Newsletter
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Zimre Holdings expands focus

Stan Kudenga group chief executive

Zimre Holdings Limited (ZHL) says it has expand focus from being insurance – centric to wealth creation through investment banking pursuits in strategic national developments.

The model will result in in the restructuring and remodelling of its business portfolios in line with its new culture which places "emphasis on sustained value creation through cash generation, customer focus, and change management."

"We are now moving to realign and reallocate group financial resources to efficient utilization across the Group. We regained ultimate control of two key SBUs with limited dilutive impact on shareholders of 15,69 percent showing signs of improving investor confidence in ZHL," Stan Kudenga, the group's chief executive said at a briefing of the company's 2020 financials.

Kudenga admitted the group had made mistakes along the way, and is now working to correct those mistakes.

"We lost control of our wallets somewhere along the way, we also tried to become a conglomerate and to go into other areas that were far away from the value chain of our insurance business; that is why you find we are still in agro, we are still in CFI, and that teaches you a lesson when you venture into an area that you really have no control of.

"We know insurance and we can tactfully play the insurance sector. The same way we almost lost control of Fidelity, and there was a bit of a haggle as to where we were going to place Fidelity, but we won the war in terms of our negotiations with NSSA because it's an asset area we understand."

He added: "But as we speak now, we are facing difficulties in terms of closing our case with CFI because by-and-large it's an area that is really not in our fold.

"So as a conglomerate we have not really been successful, and as we move to redefine ourselves we will stick to what we know."

The group has already acquired 100 percent shareholding of Zimre Property Investments Limited (ZPI), which culminated in the de-listing of the company from the Zimbabwe Stock Exchange (ZSE) as well as the acquisition of majority interest in Fidelity life Assurance of Zimbabwe Limited.

In terms of other restructuring, ZHL disposed of 85 percent in RBI and 62,23 percent in Colonnade Re, 8 001 shares in IDBZ, 316 shares in Uganda Re and 1,8 million shares in ZBFH.

Other strategic disposals are expected to finance new growth initiatives, and these include: the disposal of the group's 1,47 percent shareholding in Continental Re to strengthen the capital base in MozRe; disposal of 30,03 percent stake in NDI to NSSA for $7 million to propel acquisition and strengthen

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Credsure; to fund ZPI share acquisitions on ZSE and building the external claims fund for Reinsurance.

ZHL also disposed of Zimre Centre for US$10 million to build Sawanga Mall in Victoria Falls, which is now worth US$24 million.

For FY2020, in inflation-adjusted terms ZHL's total income at $2,8 billion grew by 11 percent over the $2,5 billion achieved in the same period in 2019.

But on a historical cost basis, total income increased by 584 percent from $0,6 billion in 2019 to $4,4 billion in 2020, attributable to "the strong top-line growth in premium income in Mozambique and Botswana as the units consolidated their respective market positions, the growth in rental income with the coming on stream of property space with high rental yield and the upward reviews of rentals as well as property revaluation gains following the change of functional currency."

On other hand, the group's wealth management unit, Zimre Capital secured funding to the tune of US$3 million for a bankable feasibility study for the proposed rehabilitation of the Beitbridge-Bulawayo and Bulawayo – Victoria Falls highways.

This comes as the Zimre Holdings subsidiary has partnered Khato Holdings on the project.

Khato Holdings are also acting as the project's financial advisors.

"The feasibility study is going to tell us whether we are going to do dualisation or we are just going to widen. The feasibility study will give us an indication of how much we will need to raise," he said.

ZHL according to Kudenga has made progress in unlocking funds that were tied up after the group was placed under the US Treasury Department's Office of Foreign Assets Control (OFAC) sanctions list.

With the group coming off the OFAC list in 2017, it has so far unlocked US$0,7 million that will go towards recapitalisation of the group as it continues with its restructuring process.

"Exiting the jaws of sanctions paved way for the release of blocked funds amounting to US$0,7 million with efforts to recover the outstanding US$1,1 million still underway."

