

Promoting the growth of insurance in Zambia

# ZAMBIAN INSURANCE JOURNAL

Issue 7 | October - November 2016

**Corporate  
Governance:  
An emerging  
global need**

**The heart of  
Excellent Claims  
Service**

**Will to plan for  
the future**

**Pushing the  
Microinsurance  
Frontier**

Scan barcode to  
view IAZ website



**INSURANCE  
WEEK 2016**

**INSURANCE FOR ALL**  
*For your Peace of Mind*



# Your preferred lifetime partner in Life and Health Insurance



**METROPOLITAN**  
Together we can

+260 211 236217 / 8 or [www.metropolitanzm.com](http://www.metropolitanzm.com)  
Metropolitan Zambia is a division of MMI Holdings, an authorised financial services provider





**Christabel Banda**  
Executive Director

**Editorial Note**

The global economy has faced several challenges in the last few years, and a number of businesses have sought new strategies to tackle the turbulent times we have faced. There is much “Afro-optimism”, a firm conviction that sub-Saharan Africa has a lot of potential that is beginning to bear fruit though yet to be fully realised. We firmly believe that insurance has a key role to play to bringing this potential to light, by providing essential financial protection so that the gradual economic gains are not lost by any misfortune, and that long-term investment options are available.

We believe that the welfare of the individual citizen is the welfare of the national economy. According to the Finscope 2015 survey, the biggest reason why people in Zambia do not take up insurance is because they do not understand how it works, and when people have not accessed correct information, there will always be myths and rumours to take their place! The fourth national insurance week is here, and we are confident that we will reach even more people with the message of financial protect using insurance products. We are confident that through the use of radio, television, print and face to face interaction with the public in markets, schools and malls, we will take another step in creating a well informed society that will make better financial decisions.

In this issue, we look at the importance of claims service delivery, corporate governance and look at the importance of the national insurance week. A new column takes a brief look at the experiences and thoughts of individuals who play a key role in our sector. We also provide an updated reference of all the insurers and reinsurers in the country and their contact details, and we introduce you to the new members of the IAZ board that was elected on 20th September 2016.

# CONTENTS

- 3.** Editorial Note
- 5.** President’s Note
- 6.** Insurance Week 2016: Making the case for financial protection
- 9.** Will to plan for the future
- 14.** Benefits of localizing marine insurance
- 16.** The role of HR department in promoting insurance
- 19.** Pushing the Microinsurance Frontier
- 23.** The heart of Excellent Claims Service
- 29.** Personality Spotlight: Mr. Martin Libinga
- 32.** Corporate Governance: An emerging global need!
- 37.** Anti - Money Laundering Compliance Program
- 44.** Insurers Directory



**6**



**14**



**37**

Editor - in - Chief  
Editor  
Graphic Designer  
Email  
Phone

Christabel Banda  
Kambole Chituwo  
VisionWorks Creations  
iazsecretarait@iaz.org.zm  
+260 211 238704





# WITH FOCUS YOU CAN GET INDIVIDUAL AND FAMILY MEDICAL COVER

Come to **Focus** Directly or call now on **+260 211 291 310-14**

- Without belonging to a corporate medical scheme.
- Gain access to all private hospitals.
- Come as an individual or as a family.

Also access medical practitioners such as:

- GPs
- Optometrists
- Pharmacists
- Dentists
- And all other specialists

Additional services included:

- Out patient
- In-Patient
- Maternity
- Pharmacy
- Laboratory

International Evacuation (some Plans)

Once you sign up with **FOCUS**, you have access to our long list of reliable hospitals. Premiums for an individual or family of 5 (2 adults and 3 Children) per plan provides the following annual benefits:

PLANS	BENEFITS (Per Individual)	REMARKS
Access	Budget	For Corporates only.
Silver	K150,00	For Individuals, Families & Corporates.
Gold	K400,00	For Individuals, Families & Corporates.
Platinum	K1,000,000	For Individuals, Families & Corporates.
Executive	K2,000,000	For Individuals, Families & Corporates.

\*\* Terms and Conditions apply



+260 211 291 310-14



www.focus.co.zm





## Paul Nkhoma



It is my pleasure to welcome you to the seventh instalment of the insurance journal. The insurance sector is committed to deliver quality insurance products that provide financial protection to more and more citizens, and we firmly believe that educating the public is an essential part of this process. The fourth national insurance week takes place from 10th to 14th October 2016, and we endeavoured to ensure that every province has an activity that focuses on providing insurance information to members of the public.

I feel honoured and humbled to be able to serve the Zambian Insurance market in this capacity and I want to thank the members of the Association for their support and vote of confidence. I want to thank my predecessor Shipango Muteto for his dedication to the cause of the Industry, under his leadership we were able to move the insurance agenda forward for the benefit of the Zambian people.

Our resolve to ensure that this crucial service is taken to all corners of the country continues, we are now more than even determined to disseminate this information to as many Zambians as possible. As an industry we value professionalism and the Association has made efforts to ensure that the Code of conduct is adhered to by all members. As we head into the Insurance week we want to assure the public that the Association stands ready to take action on members that do not conform to the Code. Even as we sensitise the masses it is important that we keep our promises to you...our appeal to all the members of the public is to ensure that you ask, ask ask, your service provider before you get any policy, this is the only way we can avoid any misunderstandings at claim stage. We are here to give you peace of mind! Visit any of the exhibitions thorough out the country to find out more from the industry players.

Remember insurance is for all!

Paul Nkhoma



# INSURANCE WEEK 2016

Making the case for financial protection

By Kambole Chituwo

It is time for the fourth annual Insurance Week, held under the theme “Insurance for all for your peace of mind”. Once again the insurance industry reaches out to the general public to create awareness of the benefits of financial protection in the form of insurance. We need to remember that Insurance Week is not simply a marketing tool, it is a means of educating the public and seeking to change how we think about managing the risks we face every day.

The insurance sector is a vital source of risk mitigation for businesses and individuals, or simply put, it is there to pay claims. That is why people buy insurance and that is our selling point. Financial protection is the justification for an industry that employs over 2,500 people directly and indirectly and stands as a partner in the endeavour to further develop the Zambian

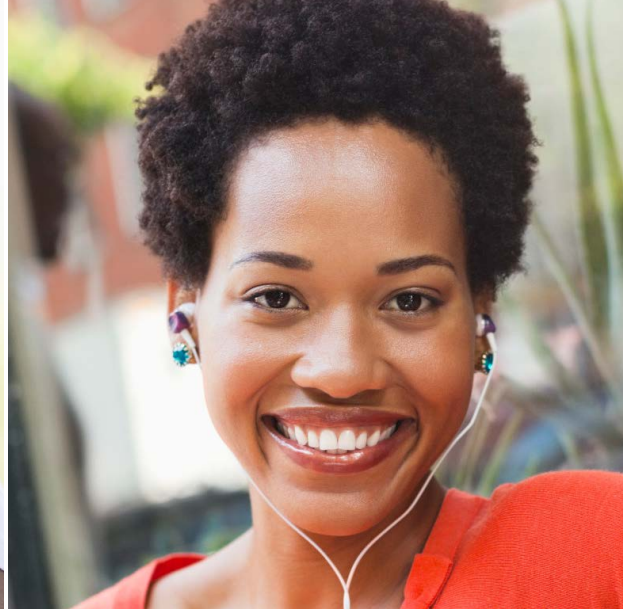
economy. As an industry, our effectiveness is measured by one thing – how we settle claims. The test of an umbrella is on a rainy day, and the test of insurance is the day a client has to walk in and report that they have experienced an insured peril.

The need is very real, with over 2,000 road fatalities in the past year and many more accidents, there is a need to reduce the occurrence of these events and provide financial protection for families of the deceased and medical costs for the injured. We can also consider the vulnerability of the agricultural sector, where drought or flood to change the standard of living in a farming community and affect their capacity to maintain a decent standard of living. We all face a wide variety of risks every day, and with tools like insurance we don't have to wait for a misfortune to decide how to

handle it.

Consumer education is essential if more members of the public are to appreciate and take up insurance products. The intention is to equip the general public with the skills needed to identify and choose products that match their needs, which means providing a broader understanding of financial protection and risk management skills. Education will impact not simply a decision to buy product ‘X’ or not, but future decisions, even for a lifetime, regarding insurance and other financial services. Education affects the mind set of an individual, while marketing focuses on the attitude towards a particular product. This means that education can provide the basis for successful marketing campaigns, because a financially literate public will more easily recognise the value of insurance products and more





readily purchase them.

Consumer education also helps dispel myths people have about insurance. The common but mistaken ideas, circulated in the community, can become a source of resistance, preventing uptake of quality products. Sustained education campaigns can address these issues and provide a turning point in how the community perceives insurance and lead to increased uptake.

A value proposition is a statement that summarises why a customer should buy a product. It shows how that product meets a customer's need or want. It is more than letting people know that a product is real, it is letting them know why they would benefit from acquiring it. Publicity of any kind offers a value statement, so that people will choose to respond to the appeal. There are some things that already hold value to us; food and shelter are essential, it is simply a question of whose price and quality is affordable and appealing. The product already has an established value.

