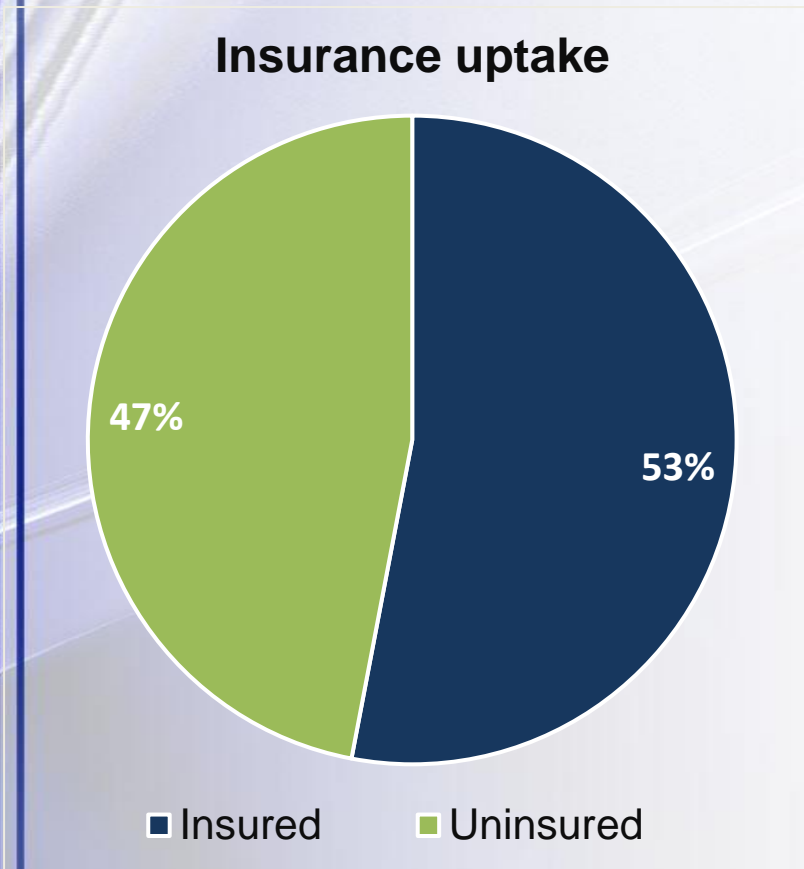
MULTIPLE RESPONSE



Q: Which insurance types are you currently using?

- Area analysis shows that funeral assurance was the most popularly used type of insurance across all provinces.

5.8: Usage/uptake of insurance - Informal sector



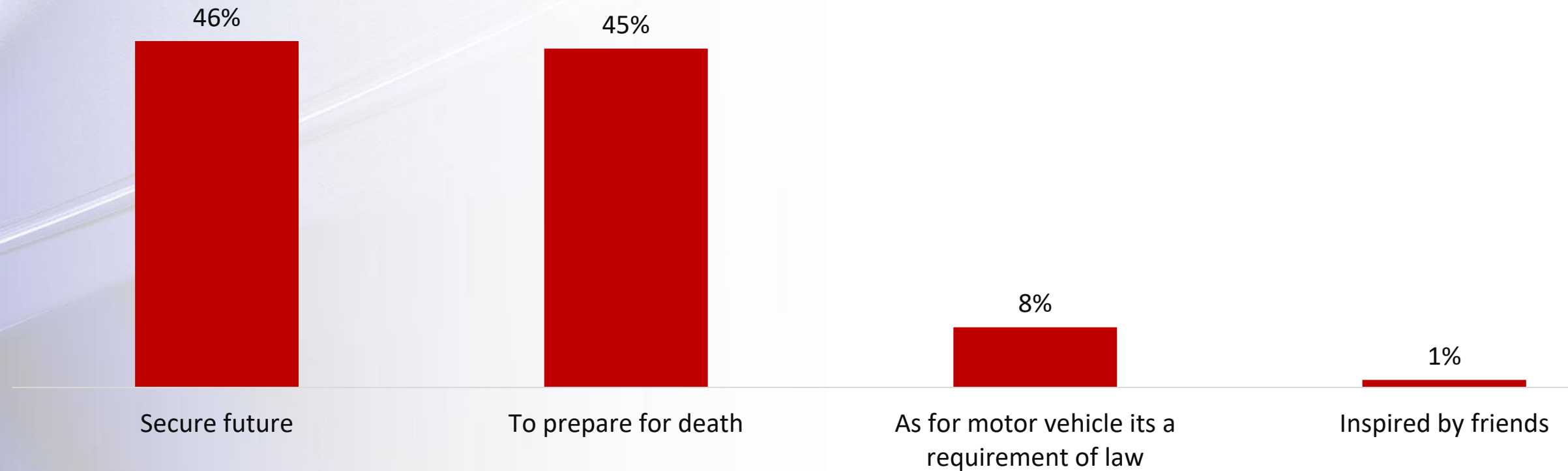
Q: Which insurance types are you currently using?

- Insurance uptake was much higher among SMEs compared to individual customers.
- For SMEs, motor vehicle had highest usage compared to individual customers who were skewed to funeral.

5.9: Reasons for taking up insurance

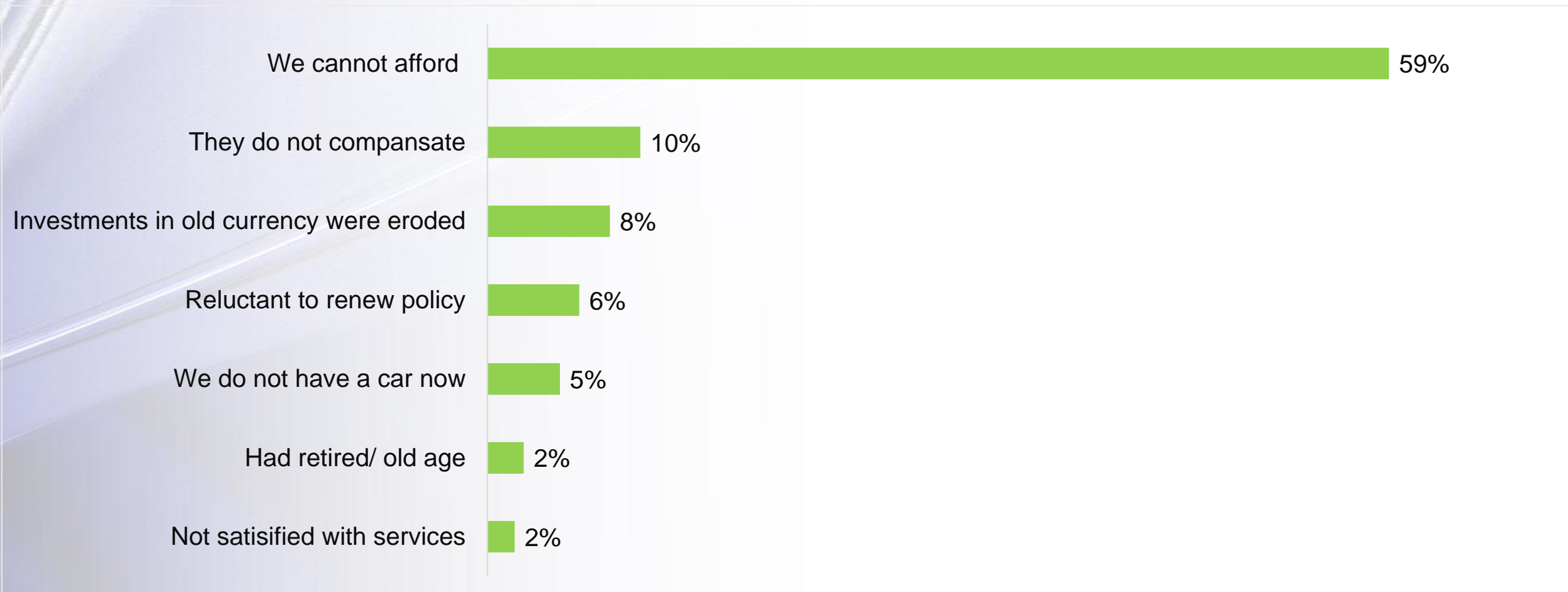


SINGLE RESPONSE



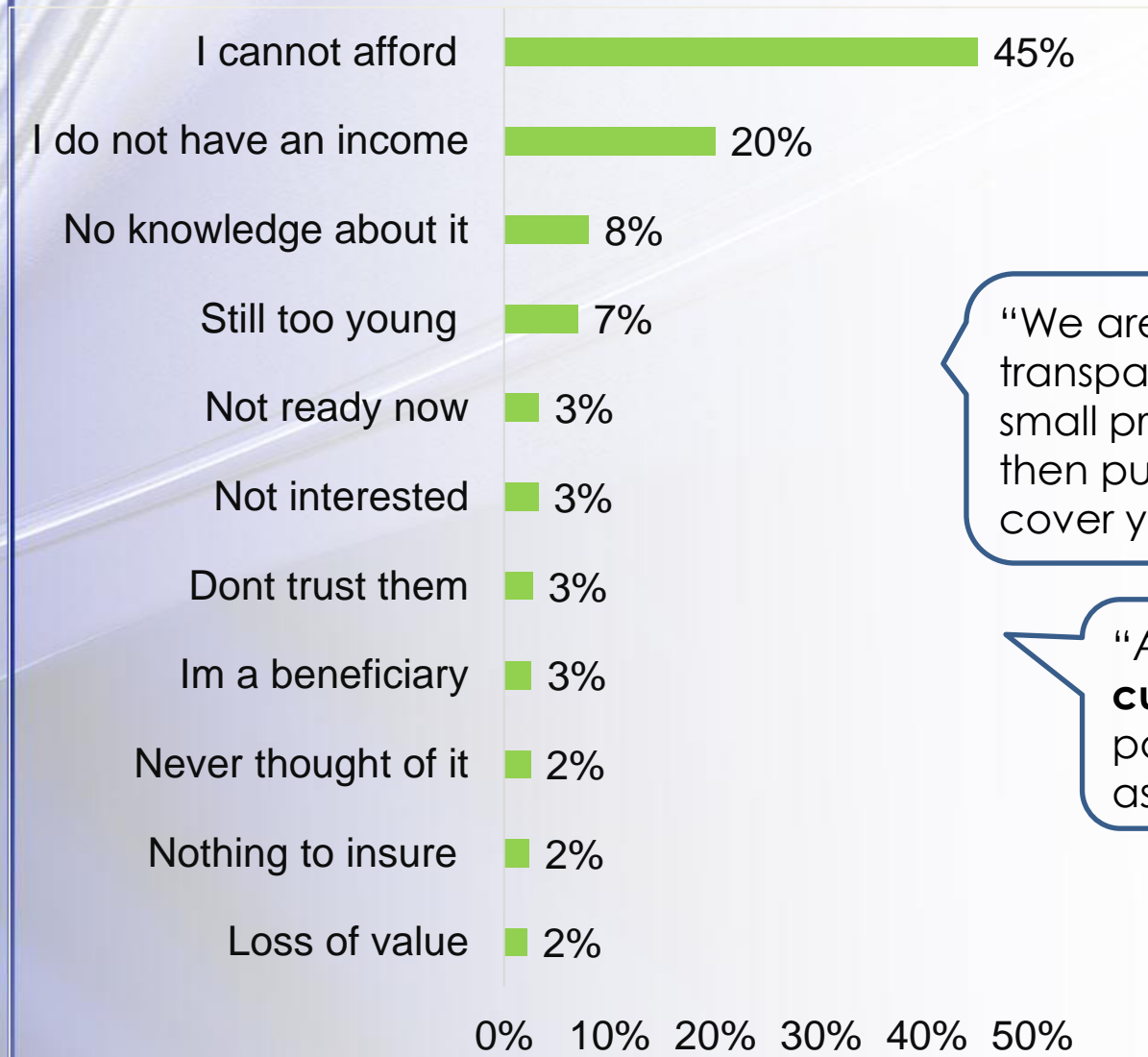
Q: What was your main reason for taking up insurance?

5.10: Reasons for termination of policy



Q: *Why did you stop contributing to your insurance policy?*

5.11: Barriers to getting an insurance policy



"I like funeral assurance but **cannot afford** it because its expensive. Also our unstable economy makes it even more difficult. I remember long back when they froze all policies and lapsed them because of the currency. So we no longer trust insurance." (16-35yrs)

"We are now afraid of getting an insurance because they are not transparent with their terms and conditions. The terms will be written in small prints and they do not fully explain what those terms mean. If you then put a claim forward that's when they tell you that they can only cover you to a certain extent." (36-55yrs)

"At times certain **insurance companies take advantage of customers**. This is so because for the past 10 years I have been paying contributions and maybe that money helped them buy assets and today you charge me high prices." (36-55yrs)

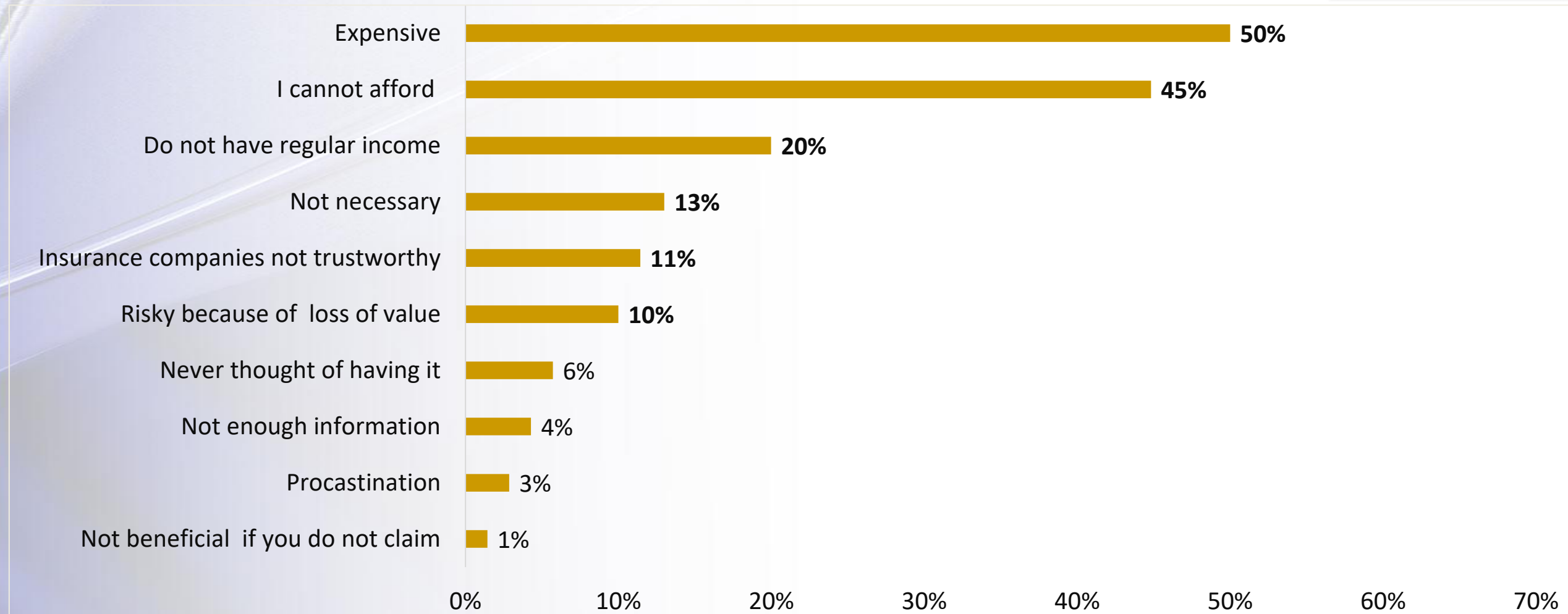
"Insurance is for people with properties or even a business. One with a lot of money because they value a lot of things that need to be insured. Maybe I don't even have a house but rent so what can I insure?" (36-55yrs)

Q: Why do you not have insurance now?

5.12: **Barriers** to getting an insurance policy- Informal sector

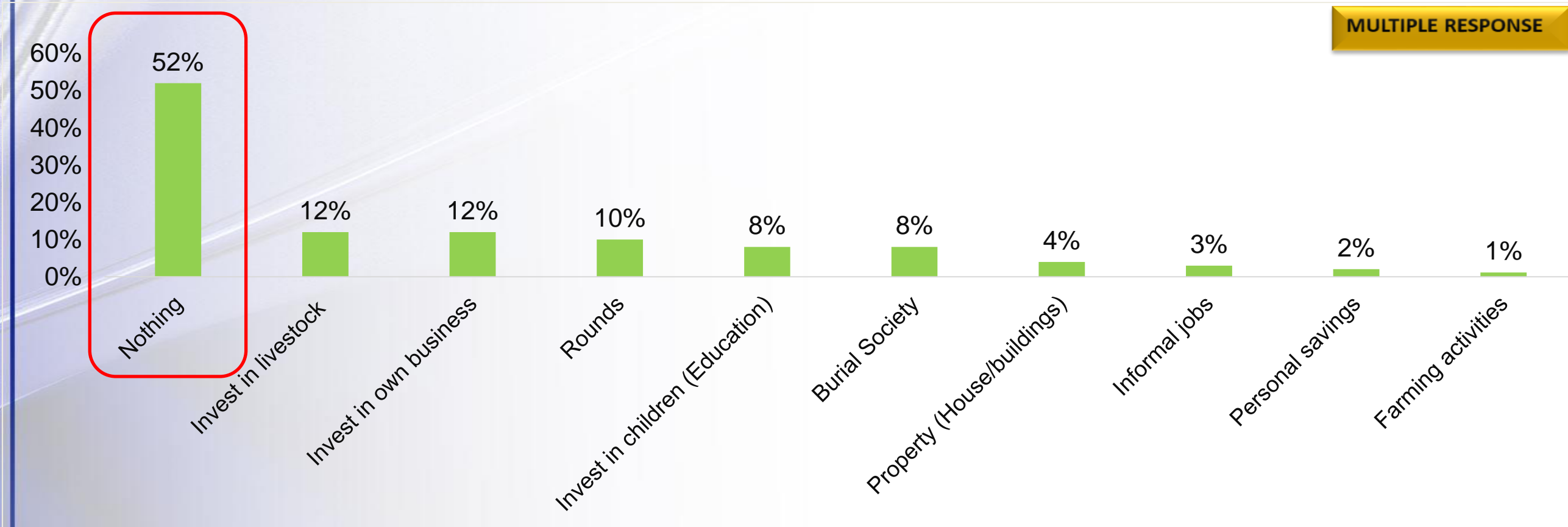


MULTIPLE RESPONSE



Q: Why do you not have insurance now?

5.13: Alternatives to formal insurance- Individual non-customer



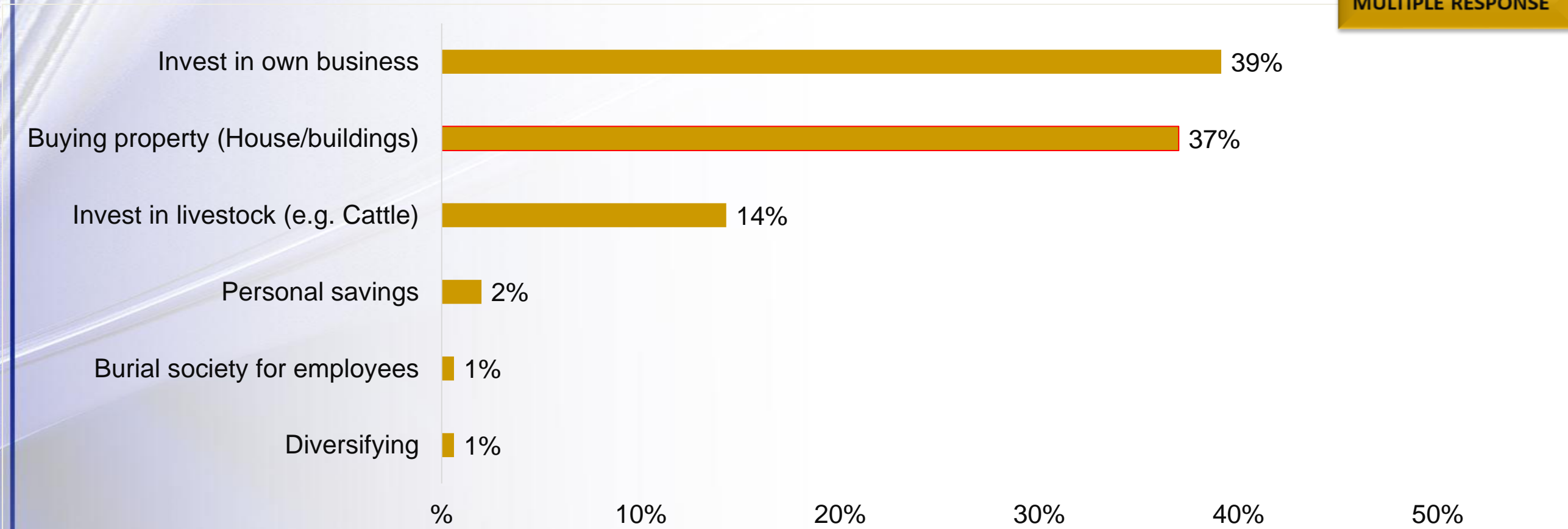
Q: *Apart from formal insurance, what other means are you using to insure against future risks or loss?*

- It was evident that the non-insured market engages in other means of providing for financial security although 52% are not doing anything.
- The alternatives to formal insurance included investment in livestock, investing in business, rounds, investing in children and having a burial society.

5.14: Alternatives to formal insurance - Informal sector



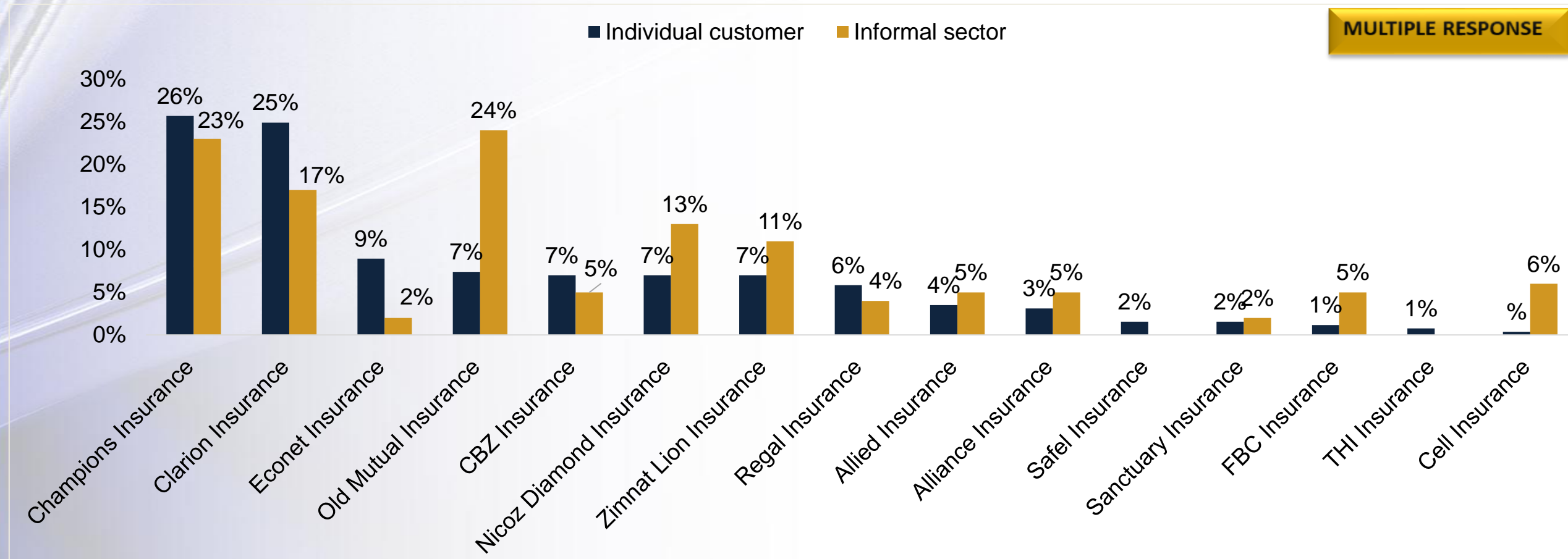
MULTIPLE RESPONSE



Q: Apart from formal insurance, what other means are you using to insure against future risks or loss?

