



**OFFICE OF THE REGISTRAR
PENSIONS AND INSURANCE
AUTHORITY**

REPORT ON THE INSURANCE INDUSTRY
For the Year Ended 31st December, 2002



THE INSURANCE INDUSTRY ANNUAL REPORT

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FOREWORD

This issue represents the sixth annual report produced as required under Section 103 of the Insurance Act, No. 27 of 1997. The report covers the operations of the Insurance Act during the period ended December 31, 2002. The report compares the developments of the Insurance industry during the year with the year ended December 31, 2001.

As indicated by the statistics presented in this report there has been a significant growth of Gross Written Premium (GWP) and Net Earned Premiums (NEP) by 24% and 32.9% respectively. On the overall the Reinsurance ceded outwards has not reduced proportionately to the Growth in Gross Premium written and this has raised serious concerns and doubts as to the appropriateness of the reinsurance programmes being pursued by the Insurance Industry. This has in fact now raised the need for the establishment of a local National Reinsurance Company as the most effective and rational solutions to restrain massive capital flight through reinsurance placements.

I am optimistic that with the proposed amendments to both Acts, the Pensions Scheme Regulation Act, No. 28 of 1996 and the Insurance Act, No. 27 of 1997 and the emphasis placed on Good Corporate Governance for prosperity the insurance industry is poised for success.

As contained in our circular PIA/1/6 dated August 11, 2004, I encourage Insurance companies to hire local qualified personnel to manage their strategic units because benefit to be derived from this strategy is overwhelming and cannot be overemphasised.

Chris M. Mapipo
REGISTRAR OF PENSIONS AND INSURANCE

RIDER

The information contained in this report has been obtained from annual accounts, returns and documents deposited with the Registrar of Pensions and Insurance pursuant of the provisions of Part IV of the Insurance Act, 1997, except where adjustments have been made in consultation with the insurer.

The publication of any summary of an insurer's returns in this report does not necessarily mean that the returns so summarised have satisfied all the requirements of the Insurance Act or that the Registrar approves of the accuracy or contents of the returns.

All figures are given in thousands of Zambian Kwacha and where necessary figures have been adjusted to eliminate errors in total due to rounding off.

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1. EXECUTIVE SUMMARY

1.1. Introduction

The Office of the Registrar of Pensions and Insurance became operational on 1st April 1997 following the enactment of the Pension Scheme Regulation Act, no. 28 of 1996 in February 1997. The office has the responsibility of regulating the insurance and occupational pensions industries in Zambia. This report focuses on the Registrar's activities under the Insurance Act, no. 27 of 1997 (the Act) in the year 2002.

1.2. Licensed entities

A total of ninety entities were licensed. African Life Assurance Services (Z) Limited became the first non-composite life assurance company to operate under the Act. The distribution of the members of the industry was as follows:-

Category	2002	2001
Reinsurance Companies	1	1
Insurance Companies	7	6
Insurance Brokers	30	29
Loss Adjustors	5	4
Motor Assessors	9	7
Claims Agents	3	1
Insurance Agents	35	26
Total	90	74

The names of the licensed entities for 2002 are provided in Appendix I

1.3. Economic Statistics

Zambia's population was estimated to have increased by about 300,000 from 10.5 million in 2001 to 10.8 million in 2002. This was indicating growth of approximately 2.85%. In the same period the Gross National Income (GNI) in current prices increased by 19% from K12,306 billion in 2001 to K15,206 billion in the following year. However, the Gross

Domestic Product share of financial institutions and insurance was reported to have dropped from 9.4% to 9.2% in the same period.

The National Disposable Income recorded an increase from K12,228 billion to K15,085 billion producing per capita income of K1,396,700 in 2002. Gross written premiums amounted to K224,225,327,000 an increase of K84,756,984,000 over the 2001 premiums representing a growth of 37.79%.

1.4. Regulatory Issues

1.4.1. Insurance Administration Fund

Section 108 of the Act obliges the Registrar to establish an Insurance Administration Fund. Since the set up of the office in 1997 to 2002 a total of K4,740,494,858 had been credited to the fund as follows:

Year	Amount - ZMK
1997	652,919,839
1998	771,961,464
1999	561,603,381
2000	717,044,736
2001	705,518,377
2002	1,331,447,061
Total	4,740,494,858

The application of the fund in 2002 is detailed in Appendix VI.

1.4.2. Fidelity Fund

In pursuance of Section 109 of the Insurance Act, the office of the Registrar of Pensions and Insurance Authority has collected a total of K498,256,328 for the Fidelity Fund which was established for the purpose of indemnifying or otherwise protecting policyholders and other persons interested in the policies prejudiced by the inability of an insurer carrying on business in Zambia to meet its liabilities. The Fidelity Fund consists of all moneys paid to the Registrar by way of annual or other periodic licence fees charged under the Act. Details are given below:

Year	Amount - ZMK
1997	14,400,000
1998	109,005,000
1999	83,125,000
2000	73,241,000
2001	102,416,313
2002	116,069,015
Total	498,256,328

In terms of Section 107 of the Act the Policy Holders' Protection Board appointed by the Minister of Finance under Section 106 administers the Fidelity Fund. The Board had not been appointed at the time of compiling this report.

1.4.3. Approval of appointments of Chief Executive Officers

Approval for the appointment of Chief Executive Officers, pursuant to Section 26 of the Act, was granted to four insurance companies in respect of the following appointments:

African Life Assurance Company Zambia Ltd	Steven P. Williams
Goldman Insurance Ltd	Iddya C. Survana
Zambia State Insurance Corporation Ltd	Ireen M. Muyenga
Professional Insurance Corporation Zambia Ltd	Ashok K. Chawla

1.4.4. Appeals and disciplinary cases

No appeals against the Registrar's decisions were made to the Minister and neither were any long-term disciplinary measures carried out on any member of the industry. However, compliance requirements delayed the issuance of licences to five insurance brokers.

1.4.5. Liquidation of Union Insurance Corporation Ltd

Following the liquidation of Union Insurance Corporation Ltd in May 2001 the office was responsible for debt collection. In 2002 a total of K35,283,070.64 and USD\$44,900.66 was recovered. No claims were settled as statutory formalities on compilation and searches of liquidation had not been completed. Assessment of claims constituted another delay in the process.

1.4.6. International Cooperation

1.4.6 (A) Committee of Insurance Securities and Non-Banking Authorities (CISNA)

The Office, jointly with the Securities and Exchange Commission hosted the meeting of the Southern African Development Community (SADC) Committee of Insurance Securities and Non-Banking Authorities (CISNA) in Lusaka from 10th – 12th April, 2002.

The Office was also represented at the CISNA meeting held in Swakopmund, Namibia on 4th and 5th October 2002. The Office

participated in the formulation of the CISNA strategic plan which was scheduled to be part of the SADC protocol on finance.

