



Life Assurance Sector Report

for the Year Ended 31 December 2023

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- ii. The Commission does not accept any liability, if this report is used for any other purposes other than the above-mentioned intended purpose.
- iii. This report relates to Life Assurance and Reassurance business written by Life Assurers and Reassurers in 2023 and the figures are based on unaudited accounts submitted by regulated entities.
- iv. These statistics are based on the International Financial Reporting Standard (IFRS) 17 Insurance Contracts, which became effective January 2023. However, a moratorium was given for Q1 and Q2 returns, and subsequent reports were based on IFRS 17. As a result, prior year comparatives solely relate to Balance Sheet figures.
- v. Please Note: All monetary figures are in ZW\$ except stated otherwise.
- vi. All ZW\$ amounts are expressed in nominal terms, except where specifically stated to be in real terms.
- vii. Income statement figures were adjusted using year- on -year inflation¹ of 26.5% reported for December 2023.

¹ <https://www.rbz.co.zw/index.php/research/markets/inflation>

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Abbreviation

IPEC	Insurance and Pensions Commission
IFRS 17	International Financial Reporting Standard (IFRS) 17
GPW	Gross Premium Written
MCR	Minimum Capital Requirements
PA	Prescribed Assets as defined by the Insurance Act [Chapter 24:07]
S.I	Statutory Instrument
TCF	Treating Customers Fairly
ZICARP	Zimbabwe Integrated Capital and Risk Programme
PAA	Premium Allocation Approach

A close-up portrait of a young Black woman with her hair styled in a large, voluminous afro of dark dreadlocks. She is looking directly at the camera with a slight, pleasant smile. She is wearing a dark-colored blazer over a dark top. The background is softly blurred, showing hints of an indoor setting with warm lighting.

Section A | Executive
Summary

1. Executive Summary

- 1.1 The life assurance sector was made up of 12 direct life assurance companies, four (4) life reinsurance companies and 1,367 life assurance agents.
- 1.2 This report is based on all 12 direct life assurers, and 3 reinsurers. ZEP Reinsurance Company failed to submit its Q4/2023 returns.
- 1.3 During the period under review, direct Life Assurers reported insurance revenue amounting to ZW\$571.17 billion. In US\$ terms, the total revenue for the sector amounted to US\$155.19 million. Pure foreign currency revenue amounted to US\$51.86 million, constituting 33.4% of total revenue with the remaining 66.5% being ZW\$ denominated business. Funeral assurance business was the major contributor of forex business.
- 1.4 Recurring business constituted 91% of the insurance revenue for the life assurance sector, with only 9% attributable to new business.
- 1.5 Two products namely funeral services and group life assurance remain the primary revenue sources for the life sector with a combined 89% share of total revenue.
- 1.6 As at 31 December 2023, all life assurers and life reinsurance companies that lodged returns, reported capital positions that were compliant with the Minimum Capital Requirements (MCR) of ZW\$75 million and ZW\$112.5 million, respectively, as prescribed under S.I. 95 of 2017. Gazetting of the new capital thresholds is at an advanced stage and all industry players are expected to carry out self-assessments and align their capital positions with the proposed new requirements, to ensure compliance once these are enacted. Further, industry players should continue to assess their capital position against the risk-based solvency regime under the ZICARP framework.
- 1.7 Direct life assurers reported a 31% nominal growth in total assets from ZW\$2.7 trillion as at 30 September 2023 to ZW\$3.55 trillion as at 31 December 2023, mainly driven by an increase in fixed property values.
- 1.8 Life reinsurers reported assets amounting to ZW\$47.93 billion as at 31 December 2023, representing a nominal increase of 355% from ZW\$10.53

billion reported as at 31 December 2022. In US\$ terms, the sector's assets amounted to US\$7.85 million, a decrease from US\$15.39 million reported as at 31 December 2022. However, the decrease could be on account of delayed year end valuation of investment property which was not yet completed for the purposes of producing this report. Further, it can be explained in terms of exchange rate distortions over the review period. Investment property was the major asset class constituting 49% of the sector assets.

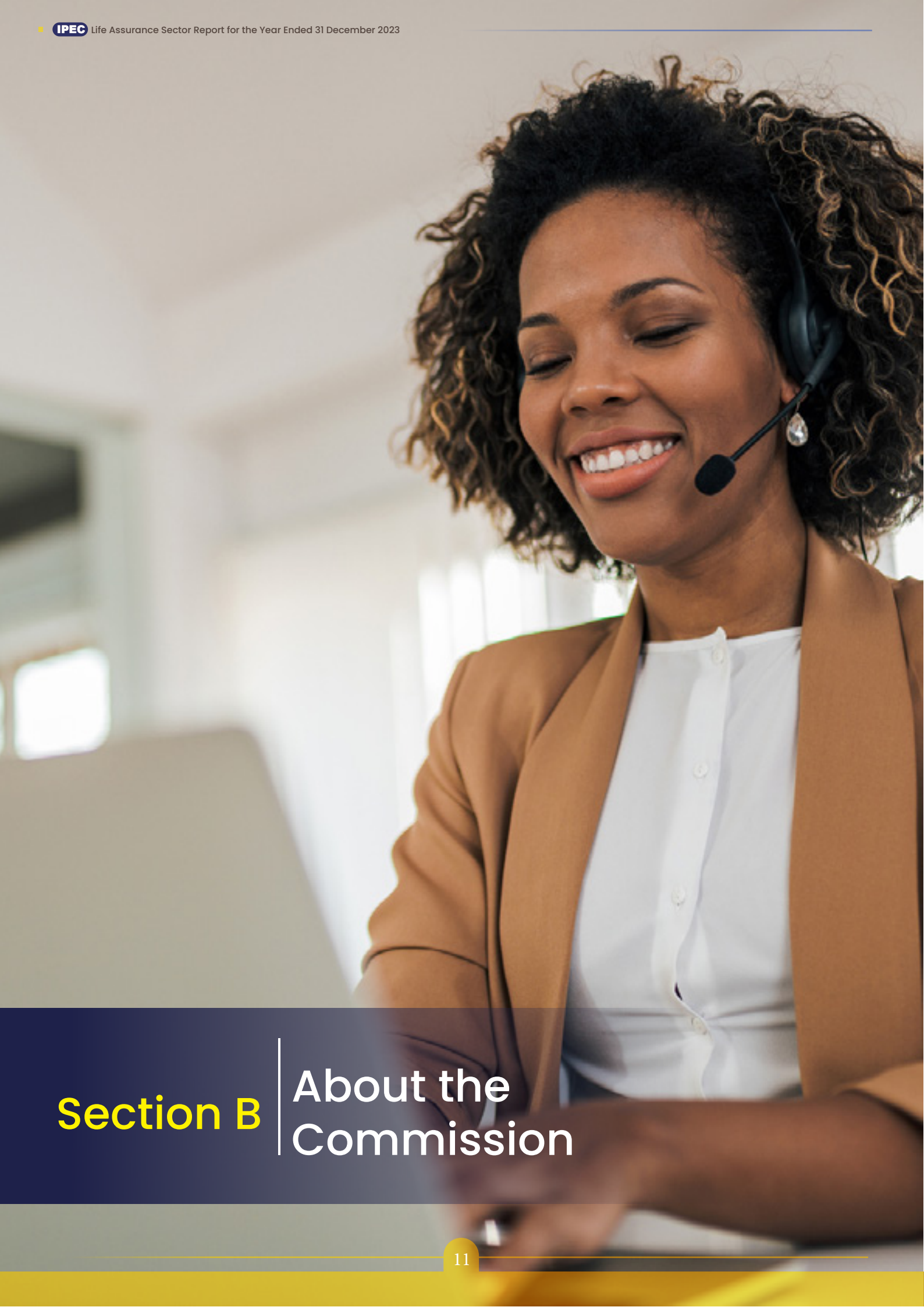
- 1.9 The average prescribed assets compliance ratio for life assurers and Reassurers declined to 8.35% and 2.88% as at 31 December 2023, from 11.25% and 10.98%, respectively, reported in the prior year, against the required ratio of 15%. Only three direct Life Assurers were compliant with the statutory threshold of 15% as at 31 December 2023 and none of the Reassurers were compliant.
- 1.10 Life Assurers reported nominal profit before tax amounting to ZW\$1.5 trillion for the period under review, mainly driven by investment income. In US\$ terms, the profit for the sector was US\$407.55 million, as derived from converting the ZW\$ earnings using the average exchange rate for 2023.
- 1.11 Life Reassurers reported nominal profit before tax amounting to ZW\$40.59 billion for the period under review. The profit in US\$ terms amounted to US\$11.03 million.
- 1.12 Tables 1 and 2 below highlight the key financial indicators for the life assurance and reinsurance companies. Comparative period were left blank since the Commission started reporting using the IFRS 17 standard in Q3 2023

Table 1: Summary of Key Financial Indicators for Life Assurers

	KPI - ZW\$ Million		
	September-23	December-23	Change
Insurance Revenue		571,170	
Insurance service result		130,831	
Insurance service expenses		427,320	
Net investment result		1,766,859	
Profit (Loss) before tax		1,495,497	
Ratio Analysis			
Insurance Expense Ratio		30%	
Claims Ratio		45%	
Combined Ratio		75%	
Reassurance Ratio		2%	
Lapse Ratio		44%	
Total Assets	2,712,252	3,545,797	31%
Total Liabilities	1,365,174	1,723,940	26%
Shareholders' Equity	1,347,079	1,821,858	35%
Capital to Liability Ratio	98.67%	105.68%	7%
Prescribed Asset Ratio	9.33%	8.35%	-11%

Table 2: Summary of Key Financial Indicators for Life Reassurers

	KPI - ZW\$ Million		
	September-23	December-23	Change
Insurance Revenue		19,109	
Insurance Service Result		6,318	
Insurance Service Expenses		10,148	
Net Investment Result		36,078	
Profit (Loss) before tax		40,590	
Ratio Analysis			
Insurance Expense Ratio		32%	
Claims Ratio		21%	
Combined Ratio		53%	
Total Assets	41,411.00	47,929	16%
Total Liabilities	2,331.00	4,747	104%
Shareholders' Equity	39,081.00	43,181	10%
Capital to Liability Ratio	1676.84%	909.63%	-46%
Prescribed Asset Ratio	3.25%	2.88%	-11%



Section B | About the Commission

2 The Insurance and Pensions Commission Overview

- 2.1 The Insurance and Pensions Commission (IPEC) is a Statutory Body mandated to regulate, supervise, and develop the insurance and pensions industry, for the protection of policyholders and pension scheme members in Zimbabwe.
- 2.2 This report outlines industry developments and some of IPEC's supervisory activities in the life insurance sector, consistent with its statutory mandate for the year ended 31 December 2023.

