



**OFFICE OF THE REGISTRAR
PENSIONS AND INSURANCE**

**REPORT ON THE INSURANCE
INDUSTRY**

For the year ended 31st December 2001.



THE INSURANCE INDUSTRY ANNUAL REPORT

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1. OVERVIEW OF INSURANCE INDUSTRY

1.1. COMPOSITION OF THE INDUSTRY

The insurance industry consists of various members whose roles are closely interrelated. The members of industry include the following players:

1.1.1. INSURERS

Insurers are the principal players around whom the insurance business processes revolve.

Insurers must apply to the Registrar for a licence to write insurance business. In order to be licensed to write either general or life insurance under the Act an insurer must meet the minimum capital requirement of ZMK1 billion. The minimum capital requirement for composite insurers is ZMK2 billion.

Foreign ownership of insurance companies is not restricted.

The placement of insurance of assets, liabilities and interests deemed to be within the country is restricted to insurers licensed under the Act only. However placement of insurance business abroad requires prior authorisation by the Registrar and only when such cover is not available locally.

Insurers are required to submit to the Registrar audited annual financial statements and statutory returns. The table below shows the distribution of life, general and composite insurers or reinsurers that have been in operation under the Act in the period up to 2001.

INSURERS	1999	2000	2001
General insurance only	3	3	2
Life assurance only	0	0	0
Composite	4	4	5
Reinsurer - General	1	1	1

TABLE 1.1

The following insurers were licensed to conduct business during the period under review:

1. Goldman Insurance Limited (*hereinafter referred to as Goldman*),
2. Madison Insurance Company Zambia Limited (*hereinafter referred to as Madison*),
3. Nico Insurance Zambia Limited (*hereinafter referred to as Nico*)
4. Professional Insurance Corporation Zambia Limited (*hereinafter referred to as PICZ*),
5. Union Insurance Corporation (Zambia) Limited, (*hereinafter referred to as Union*) – compulsorily liquidated on 14th May 2001,
6. Zambia Insurance Grouping Investors Company Limited (*hereinafter referred to as ZIGI*), and
7. Zambia State Insurance Corporation (*hereinafter referred to as ZSIC*). ZSIC is the only state owned insurer.

Insurers contact addresses are listed as *appendix V*.

Liquidation of Union Insurance Corporation Ltd

On 14th May 2001 Union Insurance Corporation Ltd was placed under compulsory liquidation following the liquidation of the sole shareholder Union Bank Ltd. The insurance ceased to issue new policies in March 2001 when a notice of prohibition became effective to prevent the company from receiving further premiums from the public.

The most significant claim standing against the company was submitted by Tata Farms Ltd and amounted to USD289,000. The Lusaka high Court appointed Mr. Hastings Mtine of KPMG to be a Joint - Liquidator with the Registrar of Pensions and Insurance.

<i>UNION</i> – January – May 2001	Gross Premiums Written	
	K'000	US \$
Insurance Class		
Fire	11,619	65
Motor	285,814	11,600
Accident	72,456	3,115
Engineering	308	0
Marine	831	1,366
Total	371,028	16,146
Reinsurance Ceded	(58,739)	(2,222)
Net Premiums	312,289	13,924
Claims – paid	16,480	0
Claims – outstanding	164,838	0
Gross Claims	(181,318)	0
Co-/Re-insurance recovery	16,237	21,088
Salvage returns	2,500	0
Underwriting result before management expenses	149,708	35,012

Value Added Tax (Exemption) (Amendment) Order 1996 (Statutory Instrument, No. 110 Of 2001)

Statutory Instrument no. 110 of 1996 exempted insurance from Value Added Tax. However, this exemption was not applied to commission on insurance broking. Ultimately insurance brokers were assessed value added tax which had not been collected from neither the insurer nor the insured as the industry perception and interpretation of the law had been that the exemption extended to commission on insurance brokerage. The matter was still under discussion between the insurance industry and the Zambia Revenue Authority.

1.1.2. REINSURERS

Registration and licensing requirements for reinsurers are similar to those of insurers. Reinsurers are required to meet a minimum capital of ZMK1billion, submit statutory returns and audited annual financial statements. There are no restrictions on foreign ownership.

The only locally registered reinsurer in the market is Zimre (Z) Limited and their contact details are included as appendix VI. The reinsurer has been licensed to write general re-insurance business in Zambia since 1999.

1.1.3. BROKERS

The registration and licensing rules do not restrict foreign ownership. The minimum capital requirement for brokers is ZMK50 million. Brokers are required to demonstrate that their principal officers possess satisfactory professional qualifications and experience prior to being licensed.

Brokers are required to furnish the Registrar with audited annual financial statements and statutory returns. Brokers are required, under the Act, to transmit insurance premiums to insurers within sixty days of due date of premiums.

There were 29 licensed insurance brokers in the year 2001 and these are listed as *appendix VII*.

1.1.4. INSURANCE AGENTS

The licensing rules allow corporate or sole traders to be licensed as insurance agents. There are no minimum capital requirements for insurance agents.

Insurance agents are required to demonstrate that their principal officers possess satisfactory professional qualifications and experience prior to being licensed.

There were 26 licensed insurance agents in the year 2001 and these are listed as *appendix VIII*. The majority are registered as sole traders.

1.1.5. ASSESSORS

The licensing rules allow corporate or sole traders to be licensed as assessors.

There are no minimum capital requirements for assessors. Motor assessors must

show that their principal officers possess suitable professional qualifications and experience prior to being licensed.

There were 7 licensed assessors during the year 2001 and these are listed as *appendix IX*.

1.1.6. LOSS ADJUSTORS

The licensing rules allow corporate or sole traders to be licensed as loss adjustors. There are no minimum capital requirements for loss adjustors. Loss adjustors are required to show that their principal officers possess suitable professional qualifications and experience prior to being licensed.

There were 4-licensed loss adjustors during the year 2001 and these are listed as *appendix X*.

1.1.7. CLAIMS AGENTS

Suitably qualified individuals or companies whose principal officers are suitably qualified may upon application be licensed to conduct business as claims agents.

There was 1 licensed claims agent during the year 2001 and is listed as *appendix XI*.

1.2. REGULATION

The legislation governing the supervision and regulation of the insurance industry in Zambia is the Insurance Act – hereinafter referred to as the Act. It was enacted by the Parliament of Zambia in 1997 and came into operation in 1998.

The Act bestows powers and functions on the Registrar of Pensions and Insurance (hereinafter referred to as the Registrar) which include:

- The registration and licensing of members in the industry

- The formulation and enforcement of standards in insurance business conduct
- The direction of insurers and reinsurers on the standardisation of contracts for compulsory insurance
- To make recommendations to the Minister on any matter affecting the insurance industry
- Protect the rights, benefits and other interests of policy holders and any beneficiaries of policies of insurance
- To advise the Government on adequate insurance protection of national assets and properties, and
- To perform such other functions as the Minister may assign.
- In the performance of the above functions the Registrar shall lend due regard to the need to monitor the solvency of insurers.

