



**OFFICE OF THE REGISTRAR
PENSIONS AND INSURANCE**

**REPORT ON THE INSURANCE
INDUSTRY**

For the year ended 31st December 2003.

THE INSURANCE INDUSTRY ANNUAL REPORT

The Registrar of Pensions and Insurance

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The Minister of Finance and National Planning
Ministry of Finance and National Planning
Chimanga Road
P.O. Box 50062
LUSAKA

Dear Honourable Minister

I have the honour to submit the Annual Insurance Report for the year 2003 in terms of Section 103 of the Insurance Act, no. 27 of 1997.

Yours faithfully

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 year 2003 manifested steady growth in the insurance industry. Gross insurance premiums rose from K223 billion in 2002 to K274 billion, an increase of K51 billion (23%). General insurance premiums totalled K226 billion and accounted for 82.84% of all premiums received. However, net retention was greater in the life assurance as reinsurance ceded in this sector was 12.52% of gross premiums compared to 36.34% in the general insurance sector. In this regard one of the major objectives of the office was to promote the retention of insurance premiums in Zambia by urging local insurers to increase their paid up share capital base. In addition to acquiring specialised skills the need for a fortified financial standing is critical in determining retention levels.

The industry also continues to face the challenge of providing products that are designed to meet the needs of the insuring public and in particular the business community. It was thus gratifying to note the emergence of products such as those catering for individuals and other entities who needed to take out travel medical insurance. Although some of these products were fronted on behalf of foreign insurers the experience gained in handling such transactions is a stepping stone in development of indigenous products suited to the local environment.

1.2 ADMINISTRATION

In the year under review the Office of the Registrar had a staff compliment of 14 covering assignments under both the pension Scheme Regulation Act, no. 28 of 1996 and the Insurance Act, no. 27 of 1997.

The staff available were 11 less than the establishment of 25. The post of Registrar of Pensions and Insurance remained vacant throughout the year although diligent recruitment efforts were carried out in May and October, 2003. Of the 14 employees in the office only 6 were dedicated to industry compliance supervision with the rest carrying out the necessary support function. The ultimate effect of this situation was the low number of on-site inspections. Although several brokers were subjected to reviews only two insurers were inspected on site.

The office's income was wholly derived from Government grants. The grant received in 2003 was K1,260,748,263 a reduction of K57,790,771 (4.38%) from the sum of K1,318,539,034 received in 2002. It was estimated that a sum of K2.5 billion would have been the optimum needed to meet the institution's needs. The low funding situation, viewed in the context of the country's commitment to the Highly Indebted Poor Countries point, was inevitable. The financing mode employed was clearly dependent on general government revenue which was the subject of very huge demands. It was noted that

providing an income, for the office, by way of a levy charged on insurance premiums and pension contributions/investment income seemed a more viable and sustainable arrangement.

The audited financial statement for the year ended 31st December, 2003 is produced as Appendix I.

1.3 INSURANCE FIDELITY FUND

The Fidelity Fund was established under Section 109 of the Insurance Act, no. 27 of 1997 to compensate victims of insurance fraud/mismanagement. The Fund increased from K498,256,328 at the end of 2002 to K677,001,398 at as 31st December, 2003. The source of revenue for this fund was licence fees paid by members of the insurance industry. However, no payments were made out of the fund as the authorising entity, the Policy Holders Protection Board (PHPB), had not been appointed. To resolve this matter the office recommended and the Government approved that nominees be sought to constitute the PHPB. The nominees were sought from the Zambia institute of Chartered Accountants (ZICA), Insurers Association of Zambia (IAZ) and the Law Association of Zambia. The fourth member of the Board would be an officer of the Ministry of Finance who would also serve as the PHPB Chairperson.

1.4 INSURANCE ADVISORY COUNCIL

As in the case of the Policy Holders Protection Board, the Insurance Advisory Council was not appointed in the year under review. However, the Government invited nominees from the Insurers Association of Zambia (IAZ), the Zambia Association of Chambers of Commerce and Industry (ZACCI) and the Bankers Association of Zambia.

1.5 INSURANCE PRODUCTS

In 2003 the office approved two products provided by Professional Insurance Corporation Ltd namely:
the Overseas travel and medical insurance policy and the Lifetime to lifetime policy.

1.6 LITIGATION

The only matter subsisting against the office under the insurance Act was the case of Munali Insurance Brokers Ltd (1st Plaintiff) and Medard Chalata (2nd Plaintiff) Vs The Attorney General and The Registrar of Pensions and Insurance. In this matter the Plaintiff sought damages occasioned by a delay in issuing the first plaintiff with an insurance broker's licence. At the end of 2003 judgement was still awaited.

1.7 UNION INSURANCE CORPORATION LTD (IN LIQUIDATION)

As at 31st December, 2003 the Supreme Court had not rendered its judgement in the case of Union Insurance Corporation Ltd (In Liquidation) Vs Tata Zambia Ltd T/A Tata Farms. The matter would determine reinsurance claims for Union Insurance and ultimately affect the payment of the liquidation creditors.

1.8 COMPLAINTS

Two complaints were received from policyholders against insurers. Both matters were resolved amicably following the intervention of the office.

1.9 APPROVAL AND REMOVAL OF CHIEF EXECUTIVE OFFICERS

Approval was granted, by the Office, for the appointment as Chief Executive Officers of Mr. Vincent Witt (AON Zambia) and Dr. Mweene Mwinga (Kane Insurance Brokers Ltd). Tower Insurance Brokers were directed to remove Mr. Austin Moonga from office

1.10 REQUEST FOR PLACEMENT OF INSURANCE OVERSEAS

There was one request for placement of insurance overseas. This was done pursuant to Section 120 of the Insurance Act. The application was declined as local insurers indicated that the risk concerned (fire and terrorism insurance) could be underwritten by Zambian insurers.

1.11 OTHER ACTIVITIES

Among other activities in which the office was involved were the following:

- The Financial Sector Development Plan.
- The National Working Group on the World Trade Organisation's General Agreement on trade in services.
- Hosting of the 30th African Insurance Organisation Conference in Livingstone.
- The SADC Committee for Insurance Securities and Non-Banking Financial Supervisory Authorities.

2. OVERVIEW OF INSURANCE INDUSTRY

2.1. CONSTITUENTS OF THE INDUSTRY

A list of licences issued during the year 2003 is included under appendix II.