1.4.6 (B) African Insurance Organisation (AIO) and Association of African Insurance Supervisory Authorities (AAISA)

The office is a member of both the AIO and the AAISA and during 2002 was represented at the Conferences and General Assemblies of both organisations held at Addis Ababa, Ethiopia in May 2002. The AIO General Assembly voted to hold the 30th AIO Conference and General Assembly of 2003 in Livingstone, Zambia.

1.4.7. Government participation in Insurance Shareholding

Apart from holding 100% shares in Zambia State Insurance Corporation Ltd the Zambian Government also owns shares in PTA Re (ZEP) Reinsurance Company and African Reinsurance Company. These two reinsurers were established under the auspices of COMESA and the OAU respectively. The Registrar of Pensions and Insurance represented the Government of the Republic of Zambia on the PTA Re (ZEP Re) Board.

1.4.8. COMESA Yellow Card Scheme

The Zambian insurance industry actively participated in the Common Market for Eastern and Southern Africa (COMESA) Yellow Card scheme for motor insurance.

1.4.9. Insurance Associations

Section 133 and 134 of the Act requires all Insurers and Insurance Brokers to belong to insurance associations in their respective segments. The Insurance Brokers Association of Zambia (IBAZ) and the Insurers Association of Zambia (IAZ) were very active in the year under review.

1.4.10. Legislation

No amendments were made to Insurance legislation and neither was any subsidiary legislation passed. However, Value Added Tax was imposed on Insurance broking commission. This subsidiary law created some complications in the industry as insurance services were tax exempt.

2.

OVERVIEW OF INSURANCE INDUSTRY

2.1. CONSTITUENTS OF THE INDUSTRY

A list of licences issued during the year 2002 is included under appendix I

2.1.1. INSURERS

A total of seven (7) insurance companies were licensed during the year 2002. Of which four (4) were licensed as composite insurers, two (2) as general insurers and one (1) as a life insurer.

INSURANCE BUSINESS	No. LICENSED IN 2002	No. LICENSED IN 2001
Life Assurance	1	0
General Insurance	2	3
Composite	4	4
Total	7	7

2.1.2. REINSURERS

ZimRe (Z) Limited has since its incorporation in 1999 been the only locally based reinsurance company in the market. ZimRe (Z) Ltd is licensed to operate as a general reinsurer.

2.1.3. INSURANCE BROKERS

Insurance brokers are intermediaries that deal with insurance companies on behalf of members of the insuring public that engage them.

Thirty insurance brokers were licensed to operate during the year 2002. This is one more than the number licensed the previous year.

There were three new insurance brokers. Two licensees had their applications for annual renewal rejected for failure to comply with the premium remittance requirements stipulated in section 21 of the Insurance Act while a broker who had not been licensed in 2001 had successfully renewed the licence in 2002.

One broker opted not to apply for renewal as they had decided to shut down their business operations all together.

The market has been recording a steady increase in broker-driven business. In the year 2000, 63% of the general insurance business written was broker-driven and this grew to 67% in 2001 and 79% in

2002. In respect of life assurance, 17% of the business written in 2000 was broker-driven and this rose to 39% in 2002

In total, broker-driven business in 2002 accounted for at least 73 % of both Life and General insurance premiums written.

2.1.4. INSURANCE AGENTS

Insurance Agents are intermediaries who deal with the insuring public on behalf of the insurance companies they represent. Each agent is licensed to represent only one insurance company.

A total of 35 Insurance Agents were licensed to transact on behalf of their principal insurers during the year 2002. Fourteen (14) were new applicants while five (5) out of the 26 that had been licensed the previous year did not apply for renewal of their annual licences.

2.1.5. LOSS ADJUSTERS

The number of licensed Loss Adjusters dropped from four (4) in the year 2001 to only three (3) in 2002.

2.1.6. MOTOR ASSESSORS

Motor assessors increased by three from seven (7) in 2001 to ten (10) in 2002.

2.1.7. CLAIMS AGENTS

The number of licensed claims agents rose from one (1) in the previous year to two (2) in 2002.

Summary of Numbers of Licensed Insurance Entities		
	2002	2001
Insurance Companies	7	7
Insurance Brokers	30	28
Insurance Agents	35	26
Loss Adjusters	3	4
Motor Assessors	10	7
Claims Agents	2	1

2.2. REGULATION OF INSURANCE ACTIVITIES

2.2.1. LEGAL FRAMEWORK

The Insurance Act number 27 of 1997 is the principal statute regulating all insurance activities in Zambia. The enactment of this Act also repealed the Insurance Act of 1968.

Though section 132 of this Act provides for the Minister of Finance and National Planning to make regulations by way of a Statutory Instrument no such regulations have been made. As such the regulations of 1968 remain applicable. However, amendments to the Insurance Act and the development of new Insurance Regulations were actively considered during the year 2002.

The Insurance Act is currently being applied with reference to the Companies Act and the Investment Act.

2.2.2. SUPERVISION

The insurance brokers consumed considerable amounts of the Authority's supervisory resources during the year. The authority has been, through conducting off-site and on-site inspections, studying the weaknesses and omissions inherent in various premium remittance processes with a view of minimising the risk of delays and misapplication. New applicants have been subjected to rigorous scrutiny of their capitalisation and calibre of staff.

The authority has been collaborating with member associations, namely the Insurers Association of Zambia (IAZ) and Insurance Brokers' Association of Zambia (IBAZ), to encourage good market conduct through self-regulation.

PIA has also strengthened its links with other local regulatory authorities such as:

- Bank of Zambia (the Central Bank)
- Securities and Exchange Commission.

On the international front PIA has been active in the 14-member Southern African Development Community (SADC) region through the auspices of the Committee of Insurance, Securities and Non-Bank Authorities (CISNA).

2.2.3. CONSUMER COMPLAINTS

The PIA was able to settle all the complaints that were brought to its attention. This is despite the fact that insurance legal framework makes no provision for an insurance ombudsman. The authority has successfully

settled a number of complaints that arise from time to time through an arbitrary process of arbitration.

The most common cases arise where insurers opt to repudiate claims on account of either lack of disclosure, partial or non-remittance of premiums or breach of fundamental condition of contract. Some cases are resolved in favour of the insured and otherwise depending on the circumstances of each case.

Settlement of cases through PIA's arbitration has proved to be very effective in terms of cost and time spent. The parties are nonetheless advised to exercise their right to seek redress in the courts of law at any point before, during or after arbitration.

3.