1.3. SUPERVISION

The Registrar supervises insurers, reinsurers, brokers, assessors, loss adjusters and claims agents whilst the *insurance agents* are supervised indirectly through their principals - the insurance companies.

Insurers, reinsurers and brokers are required to regularly submit statutory returns and audited financial statements to the Registrar. In carrying out the function of supervision the office of the Registrar:

- Analyses the information filed by the players in the industry
- Conducts on-site inspection visits
- May, as empowered by the Act, request any information deemed relevant, and
- Issue directives and guidelines for business conduct.

International Co-operation

The Office of the Registrar of Pensions and Insurance is a member of the Southern African Development Community (SADC) Committee of Insurance Securities and Non-Banking Supervisory Authorities (CISNA). On 11th October 2001 the office signed a

multilateral memorandum of understanding on the exchange of information with the other
CISNA members at a meeting held in Dar-es-salaam, Tanzania.

2. INSURANCE INDUSTRY PERFORMANCE

The information analysed in this chapter constitutes summaries statutory submissions made by the various players of the industry.

2.1. GENERAL INSURANCE BUSINESS

2.1.1. SUMMARY FINANCIAL RESULTS

The following table shows a summary of the general insurance business results for the year 2001 along side those of 1999 and 2000. The comprehensive revenue account is included as appendix I.

	1999	2000	2001
	K'000	K'000	K'000
Income:			
Gross Premiums	73,637,063	96,485,277	151,190,089
Reinsurance - ceded	22,943,433	34,379,264	68,089,461
Net Premiums	50,693,630	62,106,013	83,100,628
Expenditure:			
Net Claims	28,015,776	27,167,382	28,192,164
Management expenses	16,898,053	24,604,337	30,437,810
Commissions	3,111,055	4,868,100	5,641,941
TOTAL EXPENDITURE	48024884	56,639,819	64,271,915
Surplus/(deficit):			
UNDERWRITING PROFIT	2,668,746	5,466,194	18,828,713
INVESTMENT INCOME	2,695,291	3,457,813	3,039,629
OPERATING PROFIT	(3,992,470)	5,262,244	12,098,481

TABLE 2.1

I. INCOME

Premiums written

Table 2.1 above and bar chart1 below show the gross premiums written, reinsurance ceded and net premiums for the period from 1999 to 2001.

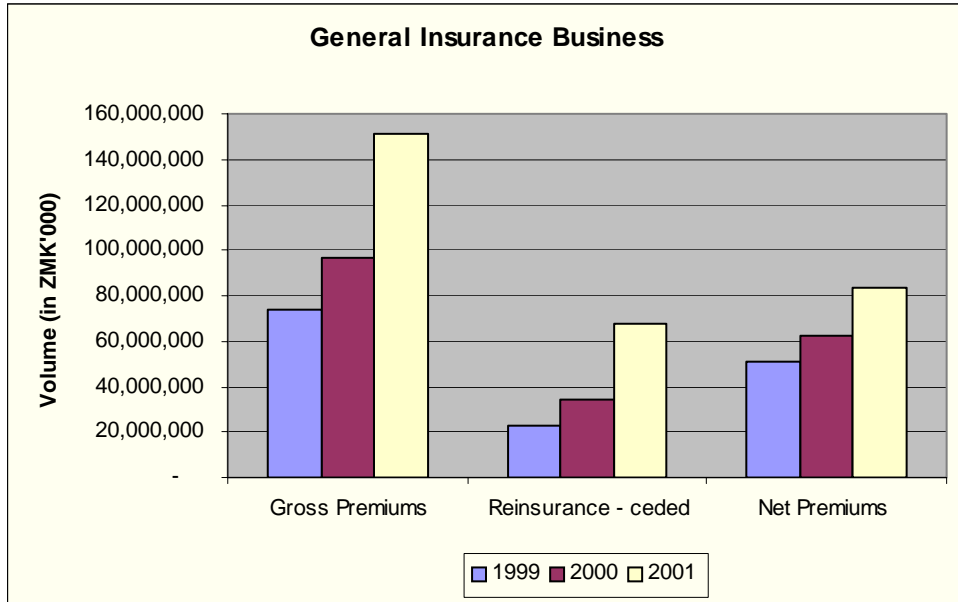


CHART 1

Reinsurance ceded

The chart 2 below shows how reinsurance ceded and net premiums have varied, proportionally, as components of the gross premiums written for the years 1998, 1999, 2000 and 2001:

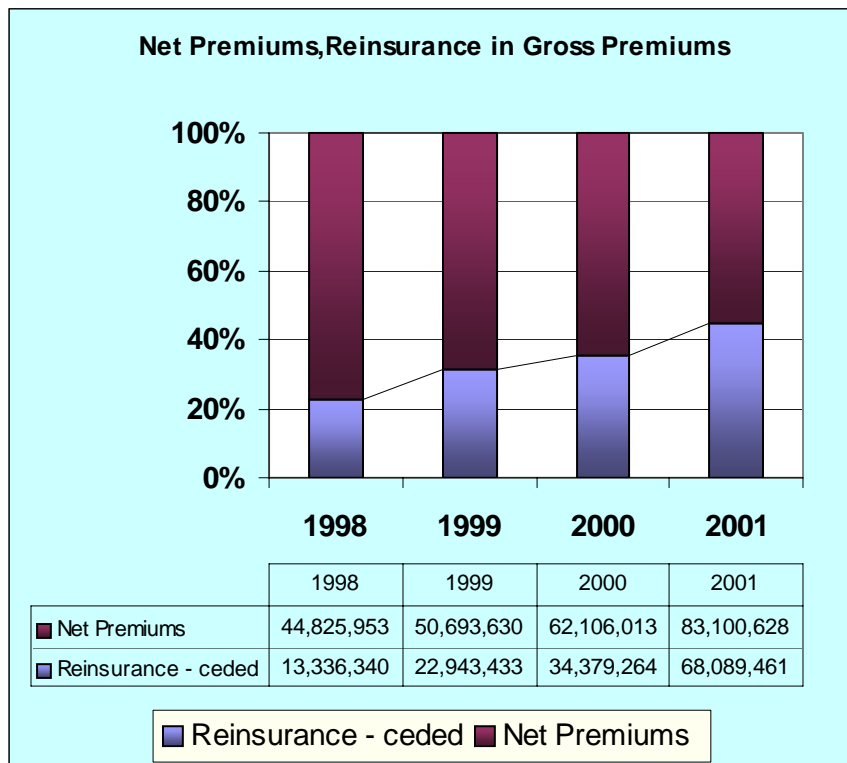


CHART 2

Chart 2 above shows that the ratio of reinsurance to net premiums written has been increasing steadily over the period 1998 to 2001.

Analysis of Insurance Class Totals

Table 2.2 below shows the gross premiums written (GPW), reinsurance ceded and net premiums written (NPW) by class for the year 2001. The table also includes the comparative GPW figures for the years 1999 and 2000.