The insurance value proposition has not been widely understood. It is simply a risk transfer mechanism. This simply means

that, a specific risk such as fire or theft can in a sense be transferred to someone else, who will pay in compensation if the risk actually comes to pass. That other person is the insurance company. You pay a premium and they make the promise to pay that compensatory amount if the specified risk happens. So if someone's house burns down he won't have to start saving money or borrowing all over again, if he is insured. This is the value proposition. Insurance is worth it!

This is the message that insurers are trying to communicate during the Insurance week, beginning 10th October to 14th October 2016. It will begin with a press briefing, then the official launch will be on Tuesday 15th October at Simoson building car park, while exhibitions at markets and malls will begin on the same day. Exhibitions will also take place in Solwezi, Kitwe, Mongu, Livingstone, Mansa, Kasama, Chinsali, Chipata and Kabwe. There will also be sensitization visits to selected schools. All this is in an effort to be all-inclusive, to show that insurance is important for all age groups and all income levels. This transfer of risk is important for all because all face unpredictable

circumstances.

We encourage all Zambians to make full use of the Insurance Week exhibitions to find out about insurance, risk management and making claims. A good number of insurance companies will take part. The programme has been organised in conjunction with the Pensions and Insurance Authority (PIA), Insurance Institute of Zambia (IIZA), Insurance Brokers Association of Zambia (IBAZ) and Financial Sector Deepening Zambia (FSDZ).

Many are surprised when they discover the scope of cover, the cost and the claims process are not quite what they expected. There is insurance for every walk of life and a wide variety of insurers and intermediaries to choose from. Don't wait for a disaster before thinking about insurance products. We need to be proactive, forward thinking and strategic in the financial decisions we make. Insurance has a place in our society and our lives, if we wish to avoid the financial burden involved with certain misfortunes. That is the value proposition of insurance, a safety net that can catch us when those financial winds blow unexpectedly.



# A Spirit of Giving

The ZSIC Group of Companies places the highest priority on contributing constructively to the social wellbeing of those communities in which we operate, recognizing the necessity to share with our stakeholder the opportunities and wealth which our businesses can create.



Stronger, **Together**, Forever!



Premium House  
Independence Avenue  
P. O. Box 30894  
Lusaka, Zambia  
Tel: 260 211 22 93 45/57  
Fax: 260 211 222 263  
Website: [www.zsic.co.zm](http://www.zsic.co.zm)



# *Will to* **Plan** *For the Future*

By Maiwase Sakala



We are all familiar with the numerous sad stories of the demise of a breadwinner and the property grabbing that follows, the misuse of money by administrators, and even mistreatment of vulnerable dependents. Few people have thought about planning for the life of their families after they are gone, and it is a minority that have made use of insurance cover to make provision for the future. We need to think about our loved ones and appreciate what needs to be done to secure their future. Family members also need to know how they can access these provisions when at the time of need.

This article looks at the typical claims process that needs to be followed in order to access benefits from an Insurance Policy of a deceased policy holder or insured party (under a group scheme). It will also look at the manner in which the benefits or proceeds of the insurance claim, which now become part of the deceased's estate, would be distributed - both in a case where a will has been availed and in a case where one is not available.





**We partner with employers to enhance the lives of their most valuable assets: *Their employees***



**LIBERTY**

**So, when employers asked us:** *Do you know how to help my employees provide for their families when they are no longer able to, and do you know how to give them peace of mind and financial freedom?*

**We answered by:** *creating Group Funeral, Life, Critical Illness, Disability and Health Insurance solutions that are simple, affordable and relevant to their needs.*

**Because** *when you're asked to change a reality, you cannot answer with theory or opinion. You take your knowledge and you put it to work. And that is the advantage we offer, every day.*

For more information on Group Funeral, Life, Critical illness, Disability and Health Insurance find us at Kwacha Pension House, 1<sup>st</sup> Floor, Stand 4604, Tito Road Lusaka, or contact us on Tel: 260 211 255536, + 260 211 255538; Fax + 260 211 255537 or email [liberty@infor.co.zm](mailto:liberty@infor.co.zm)

Terms and conditions Apply.



What insurers call “the notification” of the claim is simply informing the Insurance Company to advise them of the death of the insured. The Insurance Company will then provide a “claim form” which should be completed and will request for “supporting documentation”. A claim form is simply a document used to provide information on the policy as well as circumstances surrounding the claim. The claim form must therefore be completed in full giving accurate information. Supporting documents would typically include certified copies of the death certificate, burial permit, police report and/or any other official proof of the demise of the individual as well as an order of appointment of the administrator. The insurance company will then go through all the documents and

information provided in order to determine whether the claim is valid or not by cross checking against the policy terms and conditions. After validation, the Insurer will give feedback on whether or not the claim will be paid and advice of the time in which to expect a pay-out.

A last will and testament, commonly known as a “will”, is a document in which a person specifies the method to be applied in the management and distribution of his/her estate after his/her death (<http://legal-dictionary.thefreedictionary.com/will>). In Zambia the law governing wills is Chapter 60 of the Wills and Administration of Testate Estates Act. Wills are important because they can be used to leave instructions of how your estate is to be shared in the event of your death,

to appoint a trusted individual to be the executor of the estate and to ensure that you select an individual to raise your children in your absence.

In Zambia discussing death is seen to be a taboo and therefore preparing for one’s death is rarely done. Where a person dies without having a valid will they are said to have died “intestate” and in Zambia Chapter 59 (Volume 5) of the Intestate Succession Act kicks in. According to Section five of the Act, the following distribution is effected:

- Spouse – is entitled to 20% of the estate and where there is more than one surviving spouse then the 20% will be split according to the duration of marriage.





- Children – are entitled to 50% of the estate apportioned in accordance with the child's age or educational needs or both.
  - Parents – of the intestate are entitled to 20% of the estate which equates to 10% each.
  - Dependents – are entitled to 10% of the estate and for minors the amount is held in trust by the surviving parent or guardian for the minor.
  - Various other rules apply in cases where the above categories are not all applicable and details can be obtained from the Act.
- It is therefore very important to plan for your death and ensure that you leave clear instructions on exactly how your estate is to be managed in your absence.

#### TIPS ON WRITING WILLS

1. Understand the Requirements –

consult with a lawyer or refer to the Laws of Zambia on what must be included in the will in order for it to be considered as a valid will for example any limitations, how many witnesses you need, who can serve as witness, etc.

2. Witness Selection – In order to avoid conflicts of interest it is best not to choose a person who is a beneficiary of your estate to be a witness to the will.

3. Naming an Executor – Within the will an executor can be named to administer your estate which can be a relative, however if the you feel that there may be complexities that will arise you may also name a lawyer or anyone with legal and financial expertise to be a co-executor. It would also be advisable to name an alternative executor in case the original named person passes away before you do.

4. Letter of instruction – This is a separate document that can accompany a will to give specific details of the manner in which the executor is to settle the estate and other details such as burial arrangements, passwords, insurance policy numbers, etc.

5. Update Regularly – In case of changes in circumstances such as marriage, divorce, death of a beneficiary, birth of child, etc., it is important to change your will to reflect these circumstances.

6. Where to Deposit your Will – You must select an individual or entity to keep your will safe and provide them with details of family members to contact when you pass on. Will bank services are often provided by lawyers, the High Court and employers in some cases.



**"Welcome to Veritas General Insurance (VGI) Plc ... With us, you are in VERY good hands!"**



**Property Insurance**



**Fire and Allied Perils**

**Insure NOW ... WITH US TO ...**

**Secure your FUTURE!**



**VGI Plc**

**CORPORATE HEAD OFFICE**

**Plot BRT6/60**

**Kabulonga Road**

**P.O. Box 31965**

**Lusaka, ZAMBIA**

**Fax: +260 211 266 366**

**Tel: +260 211 266 307**

**Cell: +260 955 359 873**

**Email: [veritas@veritasgeneral.com](mailto:veritas@veritasgeneral.com)**

**[www.veritasgeneral.org](http://www.veritasgeneral.org)**

**Kindly contact and/or visit us also for ...**

**Accident; Agriculture; Engineering; Marine; Miscellaneous and Motor Insurance**

**and**

**Risk Management Services.**

**"VGI Plc! WE ARE WITH YOU IN ALL SITUATIONS AND CIRCUMSTANCES!"**



**FOCUS ON  
HAPPINESS**

**Home owners insurance**  
keeps you covered while  
you focus on things that  
really matter

**M**  
**MAYFAIR**  
INSURANCE

*You Are in Safe Hands*



# Benefits of localizing *marine insurance*



By Webster Twaambo, Jr.



Between 2009 and 2014 it is estimated that the Zambian insurance industry potentially lost about S\$1 million of marine insurance premiums to foreign insurers. This is according to the Intergovernmental Standing Committee on Shipping (ISCOS), an agency that protects and promotes the Shipping and Maritime interests of its Member States namely Kenya, Tanzania, Uganda and Zambia.

The report also estimates that 80% Zambia's imports is by sea, this is mainly due to its relatively cheaper cost compared to other forms of transport.

Goods imported in the country are usually quoted on Cost Freight

and Insurance (CIF) while those exported are quoted on Freight On Board (FOB). This practice disadvantages the local insurance country and by so doing triggers huge outflows of money in form of premiums to foreign insurers. Although we have embraced this practice it is against some already existing laws that require insurance to be arranged locally. This is according to Section 27 of the 1997 Insurance Act of the Laws of Zambia which requires placements of such insurance to be arranged with a licenced entity under the Act.