- Non-customers engage in different means of providing for security against future risks including investing in own business, buying properties and investing in cattle.
- However, there was a significant 29% of the informal sector people who were not doing anything as an alternative.

5.15: Service providers used for short-term insurance

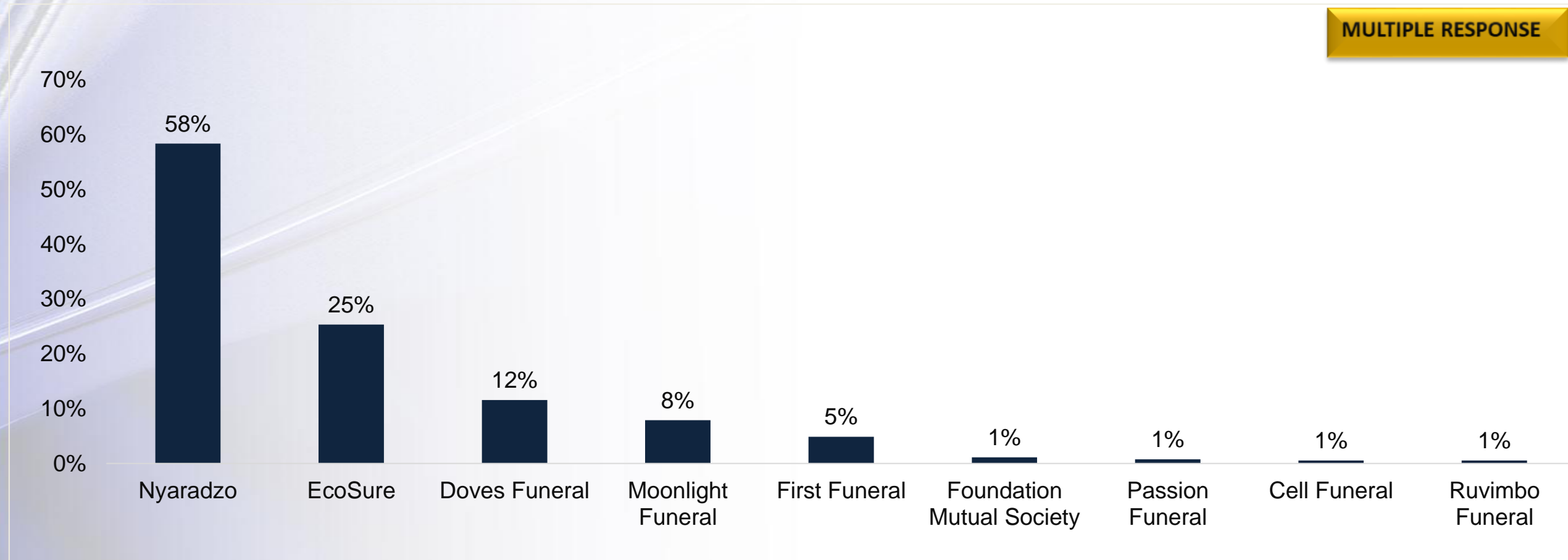


Q: Which service provider are you using for short term insurance?

- Among individual customers, Champions and Clarion were the top two players with 26% and 25% respectively.
- For SMEs Old Mutual and Champions had the highest usage of 24% and 23% respectively.

5.16: Service providers used for funeral assurance

MULTIPLE RESPONSE

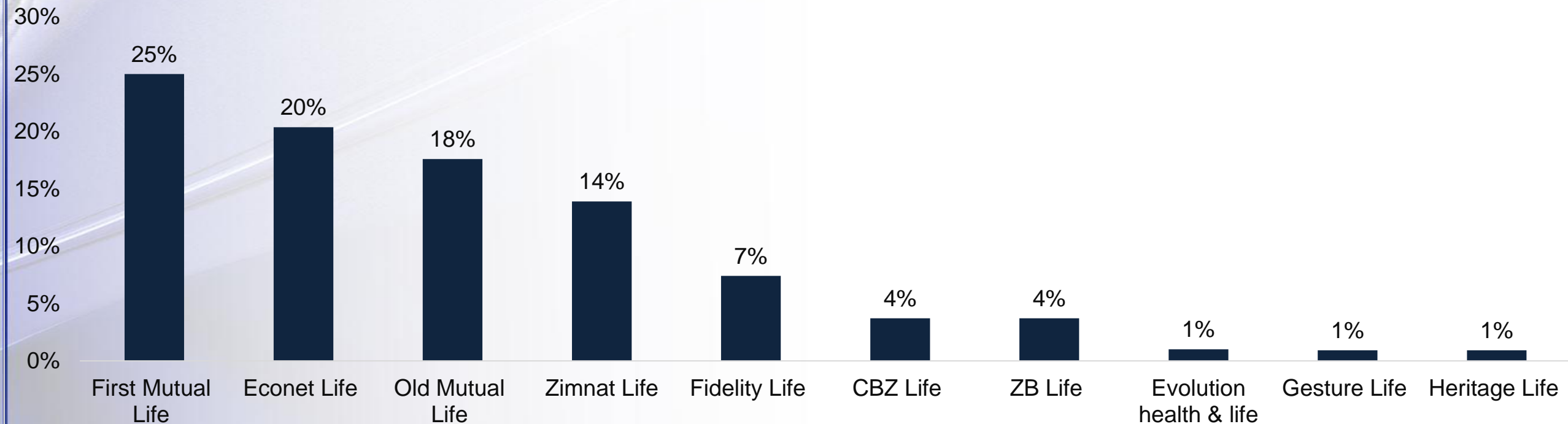


Q: Which service provider are you using for funeral assurance?

- Among individual customers Nyaradzo funeral had highest usage of 58% followed by Ecosure (25%).

5.17: Service providers used for life assurance

MULTIPLE RESPONSE



Q: Which service provider are you using for life assurance?

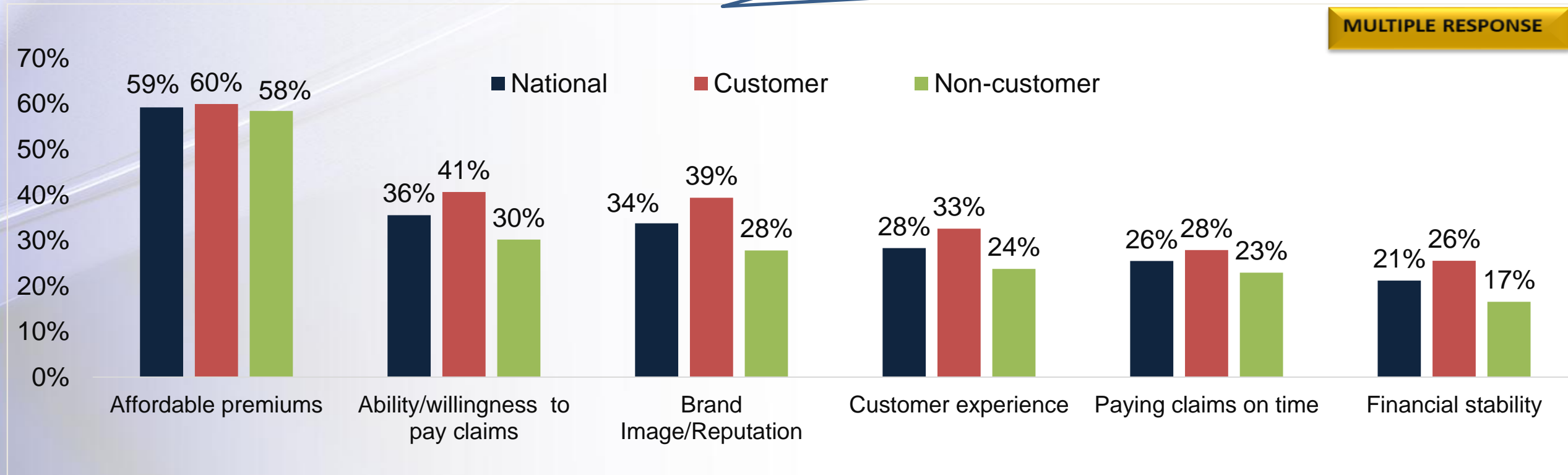
- Top three life assurance companies were First Mutual (25%) and Econet Life (20%) and Old Mutual Life (18%).

5.18: Insurer choice drivers - Individual



“Affordability and quality of products and services on offer. Generally everyone wants to pay for cheap things and get quality out of it especially in this economy.” 36-55yrs

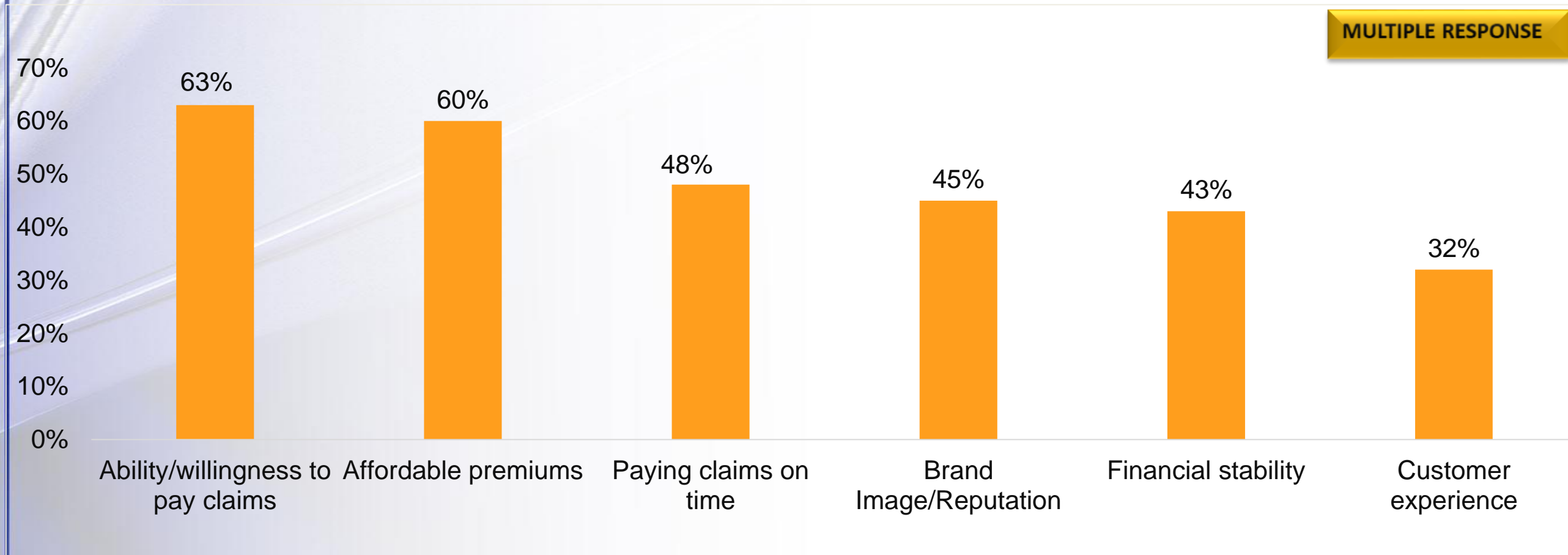
MULTIPLE RESPONSE



Q: What do you look for when choosing an insurance company to use?

- Customers look for affordable premiums (59%), ability to pay claims (36%) and brand reputation (34%).
- Current insurance customers were more demanding than non-customers.

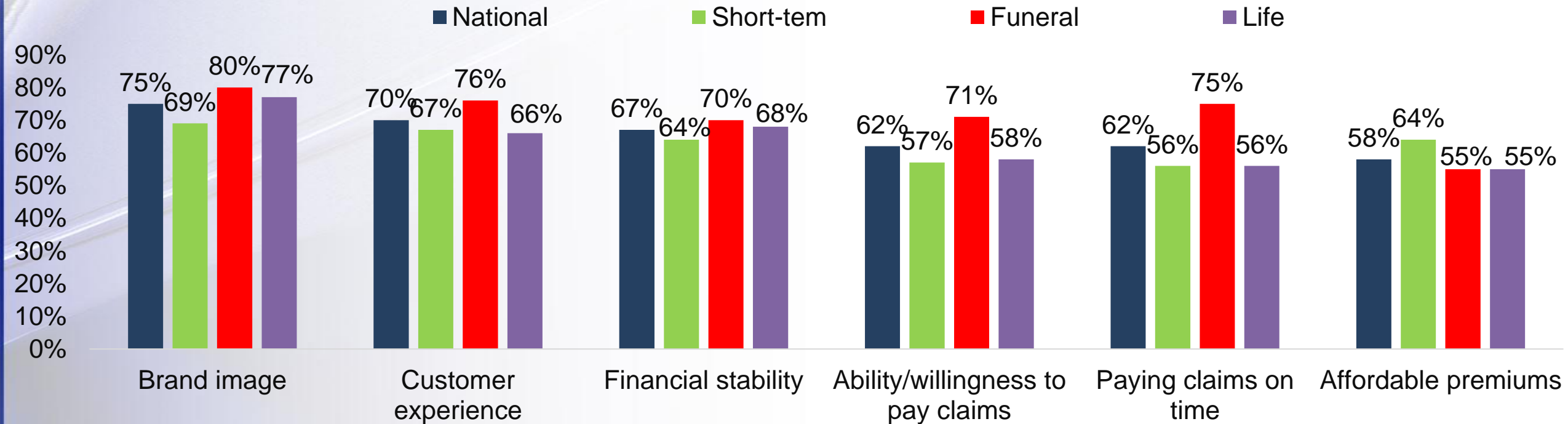
5.20: Insurer choice drivers – Informal sector



Q: *What do you look for when choosing an insurance company to use?*

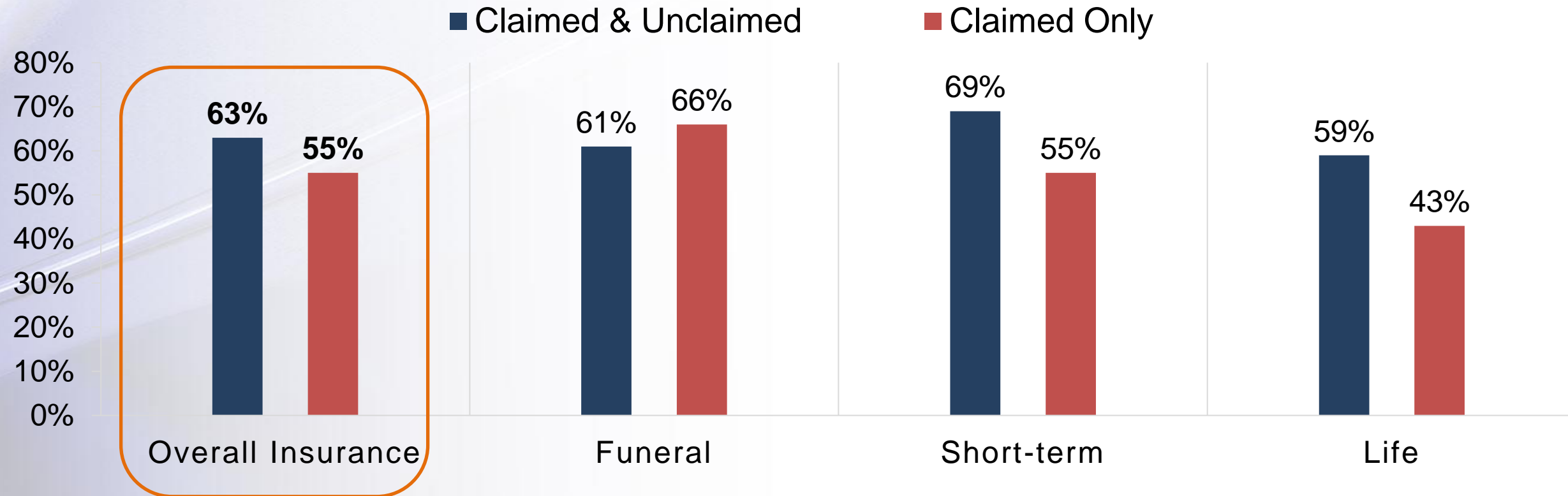
- The top choice drivers for SMEs were ability to pay claims (63%) and affordable premiums (60%).
- The trend was different to that of individual customers.

5.21: Satisfaction with service providers on choice factors – OVERALL



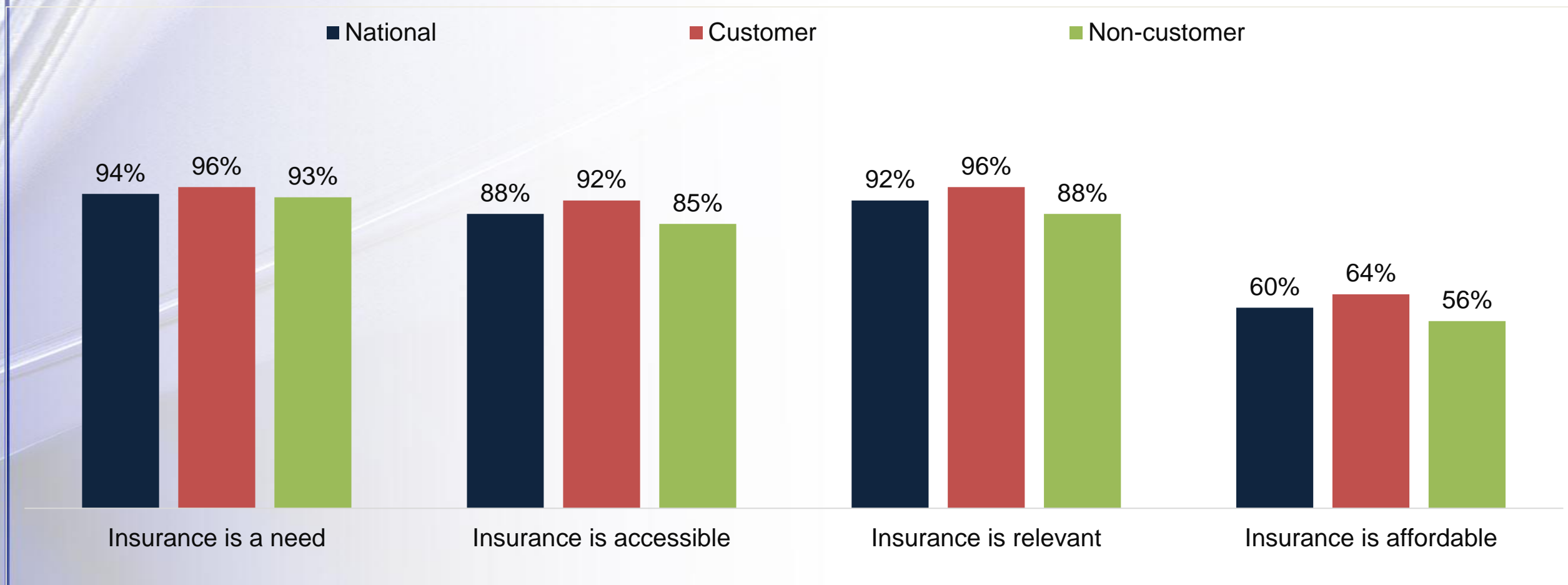
How satisfied are you, with your MAIN service provider on the following attributes using a 7-point scale: Extremely Dissatisfied [1], Dissatisfied [2], Dissatisfied to some extent [3], Not sure [4], Satisfied to some extent [5], Satisfied [6], to Very Satisfied [7]?

5.22: Customer Satisfaction Index (CSI)



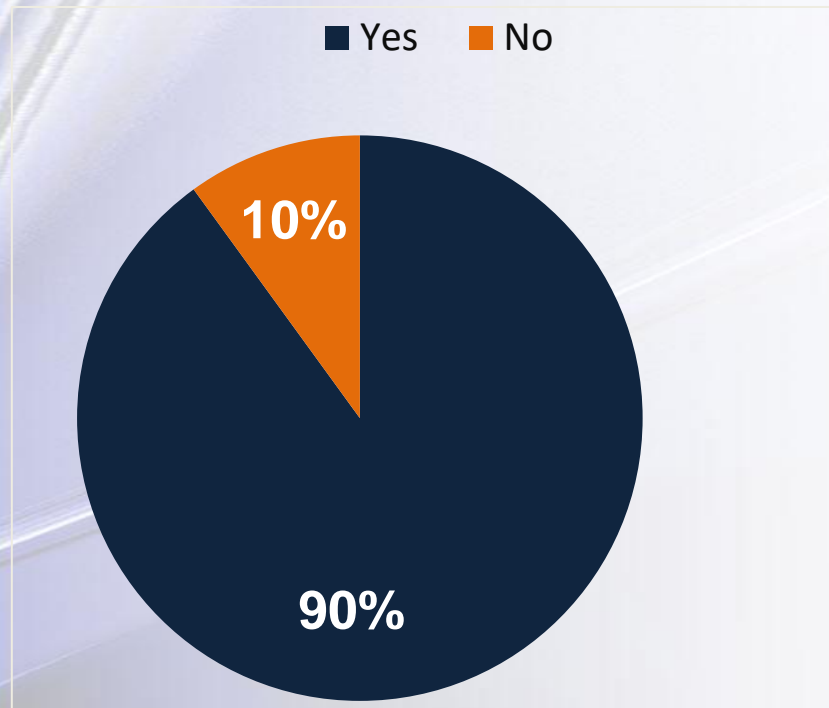
- The indices were calculated based on four elements that is customer experience, ability to pay claims, paying claims on time and reasonable premiums.
- The satisfaction level goes to show that confidence levels are also affected by current experiences customers have.