2.1.1. INSURERS

A total of eight (8) insurance companies were licensed during the year 2003. Four (4) were licensed as composite Insurers, Three (3) as general (non-life) Insurers and one (1) as a life insurer.

INSURANCE BUSINESS	No. LICENSED IN 2003	No. LICENSED IN 2002	No. LICENSED IN 2001
Life Assurance	1	1	0
General Insurance	3	2	3
Composite	4	4	4
Total	8	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 four (34) insurance brokers were licensed to operate during the year 2003. This is Four (4) more than the number licensed the previous year.

There were five (5) new insurance brokers while one (1) older Broker went into voluntary liquidation.

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 41 Insurance Agents were licensed to transact on behalf of their principal insurers during the year 2003. Thirteen (13) were new applicants

while Seven (7) out of the 35 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 2002 to three (3) in 2003.

2.1.6. MOTOR ASSESSORS

The number of Motor assessors had remained at ten (10) both in 2003 and 2002.

2.1.7. CLAIMS AGENTS

The number of licensed claims agents dropped from three (3) in 2002 to two (2) in 2003. There was one new agent and two older claims agents did not apply for renewal of their licences in 2003.

Summary of Numbers of Licensed Insurance Entities			
	2003	2002	2001
Insurance Companies	8	7	7
Insurance Brokers	34	30	28
Insurance Agents	41	35	26
Loss Adjusters	3	4	4
Motor Assessors	10	10	7
Claims Agents	2	3	1

3. GENERAL INSURANCE BUSINESS

3.1. PERFORMANCE INDICATORS

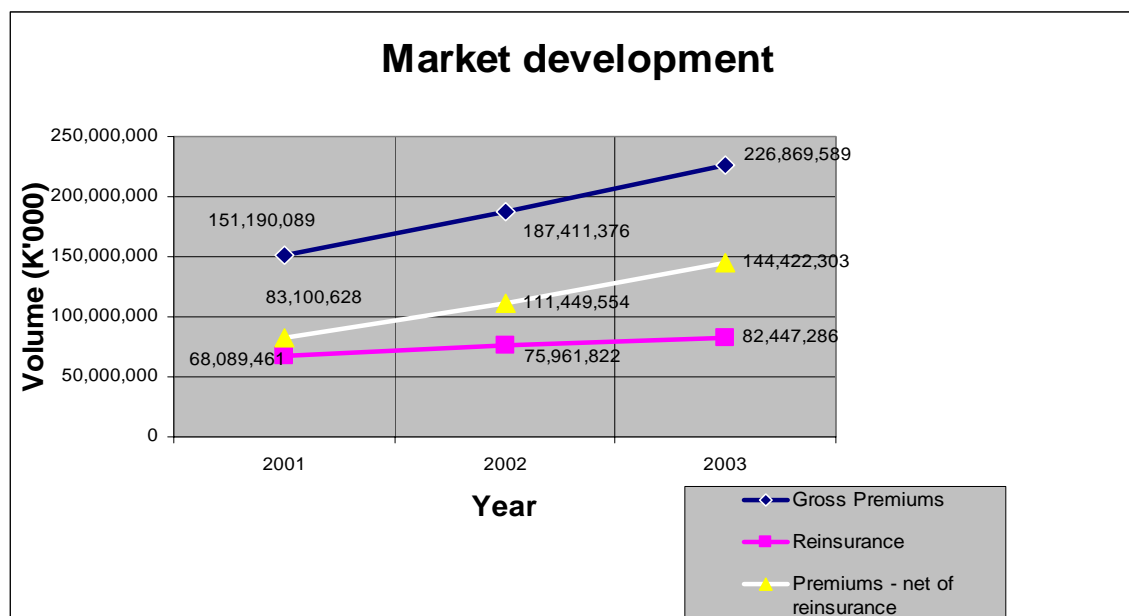
3.1.1. UNDERWRITING RESULTS

The table below shows the entire General insurance underwriting account for the years 2001 to 2003 while individual statements for the year 2003 are shown under appendix III.

General Insurance - Industry Revenue Accounts for the year 2003			
ZMK'000			
	2003	2002	2001
Gross Premiums	226,869,589	187,411,376	151,190,089
Gross Reinsurance	82,447,286	75,961,822	68,089,461
Net premiums	144,422,303	111,449,554	83,100,628
Unearned Premiums-Movement	-11,558,573	-11,515,497	-7,925,018
Net earned premiums	132,863,730	99,934,057	75,175,610
Net Claims Incurred	47,269,677	36,503,212	28,192,164
Commission/Acquisition	10,127,638	10,494,641	5,641,941
Management Expenses	66,508,755	42,950,303	30,437,810
Surplus on Revenue account	8,957,660	9,985,902	10,903,695

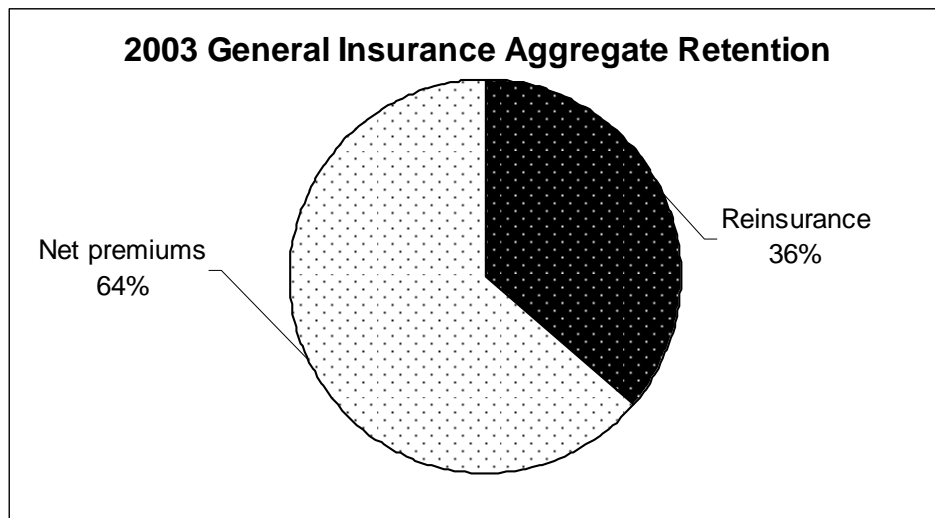
3.1.2. TURNOVER ANALYSIS

The chart below compares the trends in gross premiums written, reinsurance ceded and net premiums over a period of three years (2001 to 2003).