GENERAL INSURANCE BUSINESS

3.1. PERFORMANCE INDICATORS

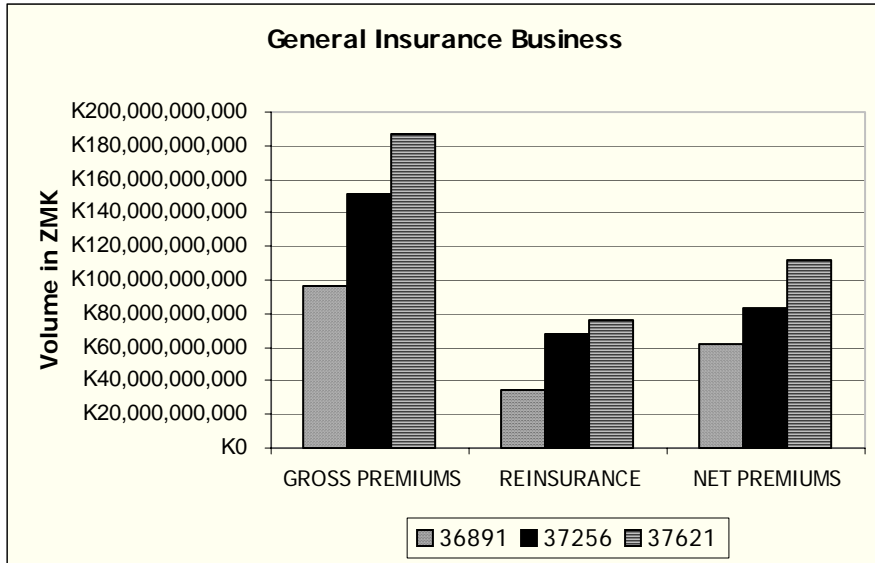
3.1.1. UNDERWRITING RESULTS

The table below shows the entire General insurance underwriting account for the years 2001 and 2002 while individual statements are shown under appendix II

General Insurance Underwriting Summary for the year 2002			
	2002 (ZMK'000)	2001 (ZMK'000)	Increase/ (Decrease)
Gross Premiums Written	187,411,376	151,190,089	24.0%
Reinsurance Ceded – outwards	75,961,822	68,089,461	11.6%
Unearned Premiums – movement	11,515,497	7,925,018	45.3%
Net Earned Premiums	99,934,058	75,175,610	32.9%
Claims Incurred – net	36,503,212	28,192,164	29.5%
Commissions	10,494,641	5,641,941	86.0%
Management Expenses	42,950,303	30,437,810	41.1%
Total Expenditure	89,948,156	64,271,915	39.9%
Underwriting Profit/(Loss)	9,985,902	10,903,695	(8.4)%

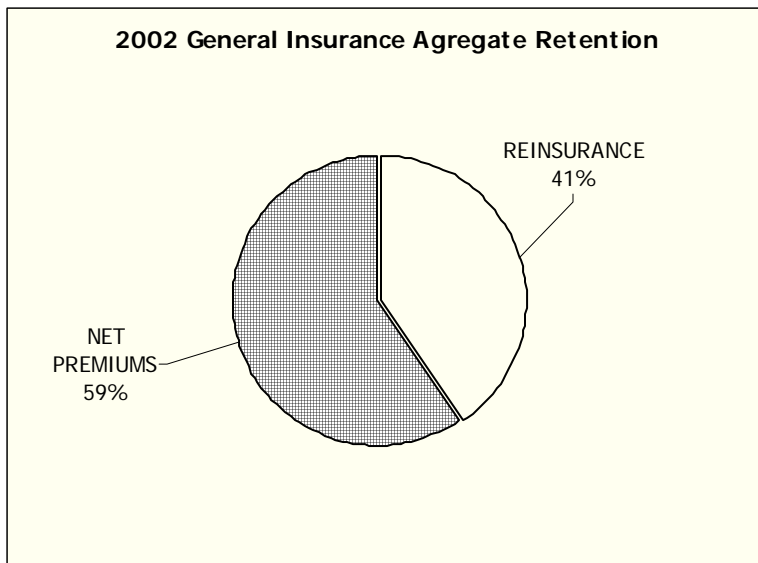
3.1.2. INCOME

The bar chart below compares the gross premiums written, reinsurance ceded and net premiums over a period of three years (2000 to 2002).

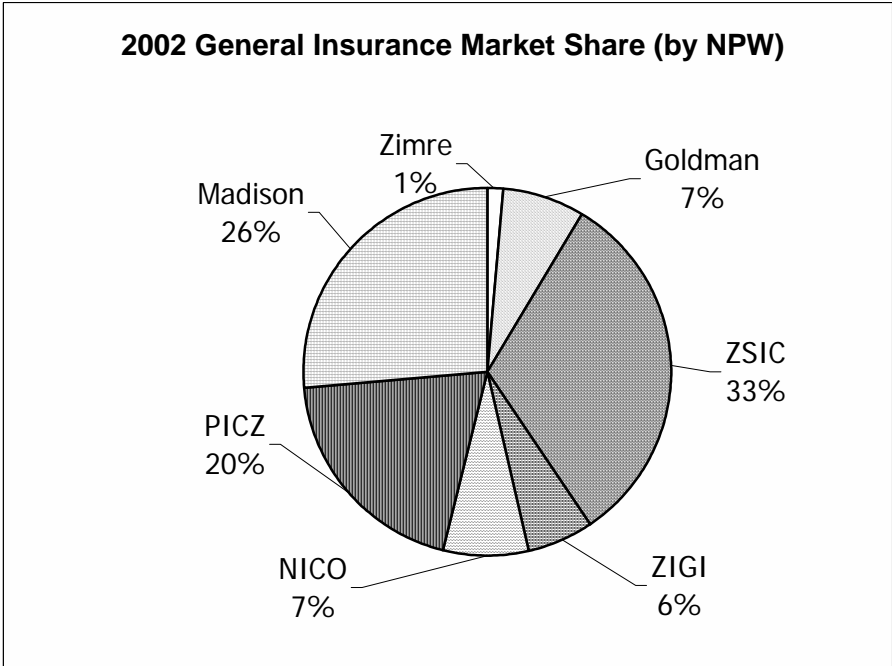
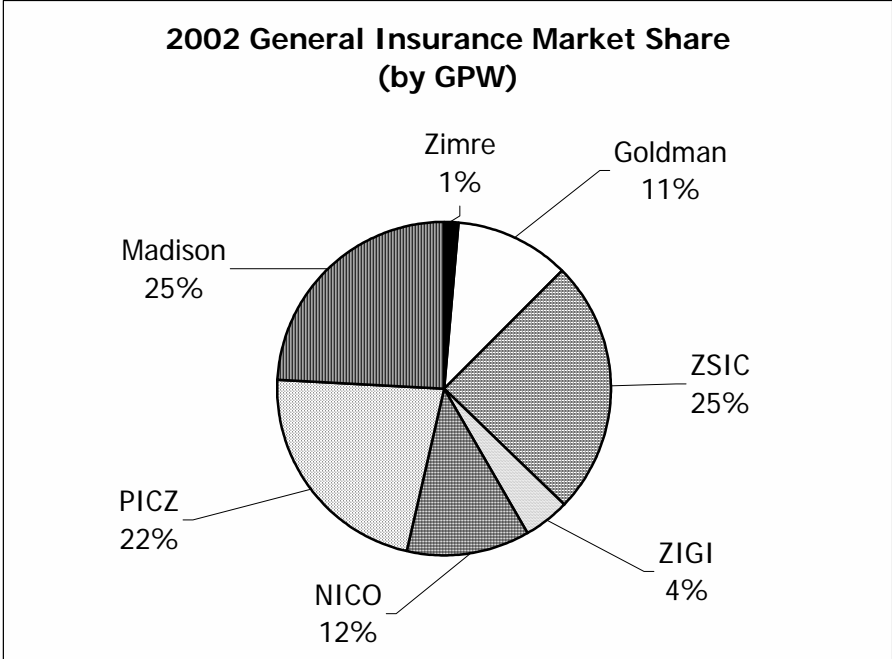


In terms of gross premiums written, General insurance business grew by 24%, from K151,190,089 the previous year to K187,411,376 during the year 2002.