A licenced entity is one which is authorised by the Pensions and Insurance Authority to transact insurance business in Zambia.

This literally means we have been abrogating this law by arranging insurance with foreign companies.

Besides failure to implement this law one may ask how safe it is to insure one's goods through an entity at arm's length which you are not sure of its existence or credibility. On this score it becomes even more assuring to deal with local insurers because these are companies you know and as a customer you can take them to task in an event of a loss.

Marine insurance is either by sea, , rail, road or air. With regards to the sea risks which is the most used among all, insurance covers what is called the perils of the sea

and these refer to fortuitous accidents or casualties of the sea.

*Although we have embraced this practice it is against some already existing laws that require insurance to be arranged locally.*

Other perils include fire, jettison, pirates etc. A practical example may help at this point.

A friend of mine bought some goods from China and transported them by sea. While at sea some pirates pounced on them and he tried his best to make a claim but he was unsuccessful, but about a year later the goods were recovered.

Although his goods were recovered, given such a time lag he lost business and the goods had lost value. If he had arranged a local insurance policy he was

going to walk into his insurer's office and claim for the loss.

From the foregoing one can clearly see the benefits of arranging insurance locally but the question is why have Zambian and generally third world importers and exporters been failing to arrange insurance of their goods using local insurers? There are many factors at play.

Among them is the key issue of lack of awareness of the fact that insurance can be arranged locally at affordable or even cheaper cost. There is need for concerted efforts in this regard by all stakeholders in sensitizing shippers accordingly.

Further, with the law being already in place what needs to be done is to implement the same. This was proposed by Mr. Ken Mwige, the Secretary General of ISCOS at the second Insurance Conference in Livingstone in June the Pensions and Insurance Authority and Insurers Association of Zambia and other stakeholders should take the lead role in lobbying government.

In the same way government made motor insurance compulsory, it can do the same on marine insurance. It must be made compulsory in the sense that when someone is clearing

his goods the Zambia Revenue Authority should demand a certificate of Marine Insurance issued locally.

In Kenya for example the industry stakeholders lobbied and convinced the Kenya's government to enforce section 20 of that country's Insurance Act that requires all the importers to procure Marine Cargo Insurance (MRI) from the country's marine underwriter.

*As a country we must change our approach on exports to that of CIF while imports must be on FOB only or at least CFR.*

There is equally a need for regional integration to smooth logistics. To this effect the ISCOS, an initiative of four countries as stated above plays a key advisory role on shipping and maritime matters.

As a country we must change our approach on exports to that of CIF while imports must be on FOB only or at least CFR. If this is aggressively implemented it will stimulate local demand for Marine Insurance and its benefits cannot be overemphasized.





# The role of HR departments in promoting insurance

By Juliet Sakala

Products have been formulated to cover any band of income.

It is common knowledge that the most popular insurance product is Motor Vehicle Insurance and mainly because it is Law.

The other notion is that insurance is only for the rich, and therefore asking an individual to pay for insurance is a challenge. As we all know when all is well insurance is considered a cost. When the need arises it then becomes a great saving.

The HR Practitioner therefore has been given the task of educating employees on the importance of insurance directly or indirectly. You may be wondering why the stance of directly or indirectly has been taken.

Directly is when an organisation actually lets the employees have a choice on whether or not to take out insurance policies for different items or insurance policies. The individual will therefore be required to take cover on their own and be responsible for the payments of premiums. And this is where the notion that insurance is expensive stems from.

Indirectly is when the employer makes it mandatory for one to belong to a scheme. The term 'scheme' seems to have a more positive impact on many people. When termed as a scheme people tend to buy into the idea that they are going to benefit one day or another.



“These schemes are not only beneficial to the employee but the employer and especially the HR practitioner”

For example when an employee is told that the organisation will be contributing to a pension scheme that they will be able to draw upon retirement, they usually don't hesitate and take a keen interest on getting statements and ensuring that contributions (premiums) have been paid. They don't seem to mind that they may be contributing for the next 30 years, in their eyes it is an investment.

The different schemes include items such as funeral cover, gratuity funds, property cover, medical cover and many more. Most the products mentioned are handled by the HR department in one way or the other and that is why the department must take a keen interest in understanding how they work and subscribe to them.

The nature of the insurance products is such that the products have been formulated to cover any

band of income. The secret is consistency and ensuring that the conditions are followed and maintained at all times.

These schemes are not only beneficial to the employee but the employer and especially the HR practitioner. The burden of processes is left to the Insurance Company. This helpful for organisations that have a large human resource base spread in different geographical areas.

In conclusion it important that the employer and employee understand that insurance is beneficial. The products are many and have been developed in such a way that every income group can access the products. It is up to the employer to try and get the best price that will fit the individual's pocket. It also eliminates the tedious paper work from the HR department when it comes to claims and pay outs.



# Pack total peace of mind on your next trip.



With Barclays International Travel Insurance in place, you can enjoy your journey with the peace of mind that comes with knowing you're covered against unexpected accidents or illnesses and most travel inconveniences.

Visit your nearest branch or call us toll free on 5950 to find out more.  
Normal call rates apply on Zamtel.

Travel easy. **Prosper.**

Life Insurance



# Towards an enabling environment for inclusive insurance

*Pushing the Microinsurance Frontier*

By Lemmy Manje  
Insurance Lead- Financial Sector Deepening Zambia



The rationale behind inclusive insurance is to provide access to insurance for excluded households, individuals and enterprises. To make this happen, efforts and investments must be made to remove all regulatory and market barriers. An enabling environment through which market players can innovate, experiment and test new products and distribution models is required. The investments in developing regulation also stem from the recognition that regulations developed for the sound functioning of the conventional insurance market can act as barriers to the expansion of microinsurance business. The regulatory barriers can be two-fold. Firstly, setting entry requirements at a level that cannot be reached by smaller

insurance providers that may have existing relationships with the community. Secondly making no provisions for players that have existing relationships with the community and other potential aggregators to act as intermediaries for microinsurance business.

There is an international trend to develop enabling regulatory frameworks that facilitate access to insurance for previously excluded groups (including the low-income market). These regulatory frameworks aim to set regulatory requirements at a level that is appropriate to the complexity and the risk of the insurer. Since 2010, as part of the microinsurance development process, development of specific regulations on microinsurance

has been a key priority. Due to the low levels of insurance penetration in Zambia, the microinsurance regulations will not only focus on the low-income market but also the informally employed as well as other individuals that have previously had limited access to formal insurance cover.

Microinsurance regulations for Zambia were drafted in 2013 as part of a microinsurance development process spearheaded by the Technical Advisory Group. The draft microinsurance regulatory framework for Zambia aims to expand access to insurance to the low-income and informally employed market; limit the risk and complexity of microinsurance business to allow for a



concessionary regulatory approach and allow for innovations around products, distribution channels and other processes such as premium collection.

However, the long haul in the review process and enactment of the new Insurance Bill affected the progress on this, largely because microinsurance is not defined in the old Insurance Act. The new Insurance Bill (“the Bill”) accommodates microinsurance business and the microinsurance regulations were drafted to support the new Bill when it is enacted. It was therefore anticipated that the microinsurance regulations would be implemented after to the promulgation of the new Insurance Bill. The Bill is yet to be enacted and the Pensions and Insurance Authority (PIA) in Zambia intends to issue microinsurance guidelines to regulate microinsurance business in Zambia until the Bill is enacted and the full microinsurance regulations can be issued. These guidelines are intended to ensure there is sound market practice and consumers of microinsurance policies are protected.

The main regulatory provisions that are expected to stimulate the growth of the microinsurance sector include the following:

## 1. Product specifications

**Composite products:** While under conventional insurance, insurers are not allowed to underwrite composite products, in line with international best practices on microinsurance, the microinsurance guidelines will permit insurers to underwrite composite microinsurance products. These provisions allow insurers and distribution channels to innovate in the product benefit design to make products not only appropriate but also affordable to low-income consumers. The insurers will, however, need to engage experts in the pricing of particular product classes and set up systems for managing the individual products. It is important that all benefits on a product are clearly communicated to customers to avoid misunderstanding of the product features. Bundling of benefits for micro-insurance business is consistent with the international trends on microinsurance regulations.

**Product complexity:** Product distributed to low-income consumers must be simple and with minimal or no exclusions. Product limitations within a microinsurance regulatory regime aim to limit the complexity and risk of microinsurance policies that can be sold by a microinsurance agent or aggregators.

## Product definition:

Where concessions are made for microinsurance business it is necessary to clearly delineate the characteristics of microinsurance business that separates it from the conventional insurance business. Concessions are made for microinsurance business in the form of lighter requirements for microinsurance agents. It is, therefore, necessary to develop a quantitative product-based definition for micro insurance business for Zambia. Although there is no consensus on the actual parameters, it is likely that a limit of the sum assured would be the main criteria for distinguishing microinsurance from conventional insurance. The amount under consideration is ZMW25,000 as the maximum benefit level for microinsurance business. This benefit level allows for scope for market players to innovate and develop products that address the needs of the unserved market in Zambia, not just the low-income customers.

