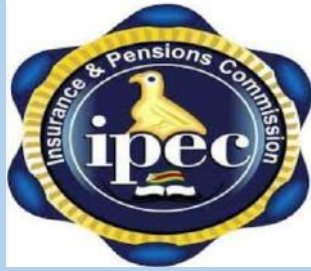


**INSURANCE INSTITUTE OF ZIMBABWE (IIZ)
2023 WINTER SCHOOL**



**“THE POWER OF CONNECTIVITY, INNOVATION, AND INCLUSIVENESS IN CHANGING
TIMES”**

**PRESENTED BY SIBONGILE SIWELA
DIRECTOR INSURANCE AND MICROINSURANCE**

PRESENTATION OUTLINE



Retreat Theme – The Power of Connectivity, Innovation and Inclusiveness in Changing Times

Mandate of the Commission on Growth - ICPs

The Role of the Regulator

Measures of Growth in Insurance and Statistics

“THE POWER OF CONNECTIVITY, INNOVATION, AND INCLUSIVENESS IN CHANGING TIMES”



By recognizing the power of **connectivity, innovation, and inclusiveness** “The three pillars” in changing times, regulators can actively shape the development and growth of the insurance industry by creating an environment that

- fosters connectivity,
- supports innovation, and
- promotes inclusiveness,

Ultimately benefiting both the insurance industry and the consumers it serves.

THE MANDATE OF THE COMMISSION ON GROWTH – Insurance Core principles (ICPS) – IAIS



Create Safe
and Stable
Insurance
market

Promote
market
development
and financial
stability

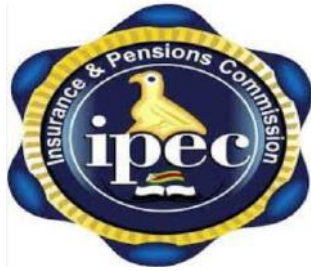
- Regulate and supervise for the protection of policyholders -
- - Market vibrancy and sustainability

Provide
Policy
Advisory to
Government

Promote
Financial
Inclusion



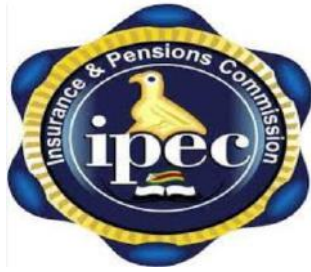
THE ROLE OF THE REGULATOR



ROLE OF THE REGULATOR: GROWTH AND DEVELOPMENT OF THE INSURANCE INDUSTRY

Promote	Promote effective and globally consistent supervisory system to foster growth and development of the insurance industry and ensure fair, safe and stable insurance markets for the benefit and protection of policyholders
Contribute	Contribute to national and global financial stability.
Foster	Foster innovation, competition, transparency and inclusion by setting appropriate standards, enforcing compliance, promoting consumer education and protection, and facilitating cross-border cooperation.

ROLE OF THE REGULATOR: DEVELOPMENT OF RESPONSIVE REGULATORY ENVIRONMENT



Review of the Product Approval Framework – Circular 17 of 2023

- The Commission has revised the Product Approval Framework to mitigate against emerging risks. The revised framework also aims to foster the development of relevant products to address consumer needs.

Funeral Directive

- Issued a Directive on all Funeral Products

Environmental, Sustainability and Governance (ESG)

- The Commission is now a member of the Nairobi Declaration to foster environmental awareness and attainment of Sustainable Development Goals in line with the National Development Strategy.
- Industry players are encouraged to entrench ESG principles in their strategies

ROLE OF THE REGULATOR: PROMOTION OF INNOVATION (PILLAR I)



Innovation Lab

- With support from Access to Insurance Initiative (A2ii), the Commission has partnered with insurance industry, farmer organisations and Government in the development of an innovative insurance product to mitigate against climate change related risks to improve the resilience of small holder farmers.