The average general insurance retention rose from 55% in the year 2001 to 59% in 2002.

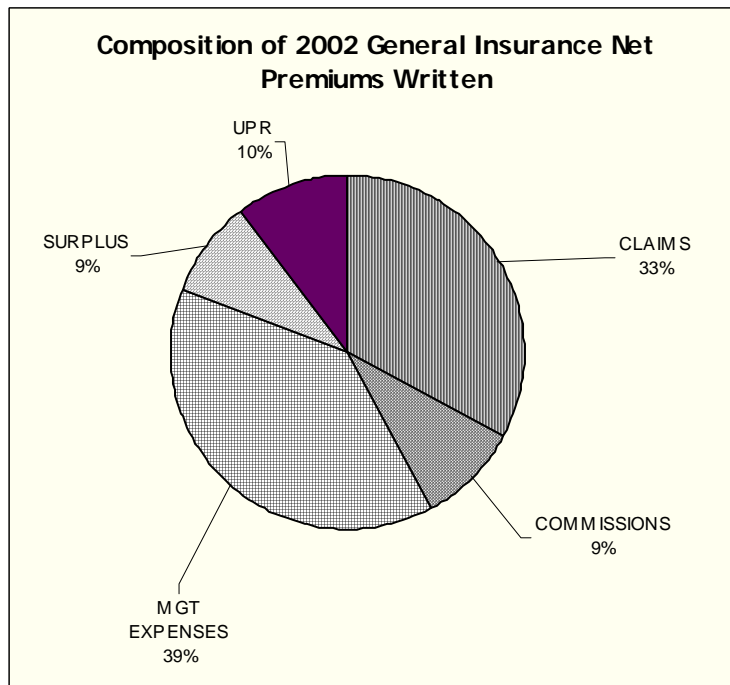
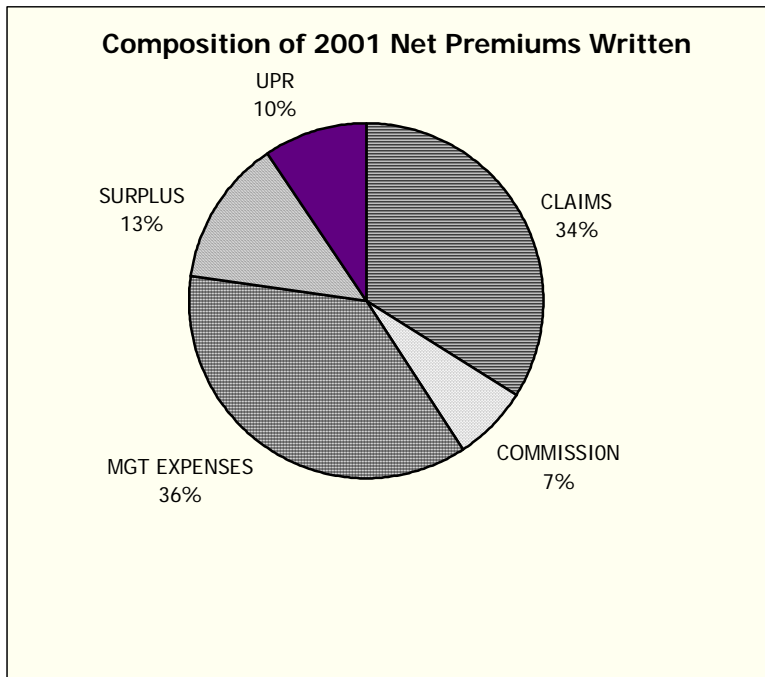


The two pie charts below show each insurer's market share on the basis of gross premiums written and net premiums written.



The total outward reinsurance premiums for the year amounted to K75,961,822,000 out of which only K2,683,515,000 was placed with Zimre (Z) limited.

3.1.3. EXPENDITURE



The two pie charts above outline the proportion of expenses to net premiums written. The surplus represents the excess of net premiums written over total expenses.

The proportion of net claims in the net premiums written figure had marginally dropped from 34% in 2001 to 33% in 2002 while the year-on-

year increase was 29% over the same period. Similarly the management expenses constituted 36% of the net premiums written in 2001 and 39% in 2002. The year-on-year increase was 41.1% over the same period.

3.2. ASSETS AND LIABILITIES

The table below shows the combined General insurance balance sheet at the end of the year 2002 while separate statements are included under appendix III

Combined General Insurance Balance Sheet		
ASSETS:	ZMK'000	%
Fixed Assets – land & buildings	16,685,707	10.4
Fixed Assets – Other	3,896,181	2.4
Investment - Real Estate	2,404,296	1.5
Investment - Variable Yield Securities	983,290	0.6
Fixed Yield Securities	7,633,898	4.8
Unsecured Loans	1,973,747	1.2
Deposits	16,176,558	10.1
Trade Debtors - Policyholders	74,876,457	46.7
Trade Debtors – Reinsurance Recoveries	1,811,381	1.1
Other Debtors	17,436,099	10.9
Other Assets	2,494,565	1.6
Bank & Cash	14,031,738	8.7
TOTAL ASSETS	160,403,918	100.0
LIABILITIES:		
Unearned Premiums Provision	49,268,474	30.7
Outstanding Claims	16,735,355	10.4
IBNR	207,449	0.1
Pensions Provision	122,000	0.1
Taxation Provision	2,552,458	1.6
Other Provision	43,619	0.03
Trade Creditors – Direct Business	11,578,236	7.2
Trade Creditors – Reinsurance	3,520,791	2.2
Loans – Non-Associated Companies	1,439,737	0.9
Loans – Associated Companies	16,622,376	10.4
Other Liabilities	29,101,092	18.1
Paid-up Share Capital	8,865,230	5.5
Share Premium	1,716,405	1.1
Shareholders Loans	458,246	0.3
Retained Profits	6,765,791	4.2
Revaluation Reserves	11,406,659	7.1
TOTAL LIABILITIES	160,403,918	100.0