5.23: Perceptions on insurance

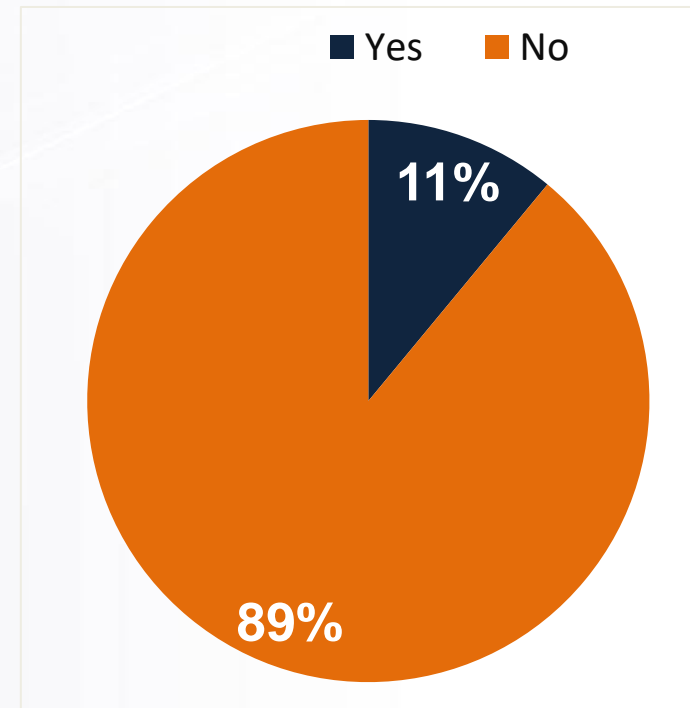


- 94% of the market believed that insurance is a need while 92% indicated that it is relevant to them and 88% indicating that insurance is accessible.
- However, 60% highlighted that insurance is affordable showing that affordability is one of the barriers to uptake.

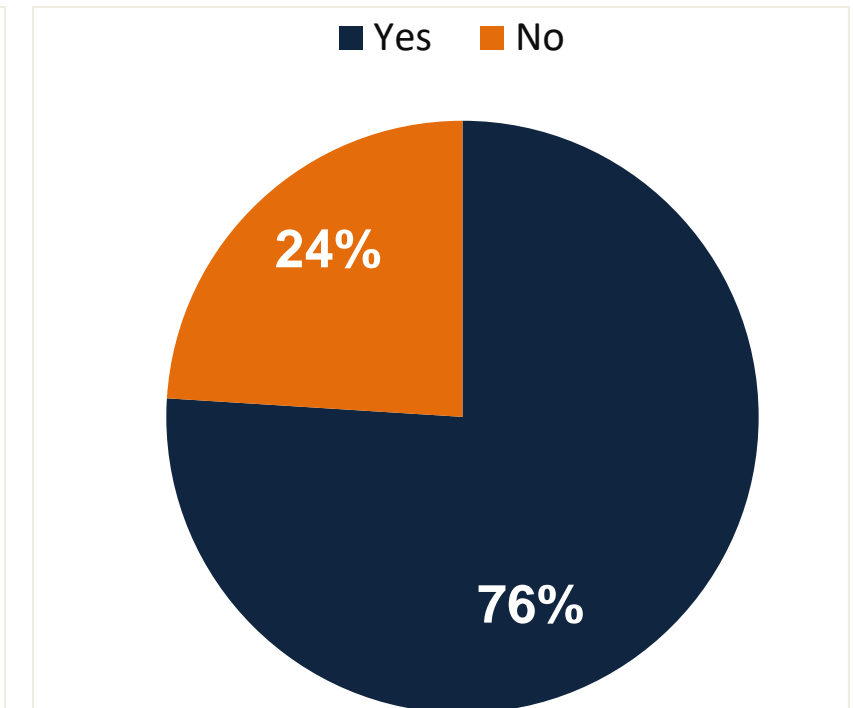
5.24: Insurance claims procedure - Individual



Q: Do you know the insurance claims procedure?



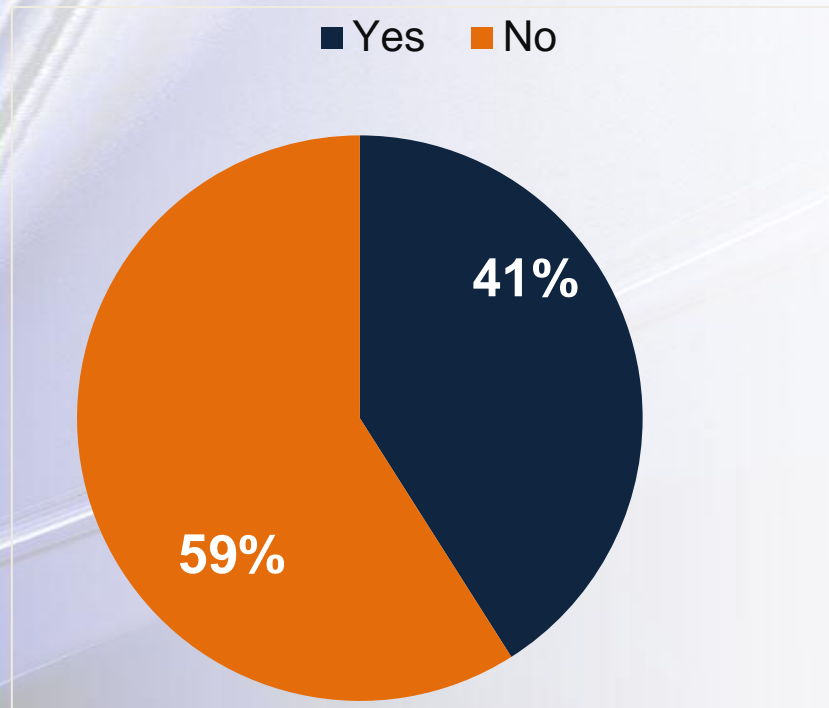
Q: Have you ever claimed before?



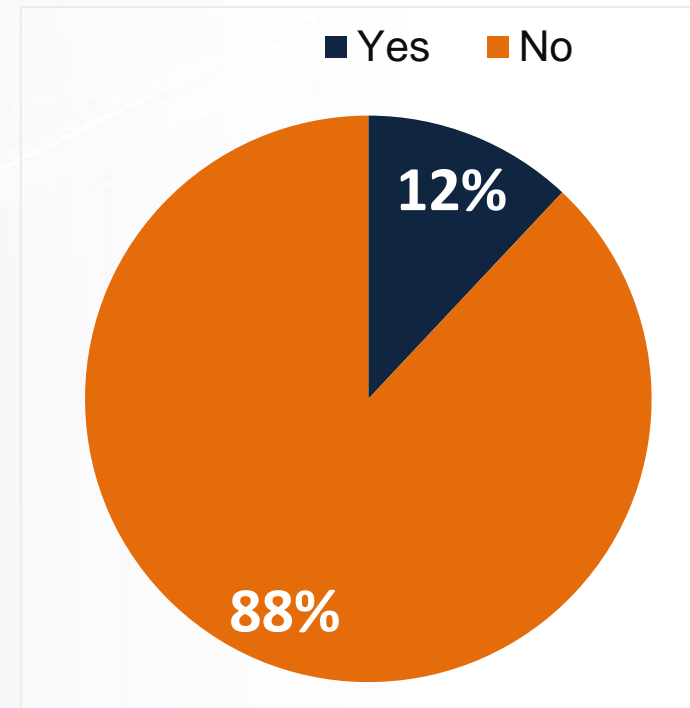
Q: Were you happy with the claims process?

- Majority of the customers claimed to know the insurance claims procedure.
- However, only 11% had claimed before.
- Of the 11% who claimed cover, 76% testified happiness with the claims process.

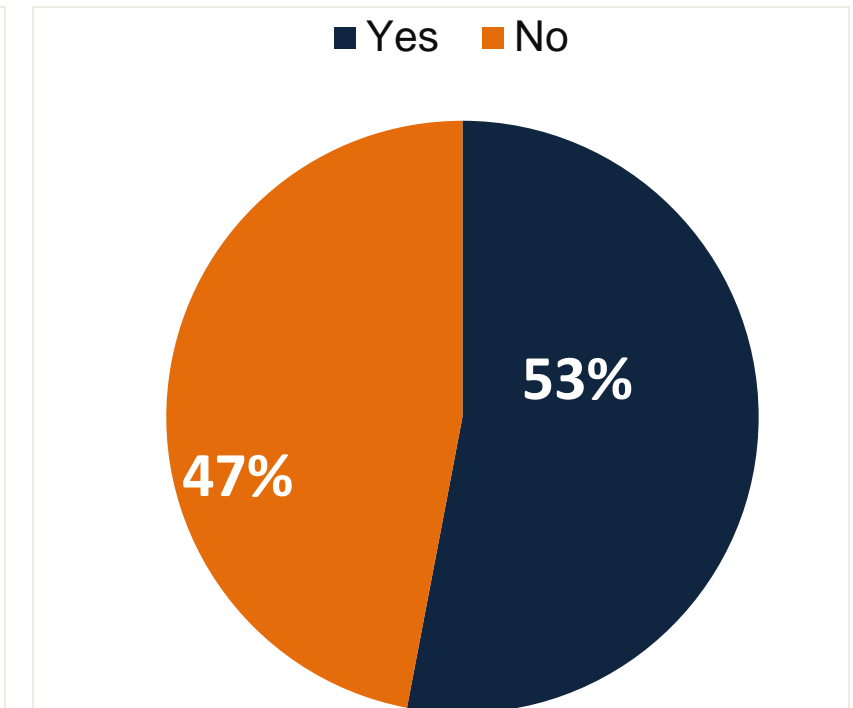
5.25: Insurance claims procedure – Informal sector



Q: Do you know the insurance claims procedure?



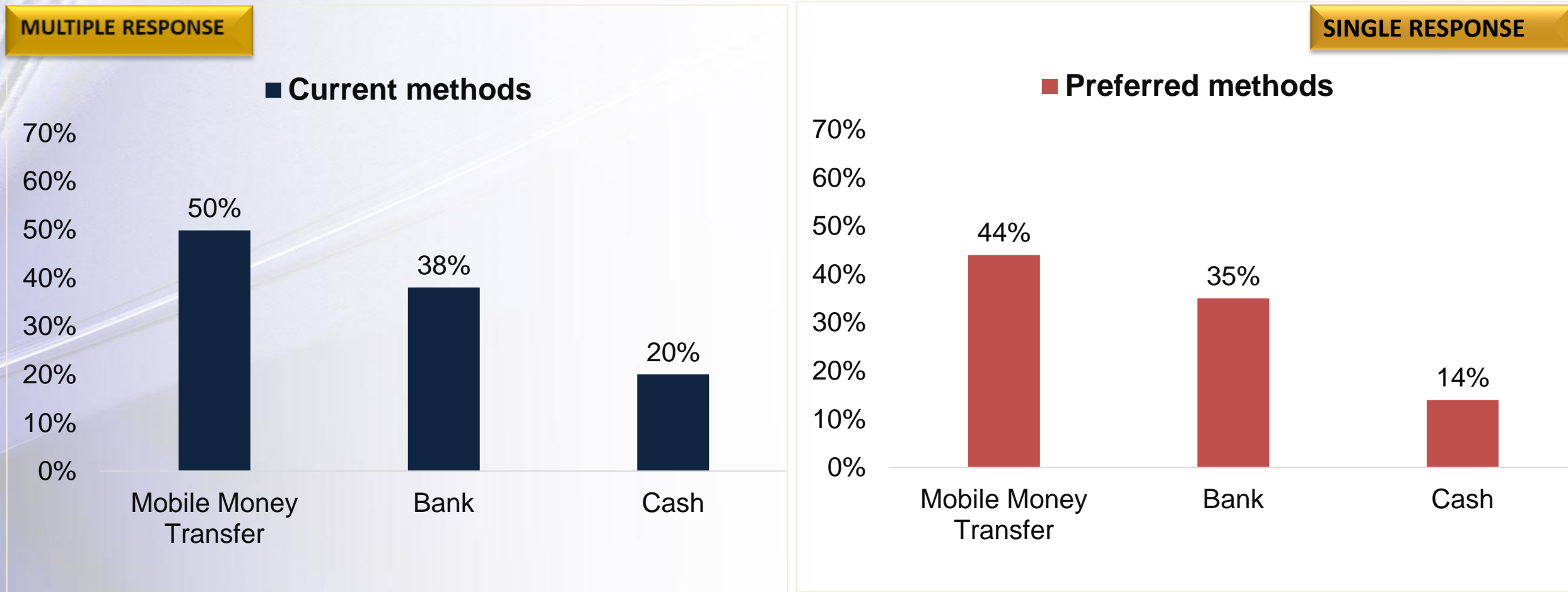
Q: Have you ever claimed before?



Q: Were you happy with the claims process?

- More than half of the SMEs engaged highlighted that they did not know the claims procedure.
- A very small proportion of SMEs had claimed before and of those who claimed, only 53% were happy with the procedure.

5.26: Methods of paying insurance premiums - Individual



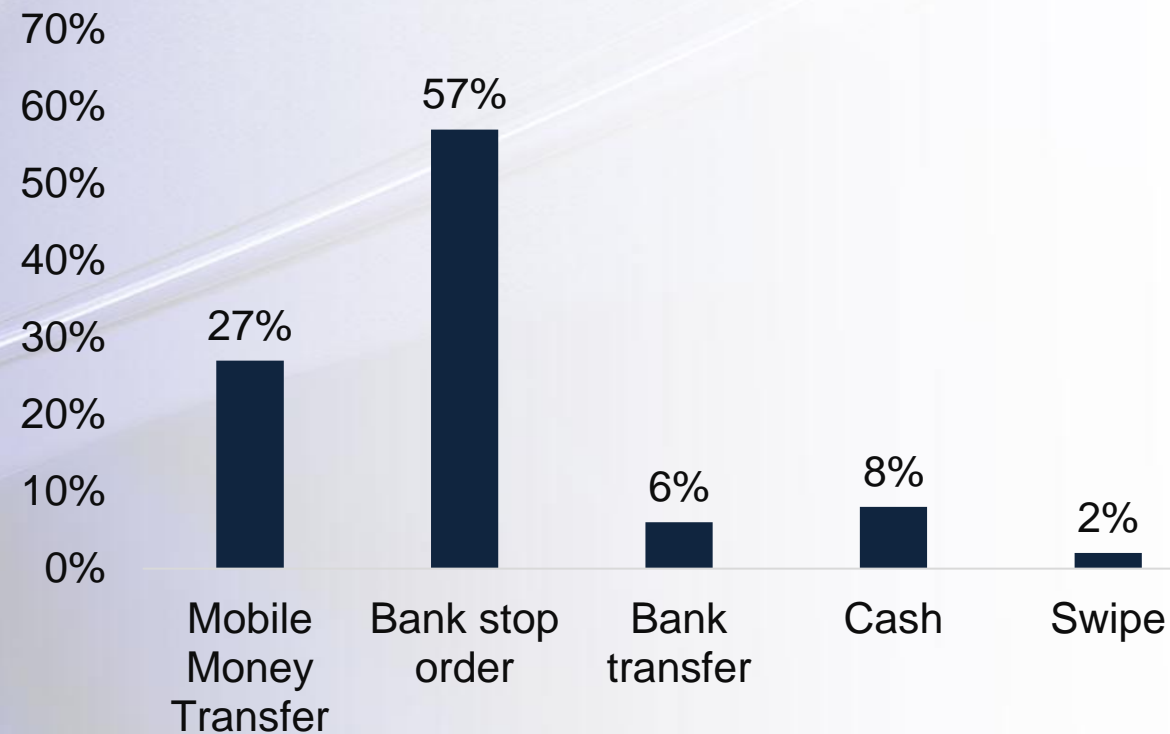
- Individual customers preferred mobile money transfer over other methods when it comes to premium payments for convenience.

5.27: Methods of paying insurance premiums – Informal sector



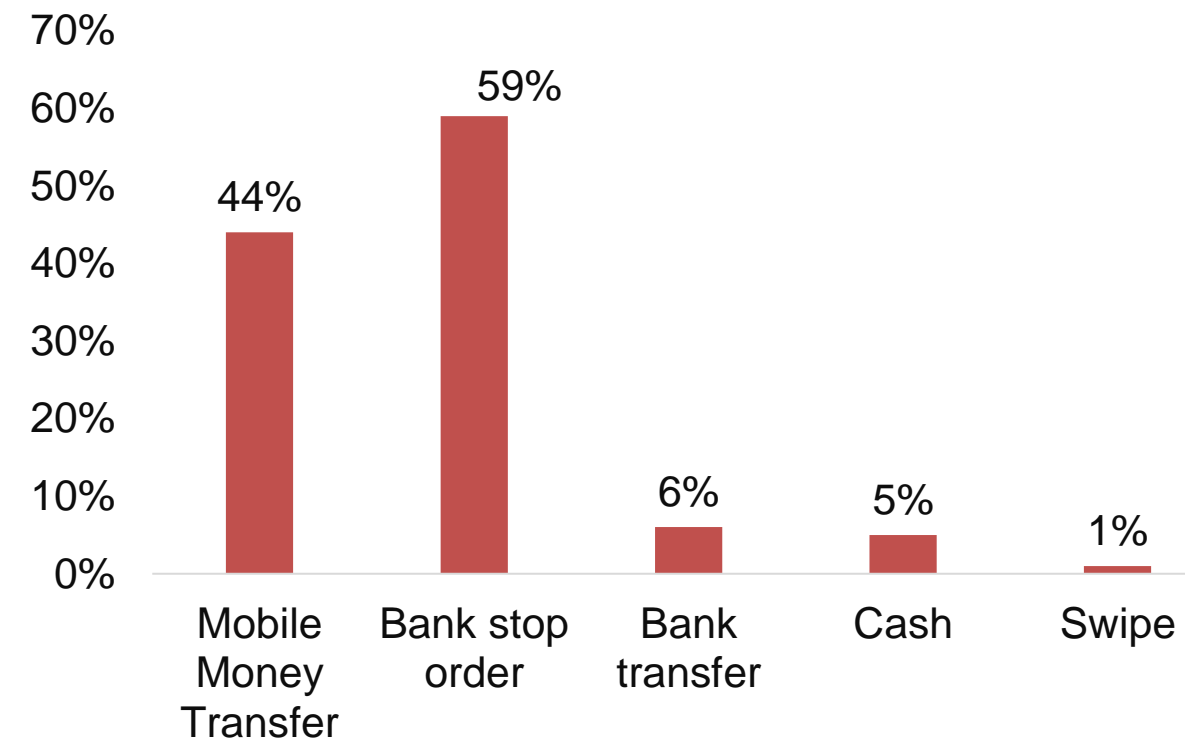
MULTIPLE RESPONSE

■ Current methods



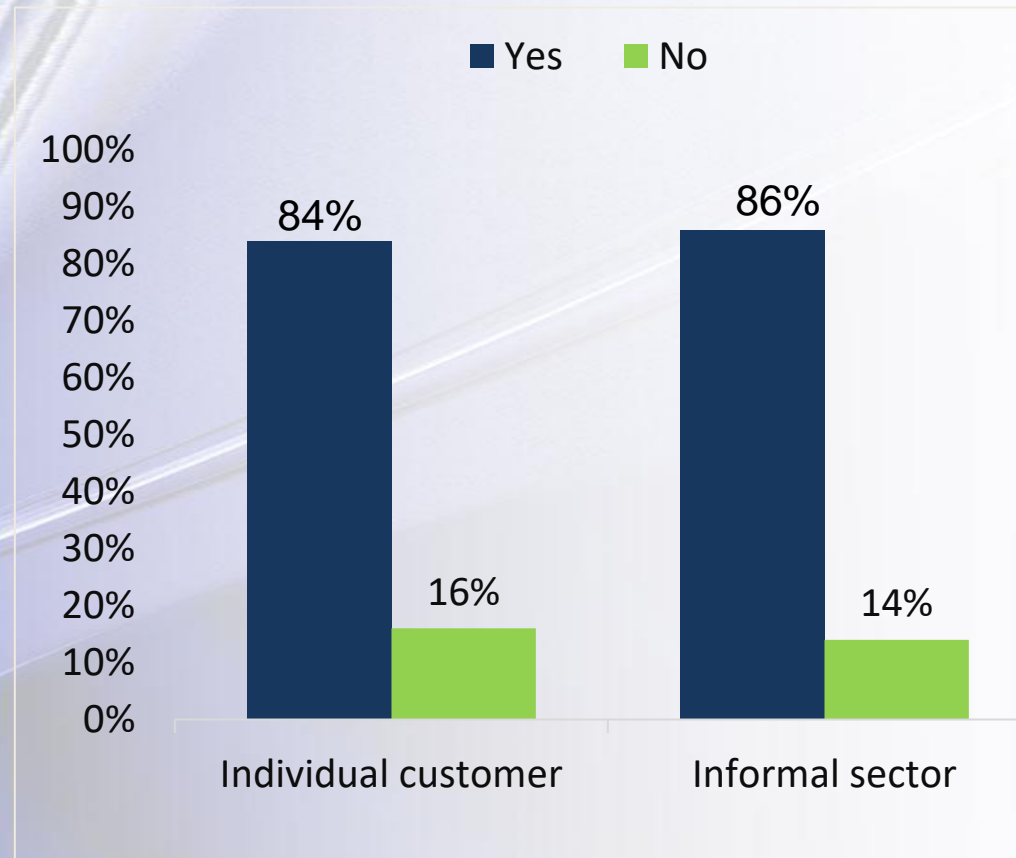
SINGLE RESPONSE

■ Preferred methods

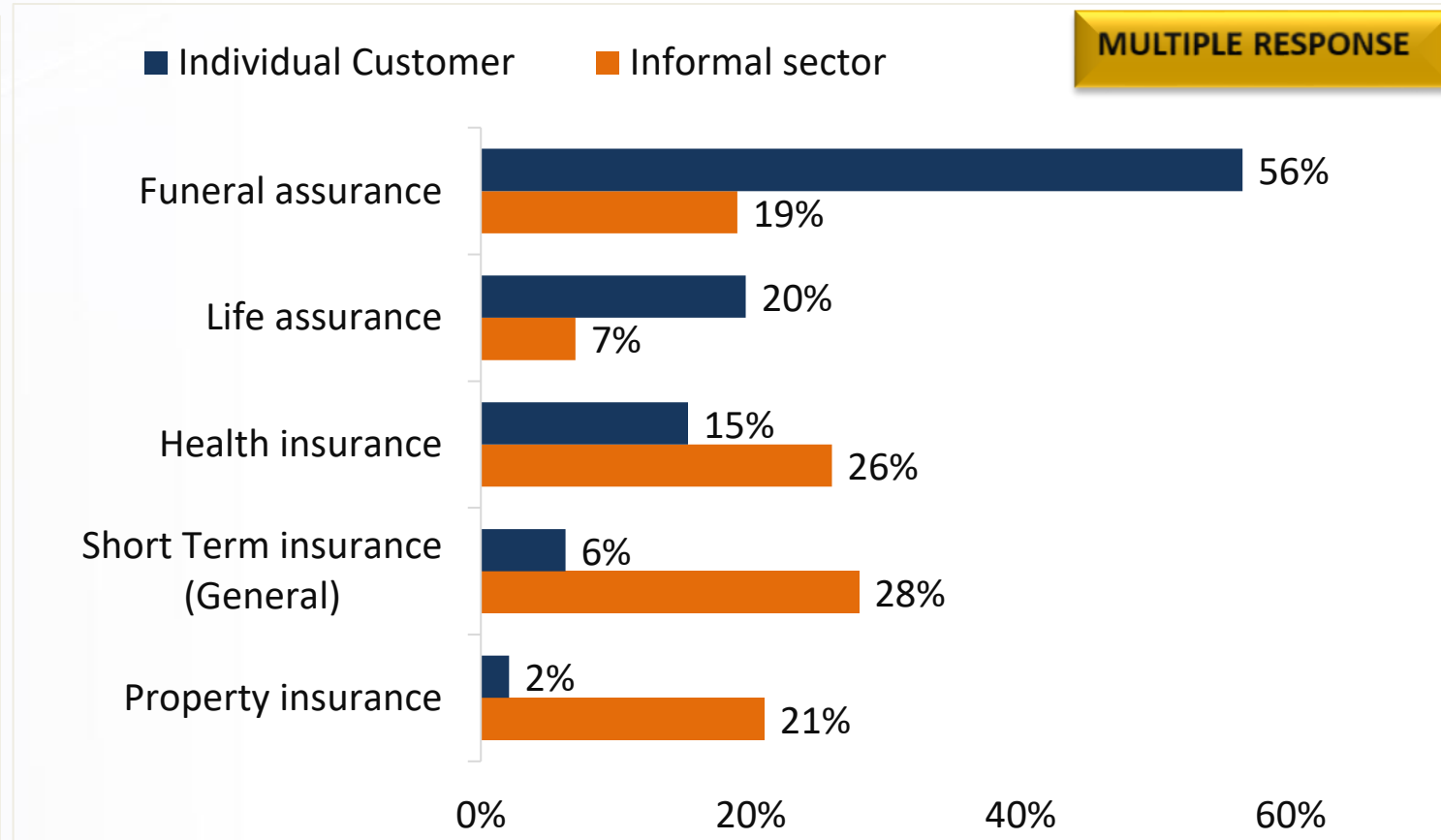


- Unlike individual policy holders, SMEs, preferred bank stop order more over other payment methods although mobile money was closer.