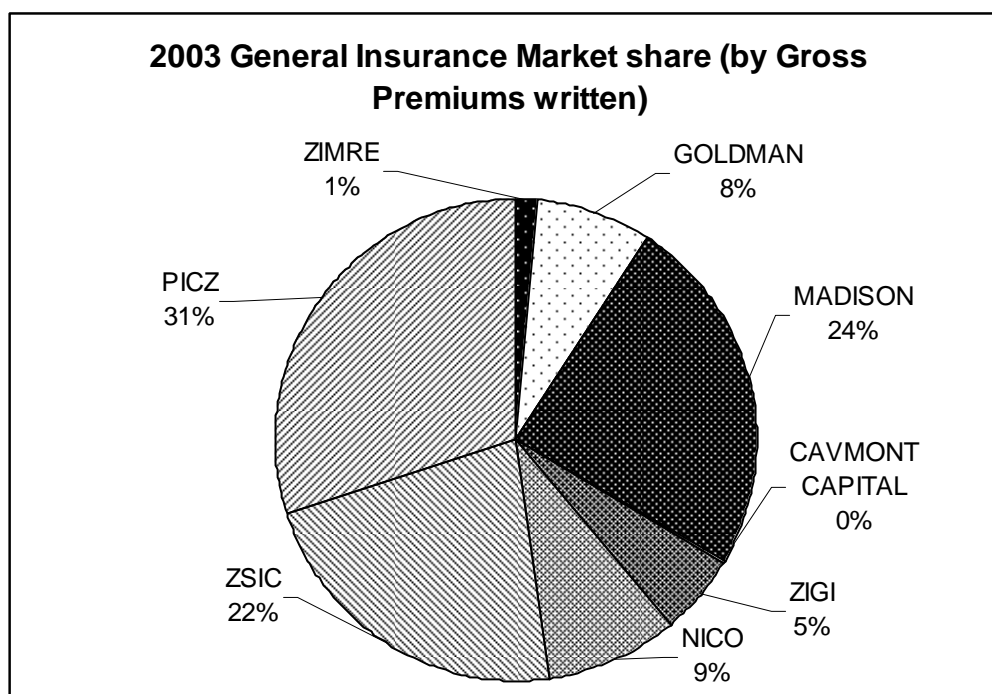


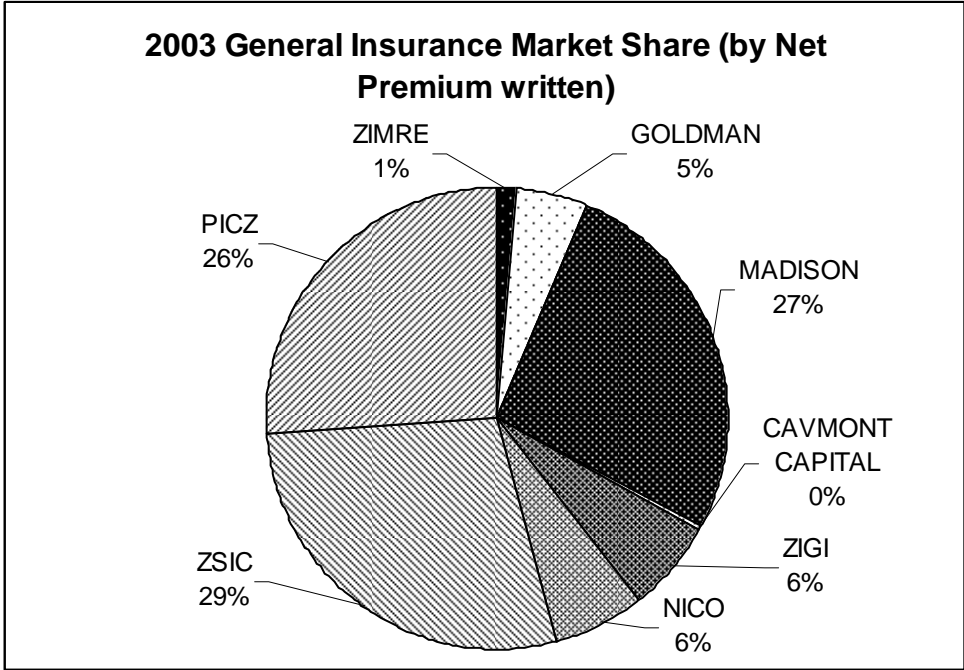
In terms of gross premiums written, General insurance business grew by 21% (in money terms) from K187.4 billion the previous year to K226.8 billion during the year 2003.

The average general insurance retention rose from 55% in the year 2001, 59% in 2002, to 64% in 2003.



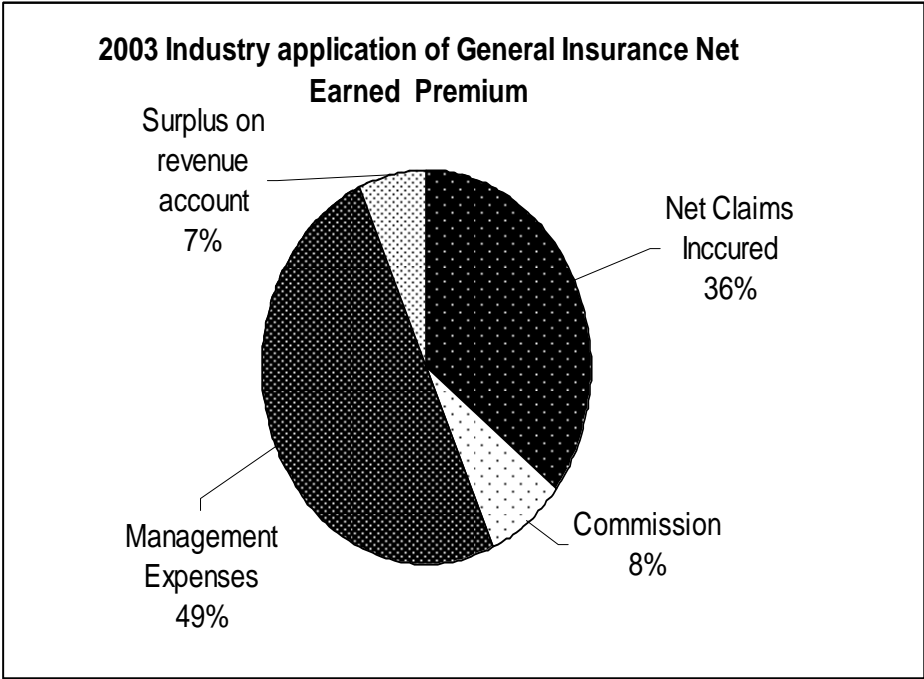
The two pie charts below show each insurer's market share on the basis of gross premiums written and net premiums written.