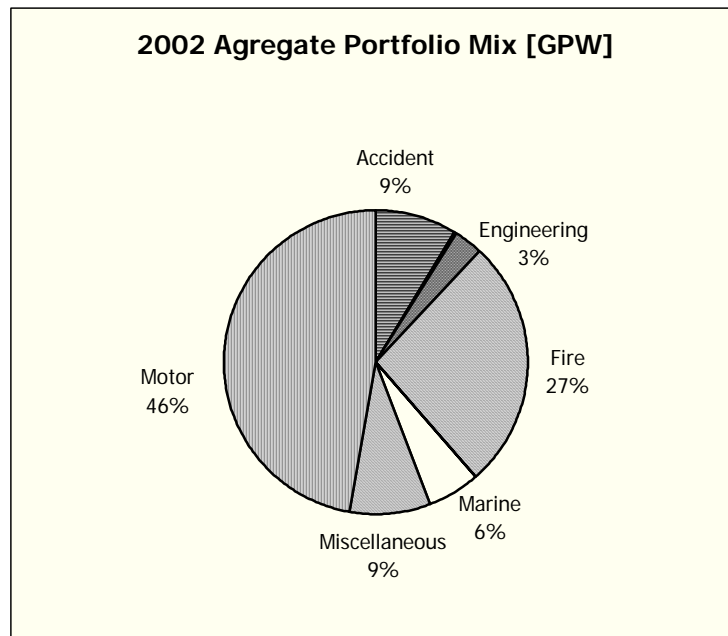
The total value of insurer's General Insurance business assets have grown from ZMK107,697,055,000 in the 2000 to ZMK142,002,553,000 in 2001 and ZMK160,403,918,904 in 2002.

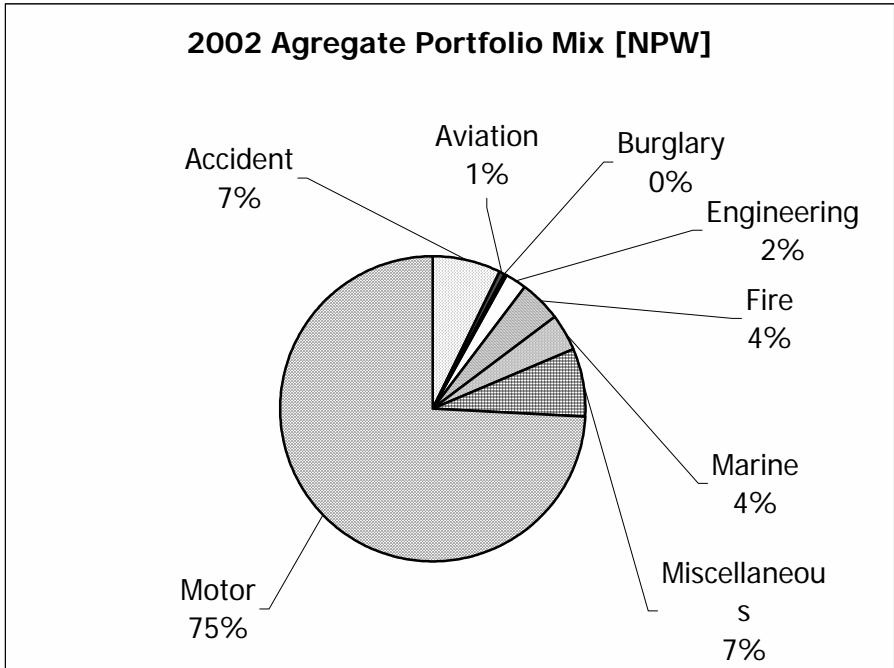
3.3. MARKET PORTFOLIO MIX

The table below shows a class-wise analysis of the General Insurance gross premiums written.

	Gross Premiums (GPW) K'000	Net Premiums (NPW) K'000
Accident	16,328,406	7,835,657
Aviation	101,850	709,000
Burglary	472,129	380,600
Engineering	5,755,257	2,446,462
Fire	50,143,608	4,917,132
Marine	10,539,332	4,150,241
Miscellaneous	16,279,720	8,061,843
Motor	89,074,411	81,890,946
	188,694,713	110,391,881

The following pie charts show the percentage analyses of the General insurance premiums shown in table above.





4.

LIFE ASSURANCE BUSINESS

4.1. PERFORMANCE INDICATORS

4.1.1. UNDERWRITING RESULTS

The table below captures the entire life assurance underwriting account for the years 2002 and 2001 while separate statements are included under appendix IV

Life Assurance Underwriting Summary for the year 2002			
	2002 (ZMK'000)	2001 (ZMK'000)	Increase/ (Decrease)
Gross Premiums Written	35,530,614	29,076,462	22.2%
Reinsurance Ceded – outwards	4,677,394	3,534,049	32.4%
Net Premiums	30,853,220	25,542,413	20.8%
Investment Income	8,617,027	998,813	762.7%
Total Income	39,470,247	26,541,226	48.7%
Claims Incurred – net	15,285,912	13,988,964	9.3%
Commissions	1,632,512	2,619,039	(37.7%)
Management Expenses	15,076,505	15,201,703	(0.8%)
Total Expenditure	31,994,929	31,809,706	0.6%
Movement in Life Fund	1,796,838	(2,933,693)	161.2%
Excess of income over expenditure	5,678,480	(2,334,787)	343.2%

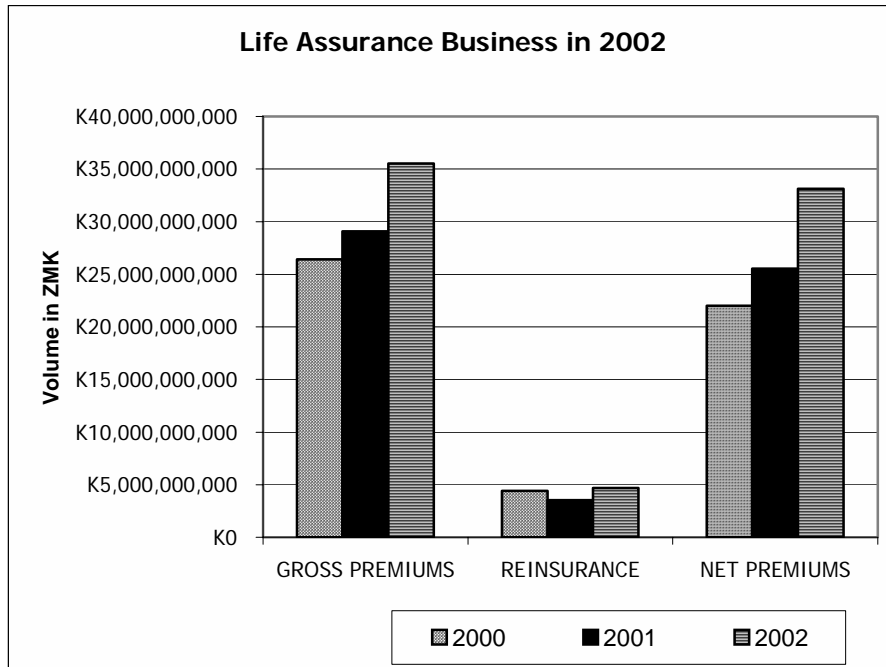
Investment income grew by over 760% from K998million in 2001 to K8.6billion in 2002. It is also worth noting that while the net premiums amount had grown by 20.8% the corresponding total expenditure had only increased by 0.6%.