## 2. Product distribution

The draft microinsurance regulations focus on permitting alternative distribution channels to improve access to insurance. The regulations introduce the microinsurance agent or aggregator as a new category of intermediary and delineate the





responsibilities and required conduct of the microinsurance agent and the relationship between the microinsurance agent and the insurer. The provisions include:

- Reduced entry requirements for the microinsurance agent;
- Agreement between the microinsurance agent and insurer manages the relationship between these parties;
- Wider role of intermediaries including product promotion, enrolment, education, premium collection, processing and payouts.
- Uncapped commission which is ideally proportionate to the specific roles undertaken by the microinsurance agent or aggregator.
- Delegation of responsibility for compliance of the microinsurance agent to the insurer. Once the criteria for microinsurance agents is set and agreed, insurers will take full responsibility for ensuring compliance and sound practice of the agents.

### 3. Fair treatment of consumers

Fair treatment of customers

is important for ensuring the good reputation of insurance and protecting more vulnerable customers. The draft microinsurance regulations introduce a number of consumer protection provisions, including;

- appropriate disclosure and simple language
- fair product terms and conditions such as waiting and grace periods.
- claims reporting and payment process
- coherent complaints process
- confidentiality of customer information

As part of sound and good business practice, the regulatory provisions would also promote investments in insurance education. Insurers would need to smartly address this by integrating insurance education in marketing materials as well.

### 4. Microinsurer licensing

There is growing evidence that insurers with a specific license to underwrite microinsurance business only tend to drive microinsurance penetration. The Pensions and Insurance Authority has also considered

inclusion of provisions for a separate microinsurer licensing category. Conventional insurers will not be required to obtain a separate micro-insurance license. However, conventional insurers will be required to manage and report on micro-insurance business separately, possibly in a separate business unit.

Ultimately, all investments in regulatory changes are aimed at making the theme of ‘Insurance for all’ a reality for Zambia. The Insurers Association of Zambia and Technical Advisory Group on microinsurance have set and endorsed a target of reaching 6 million Zambians with insurance services by 2019. To achieve this, various market development initiatives are being implemented along the regulatory considered discussed. Much needs to be done; however, there are huge opportunities and prospects of developing an inclusive insurance market in Zambia.



# Hollard.

your insurance partner



OWGEN 1260 97181540 / 9851 37621

Hollard.  
insurance

Don't worry. Be **Hollard.**

Hollard Insurance: Lusaka - Tel: 0211 255680 / 1 • Kitwe - Tel: 0212 223172

E: [HollardZambia@Hollardzam.com](mailto:HollardZambia@Hollardzam.com) • W: [www.hollard.co.zm](http://www.hollard.co.zm)

“Don't leave anything to chance.  
Protect the ones you love  
with life insurance”



INSURANCE ASSOCIATION OF ZAMBIA

Providing quality of life insurance solutions in Zambia



# At the heart of Excellent Claims Service

By Christopher Mapipo Jr.

Joseph Malins, in his famous poem ‘The fence or the Ambulance’, tells an interesting story of a dangerous cliff on whose terrible edge a duke and many a peasant had fallen down to the valley. He points out that after a while, the people of that vicinity decided that something needed to be done to arrest the trend and save lives. But as is usually the case at such times, the people could not see eye to eye on how best they were to go about this undertaking. Some said “Put a fence around the edge of the cliff;” while others, “An ambulance down in the valley.”

Surprisingly though, they settled for an ambulance down in the valley and an old wise man remarked, “It is a marvel to me that people give far more attention to repairing the results than stopping the cause, when they would much better aim at prevention. Let us stop at its source all this mischief,” cried he, “Come, neighbors and friends, let us rally; if the cliff we will fence we might almost dispense with the ambulance down in the valley!”

The words of this nineteenth century poem still hold true today as they make clear the relationship

between cause and effect. They point out the need to deal with issues at the heart of a problem as opposed to investing only in addressing the outcome. This ensures proper resource utilization and success. But unfortunately, many are the times that we put the cart before the horse and then begin to wonder why we are not being as effective as we would like to be. It is easy to miss the point that is critical to our success and end up ‘repairing the results than stopping the cause.’ Quality service and skilled human resource are the barriers that prevent immeasurable damage to a company’s reputation and relationship with its client.

In the service industry, your people are your product! When you are selling an intangible product like insurance, the people who work in the organization have a telling effect on the type of organisation. A company that has highly experienced, qualified and skilled members of staff will be deemed in a better light than one with inexperienced, unqualified and unskilled employees even if the latter may actually have insurance products that offer better levels of cover, terms and conditions. In short, it does not





UNIVERSITY  
of  
LUSAKA

Plot 37413 Off Alick Nkhata Rd, Mass Media  
P.O BOX 36711, Lusaka, Zambia.  
Phone: +260 211 233407, 258409, +260 976 075 850  
+260 977 377 430 | Fax: +260 211 233409  
Email: ictar@zamnet.zm | www.unilus.ac.zm

# Study

# Bachelor of Science in Actuarial Science

The actuarial profession involves the application of mathematical disciplines, particularly probability, statistics, and risk theory, to real life financial problems involving future uncertainty. The analysis involved helps people and organizations plan for and reduce financial risk in areas as diverse as life, health, disability, property and casualty insurance; annuities; pension plans; and employee benefit plans.

The Insurance and Pensions Industry in Zambia is one of the industries whose landscape has evolved with the entrance and emergence of new firms. Unfortunately, there is a shortage of qualified personnel in the field of Actuarial Science to take the industry to greater heights.

UNILUS introduced this degree programme because of the shortage of qualified Actuaries in Zambia and that insurance firms and pension funds have to source the services of Actuaries outside Zambia. All specialized courses are taught by Academicians and Experts in the respective fields from countries that have been running these programs until such time that we will develop our own expertise.

## OBJECTIVES OF THE PROGRAMME

The Bachelor of Science in Actuarial Science is aimed at preparing students for careers as Actuarial Scientists concerned with the construction of models and solutions for Insurance, Pension, Financial, Business and Societal problems involving uncertain future events.

## CAREER PROSPECTS

The graduates of Actuarial Science are expected to find employment in insurance firms, pension and employee benefits firms, banks, consulting firms and brokerage firms. Actuaries typically work with life, health, and property/casualty insurers; government agencies; as pension and employee benefits consultants; as educators and researchers; and increasingly with banks and other relative newcomers into the insurance field.

Actuaries are involved in the design and pricing of insurance and savings products; in placing financial values on insurer liabilities and monitoring their solvency; in determining the financial health and recommending future funding levels for public and private pension and insurance programs; and in many other types of financial and demographic modelling.

Career progress depends on individual effort as well as on the organization with which the individual becomes involved or affiliated with.

## COURSES TO BE COVERED IN THE PROGRAMME

The University of Lusaka's Bachelor of Actuarial Science boasts rich, relevant and modern curricula and participants of the programme are exposed to courses such as:

- Actuarial Mathematics
- Financial Mathematics
- Actuarial Statistics
- Risk Theory for Actuarial Science
- Regression Modelling
- Principles of Actuarial Models
- Insurance Law
- Stochastic Modelling/Processes
- Actuarial Techniques
- Survival Models
- Financial Economics for Actuarial Science
- Applied Time Series Analysis
- Actuarial Research

## ENTRY REQUIREMENTS

Five (5) credits including English and a Merit in Mathematics.

## MODE OF STUDY

Part-time and Distance learning

## DURATION

4 years

## APPLICATION

Application forms are available at our offices and can also be downloaded from our website [www.unilus.ac.zm](http://www.unilus.ac.zm), or requested through Email at [ictar@zamnet.zm](mailto:ictar@zamnet.zm). The application form costs **K120**.

***All school leavers and professionals are invited to  
apply and kick start a career in  
Actuarial studies!!***

To view fees, course content and all other programmes on offer at the University visit our website [www.unilus.ac.zm](http://www.unilus.ac.zm).

Next Intake: January 2017  
**APPLY NOW!**

*Passion for Quality Education: Our Driving Force*

**Twitter: @unilusofficial**  
**Linkedin: University of Lusaka**  
**Instagram: @university\_of\_lusaka**  
**Facebook: www.facebook.com/unilusofficial**







UNIVERSITY  
of  
LUSAKA

Plot 37413 Off Alick Nkhata Rd, Mass Media  
P.O BOX 36711, Lusaka, Zambia.  
Phone: +260 211 233407, 258409, +260 976 075 850  
+260 977 377 430 | Fax: +260 211 233409  
Email: ictar@zamnet.zm | www.unilus.ac.zm



# STUDY THE BACHELOR OF SCIENCE IN INSURANCE & PENSION MANAGEMENT

The programme is a highly specialised course in the School of Business, Economics and Management that concentrates on the intricacies of the Insurance and Pension Management Sector. It prepares individuals to manage risk in organisational settings and provide insurance and risk-aversion services to businesses, individuals and other organisations. It also prepares graduates to plan and manage pension funds and social security schemes for wealth-creation since the industry is endowed with huge funds. As Zambia and the world at large embrace market economics and foreign direct investments, the onus is on the entrepreneurs to manage risk and pensions of their employees. This course is suited for both specialisations as it bridges the gap between the Insurance and risk management that the industry requires.