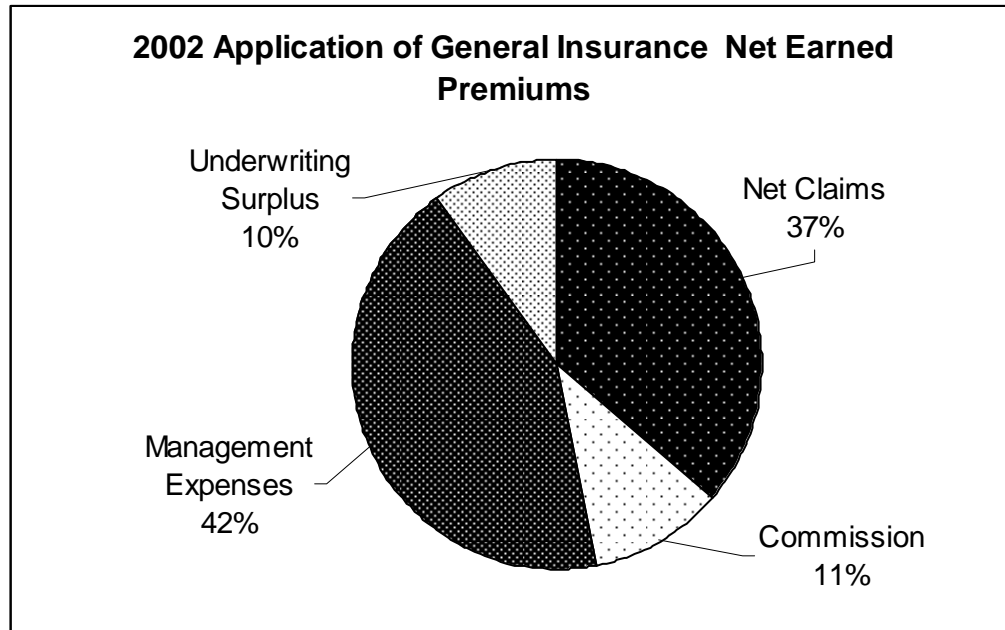




The total outward reinsurance premiums for the year amounted to K82.4 billion out of which only K3.2 was placed with Zimre (Z) limited.

3.1.3. EXPENSES





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

The proportion of net claims in net earned premium figure had marginally increased from 37% in 2002 to 36% in 2003 while the year-on-year increase was 29% over the same period.

Management expenses constituted 42% of the net earned premiums written in 2002 and 49% in 2003. The year-on-year increase was 55% over the same period.

3.2. ASSETS & LIABILITIES

The table below shows the combined General insurance balance sheet at the end of the year 2003 while separate statements are included under appendix IV

Combined General Insurance Balance Sheet -2003				
ZMK' 000				
	2003	%	2002	%
Fixed assets - Land& Buildings	29,299,362	15.6	16,685,707	10.7
Fixed assets - other	7,059,231	3.7	3,802,147	2.4
Investments - Land & Buildings	2,404,296	1.3	2,404,296	1.5
Investments - Variable Yield Securities	1,713,177	0.9	983,290	0.6
Investments - Fixed Yield Securities	9,204,086	4.9	7,282,218	4.7
Investments - Funds on Deposit	16,698,648	8.9	16,176,559	10.4
Debtors - Policyholders	82,721,732	43.9	75,026,663	48.1
Other Debtors	26,578,588	14.1	19,435,361	12.5
Other Assets	2,270,815	1.2	2,418,972	1.6
Cash & Bank-Balances	10,312,059	5.5	11,629,768	7.5
Total Assets	188,261,994	100.0	155,846,983	100.0
Share Capital	9,715,230	5.2	7,865,230	5.0
Share Premium	2,418,727	1.3	1,716,405	1.1
Revaluation Reserves	21,861,951	11.6	11,294,031	7.2
Other Reserves	187,000	0.1	0	0.0
Retained Profits	18,877,322	10.0	6,765,791	4.3
Shareholders' Loans	1,858,246	1.0	0	0.0
Unearned Premiums Provisions	60,424,243	32.1	48,504,388	31.1
Outstanding Claims	13,820,810	7.3	16,297,479	10.5
Provision for Taxation	4,748,437	2.5	2,529,236	1.6
Other Provisions	495,852	0.3	165,619	0.1
Other liabilities	51,523,092	27.4	44,396,860	28.5
Bank overdrafts	1,791,381	1.0	0	0.0
Loans to related companies	539,703	0.3	16,309,942	10.5
Total capital & liabilities	188,261,994	100.0	155,844,981	100.0

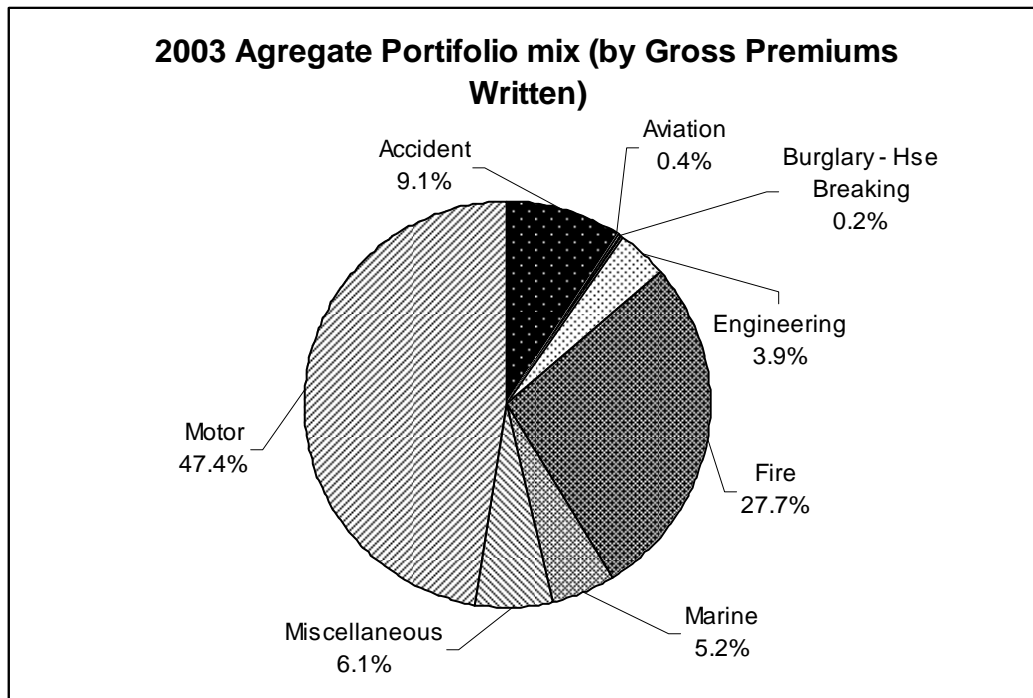
The total value of insurer's General Insurance business assets have grown from ZMK142 billion in the 2001 to ZMK155.8 billion in 2002 and ZMK188.2 billion in 2003.