There was a decrease of 37.7% in commissions paid to intermediaries and 0.8% in management expenses.

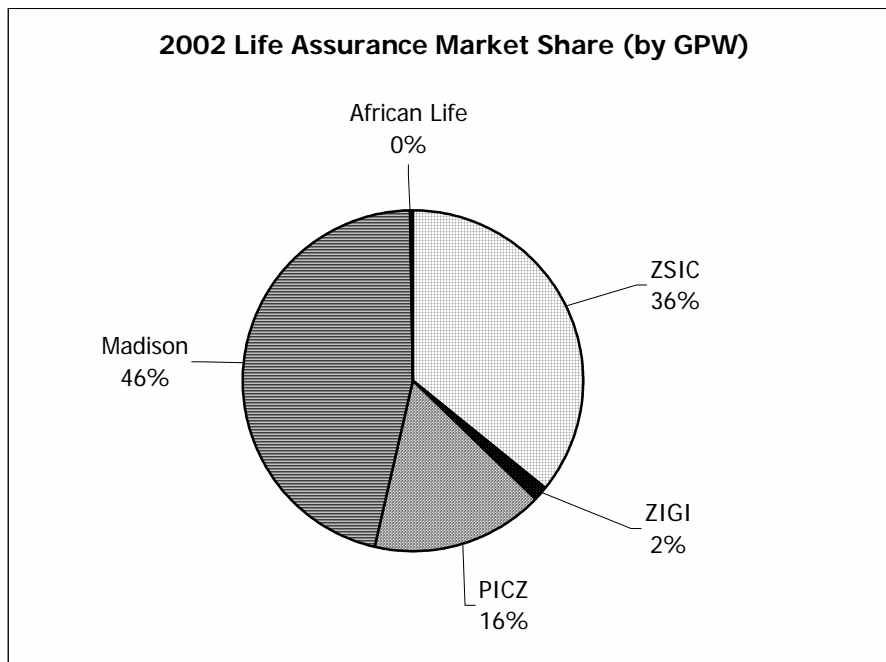
4.1.2. INCOME

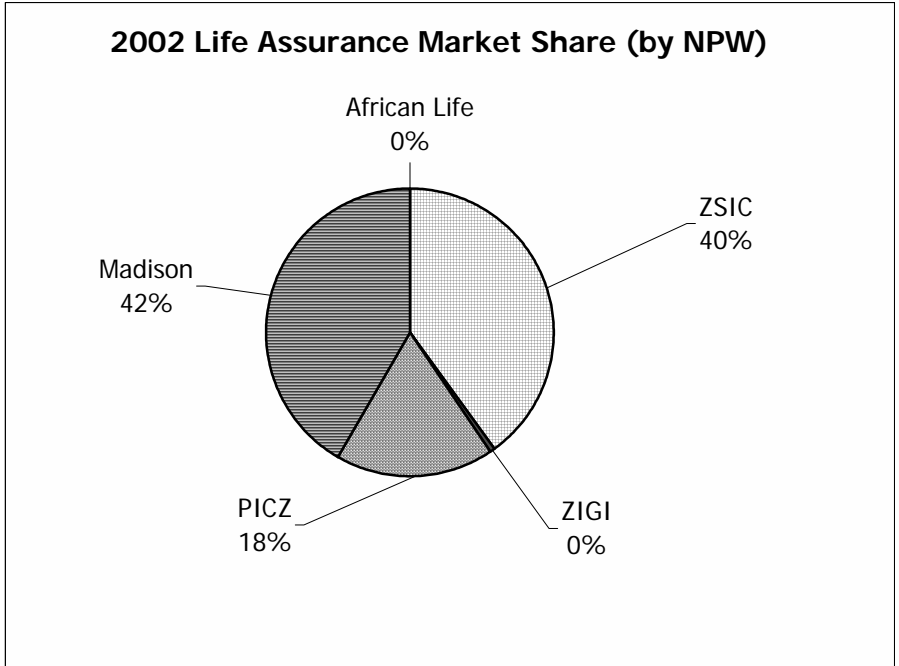
The chart below compares the amounts of gross premium written, reinsurance premium ceded and net premium written.

The retentions of life assurance business have grown steadily from 83% in the year 2000 to 88% in 2001 and 93% in 2002.



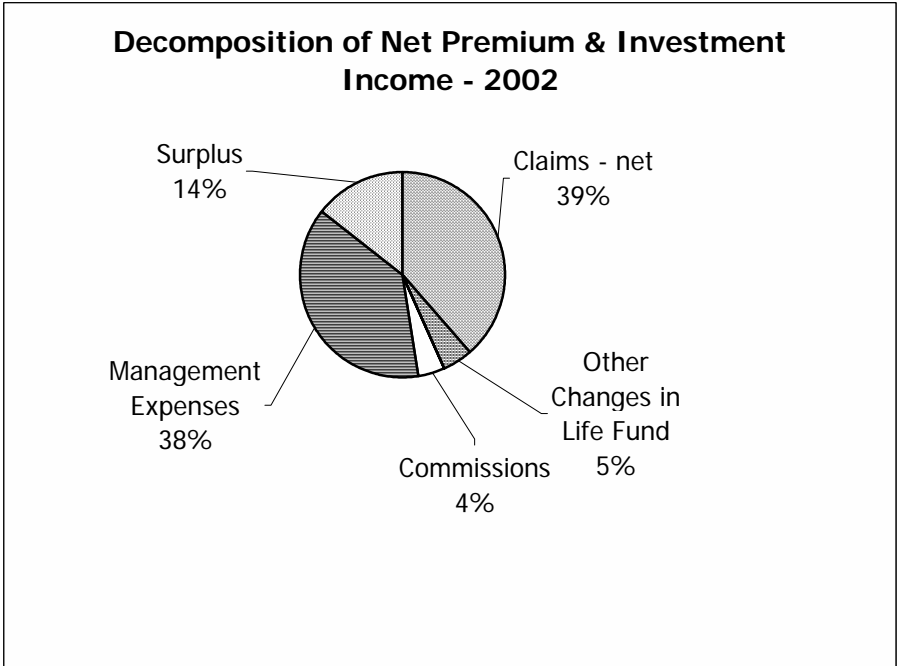
The pie charts below show the insurers' market shares in terms of gross premiums written (GPW) and net premiums written (NPW).