	1999	2000	2001		
	GPW	GPW	GPW	Reinsurance	NPW
	K'000	K'000	K'000	K'000	K'000
Motor	39,179,844	52,512,045	69,067,131	8,874,521	60,192,610
Engineering	3,684,497	2,631,410	3,880,704	2,155,444	1,725,260
Fire	11,279,628	22,859,474	51,403,071	42,355,477	9,047,594
Accident	7,613,153	8,918,474	9,318,747	6,069,145	3,249,602
Burglary	5,796,921	463,270	349,658	151,505	198,153
Marine	4,453,736	3,015,533	6,951,446	4,383,060	2,568,386
Aviation	152,186	55,000	214,164	933,061	-718,897
Miscellaneous	1,477,452	6,029,074	10,005,234	3,765,413	6,239,821
Total	73,637,417	96,484,280	151,190,155	68,687,626	82,502,529

TABLE 2.2

The pie chart below shows how the net premiums written are broken down into the component insurance classes.

Motor insurance is the dominant class of general insurance business written.

Third party motor vehicle insurance cover is mandatory in Zambia.

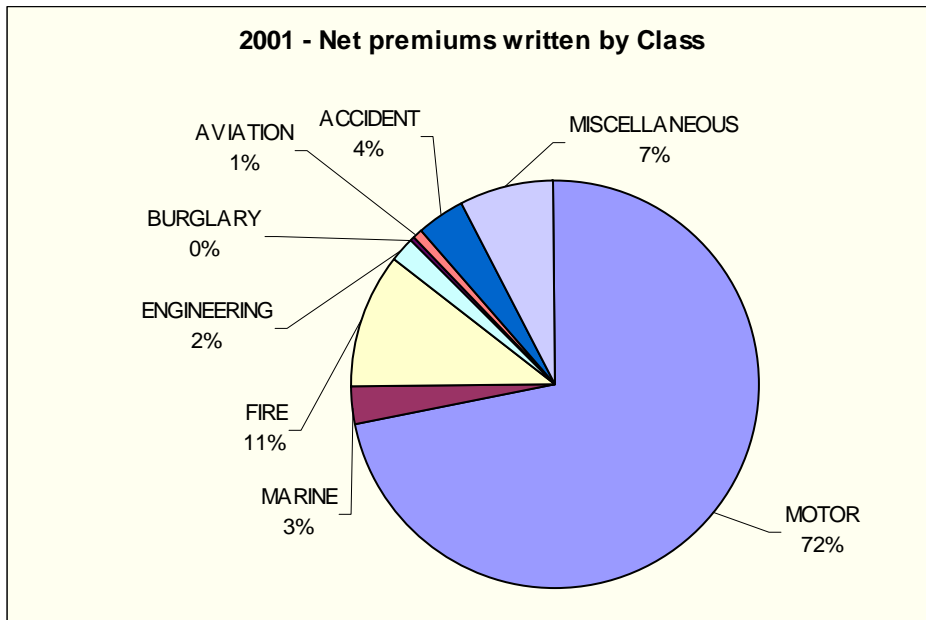


CHART 3

II EXPENDITURE

Table 2.3 below shows that the industry ratios for claims to net premiums were 55% in 1999, 44% in 2000 and 34% in the 2001.

While the industry ratios for management expenses to net premiums written were 34% in 1999, 40% in 2000 and 37% in the 2001.

The industry ratios of commissions to net premiums were 6% in 1999, 8% in 2000 and 7% in 2001.

<i>INDUSTRY RATIOS</i>	1999	2000	2001
	%	%	%
Retention	69	64	55
Net Claims: Net premiums	55	44	34
Commission: Net premiums	6	8	7
Mgt expenses: Net Premiums	33	40	37
Underwriting Profit: Net premiums	5	9	23
Operating Profit: Net Premiums	-8	8	15

TABLE 2.3

III ASSETS AND LIABILITIES

Table 2.4 below shows the combined general insurance industry balance sheet.

	1999	2000	2001
Assets	K'000	K'000	K'000
Fixed assets	15,312,063	18,078,056	19,830,495
Investments	6,465,603	5,382,612	3,555,586
Current assets	69,905,525	84,236,387	118,616,472
Other Assets	833,760	0	0
TOTAL ASSETS	92,516,951	107,697,055	142,002,553
Liabilities			
Current liabilities	42,941,573	52,882,379	88,912,292
Underwriting liabilities	42,410,587	43,114,482	37,306,444
Other liabilities	857,251	1,385,407	0
Equity	6,307,540	10,314,787	15,783,817
TOTAL LIABILITIES & EQUITY	92,516,951	107,697,055	142,002,553

TABLE 2.4

Asset/ investment distribution

Table 2.5 below shows the total investment spread across the general insurance industry in the 2001 and compares to the years 1999 and 2000. The comprehensive investment distribution is included as appendix II.

ASSET SPREAD	2000		2001	
	K'000	%	K'000	%
Cash	10,759,573	10	9,607,964	6.8
Deposits with Banks	6,218,589	6	11,374,637	8.0
Bills, Bonds & Securities	4,965,053	5	1,949,305	1.4
Due from Life	0	0	527,187	0.4
Trade Debtors	51,990,178	48	74,926,783	52.8
Other debtors & prepayments	11,130,102	10	19,248,313	13.6
Shares in companies	50,500	0	983,290	0.7
Taxation recoverable	292,395	0	50,717	0.0
Investment Properties	2,868,296	3	2,463,296	1.7
Land & Buildings	15,923,576	15	16,100,514	11.3
Other Fixed Assets	2,154,480	2	3,729,981	2.6
Deferred acquisition costs	1,344,313	1	1,040,566	0.7
TOTAL	107,697,055	100	142,002,553	100

TABLE 2.5

2.1.2. MARKET COMPOSITION

Table 2.6 below highlights the general insurance market composition by gross business written (GPW) for 2001 and includes the comparative figures for the years 1999 and 2000.

MARKET COMPOSITION	1999-GPW	2000-GPW	2001-GPW	2001-NPW
	K'000	K'000	K'000	K'000
Goldman	8,768,690	10,300,586	27,921,611	8,667,457
Madison	16,141,833	26,334,842	32,077,855	22,394,437
NICO	9,821,043	15,593,925	28,428,508	5,993,329
PICZ	14,060,902	17,667,839	23,957,633	13,990,260
ZIGI	892,595	2,366,085	4,938,482	3,371,145
ZSIC	23,952,000	24,222,000	33,866,000	28,684,000
	<u>73,637,063</u>	<u>96,485,277</u>	<u>151,190,089</u>	<u>83,100,628</u>

TABLE 2.6

Chart 4 below highlights the general insurance market composition for the year 2001 on the basis of gross premiums written.