## COURSES TO BE COVERED IN THE PROGRAMME

With a diverse learning curriculum, students in this programme will be exposed to courses such as:

- Financial Accounting
- Insurance and Pension Business Practice
- Marine, Aviation and Motor Insurance
- Principles of Marketing
- Insurance Law
- Introduction to Actuarial Mathematics
- Innovation and Entrepreneurship
- Asset Liability Management
- Corporate Finance
- Financial Modeling

## CAREER PROSPECTS

The graduates of the programme have diverse career opportunities in the market allowing them to work as risk managers, insurance underwriters, insurance sales representatives, asset managers, and actuaries undertaken by insurance companies or pension funds organisations. Further, graduates will be able to undertake actuarial positions and/or pension fund management activities providing analytical work in these fields. The entrepreneurial component of the programme further ensures that graduates are open minded and exposed to ideology that can later lead to them establishing companies or firms of their own.

## DURATION

Four (4) years

## MODE OF STUDY

Full-Time, Part-Time or Distance Learning

## ENTRY REQUIREMENTS

Five (5) "O" level credits or better which must include English Language and Mathematics.

## APPLICATION

Application forms are available at our offices and can also be downloaded from our website [www.unilus.ac.zm](http://www.unilus.ac.zm), or requested through Email at [ictar@zamnet.zm](mailto:ictar@zamnet.zm). The application form costs **K120**.

**Enrolment for January 2017 Intake Is Ongoing, Do Not Get Left Out, Apply Now!**

On offer are Bachelors, Masters & PhD Degree Programmes in the School of Law, Business & Management, Health Sciences and Education, Social Sciences & Technology.

## Application

Application forms can be downloaded from our website [www.unilus.ac.zm](http://www.unilus.ac.zm) or requested through our email: [ictar@zamnet.zm](mailto:ictar@zamnet.zm) at a non refundable fee of K120 for Undergraduate and K150 for Postgraduate programmes.

## Banking Details

Payments are to be made in the following accounts:

Bank: Barclays Bank Zambia | Branch: Longacres | Account Name: University of Lusaka | Account Number: 017-1108039 | Swift Code: BARCZMLX

## Contact Details

Plot No 37413, Off Alick Nkhata Road, Mass Media. P.O. Box 36711, Lusaka - Zambia. | Phone: +260 211 233407, +260 211 258409 | Fax: +260 211 233409 | Cell: +260 977 377430 | Email: [ictar@zamnet.zm](mailto:ictar@zamnet.zm)

*Passion for Quality Education: Our Driving Force*



Twitter: [@unilusofficial](https://twitter.com/unilusofficial)  
Linkedin: [University of Lusaka](https://www.linkedin.com/company/university-of-lusaka)  
Instagram: [@university\\_of\\_lusaka](https://www.instagram.com/university_of_lusaka)  
Facebook: [www.facebook.com/unilusofficial](https://www.facebook.com/unilusofficial)





***“ But central to the delivery of this exceptional claims service is the human resource available in the claims department. The quality of people employed by an insurance company can be a source of sustainable competitive advantage. We can only ignore the important role that people play in the service industry at our own peril ”***



inspire confidence in the would be customer.

It has been said many a time that at claims stage is the moment of truth for a policyholder. It is at this time that they can actually ‘taste the product’ which they bought from their insurer. Prior to this, all they really have is a written promise to be indemnified if a certain misfortune befalls them and it sits well within the provisions, terms and conditions of the contract. This is largely attributable to the intangible nature of the insurance product itself. It is, therefore, a grand opportunity, at claims stage, for an insurance company to demonstrate to the client that they are in the best hands possible through an exceptional ‘hassle-free’ claims service.

But central to the delivery of this exceptional claims service is the human resource available in the claims department. The quality of people employed by an insurance company can be a source of sustainable competitive advantage. We can only ignore the important role that people play in the service industry at our own peril. As has already been alluded to above, the inherent challenges that attend the intangibility of the insurance product result in the claims staff being viewed as one of the many quality indicators by customers when evaluating an insurer’s service.





Unlike many other points of differentiation that competitors can readily replicate, quality people are not that easy to come across and at times it can take years before a firm can do so. By quality people we mean those with an in-depth Product Knowledge, Problem Solving Skills, unwavering integrity, Adept to thinking on their feet, able to communicate, integrate and manage the expectations of customers, brokers and other members of the supply chain.

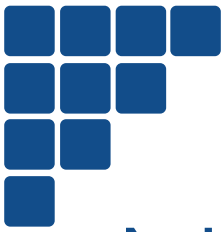
These are individuals that have an eye for detail and can identify fraud and report it, receive complaints and act upon them and resolve them in line with company policy, and they are committed to improving themselves professionally. They have an understanding of the insurance market and the ability to build and manage cooperative and productive relationships. They are comfortable negotiating and settling claims and most importantly, they have a willingness to learn (Chartered Insurance Institute, 2016).

You will agree with me that such seasoned experts are not readily available as and when an insurer wants them. They are usually found and hired after an extensive search through a myriad of job applications and interviews.

Individuals working in claims should know that they greatly impact the performance of their companies. Apart from the obvious effect on the bottom line, claims also has an impact on the top line. It can increase or decrease the amount of premiums written by an insurer depending on the quality of service being provided. Indeed many are the customers who have changed insurers on account of having received an excellent claims service from another insurer as third parties. In this way, the claims department can help bring in business by converting every third party claimant that is not on their books into a customer.







NICO'S  
**LADY DRIVER**  
 INSURANCE *exclusive*  
 TO OUR LADIES



BENEFITS  
**35% LADY DRIVER DISCOUNT**

- ♡ Domestic workers Liability
- ♡ Medical expenses
- ♡ Funeral expenses
- ♡ Windscreen excess waiver

**LADY!** Sign up Today!  
 +260 211 222 862 | 226 547  
 +260 211 226 456 | 232 670  
[www.nicoinsurance.co.zm](http://www.nicoinsurance.co.zm)



\*TERMS AND CONDITIONS APPLY

NICO Insurance Zambia Limited

# Personality Spotlight

## Mr Libinga



In every issue going forward, we intend to turn the spotlight on one of our industry veterans and key players. We hope to learn the motivation behind these leading figures and perhaps learn something for our own journeys. This issue, we hear from Mr Martin Libinga, who currently serves as the PIA Registrar.

### *Career Path*

Mr Libinga taught for three years under the Ministry of Education, and later worked as an Accountant and then Chief Financial Officer.

His career path led him to work as Pensions Inspector, Deputy Registrar and until he took up his current industry role as the Registrar of Pensions and Insurance Authority.

### *Academic Path*

A professional journey like this must always grow with academic progression, which includes a teaching certificate, a Postgraduate Diploma in Social Security, a Bachelor of Business Administration with an Accounting Major and a Master

of Business Administration in Finance. But Mr Libinga's academic journey has not ended and he is currently working on PHD dissertation in Business Administration.

### *What inspired you to work hard and reach your goals?*

In answer to the question of his source of inspiration, Mr Libinga responded, "My late Father inspired me a lot. And of course I have read about some people coming from humble backgrounds who have managed





to achieve their dreams.” Stories of others who have risen from their own trying circumstances have always been a source of hope to others who must face obstacles to achieving their dreams.

### *What challenges you had to overcome*

You come to understand the extent of these challenges when you learn about the difficult years he had to face early on in life, as he shared, “My Father died when I was quite young in life. This meant that as a family we struggled to have the necessities of life. My mother had to work hard to keep the family together until we all completed school.” As always in life, the same challenges can either break you or make you more resolved in the fight to reach your goal. We must pause and pay tribute to all those who have fought to hold families together during trying times and build a better future.

### *What challenges do you see in the industry and how can they be overcome?*

Among the concerns in the sector, Mr Libinga highlighted four issues:

- The issue of premium retention is one challenge. We hope that the Insurance Companies will enhance their capital level to give them that capacity required.
- Training of staff is critical to the sustenance of the industry. The Industry agreed to support the College I hope that the Insurance bill will be enacted soon as it will give the provision to receive a training levy.
- Outstanding premiums is another challenge which we need to deal with as an industry. We need to adopt enhanced ways of premium remittance.
- Getting other Regulators such as the Tax Authorities appreciate the role played by the Industry would probably unlock the industry’s potential.

### *Where do you hope the industry will be in 5 years?*

In answer to the question,

Mr Libinga is optimistic; “I hope to see stronger entities in the insurance sector with the capacity to take up more risk. The entities should be well capitalized and should be able to pay their obligations without difficulties.” He also drew attention to the issue of the level of uptake of insurance products in Zambian society. “We need to see higher level of insurance penetration and insurance services should contribute a higher percentage to Gross Domestic Product.”

### *What advice would you give to someone who wants to follow your career path?*

His advice is simple and straight forward, “**God** gives wisdom and knowledge. Remain focused on what you want to achieve and last but not the least hard work.”

### *Spare time activities*

Mr Libinga has a passion for farming and in his spare time keeps busy with livestock farming.