3 Terms of Reference

- 3.1 The activities of the Commission are guided by the following Acts and their respective regulations:
- Insurance and Pensions Commission Act [*Chapter 24:21*]
 - Pensions and Provident Fund Act [*Chapter 24:32*]
 - Insurance Act [*Chapter 24:07*]
 - Money Laundering and Proceeds of Crime Act [*Chapter 09:24*]
 - Finance Act [*Chapter 23:04*]
 - Public Entities and Corporate Governance Act [*Chapter 10:31*]
 - Public Finance Management Act [*Chapter 22:19*] and
 - Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*]
 - Administration of Estates Act [*Chapter 6:01*]

4 Regulatory Developments

4.1 Circulars and Statutory Instruments

4.1.1 The Commission issued Statutory Instruments and Circulars to the Insurance Industry during 2023 as shown below.

Table 3: Circulars and Statutory Instruments Issued in 2023

Circular	Date of Issue	Purpose
Circular 3 of 2023	15 February 2023	Request for information on registered agents.
Circular 7 of 2023	16 April 2023	Amendments to the Directive on System of Governance and Risk Management for Insurance Companies.
Circular 9 of 2023	9 March 2023	Quarterly returns additional reporting requirements
Circular 11 of 2023	16 March 2023	Guideline for Regulation of Offshore Investments.
Circular 13 of 2023	16 May 2023	IFRS 17 Quarterly Return Template.
Circular 17 of 2023	29 June 2023	Replacement of Circular 6 of 2016 on the Product Approval Framework and Premium Review Process.
Circular 18 of 2023	14 June 2023	Notification of Publication of the Insurance and Pensions (Levy) Regulations, 2023 and Insurance (Amendment) Regulations, 2023.
Circular 19 of 2023	23 June 2023	IFRS 17 Dry Run Financials as at 31 December 2022.
Circular 20 of 2023	27 June 2023	Separation of Pensions and Life Business.
Circular 21 of 2023	04 July 2023	Office of the President and Cabinet Invitation for Investors to attend the Mashonaland East Province Inaugural Investment Indaba and Business Expo
Circular 22 of 2023	17 July 2023	Invitation to the Insurance Regulators' Retreat for Africa
Circular 23 of 2023	18 July 2023	Guidance Note Pursuant to Circular 18 of 2023
Circular 24 of 2023	19 August 2023	Anti-money Laundering, Combating Financing of Terrorism and Countering Proliferation Financing Industry Guideline
Circular 25 of 2023	12 August 2023	Operationalisation of the No-Premium-No Cover
Circular 26 of 2023	1 September 2023	Cyber Security and Data Protection Framework

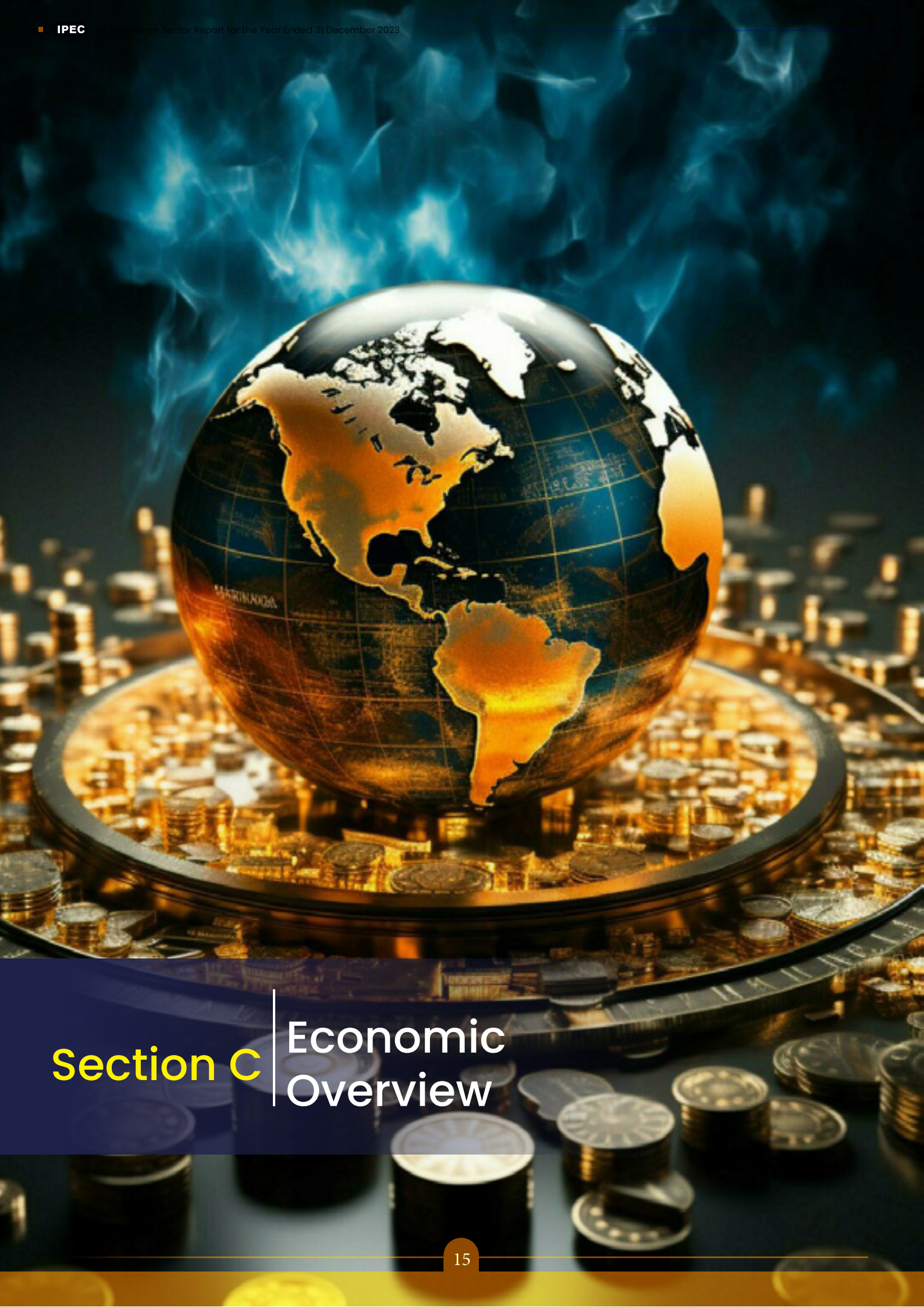
Statutory Instrument	Date Gazetted	Purpose
S.I. 103 of 2023	9 June 2023	Insurance and Pensions Commission (Levy) Regulations, 2023 – New US\$-Indexed Levies.
S.I. 104 of 2023	9 June 2023	Insurance (Amendment) Regulations, 2023 (No. 26) – New US\$-Indexed Fees.

4.2 IFRS 17

4.2.1 The International Financial Reporting Standards (IFRS) 17, Insurance Contracts, became effective in January 2023.

4.2.2 However, for the local insurance industry, a moratorium was given for Q1 and Q2 returns, which were prepared as per requirements of IFRS 4.

4.2.3 As a result, the reports for the fourth quarter ending 31 December 2023 were only comparable as far as the earliest date of adoption of the standard.



Section C | Economic Overview

5 Introduction

This section presents highlights of the global and regional economic outturn during the year 2023.

5.1 Global and Regional Economic Outturn

According to the IMF, the global economy is estimated to have grown by 3% in 2023, which is lower than previously projected, due to the unprecedented tightening of global monetary conditions in response to high inflation. Considering this, global growth prospects are expected to deteriorate in the medium term.

Growth in advanced economies slowed down to 1.5% in 2023, down from 2.6% in 2022. Meanwhile, growth prospects for emerging markets and developing economies are estimated to have fallen slightly, from 4.1% in 2022 to 4% in both 2023 and 2024, reflecting a slowdown in Chinese growth. Sub-Saharan Africa's growth is expected to have fallen to 3.3% in 2023, from 4% in 2022.

5.2 Domestic Economic Outlook

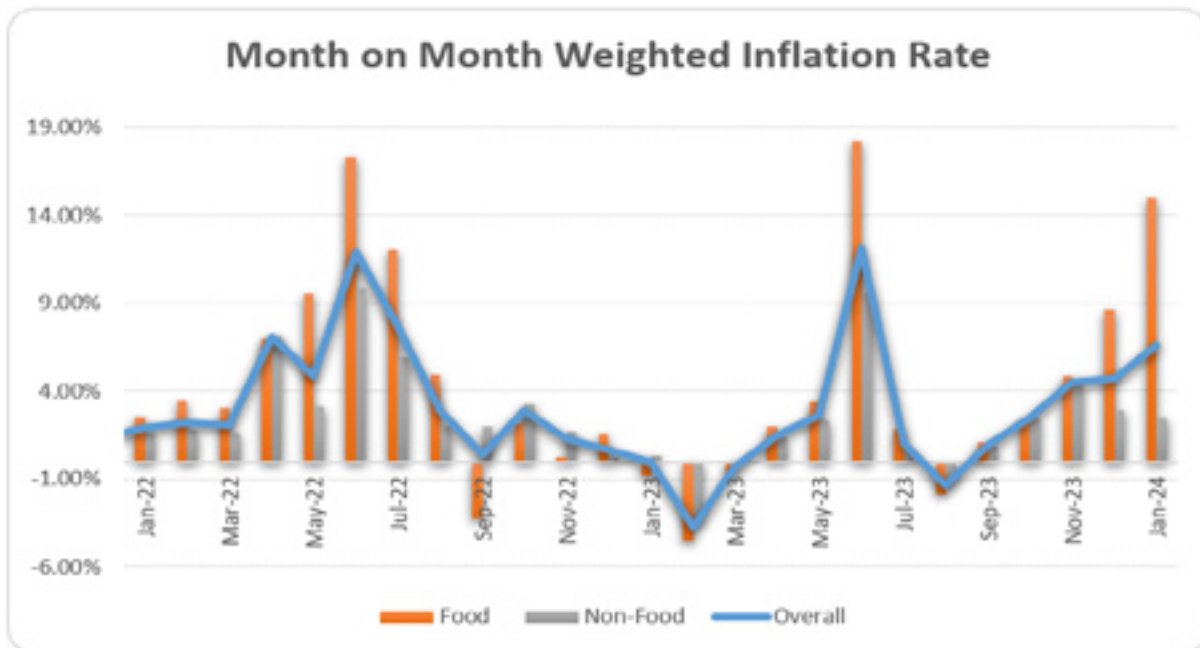
According to the Ministry of Finance, Economic Development and Investment Promotion, the domestic economy grew by 5.5% in 2023, a slight increase from the 5.3% projected in August, owing to higher-than-expected agricultural output, particularly tobacco, wheat, and cotton. Mining (+7.6%) and accommodation and food services (+6.9%) will drive the 3.5% growth in 2024, while agriculture is expected to contract (-4.9%).

5.3 Inflation Developments

Year-year-year inflation closed the year 2023 at 26%. The highest monthly inflation rate for the period was 12.1% recorded in June 2023, whereas the lowest inflation rate was -1.3% recorded in August 2023.

The table below shows the inflation trend from 2022 to January 2024.

Figure 1: Inflation Profile (%) Jan 2022 to Jan 2024



Source: RBZ

5.4 Stock Market Developments

The ZSE recorded a total market turnover of ZW\$109 billion as at December 2023, a 295% increase from ZW\$27.8 billion in the previous year. The market capitalisation gained 723% from ZW\$2.04 trillion in December 2022, to close the year at ZW\$16.8 trillion. ZSE All-Share Index gained 982% from 19,494.85 points in 2022 to close at 210,833.92 points in 2023.

5.5 Victoria Falls Stock Exchange Market

The VFEX All-Share index fell 41% from 99.07 points in December 2022 to 70.48 points at the end of the year 2023. . The VFEX market capitalisation gained 113% from the previous year to close at USD 1.2 billion.

Section D

Performance of Life Assurance Companies – December 2023

6 Life Assurance Sector Architecture

6.1 There were 12 registered life insurers. Evolution Life company, however, changed its licence to that of a micro-insurer and was in the process of transferring its life portfolio at the time of reporting.

6.2 Life insurers had 1,367 agents comprising both corporates and individuals. This was an increase from 1,337 reported as at 31 December 2022.

7 Performance in Terms of Insurance Revenue

7.1 Insurance revenue under IFRS 17, is the premium realised and earned during the period under review, from January to December 2023. This is a significant departure from IFRS 4 where performance was assessed based on gross premium written, which included the unearned portion of premium.

7.2 During the period under review, direct life insurers reported insurance revenue amounting to ZW\$571.17 billion.

7.3 The two main products driving insurance revenue were funeral assurance and group life assurance business, which constituted 88.7% of the total revenue.

7.4 The table below shows the insurance revenue per life company.

Table 4: Insurance Revenue per Company

Name of Company	31 Dec-23
	ZW\$ 'millions'
Nyaradzo Life	274,119.37
Doves Life	82,982.50
Zimnat Life	42,100.74
First Mutual Life	40,826.39
Old Mutual Life	36,408.02
Econet Life	31,344.67
ZB Life	26,259.79
CBZ Life	20,783.29
Fidelity Life	12,896.04
Nhaka Life	2,026.82
Evolution Life	1,237.65
Heritage Life	184.64
Total	571,169.92

7.5 The table above shows that one player has the largest share of the life assurance sector business in terms of insurance revenue, mainly driven by funeral assurance business.