5.28: Likelihood of taking up insurance



Q: If you could afford insurance would you buy?



Q: Which one would you buy?

- Majority of individual (84%) and SMEs (86%) indicated that they would take up insurance if it becomes more affordable.
- On their wish list SMEs would go for short term (General), health and property while more than half of the individual customers would mainly go for funeral.



6.0 Pensions

6.1: What comes to mind when I say, “Pension”?

- **Old age/above 65yrs.**
- **Retirement.**
- **Future income.**
- **Financial security at old age.**
- **NSSA**
- Death
- Going on holiday to spend.
- Investment.
- Insurance.

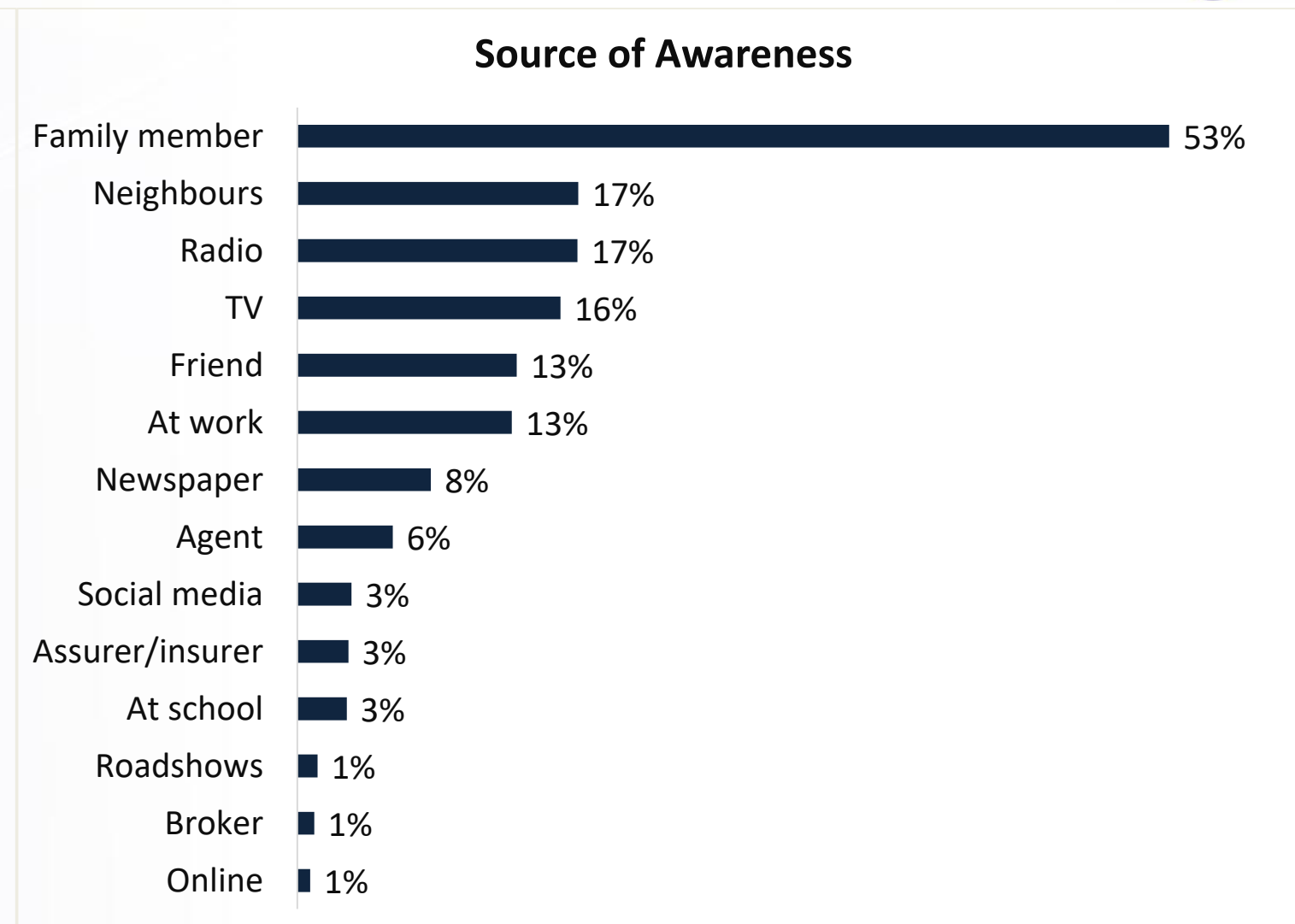
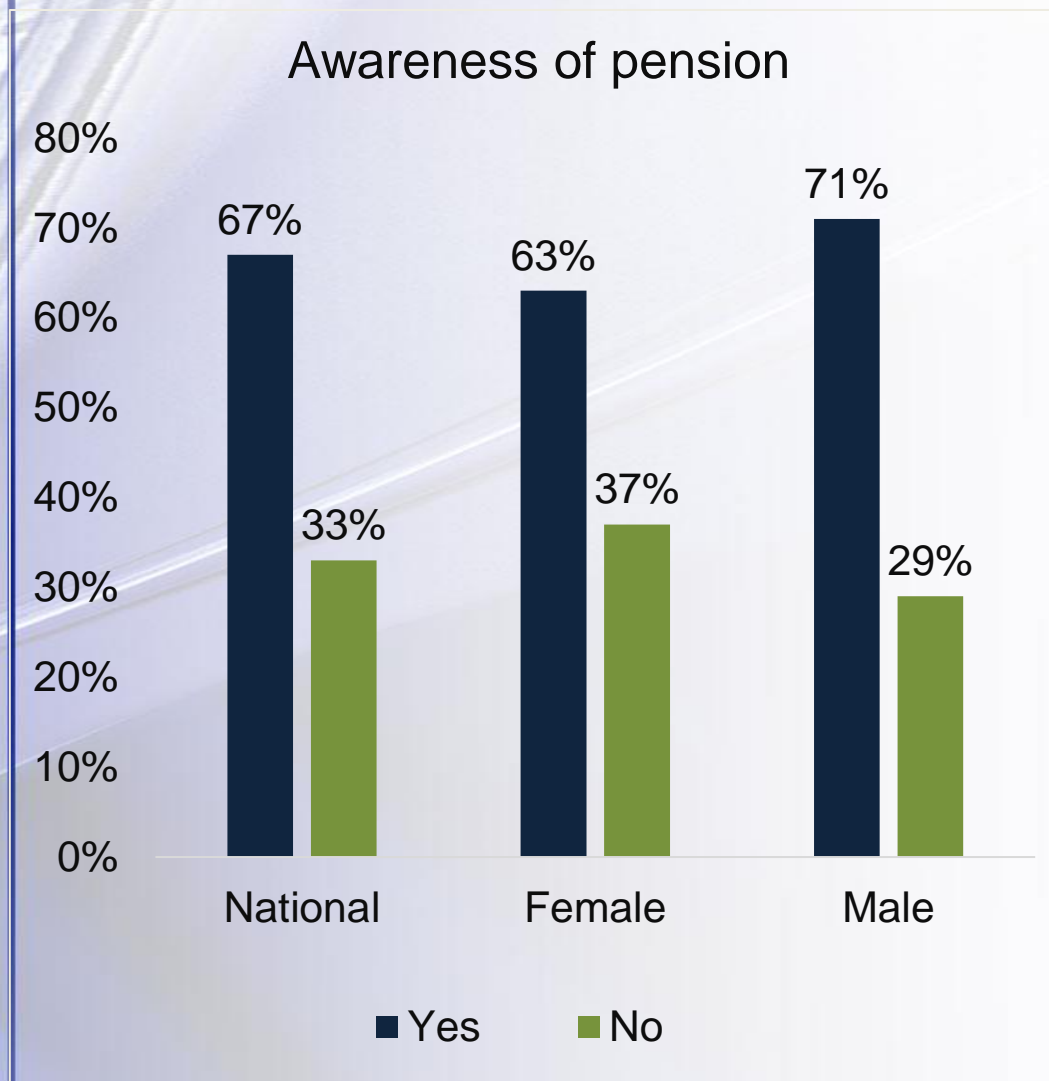
“Financial security at elderly age. It should protect me. It should take care of me.” **16-35yrs**

“When I think of Pension, I think of the **old people**. Last week I saw old people who said they got nothing, that small benefit. These are people who are above 65 years and that pains me a lot. They are getting money in RTGS and cannot do anything with it.” **16-35yrs**

“Enjoying benefits after retirement (mudyandigere). My life upon retirement or after retirement.” **36-55yrs**

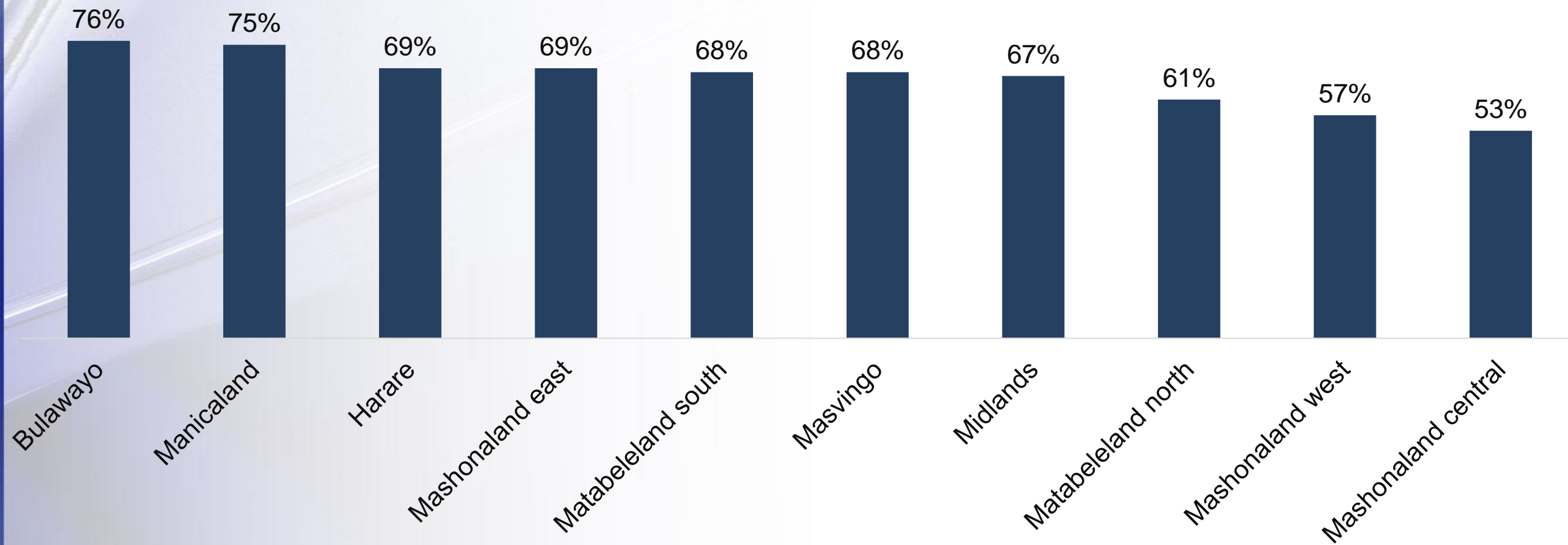
“These days when we think of pension we think of our children because we will enjoy our retirement whilst working.” **36-55yrs**

6.2: Awareness of pension & source



- Overall, 67% of the market knew about pension and male customers had higher awareness levels .
- When it comes to pension word of mouth was very prominent where people knew pension through family member (53%) and neighbours (17%).

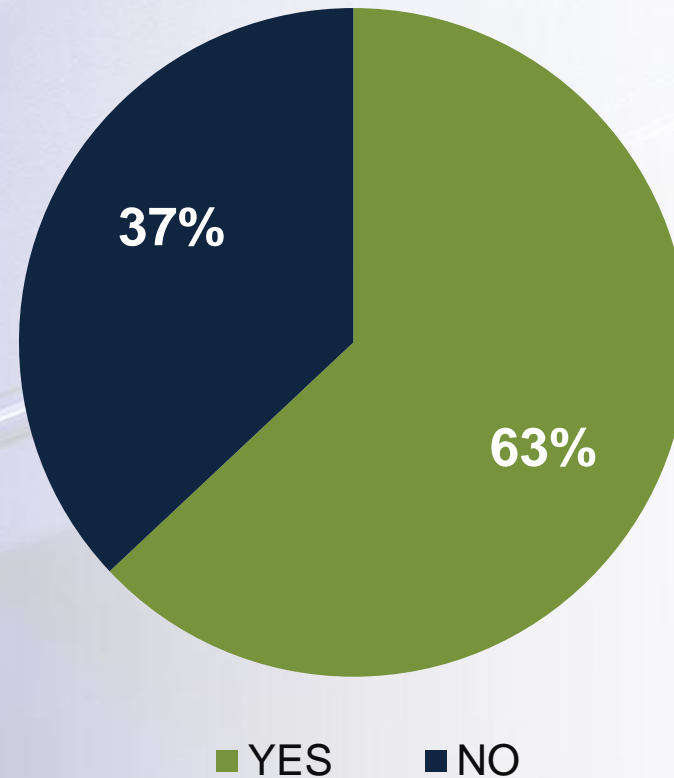
6.3: Awareness of pension by province



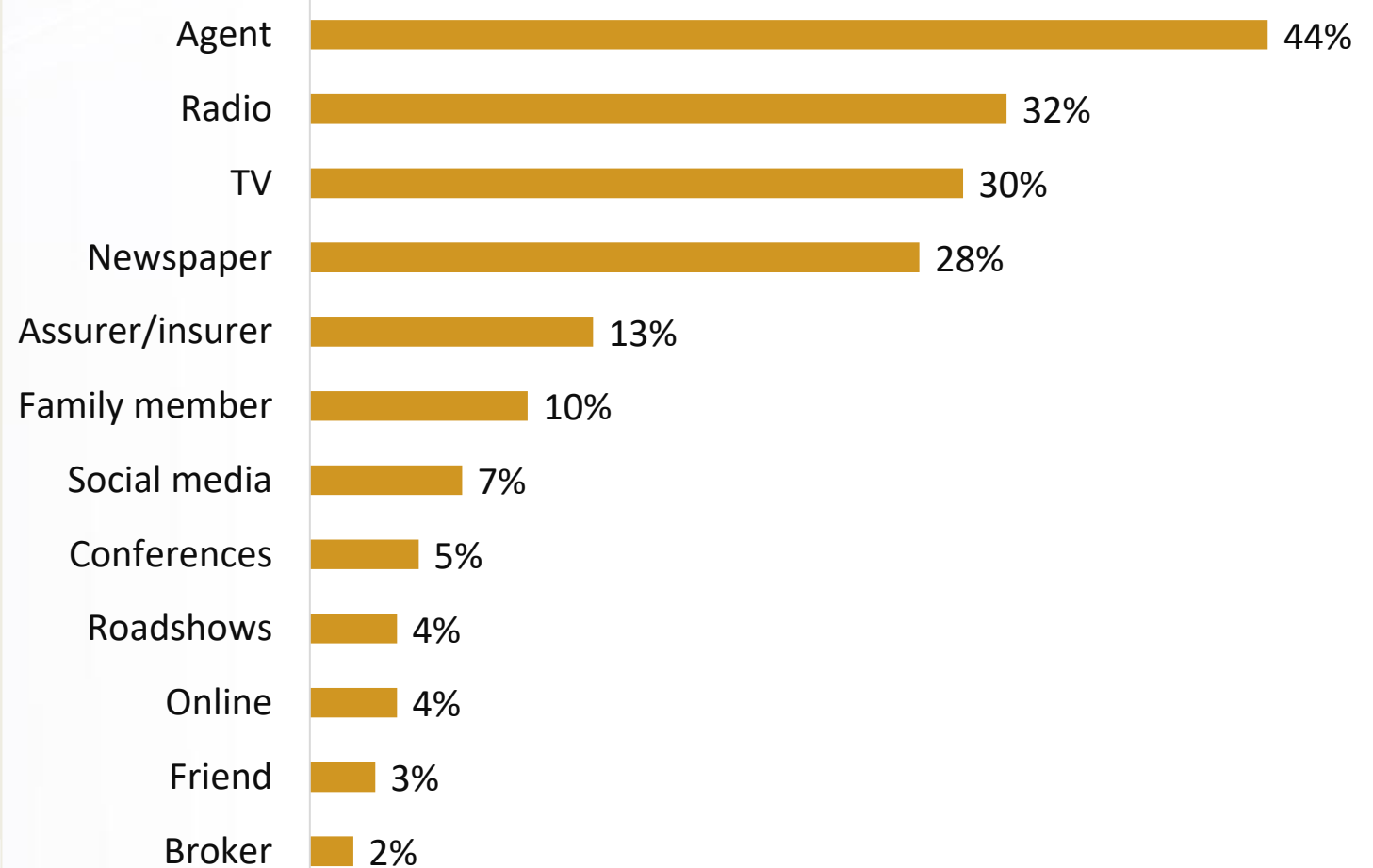
6.4: Awareness of pension & source -Informal Market



Awareness of pension

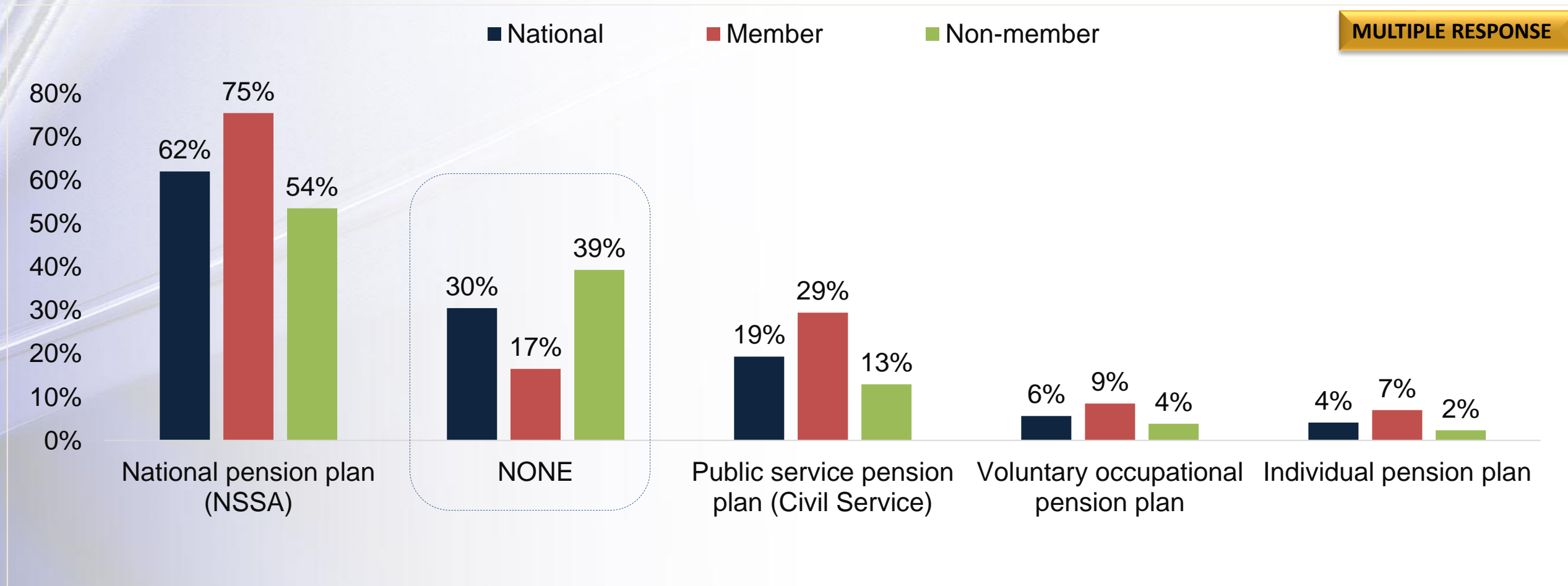


Source of Awareness



- Overall, 67% of the individuals and 63% of the SMEs knew about pension.
- When it comes to pension word of mouth was very prominent where people knew pension through family member (53%) and neighbours (17%). For SMEs agents are making impact and are very popular followed by traditional media.

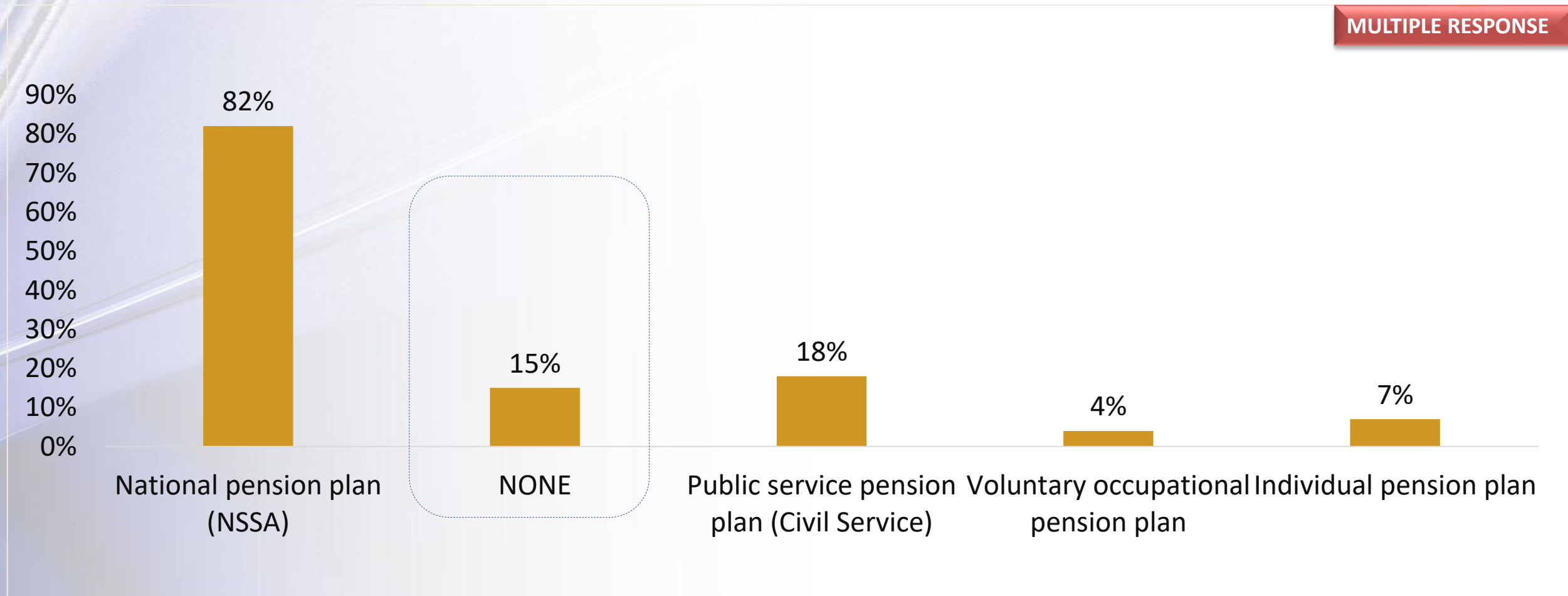
6.5: Awareness of pension plans



Q: Which pension plans do you know?