4.1.3. EXPENDITURE

The pie chart below apportions the net premiums plus investment income into the various expense components and surplus. The claims incurred and management expenses comprised 39% and 38% of net premiums respectively.



4.2. ASSETS AND LIABILITIES

The table below show the combined life assurance balance sheet for the year 2002 while individual statements are included under appendix V.

The total assets value grew from K60.1 billion in the 2001 to K70.9 billion in 2002.

Combined Life Assurance Balance Sheet		
<u>ASSETS:</u>	ZMK'000	%
Fixed Assets – Land & Buildings	4,323,682	6.1
Fixed Assets – Others	1,128,567	1.6
Investments – Land & Building	11,253,000	16.0
Investments – Variable Yield Securities	3,713,000	5.3
Investment – Fixed Yield Securities	8,117,613	11.5
Unsecured Loans	1,238,642	1.8
Deposits	11,837,444	16.8
Trade Debtors – Policyholders	3,603,277	5.1
Trade Debtors – Intermediaries	50,605	0.1
Other Debtors	20,872,425	29.7
Other Assets	123,533	0.2
Cash & Bank	4,095,945	5.8
TOTAL ASSETS	70,357,733	100.0
<u>LIABILITIES:</u>		
Outstanding Claims	3,431,332	4.9
Life Assurance Funds	31,851,752	45.3
Pension Provision	177,138	0.3
Taxation Provision	2,049,484	2.9
Trade Creditors – Direct Business	768,864	1.1
Loans – Non-Associated Companies	1,036,429	1.5
Loans – Associated Companies	117,464	0.2
Other Liabilities	21,263,563	30.2
Share Capital (paid-up)	5,939,770	8.4
Share Premium	1,075,000	1.5
Retained Profits	2,646,937	3.8
TOTAL LIABILITIES	70,357,733	100.0

APPENDIX 1 - LICENCES ISSUED FOR YEAR 2002

A. REINSURANCE COMPANY

1. ZIMRE-ZAMBIA LIMITED

B. INSURANCE COMPANIES

1. Madison Insurance Company (Z) Limited
2. Goldman Insurance Company Limited
3. Professional Insurance Corporation Limited.
4. ZIGI Insurance Company Limited
5. Zambia State Insurance Corporation Limited
6. NICO Insurance (Z) Limited
7. African Life Assurance Company (Z) Limited

C. INSURANCE BROKERS

1. Anchor Insurance Brokers Limited
2. Norwich Insurance Brokers Limited
3. Guardian Insurance Brokers Limited
4. Kemsons Insurance Brokers Limited
5. Leadway Insurance Brokers Limited
6. Alexander Forbes Insurance Brokers
7. Sunspot Insurance Brokers Limited
8. Swan Insurance Brokers Limited
9. Summit Insurance Brokers Limited
10. Savanna Insurance Brokers Limited
11. Realm Insurance Brokers Limited
12. Kafue Insurance Brokers Limited
13. Rock Insurance Brokers Limited
14. AON Minet (Z) Limited
15. Wits Insurance Brokers Limited
16. Tana Insurance Brokers Limited
17. Access Insurance Brokers Limited
18. J M Moore Insurance Brokers Limited
19. Grand Insurance Brokers Limited
20. KBS Insurance Brokers Limited
21. Fidelity Insurance Brokers Limited
22. Kane Insurance Brokers Limited
23. Express Insurance Brokers
24. Zambia National Insurance Brokers
25. Southern Insurance Brokers Limited.
26. Budget Insurance Brokers Limited
27. Pace Insurance Brokers Limited

- 28. Magnet Insurance Brokers Limited
- 29. Beam Insurance Brokers Limited
- 30. Legend Insurance Brokers Limited

D. INSURANCE AGENTS

- | | |
|--|---------|
| 31. Kul Bhakoo Insurance Agency | GOLDMAN |
| 32. Dashy Insurance Agency | GOLDMAN |
| 33. Safeway Insurance Agency | ZSIC |
| 34. Alternative Insurance Agency | GOLDMAN |
| 35. Munar Insurance Agency | PICZ |
| 36. AFLIFE Insurance Agency | MADISON |
| 37. Mujala Insurance Agency | ZSIC |
| 38. Ideal Insurance Agency | ZSIC |
| 39. Mano Insurance Agency | ZSIC |
| 40. Jessons Insurance Agency | ZSIC |
| 41. Akay Insurance Agency | MADISON |
| 42. Tobacco Association of Zambia | MADISON |
| 43. Tehila Insurance Agency | ZIGI |
| 44. T A Luwisha Insurance Agency | ZSIC |
| 45. Quantum Insurance Agency | ZSIC |
| 46. Central African Trust Ins Agency | ZSIC |
| 47. Je-Star Insurance Agency | ZSIC |
| 48. S D K Insurance Agency | ZSIC |
| 49. Barclays Bank Insurance Agency | MADISON |
| 50. Mars International Insurance Agency | ZIGI |
| 51. Madison Health Insurance Underwriting Agency | MADISON |
| 52. JK & L Insurance Agency | ZSIC |
| 53. Fast Track Insurance Agency | PICZ |
| 54. Pigom Insurance Agency | GOLDMAN |
| 55. CBR Insurance Agency | MADISON |
| 56. Lusaka West Insurance Agency | MADISON |
| 57. Eastern Insurance Agency | ZSIC |
| 58. Luapula Insurance Agency | ZSIC |
| 59. Competence Insurance Agency | MADISON |
| 60. Christian Enterprise Trust of Zambia | NICO |
| 61. Veteran Insurance Agency | NICO |
| 62. Adlink Insurance Agency | PICZ |
| 63. Lynx Insurance Agency | PICZ |
| 64. Blue Shield Insurance Agency | PICZ |
| 65. Pool Insurance Agency | MADISON |

E. MOTOR ASSESSORS

1. Natkamu Assessing & Consulting
2. Chimul Motor Assessors & Consultants
3. Northern Loss Assessors
4. Momil Independent Automotive
5. D Sinkala & Associates
6. George Mwanza Motor Assessors
7. Edgar Sakavuyi Motor Assessors
8. JR & Associates Limited
9. D J M Automobile Assessor

F. LOSS ADJUSTERS

1. MTM and Associates Limited
2. Independent Loss Adjusters
3. Garside International Limited
4. Claims Assistance Limited
5. Upfront Risk Management

