



## OUR VISION

**We shall be a self-disciplining industry grounded on ethical cultures and trusted by customers to meet our obligations fairly and equitably in terms of the ICZ Code of Conduct.**



# INSURANCE NEXUS NEWSLETTER

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The Insurance Council of Zimbabwe is an association of 20 non-life insurers and 9 reinsurers, who are duly licensed and regulated by the Insurance & Pensions Commission (IPEC). We work closely with IPEC to **ensure a stable, ethical, and well-regulated insurance market** that benefits both consumers and insurance providers.





# Insuring a Sustainable Future

The insurance industry plays a critical role in managing risk and fostering financial security. But in today's world, it's not enough to simply protect against traditional risks. Insurers are increasingly recognizing their responsibility to contribute to a more sustainable future.

This is where the Principles for Sustainable Insurance (PSI) come in, providing a framework for the industry to align its practices with the UN Sustainable Development Goals (SDGs).

## The Six Principles of Sustainable Insurance

In an era where environmental and social challenges are at the forefront, the insurance industry has recognized the need to play a vital role in addressing these issues. As insurers, we have a unique opportunity to contribute to sustainable development and create a positive impact on the world. That's why we have embraced the Principles for Sustainable Insurance (PSI), a framework designed to guide us towards a more sustainable future. The Principles for Sustainable Insurance (PSI) are a set of principles developed by the United Nations Environment Programme Finance Initiative (UNEP FI) and the insurance industry. These principles provide a framework for insurers to integrate sustainability into their business strategies and operations. The six principles of sustainable insurance are as follows:

### 1. Embedding Sustainability in Insurance Core Business:

At the heart of sustainable insurance lies the integration of environmental, social, and governance (ESG) factors into our core business activities. By incorporating sustainability into our risk management, underwriting, product development, investment strategies, and claims processes, we ensure that sustainability considerations are an integral part of our decision-making.

### 2. Addressing Environmental, Social, and Governance Risks:

As responsible insurers, we recognize the importance of identifying and managing the environmental, social, and governance risks associated with our operations and investments. From climate change and natural disasters to human rights and labor practices, we strive to proactively assess and mitigate these risks, ensuring a resilient and sustainable future.

### 3. Promoting Sustainable Insurance Products:

We are committed to developing and promoting insurance products and services that contribute to sustainable development. This entails offering coverage for renewable energy projects, climate-related risks, biodiversity conservation, and other sustainability-related areas. By providing innovative solutions that address emerging sustainability challenges, we empower our customers to make sustainable choices and contribute to positive change.



#### 4. Engaging Stakeholders:

We understand that collaboration and engagement are crucial in driving sustainable development. We actively seek to engage with our stakeholders, including policyholders, regulators, employees, investors, communities, and civil society organizations. By fostering dialogue, sharing knowledge, and understanding the diverse perspectives of our stakeholders, we can collectively address sustainability challenges and create lasting impact.

#### 5. Advocating for Sustainability:

As insurers, we have a powerful voice that can influence policy changes and shape a more sustainable future. We commit to advocating for public policies that promote sustainability and resilience. Whether it is supporting initiatives to combat climate change, addressing social inequality, or championing environmental conservation, we actively engage in policy discussions and lend our expertise to drive positive change.

#### 6. Reporting and Transparency:

Transparency is the cornerstone of our sustainable insurance journey. We believe in openly reporting our progress in implementing sustainable practices. By disclosing relevant ESG information, setting targets, and providing regular reports on our sustainability performance, we hold ourselves accountable and strive for continuous improvement. Transparent reporting not only fosters trust but also enables benchmarking and knowledge sharing across the industry.



By embracing these six principles of sustainable insurance, we commit to creating a more sustainable and resilient future. We firmly believe that by integrating sustainability into our core business practices, addressing ESG risks, promoting sustainable products, engaging stakeholders, advocating for change, and maintaining transparency, we can make a meaningful difference in the world.

Together, let us continue to explore innovative ways to embed sustainability into our operations, provide value to our customers, and contribute to the greater good.

By adhering to these principles, as insurers we demonstrate our commitment to sustainability and contribute to the achievement of global sustainability goals, such as the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. The principles serve as a guide for insurers to integrate sustainability into their business strategies and operations, fostering resilience, responsible business practices, and positive societal and environmental impacts.

## Global Examples of Sustainable Insurance in Action

### 1. Climate Resilience in India:

The Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme in India provides subsidized crop insurance to farmers. This not only protects them from financial losses due to natural disasters but also incentivizes sustainable practices like soil conservation and water management [Source: A. D. Pathak & R. C. Sharma, "Climate Change and Insurance in India," *Economic and Political Weekly* (2018)].



## 2. Green Buildings in China:



The China Environmental Protection and Energy Conservation Insurance encourages the construction of energy-efficient buildings by offering discounts on premiums for buildings that meet green building standards [Source: UNEP FI, "The Insurance Industry and the Green Economy Report" (2017)].