WaiCa Re Zimbabwe in massive growth in 2020

Wiberforce Machimbidzofa

Staff Writer

WAICA RE Zimbabwe registered a robust growth of 138 percent in the year 2020, which resulted in an 8 percent contribution to the group's Gross Written Premium of $102.6 million.

West Africa reinsurance Giant –WAICA Reinsurance corporation Plc acquired a local reinsurance company Colonnade Re through a US$5,5 million investment and in 2018 rebranded the local unit to Waica Re Zimbabwe.

Besides Zimbabwe, Waica Reinsurance Corp Plc also operates in Ghana, Nigeria, Ivory Coast, Tunisia and Kenya.

In its 2020 financials, the group noted that Middle East market led GWP growth momentum with 157%, followed by Tunisia, which now serves the whole of Northern Africa, with 153%.

"Zimbabwe had a robust growth of 138% followed by Kenya with 103%, Asia with 99%, The Gambia 90%,

The Rest of Africa 41%, Sierra Leone 36%, Francophone West Africa 28%, Nigeria 20% and Ghana 17%.," it said. Only Liberia had a negative growth of 3%.

In terms of GPW for the year, the group's dominant market Nigeria contributed 31% of total GWP whilst Ghana brought in 16%.

"Altogether, Anglophone West Africa, which is our home market, continues to be our backbone by contributing 49% of our total GWP, with Francophone West Africa contributing 10%, Tunisia 11%, whilst the rest of Africa, Middle East and Asia brought in 7%, 5% and 4% respectively. Our subsidiaries in

Zimbabwe and Kenya contributed 8% and 7% respectively," the group noted.

Waica Re Plc said improved Underwriting Result was underpinned by increase in business volumes and increased claims reserve, net claims incurred increased by 63% to $30.5 million in 2020 from $18.7 million in 2019.

The group noted that facultative claims contributed 59% of total claims paid whilst treaty claims was 41%.

"Consequently, the net incurred loss ratio increased to 39% in 2020 compared to 31% in 2019."

The groups Gross Written Premium, up by 46% to $102,6m (2019: $70.3m), Net Earned Premium; up by 35% to $78.7m (2019: $58.1m), Commission expense; up by 33% to $23.5m (2019: $17.6m)

NSSA avails loans for pensioners

HARARE, State-run pension fund, the National Social Security Authority (NSSA), has concluded a US$2m deal with two banks that will see its pensioner's access loans for income generating projects at concessionary rates.

This comes after the realisation that many pensioners sink into abject poverty shortly after leaving employment and the revolving facility is likely to transform lives of many former workers.

In addition, the compulsory pension fund has also secured a deal with a major retail chain that will also offer NSSA pensioners a 10 percent discount for groceries.

NSSA deputy director – marketing and communication, Tendai Mutseyekwa, said both deals were expected to be implemented this month as soon as modalities have been concluded.

"We have realised that monthly pay-outs can never be sufficient, not just in Zimbabwe, but elsewhere in the world, so we have had to be creative in coming up with ways of alleviating the plight of our pensioners. Among the interventions is the establishment of a US$2m revolving facility that will be disbursed through POSB and NBS," said Mutseyekwa.

"The two banks cover 70 percent of our pensioners. We intend to extend the facility to banks that cover the remaining 30 percent of our pensioners.

"The loans are short term, 18 months, and will attract an interest rate of 10 percent per year. The disbursement will be done through banks who will conduct their own vetting to ensure that only NSSA pensioners access the facility.

"We have also concluded a loyalty scheme with SPAR that will see NSSA pensioners enjoying a 10 percent discount when they shop at these outlets. This will be implemented as soon as production of NSSA/SPAR cards has been concluded, but we expect it to be within the month," he said.

Negotiations with another retail chain are at an advanced stage and pensioners will be advised accordingly.

Mutseyekwa said, in addition to the revolving facility with banks, NSSA was also pushing for a waiver of bank charges for its pensioners with POSB and NBS and this was expected to be concluded in June.

