

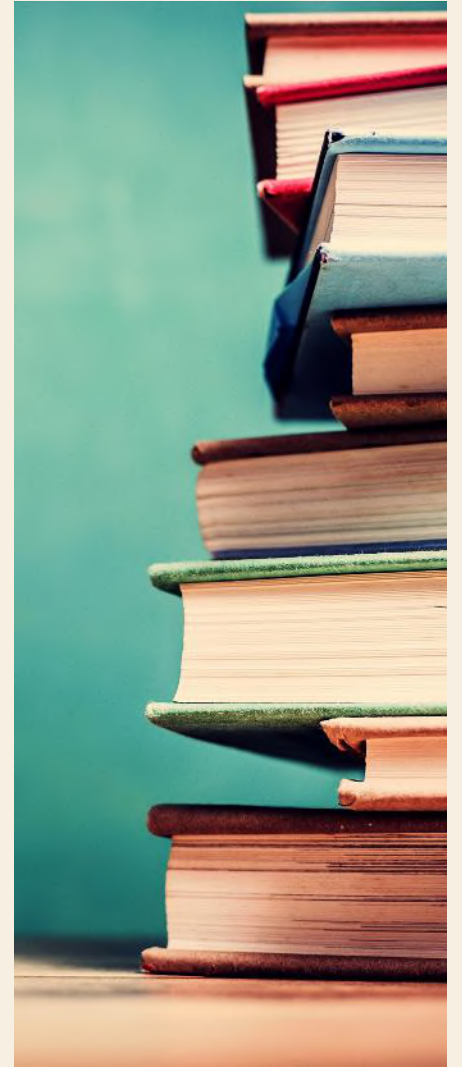


THE LEGAL ISSUES IN INSURANCE. WHAT TO KNOW?

MBOKO GEORGE TAFADZWA

Agenda

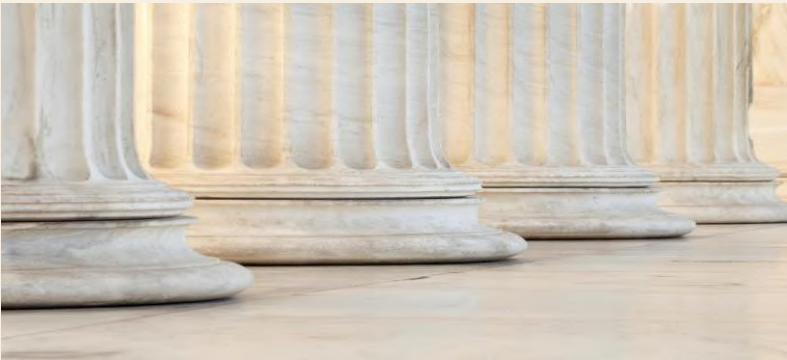
1. To define the terms
2. To categorise areas of Insurance law
3. Discuss in Brief how these categories operate
4. Suggestions on how to keep connected and stay ahead in this environment



What is Law

Law refers to rules and regulations that govern human conduct or other societal relations and are **enforceable** by the state.

The positivist theory says law is law, regardless of its moral content and regardless of whether it is just or unjust



WHAT IS INSURANCE

Insurance is a contract in which one party (the "insured") pays money (called a premium) and the other party promises to reimburse the first for certain types of losses (illness, property damage, or death) if they occur.

What is insurance Law

Insurance law is the practice of law surrounding insurance, including insurance policies **What is insurance Law**

Insurance law is the practice of law surrounding insurance, including insurance policies and claims.

CATEGORIES

It can be broadly broken into three categories - regulation of the business of insurance; regulation of the content of insurance policies, especially with regard to consumer policies; and regulation of claim handling wise and claims.

1. Principles of Insurance Law

- a. Utmost Good Faith
- b. Insurable Interest
- c. Proximate Cause
- d. Indemnity
- e. Subrogation
- f. Contribution
- g. Loss Minimization

•Regulatory Framework

- This refers to the regulation of the Insurance Industry.
- The starting point in the **Insurance Act** and various **Regulations** created
- IPEC is the governing body
- Institutions such as IPEC, POLICE, SAFETY COUNCIL OF ZIM

Legal framework

Insurance act

Mandatory Insurance ,

National Pension Scheme NSSA,

Road Traffic Act-

- This is governed by Part IV and Part 5A of the Road Traffic Act [Chapter 13:11}
- Section 22 of the Act makes it compulsory for one to have a policy of insurance or a security in respect of 3rd party risks.
- Failure to comply with the provisions of this section attracts a criminal penalty.

2. ENFORCEMENT MECHANISMS

Insurer

Payment,

Duty of Subrogation

In the context insurance subrogation embraces a set of rules providing a right of recourse for an insurer which has indemnified its insured

It means that a contract of insurance creates a personal right for an insurer against its insured in terms of which it is entitled to recoup itself out of the proceeds of any rights the insured may have against 3rd parties in respect of the loss.

In cases of breach, suing.

Role of internal claims mechanisms, lawyers in house and external

Consumer contracts Acts

The Role of the Law and Industry to even out the playing field

Insured

Claims

Courts

Class Actions

Breach

Cancellation

Non renewal

Take Home

KEEPING IN TOUCH AND CONNECTED

1. Our Insurance law framework is archaic and does not move with the times
2. There is an Insurance Act Amendment Bill being mooted. It still retains the majority of the legal framework already in place. For example, the burden of duty of utmost good faith is still largely being maintained despite the changes in most other jurisdictions.



Take Home (....Continued)

3. We are living in a VUCA environment. Old habits must be discarded
4. Disruptive innovation is required instead of focusing on the traditional way of doing business.
5. Industry must lead the revamping of the industry for example in the UK and Scotland, the Insurers voluntarily abandoned enforcement of duty of utmost good faith for the good of the industry.



Take Home (....Continued)

6. Collaboration is the new Competition.
7. Go to uncomfortable untapped markets. Do not just focus on traditional markets
8. Be at the centre of any recovery. Be daring



Thank You

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