3.3. MARKET PORTFOLIO MIX

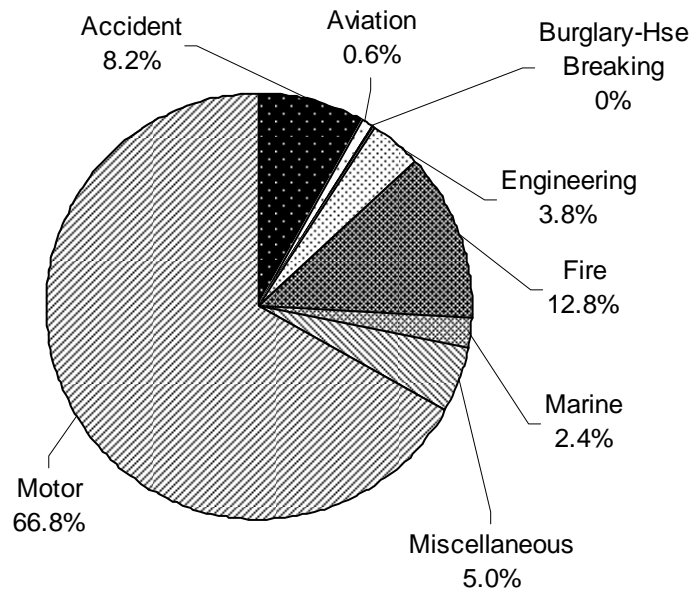
The table below shows a class-wise analysis of the General Insurance premiums written during the year 2003.

2003 Non-Life Market Composition by Class ZMK'000			
	Gross Premiums	Reinsurance	Net Premiums
Accident	20,651,884	8,162,176	12,489,708
Aviation	998,142	18,057	980,085
Burglary	517,441	3,331	514,110
Engineering	8,894,937	3,053,620	5,841,317
Fire	62,845,576	43,239,893	19,605,683
Marine	11,759,717	8,151,929	3,607,788
Miscellaneous	13,792,774	6,085,966	7,706,808
Motor	107,675,904	5,515,570	102,160,334
Total	227,136,375	74,230,542	152,905,833

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



2003 Agregate Portfolio Mix (by Net Premiums Written)



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 2003 (with 2002 and 2001 comparatives) while separate statements are included under appendix V

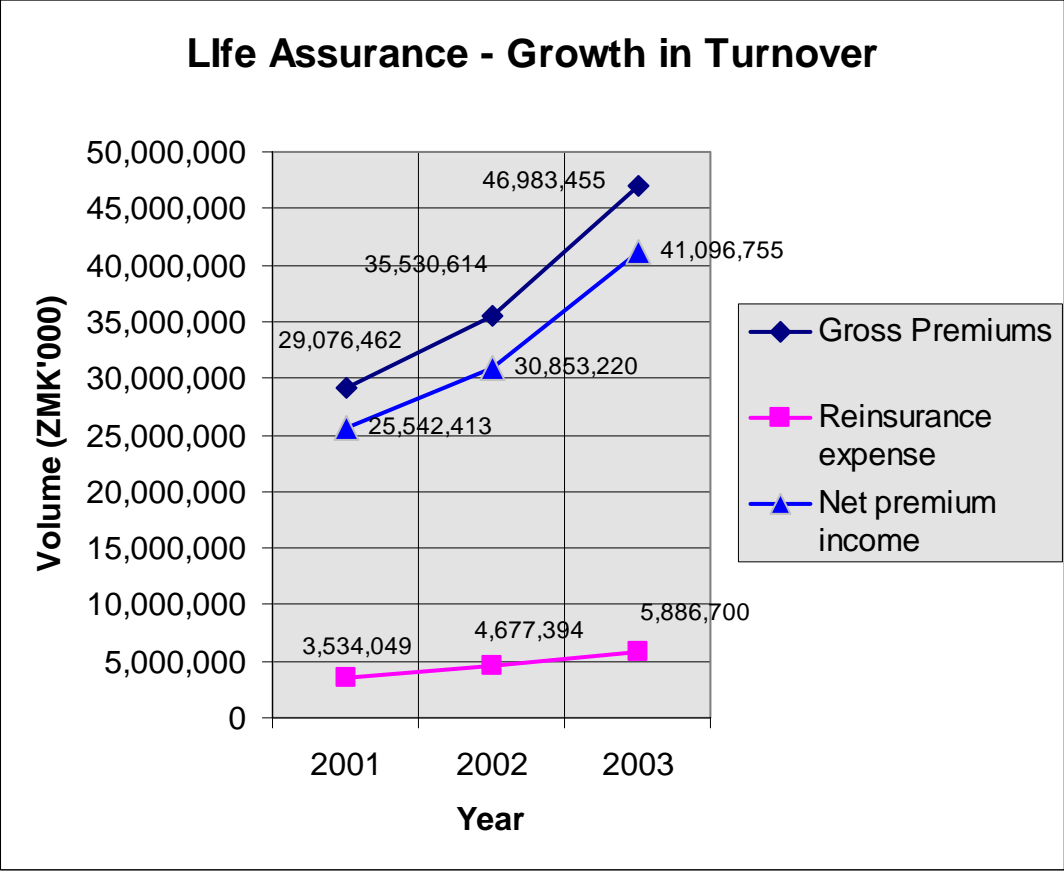
Life Assurance - Industry Revenue Account for the Year 2003			
	2003	2002	2001
ZMK'000			
Gross Premiums	46,983,455	35,530,614	29,076,462
Reinsurance expense	5,886,700	4,677,394	3,534,049
Net premium income	41,096,755	30,853,220	25,542,413
Movement on unearned premium reserve	-3,427,555	-1,796,838	2,933,693
Investment income	5,250,436	8,617,027	998,813
Pension fund Mgt fee	952,054	0	0
Other income	894,578	0	0
Claims paid – Gross	22,566,782	15,285,912	13,988,964
Claims paid -Reinsurance Share	1,923,750	0	0
Commission/Acquisition	2,359,571	1,632,512	2,619,039
Management expenses	26,714,874	15,076,505	15,201,703
Surplus to Corp Profit & loss	-4,951,209	5,678,480	-2,334,787

The combined figure for investment income, pension fund management fee and other income dropped (in monetary terms) by over 17.6% from K8.6 billion in 2002 to K7.1 billion in 2003.