- Majority of the market mentioned NSSA as one of the pension funds they knew.
- Only a few were aware of voluntary occupational (6%) and individual pension (4%)

6.6: Awareness of pension plans- Informal sector

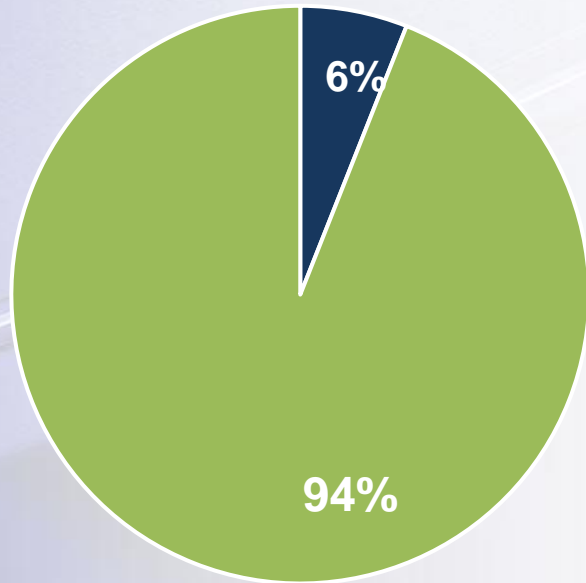


Q: Which pension plans do you know?

6.7: Uptake of pension - Individual

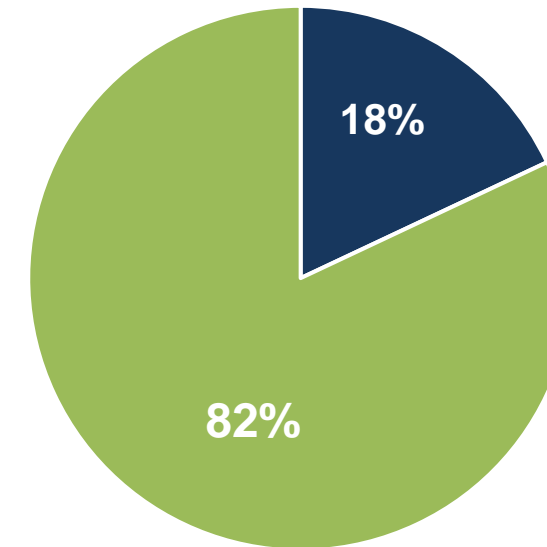


Pensions uptake
(Occupational & Individual plans only)



■ Members ■ Non-members

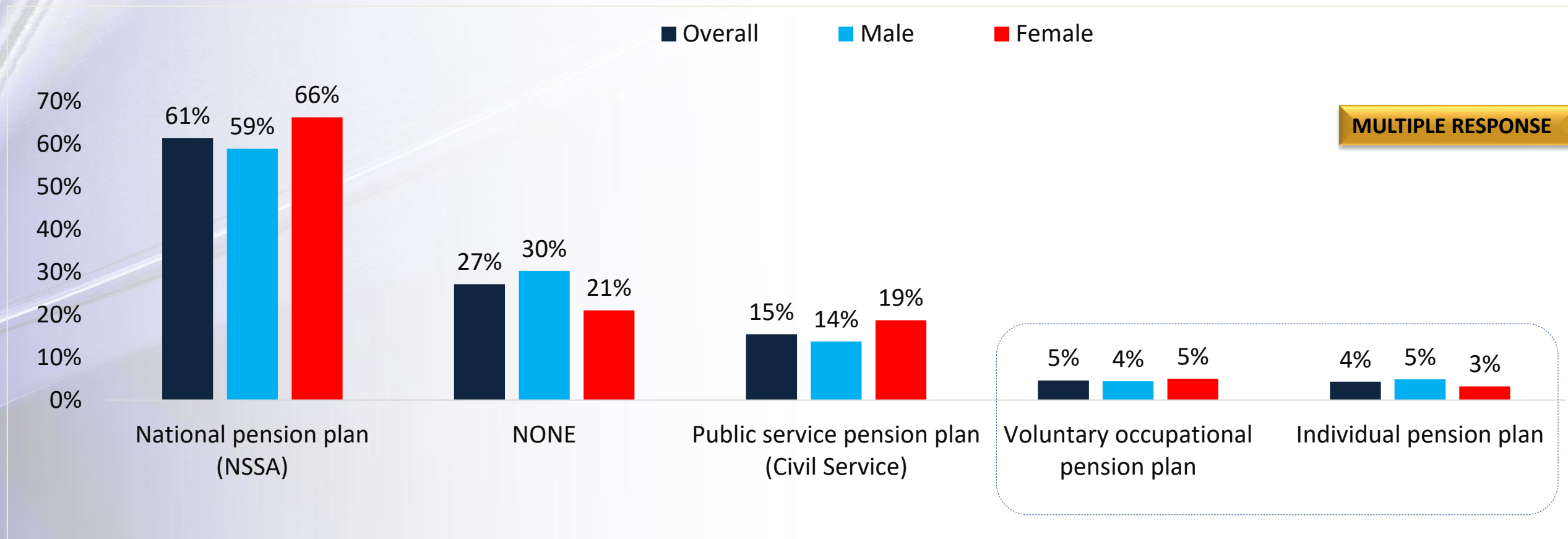
Overall pensions uptake
(NSSA, Civil Service, Occupational & Individual pension plans)



■ Member ■ Non-member

- Market penetration for private pension was quite low as only 4% were on pension, that is voluntary occupational and individual pension.
- However, coverage for all pension types was quite low as only 18% were on pension.

6.7: Usage of pension plans - Individual

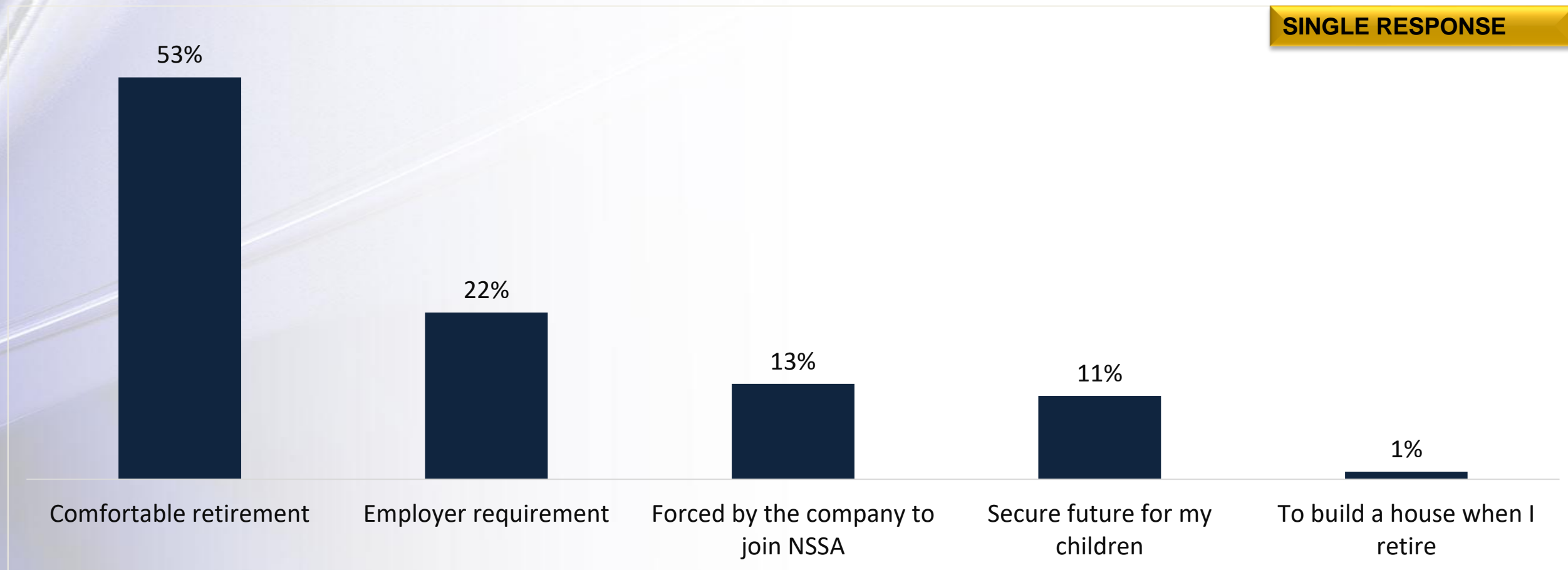


Q: Which pension plans are you currently on?

6.8: Reasons for taking up pension plan

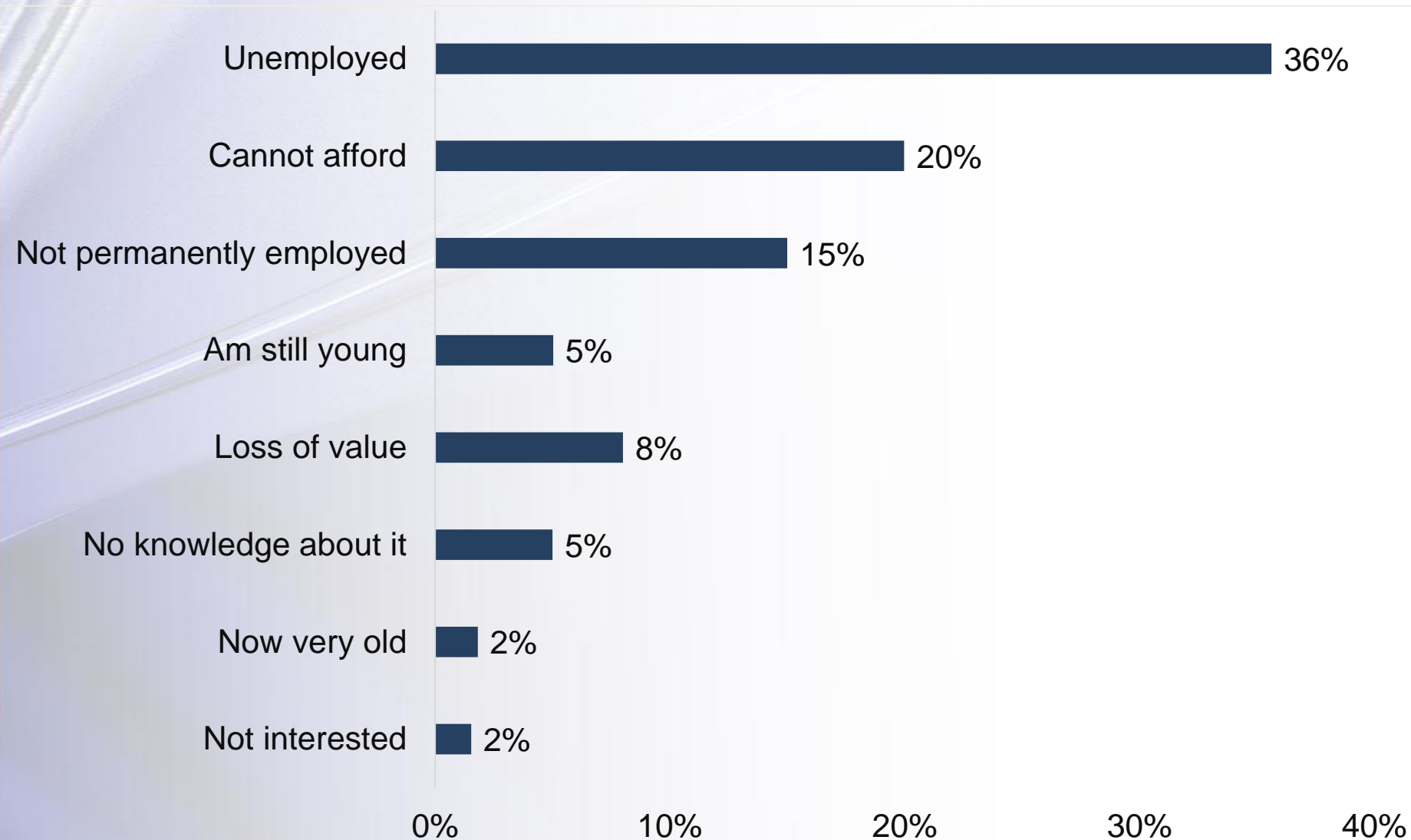


SINGLE RESPONSE



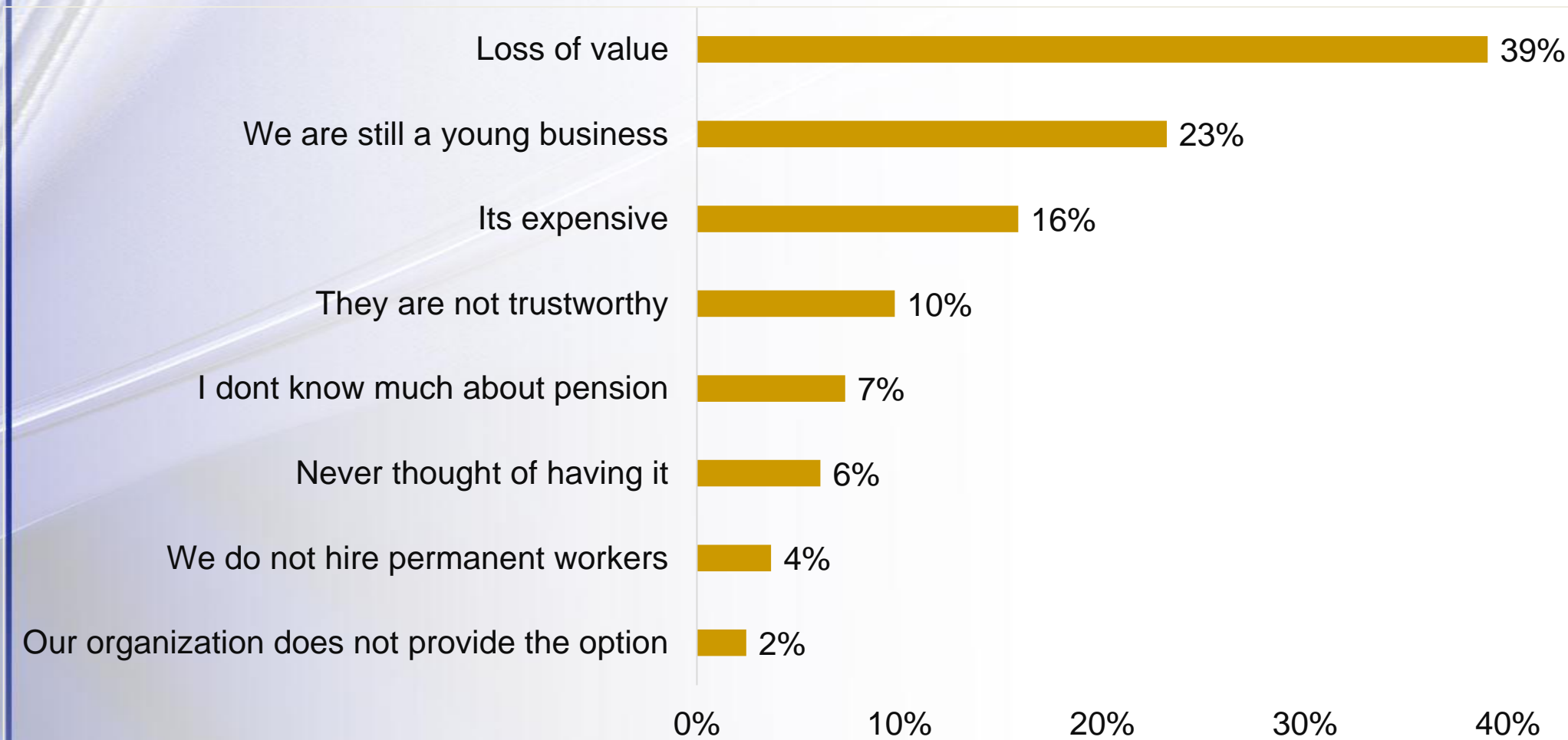
*Q: What was your **main** reason for taking up pension plan?*

6.9: **Barriers** to getting a pension plan-**Individual**



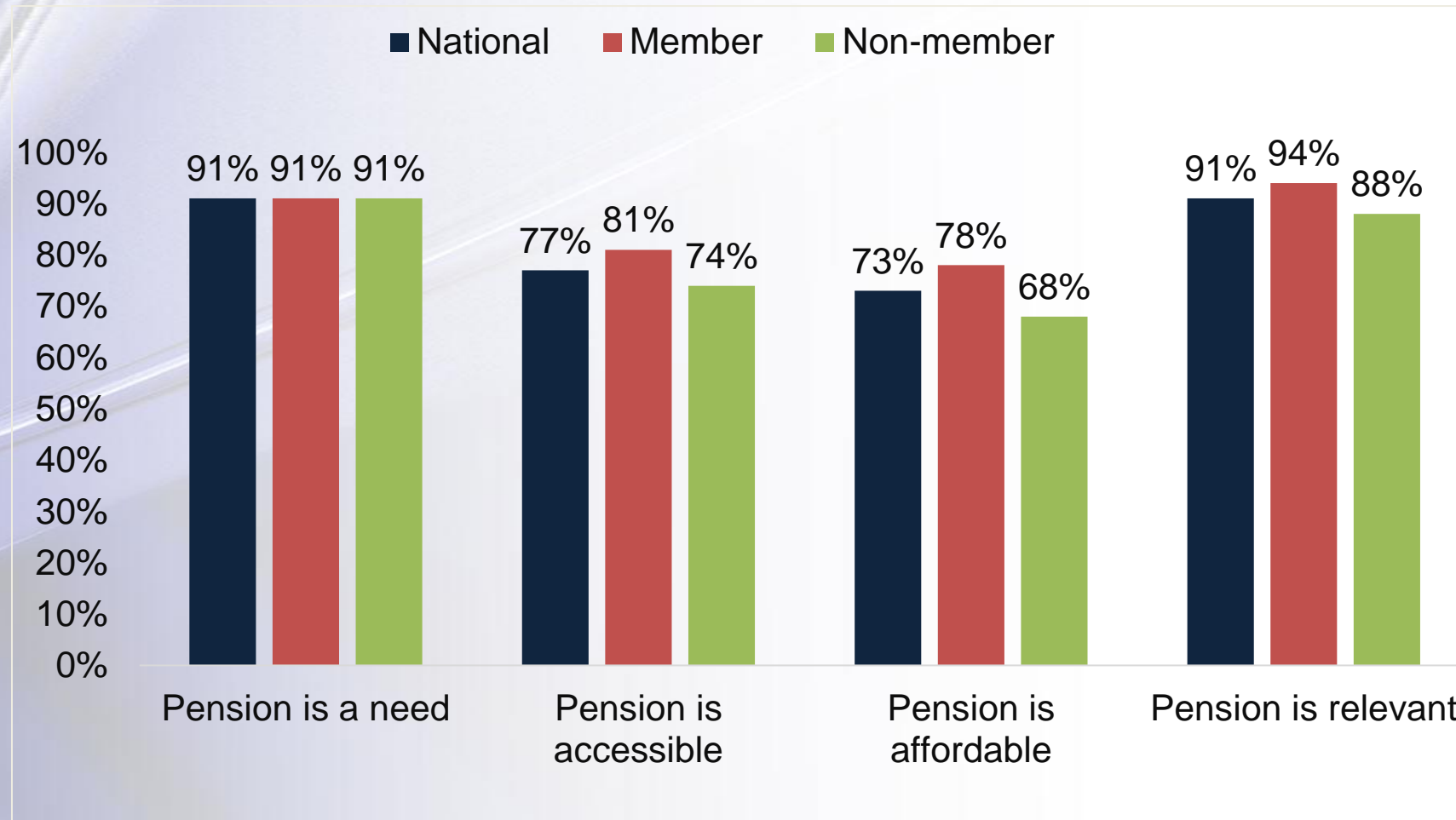
Q: Why do you not have pension plan now?

6.10: **Barriers** to getting a pension plan- Informal sector



Q: Why do you not have insurance now?

6.11: Perceptions on pension plans - Individual



“Pension is important because I will get to a certain age when I cannot work and they can give me money to **sustain me** and even **educate my children** using that money.”

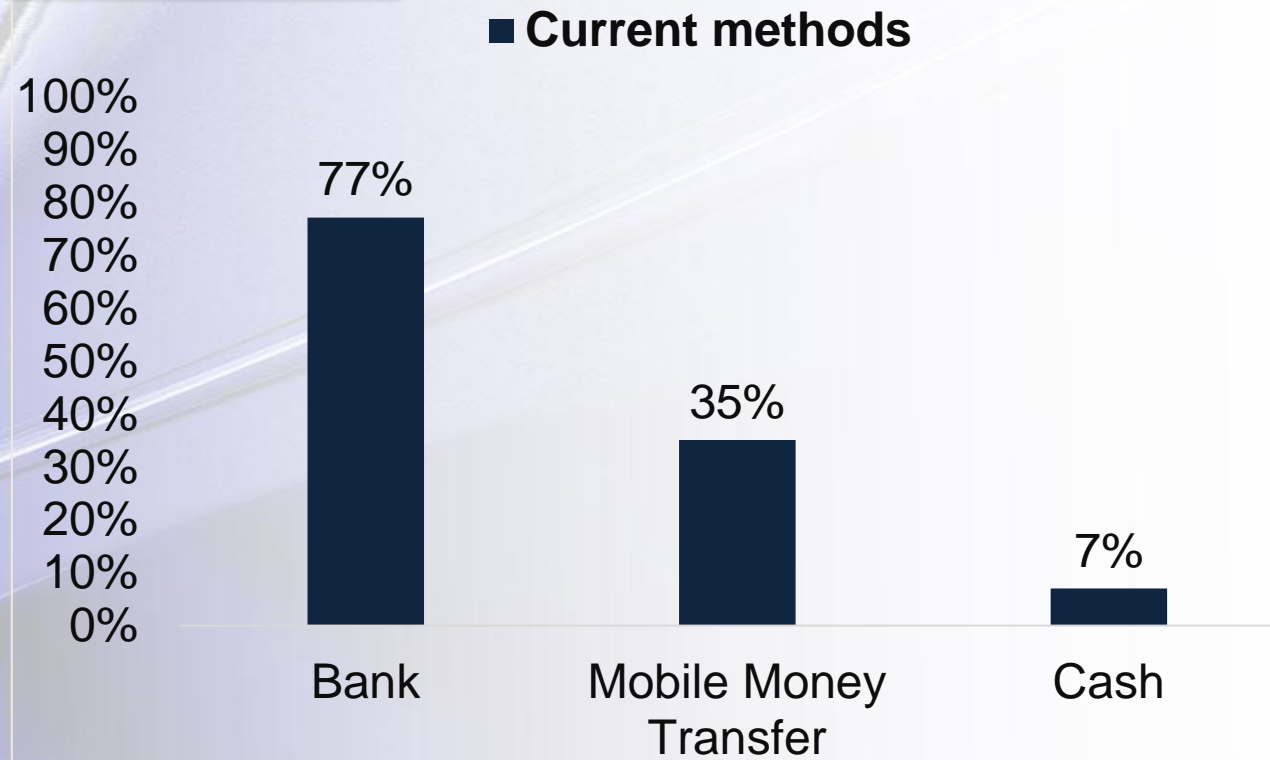
“It is of no use at all. Late payments are the order of the day when it comes to pensions. There is this old man we used to work with, he left work in 2016 but he hasn't been paid.”