8 Breakdown of Insurance Revenue by Product

8.1 Figure 1 below shows the distribution of insurance revenue by product line, and the table immediately below it indicates distribution of insurance revenue by product line per company.

Figure 1: Distribution of Insurance Revenue by Product Line

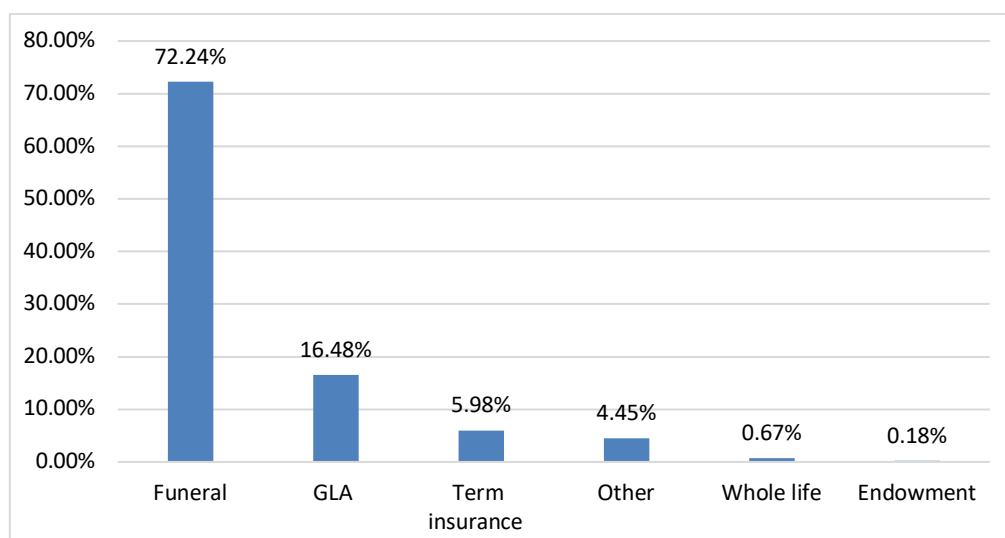


Table 5: Distribution of Insurance Revenue by Product Line Per Company

ZW\$ millions	Funeral	GLA	Term insurance	Other	Whole life	Endowment	Total
Nyaradzo Life	274,119.37	-	-	-	-	-	274,119.37
Doves Life	82,982.50	-	-	-	-	-	82,982.50
Zimnat Life	10,398.34	25,039.62	2,586.58	-	3,833.42	242.78	42,100.74
First Mutual Life	-	13,478.71	21,628.22	5,719.46	-	-	40,826.39
Old Mutual Life	3,880.43	28,285.32	246.31	3,986.83	-	9.14	36,408.02
Econet Life	29,414.65	1,669.74	-	260.28	-	-	31,344.67
ZB Life	2,272.34	16,949.93	62.90	6,450.09	17.76	506.78	26,259.79
CBZ Life	7,006.51	4,882.90	8,889.45	4.29	0.14	-	20,783.29
Fidelity Life	210.21	3,584.78	-	8,827.24	-	273.82	12,896.04
Nhaka Life	882.06	232.61	734.44	177.71	-	-	2,026.82
Evolution Life	1,237.65	-	-	-	0.00	-	1,237.65
Heritage Life	182.65	1.99	-	-	-	-	184.64
Total	412,586.69	94,125.59	34,147.91	25,425.89	3,851.32	1,032.51	571,169.92

In ZW\$ millions

In terms of business composition, 72% of the total insurance revenue was generated from the funeral assurance business, which has become the main business driver for the life insurance sector. Funeral assurance products have continued to dominate the life assurance market mainly due to their defined benefit nature of the products.

8.2 Traditional life insurance products, which include term assurance, endowment policies and whole life accounted for only 7% of business, majority of which are legacy products while no new business was written for pure endowment products.

8.3 Long-term savings products remain key in mobilising funds for long-term investments, which is critical for financing national projects, including infrastructure development in the country.

8.4 The Commission will continue to work with the industry together with Government to ensure that the operating environment is conducive for the uptake of long-term products.

9 Reassurance

9.1 Of the ZW\$571.17 billion insurance revenue reported by direct life assurers during the period under review, only ZW\$14.11 billion was ceded to reinsurers, translating to a reinsurance ratio of 2%.

9.2 Whilst most of the life business being written by the industry is classified under the Premium Allocation Approach (PAA), which is short term in nature, the industry should embrace reinsurance as a risk management measure as reinsurance provides additional capital buffer that can be useful in time extreme unfavourable market conditions.

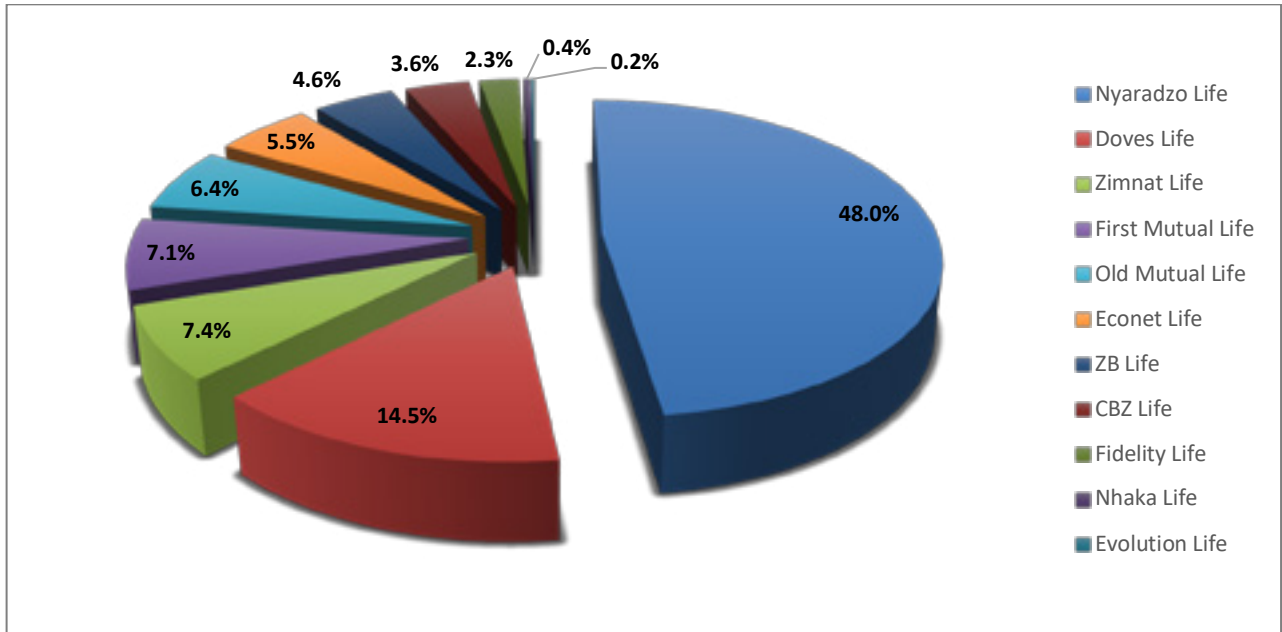
9.3 A reinsurance ratio of 2% is an indication that life assurers have to a large extent shunned reinsurance arrangements.

9.4 Direct life assurers are encouraged to always consider reinsurance as a risk management option to ensure that all claims will be met as they arise. This is particularly important in view of the size of foreign currency business being transacted by the life sector.

10 Market Share

10.1 One player continued to dominate the sector with a market share of 48% in terms of insurance revenue as shown in the figure below:

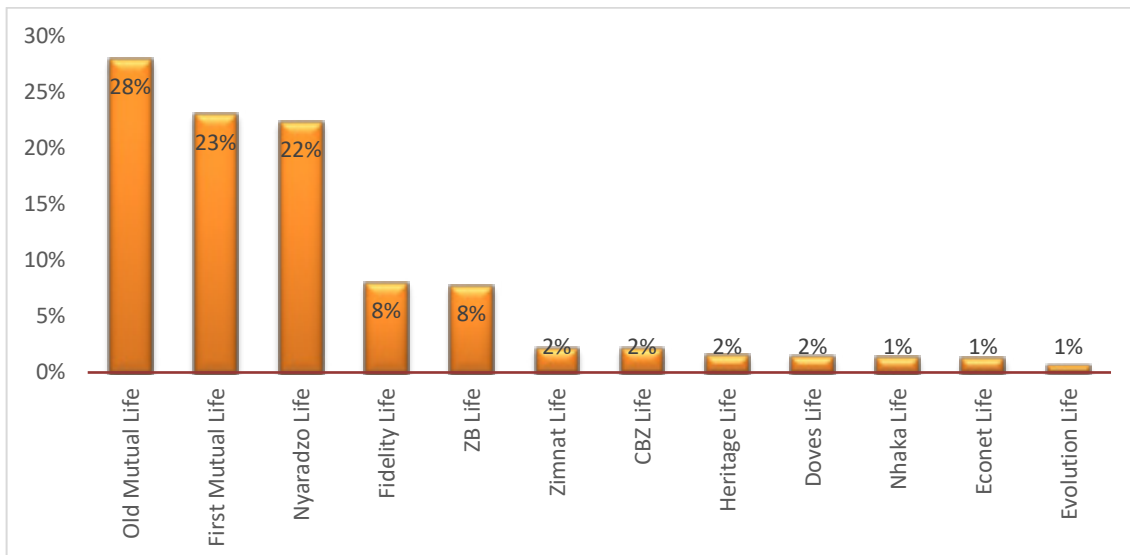
Figure 2: Market Share in Terms of Insurance Revenue



10.2 The life assurance market continues to be dominated by companies whose primary line of business is funeral assurance. Under funeral business, life companies mainly promise offering funeral services though in some cases funeral cash is provided and the product is a defined benefit.

Figure 3: Market Share by Assets

10.3 The figure below shows the distribution of assets by entity.



10.4 In terms of assets distribution, 3 life assurers continue to dominate the sector, with a combined share of 73% of total sector assets, with the assurer with largest asset base having (28%) of the industry's asset portfolio.

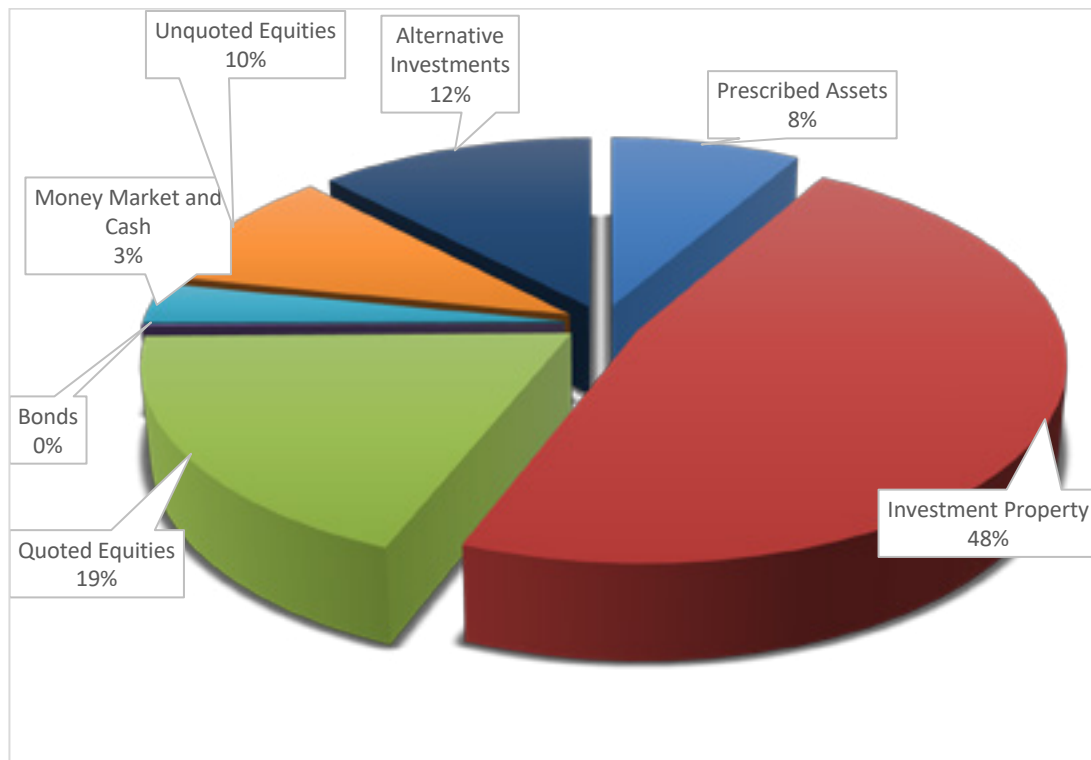
11 Asset Quality

11.1 As at 31 December 2023, the life assurance sector reported total assets amounting to ZW\$3.55 trillion in nominal terms, representing an increase of 57% from ZW\$2.26 trillion reported as at 30 September 2023. In US\$ terms, the sector's assets as at 31 December 2023 amounted to US\$581.52 million, an increase of 44.78% from US\$401.65 reported as at 31 December 2022.