It is also worth noting that while the net premiums amount had grown by 33.8% the corresponding total expenditure increased by 55.4% over the same period. Management expenses increased by 77% while commissions paid to intermediaries rose by 45%.

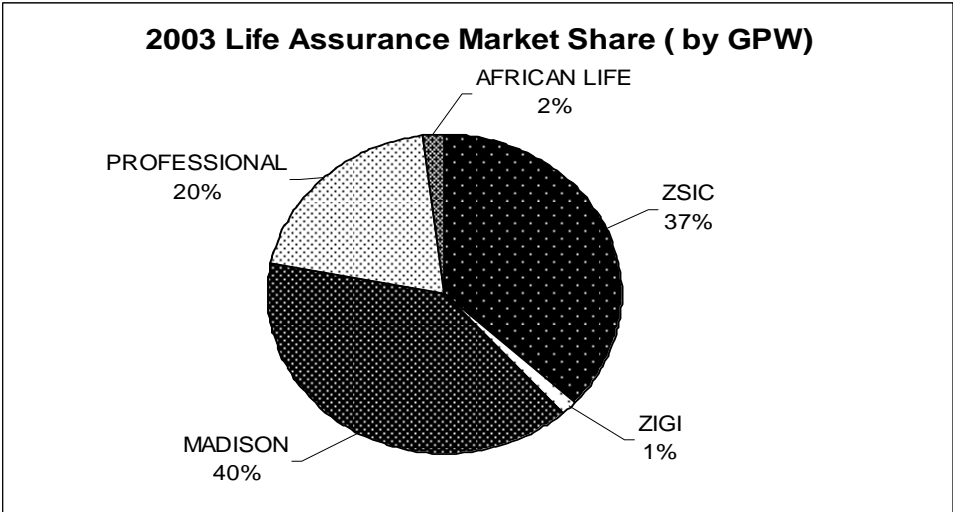
4.1.2. TURNOVER ANALYSIS

The chart below compares the amounts of gross premium written, reinsurance premium ceded and net premium written over the period from 2001 to 2003.

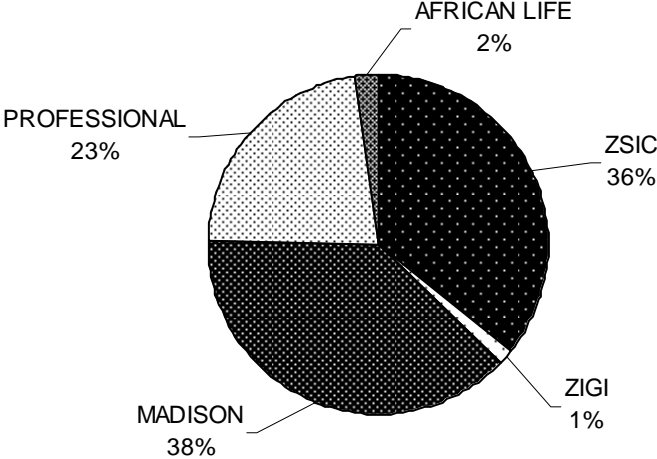


The retentions on life assurance business have continued to be high in excess of 85% of gross premiums written during each of the years from 2001 to 2003.

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



2003 Life Assurance Market Share (by NPW)



4.2. ASSETS AND LIABILITIES

The table below show the life assurance balance sheet for the whole industry while individual statements are included under appendix VI.

Life Assurance - Industry Balance Sheet				
ZMK'000				
	2003	%	2002	%
Leasehold-Land& Buildings	2,012,299	1.5	4,323,682	6.1
Fixed assets - other	1,663,822	1.3	1,128,567	1.6
Investment Properties	49,806,000	37.4	11,253,000	16.0
Investments - VariableYield Securities	5,787,000	4.4	3,713,000	5.3
Investments - Fixed Income Securities	13,636,304	10.3	9,356,255	13.3
Other Loans	281,000	0.2	0	0.0
Deposit	9,759,308	7.3	11,837,444	16.8
Insurance Debtors-Policyholders	4,949,247	3.7	3,653,882	5.2
Other Debtors	42,398,014	31.9	20,872,425	29.7
Cash Bank-Balances	2,729,011	2.1	4,095,945	5.8
Other assets	0	0.0	123,533	0.2
Total assets	133,022,005	100.0	70,357,733	100.0
Share Capital	6,264,770	4.7	5,939,770	8.4
Share Premium	1,075,000	0.8	1,075,000	1.5
Revaluation Reserves	56,292,000	42.3	0	0.0
Other Reserves	0	0.0	0	0.0
Retained Profits	13,418,993	10.1	2,646,937	3.8
Life Assurance Funds	15,277,886	11.5	31,851,752	45.3
Outstanding Claims	6,261,499	4.7	3,431,332	4.9
Provision for taxation	18,197	0.0	2,049,484	2.9
Other provisions	10,000	0.0	177,138	0.3
Creditors- trade	307,768	0.2	768,864	1.1
Loans-Credit Institutions	2,144,761	1.6	1,036,429	1.5
Loan-Related Companies	377,303	0.3	117,464	0.2
Other	31,573,828	23.7	21,263,563	30.2
Total Capital & Liabilities	133,022,005	100.0	70,357,733	100.0

APPENDIX I – THE ADMINISTRATION FUND

APPENDIX II - LICENCES ISSUED FOR YEAR 2003

1 REINSURANCE COMPANY

1. ZIMRE-ZAMBIA LIMITED

2 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
8. Cavmont Capital Insurance Corporation (Z) Limited