- The market strongly believed that pension was a need and that it was accessible and affordable. A significant proportion of customers (91%) felt that pension was relevant.
- Those who were on pension believed more in affordability and accessibility of pension than non-members.

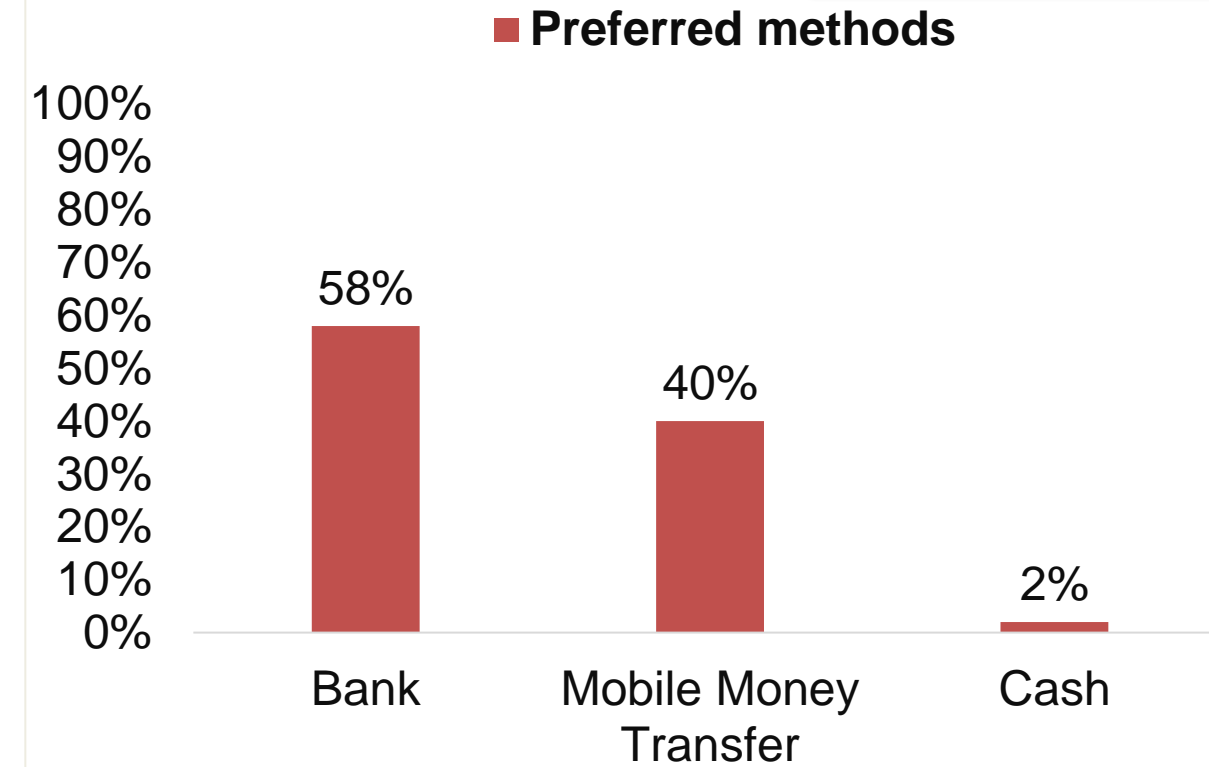
6.12: Methods of paying pension contributions - Individual



MULTIPLE RESPONSE

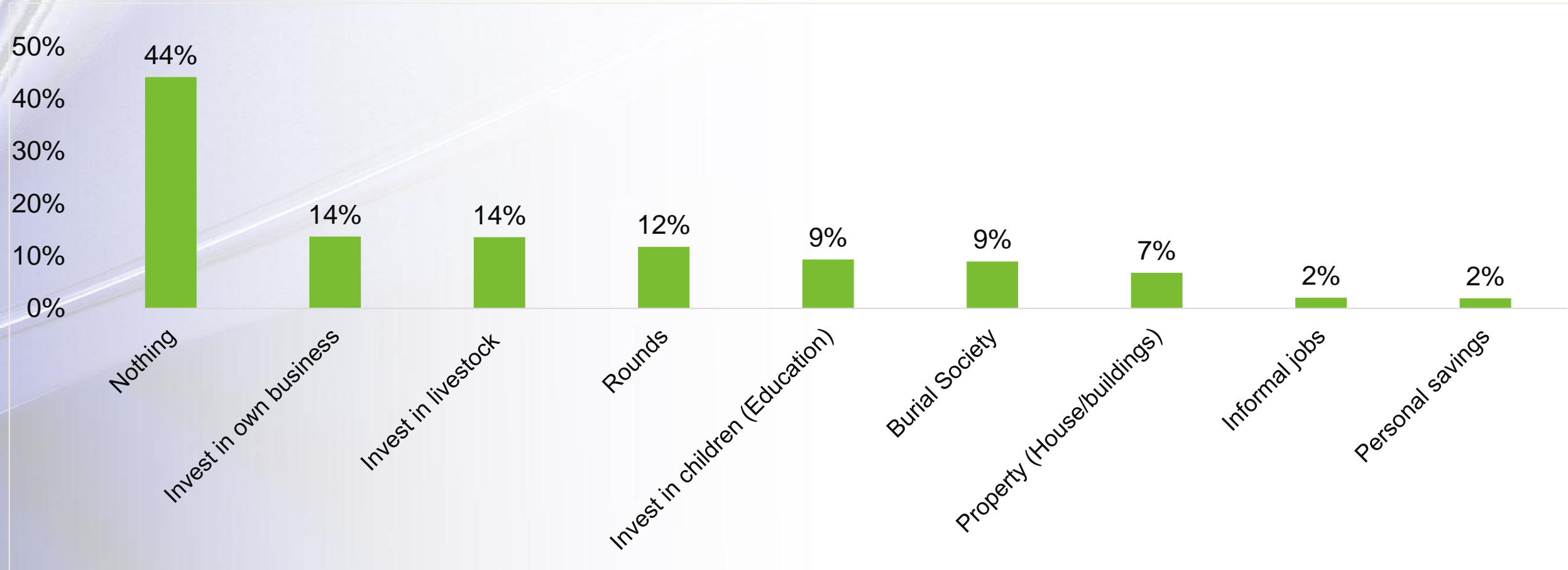


SINGLE RESPONSE



- Pension contributors were mainly paying for their contributions through the bank.
- However, given a choice, bank was not as prominent, while mobile money transfer attracted a bigger proportion of contributors.

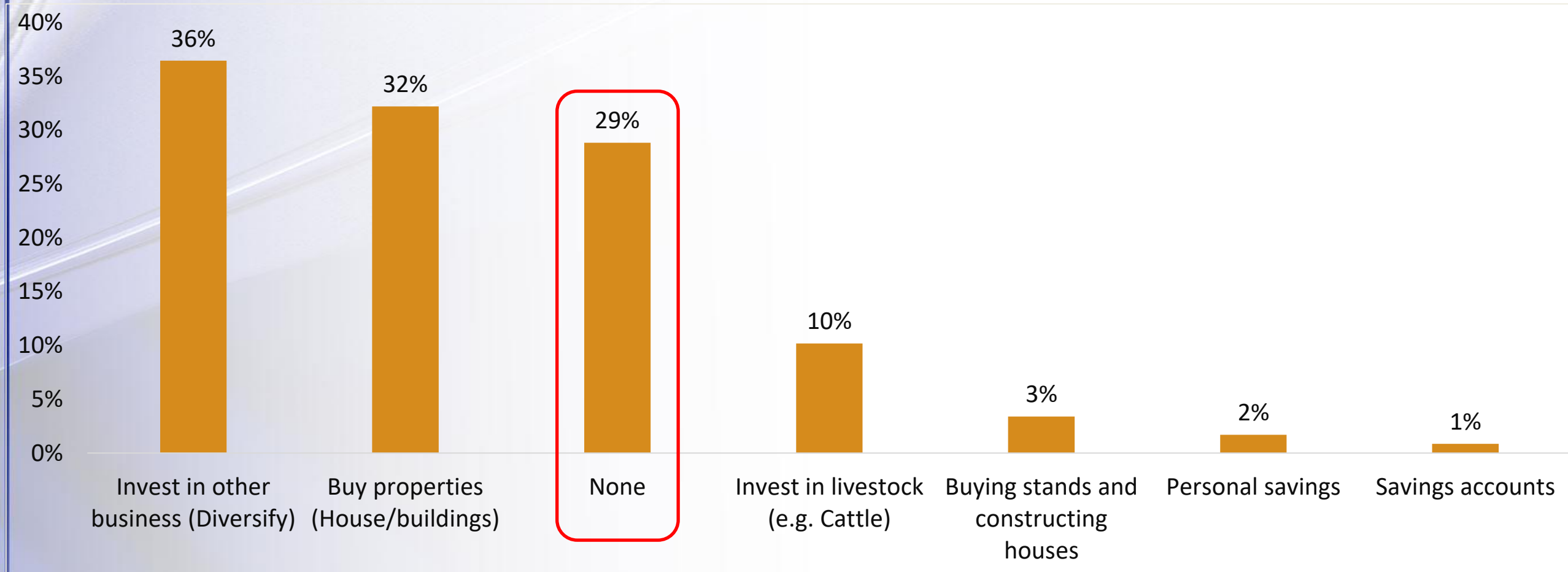
6.13: Alternatives to saving for retirement - Individual



Q: Since you are not on pension, what other means are you using to save for retirement?

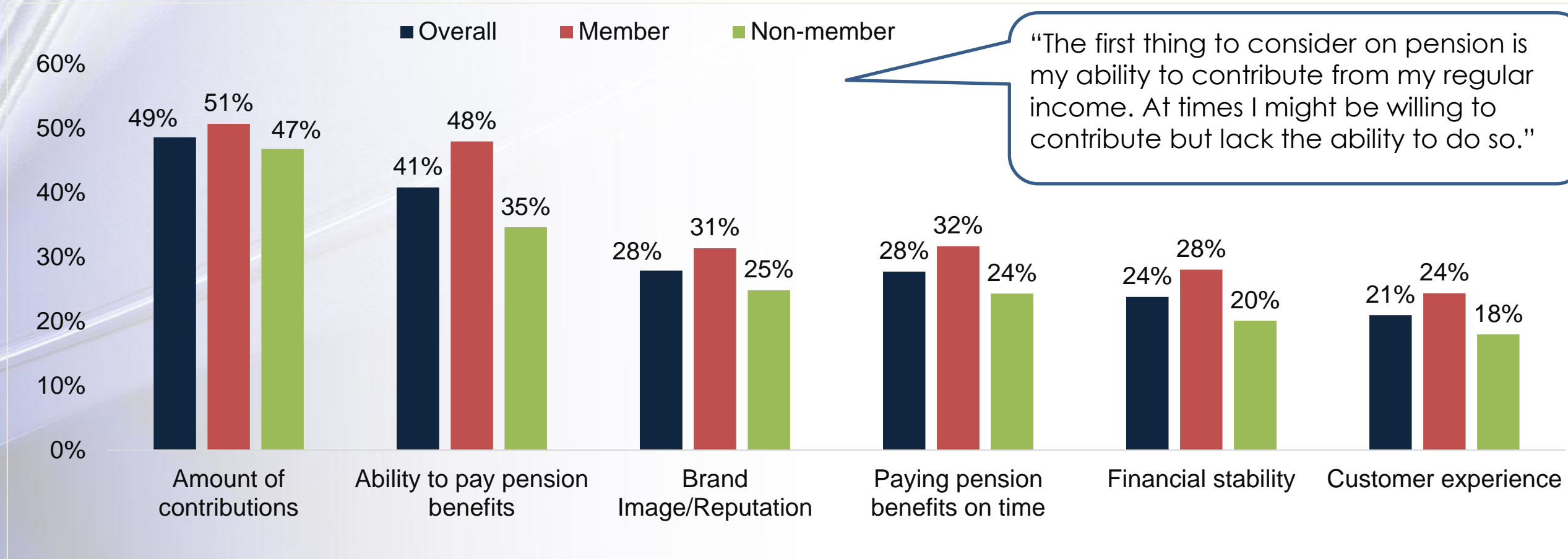
Apart from pension, people venture into livestock, investing in children & own business as well as properties to keep value as they save for retirement.

6.14: Alternatives to saving for retirement- Informal sector



Q: Since you are not on pension, what other means are you using to save for retirement?

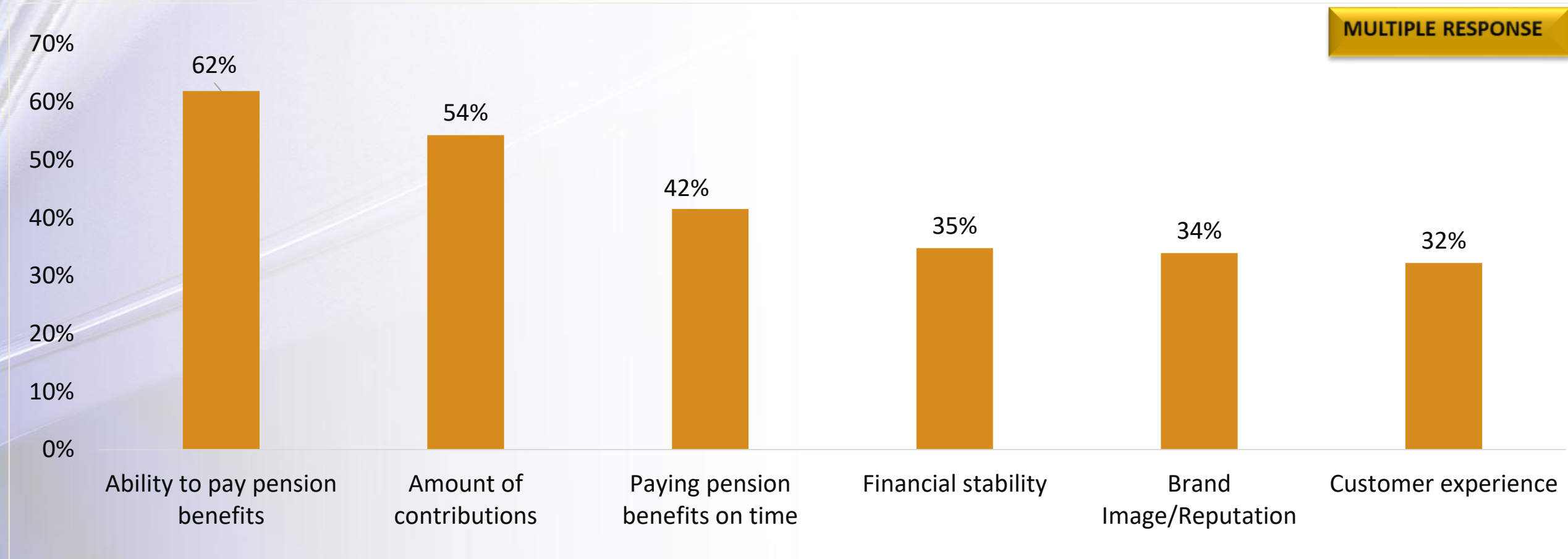
6.15: Pension plan choice drivers



Q: What do you look for when choosing an insurance company to use?

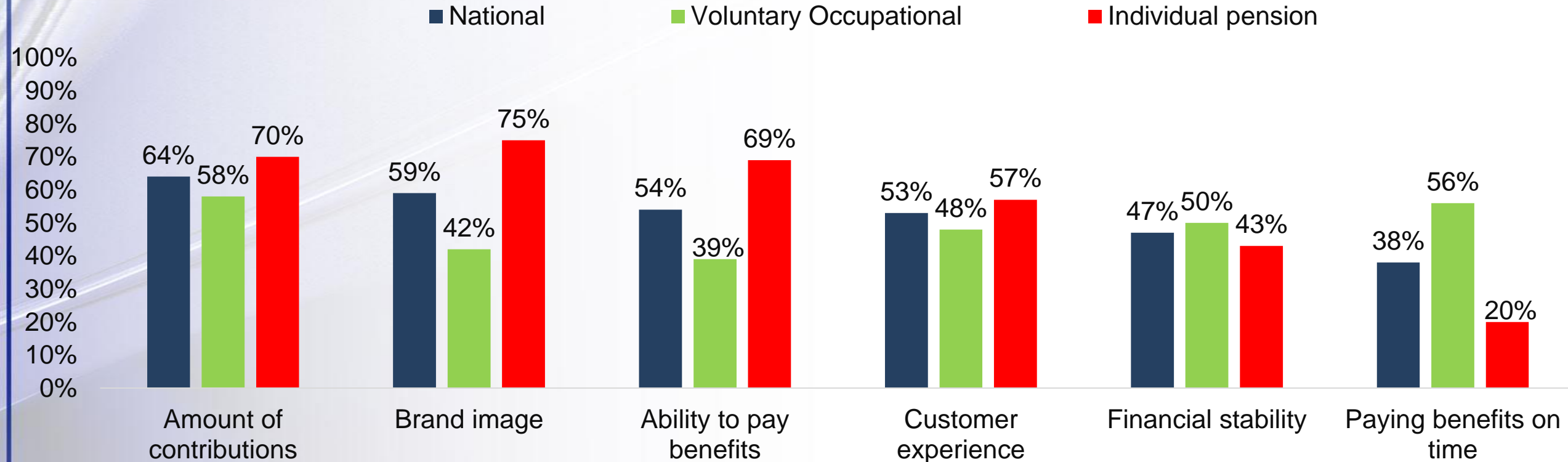
- Similar to insurance, top choice drivers for pension were affordability (49%) and ability to pay benefit claims (41%).
- Current users were more demanding than non-members especially on ability to pay claims.

6.16: Pension plan choice drivers-**Informal sector**



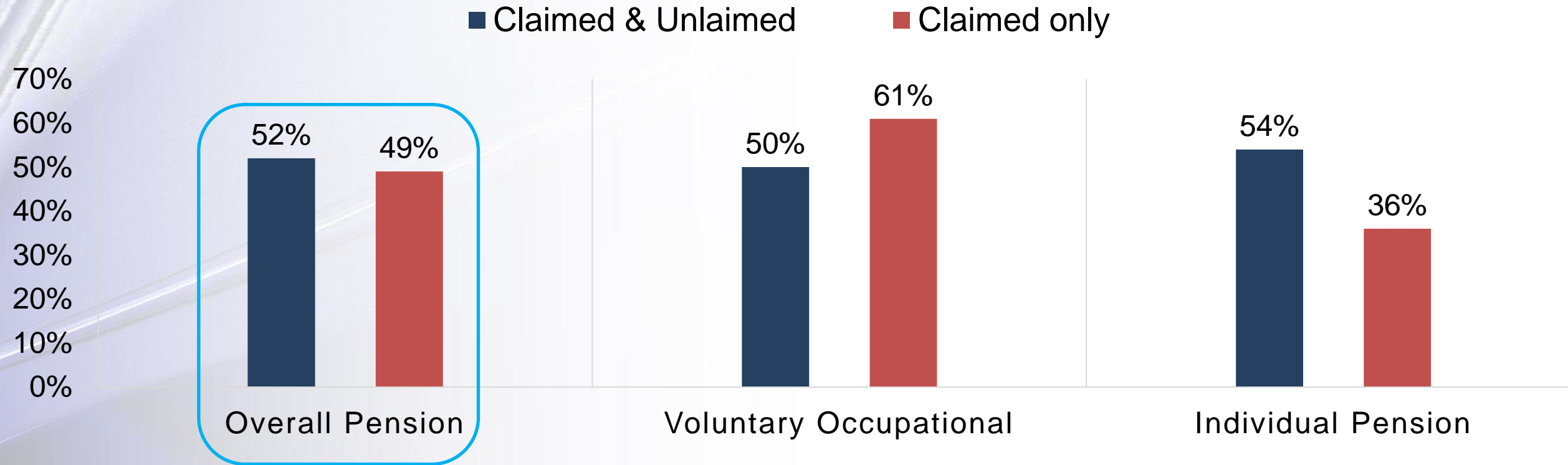
Q: What do you look for when choosing an insurance company to use?

6.17: Satisfaction with service providers on choice factors – **OVERALL**



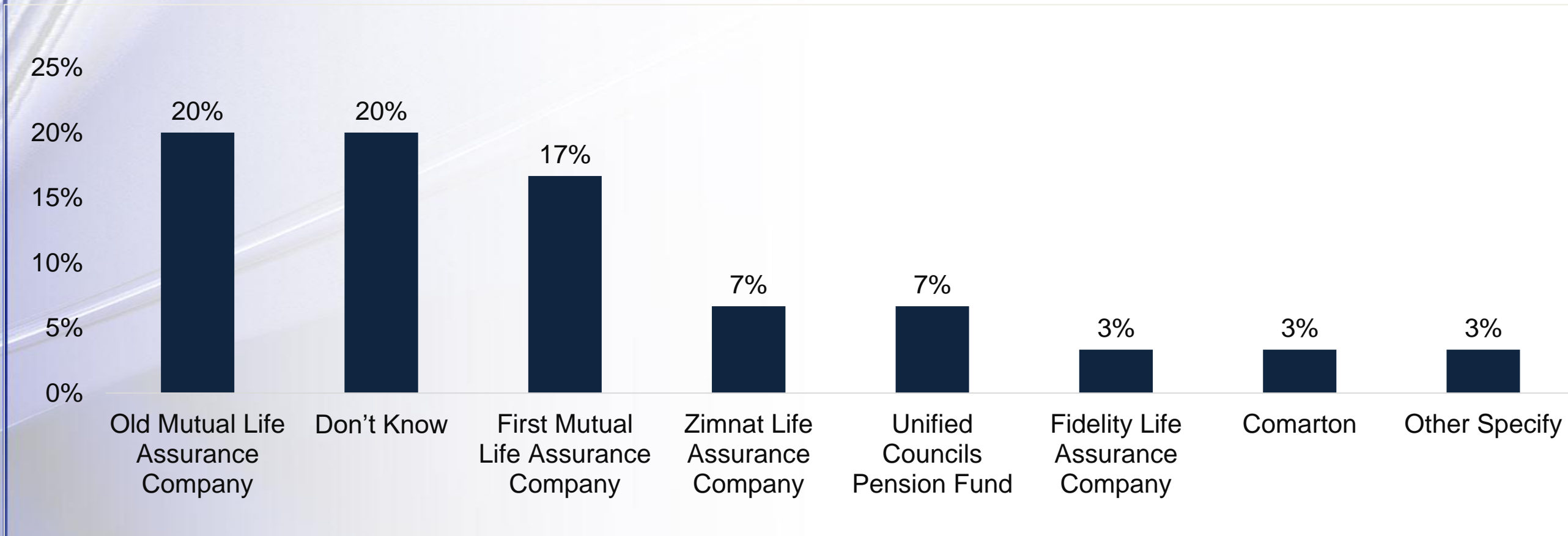
How satisfied are you, with your pension administrator on the following attributes using a 7-point scale: Extremely Dissatisfied [1], Dissatisfied [2], Dissatisfied to some extent [3], Not sure [4], Satisfied to some extent [5], Satisfied [6], to Very Satisfied [7]?