Dear: Valued ZAPF Member,

The Zimbabwe Association of Pension Funds (ZAPF) in partnership with Insurance24 will on the 16th of July 2021 publish the 6th ZAPF Quarterly Pension Magazine.

The magazine will offer latest news on pensions, investments, law and regulation, informed comment and analysis and special features.

It will be distributed by ZAPF via its mailing list to ZAPF members and non-members and all insurance boards and investment centres; it will also be available on ZAPF, Insurance24 websites for our local, regional and international readers and readers to access the news.

We believe that the magazine provides advertisers with an opportunity to communicate with all stakeholders as well as potential ones.

The magazine page size: 297mm x 210mm. The maximum printed area available for advertising: 270mm x 184mm (27cm x 5 columns being full page) and 200mm x 184mm (20cmx5 columns being half page). The advertising charges are as stated below;

ADVERT SIZES

Discounted Charge	
27×5 A4 – full page	ZW$29,750
20×5 half page	ZW$18,550

Members and complimentary service providers of ZAPF, take this opportunity to showcase the uniqueness of your products/ services as well announcing your pension notices to the insured public.

To advertise in the magazine can contact Insu24 on Mobile: 0717 115 113 or 0712 769 382 email: info@insurance24.co.zw or ZAPF Secretariat on email: zapf@zapf.co.zw.

DEADLINE

Articles contribution deadline is
09 July 2021

Our advertising booking deadline is
09 July 2021.

POPIA provides springboard to insurance growth

HARARE, With the Protection of Personal Information Act (POPIA) that came into effect on the 1st of July this year, time for companies to ensure compliance has run out. POPIA has a significant impact on data-rich organisations such as insurers, it also presents them with opportunities to innovate, modernise, and digitalise in ways they might not have considered before.

Fundamentally, POPIA provides guidelines for organisations around the collection, processing, storing, and sharing of any personal information collected by them and holds them accountable for any loss or abuse of information they have. Robust systems need to be in place that can scale as data warehouses grow while safeguarding the integrity of stored information. POPIA has created a springboard for insurers to clean up outdated legacy systems and has enabled the move towards a single, consolidated view of their policyholders, premium payers, and beneficiaries. Insurers can better position themselves in the delivery of customised and richer end user experiences reducing churn while driving business growth.

Insurers will also have to be more transparent in terms of the purpose of why personal information is collected and how it is used, what is stored, and where and who has access to this information in particular identity numbers and bank details. Customer consent becomes imperative in this environment especially when it comes to protecting the right to privacy in terms of gaining access to insights that can help shape individualised service offerings.

Embracing disruption

In addition to cleaning up both historical and current data, insurers can use the cloud to safely store information aligned to their own data governance and data protection policies and procedures. The high-performance computing capabilities available through the cloud in terms of processing big data enables the use of disruptive technologies such as artificial intelligence, intelligent process automation, machine learning, and the like.

Adopting these agile technology solutions and combining them with human experience, the insurer and its consultants will become more adept at delivering customised offerings better suited to the immediate needs of their customers.

Overcoming obstacles

Ensuring compliance, factored with the need to grow can be challenging, POPIA brings with it an opportunity for organisations to implement better technology solutions, rework existing information processing practices, upskill staff, and review internal policies to ensure they are compliant and align to what and how data is collected, processed, stored, communicated, and destroyed.

No insurer wants to fall foul of POPIA best practice. Now is the time to gain a better understanding of the advantages of implementing cloud-based solutions to unlock the full value and benefits of being compliant and simultaneously growing your business.

The rapid push towards digitalisation over the past 12 months has certainly helped in this regard as there is an increased awareness on the benefits of adopting a modernised approach to data and its analytics. All told, POPIA is a business imperative to kickstart data transformation and is most certainly a pillar in terms of how organisations reinvent and innovate regardless of industry sector in terms of the protection of personal information and the use thereof. SilverBridge