# INSURE WITH MGen



 MOTOR  HOUSE OWNERS'  HOUSE HOLDERS'

 AGRI - SAFE  FIRE  ALL RISKS

## It's worth it!

 **MADISON  
GENERAL**  
INSURANCE COMPANY ZAMBIA LTD

+260 211 378700-5

A Member of the Insurers' Association of Zambia  
A Member of the  LSA Group of Companies

[www.facebook.com/insurewithmgen](https://www.facebook.com/insurewithmgen)  
[www.madisonzambia.co.zm](http://www.madisonzambia.co.zm)



# Corporate Governance: An emerging global need!



By: Collins Hamusonde



In Zambia we have become accustomed to the notion that only board members adhere to corporate governance and even then, only those in big corporate institutions. This is not really strange or peculiar to Zambia, surprisingly it is only after the 90's that corporate governance worldwide has emerged as a topic for discussion fueled by recent events that have resulted corporate collapse.


least would have been reported to the relevant stakeholders. Additionally, more recent events involving an oil spill scandal at the Gulf of Mexico and a vehicle emissions scandal show how lack of adherence to corporate governance principles can have damaging effects not only financially

but on the environment. Such incidents reveal how easy it is for business to focus on profit maximization at the expense of governance, stewardship and ethical behavior and sadly this can happen even at board level and under the supervision of highly qualified, trained and experienced executives who decide to turn a blind eye to unethical behavior that morally requires full disclosure and transparency

In the wake of various corporate scandals and amid increasing concern about environmental sustainability issues, there has been a great deal of debate regarding the applicability of business ethics in the modern business age. The business world is now placing ethics as

a primary need and therefore driving the overall acceptance, adoption and internalization of corporate governance. The whole world is changing its attitude towards governance, the big question is how is Africa and to be specific Zambia doing?

Africa has had its share of corporate failures and scandals attributed to poor adherence to corporate governance principles but non yet to the scale of recent big highly media reported scandals, however the fact that Africa has not experienced such financial crises should not in any way give force illusion that all is well, the reality is that African corporate governance



## Corporate governance guides the decision making process of the business at all levels of operations



It must be understood that good corporate governance will result in an efficient use of resources, improved employees relations and it will also enhance trust and loyalty from business partners and the community as a whole. Corporate governance guides the decision making process of the business at all levels of operations and ultimately improves the development and sustainability of long term strategies, goals and future capital investments. Corporate governance once fully adopted will require that the directors shareholder's, management and all employees be ethical in the manner they execute their functions and responsibilities.

In the recent past there has been an increased demand for ethical behavior within the business framework. In the

last ten years the world has seen financial scandals and bankruptcy involving world renown corporates and as more information was released when each of these corporates collapsed, it became clear that financial fraud, market manipulation and key data mismanagement were the main causes of the financial failure. It further became clear also that had corporate governance been fully applied, such glaring irregularities would not have occurred or at the very as a whole needs major improvement and lessons and experiences learnt and observed from the events in other parts of the world must therefore act as a warning of what might happen if not addressed. The world has seen corporate failure in the USA, Europe and even Asia, if not addressed this will now turn to

Africa and the impact could be damaging for both current and future investment.

Another key factor to consider is that African business entities are mostly either family owned or family run enterprises These are business entities still in their infancy and just getting out of the informal sector into the formal sector also referred to as small medium enterprises (SME's) unfortunately very few countries in Africa have created a legal framework to implement governance and reporting standards for SMEs, this in turn has an adverse impact on the SMEs growth because international as well as locally established financial institutions that believe in good corporate governance record nd structure as a requirement for investments are reluctant ato engage with



**P E R I L**  
**P E R I L S**  
**W O R K**

# INSURANCE THAT'S PURE AND SIMPLE

GET COVERED WITH



GENERAL INSURANCE

Parirenyatwa Rd Rhodes  
ParkPlot 175 Periren  
P.O. Box 31700  
Lusaka Zambia  
Tell: +260 211 239 865 / 6  
Email: [info@aplusgeneral.com](mailto:info@aplusgeneral.com)  
Website: [www.aplusgeneral.com](http://www.aplusgeneral.com)



Even a Snail needs a shell...

Unfortunately very few countries in Africa have created a legal framework to implement governance and reporting standards for SMEs, this in turn has an adverse impact on the SMEs growth

such entities due to perceived weakness within their risk, compliance and governance processes. The investor confidence is further reduced by the reluctance on the part of the SMEs to show willingness to adopt governance. SME owners do not want to have a strong board composition because it may also be seen as a way of losing overall control of the firm. Consequently there is a high number of small to medium size businesses in Africa that

are operating midway between the informal and formal sector and are not being monitored or regulated by the respective regulatory authorities, they are not paying taxes and could easily commit fraud and engage in corrupt practices with little or no legal control.

During the period 1995 to 2000 the Zambian financial sector was hit with 10 bank failures, this adversely contributed to the negative perception and performance of the financial sector in Zambia, the impact of these bank failures and consequences of that experience is still being felt even to this day. All the 10 commercial banks collapsed largely due to weak corporate governance structures within their structures, mostly related to credit and risk controls of customers and investors, weak risk and compliance protocols, poor management and ineffective board structures. This picture is not very different across Africa. Africa: Issues and challenges As an emerging market Africa has a young and growing private sector with capital markets still

in their infancy and as a result corporate governance issues are a regular issue for discussion in most board meetings. It is also generally observed that most Companies Acts and international Audit and financial standards have not been fully adopted resulting in confusion around topics such as conflict of interest, insider trading and company disclosures. It is common for example to hear of companies that fail to remit taxes and other statutory payments to the respective authorities and in some cases these would include entities ran by the government as parastatals and yet these corporates have board structures, shareholders and highly qualified and experienced management teams..

It must be understood that improving corporate governance has a huge amount of benefits not just for the business entities alone but for all countries within Africa as a whole. If adopted fully corporate governance will among other things reduce exposure







# FOCUS MOTOR INSURANCE

Protecting what you have worked so hard for

## Motor

### a) Comprehensive

We cover:

- Accidental/fire damage to your vehicle.
- Loss of vehicle or spare parts/accessories.
- Protection and removal after accident.
- Third party liabilities (damage to property, death or bodily injury).
- Riot and strike (non-political).

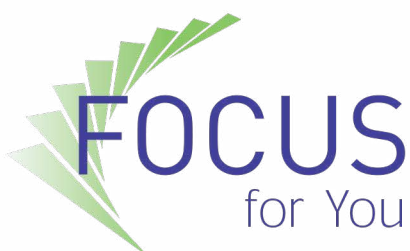
### b) Full Third Party

We cover:

Third Party Liabilities (property, death and/or bodily injury) only.

At an additional premium you can access:

- Hospital Cash Plan
- Disability
- International Cover



+260 211 291 310-14



[www.focus.co.zm](http://www.focus.co.zm)



[info@focus.co.zm](mailto:info@focus.co.zm)





# ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM

By Katuna Sinyangwe

*The primary goal of a good AML compliance program is to protect the organization against money laundering*

With the rapid developments in the anti-money laundering (AML) regulatory environment in the country, regulatory expectations for insurance industry players have significantly increased. Insurance industry players are expected to have in place an AML compliance program that will enable them identify and report suspicious transactions to the Financial Intelligence Centre. Industry players that will be found non-compliant may be subject to administrative or criminal sanctions as provided

for under the Financial Intelligence Centre Act. These changes in the AML regulatory environment have increased the risk of non-compliance for industry players. Establishing a robust AML compliance program will enable an organisation the risk of non-compliance to AML laws and regulation.

What is an AML compliance program? This is a set of procedures designed to guard against someone using the organisation to facilitate money laundering. The primary goal of a good AML compliance program is to protect the organization against money laundering and to ensure that the organization is in full compliance with relevant laws and regulations. It is therefore, an essential component of an organisation's compliance regime. Organisations should ensure that their AML compliance program is risk-based, and designed

to mitigate the money laundering risks the organisation may encounter. The risk-based nature of the AML compliance program recognizes that not all aspects of an organisation's business or products present the same level of risk. Certain products or services offered by an organization will pose greater money laundering risks than others and will require additional controls to mitigate these risks, while others will present a minimal risk and will not need the same level of attention.

The foundation to developing an AML compliance program is an understanding of what is required of an organisation, its employees and customers by the AML laws and regulations in the country. A good AML compliance program should have all the following components:-

- i. A system of internal policies,





LIFE ASSURANCE SERVICES

# Tilitonse

A Mobile Burial Costs Insurance Plan by Madison Life

**K1** per day takes CARE of YOU and YOURS

## Plan Types Available & Benefits

### Individual Cover

Life Assured	Sum Assured	Monthly Premium
Planholder	K3,000	K18

### Family Cover

Life Assured	Sum Assured	Monthly Family Premium
Family	K24,000	K 30

### Dependant's Cover

Dependants/ Additional children		
Life Assured	Sum Assured	Monthly Individual Premium
Dependant	K3,000	K7

**3** easy steps to sign up

- Buy a starter pack
- Register
- Upgrade



Terms and Conditions Apply

Easy to Access

Convenient

Affordable

\*sms is free\*

### Where To Purchase Starter Packs

Starter Packs can be purchased at any Mlife branch, Mlife agent and approved retail outlets.

### Where To Pay Premiums

Premiums are payable by Cash, Mobile Money, Kazang, c-Grate (543 Konse Konse), Zoona, NATSAVE, UBA, Investrust, Mlife branch, Mlife agent and approved retail outlets.