6.18: Customer Satisfaction Index (CSI)



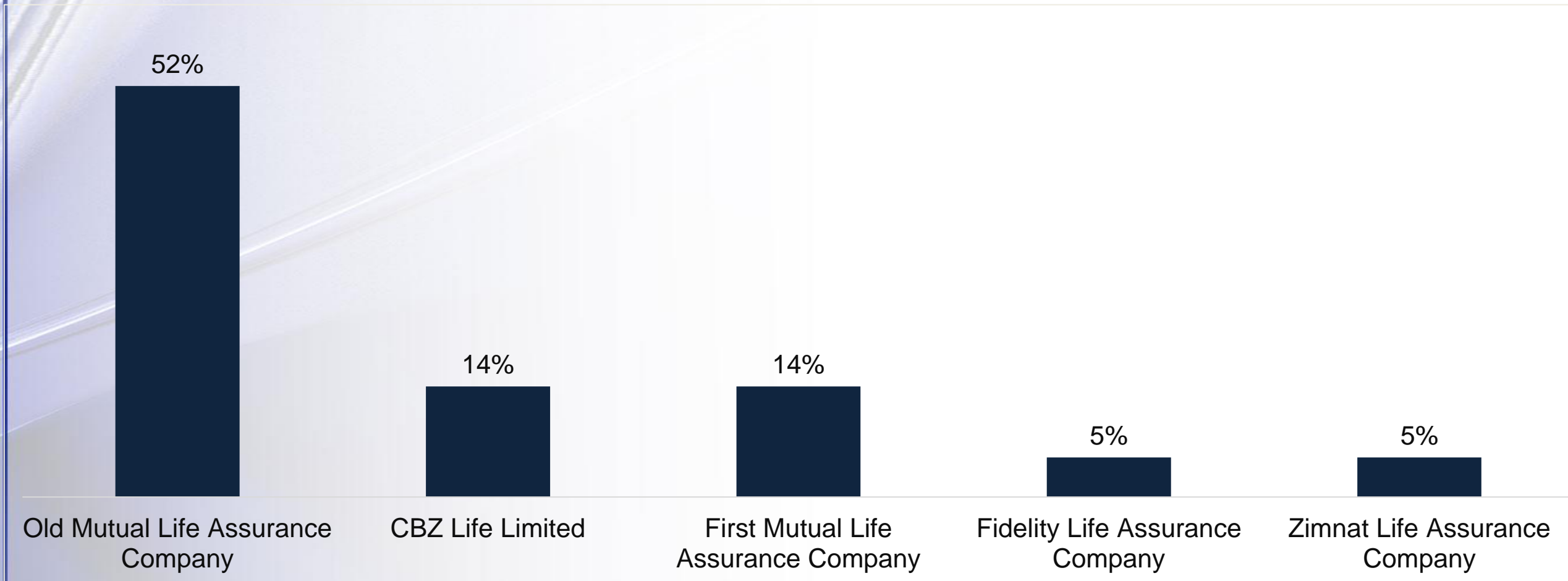
- The indices were calculated based on four elements that is customer experience, ability to pay benefits, paying benefits on time and reasonable contributions.
- The satisfaction levels with pension are much lower than insurance especially for those who had claimed before.
- Confidence levels can be deduced from this. The more satisfied members are the more they are confident of pension.
- It has to be taken into consideration that the members had also claimed at different periods considering the changes in the economy over the years.

6.19: Pension administrator used for **voluntary occupational pension**



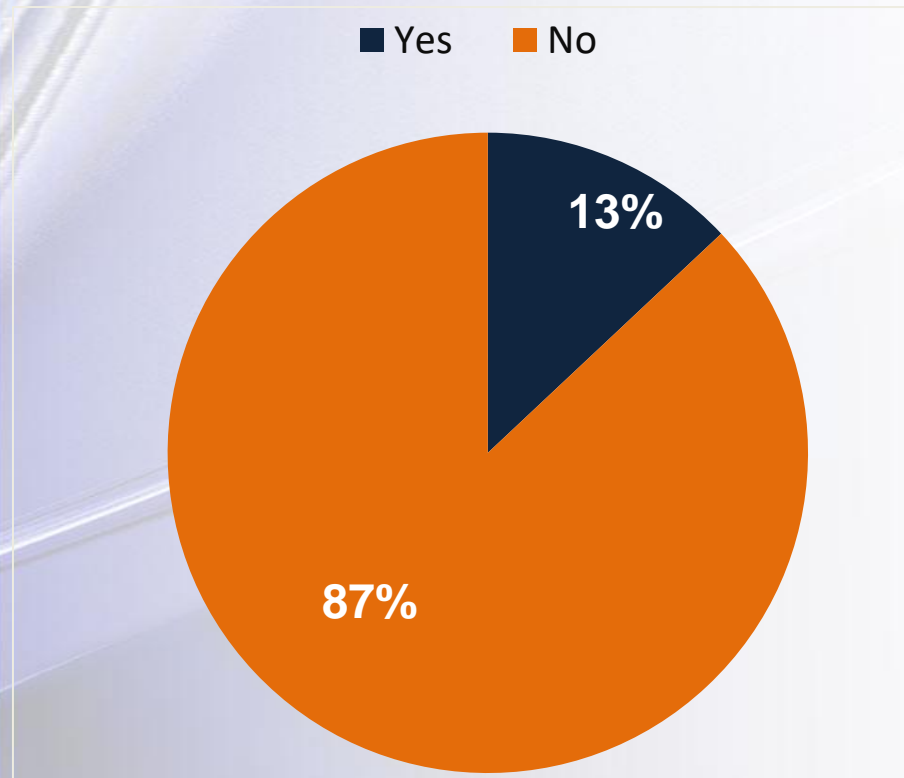
Q: Which pension administrator are you using for voluntary occupational pension plan?

6.20: Pension administrator used for individual pension plan

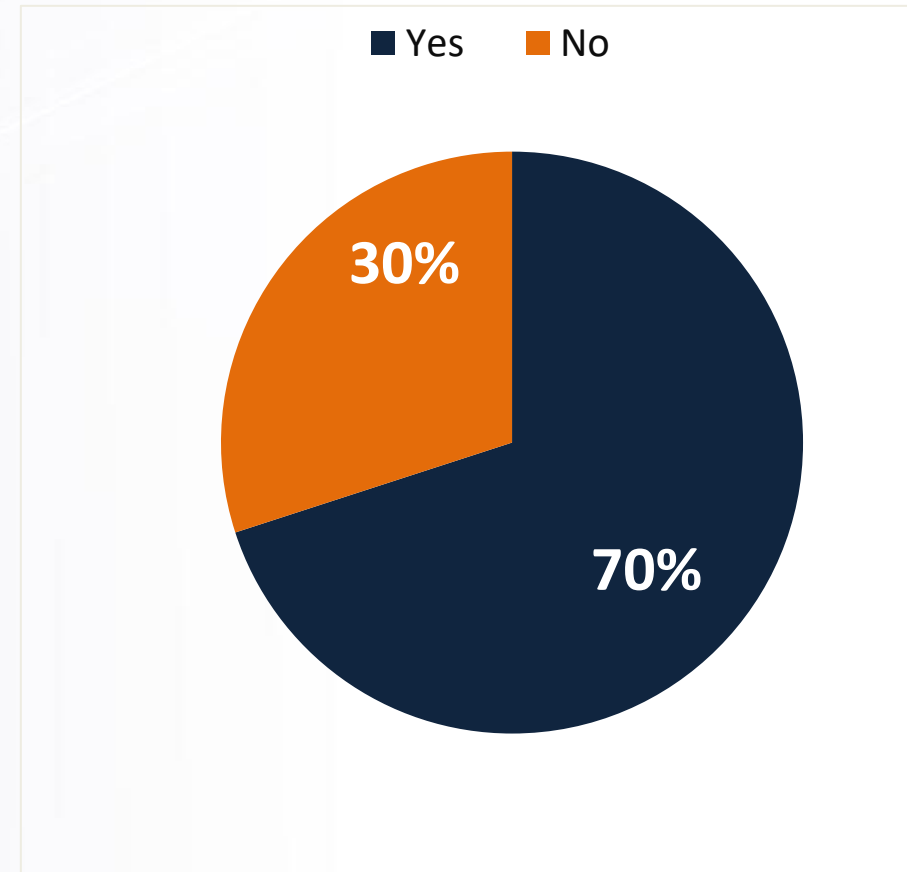


Q: Which pension administrator are you using for individual pension plan?

6.21: Dispute resolution & benefit claim procedures



Q: In case of a dispute with an insurance company or pension administrator, do you know where to go and get help?

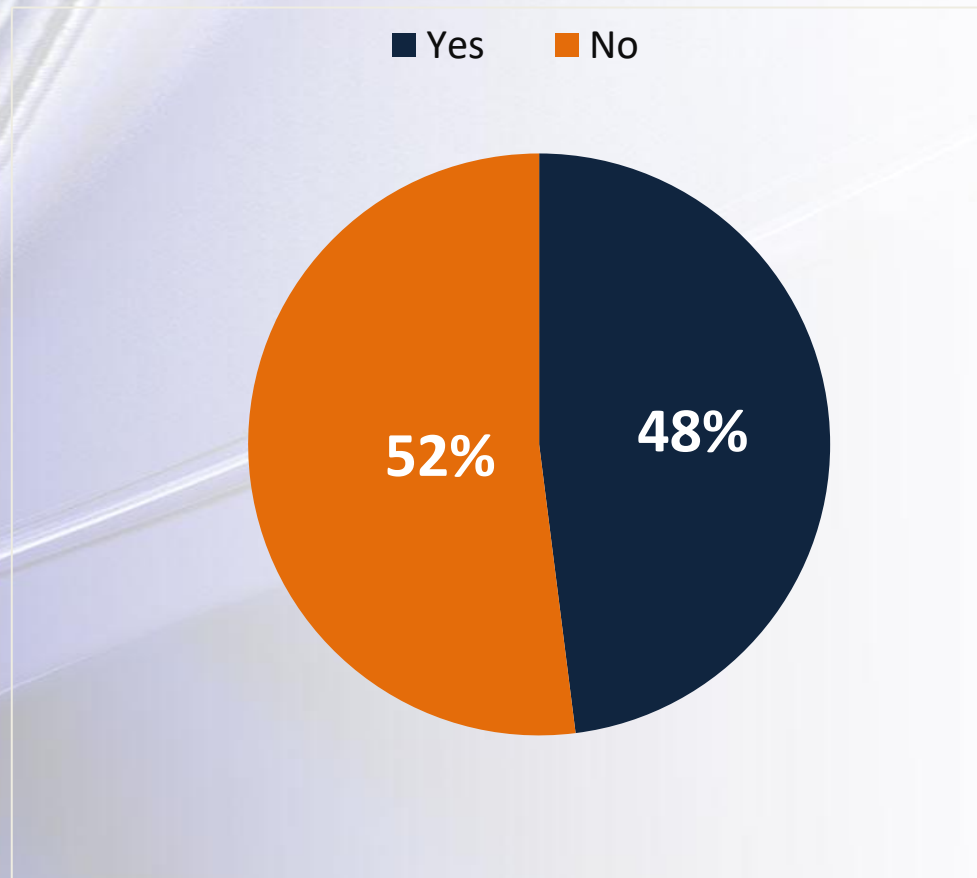


Q: Do you know the pension benefits claims procedure?

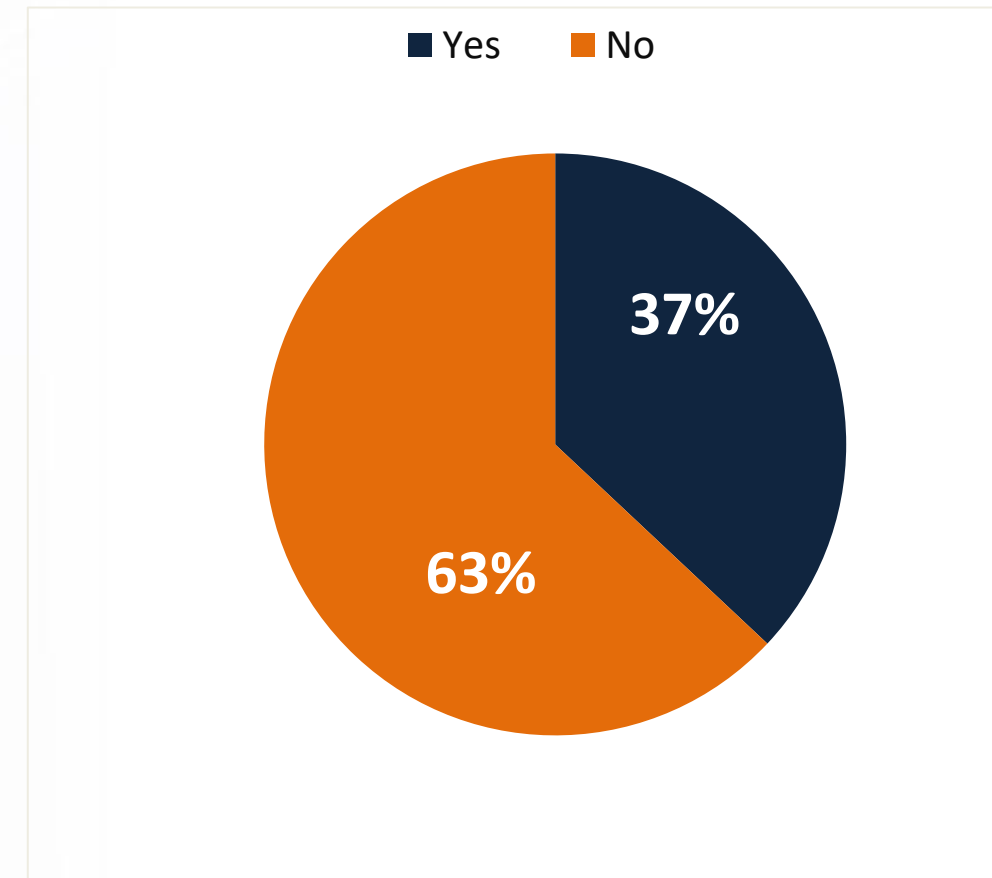
"The one from work I just go to the Pension office and the claims will be done through their office but the other one I have a policy document I can use to go and claim my benefits. They also communicate through messages." **35-55yrs**

Majority of pensioners were not aware of complaints channel if they had a dispute with their pension administrator.

6.22: Benefit claim process



Q: Have you ever claimed before?



Q: Were you happy with the claims process?

- 48% of the pensioners had claimed before.
- Pensioners had concerns with the way they were handled and only 37% of them were happy with the benefit claim process.

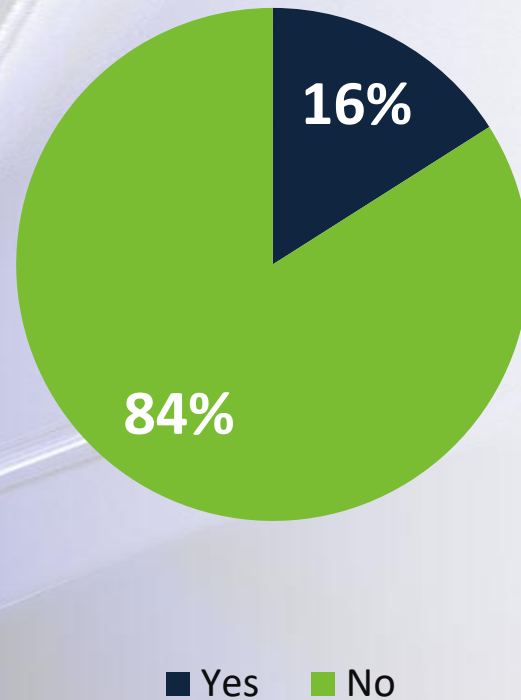


7.0 REGULATOR

7.1: Awareness of IPEC & Source

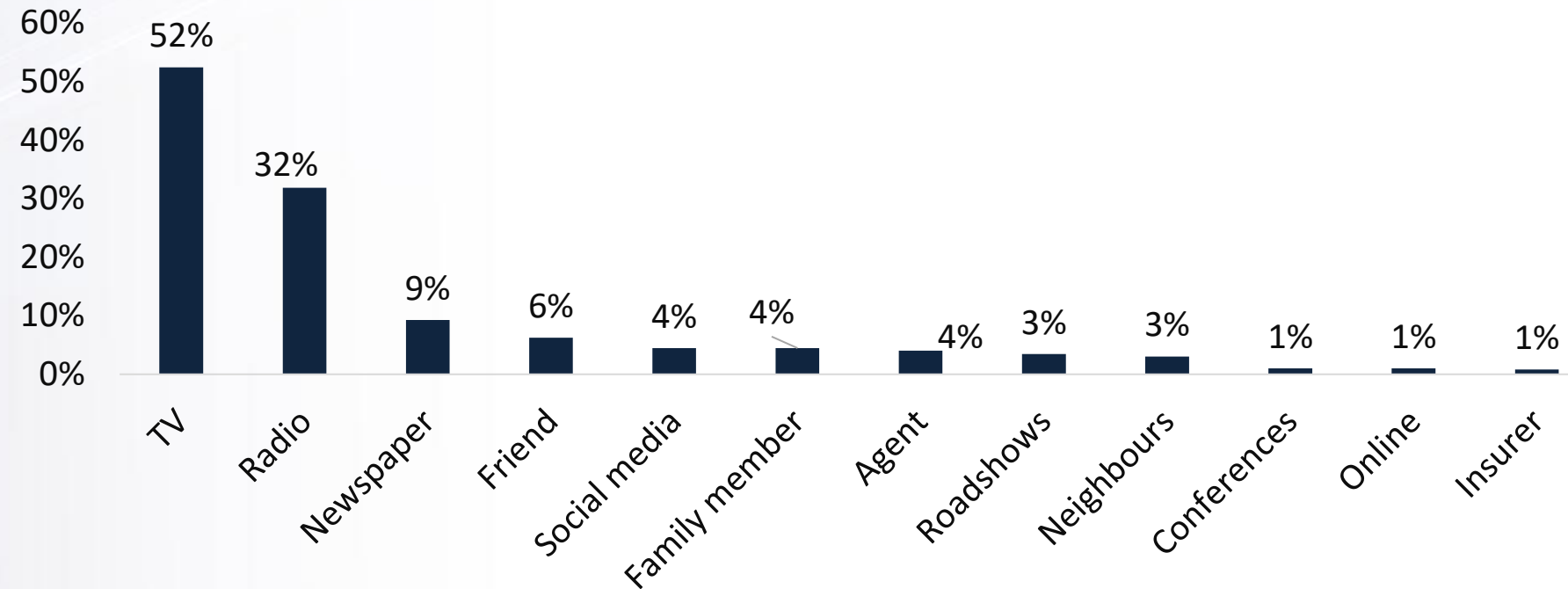


Awareness of IPEC



Q: Do you know Insurance and Pensions Commission?

Source of Awareness



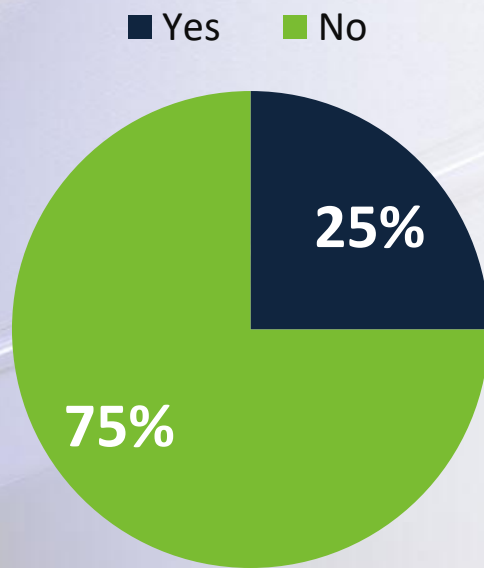
Q: How did you get to know about IPEC?

- Awareness of IPEC was low among Zimbabweans with 16% individuals indicating that they knew the regulator.
- TV (52%) was the most popular source of awareness among individuals followed by radio (32%).

7.2: Awareness of IPEC & Source – Informal market

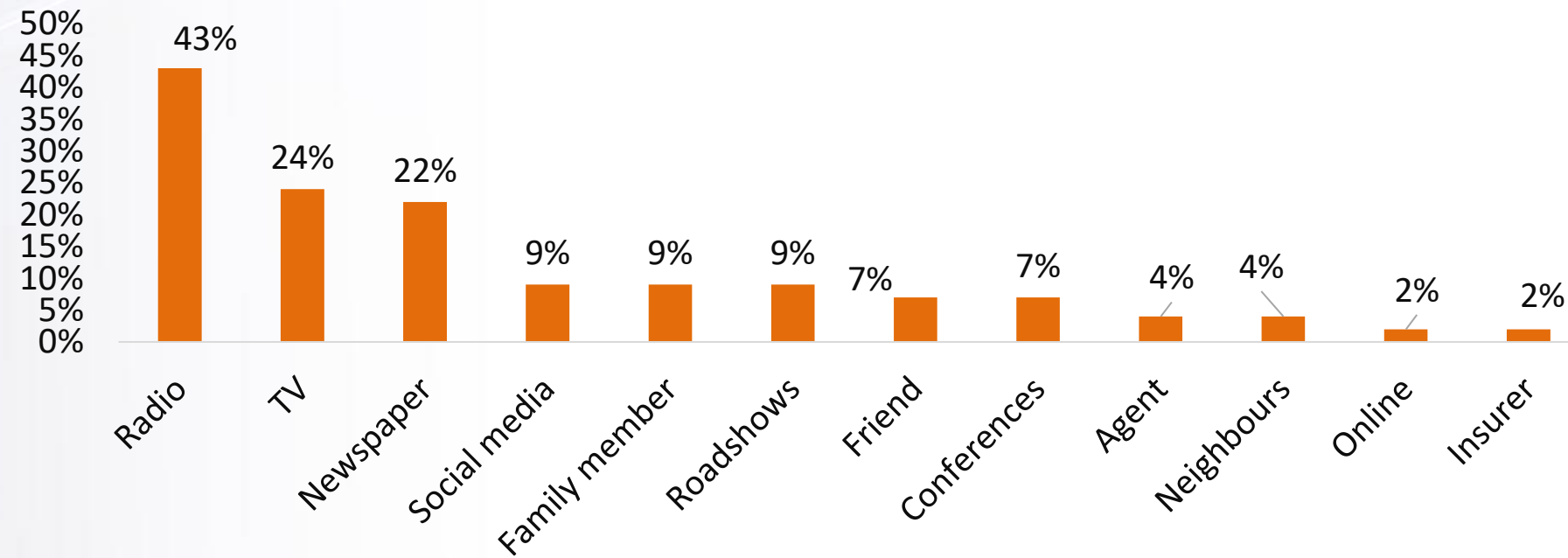


Awareness of IPEC



Q: Do you know Insurance and Pensions Commission?