3 INSURANCE BROKERS

1. Anchor Insurance Brokers Limited
2. Norwich Insurance Brokers Limited
3. Guardian Insurance Brokers Limited
4. Kemson 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. Fidelity Insurance Brokers Limited
21. Kane Insurance Brokers Limited
22. Express Insurance Brokers Limited
23. Elite Insurance Brokers Limited
24. Southern Insurance Brokers Limited.
25. Budget Insurance Brokers Limited

26. Pace Insurance Brokers Limited
27. Magnet Insurance Brokers Limited
28. Beam Insurance Brokers Limited
29. Legend Insurance Brokers Limited
30. Swift Insurance Brokers Limited
31. Sunningdale Insurance Brokers Limited
32. Major Insurance Brokers Limited
33. Reliable Insurance Brokers Limited
34. Royal Pearls Insurance Brokers Limited

4 INSURANCE AGENTS

- | | |
|--|---------|
| 1. Kul Bhakoo Insurance Agency | GOLDMAN |
| 2. Dashy Insurance Agency | GOLDMAN |
| 3. Munar Insurance Agency | PICZ |
| 4. AFLIFE Insurance Agency | MADISON |
| 5. Mujala Insurance Agency | ZSIC |
| 6. Ideal Insurance Agency | ZSIC |
| 7. Mano Insurance Agency | ZSIC |
| 8. Jessons Insurance Agency | ZSIC |
| 9. Akay Insurance Agency | MADISON |
| 10. Tobacco Association of Zambia | MADISON |
| 11. Tehila Insurance Agency | ZIGI |
| 12. T A Luwisha Insurance Agency | NICO |
| 13. Quantum Insurance Agency | ZSIC |
| 14. Central African Trust Ins Agency | ZSIC |
| 15. Je-Star Insurance Agency | ZSIC |
| 16. Barclays Bank Insurance Agency | MADISON |
| 17. Madison Health Insurance Underwriting Agency | MADISON |
| 18. JK & L Insurance Agency | ZSIC |
| 19. Fast Track Insurance Agency | PICZ |
| 20. Pigom Insurance Agency | GOLDMAN |
| 21. CBR Insurance Agency | MADISON |
| 22. Luapula Insurance Agency | ZSIC |
| 23. Competence Insurance Agency | MADISON |
| 24. Christian Enterprise Trust of Zambia | NICO |
| 25. Adlink Insurance Agency | PICZ |
| 26. Lynx Insurance Agency | PICZ |
| 27. Blue Shield Insurance Agency | PICZ |
| 28. Pool Insurance Agency | MADISON |
| 29. New Hope Insurance Agency | ZSIC |
| 30. G P Marketing Agent | ZSIC |
| 31. Rennie Insurance Agency | ZSIC |
| 32. Arrows Insurance Agency | PICZ |
| 33. Standard Chartered Bank (Z) plc Ins Agency | MADISON |

34. Ideal Funeral Home	AFRICAN LIFE
35. Mega Insurance Agency	ZSIC
36. Middles Insurance Agency	PICZ
37. Tanga Insurance Agency	PICZ
38. Viola Insurance Agency	PICZ
39. N M K Insurance Agency	PICZ
40. Taless Insurance Agency	PICZ
41. Allegience Insurance Agency	PICZ

5 MOTOR ASSESSORS

1. Natkamu Assessing & Consulting
2. Chimul Motor Assessors & Consultants
4. Momil Independent Automotive
5. D Sinkala & Associates
6. George Mwanza Motor Assessors
7. Edgar Sakavuyi Motor Assessors
9. D J M Automobile Assessor
10. Claims Assistance Limited

6 LOSS ADJUSTERS

1. MTM and Associates Limited
2. Independent Loss Adjusters
3. Garside International Limited

7 CLAIMS AGENTS

1. Ikabako Claims Agent
2. Sentinel Claims Agent

APPENDIX III – 2003 GENERAL INSURANCE REVENUE ACCOUNTS

ZMK'000									
Insurer	ZIMRE	GOLDMAN	MADISON	CAVMONT CAPITAL	ZIGI	NICO	ZSIC	PICZ	INDUSTRY
Gross Premiums	3,230,053	17,318,399	55,188,567	782,888	11,585,899	20,586,364	50,413,000	67,764,419	226,869,589
Reinsurance	1,292,021	10,043,327	16,877,574	488,543	2,270,662	11,588,728	9,693,000	30,193,431	82,447,286
Net premium	1,938,032	7,275,072	38,310,993	294,345	9,315,237	8,997,636	40,720,000	37,570,988	144,422,303
Change on Unearned premium	-62,406	290,093	-4,727,746	-259,707	-851,260	-27,075	-2,077,000	-3,843,472	-11,558,573
Net earned premiums	1,875,626	7,565,165	33,583,247	34,638	8,463,977	8,970,561	38,643,000	33,727,516	132,863,730
									0
Net Claims Incurred	70,785	1,879,729	18,407,216	34,593	1,525,677	3,160,012	10,187,000	12,004,665	47,269,677
Commission/Acquisition	432,609	1,292,152	3,054,900	-97,507	1,041,452	314,293	3,229,000	860,739	10,127,638
Management Expenses	1,451,850	3,501,257	10,606,156	1,189,220	6,351,306	5,346,483	24,210,000	13,852,483	66,508,755
									0
Surplus on revenue account	-79,618	892,027	1,514,975	-1,091,668	-454,458	149,773	1,017,000	7,009,629	8,957,660