11.2 Two asset classes, property and equities dominated the assets of the sector, accounting for 77% of total assets.

11.3 Figure 4 below shows the asset breakdown for the life assurance sector as at 31 December 2023.

Figure 4: Assets Breakdown as at 31 December 2023



11.4 Matching of assets and liabilities within the life assurance sector remains key and the industry is expected to hold assets that reflect their liabilities from time to time.

11.5 Life assurers are urged to exercise prudence in structuring their investment portfolios so that they avoid concertation of investments in one asset class.

12 Liquidity

12.1 The current ratio for life assurers was 11:1 indicating the adequacy of liquid resources required to meet short-term contractual obligations and other current liabilities.

12.2 Prudent asset liability management will help life assurers to avoid holding excess liquid resources.

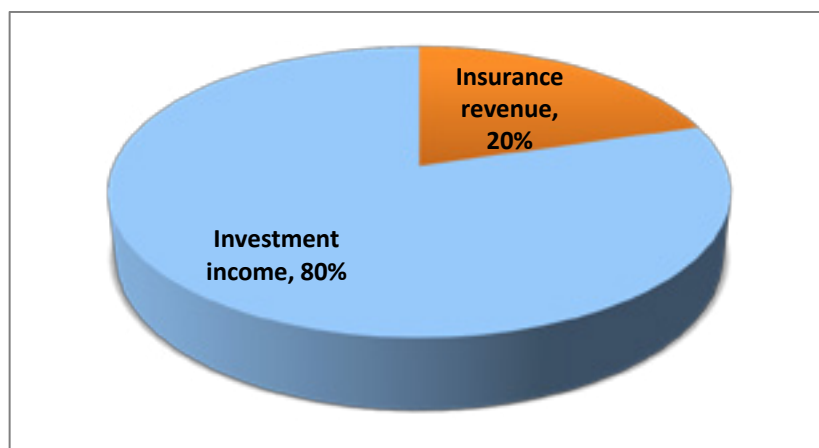
13 Earnings

13.1 The sector reported an insurance service result of ZW\$130.83 billion, which indicated a viable result from servicing insurance contracts issued.

13.2 The profit before tax reported for the period under review was ZW\$1.5 trillion, the major driver being Investment Income which amounted to ZW\$2.2 trillion. In US\$ terms, the profit for the sector was US\$407.55 million, using the average exchange rate for 2023.

13.3 The figure below shows the distribution of sources of income for the life sector.

Figure 5: Composition of Income for Life Companies



13.4 The current business model, as depicted in the chart above, shows that the life sector is predominantly driven by investment income as a source of revenue, as opposed to the core business of insurance.

13.5 The sector reported a claims ratio of 45%, commission ratio of 8% and an expense ratio of 20% for the period under review.

13.6 The resultant combined ratio reported as at 31 December 2023 was 73%.

14 Not Taken Up Policies

14.1 For the year ended 31 December 2023, the Life Assurance Sector reported a total of 659,841 Not Taken Up (NTU) policies with an expected Insurance Revenue of ZW\$31.9 billion (See table below).

Table 6: Not Taken Up Policies

Name of Company	Number of Policies	Insurance Revenue - ZW\$ Million
Econet Life	646,638	31,084.39
Doves Life	9,632	412.55
ZB Life	2,019	126.9
Zimnat Life	1,126	219.09
Fidelity Life	195	67.98
Heritage Life	190	4.96
Old Mutual Life	30	0.23
First Mutual Life	11	1.82
CBZ Life	-	-
Evolution Life	-	-
Nhaka Life	-	-
Nyaradzo Life	-	-
Total	659,841	31,917.92

14.2 Econet Life has the highest number of NTUs, meaning policyholders may be subscribing to products on offer without fully understanding them prior to paying the initial premium to the assurer, calling for consumer education at individual company and industry-wide level.

15 Lapsable Policies

15.1 At the beginning of the fourth quarter of 2023, the sector had a total of 1,913,717 lapsable policies, of which 847,174 policies lapsed during the same period translating to a lapse ratio of 44.27%, an increase from 17.31% recorded during the same period in 2022.

15.2 Lapsing policies tend to reflect life assurance products becoming less affordable to policyholders mainly due to frequent premium reviews in response to inflation.

15.3 Table 7 below shows the lapse ratio per individual entity: -

Table 7: Lapse Ratios for the Fourth Quarter Ended 31 December 2023

Name of Company	No. of Lapsable Policies as at the beginning of the quarter.	Lapsed Policies		Lapse Ratio
		Individual Life	Group Business	
Econet Life	1,020,604	801,851	3,608	78.92%
Nyaradzo Life	528,533	8,247	2,907	2.11%
Doves Life	145,622	4,088	7,980	8.29%
Old Mutual Life	63,796	8,152	-	12.78%
Zimnat Life	54,418	2,973	-	5.46%
Fidelity Life	42,657	401	-	0.94%
ZB Life	24,857	1,573	-	6.33%
First Mutual Life	23,561	4,813	-	20.43%
Heritage Life	8,424	46	-	0.55%
Nhaka Life	1,245	535	-	42.97%
Total/ Average	1,913,717	832,679	14,495	44.27%

15.4 Econet Life and Nhaka Life had lapse ratios of 79% and 43%, respectively. The rising lapse ratios are a sign of life assurance product being pushed out of the consumer basket because of shrinking disposable incomes, which is negatively affecting the viability of the sector.

15.5 Several factors also contribute to a high lapse ratio in the life sector, which include the lack of perceived value, competitive pricing, changing life circumstances and mis-selling of policies.

16 Capitalisation

- 16.1 As at 31 December 2023, all the life assurers reported capital positions that were compliant with the current statutorily applicable Minimum Capital Requirement of ZW\$75 million.
- 16.2 The Commission came up with USD linked MCR requirements, which were pending gazetting by year end. These MCR requirements will also form part of the absolute minimum capital requirements (AMCR) under ZICARP.
- 16.3 The ZICARP Framework will be implemented on the basis of strengthening the solvency and resilience of the insurance industry.
- 16.4 The Commission is in the process of developing a solvency Stress Testing Framework, which will be used to carry out stress tests on the balance sheets of all life companies to assess how each life company's balance sheet position will respond to shocks that may affect business operations.
- 16.5 Meanwhile, life assurance companies are required to carry out self-assessments on an ongoing basis using Statutory Instrument 95 of 2017, and report to the Commission when their assessments indicate that their capital has fallen below the required minimum.
- 16.6 The table below indicates the capital to liabilities ratios for the life companies.

Name of Company	Capital to Liabilities Ratio
CBZ Life	4.15
Doves Life	2.27
Econet Life	3.40
Fidelity Life	0.15
First Mutual Life	0.36
Nhaka Life	0.27
Nyaradzo Life	0.36
Old Mutual Life	9.05
ZB Life	1.96
Zimnat Life	3.54

- 16.7 The capital available for four (4) life companies is not adequate to cover liabilities should something go wrong on their balance sheets. The entities are urged to ensure they are adequately capitalised in view of the new USD-linked capital requirements pending gazetting.
- 16.8 The Commission is considering coming up with guidance to life insurance companies that are into pension administration to ensure consistent treatment of pension fund business for the purposes of solvency determination. This follows realisation that different companies are treating the classification of pension fund business differently for the purposes of solvency determination.
- 16.9 To strengthen the capital assessment for life companies, the Commission is seized with the development of Solvency Stress Testing Framework, which will be utilised to apply shocks on the balance sheet of life companies in the year 2024 going forward.

17 Prescribed Assets

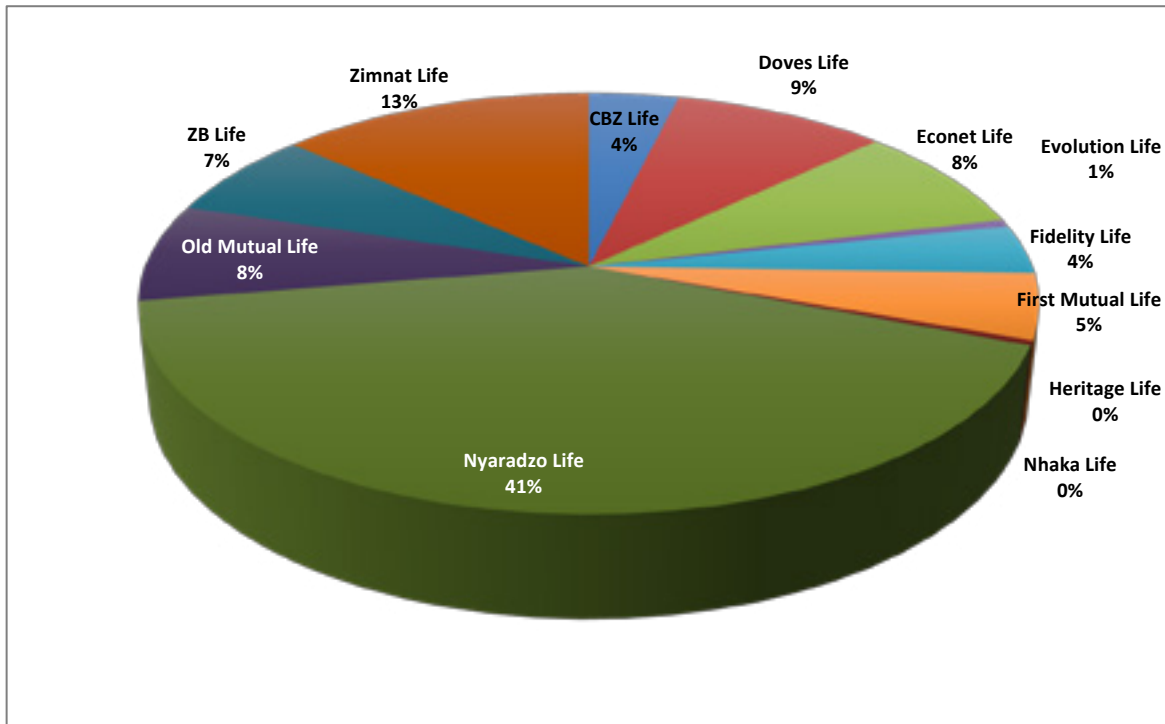
- 17.1 For the period under review, the total investments in prescribed assets by the life assurance sector amounted to ZW\$295.92 billion, translating to a sector average compliance level of 8.35%.
- 17.2 Three out of the 12 life assurers were compliant with the minimum prescribed asset ratio of 15% of adjusted assets.
- 17.3 The life assurance sector is required to meet the minimum threshold for prescribed assets by investing in projects that aligns with NDS1. The Ministry of Finance, Economic Development and Investment Promotion has been supportive in conferring PA status to several projects and instruments which remain open for investment.