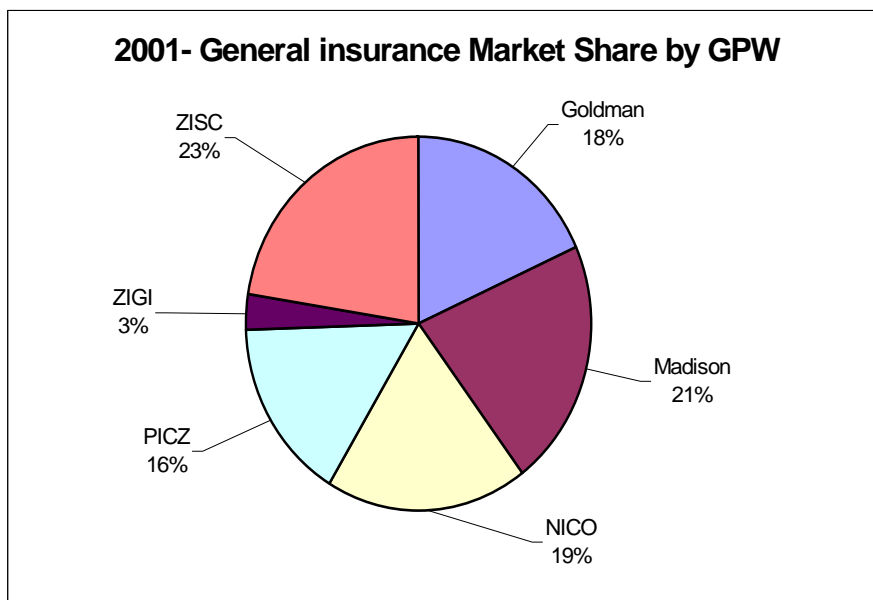


CHART 4

Chart 5 below highlights the general insurance market composition for the year 2001 on the basis of net premiums written.

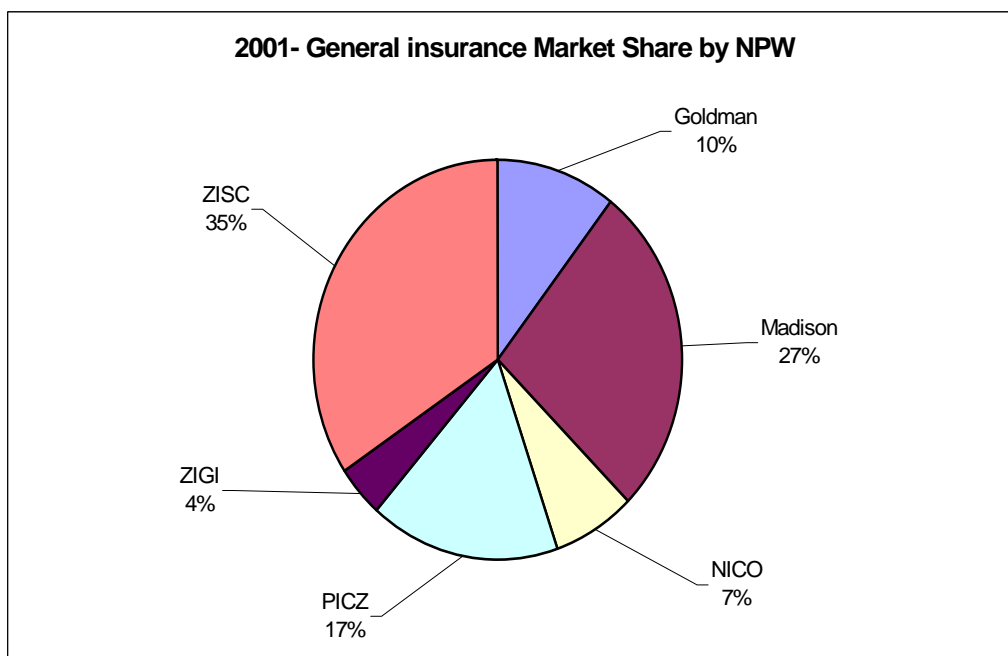
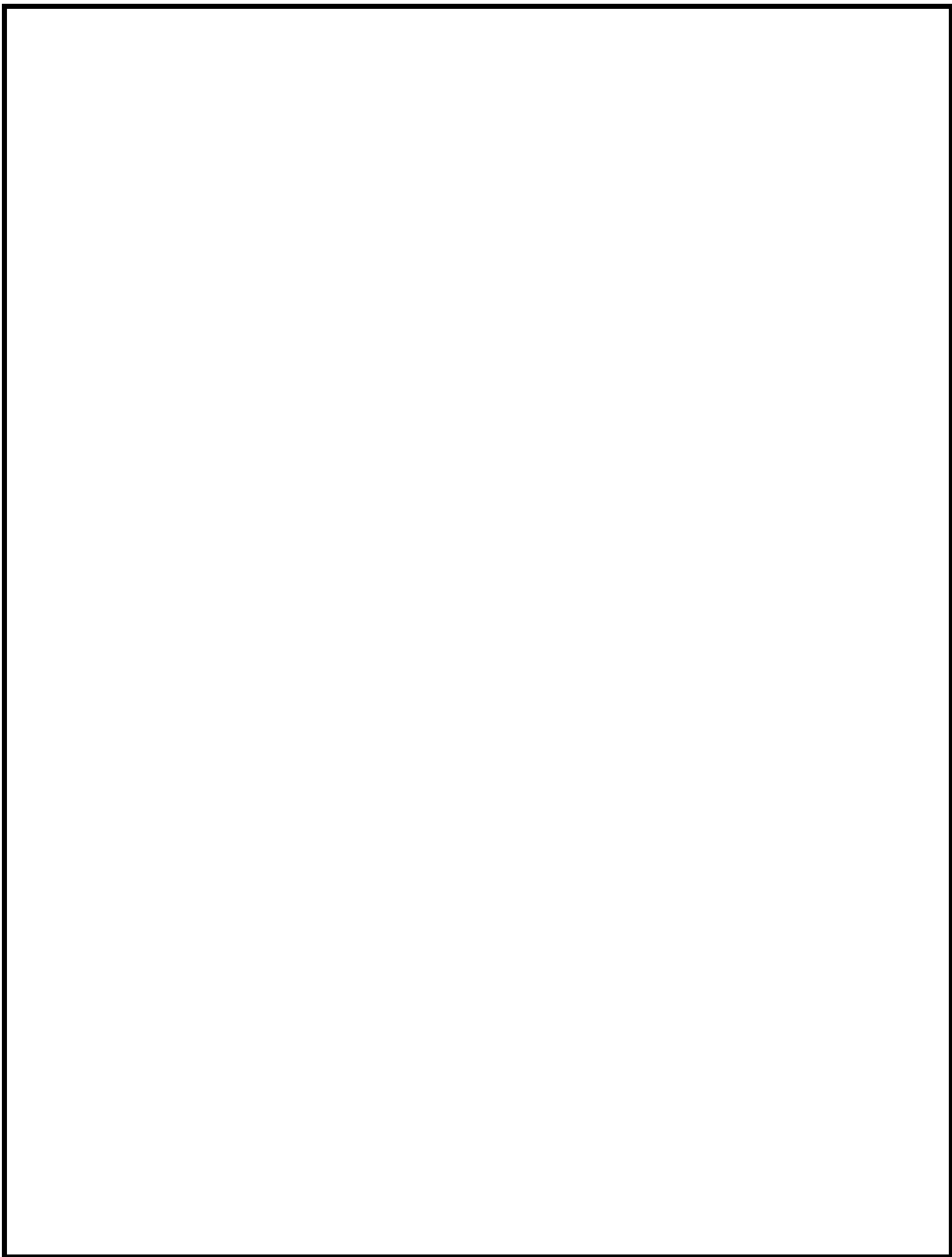