## 3. Microinsurance for Disaster Risk Reduction:

In the Philippines, microinsurance programs provide financial protection to low-income communities against natural disasters. This helps them rebuild their lives and livelihoods after a disaster strikes [Source: The World Bank, "Microinsurance for Disaster Risk Reduction and Recovery" (2013)].

In Zimbabwe, the insurance industry has also witnessed sustainable insurance practices that contribute to the country's environmental and social well-being.



## Weather Index Insurance for Farmers:

Insurance companies in Zimbabwe are making strides in preparing modalities for Weather Index Insurance for Farmers, particularly those in regions prone to climate risks. This type of insurance uses objective weather data, such as rainfall or temperature thresholds, as triggers for payouts. It helps farmers manage risks associated with droughts, floods, and other weather-related events, providing them with financial support to recover from crop failures and sustain their agricultural activities. This conforms to the national agenda of leaving no one and no place behind, and climate smart agriculture.

## Microinsurance for Vulnerable Communities:

Microinsurance programs have been implemented in Zimbabwe to provide affordable coverage to low-income individuals and communities. These initiatives target vulnerable populations, including small-scale farmers and informal sector workers, offering them insurance protection against risks such as health emergencies, natural disasters, and crop failures. Microinsurance contributes to poverty reduction, financial inclusion, and resilience-building among marginalized communities.



# The Road Ahead...

By embracing the PSI and aligning their practices with the SDGs, the insurance industry can play a vital role in:

- **Building resilience:** Helping communities and businesses adapt to the challenges of climate change and other environmental threats.
- **Promoting sustainable development:** Supporting the transition towards a more sustainable and equitable future.
- **Enhancing financial stability:** Managing ESG risks and fostering long-term financial stability for the industry itself.

As the world grapples with complex sustainability challenges, the insurance industry has a unique opportunity to be a force for good. By integrating sustainability into its core business practices, the industry can ensure a more secure and sustainable future for all.

## ICZ Golf Day



The Insurance Council of Zimbabwe held its 2nd Annual Charity Golf Tournament on 15 March 2024 at The Country Club. The tournament's objective was to raise funds to assist road accident victims in orphanages and some are being identified through St Giles. We are happy to advise that an amount of USD18,000 was raised and we would like to thank our partners and sponsors that made the Charity Golf Day a success. The proceeds will directly impact the lives of up to 60 disabled orphans and road accident victims by providing them with essential mobility aids, like wheelchairs and walkers, distributed through St. Giles Rehabilitation Center. **Never tire to play for a worthy cause!!**



# Capacitation Training Of Ministry Officials

ICZ in collaboration with IPEC conducted a Risk Management and Insurance capacitation training for Business Development Officers from the Ministry of Women Affairs, Community and Small and Medium Enterprise Development. This was essentially a train the trainer session on Risk Management and Insurance for the Ministry's Head Office and Provincial Business Development Officers.

The training was conducted on the 20th of March 2024 at the Crowne Plaza Hotel in Harare. The purpose of the training was to enhance the knowledge and skills of participants in managing risks and implementing insurance strategies in the context of small and medium-sized enterprises (SMEs). The training utilized a combination of interactive presentations, group discussions, case studies, and practical exercises to engage participants and facilitate learning. The training sessions were conducted by an experienced underwriter with expertise in risk management and insurance.

Participant feedback was overwhelmingly positive, with participants expressing appreciation for the practical nature of the training and its relevance to their roles as SME Business Development Officers. The interactive sessions, case studies, and exercises were highlighted as particularly valuable in enhancing their understanding and application of risk management and insurance principles.

The general sentiment was that the training fostered a deep understanding of risk management concepts and insurance principles. The belief was that participants now possess the tools to contribute to the resilience and success of SMEs, which they will in turn impart to SME business owners.





# Training of State Prosecutors

The Insurance Council of Zimbabwe (ICZ), held a 4-day training session on insurance matters for state prosecutors covering and southern region of the country from the 19th to the 22nd of March 2024. The ICZ CEO Mr Donald Muthe officially opened the training with a few remarks. The main agenda of the training session was to equip the state prosecutors with the relevant knowledge and skills that they can use in presiding over insurance fraud cases. The intended outcome was to have a seamless litigation process on insurance fraud cases and to ensure successful conviction of insurance fraud perpetrators.

The session was split into four strategically structured modules namely the underwriting module, claims module, legal and regulatory framework module as well as the loss assessor's module. The training was delivered by short-term insurance industry experts and each module had a minimum of two industry experts delivering its respective content. On the last day of the session the prosecutors were given an opportunity to shed light on the current trends that they had been encountering prior to the session. They shed light on the most used modus operandi by fraudsters, they also made some valuable prescriptions to the insurance industry at large to ensure that nil level of insurance fraud. The session was well received, and the state prosecutors had a lot of principles demystified for them. The sentiments from the attendees highlighted that there is need for more training to be rolled out, as fraudsters change methodology over time.