18 Foreign Currency Business

- 18.1 The life assurance sector received foreign currency revenue amounting to US\$51.86 million for the year ended 31 December 2023.
- 18.2 Forex business was mainly driven by the uptake of US\$ products under Premium Allocation Approach contracts, which constituted 67% of the total revenue.

18.3 The breakdown of the foreign currency business written by the life assurance sector per company is shown in figure 6 below: -

Figure 6: Market Share by US\$ Insurance Revenue



18.4 Nyaradzo commanded 41% of the foreign currency-denominated business showing the predominance of funeral products relative to other life products offered in the market.



Section E | Performance of Life Reassurance Companies

19 Nature of the Reassurance Business

19.1 All life reinsurers were authorised to write both life and non-life business, however the statistics presented in this section only pertain to their life assurance business, except for their capital positions, which comprise both life and non-life positions.

20 Performance in terms of Reassurance Revenue

20.1 As of 31 December 2023, life reinsurers reported insurance revenue amounting to ZW\$19.11 billion, which is approximately US\$3.1 million converted at the official exchange rate as at 31 December 2023.

20.2 Most of the ZW\$ revenue reported was from contracts measured under the Premium Allocation Approach, a reflection of their source of business from life insurers, and that most reinsurance contracts that life insurance companies enter into with reinsurers are short-term in nature.

20.3 The major driver of reinsurance business was group life insurance business, which constituted 70% of their total revenue.

20.4 The life reinsurance companies reported a positive insurance service result of ZW\$6.3 billion.

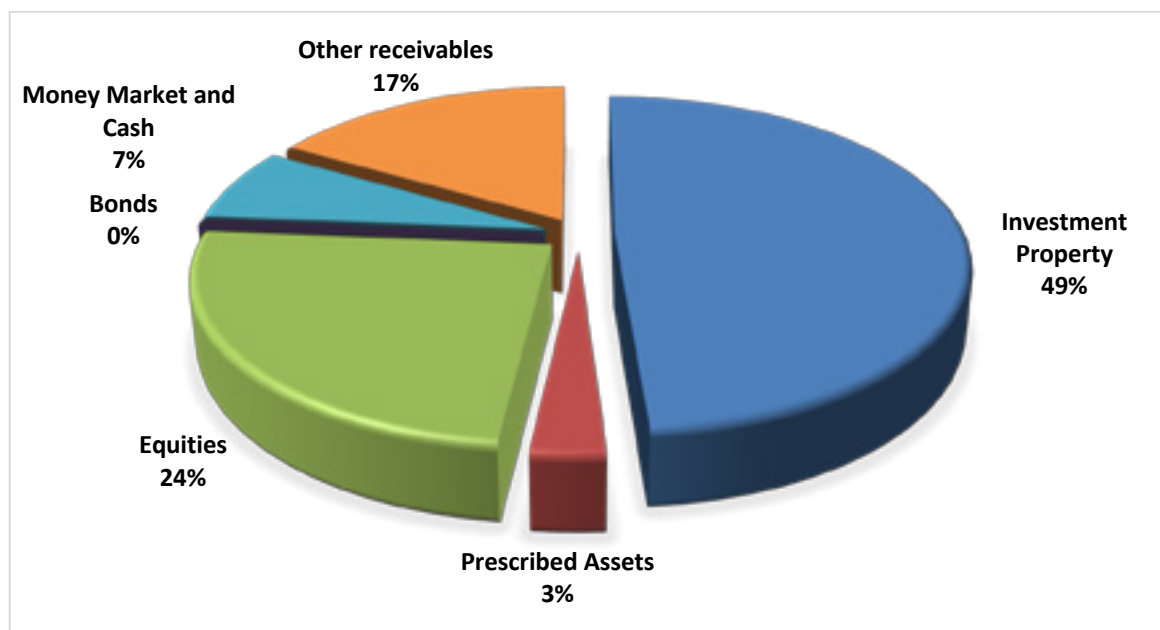
21 Asset Quality

21.1 Life reinsurers reported assets amounting to ZW\$47.93 billion as at 31 December 2023 which was an increase of 16% from ZW\$41.41 billion reported as at 30 September 2023.

21.2 Of the total assets held by reinsurers, investment property was the major asset class constituting 49% of the sector assets.

21.3 Figure 7 below shows the spread of assets for the life reinsurers: -

Figure 7: Life Reassurers' Total Assets



22 Earnings

22.1 The profit before tax reported for the period under review was ZW\$40.59 billion, which was mainly generated from investment income. As reported earlier under direct life assurers, most of the income for reassurers was also from investments other than the core business of insurance. Reassurers are not getting much business from the Life assurers, resulting in them generating more revenue from non-insurance activities.

22.2 Reassurers' claims ratio was 21% whilst the expense ratio was 32% for the period under review resulting in a combined claims and expense ratio of 53%.

23 Market Share

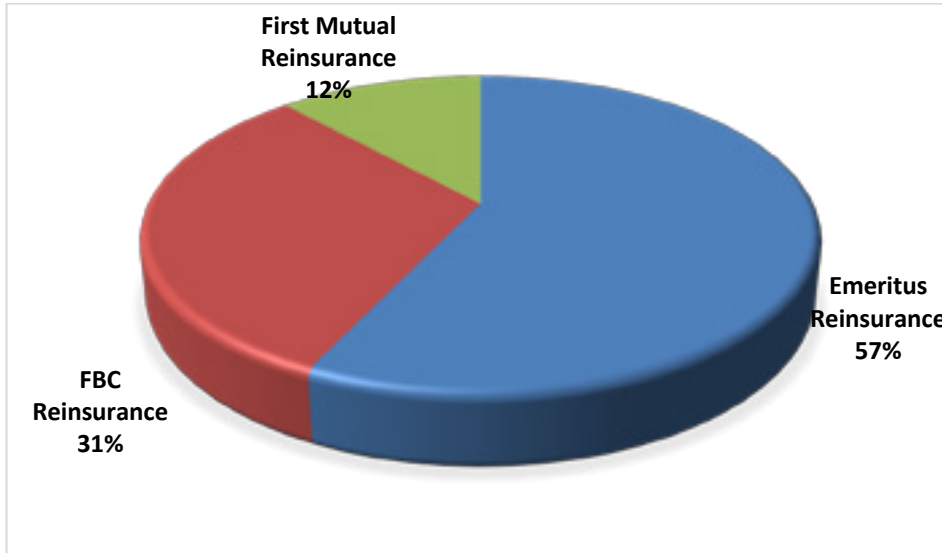
Market Share in Terms of Reassurance Revenue

23.1 Revenue for the Life Reassurance sector remained concentrated in Emeritus Re, contributing a market share of 57%, followed by FBC Re with 31% and First Mutual with only 12%.

23.2 All reassurers recorded a positive insurance result for the year ended 31 December 2023.

23.3 The breakdown of the market share of the reinsurance sector in terms of reinsurance revenue is shown in the figure below: -

Figure 8: Market Share by Reinsurance Revenue

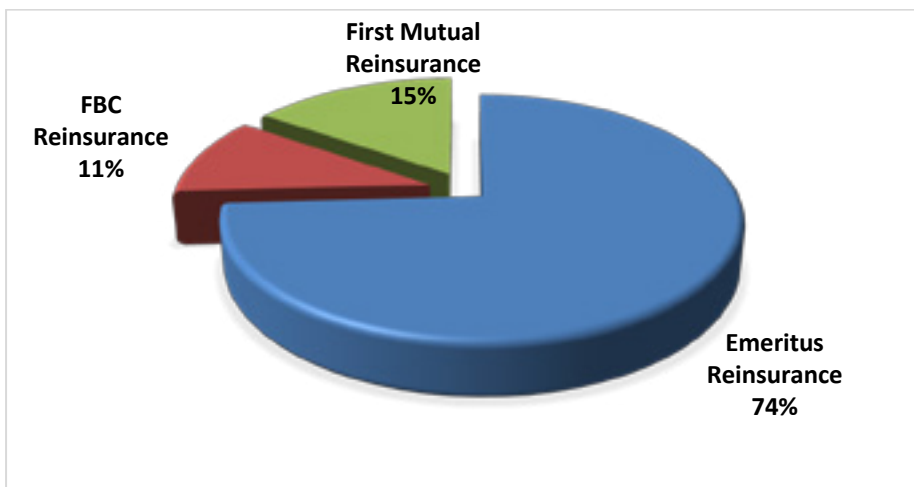


Market Share in Terms of Total Assets

23.4 Emeritus Re had the biggest share of assets (74%) in the reinsurance sector followed by First Mutual Re with 16% while the remaining 11% was attributed to FBC Re.

23.5 The breakdown of market share by value of assets is shown in figure 9 below.

Figure 9: Market Share Distribution in Terms of Total Assets



24 Capitalisation

24.1 As at 31 December 2023, all three composite reinsurers were compliant with the minimum capital requirement (MCR) of ZW\$112.5 million, based on their unaudited returns.

24.2 Whilst all reinsurers are capitalised under the current model of assessment, the position will change once new USD linked MCRs are gazetted, together with ZICARP regulations, and as such reinsurers are expected to prepare in line with the dry run results which were shared with the Commission previously.

25 Prescribed Assets

25.1 Total investments in prescribed assets by the life reinsurance companies amounted to ZW\$1.38 billion, translating to an average compliance level of 2.88% across the sector, which was below the minimum prescribed asset threshold of 15% of total adjusted assets.

25.2 None of the reinsurers met the minimum prescribed asset threshold.

25.3 The low compliance level from the reinsurance sector is worrying and the Commission will be taking regulatory action against the non-compliant entities, given that the scope for prescribed assets have been widened to allow the industry to come up with projects of developmental nature in line with NDS1.

25.4 The table below shows Prescribed Asset ratios for the Reinsurance sector players.

Table 8: Prescribed Assets Ratios for Reinsurance Players

Name of Company	Prescribed Assets - ZW\$ Million	Total Assets - ZW\$ Million	Prescribed Asset Ratio
Emeritus Reinsurance	550.83	35,535.43	1.55%
FBC Reinsurance	-	5,061.69	0.00%
First Mutual Reinsurance	830.81	7,331.42	11.33%
Total/ Average	1,381.64	47,928.55	2.88%

25.5 As the Ministry of Finance, Economic Development and Investment Promotion continues to support the industry through conferring prescribed asset status to several instruments in the market, the sector

26 US\$ Business Revenue for Reassurers

26.1 Life reinsurance companies reported foreign currency business amounting to US\$2.97 million for the period ended 31 December 2023.

26.2 Most the US\$ revenue reported was from contracts measured under the Premium Allocation Approach.

26.3 The life reinsurance sector reported insurance service result of US\$1.07 million implying that the business was profitable for the period under review.

26.4 The profit before tax reported for the period under review was US\$0.69 million, with the major expense driver being administrative expenses, constituting US\$0.42 million.



Section F

Complaints Handling and Penalties for Regulatory Breaches

27 Complaints

27.1 For the year ended 31 December 2023, the Commission received 61 life assurance complaints.

27.2 This was a drop from 155 complaints received in 2022 following the promulgation of S.I. 162 of 2023, which is expected to address pre-2009 compensation related complaints. .

27.3 Out of the 61 complaints, 10 were related to funeral and 51 to life business.

27.4 The major sources of complaints were non-payment of benefits, which constituted 38%, followed by unsatisfactory service, which constituted 28 percent of the total complaints as shown in table 9 below.