CHART 5



2.2. LIFE INSURANCE BUSINESS

2.2.1. SUMMARY FINANCIAL RESULTS

Table 3.1 below compares the life insurance business results of the year 2001 to those of 2000. The comprehensive revenue account is included as appendix III.

Income:	2000	2001
	K'000	K'000
Gross Premiums	26,431,024	29,076,462
Reinsurance - ceded	4,420,612	3,534,049
Net Premiums	22,010,412	25,542,413
Expenditure:		
Claims incurred - net	9,665,865	13,988,964
Management expenses	11,539,252	15,201,703
Commissions	377,732	2,619,039
TOTAL EXPENDITURE	21,582,849	31,809,706
Surplus/(Deficit):		
UNDERWRITING PROFIT	(1,326,548)	(6,267,293)
INVESTMENT INCOME	998,813	2,742,689

TABLE 3.1

I Income

The bar chart below shows the growth in gross premiums and net premiums and a decline in reinsurance ceded for the years 2000 and 2001.

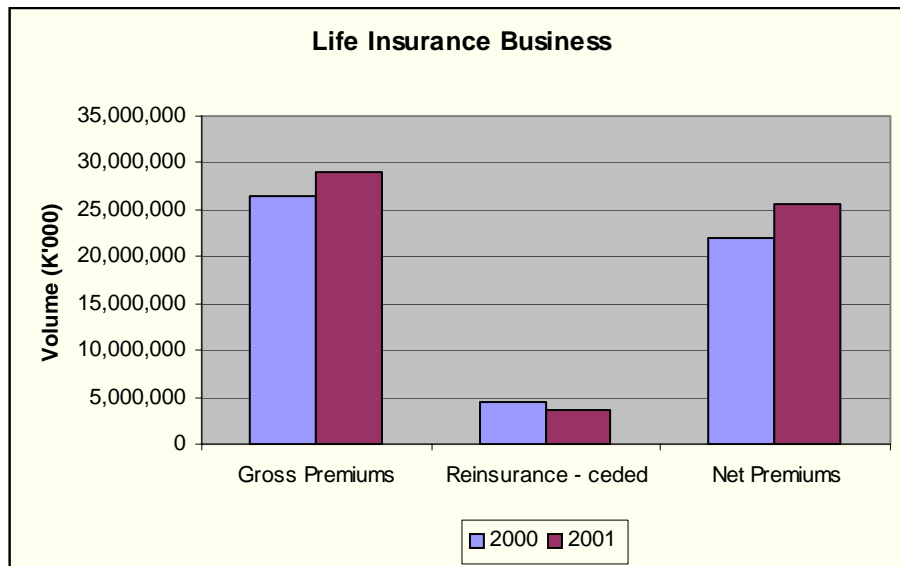


CHART 6

II Expenditure

Underwriting ratios:	2000	2001
	%	%
Retention	83	88
Net Claims / Net premiums	37	48
Commission / Net premiums	1	9
Management exp. / Net premium	44	52
Underwriting profit / Net premiums	-5	-22

TABLE 3.2

The average ratio of net claims to net premiums was 48% in the year 2001. The average ratio of commissions to net premiums was 9% in the year 2001. While the average ratio of management expenses to net premiums was 52% in the year 2001.

III Assets and liabilities

Table 3.3 is a consolidation of balance sheet items across the life insurance industry.

ASSETS	2001
Fixed assets	5,284,547
Investments	17,740,777
Current assets	37,093,341
Total Assets	60,118,665
LIABILITIES	
Current liabilities	22,576,011
Insurance Funds & Underwriting liabilities	34,644,590
Other liabilities	18,554
Equity	2,880,510
Total Liabilities	60,119,665

TABLE 3.3

ASSETS/ INVESTMENTS SPREAD

Table 3.4 depicts the spread of investment in assets. The comprehensive investment distribution is included as appendix IV.

ASSET SPREAD	2001	
	K'000	%
Cash	2,544,488	4.2
Deposits with Banks	5,719,089	9.5
Bill, Bonds & Securities	4,420,344	7.4
Trade Debtors	11,728,812	19.5
Other debtors & prepayments	1,908,359	3.2
Shares	3,985,000	6.6
Investment Properties	12,266,000	20.4
Land & Buildings	4,212,842	7.0
Other Fixed Assets	1,071,705	1.8
Provision for doubtful investments	-442,000	-0.7
Capital Work in progress	330,000	0.5
Loans on policies	355,000	0.6
Mortgages on Properties	42,000	0.1
Due from General Insurance	11,941,573	19.9
TOTAL	60,083,212	100

TABLE 3.4

2.2.2. MARKET COMPOSITION

The following table and pie chart highlight the life market composition in terms of gross business written in the year 2001:

MARKET COMPOSITION	2000	2001
Madison	9,550,460	10,556,095
PICZ	3,179,027	4,400,704
ZSIC	13,501,000	13,768,000
Zigi	200,537	351,663
Total	26,433,024	29,078,463

TABLE 3.5

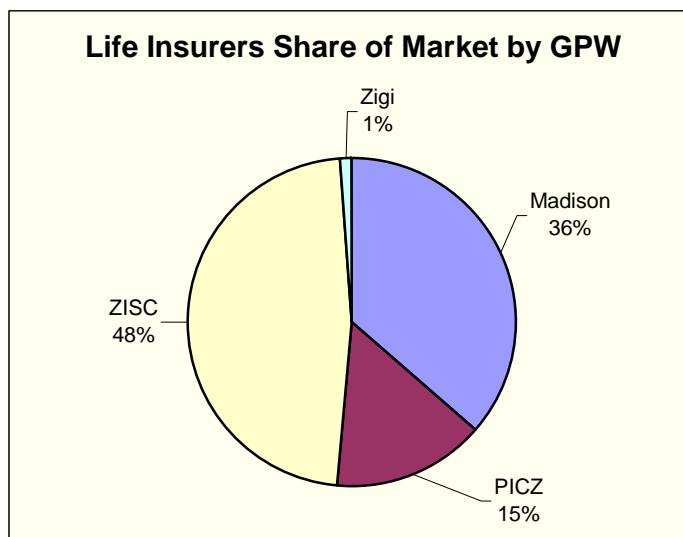


CHART 7

2.3. REINSURANCE

Table 3.6 below shows the value of total general and life reinsurance ceded in the market.