A member of the LSA Group of Companies | A member of the Insurers' Association of Zambia

+260 211 233 112/3, 223 940/3/4 | mlife@mlife.co.zm | www.mlife.co.zm

mlife.zambia | mlifezambia | +260 97 599 2517 | madison.mlife

procedures and controls;

ii. A designated compliance officer with day to day oversight on the AML compliance program;

iii. An ongoing employee training program; and

iv. An independent audit function to test the AML compliance program.

#### Policies, Procedures and Controls

Internal policies are high level statements of principles that serve as a basis for procedures and controls that provide details as to how lines of business will achieve compliance with laws and regulations, as well as with the organisation's AML policies.

An AML compliance program should include policies, procedures, and controls that:

i. Identify high-risk operations (products, services, customers, and geographic locations); provide for periodic updates to the institution's risk profile; and provide for an AML compliance program tailored to manage risks;

ii. Inform the board of directors (or a committee of the board) and senior management of compliance initiatives, known compliance deficiencies, suspicious transaction reports filed and corrective action

taken.

iii. Assign clear accountability to persons for performance of duties under the anti-money laundering program.

iv. Meet all regulatory requirements and recommendations for anti-money laundering compliance.

v. Provide for periodic review as well as timely updates to implement changes in regulations.

vi. Implement risk-based Customer Due Diligence policies, procedures and processes.

vii. Provide sufficient controls and monitoring systems for the timely detection and reporting of suspicious activity.

viii. Provide for dual controls and segregation of duties. Employees who complete the reporting forms should not also be responsible for filing the suspicious transaction reports.

ix. Comply with all recordkeeping requirements, including retention and retrieval of records.

x. Train employees to be aware of their responsibilities under anti-money laundering laws, regulations and internal policy guidelines.

xi. Incorporate anti-money laundering compliance into the

job descriptions and performance evaluations of appropriate personnel.

xii. Develop and implement screening programs to ensure high standards when hiring employees. Implement sanctions for employees who consistently fail to perform in accordance with an AML program.

xiii. Develop and implement program testing to assess the effectiveness of the program's implementation and execution of its requirements. This is separate from the independent audit requirement, but serves a similar purpose — to assess the effectiveness of the program.

#### xiv. Compliance Officer:

Organisations are required by law to appoint a Compliance Officer who will be responsible for managing the day to day operations of the AML compliance program. The Compliance Officer should be equipped with an appropriate level of competency, authority and independence to be able to implement the AML compliance program. And he/she will receive reports of suspicious activity or transactions from the frontline staff who deal with customers.

The Compliance Officer's responsibilities will include the following:







- i. Developing an AML Program.
- ii. Receiving and vetting suspicious transaction reports from staff.
- iii. Filing suspicious transaction reports with the Financial Intelligence Centre.
- iv. Ensuring that the institution's AML program is implemented.
- v. Co-ordinating the training of staff in AML awareness, detection methods and reporting requirements.
- vi. Serving both as a liaison officer with the Financial Intelligence Centre as well as a point-of-contact for all employees on issues relating to money laundering.

#### Training

Training is one of the most important ways to stress the importance of anti-money laundering efforts, as well as educating employees about what to do if they encounter potential money laundering. The AML compliance program should incorporate a training program for employees to ensure that they are kept updated with new developments in AML. The training program should also ensure that employees have a clear understanding of all AML laws and obligations. The content, coverage and timing of this training may vary depending on the perceived need of the organisation.

#### Independent Audit

Organisations should subject their AML compliance program to an independent audit to ensure its effectiveness. The audit should be performed by people that are not involved in the day to day oversight of the AML compliance program. The organisation can either engage internal or external people with the appropriate competency to conduct this audit. The auditors should report directly to the Board of Directors or a designated committee of the Board.

The independent audit should at a minimum:

- i. Address the adequacy of AML risk assessment.
- ii. Examine the adequacy of Customer Due Diligence policies, procedures; and processes, and whether they comply with internal requirements.
- iii. Determine personnel adherence to the institution's AML policies, procedures and processes.
- iv. Perform appropriate transaction testing, with particular emphasis on high-risk operations (products, services, customers and geographic locations).
- v. Assess training adequacy, including its comprehensiveness,

accuracy of materials, training schedule and attendance tracking.

- vi. Assess compliance with applicable laws and regulations.
- vii. Examine the integrity and accuracy of management information systems used in the AML compliance program.

The size and complexity that an AML compliance program takes will differ from one organisation to another and mostly be a reflection of the needs of a particular organisation. Whichever sharp or size an AML compliance program takes, the four key components described above should be a part of it. Insurance companies that already have an AML compliance program need to ensure that it meets the minimum regulatory requirements. Those companies that do not have an AML compliance program need to start looking at developing one. This will protect the industry from abuse by criminals.

#### References

*Financial Intelligence Centre Act No. 46 of 2010 Financial Intelligence Centre (Amendment) Act No. 4 of 2016 Association of Certified Anti-Money Laundering Specialist, 5th Edition CAMS Study Guide 2012 Financial Intelligence Centre, Suspicious Transaction Reporting Guidelines, Insurance & Pension Sector.*

# Last Expense Protector



For financial security and peace of mind, chose the practical Last Expense Protector

- Up to K662 000 funeral cover
- Affordable funeral cover for the whole family
- Flexible options to suit your needs and pocket
- Immediate cover
- 48 hour claims settlement

Regent Life  
Mambilima House, Plot 2341, Kabelenga Road  
P O Box 34396  
Lusaka • Zambia  
Tel: (+260) 211 234962/235046 • Fax: (+260) 211 234964

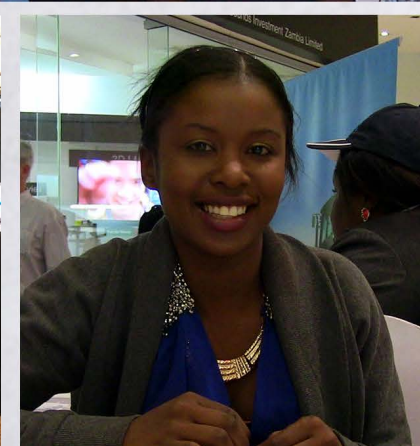


**REGENT**  
**LIFE**



# PHOTO FOCUS

Insurance week 2015





**AFRICAN GREY**  
**HOUSE**



*Dear Customer,*

*Just a quick note to let you know that*

*We have moved.*

*Find us now at*

*#31 Omelo Mumba Rd,  
Rhodes Park, Lusaka.*

*Your Insurance Provider,*

*African Grey*

Tel: 0211221092 | email: [info@africangrey.co.zm](mailto:info@africangrey.co.zm) | web: [www.africangrey.co.zm](http://www.africangrey.co.zm)





# LIST OF INSURANCE COMPANIES

<b>A PLUS</b>	Aaron Kamanga aaron@aplusgeneral.com	Parirenyatwa Rd Rhodes Park	+260 211 239865 www.aplusgeneral.co.zm
<b>A PLUS LIFE ASSURANCE COMPANY</b>	Frank Nguni customercare@apluslife.co.zm	1st floor Exchange Building 1, Farmers House Central Park, Cairo Road, P.O.Box 30914, Lusaka, Zambia	+260 211 234 868/9 +260 211 234 866
<b>ACACIA INSURANCE</b>	David Kandango davidk@acaciazambia.co.zm	Plot No. 35991, Thabo Mbeki Rd, Lusaka. Post Net 136, P/Bag E891 Lusaka	+260 0977 711807
<b>ADVANTAGE INSURANCE</b>	Raymond Chella md@advantagezambia.com	8, Enock Kavu Road, Off Addis Ababa Drive, Lusaka P O Box 38365, Lusaka	+260 211 25 88 76 up to 78, +260 971 74 5363 www.advantagezambia.com
<b>AFRICA PRIDE INSURANCE COMPANY</b>	Temba Chibare queries@africapride.co.zm	Unit 2, Plot No. 35991A, Thabo Mbeki Rd, Zambia	+260 211253086/348/013 +260953 661 399
<b>AFRICAN GREY</b>	Victor Musonda Musondav@africangrey.co.zm	No. 31 Omelo Mumba Road Lusaka	0211221092, 0978 221093, 0965 899179 www.africangrey.co.zm
<b>AFRICAN LIFE</b>	Simachila Makwembo makwembo@hotmail.com	Corner of Ituna/Nasser Rds P.O.Box 31991, Lusaka	Tel +260 211 257713-14 www.aflife.co.zm
<b>BARCLAYS LIFE ASSURANCE</b>	Mugove Nyimo mugove.nyimo@absa.co.za	2nd floor, Kafue House, Nairobi Place, Cairo Road, Lusaka P O Box 39522, Lusaka	260 211 366246/366100 zm.barclays.com/
<b>DIAMOND GENERAL INSURANCE</b>	Edna Kalenga edna@diamond.co.zm	Diamond Park, Alick Nkhata Road, Lusaka P O Box 37041, Lusaka	260 211 253740 www.diamond.co.zm
<b>FOCUS GENERAL INSURANCE</b>	Barbara Mwandila barbra@focus.co.zm	2 <sup>nd</sup> Floor Pangaea Office Park, Great East Rd, Lusaka	+260 211 291311-4; 259977 / 8 www.focus.co.zm
<b>FOCUS LIFE ASSURANCE LIMITED</b>	Isaac Gunda Isaac@focus.co.zm	2 <sup>nd</sup> Floor Pangaea Office Park, Great East Rd, Lusaka	+260 211 291311-4; 259977 / 8 www.focus.co.zm
<b>GBG GENERAL INSURANCE</b>	Mike Mwemba mhmxz@yahoo.co.zm	P.O. Box 36434, Lusaka	+260 973 983987
<b>GENERAL ALLIANCE</b>	Charles Madziva charles@generalalliance.co.zm	Garden Plaza Office Park, Thabo Mbeki Rd plot no.35370, Mass Media area Lusaka	260 211 221714/15 www.generalalliancemw.com