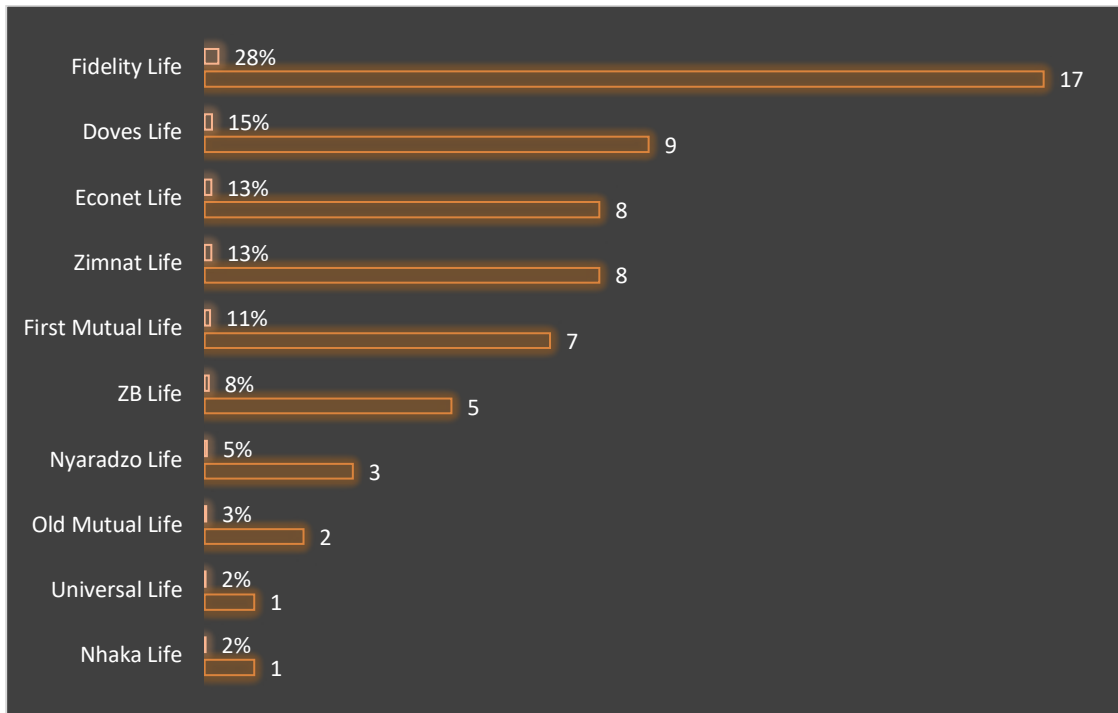
Table 9: Complaints for the Year ended 31 December 2023

Nature of complaint	Number of complaints	Percent of total
Non-payment of benefits	23	38%
Unsatisfactory service	17	28%
Other	8	13%
Lack of information	6	10%
Commission of Inquiry	3	5%
Low value	3	5%
Delay in settlement	1	2%
Total	61	

27.5 The Commission underscores the need for players to ensure that the policyholders are provided with services as per their contracts, to bring back confidence in the market.

27.6 In terms of distribution of complaints by players, the top three are Fidelity Life with 28%, Doves with 15%, lastly Zimnat and Econet with 13% of total complaints respectively.

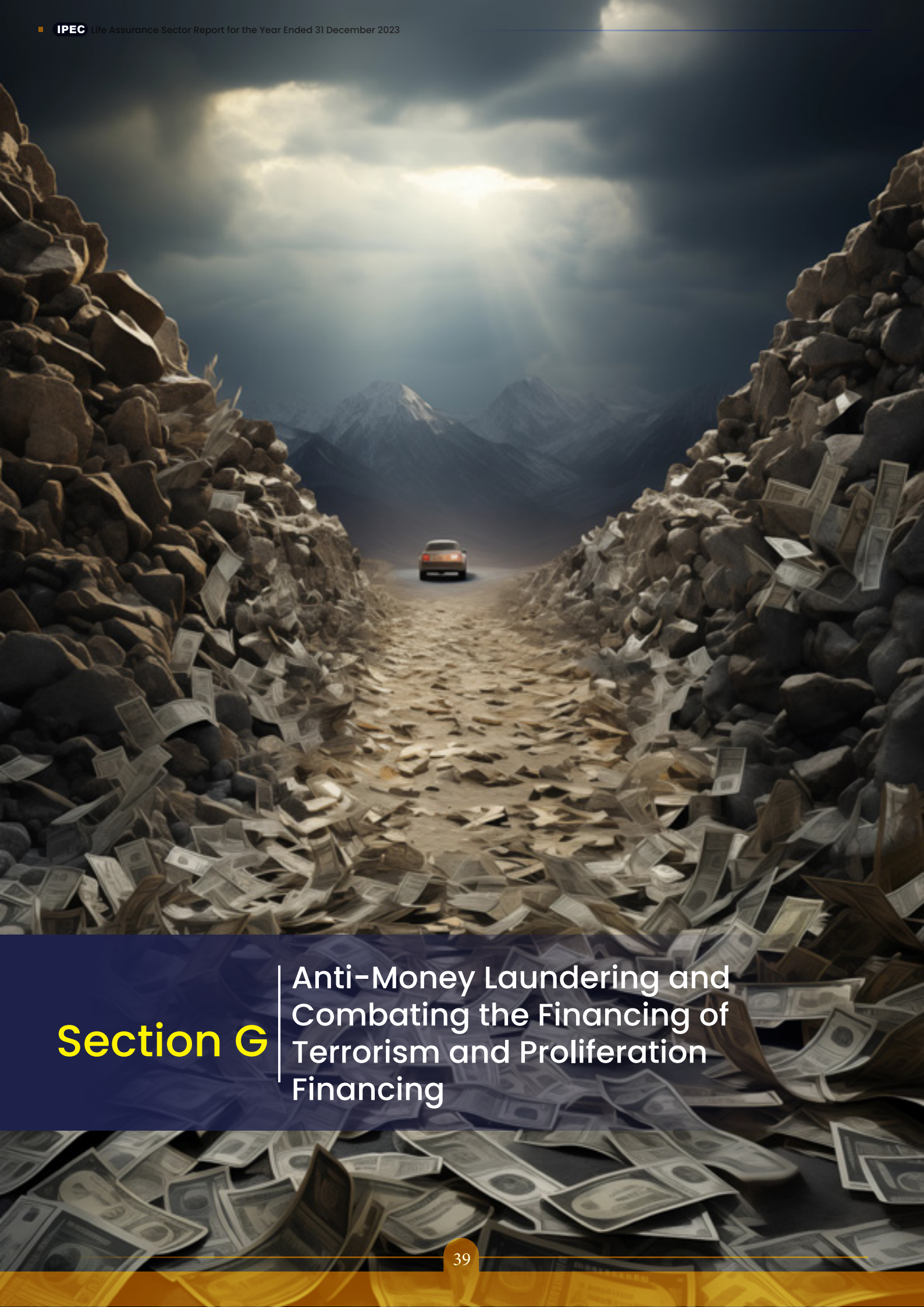
Figure 10: Breakdown of Complaints by Entity



Fines for Various Regulatory Breaches

27.7 The Commission imposed regulatory sanctions and penalties to entities under its purview for various breaches during the review period. Below is the list of entities fined and the nature of violations or breaches: -

Name of Insurer	Nature of Breach	Number of fines imposed
Evolution Life Assurance	Late Submission of Returns	1
ZEP-RE	Late Submission of Returns	1



Section G

Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing

28 Risk Based Approach to AML/CFT Obligations

28.1 All 12 life assurers submitted their AML/CFT quarterly returns within the stipulated timelines.

28.2 The assessment of quarterly returns submissions showed an improvement in the reporting of inherent risk information, which aid the understanding of money laundering risks entities may be exposed to. The Commission observed the following:

- a) **Product risk:** 9 out of 12 life entities indicated having savings products with features that make them vulnerable to money laundering risk. To enhance the product risk analysis, the Commission will be requesting additional information on sum assured, or maximum cover amounts limits associated with the products. Low risk products, namely funeral and GLA remain dominant in all the life assurers.
- b) **Use of Intermediaries:** 11 out of 12 entities use intermediaries, mostly agents though at various magnitudes. A few entities use brokers and bancassurers. Only one entity reported to have 100% direct clients.
- c) **Cash Transactions:** 11 out of 12 entities accept cash premiums. Only one entity indicated 100% electronic transactions.
- d) **Customer Risk:** 7 out of 12 indicated presence of high-risk clients, mostly politically exposed persons, high net worth individuals, trusts, charity organisations/non-governmental organisations. It is, however, important for entities to note that not all NGO's are considered high-risk clients for AML/CFT purposes in Zimbabwe. As per the Private Voluntary Organisation (PVO) Act [Chapter 17:05], the following categories are considered low risk, therefore simplified due diligence measures should be applied:
 - (i) any institution or service maintained and controlled by the State or a local authority; or
 - (ii) any religious body in respect of activities confined to religious work; or

- (iii) any trust established directly by any enactment or registered with the High Court; or
- (iv) any educational trust approved by the Minister; or
- (v) any political organisation in respect of work confined to political activities, among others. For complete details please refer to the PVO Act.

28.3 As gatekeepers in the insurance industry, life assurers should continue to implement mitigation measures that are commensurate with their money laundering and terrorist financing risks they are exposed to. Only 7 out of 12 life assurers submitted some supporting information on controls they have in place and the remainder did not.

28.4 A review of the control measures in place as of 31 December 2023 revealed the following:

- a) **Board and senior management oversight:** 10 of the 12 entities had functional boards in place. Two entities rated themselves as weak as they did not have properly constituted boards in place. However, no evidence was submitted by life assurers to show that AML matters were being discussed at board level during the period under review. Six (6) life assurers indicated that AML/CFT issues form part of the agenda of board committees overseeing AML/CFT compliance. Entities should note that the board is ultimately responsible for setting the compliance tone for the entity.
- b) **AML/CFT policies and procedures:** The Commission noted that policies and procedure manuals were broadly in line with provisions of the Money Laundering and Proceeds of Crime (MLPC) Act [Chapter 9:24]. However, some have not been reviewed to take into consideration changes in the AML/CFT regulatory space. For example, implementation of the without delay concept of targeted financial sanctions against Terrorism Financing and Proliferation Financing as per Statutory Instrument 110 of 2021, and institutional risk assessment in terms of section 12B (3 to 4) of the MLPC detailed subsection (c) below are not covered. Only 4 entities submitted board

approved AML/CFT policies, whilst 2 entities provided unapproved policies. With regards to AML/CFT procedures, only 2 entities submitted procedures approved by senior management and the rest were not approved. Policies must be approved by the board and procedure manuals by the board or senior management.

c) **Effectiveness of Institutional Risk Assessments:** The effectiveness of controls in place hinges on the understanding of Money Laundering (ML), Terrorism Financing (TF) or Proliferation Financing (PF) risks that an entity is exposed to, as informed by results of its institutional risk assessments (IRAs). Life assurers have been conducting IRAs on an annual basis following issuance of circulars from the regulator, and not necessarily prompted by the requirements of section 12B (3 to 4) of the MLPC Act, which states that entities should:

- before launching any new product, service or business practice, and
- before the use of any new technological innovation, for both new and existing products, assess and document the money laundering and terrorist financing risk posed by such product, service, business practice or technology, and put in place adequate measures to mitigate the risk.

Applications of new products should be accompanied by an institutional risk assessment.

d) **AML/CFT Knowledge and Training:** Majority of supporting information submitted to the Commission related to inhouse trainings conducted and training registers. This reflects the high level of commitment life assurers are placing on AML/CFT training and awareness raising. Entities should ensure that training content is reviewed on a regular basis so that it remains current and appropriate. Entities should also consider offering tailored trainings for critical AML staff e.g. client facing onboarding staff, agents, policy administration, claims processing.

e) **Filing of Suspicious Transaction Reports (STRs):** Life assurers are reminded of their obligation under the MLPC Act to report suspicious transactions to the Financial Intelligence Unit. The low levels of Suspicious Transaction Reports (STRs) filed by life assurers remains low with as total of 4 STR having been filed by the life assurance sector in 2023. Whilst this could be indicative of the level of ML risks in the life sector, it could also be due to low level of awareness on how to detect STRs. The Commission will continue to raise awareness on filing of STRs and provide guidance on red flags applicable in the sector to help guide staff of reporting institutions. Entities should also refer to red flags cited in the AML/CFT/CPF industry guideline.