Reinsurance Ceded	1999	2000	2001
	K'000	K'000	K'000
<i>Industry – general</i>	22,943,433	34,379,264	68,089,461
<i>Industry - life</i>	4,844,691	4,420,612	3,534,049
TOTAL	27,788,124	38,799,876	71,623,510

TABLE 3.6

Table 3.7 below shows the portion of the total general reinsurance that was ceded locally. The table relates to the only licensed reinsurer in the market– Zimre (Z) limited.

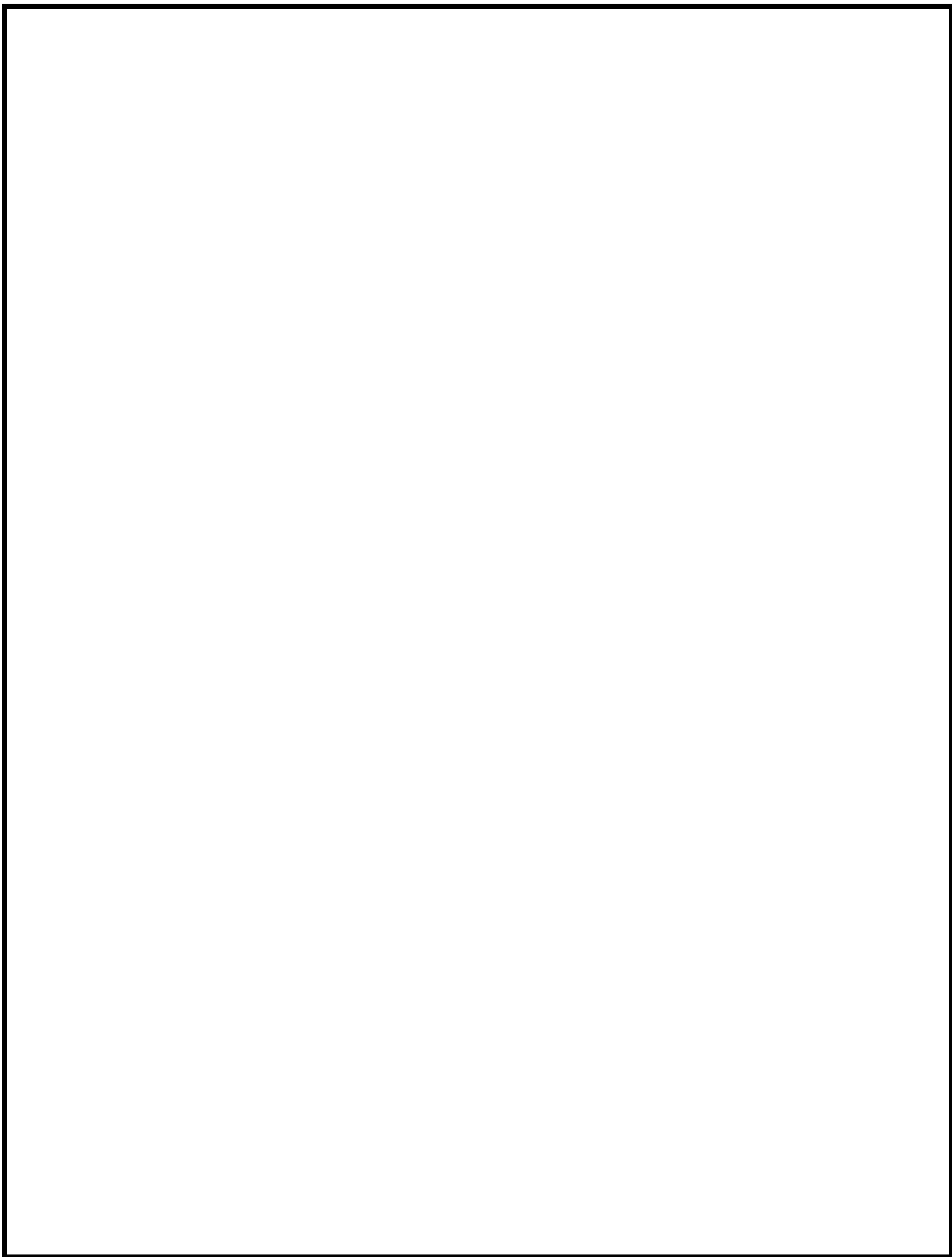
REINSURER - ZIMRE	1999	2000	2001
	K'000	K'000	K'000
Gross premiums	1,146,403	2,112,429	1,265,921
Net premiums	1,085,344	1,331,683	751,822
Investment income	4,233	3,723	13,057
TOTAL INCOME	1,089,577	1,335,406	764,879

Claims paid	258,520	1,089,595	64,509
Management expenses	318,270	198,155	477,156
Commission	299,810	292,059	188,805
TOTAL EXPENDITURE	876,600	1,579,809	730,470

UNDERWRITING PROFITS	(116,859)	(322,027)	(180,373)
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Balance sheet (extract)	1999	2000	2001
TOTAL ASSETS	1,486,722	1,965,234	2,532,119
TOTAL LIABILITIES	652,851	1,403,276	1,520,120

TABLE 3.7



APPENDIX I: Summary Revenue Accounts for the year 2001 – General Insurance

	MADISON	GOLDMAN	PICZ	ZIGI	NICO	ZSIC	TOTAL
REVENUE ACCOUNTS:	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Gross Premiums Written	32,077,855	27,921,611	23,957,633	4,938,482	28,428,508	33,866,000	151,190,089
Gross Reinsurance ceded	9,683,418	19,254,154	9,967,373	1,567,337	22,435,179	5,182,000	68,089,461
Net Premiums Written	22,394,437	8,667,457	13,990,260	3,371,145	5,993,329	28,684,000	83,100,628
Unearned Premiums	1,876,923	1,134,195	660,704	508,342	(165,146)	3,910,000	7,925,018
NET EARNED PREMIUMS	20,517,514	7,533,262	13,329,556	2,862,803	6,158,475	24,774,000	75,175,610
Net Claims Incurred	9,682,375	2,290,340	6,310,860	465,409	3,069,180	6,374,000	28,192,164
Net Commissions	2,413,760	1,480,588	181,406	358,367	-457,180	1,665,000	5,641,941
Management Expenses	5,737,709	3,466,785	6,095,293	1,728,226	3,638,797	9,771,000	30,437,810
Total Expenses	17,833,844	7,237,713	12,587,559	2,552,002	6,250,797	17,810,000	64,271,915
UNDERWRITING PROFIT/(LOSS)	2,683,670	295,549	741,997	310,801	(92,322)	6,964,000	10,903,695

APPENDIX II: Summary Assets & Liabilities Spread for the year 2001– General Insurance