<b>GOLDEN LOTUS</b>	Arnold Ngonani arnold@gl-ins.com	7911 Off Central Street, Chudleigh Lusaka	+260 979 114 918 +260 211 214002
<b>GOLDMAN INSURANCE</b>	M N Raju mnraju@goldman.co.zm	2nd Floor, National Savings & Credit Bank of Zambia Building, Cairo Road, Northend Private Bag W395 Lusaka	260 211 220316, 221861, 235234/35 www.goldman.co.za
<b>GUARDIAN RE</b>	Thelma Chegwenda thelmachegwenda@gurdianre.zm	17 Paseli Rd Nothmead	+260 211 258884
<b>LIBERTY</b>	Mark A. Gobie gobiem@liberty.co.zm www.liberty.co.zm	1st Floor, Kwacha Pension House, Stand 4604, Tito Rd, Lusaka	+260 211255536 +260 96 3216045
<b>HOLLARD LIFE</b>	Monica Kalifungwa mkalifungwa@hollardzam.com	Ground Floor, Pangaea Office Park, Great East Rd, Lusaka	:+260 211 258632/33 www.hollard.co.zm
<b>HOLLARD ZAMBIA</b>	Paul Nkhoma PNkhoma@hollardzam.com	Ground Floor, Pangaea Office Park, Great East Rd, Lusaka	260 211 255681 www.hollard.co.zm
<b>INNOVATE GENERAL INSURANCE</b>	Jack Kamau general@innovate-grp.com	2nd floor Kwacha Pension Hse	+260 966 744272
<b>Kenya Re</b>	Selemani Tembo		+260 977197776
<b>MADISON GENERAL INSURANCE</b>	Chabala Lumbwe chabs@madison.co.zm	Madison House Plot 318, Independence Avenue. P. O. Box 37013   Lusaka, Zambia	+260 211 378700-5 www.madisonzambia.com
<b>MADISON LIFE ASSURANCE</b>	Agnes Chakonta agnes@mlife.co.zm	Dar-es-Salaam Place, Cairo Road,South of Main Post Office,Lusaka P. O. Box 33384,LUSAKA	260 211 233112/13, 233940/41 www.mlife.co.zm
<b>MAYFAIR</b>	Humphrey Kabwe humphrey_kabwe@mayfairzambia.com	Lubuto House, Plot 1278 CNR of Lubuto & Lungwebungu Roads, Rhodes park P.O Box 34702, Lusaka	: +260 211 255182/3 www.mayfairzambia.com
<b>MEANWOOD GENERAL INSURANCE</b>	Tobias Milambo tobias@meanwoodgeneral.co.zm	Plot 106 Fairview, Great East Road	+260 0211 221868 www.meanwoodgeneral.co.zm
<b>METROPOLITAN LIFE</b>	Mawanga Kwenda Mkwenda@metropolitan.com	5th Floor Mukuba Pension House, Dedan Kimathi Road Lusaka, Zambia P.O Box 35587, Lusaka	Tel: +260 211 236217/8 www.metropolitan.co.za
<b>NICO</b>	Prince Nkhata prince@nicoinsurance.co.zm	1131 Corner Parirenyatwa & Protea Roads, Fairview, Lusaka P.O Box 32825	+260 211 222862 +260 211 226347 www.nicozambia.com
<b>PHOENIX ASSURANCE</b>	Trevor Jengajenga trevor@phoenixzambia.com	Plot 164, 1st Floor Nwasco House, Mulombwa Close (Off Bwinjimfumu) P.O.Box 36880, Lusaka, Zambia	: +260 211 233956 www.phoenixassurancegroup.com
<b>PRIMA RE</b>	Exhilda Lumbwe exhilda.lumbwe@primareinsurance.co.zm	Plot 187C Namambozi road, Fairview, Lusaka, Zambia Post Net Box 658 P/B, E81, Lusaka	:+260 211 221 158 www.prima-re.com



<b>PROFESSIONAL INSURANCE</b>	Geoffrey Chirwa Geoffrey@picz.co.zm	194 Finsbury Park, Kabwe Round About, Great North Road Box 34264   Lusaka   ZAMBIA	+260 211 366703 www.picz.co.zm
<b>PRUDENTIAL</b> (Former Professional Life Assurance)	Krishnaswamy Rajagopal	Finsbury Park, Cairo Road, North End P O Box 31357. LUSAKA. ZAMBIA	+260 211 366704
<b>ULTIMATE INSURANCE COMPANY</b>	S.P. Ravachandran spravachandran@ultimateinsurance.co.za	DG Office Park No. 1 Chila RD, Kabulonga	+260 211 267841 260 211 267842
<b>REGENT</b>	Juliet Sampa Juliets@regent.co.za	Plot No. 2341 Mambilima House, Kabelenga Rd, Lusaka	+260 211 235 046 +260 211 234 962 +260 211 234 964 +260 961 634 094
<b>SAVENDA GENERAL INSURANCE</b>	Mrs.Irene Mayenga savenda@zamtel.zm	No. 7 Mwapona Rd Woodlands, Lusaka	+26 0211 269515
<b>VERITAS GENERAL INSURANCE</b>	Geoffrey Mkandawire geoffrey@veritasgeneral.com	Plot BRT6/60, Kabulonga Rd, P.O. Box 31965, Lusaka Zambia	+260 211 266307
<b>ZAM RE</b>	Webster Chigwende websterch@zamre.co.zm	Plot 110a/24, Polonalio Miti Road, Villa Elizabetha, Lusaka P.O Box 50150,Ridgeway,Lusaka	+260 211 232820
<b>ZEP RE</b>	Shipango Muteto smuteto@zep-re.com	Base Park Alick Nkhata Rd Lusaka	+260 211 252530 www.zep-re.com
<b>ZSIC GENERAL</b>	Charles Nakhoze CNakhoze@zsicgi.co.zm	Premium House, Lusaka, Stand No. 7431, Lusaka P.O Box 30894, Lusaka, Zambia	+260 211 229343/57 www.zsic.co.zm
<b>ZSIC LIFE</b>	Peter Lukwesa plukwesa@zsic.co.zm	Stand No. 4432, Cairo Road P.O Box 30507 Lusaka	+260 211 222412/3 www.zsic.co.zm
<b>ZAMBEZI RE</b>	Nyambe Libakeng'i zambezi@gmail.com	P.O. Box 32339 Lusaka	+260 0977856748



***Let's say this happened...  
NO PROBLEM.***

***As long as you had***

***TRAVEL INSURANCE  
You're covered.***

[www.insizwe.com](http://www.insizwe.com)

Tel: +260 211 377822  
+260 211 377823

1<sup>st</sup> floor Pangaea Office Park, Off Great East Road, Lusaka

***INSIZWE***

**Holland.**





# Muende Bwino

Personal Accident cover

## TRAVEL WITH COVER ... MUENDE BWINO

Instant insurance cover anytime, anywhere!

Travel with a smile knowing that Professional Insurance has your travel insurance covered.

Monthly Fee	Payout of up to
K5.00	K5,000

Purchase your Muende Bwino coupon from any of our agents or any PICZ Branch

 <p>ZAMBIA POSTAL SERVICES CORPORATION</p>	<p><i>Mazhandu Family Bus Services</i></p>	 <p>KAZANG</p>
	<p><i>Euro - Africa Bus Services</i> </p>	

Terms and Conditions Apply!

OPENING HOURS: 07:30 - 18:00 (WEEKDAYS) 07:30 - 14:00 (SATURDAYS)

If it really matters - insure with us

 **Professional Insurance**

 *Your wise choice*

**HEAD OFFICE:** Finsbury Park, Kabwe Roundabout Tel: +260 211 366703 Fax: +260 211 222151. Also available in: **Chingola:** 212 314563 / 0966 643000, **Chipata:** 216 223395 / 0977 328841, **Choma:** 213 221121 / 24 / 0977 502733, **Kabwe:** 215 221614, **Kafue:** 0977 478583, **Kitwe:** 212 224418, **Kasama:** 214 221145 / 0955 487577, **Livingstone:** 213 322228, **Mazabuka:** 213 230170 / 0955 421414, **Ndola:** 212 618204, **Nakonde:** 0969 899648, **Addis Ababa (Lusaka):** 211 256567 / 250011, **UTH (Lusaka):** 211 255914, **Luashya:** 0965 882255 / 0979 728789, **Solwezi:** 218 821108

[www.picz.co.zm](http://www.picz.co.zm)