APPENDIX IV – GENERAL INSURANCE BALANCE SHEETS AS AT THE END OF THE YEAR 2003

ZMK'000									
	GOLDMAN	MADISON	CAVMONT	ZIMRE	ZIGI	NICO	ZSIC	PICZ	INDUSTRY
Fixed assets -Land& Buildings	6,000	2,017,808	19,525	519,415	342,903	1,200,000	20,380,000	4,813,711	29,299,362
Fixed assets - Motor Vehicles	44,150	805,224	74,081	124,556	194,807	279,874	667,000	748,133	2,937,825
Furniture& Equipment	112,713	885,247	69,020	69,870	74,478	383,309	1,500,000	1,026,769	4,121,406
Investments -Land& Buildings	0	0	0	0	0	0	896,000	1,508,296	2,404,296
Variable Yield Securities	932,790	52,000	728,387	0	0	0	0	0	1,713,177
Fixed Income Securities	0	2,679,183	562,000	544,897	0	2,786,183	109,000	2,522,823	9,204,086
Funds on deposit	4,084,645	11,676,116	335,887	0	0	0	602,000	0	16,698,648
Debtors-Policyholders	4,300,947	9,575,807	541,325	1,183,594	5,490,032	2,356,890	47,224,000	12,049,137	82,721,732
Other Debtors	473,058	2,995,013	115,270	134,115	1,100,928	1,344,118	13,604,000	6,812,086	26,578,588
Claims Recoveries	0	0	0	0	0	0	0	0	0
Cash/Bank-Balances	709,176	1,490,429	146,146	1,857,554	43,515	838,790	2,998,000	2,228,449	10,312,059
Other Assets	0	0	56,383	397,325	43,111	5,612	0	1,768,384	2,270,815
Total Assets	10,663,479	32,176,827	2,648,024	4,831,326	7,289,774	9,194,776	87,980,000	33,477,788	188,261,994
Share Capital	1,000,000	1,000,000	500,000	1,000,000	735,230	1,980,000	1,000,000	2,500,000	9,715,230
Share Premium	0	1,229,905	702,322	0	0	486,500	0	0	2,418,727
Revaluation Reserves	0	0	0	0	0	504,951	21,357,000	0	21,861,951
Other Reserves	0	0	0	0	0	0	187,000	0	187,000
Retained Profits	2,020,031	5,332,754	-758,974	45,767	67,637	625,446	3,494,000	8,050,661	18,877,322
Shareholders' Loans	0	0	1,400,000	458,246	0	0	0	0	1,858,246
Unearned Premiums Provisions	3,637,535	15,150,054	259,707	1,047,705	2,624,101	2,461,446	20,360,000	14,883,695	60,424,243
Outstanding Claims	2,322,500	6,480,221	4,004	576,951	1,097,823	1,350,656	776,000	1,212,655	13,820,810
Provisions for Pensions, etc	0	0	0	0	0	0	0	0	0
Provision for taxation	159,302	1,566,238	47,385	102,120	0	17,411	0	2,855,981	4,748,437
Other Provisions	0	0	0	0	0	457,852	38,000	0	495,852
Other liabilities	1,524,111	1,417,655	467,672	1,181,748	2,764,983	857,449	39,667,000	3,642,474	51,523,092
Creditors-Reinsurance	0	0	0	0	0	0	0	0	0
Bank overdrafts	0	0	25,908	0	0	332,151	1,101,000	332,322	1,791,381
Loans from related companies	0	0	0	418,789	0	120,914	0	0	539,703
Total capital & liabilities	10,663,479	32,176,827	2,648,024	4,831,326	7,289,774	9,194,776	87,980,000	33,477,788	188,261,994

APPENDIX V – LIFE ASSURANCE REVENUE ACCOUNTS FOR THE YEAR 2003

ZMK'000						
	ZSIC	ZIGI	MADISON	PICZ	AF- LIFE	INDUSTRY
Gross Premiums	17,351,000	674,427	18,651,944	9,393,469	912,615	46,983,455
Reinsurance expense	2,603,000	147,210	2,992,930	143,560	0	5,886,700
Net premium income	14,748,000	527,217	15,659,014	9,249,909	912,615	41,096,755
Movement on unearned premium reserve	0	29,959	-2,740,012	-690,987	-26,515	-3,427,555
Investment income	320,000	0	3,132,461	1,797,975	0	5,250,436
Pension fund Mgt fee	0	0	0	952,054	0	952,054
Other income	0	1,786	892,792	0	0	894,578
Claims Incurred	7,863,000	71,497	5,946,572	6,633,083	128,880	20,643,032
Commission/Acquisition	0	103,035	1,320,585	747,410	188,541	2,359,571
Management expenses	15,185,000	381,763	4,914,424	2,928,458	3,305,229	26,714,874
Surplus to Corp Profit & loss	-7,980,000	2,667	4,762,674	1,000,000	-2,736,550	-4,951,209

APPENDIX VI – LIFE ASSURANCE, BALANCE SHEETS AS AT THE END OF THE YEAR 2003

LIFE ASSURANCE, BALANCE SHEETS AT THE END OF THE YEAR 2003						
ZMK'000						
	ZSIC	ZIGI	MADISON	PICZ	AF-LIFE	INDUSTRY
Leasehold-Land & Buildings	1,480,000	168,000	347,073	0	17,226	2,012,299
Fixed assets - others	431,000	0	688,601	125,704	418,517	1,663,822
Investment Properties	49,806,000	0	0	0	0	49,806,000
Variable Yield Securities	5,287,000	0	500,000	0	0	5,787,000
Fixed Income Securities	66,000	0	9,381,522	4,188,782	0	13,636,304
Other Loans	281,000	0	0	0	0	281,000
Deposit	2,921,000	0	4,337,948	0	2,500,360	9,759,308
Debtors-Policyholders	0	475,601	1,618,614	2,719,811	135,221	4,949,247
Other Debtors	39,861,000	2,157	1,056,017	1,010,126	468,714	42,398,014
Cash Bank-Balances	1,297,000	462	665,388	459,088	307,073	2,729,011
Other assets	0	0	0	0	0	0
Total assets	101,430,000	646,220	18,595,163	8,503,511	3,847,111	133,022,005
						0
Share Capital	0	264,770	1,000,000	0	5,000,000	6,264,770
Share Premium	0	0	0	0	1,075,000	1,075,000
Revaluation Reserves	56,292,000	0	0	0	0	56,292,000
Other Reserves	0	0	0	0	0	0
Retained Profits	11,623,000	33,689	5,190,084	0	3,427,780	13,418,993
Life Assurance Funds	0	24,051	10,755,796	4,458,324	39,715	15,277,886
Outstanding Claims	2,578,000	39,517	1,507,989	1,740,753	395,240	6,261,499
Provision for Taxation	0	0	18,197	0	0	18,197
Other Provisions	10,000	0	0	0	0	10,000
Creditors-Trade	0	280,562	27,206	0	0	307,768
Loans-Credit Institutions	2,044,000	0	0	100,761	0	2,144,761
Loan-Related Companies	0	0	0	0	377,303	377,303
Other	28,883,000	3,631	95,891	2,203,673	387,633	31,573,828
Total Capital & Liabilities	101,430,000	646,220	18,595,163	8,503,511	3,847,111	133,022,005