ASSETS:	MADISON	GOLDMAN	PICZ	ZIGI	NICO	ZSIC	TOTAL
	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Cash	760,807	1,474,328	1,582,273	36,360	2,555,196	3,199,000	9,607,964
Deposits with Banks	6,163,079	3,167,558	0	0	0	2,044,000	11,374,637
Trade Debtors	6,977,357	19,114,253	7,170,831	2,136,875	3,221,467	36,306,000	74,926,783
Due from other insurance companies & agents	3,933,004	0	0	63,472	0	0	3,996,476
Due from Life	0	0	527,187	0	0	0	527,187
Taxation recoverable	0	0	0	50,717	0	0	50,717
Sundry debtors & prepayments	1,874,708	303,601	1,643,728	958,159	509,641	9,962,000	15,251,837
Shares in other companies	50,500	932,790	0	0	0	0	983,290
Bills, Bonds & Securities	1,035,996	0	0	0	804,309	109,000	1,949,305
Investment properties	0	0	1,508,296	0	0	955,000	2,463,296
Land & Buildings	1,105,202	6,000	3,230,000	424,012	769,300	10,566,000	16,100,514
Fixed Assets excluding land & buildings	1,045,977	101,652	1,059,781	271,325	425,246	826,000	3,729,981
Deferred acquisition costs	0	0	1,040,566	0	0	0	1,040,566
3. TOTAL ASSETS	22,946,630	25,100,182	17,762,662	3,940,920	8,285,159	63,967,000	142,002,553
LIABILITIES:							
Due to other insurers, reinsurers & insurance agents	0	14,830,278	338,327	956,930	2,633,312	9,362,000	28,120,847
Bank overdraft	-	0	0	118,519	0	392,000	510,519
Taxation payable	844,914	357,401	0	0	0	0	1,202,315
Deferred Taxation	(128,724)	0	902,294	0	118,898	0	892,468
Due to Life	0	0	0	273,573	0	11,657,000	11,930,573
Due to Pension fund	139,459	0	0	0	0	0	139,459
Other Creditors & Accruals	2,254,292	1,394,331	775,571	86,520	636,936	19,635,000	24,782,650
Outstanding claims - net	5,705,256	2,162,062	2,784,736	486,931	1,222,445	9,102,000	21,463,430
Other long term liabilities (specify)	-	0	0	0	0	192,000	192,000
Related party balances	-	0	0	0	527,204	0	527,204
Dividends payable	-	235,294	0	0	0	0	235,294
Insurance fund	9,149,455	4,333,731	7,078,485	1,210,732	1,940,041	13,594,000	37,306,444
TOTAL LIABILITIES	17,964,652	23,313,097	11,879,413	3,133,205	7,078,836	63,934,000	127,303,203
Shareholders' Funds	4,981,978	1,787,085	5,883,249	807,715	1,206,323	33,000	14,699,350

APPENDIX III: Summary Revenue Accounts for the year 2001 – Life Insurance

	PICZ	MADISON	ZIGI	ZSIC	TOTAL
INCOME:	K'000	K'000	K'000	K'000	K'000
Gross premiums written	4,400,704	10,556,095	351,663	13,768,000	29,076,462
Less: Outward reinsurance premiums	155,640	2,049,773	250,636	1,078,000	3,534,049
Net premiums	4,245,064	8,506,322	101,027	12,690,000	25,542,413
Investment Income	765,509	1,977,180	0	0	2,742,689
Other Income	420,165	106,268	10,000	2,865,000	3,401,433
Total Income	5,430,738	10,589,770	111,027	15,555,000	31,686,535

OUTGO:

Net claims incurred	2,808,844	3,542,109	32,011	7,606,000	13,988,964
Commissions	351,517	577,523	13,999	1,676,000	2,619,039
Management Expenses	569,749	2,245,342	30,612	12,356,000	15,201,703
Total Outgo	3,730,110	6,364,974	76,622	21,638,000	31,809,706
Excess of income over outgo	1,700,628	4,224,796	34,405	(6,083,000)	(123,171)
Insurance Fund at beginning of year	1,553,313	3,752,776	0	25,839,000	31,145,089
Insurance Fund at end of year	2,253,941	5,760,209	21,246	20,176,000	28,211,396
Net movement in insurance fund	700,628	2,007,433	21,246	(5,663,000)	(2,933,693)

APPENDIX IV: Summary Assets & Liabilities Spread for the year 2001– Life Insurance

	PICZ	MADISON	ZIGI	ZSIC	TOTAL
ASSETS:	K'000	K'000	K'000	K'000	K'000
Cash	2,715	667,314	158,459	1,716,000	2,544,488
Deposits with Banks	0	4,757,450	36,639	925,000	5,719,089
Bills, Bonds & Securities	1,846,777	2,556,567	0	17,000	4,420,344
Trade Debtors	1,393,945	1,054,945	305,922	8,974,000	11,728,812
Due from insurance companies & agents	0	0	21,453	0	21,453
Due from general insurance	0	0	273,573	11,668,000	11,941,573
Sundry debtors & prepayments	141,275	1,759,372	7,712		1,908,359
Shares in other companies	0	500,000	0	3,485,000	3,985,000
Loans on Policies	0	0	0	355,000	355,000
Mortgages on properties	0	0	0	42,000	42,000
Investment properties	0	0	0	12,266,000	12,266,000
Capital work in progress (investment properties)	0	0	0	330,000	330,000
Land & Buildings	0	33,842	0	4,179,000	4,212,842
Fixed Assets excluding land & buildings	5,651	475,054	0	591,000	1,071,705
Provision for doubtful Investments	0		0	(442,000)	(442,000)
Other investment assets	0		0	15,000	15,000
TOTAL ASSETS	3,390,363	11,804,544	803,758	44,121,000	60,119,665
LIABILITIES:					
Due to other insurers & insurance agents	0	375,959	259,902	345,000	980,861
Bank overdraft	214,074	0	0	686,000	900,074
Taxation payable	0	1,495,233	0	0	1,495,233
Deferred Taxation	0	18,554	0	0	18,554
Due to the Pension Fund	0	(203,064)	208,736	0	5,672
Pension annuity fund		111,300	0	0	111,300
Due to Non-life Division	527,187	0	0	0	527,187
Other Creditors & Accruals	17,563	373,421	0	18,276,000	18,666,984
Outstanding claims - net	377,598	1,420,502	25,744	4,638,000	6,461,844
Deferred liabilities/acquisition costs	0	(139,950)	0	0	(139,950)
Life Assurance Fund	2,253,941	5,760,209	21,246	20,176,000	28,211,396
TOTAL LIABILITIES	3,390,363	9,212,164	515,628	44,121,000	57,239,155
Net Assets/ Shareholders' funds	0	2,592,380	288,130	0	2,880,510