28.5 Life assurers should be aware that ML, TF and PF risks are dynamic, so entities should keep refreshing their institutional risk assessment regularly to ensure that the controls in place are still relevant. The risk assessment reports should be submitted to the Commission for analysis annually. Where risk is presenting specific risk mitigation measures are required further to general controls in place.

Conclusion

The life insurance industry has remained resilient, safe and sound in spite of challenges relating to the operating environment, particularly inflation and exchange rate distortions. The Commission remains committed to working with the industry players and the Government to ensure an inclusive, stable, sustainable and growing industry.

A close-up photograph of a hand holding a black pen, pointing at a bar chart on a document. The background is blurred, showing a person in a suit and tie. The lighting is warm and focused on the hand and pen.

Section H | Appendices

APPENDIX A1. STATEMENT OF COMPREHENSIVE INCOME FOR LIFE ASSURERS FOR THE YEAR ENDED 31 DECEMBER 2023 - ZW\$ Million.

	CBZ Life	Doves Life	Econet Life	Evolution Life	Fidelity Life	First Mutual Life	Heritage Life	Nhaka Life	Nyaradzo Life	Old Mutual Life	ZB Life	Zimnat Life	Total
Insurance Revenue	20,783.29	82,982.50	31,344.67	1,237.65	12,896.04	40,826.39	184.64	2,026.82	274,119.37	36,408.02	26,259.79	42,100.74	571,169.92
Revenue from contracts measured under the PAA	4,882.90	-	31,084.39	1,237.65	7,204.91	40,129.58	184.64	2,026.82	113,704.88	36,152.57	22,816.73	42,100.74	301,525.79
Revenue from contracts measured under the GMM	15,896.10	82,982.50	260.28	-	5,691.14	-	-	-	160,414.49	246.31	2,935.72	-	268,426.54
Expected incurred claims	-	34,609.44	31.23	-	5,521.87	-	-	-	30,876.67	102.85	595.15	-	71,737.21
Change in risk adjustment for non-financial risk	15,896.10	10,180.51	0.17	-	21.38	-	-	-	-	27.75	3.75	-	26,122.15
CSM recognised in P&L for the services provided	-	37,905.71	228.88	-	141.69	-	-	-	129,537.82	-	60.07	-	167,874.16
Insurance acquisition cashflows recovery	-	286.85	-	-	6.20	-	-	-	-	115.72	2,284.25	-	2,693.02
Revenue from contracts measured under the VFA	4.29	-	-	-	-	696.81	-	-	-	9.14	507.35	-	1,217.58
Expected incurred claims	-	-	-	-	-	226.30	-	-	-	4.99	296.35	-	527.64
Change in risk adjustment for non-financial risk	-	-	-	-	-	1.82	-	-	-	4.15	6.92	-	12.89
CSM recognised in P&L for the services provided	4.29	-	-	-	-	162.03	-	-	-	-	-	-	166.32
Insurance acquisition cashflows recovery	-	-	-	-	-	306.65	-	-	-	-	204.08	-	510.73
Insurance service expenses from insurance contracts issued:	19,302.71	58,396.94	15,653.32	737.65	6,161.47	23,592.20	9.61	1,127.50	167,203.69	64,810.74	58,776.55	11,547.23	427,319.62
Incurred claims	3,233.40	25,469.05	14,494.13	281.67	2,784.01	9,376.84	7.96	872.38	157,246.43	31,649.39	881.42	7,804.51	254,101.19
Insurance contract expenses	12,970.61	32,641.03	-	444.45	3,377.46	14,039.15	1.65	255.12	18,473.63	13,373.12	11,089.37	3,742.72	110,408.33
Insurance contract acquisition cashflows	3,098.70	286.85	36.45	11.52	-	176.22	-	-	8,516.37	216.93	2,488.33	-	2,201.37
Adjustments to liabilities for incurred claims	-	-	1,122.74	-	-	-	-	-	-	839.41	-	-	283.33
Losses (and reversal of losses) on onerous insurance contracts	-	-	-	-	-	-	-	-	-	20,410.71	44,317.43	-	64,728.14
Insurance service result before reinsurance	1,480.58	24,585.57	15,691.35	500.00	6,734.58	17,234.19	175.03	899.32	106,915.67	28,402.72	32,516.76	30,553.51	143,850.30
Allocation of reinsurance premiums (net of reinsurance commission)	1,478.22	-	1,580.23	260.36	116.08	594.29	0.46	20.60	-	5,754.60	989.14	3,318.63	14,111.68
Amounts recoverable from reinsurers for incurred claims	110.60	-	-	-	-	49.96	-	108.57	-	822.56	0.24	-	1,091.92
Net income / (expense) from reinsurance contracts held	1,367.63	-	1,580.23	260.36	116.08	544.34	0.46	87.97	-	4,932.04	988.89	3,318.63	13,019.76
Insurance service result	112.95	24,585.57	14,111.12	239.64	6,618.50	16,689.85	175.49	987.30	106,915.67	33,334.77	33,505.65	27,234.88	130,830.54
Interest received	225.13	-	520.28	-	55.76	1,480.27	-	-	5,765.85	1,231.48	1,025.65	2,303.12	12,607.54
Quoted equities - fair value adjustments	5,536.59	55.69	17,335.95	44.86	-	96,756.46	1.24	28.43	-	507,471.34	4,291.30	-	631,521.87
Unquoted equities - fair value adjustments	-	-	7,019.77	-	104,114.84	38,361.05	-	-	14,393.79	60,695.60	34,496.27	2,498.40	261,579.71
NAV movements in group companies	-	-	-	-	-	559,400.96	-	-	-	-	-	39,038.53	598,439.50
Dividend income	206.42	-	427.29	-	30.12	900.13	-	-	388.14	18,624.23	642.52	1,357.23	22,576.09
Rental income	289.09	1,024.12	156.36	-	560.38	-	868.45	-	212.73	3,344.49	575.85	-	7,031.46
Net foreign exchange income / (expense)	-	-	-	-	498.30	-	-	-	10,905.59	64,608.60	13,230.16	1,220.09	87,025.96
Other Income	41,266.49	31.26	3,602.23	-	135,904.18	44,321.42	6,245.39	45,612.27	36,241.31	205,622.14	181,757.59	4,678.86	616,640.29
Total Investment Income	47,523.72	1,111.07	29,061.89	44.86	240,166.98	652,577.45	7,115.07	45,640.70	67,907.40	861,597.88	236,019.34	48,656.04	2,237,422.41
Insurance finance income (expenses) for insurance contracts issued	320.70	309.77	-	0.00	-	452,535.19	-	-	-	-	17,406.05	-	470,571.72
Reinsurance finance income (expenses) for reinsurance contracts held	-	-	-	-	-	-	2.07	10.35	-	-	-	-	8.27

	CBZ Life	Doves Life	Econet Life	Evolution Life	Fidelity Life	First Mutual Life	Heritage Life	Nhaka Life	Nyaradzo Life	Old Mutual Life	ZB Life	Zimnat Life	Total
Net insurance financial result	320.70	309.77	-	0.00	-	452,535.19	2.07	10.35	-	-	17,406.05	-	470,563.45
Net investment result	47,203.01	801.30	29,061.89	44.86	240,166.98	200,042.26	7,113.00	45,651.04	67,907.40	861,597.88	218,613.29	48,656.04	1,766,858.96
Administrative Expenses (indirectly linked to insurance service provision)	976.18	2,221.25	18,634.94	822.94	12,040.23	21,623.18	107.23	1,072.12	95,964.90	-	4,136.51	21,692.77	179,292.26
Fair value adjustments (negative)	976.87	-	-	-	-	-	-	31,827.96	-	-	-	-	32,804.84
Other Expenses	124.72	-	5,207.27	-	198,016.70	668.31	88.40	-	-	2,305.19	-	46.58	190,095.64
Total for other Expenditure	2,077.78	2,221.25	13,427.68	822.94	210,056.93	20,954.87	195.63	32,900.08	95,964.90	2,305.19	4,136.51	21,739.35	402,192.74
Profit (Loss) before tax	45,238.18	23,165.62	29,745.33	538.45	36,728.55	195,777.24	7,092.86	13,738.26	78,858.17	830,568.30	180,971.12	54,151.56	1,495,496.75
Taxation	48.22	-	6.83	-	41.22	3,630.60	1,707.20	-	-	-	9,891.00	271.21	15,596.29
Profit (Loss) after tax	45,189.96	23,165.62	29,738.50	538.45	36,687.33	192,146.64	5,385.66	13,738.26	78,858.17	830,568.30	171,080.12	53,880.35	1,479,900.46
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Profit/(Loss) Attributable to Shareholders	45,189.96	23,165.62	29,738.50	538.45	36,687.33	192,146.64	5,385.66	13,738.26	78,858.17	830,568.30	171,080.12	53,880.35	1,479,900.46

APPENDIX A2. STATEMENT OF FINANCIAL POSITION FOR LIFE ASSURERS AS AT 31 DECEMBER 2023 - ZW\$ Million

	CBZ Life	Doves Life	Econet Life	Evolution Life	Fidelity Life	First Mutual Life	Heritage Life	Nhaka Life	Nyaradzo Life	Old Mutual Life	ZB Life	Zimnat Life	Total
Assets													
Non-Current Assets													
Intangible Assets	-	-	-	-	75.23	876.47	-	305.24	-	-	698.71	18.54	1,974.18
Property, Plant and Equipment	11,201.12	8,346.53	3,120.65	12.20	502.21	608,076.99	0.00	827.59	604,295.31	15,139.40	1,191.40	1,221.90	1,253,935.30
Investment Property	46,066.47	12,124.74	3,512.46	1,387.11	107,315.69	148,084.73	53,907.37	21,220.44	1,815.71	230,987.21	25,143.42	-	651,565.36
Investments: Quoted equities	7,805.95	1,904.33	20,833.67	49.98	8,309.89	29,298.96	7.18	68.43	10,089.11	565,691.05	9,412.26	3,902.01	657,372.82
Unquoted equities	3,062.84	2.71	7,551.53	22,016.26	156,908.70	682.58	-	-	4,363.21	67,409.38	37,260.38	46,372.30	345,629.89
Bonds	-	7.13	-	-	2,773.07	-	-	-	-	7,895.03	16,138.95	667.60	27,481.78
Deferred tax asset	-	-	-	6.95	-	-	0.00	0.33	-	-	-	-	7.28
Reinsurance Contract Held Assets	-	-	-	-	-	-	-	-	-	192.45	-	-	192.45
Other Non-Current Assets	-	-	4,267.90	-	-	-	-	23,997.06	-	-	178,678.10	4,498.79	211,441.86
Total Non-Current Assets	68,136.39	22,385.44	39,286.22	23,472.50	275,884.79	787,019.73	53,914.55	46,419.09	620,563.34	887,314.52	268,523.22	56,681.13	3,149,600.92
													-
Current Assets													
Insurance Contract Assets	1,323.20	4,561.36	-	-	870.20	6,306.57	64.79	-	-	-	-	-	13,126.11
Reinsurance Contract Held Assets	-	-	2.51	-	-	6,866.03	-	-	-	-	-	42.97	6,911.52
Money market investments	2,744.25	-	179.49	-	-	11,646.32	0.15	-	600.33	16,956.55	2,081.22	2,145.98	36,354.28
Other Short-Term Investments	-	72.32	-	0.01	-	2,763.36	-	-	36,196.49	-	-	-	39,032.17
Other receivables	892.89	4,936.90	1,499.55	-	5,940.21	561.11	103.81	1,879.85	17,455.91	74,153.77	946.08	15,559.99	123,930.07
Cash and Bank Balances	3,577.39	7,008.64	3,376.50	40.22	195.95	1,884.13	274.01	300.17	42,812.45	13,109.24	3,250.02	2,739.01	78,567.73
Other Current Assets	-	14,239.51	1,547.73	15.41	1,297.12	794.97	-	284.86	76,714.40	3,380.64	-	-	98,274.64
Total Current Assets	8,537.74	30,818.72	6,605.79	55.63	8,303.48	30,822.49	442.76	2,464.87	173,779.58	107,600.20	6,277.32	20,487.95	396,196.52
													-
													-
Total Assets	76,674.13	53,204.16	45,892.00	23,528.14	284,188.26	817,842.22	54,357.31	48,883.96	794,342.92	994,914.71	274,800.54	77,169.09	3,545,797.44