G. CLAIMS AGENTS

1. Botlorm Claims Agent
2. Ikabako Claims Agent
3. Ren-Auto Claims & Insurance Consultancy

Appendix II - 2002 General Insurance Revenue Accounts

ZMK'000

	MADISON	ZIMRE	GOLDMAN	PROFESSIONAL	ZSIC	ZIGI	NICO
Gross Premiums	45,101,212	2,683,515	20,930,654	41,581,339	45,898,000	8,336,619	22,880,037
Gross Reinsurance	15,697,044	1,073,406	13,075,397	19,692,163	10,011,000	1,881,518	14,531,294
Unearned Premiums-Movement	1,818,210	122,143	-406,102	3,961,738	4,689,000	836,178	494,330
Net Premiums	29,404,168	1,610,109	7,855,258	21,889,176	35,887,000	6,455,101	8,348,743
Net Earned Premiums	27,585,958	1,487,966	8,261,360	17,927,438	31,198,000	5,618,923	7,854,413
Net Claims	17,409,654	310,779	2,198,349	5,009,497	7,728,000	930,035	2,916,898
Commission/Acquisition	2,394,487	374,841	1,668,768	2,587,775	2,475,000	993,770	0
Management Expenses	7,779,900	664,969	3,762,736	8,054,786	14,128,000	3,380,004	5,179,908
Underwriting Surplus/Deficit	1,917	137,377	631,507	2,275,380	6,867,000	315,114	-242,393

Appendix III – General Insurance, balance sheets at the end of the year 2002

ZMK'000

	MADISON	ZIMRE	GOLDMAN	PROFESSIONAL	ZSIC	ZIGI	NICO
Land & Buildings	1,334,663	0	6,000	3,888,400	10,145,000	269,745	1,041,899
Other fixed Assets	1,070,719	94,034	81,179	974,846	941,000	330,866	403,537
Investment properties	0	0	0	1,508,296	896,000	0	0
Variable yield securities	50,500	0	932,790	0	0	0	0
Fixed yield securities	2,561,402	351,680	0	564,098	109,000	0	4,047,718
Unsecured Loans	1,828,980	0	0	144,767	0	0	0
Deposits	6,750,077	0	3,967,882	868,600	4,590,000	0	0
Trade Debtors - Policyholders	8,784,945	1,630,539	5,698,160	7,573,378	43,357,000	4,761,376	3,071,059
Trade Debtors - Reinsures	0	0	0	1,780,745	0	30,636	0
Other Debtors	1,283,712	5,121	438,854	2,817,029	10,998,000	1,019,798	873,585
Other Assets	858,676	75,593	0	1,560,296	0	0	0
Cash and Bank	2,314,171	2,401,971	989,832	2,285,769	5,325,000	0	714,996
Total Assets	26,837,845	4,558,938	12,114,697	23,966,224	76,361,000	6,412,421	10,152,794
Unearned Premiums Reserve	10,772,255	764,086	3,927,629	11,040,223	18,283,000	2,046,910	2,434,371
Outstanding Claims -net	6,721,295	645,325	2,417,753	1,566,575	3,506,000	631,281	1,247,126
IBNR - net	0	0	0	0	0	0	207,449
Pensions Provisions	0	0	0	0	122,000	0	0
Taxation Provisions	312,591	23,223	107,145	1,451,279	0	197,118	461,103
Other Provisions	0	0	0	0	0	43,619	0
Trade Creditors - insurers & agents	1,703,069	1,242,996	0	0	6,985,000	1,647,171	0
Trade Creditors - Reinsurance	0	0	1,807,693	0	0	0	1,713,098
Loans	0	0	0	188,067	1,130,000	121,670	0
Loans - Associated Companies	0	312,434	0	0	15,982,000	0	327,942
Other Liabilities	1,637,715	0	1,203,506	1,209,093	23,340,000	694,096	1,016,682
Paid-up Share Capital	1,000,000	1,000,000	1,000,000	2,150,000	1,000,000	735,230	1,980,000
Share Premium	1,229,905	0	0	0	0	0	486,500
Shareholders' Loans	0	458,246	0	0	0	0	0
Retained Profits	3,461,015	0	1,650,971	6,360,987	-4,942,000	295,326	-60,508
Revaluation Reserve	0	112,628	0	0	10,955,000	0	339,031
Total Equity and Liabilities	26,837,845	4,558,938	12,114,697	23,966,224	76,361,000	6,412,421	10,152,794

Appendix IV - Life assurance revenue accounts for the year 2002

ZMK'000

	MADISON	PICZL	AF/ LIFE	ZIGI	ZSIC
Gross Premiums	16,375,021	5,779,872	127,174	564,547	12,684,000
Reinsurance Ceded	3,567,416	262,313	92,904	435,761	319,000
Unearned Premiums	982,903	1,513,396	0	32,765	-250,000
Net Earned Premiums	11,824,702	4,004,163	34,270	96,021	12,615,000
Investment Income	3,101,132	1,468,895	0	0	4,047,000
Total income	14,925,834	5,473,058	34,270	96,021	16,662,000
Net Claims	4,991,224	2,822,268	0	3,420	7,469,000
Other Changes in Life Fund	1,796,838	0	0	0	0
Commissions	735,916	429,305	448,313	18,978	0
Management Expenses	3,173,951	1,380,701	1,117,805	73,048	9,331,000
Total expenses	10,697,929	4,632,274	1,566,118	95,446	16,800,000
Excess of income over exp.	4,227,905	840,784	-1,531,848	575	-138,000

Appendix V - Life assurance, Balance sheets at the end of the year 2002
ZMK'000

	MADISON	PICZ	AF/ LIFE	ZIGI	ZSIC
Fixed Assets - Land and Buildings	63,182	0	0	171,500	4,089,000
Fixed Assets - Other	378,819	186,577	313,171	0	250,000
Investments - Land and Buildings	0	0	0	0	11,253,000
Investments - Variable Yield Securities	500,000	0	0	0	3,213,000
Investments - Fixed Yield Securities	4,397,814	3,083,799	0	0	636,000
Unsecured Loans	1,180,642	0	0	0	58,000
Deposits	6,080,451	0	4,438,993	0	1,318,000
Trade Debtors - Policyholders	942,860	2,245,290	20,378	394,749	0
Trade Debtors - Intermediaries	0	0	0	50,605	0
Other Debtors	1,035,661	782,732	125,602	116,430	18,812,000
Other Assets	123,533	0	0	0	0
Cash and Bank	1,668,862	22,222	604,440	52,421	1,748,000
Total Assets	16,371,824	6,320,620	5,502,584	785,705	41,377,000
Unearned Premiums Provisions	4,586,613	0	0	54,011	0
Outstanding Claims	1,353,884	1,341,943	0	505	735,000
Life Assurance Funds	3,504,591	3,767,337	13,200	0	19,926,000
Pensions Provisions	100,138	0	0	0	77,000
Taxation Provisions	2,000,273	0	46,298	2,913	0
Trade Creditors - Direct Business	349,360	0	0	419,504	0
Loans - Other Institutions	0	393,147	0	6,282	637,000
Loan - Associated Companies	0	0	117,464	0	0
Other Liabilities	218,364	818,193	218,308	6,698	20,002,000
Share Capital (paid-up)	675,000	0	5,000,000	264,770	0
Share Premium	0	0	1,075,000	0	0
Retained Profits	3,583,601	0	-967,686	31,022	0
Total Equity and Liabilities	16,371,824	6,320,620	5,502,584	785,705	41,377,000