APPENDIX V: Contact Addresses of Insurance Companies

Name	Contact address
1. Madison Insurance Company (Z) Ltd	P.O. Box 37013, Lusaka. Madison House, Plot 255 Kaleya Road, Lusaka. Tel: +260-1-295311-19 E-mail: madison@zamnet.zm
2. Professional Insurance Corporation (Z) Ltd	P.O. Box 34264, Lusaka. Professional House, Heroes place, Cairo Road, Lusaka. Tel: +260-1-227509, +260-1-222233-4 E-mail: princoz@zamnet.zm
3. ZIGI Insurance Company (Z) Ltd	P.O. Box 37782, Lusaka. Mukuba Pension House, Dedan Kimathi Road, Lusaka. Tel: +260-1-226835 +260-1-231757 E-mail: zigi@zamnet.zm
4. Zambia State Insurance Corporation Ltd	P.O. Box 30894, Lusaka. Premium House, Independence Avenue, Lusaka. Tel: +260-1-229343-57 E-mail: zsicisk@zamnet.zm
5. Goldman Insurance Ltd	Private Bag W395, Lusaka. 2 nd Floor National Savings & Credit Bank Building, Cairo Road, Lusaka. Tel: +260-1-220316 +260-1-235234/5 E-mail: goldman@zamnet.zm
6. Nico Insurance (Z) Ltd	P.O. Box 32825, Lusaka. Plot # 1131 Parirenytwa Road, Fairview, Lusaka. Tel: +260-1-222862 +260-1-226547 E-mail: nicozam@zamnet.zm.

APPENDIX VI: Contact Address of Reinsurance Company

Name	Contact address
ZIMRE (Z) Limited	P. O. Box 50150 Plot 106 Great East Road Lusaka. Tel: +260-1-232820.

APPENDIX VII: List of Insurance Brokers licensed to conduct business in 2001.

Access Insurance Brokers Limited
Alexander Forbes Wright Insurance Brokers Limited
Anchor Insurance Brokers Limited
Aon Minet Insurance Brokers Limited
Express Insurance Brokers Limited
Fidelity Insurance Brokers Limited
Grand Insurance Brokers Limited
Guardian Insurance Brokers Limited
Holborn Insurance Brokers Limited
J.M. Moore Insurance Brokers Limited
Kane Insurance Brokers Limited
Kafue Insurance Brokers Limited
KBS Insurance Brokers Limited
Leadway Insurance Brokers Limited
Magnet Insurance Brokers Limited
Norwich Insurance Brokers Limited
Pace Insurance Brokers Limited
PM Insurance Brokers Limited
Realm Insurance Brokers Limited
Rock Insurance Brokers Limited
Savanna Insurance Brokers Limited
Southern Insurance Brokers Limited
Stadel Insurance Brokers Limited
Summit Insurance Brokers Limited
Sunspot Insurance Brokers Limited
Swan Insurance Brokers Limited
Tana Insurance Brokers Limited
Wits Insurance Brokers Limited
Zambia National Insurance Brokers Limited

APPENDIX VIII: List of Insurance Agents licensed to conduct business in 2001.

Aflife Insurance Agency
Akay Insurance Agency
Blue Shield Insurance Agency
Central African Trust Insurance Agency
Customised Insurance Agency
Dashy Insurance Agency
Eastern Insurance Agency
Ideal Insurance Agency
J & K Insurance Agency
Jessons Insurance Agency
Je-Star Insurance Agency
Kul Bhakoo Insurance Agency
Liesin Insurance Agency
Luapula Insurance Agency
Mano Insurance Agency
Mujala Insurance Agency
Munar Insurance Agency
N-Line Insurance Agency
Pigom Insurance Agency
Quantum Merit Insurance Agency
Rennie Insurance Agency
S.D.K. Insurance Agency
Safeway Insurance Agency
T.A Luwisha Insurance Agency
Tehila Insurance Agency
Tobacco Association of Zambia Insurance Agency

APPENDIX IX: List of Assessors licensed to conduct business in 2001.

Natkamu Assessing & Consulting
Momil Independent Automotive
George Mwanza Assessors Ltd
D Sinkala & Associates
JR & Associates Ltd
Northern Loss Assessors
Chimul Motor Assessors & Consultants

APPENDIX X: List of Loss Adjusters licensed to conduct business in 2001.

MTM and Associates Ltd
Independent Loss Adjustors
Garside International Ltd
Claims Assistance Ltd

APPENDIX XI: List of Claims Agents licensed to conduct business in 2001.

Botlorm Claims Agent

APPENDIX XII: ECONOMIC STATISTICS

<i>Currency Exchange Rates – ZMK per US\$:</i>	1999	2000	2001
Average Exchange Rate	2,388.00	3,111.60	3,610.76

Inflation:

	1999	2000	2001
4. Annual inflation rate	20.6	30.1	18.7

Gross Domestic Product:

	1999	2000	2001
	K' Billion	K' Billion	K' Billion
Gross Domestic Product (GDP)	7,480.00	10,073.80	13,139.70
Real GDP Growth Rate	2.2	3.6	3.0

Source: Central Statistical Office(CSO)

<i>Gross Premiums Written to GDP:</i>	1999	2000	2001
GPW to GDP overall	1.48%	1.22%	1.37%
GPW to GDP: Non-Life	0.98%	0.96%	1.15%
GPW to GDP: Life	0.50%	0.26%	0.22%

APPENDIX XIII: Glossary of Insurance Terms

Assessor – A person who, where a claim is made against an insurer for loss or damage, assesses the extent of the loss or damage.

Claim – Request for payment made to an insurer in respect of loss or damage covered by an insurance policy.

Claims (as an expense) – The direct costs incurred by an insurance company in the settlement of an insurance claim.

Claims agent – Person who negotiates an insurance claim with an insurer on behalf of the claimant (the policyholder).

Commission (expense) – Money paid to an agent or other intermediary, usually calculated as a percentage of the sum involved in the transaction.

Insurance agent – Person who sells insurance on behalf of an insurance company.

Insurance broker – Person who arranges and sells insurance, is registered with the Insurance Brokers Association of Zambia (IBAZ) and is regulated by the Pensions and Insurance Authority.

Insurance premiums – Sum paid to an insurance company by a client for cover as defined in an insurance policy.

Insurer – An insurance company that agrees to indemnify someone against particular risks, usually defined in an insurance policy and for an insurance premium.

Life insurance (*normally referred to as life assurance*) – Insurance policy for which the policyholder pays a premium and when the person whose life is assured dies, payment is made to the beneficiary.

Loss adjuster – Person who, where a claim is made against the insurer, makes assessments of liability and arranges payment for the claim to the policyholder on behalf of an insurer.

Minimum capital – Usually implies paid up share capital in the form approved by the Pensions and Insurance Authority.

Principal officer – Chief executive of an insurance company, reinsurance company or insurance broking company.

Reinsurance – The transfer of insurance (or part of the risk covered) from one insurer to another for a premium.

Reinsurer – An insurer carrying on reinsurance business.

Underwriting profits/losses – Difference between insurance premiums earned and the total of claims plus expenses in the given year.