Liabilities and Equity	CBZ Life	Doves Life	Econet Life	Evolution Life	Fidelity Life	First Mutual Life	Heritage Life	Nhaka Life	Nyaradzo Life	Old Mutual Life	ZB Life	Zimnat Life	Total
Insurance Contract Liabilities:	9,969.49	-	1,662.55	-	-	-	-	-	-	-	-	1,428.88	13,060.92
Best Estimate Liability (BEL)	2,990.85	-	1,197.36	-	-	-	-	-	-	-	-	1,428.88	5,617.08
Risk Adjustment (RA)	996.95	-	161.43	-	-	-	-	-	-	-	-	-	1,158.37
Contractual Service Margin (CSM)	5,981.69	-	303.77	-	-	-	-	-	-	-	-	-	6,285.46
Reinsurance Contract Held Liabilities:	-	-	164.63	-	-	-	-	-	-	-	51,002.57	408.35	51,575.55
Best Estimate Liability (BEL)	-	-	156.40	-	-	-	-	-	-	-	51,002.57	408.35	51,567.32
Risk Adjustment (RA)	-	-	8.23	-	-	-	-	-	-	-	-	-	8.23
Contractual Service Margin (CSM)	-	-	-	-	-	-	-	-	-	-	-	-	-
Related party payables	1,433.04	-	3,436.11	20.35	-	9.12	-	-	-	-	-	-	4,898.63
Current provisions	-	1,295.90	3,652.37	-	-	5,627.65	-	-	-	-	-	-	10,575.92
Finance lease obligations	-	-	-	-	-	-	-	-	-	-	-	3,291.83	3,291.83
Bank Overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables Arising from Retrocession Arrangements	-	-	-	-	-	15,429.07	-	-	-	-	-	-	15,429.07
Other payables	2,039.01	-	213.73	-	-	-	2,002.85	-	-	75,961.54	-	10,457.23	61,248.72
Total Current Liabilities	13,441.54	1,295.90	9,129.40	20.35	-	21,065.84	2,002.85	-	-	75,961.54	51,002.57	15,586.29	37,583.20
													-
Non-current liabilities													-
Insurance Contract Liabilities:	-	6,518.88	-	120.75	110,186.51	516,960.81	-	-	562,630.35	84,219.95	19,940.92	1,032.57	1,301,610.75
Best Estimate Liability (BEL)	-	6,518.88	-	109.77	109,822.49	497,228.38	-	-	562,630.35	82,387.86	19,940.92	1,032.57	1,279,671.23
Risk Adjustment (RA)	-	-	-	10.98	146.57	659.40	-	-	-	1,832.09	-	-	2,649.04
Contractual Service Margin (CSM)	-	-	-	-	217.45	19,073.03	-	-	-	-	-	-	19,290.48
Reinsurance Contract Held Liabilities:	-	-	-	-	-	-	-	-	-	195.40	-	-	195.40
Best Estimate Liability (BEL)	-	-	-	-	-	-	-	-	-	192.45	-	-	192.45
Risk Adjustment (RA)	-	-	-	-	-	-	-	-	-	2.95	-	-	2.95
Contractual Service Margin (CSM)	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Term Loans	-	7,642.11	-	-	-	-	-	-	-	-	-	-	7,642.11
Provision for investment contract liabilities	1,458.09	-	129.85	-	136,564.09	49,094.75	6.40	36,315.98	-	90,909.12	-	-	314,478.27
Deferred Tax liability	-	96.41	-	-	0.73	3,964.92	-	-	19,453.42	-	11,349.15	387.89	35,059.70
Other Liabilities	-	896.96	1,172.19	-	468.25	12,389.93	-	2,298.30	-	-	10,535.37	-	27,760.99
Total Non - Current Liabilities	1,458.09	14,961.53	1,302.03	120.75	247,219.59	582,410.40	6.40	38,614.27	582,083.77	174,933.67	41,825.44	1,420.46	1,686,356.42
Total Liabilities	14,899.63	16,257.43	10,431.43	141.11	247,219.59	603,476.24	2,009.25	38,614.27	582,083.77	98,972.14	92,828.01	17,006.75	1,723,939.62

APPENDIX A3. STATEMENT OF COMPREHENSIVE INCOME FOR LIFE REASSURERS FOR THE YEAR MONTHS ENDED 31 DECEMBER 2023 - ZW\$ Million.

	Emeritus Reinsurance	FBC Reinsurance	First Mutual Reinsurance	Total
Net Written Premium	-	-	-	-
Insurance Revenue	4,325.89	3,210.86	1,013.57	8,550.33
Revenue from contracts measured under the PAA	4,325.89	3,132.61	1,013.57	8,472.07
Revenue from contracts measured under the GMM	-	-	-	-
Expected incurred claims	-	-	-	-
Change in risk adjustment for non-financial risk	-	-	-	-
CSM recognised in P&L for the services provided	-	-	-	-
Insurance acquisition cashflows recovery	-	-	-	-
Revenue from contracts measured under the VFA	-	78.26	-	78.26
Expected incurred claims	-	-	-	-
Change in risk adjustment for non-financial risk	-	-	-	-
CSM recognised in P&L for the services provided	-	-	-	-
Insurance acquisition cashflows recovery	-	78.26	-	78.26
Insurance service expenses from insurance contracts issued:	- 3,689.89	- 1,580.06	- 527.86	- 5,797.80
Incurred claims	- 2,721.09	-	- 203.58	- 2,924.67
Insurance contract expenses	- 968.80	- 1,091.57	-	- 2,060.37
Insurance contract acquisition cashflows	-	- 488.49	- 273.31	- 761.80
Adjustments to liabilities for incurred claims	-	-	- 50.97	- 50.97
Losses (and reversal of losses) on onerous insurance contracts	-	-	-	-
Insurance service result before reinsurance	636.01	1,630.81	485.71	2,752.53
Allocation of reinsurance premiums (net of reinsurance commission)	- 538.62	- 608.70	- 47.96	- 1,195.28
Amounts recoverable from reinsurers for incurred claims	21.48	104.76	4.80	131.03
Net income / (expense) from reinsurance contracts held	- 517.14	- 503.95	- 43.16	- 1,064.25
Insurance service result	118.87	1,126.86	442.55	1,688.28
Interest received	- 9.71	-	9.58	- 0.13
Quoted equities - fair value adjustments	2,591.58	529.34	2,882.24	6,003.16
Unquoted equities - fair value adjustments	-	-	-	-
NAV movements in group companies	-	-	-	-
Dividend income	0.14	219.40	27.43	246.98
Rental income	701.92	-	-	701.92
Net foreign exchange income / (expense)	4,014.18	740.46	363.47	5,118.11
Other Income	18,994.86	-	-	18,994.86
Total Investment Income	26,292.98	1,489.19	3,282.72	31,064.89
Insurance finance income (expenses) for insurance contracts issued	-	-	-	-
Reinsurance finance income (expenses) for reinsurance contracts held	-	-	-	-

	Emeritus Reinsurance	FBC Reinsurance	First Mutual Reinsurance	Total
Net insurance financial result	-	-	-	-
Net investment result	26,292.98	1,489.19	3,282.72	31,064.89
Administrative Expenses (indirectly linked to insurance service provision)	- 576.49	- 177.40	- 62.45	- 816.34
Fair value adjustments (negative)	-	-	-	-
Other Expenses	37.06	-	-	37.06
Total for other Expenditure	- 539.42	- 177.40	- 62.45	- 779.27
Profit (Loss) before tax	25,872.43	2,438.65	3,662.82	31,973.89
Taxation	0.14	- 602.83	-	- 602.69
Profit (Loss) after tax	25,872.57	1,835.81	3,662.82	31,371.20
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Profit/(Loss) Attributable to Shareholders	25,872.57	1,835.81	3,662.82	31,371.20

APPENDIX A4. STATEMENT OF FINANCIAL POSITION FOR LIFE REASSURERS AS AT 31 DECEMBER 2023 - ZW\$ Million

	Emeritus Reinsurance	FBC Reinsurance	First Mutual Reinsurance	Total
Assets				
Non-Current Assets				
Intangible Assets	-	-	-	-
Property, Plant and Equipment	0.13	-	0.82	0.94
Investment Property	21,584.23	-	-	21,584.23
Investments: Quoted equities	-	678.32	3,200.16	3,878.49
Unquoted equities	-	1,957.49	-	1,957.49
Bonds	-	-	67.37	67.37
Deferred tax asset	0.16	-	-	0.16
Deferred acquisition costs Assets (excluding Asset for Insurance Acquisition Cash Flows, but including any DAC previously used to spread acquisition costs)	-	-	-	-
Insurance Contract Assets	-	-	-	-
Reinsurance Contract Held Assets	87.88	-	-	87.88
Other Non-Current Assets	-	-	-	-
Total	21,672.39	2,635.81	3,268.35	27,576.55
				-
Current Assets				
Insurance Contract Assets	-	-	62.51	62.51
Reinsurance Contract Held Assets	-	-	-	-
Money market investments	15.00	-	476.02	491.02
Other Short-Term Investments	3,122.14	-	-	3,122.14
Other receivables	4,911.85	-	208.75	5,120.60
Cash and Bank Balances	122.36	3,932.50	226.94	4,281.81
Other Current Assets	617.01	139.51	-	756.53
Total	8,788.36	4,072.02	974.22	13,834.60
				-
Total Assets	30,460.75	6,707.83	4,242.57	41,411.15
Liabilities and Equity				
Liabilities				
Insurance Contract Liabilities:	412.29	-	72.32	484.61
Best Estimate Liability (BEL)	412.29	-	62.48	474.78
Risk Adjustment (RA)	-	-	9.84	9.84

	Emeritus Reinsurance	FBC Reinsurance	First Mutual Reinsurance	Total
Contractual Service Margin (CSM)	-	-	-	-
Reinsurance Contract Held Liabilities:	-	144.29	31.43	175.72
Best Estimate Liability (BEL)	-	144.29	31.43	175.72
Risk Adjustment (RA)	-	-	-	-
Contractual Service Margin (CSM)	-	-	-	-
Long Term Loans	-	-	-	-
Provision for investment contract liabilities	-	-	-	-
Payables Arising from Retrocession Arrangements	306.00	-	-	306.00
Deferred Tax liability	-	-	-	-
Other Liabilities	706.99	602.83	54.45	1,364.28
Total Liabilities	1,425.29	747.12	158.20	2,330.61
Share Capital and Reserves				
Share Capital	0.49	-	0.00	0.49
Share Premium	6.28	-	2.29	8.57
Insurance finance reserve	-	-	-	-
Investment Reserve	-	-	-	-
Revaluation Reserve	-	-	-	-
Non-Distributable Reserve	-	4,446.98	42.15	4,404.83
Retained Earnings Prior Years	3,156.13	322.08	461.40	3,295.45
Retained Earnings - Current Period	25,872.57	1,835.81	3,662.82	31,371.20
Minority Interest	-	-	-	-
Other	-	-	-	-
Shareholders' Equity	29,035.46	5,960.71	4,084.37	39,080.53
Total Equity and Liabilities	30,460.75	6,707.83	4,242.57	41,411.15



Life Assurance Sector Report

for the Year Ended 31 December 2023

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