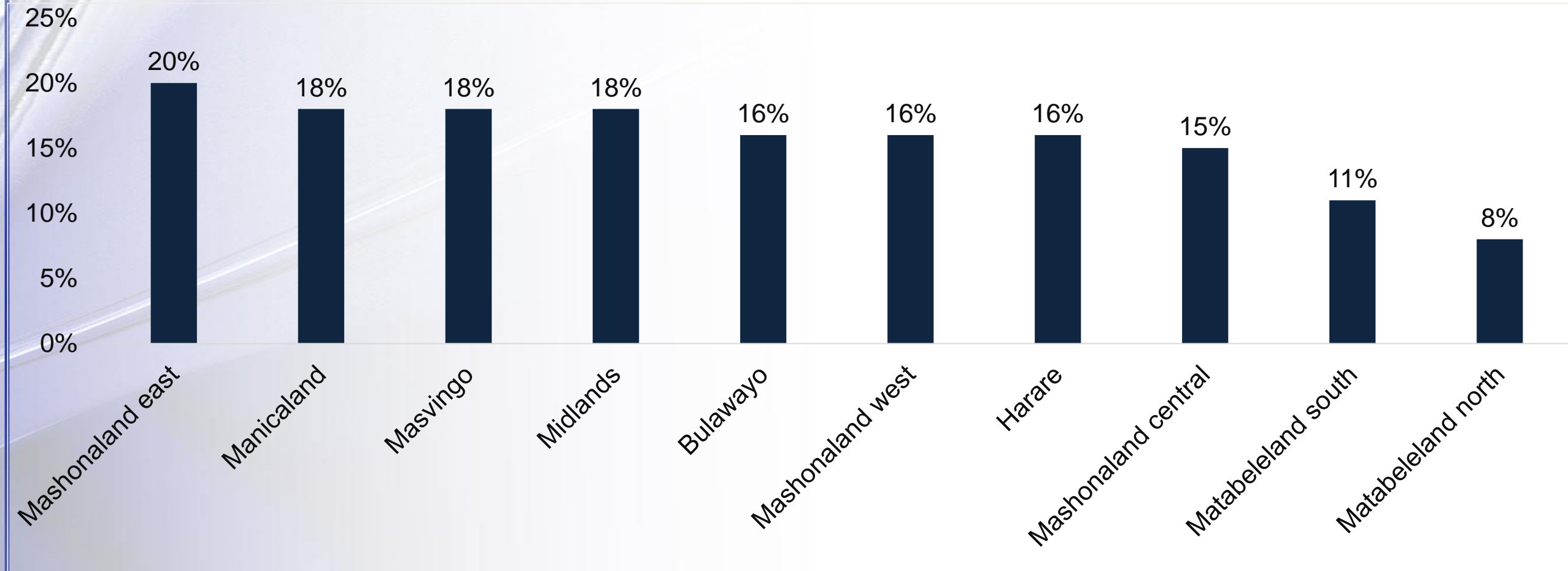
Source of Awareness



Q: How did you get to know about IPEC?

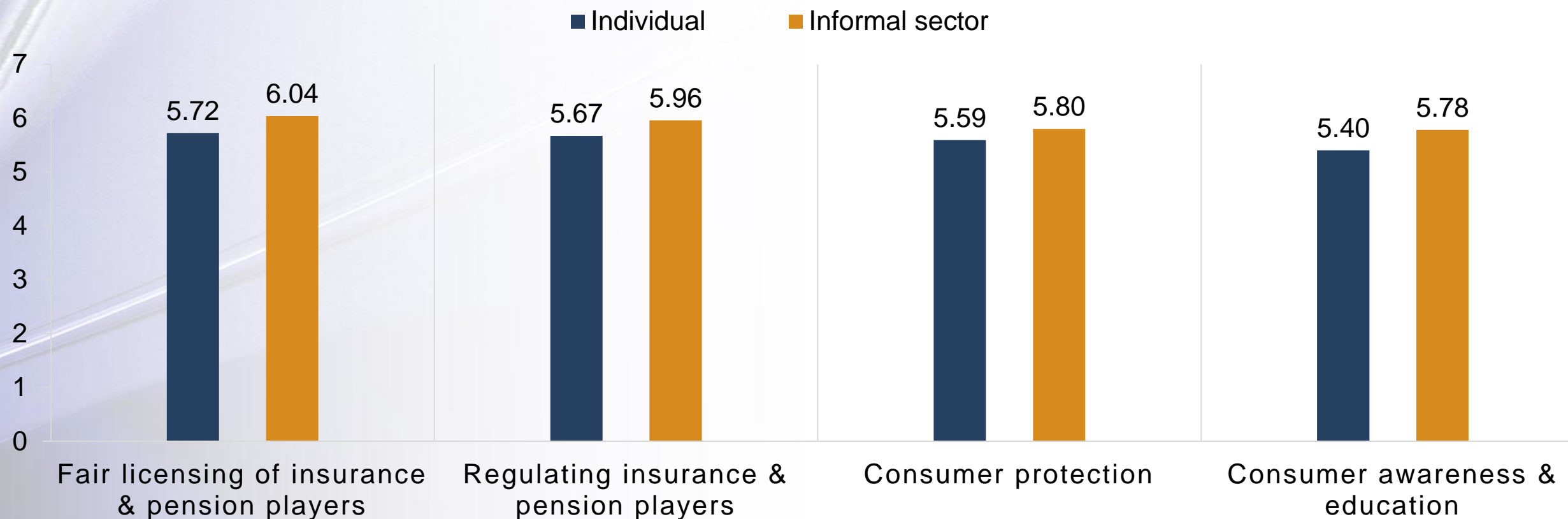
- Awareness of IPEC was on 25% for .
- Radio (43%) was the top source of awareness followed by TV (24%) and newspaper (22%).

7.3: Awareness of IPEC by province



Awareness of IPEC was highest in Mashonaland East (20%) and lowest in Matabeleland North (8%).

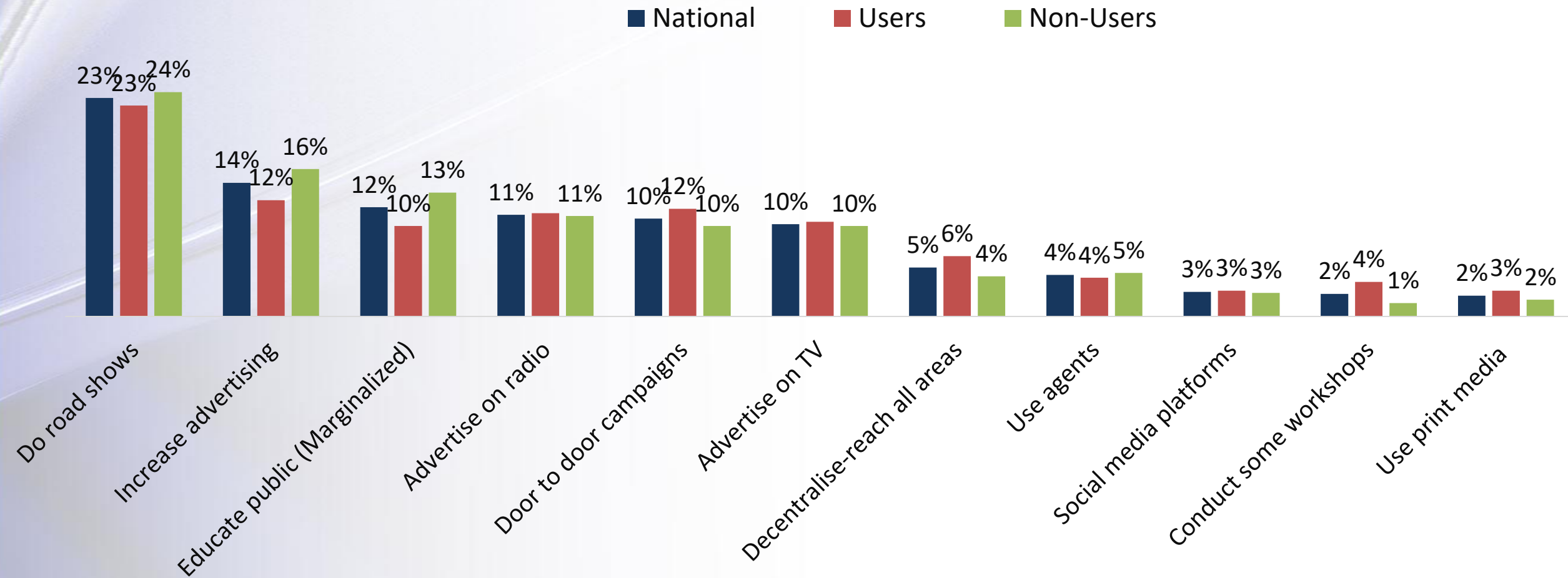
7.4: Satisfaction with IPEC on its mandate



Q: How satisfied are you, with IPEC on its roles as a regulator using a 7-point scale?

- Generally, the market is satisfied with IPEC on its key mandate as a regulator and the regulator received ratings of above 5 on the 4 roles.

7.5: Suggestions to increase awareness of insurance and pension plans



Q.Overall, what do you think IPEC needs to do to increase awareness of insurance and pension policies and plans?

8.0: Stakeholder Summary

Pension Administrators



Customer profile (Occupation/Sector)	<ul style="list-style-type: none"> • Mining. • Financial services. • Manufacturing. • Agriculture.
Products	<ul style="list-style-type: none"> • Self-administered pension funds. • Pension (Voluntary Occupational & Individual) • Preservation Fund. • Most of the products are developed internally.
Channels	<ul style="list-style-type: none"> • Tenders (mainly from corporates. • Cross-selling (Converting short-term customers).
Payment methods	<ul style="list-style-type: none"> • The bulk of the payments are done through bank accounts • Mobile money is now growing as a payment method.
Marketing	<ul style="list-style-type: none"> • Billboards, • Social media (Facebook) • Industry events.

"We have a different arm of the business which is called Minerva Actuarial Services." **Pension Administrator.**

"We have a short term insurance. We do reinsurance as well. So if a client is under our short term, we get to talk to them, to say what we offer this side of pension." **Pension Administrator.**

"Now we just have one fund where we opened Ecocash account. What happened is, it's a Pension Fund which is spread around Zimbabwe. Some of them are in remote areas where there are no banks." **Pension Administrator.**

"We also have billboards, billboards around town. We also have fliers, and then we also participate at various umm events like ZAPF conferences where we market ourselves and our products." **Pension Administrator.**

Pension Administrators – Cont'd



Perceptions about the Pension Industry	<ul style="list-style-type: none">• Still at growth stage, not yet reached maturity.• Lag behind other regional markets e.g. Kenya.• Stagnant, no improvement for years.

“In terms of maybe technology, in this market I think we are still lagging behind. Also in terms of our developments I think we are still in the traditional asset class, equities, and money markets. But those markets you will see they have offshore investments, they have private equity. .” **Pension Administrator.**

Factors influencing product development	<ul style="list-style-type: none">• Economic environment.• Fund security.• Cost/pricing.

“I joined Old Mutual for example in 1995. From that time in terms of how we do our things, the administration process as well as the regulatory side things have not really changed. They have sort of remained the same. What the public is crying about at this point in time is that there is no security in terms of contribution put.” **Pension Administrator.**

“As an industry we should have products that talk to situation at hand. There is no point in having a product which was developed 30 or 40 years ago and keep on selling that particular product despite the fact of changes that have been in the environment.” **Pension Administrator.**

View on Pensions uptake	<ul style="list-style-type: none">• It has gone down.

“It has actually gone down. (Respondent clears throat). The confidence is no longer there in Pensions. People prefer to do other things with their money right now rather than put it to Pension. So far there are three cycles and could have been more cycles which happened previously but the three cycles which I have experienced from 1995 indicate that people have been burnt so many times. They don't believe in Pensions anymore.” **Pension Administrator.**

Pension Administrators – Cont'd



Barriers to Pension uptake

- Inconsistent policies e.g. SI133.
- Economic environment.
- Loss of trust & confidence in the financial services.

“We have got two NGOs who have approached us and said they want to set up a Pension for the Members. They want to contribute US dollars. This was before SI133. They said they want to contribute in US dollars. Can we guarantee that they will get their benefits in US dollars? That time we simply said we don't know.” **Pension Administrator.**

Drivers of pension uptake

- Brand reputation.
- Cost.
- Capital preservation.
- Referrals.

“Obviously capital preservation will ensure that their Pensions maintain purchasing power. I think those have been the main thrust and that will then lead to the kind of investments which they go into.” **Pension Administrator.**

“Who is this company, who am I dealing with? And people will also look at previous experiences. Mainly reputation and your track record, how have you been performing in the past and also referrals.” **Pension Administrator.**

Customer Satisfaction

- Happiness levels are very low.
- People are sceptical of pensions.

“I think what has happened in terms of policy announcements, they sort of sparked inflation to the extent that purchasing power has been eroded for most Pensions. I would say 2 to 3 years ago, people at least could cater by with the pensions they received but now it's worse. People can't survive. Satisfaction has really gone down significantly.” **Pension Administrator.**

Pension Administrators – Cont'd



Time taken to pay benefits

- Depends on the type of product.
- Within 3 to 4 days.
- 1 to 2 weeks.

"In terms of our standard, the **withdrawal benefit**, the calculation itself should be within 24 hours of receipt of the claim form and paid in 3 days. Now what has always happened is when you compute a withdrawal benefit, you now have to go to ZIMRA and get what they call tax directive. With ZIMRA, our experience range from 1 to 2 weeks for you to get the tax directive." **Pension Administrator.**

Suggestions to the industry

- Use of technology.
- Off shore investments.
- Work together and avoid too much competition.
- Other investments that generate forex.

"To develop technological systems and processes where, we make it easier for our clients to give us information or to reach out to them. Or even to pay them, we need to simplify all these processes. And also we need to constantly develop new products that suit the current situation on the ground. We can't still rely on the products that we offered 10 years ago." **Pension Administrator.**

"We need to come up with those projects which at least generate forex and I think for us that is the way to go. That has always been the requirement for most of our clients." **Pension Administrator.**

Pension Administrators – Cont'd



Perception of IPEC

- Has changed within the last 2 or so years.

"Previously, they were there but they not very visible. In the last two or so years I think, we now had more interactions with them. They are now more visible in the market." **Pension Administrator.**

IPEC's performance on mandate

- Meeting its mandate to a greater extent.
- Making critical decisions e.g. redefining rules of the game.

"They seem to be listening, not to say that you do what I say. Yes, some of these things used to be done without a bit of consultation but now they are becoming interactive and consultation is now starting to come through and I happy to advice that recently we had a workshop were we were talking on how to convert benefits from US dollar to Zim dollar following the current exchanges." **Pension Administrator.**

Suggestions to IPEC

- Facilitate foreign investments.
- Standardize the way we operate as administrators.

"They are now looking at products which are there closely. They issued an SI in 2017 were they said if a Pension Fund has had three amendments to it's rules, you need to re-draft the rules and corporate all the amendments so I think that process has helped them to then look at the rules more closely to say are these things in line with the pensions. " **Pension Administrator.**

"I think the issue of foreign investments. I think it's a key issue that the industry has been crying out form for some time. At least it gives us a hedge. Of course locally the investments would be diversified but still, we can achieve more by investing offshore. " **Pension Administrator.**

Insurers



"It's a mixed bag, because we have got presence in different sectors and across all occupations." **Insurer.**

Customer profile (Occupation/Sector)	<ul style="list-style-type: none">• Serve a diverse profile no specific occupation.• All sectors are covered, no outstanding sector.
Products	<ul style="list-style-type: none">• Motor vehicle.• Property.• Fire.• Bulk of the products are developed in-house.
Channels	<ul style="list-style-type: none">• Brokers.• Client relations managers.• Agents.• Bancassurance.• Advisors.
Payment methods	<ul style="list-style-type: none">• Bank transfers.• Mobile money.

"The bulk, I think the highest is motor, followed by fire. I think are like the major. In terms of gross premium returns."

Insurer.

"We develop them in house. We have an Actuarial department and also in consultation with our actuaries at the Head office in Old Mutual South Africa."

Insurer.

"We do have various channels. The broker channel being the major driver. But we also have the direct channel, banc assurance."

Insurer.

"If it's a client coming through a broker. They will give us the clients banking details. Then we just make direct payments and send the broker the proof of payments for records and further communication."

Insurer.

Insurers – Cont'd



Perceptions about the insurance Industry	<ul style="list-style-type: none">• The industry is declining.• Penetration rate is low.• Knowledge of insurance is very low.
Factors influencing product development	<ul style="list-style-type: none">• Customer needs.• Value.

"We started off well but right now in the industry we are at cross roads because of the confidence factor. From the 1980s we had a pretty much high penetration relative to other African countries. Come to 2008 to the first hyper inflation I think there was a dip in confidence and then 2009 to 2013 we were trying to rebuild that confidence but given the recent developments I think consumers are starting to ask if there is relevance."
Insurer.

"You have to do a bit of research, understand the customer needs. Because that should be the major driver. Because if you don't do that, you run the risk assuming client needs. And develop a product that is not addressing the specific needs at the point in time."
Insurer.

"In my opinion I think what mostly influence is value. You want to come out with a product which brings value to the client at the end of the day. Because if they don't see the value, it might actually find no takers."
Insurer.

Insurers – Cont'd



Barriers to insurance uptake

- Lack of confidence in insurance.
- People do not see value in insurance.
- Economic environment.
- Cost of insurance.

“Unfortunately, people are no longer seeing the value. Because the purpose of insurance is indemnity. But unfortunately as insurers overnight we are faced with a situation where we are now struggling to provide indemnity.” **Insurer.**

Drivers of insurance uptake

- Asset ownership.
- Security (ability to pay claims).
- Brand reputation.
- Customer service.
- Having dependants.
- Being conscious of the risk.

“It’s the general awareness that someone needs to protect their asset. I think some people are aware of the importance that, they need to replace their assets. And also if you look at other classes, non motor. Like your domestic house, sum assured for buildings. Of late we have had a number of fires accidents.” **Insurer.**

“The security of the company. Because we have had instances where some players, some companies. They have failed to meet claims due to financial constraints. And they also look at the service.” **Insurer.**

“The relevance of our products as an industry have also been put to a test because of the inflationary environment we are operating in. This calls for us to engage the regulator more.” **Insurer.**

Customer Satisfaction

- Customers not happy.
- Insurance no longer serving its real purpose.

“Sometimes clients are not satisfied, but not that it’s the problem of the insurance companies but the issue of loss of value.” **Insurer.**

Insurers – Cont'd



Time taken to pay claims.

- Up to 4 days.
- It varies with nature of the claims.

"The claim gets here because there has been recent developments that we have been allowed to do ZIMRA tax directives so our turn around time I think is we are targeting 98% of claims within 4 days. 98% of all claims within 4 days and then Funeral policy claims 98%/99% within 4 days." **Insurers.**

"It could just be a simple windscreen damage. That maybe within a day, it's already fixed and then we pay the repairer directly. But that vehicle could actually be involved in a serious accident. Now you are at issues like the repairer looking to source parts. Lead times come into play. You looking at 1 month, two months before a repairer gets those parts from outside, securing parts." **Insurer.**

Suggestions to the industry

- Guaranteed cover for relevance.
- Engage government and the regulator.

"I think we need to be able to give products that guarantee cover. Let's assume someone comes today to insure his or her vehicle. The sum assured, the correct value today is \$5000. I should be able to maintain that value for the whole year, annually or quarterly." **Insurer.**

"We must speak with one voice to the government and we are always negotiating on certain things. Old Mutual also plays a role in speaking to the Regulator on certain legislation so as to say this makes sense and this does not so we have to engage because we control the largest portion of the customers and they come crying here." **Insurer.**

Micro-Insurance.

- It has not worked.
- Worked under a separate division.

"I think it has not worked. It hasn't worked. I think for micro insurance product. What you need is a very, what can I say. You need a distribution channel. Which is convenient for the market that you are targeting? My personal view is, with a micro product if you don't have a mobile partner you are not likely to be very successful." **Insurer.**

Insurers – Cont'd



"IPEC has come alive considering where they used to be before first hyper inflation IPEC was there but non existent not visible at all. The industry was doing what it wanted to do." **Insurer.**

Perception of IPEC

- It has changed positively.
- There is room for improvement.

"IPEC as a Regulator, they are fine. The only challenge we are facing as a company is that at times especially in this economy and after the commission of inquiry, we have realised that most times they are over reacting on certain issues." **Insurer.**

Suggestions to IPEC

- Defend the industry on some policies.
- Need more consultation on SIs.
- Work together with players.

"A combined effort, the regulator, the industry players. Singing from one voice. Maybe actually doing joint awareness campaigns but using different media. I think we just need to bombard the market so that we really improve. We really need to be deliberate in terms of really making sure the general public is aware." **Insurer.**

"They need to engage and appreciate where we are coming from as insurers. If they could have forums that would be fine. I think it's good for the industry. It really makes a difference." **Insurer.**

"They have to make sure that that concerns of the industry are addressed before policies are created, sometimes IPEC is reactionary. " **Insurer.**

9.0: Indicated Action for players

- ❑ Work together with IPEC to promote awareness and usage of insurance and pension.
- ❑ Do own research to get big data-driven insights to assess risk, reduce claims, and create value for their customers.
- ❑ Innovate around their systems to increase efficiency in underwriting, processing of claims or benefits e.g. AI-powered underwriting solutions.
- ❑ Come up with relevant products that meet current customer needs to encourage uptake e.g. prepaid insurance such as pay as you go products, mileage based insurance, hourly car insurance. In the mobile app, you simply enter the registration number and approximate value of the car you are borrowing from a friend or family member, choose the time you want to be covered for.
- ❑ Appetite for insurance is not as stronger amongst the youth as it is for the old this is an opportunity that need to be exploited through targeted communication.
- ❑ Incentivise pension and insurance contributions e.g. rewarding good driving and introduce premium or contribution payment holidays.
- ❑ Adopt modern technologies and digital platforms to increase access to pension and insurance.

9.1: Indicated Action for IPEC

- ❑ Help promote awareness of pension and insurance by:
 - Engaging social media (WhatsApp, Facebook, Twitter).
 - Conducting roadshows and going to schools.
 - Advertise on Billboards, TV, Radio.
 - Putting IPEC contact details and certain procedures on the insurance forms.
- ❑ Promote usage of insurance and pension through:
 - Have an accessible call centre for customers and an online portal.
 - Give evidence of punishing offending players.
 - Use positive testimonies for the market e.g. stories on paid out claims or benefits and also about IPEC helping customers.
- ❑ Be supportive and understanding to the players not focussing much on customer disputes with insurers or pension administrators e.g. lobbying for government policies that are favourable to the industry.
- ❑ Engage players through workshops for effective consultation before taking decisions.
- ❑ Use technology to track mandatory processes in the whole value chain for insurance and pension service providers from the time each customer applies to claim stage.