# Tour of Glenview 8 Complex

**Date:** Tuesday 19 March 2024 | **Participants** – Insurers (14), Reinsurers (4), ICZ (4)

**Hosts** – Glenview 8 Management Committee, led by Chairman Pastor Tawanda Utete



The insurance industry, through the Insurance Council of Zimbabwe, conducted a tour of the Glenview 8 Complex on Tuesday 19 March 2024. The tour was conducted after noting the frequent fires that occur and destroy operators' hard earned income at the complex. Thus the aim of the visit was to understand the background of this problem, and proffer possible solutions to address the problem. The tour was organized by the Fire Prevention and Inspection Bureau (FPIB), an arm of the Insurance Council of Zimbabwe that provides fire risk management services and advice.

## Observations

*The observations includes the following:*

1. There are no proper building structures constructed at the complex, but each operator constructs shelter with whatever is at hand. Thus most structures are made of timber and tarpaulin covers, both very flammable material.
2. Operators at the complex are not paying rates to the Harare Municipality or to Government. Thus, they do not enjoy the Municipality services of water supply and waste collection. Consequently, there is a high accumulation of waste at the complex, to the extent that the waste dump area can not take any more. Water is obtained from a single bore-hole and a number of deep wells.

3. A development partner has donated a number of machines to the complex, though the machines are not yet being used, awaiting hand over.

## Risks Identified

**Fire Risk** – The fire risk is very high, due to the type of material used in furniture making, and also the type of structures at the complex. The complex operators are however ill-prepared to manage any fire that may occur.



*Hazardous electrical wiring*

**Risk of Disease Outbreak** - There is no adequate water for business operations and for domestic use at the complex, and deep wells are used extensively. Underground water in most parts of Harare has been condemned by the Harare Municipality as being contaminated. Thus there is a high risk of disease outbreak at the complex.



*A deep well at the complex*

**The moral hazard** at the complex is also high. A number of unexplained fires have occurred at the complex, and suspicions are that these were deliberately started. As some operators are encroaching closer to the houses in Glenview, there is now the risk that the houses will be affected if there is another major fire at the complex.



*Accumulation of waste at the dump area*

## How the Insurance Industry Can Assist

*The insurance industry, through the Insurance Council of Zimbabwe and FPIB, can assist the Glenview 8 Complex operators on the following recommendations:*

- 1** A financial donation, through the Insurance Council of Zimbabwe, to enable fire-fighting training by the Harare Fire Brigade. Efforts have been made to conduct fire training for selected operators at the complex, but indications were that this has not yet been done due to lack of funding. The fire training to be complemented by First Aid Training.
- 2** In addition to the training by the Fire Brigade, FPIB and other Risk Management personnel from ICZ member companies will provide risk management training to operators selected by the Management Committee. This will focus on ways to minimize/eliminate risks at the Complex. This training can be extended to include representatives from similar operations countrywide, e.g., Magaba, Mthize Flea Market and Espamprikeni (Mpopoma).
- 3** Assist the complex on waste management. In this endeavour, approach waste recycling companies and EMA to determine if any of the waste (especially PET bottles) can be recycled or managed better.



**Our Commitment**  
**Passion for Excellence**



# What Can the Management Committee Start Doing Right Away

Clear the waste accumulating at the dump area and along the walkways. This is an accumulation of flammable material, and its accumulation unnecessarily increases the fire load.

There is no fire-fighting equipment at the Complex, thus there is no clear-cut fall-back position in the event of a fire. Management Committee to acquire various types of fire-fighting equipment, including, but not limited to: portable fire extinguishers, sand buckets, and water reservoirs for emergency use

The fire risk at the Complex is unnecessarily increased by unorthodox electrical connections. All areas with sub-standard electrical connections must be discontinued. The use of generators should also be regulated.

Fire Guard - The Management Committee must ensure there is fire guard surrounding the premises.

## Our Purpose

To protect, promote and advance the common interests of underwriters of all classes of non-life insurance business, including the taking of such concerted measures as may be deemed expedient whenever the business of the Members of the Council may be affected by the action or proposed action of any authority.

To promote coherence and co-operation between its members on all matters of mutual interest and to provide machinery for the examination and reconciliation of any differences.

To do all things as may in the opinion of the Executive Committee be necessary, proper or advisable for the general advancement of non-life insurance business or which may be necessary for or incidental or conducive to the attainment of any of the objects of the Council.

# Upcoming Events

**1-30  
JUNE**

Insurance Awareness Month campaign Countrywide

**1-14  
JUNE**

IIZ Annual Golf Day TBA

**1-5  
JUNE**

AIO Windhoek, Namibia

**15  
JUNE**

IPEC, Insurance And Pension Road Shows Masvingo

**29  
JUNE**

IPEC Insurance Awareness Run Harare

**21-24  
JULY**

IISA, African Insurance Exchange 2024.  
Sun City, South Africa

**22-26  
JULY**

Insurance And Pension Regulators Retreat Addis Ababa,  
Ethiopia

**18-21  
AUG**

IIZ Winter School

**4-7  
AUG**

46th OESAI Annual Conference & AGM

## INSURED HUMOR



I HIT THE GYM TODAY  
BUT I DROVE AWAY  
BECAUSE I DON'T HAVE  
CAR INSURANCE







Insurance Council of Zimbabwe

**Sustainability takes  
forever, and that's  
the point.**