Agriculture Index Insurance

- Partnership with the International Finance Corporation (IFC) in developing agriculture index insurance in Zimbabwe.
- Project involves diagnostic studies from both a demand and supply side perspective, capacity building for IPEC, industry and Government officials in agriculture index insurance and the development of a regulatory framework for agriculture index insurance.
- Currently developing a Policy Paper on Agriculture Index Insurance

ROLE OF THE REGULATOR: PROMOTION OF INNOVATION (PILLAR I) Ct'd



Bima Lab

- IPEC is participating in a knowledge exchange programme called the Bima Lab in partnership with regional development partners and selected local insurtech companies.
- The programme involves capacity building and development of sustainable insurance solutions by insurtech companies for low income and marginalised members of the society.

ROLE OF THE REGULATOR: PROMOTION OF INNOVATION (PILLAR I) Ct'd



Regulatory Sandboxes

- Provide a controlled testing environment and allow market players to assess the viability and impact of their innovations before launching them in the market.
- Serve as platforms for insurers, Insurtech startups, and other stakeholders to collaborate with regulators and explore new ideas that have the potential to enhance the efficiency, accessibility, and affordability of insurance products and services.
- As IPEC, we are amenable to market players coming on board with innovations for testing within agreed parameters to foster the development and growth of our insurance market.

OTHER AREAS OF INNOVATION FOR INSURERS



Efficiency and Automation

Through use of advanced technologies such as artificial intelligence (AI) and machine learning, insurers can automate manual processes, streamline underwriting and claims handling, and improved operational efficiency.

Risk Assessment and Mitigation

Innovations like data analytics and predictive modelling help insurers to assess risks more accurately and efficiently.

By analyzing vast amounts of data, including social media posts and external sources, insurers can better understand individual risk profiles, detect fraud, and develop targeted risk mitigation strategies.

Customer Engagement

Innovative technologies enable insurers to provide enhanced customer experiences. This includes digital platforms and mobile applications that offer convenient access to policy information, self-service options, and simplified, claims processes.

OTHER AREAS OF INNOVATION FOR INSURERS



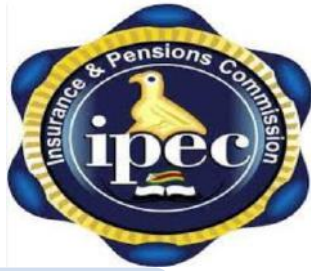
New Distribution Channels

- This facilitates the emergence of new distribution channels, such as online marketplaces, peer-to-peer insurance platforms, and digital brokers.
- These platforms leverage technology to connect customers with insurance providers, offer competitive pricing, and provide a seamless purchasing experience.

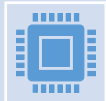
Enhancing Underwriting Accuracy

- Advanced analytics and machine learning algorithms allow insurers to analyse large datasets quickly and accurately.
- This helps in making more precise underwriting decisions, pricing policies more competitively, reducing potential for errors.

PILLAR II CONNECTIVITY



Data Privacy and Security - Internet of Things (IoT):



The IoT allows for the connection of various devices and sensors to collect data on risks and provide valuable insights.



Telematics devices can monitor driving behavior, leading to usage-based insurance pricing. Smart home devices can detect potential risks and help prevent damages, reducing claims.



The significant reliance on customer data on insurance operations create a need for regulators to continuously emphasize the importance of data privacy and security.



This has seen the promulgation of legislation such as the Data Protection Act, 2021.

PILLAR II CONNECTIVITY Ct'd



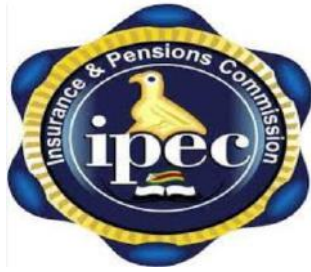
Cyber Security Framework

Compromised ICT systems may lead to cybercrime resulting in huge costs to insurance organisations.

To curb incidences of policyholder data and information abuse by insurers, the Commission is developing a Cyber Security Framework.

Insurers are urged to employ encryption techniques, have access controls, firewalls, intrusion detection systems, regular vulnerability assessments, and incident response plans as we move towards data protection.

PILLAR II CONNECTIVITY Ct'd



Cyber Security Framework

- The regulatory framework will set out specific requirements for insurers to implement robust security measures to protect personal data from unauthorized access or disclosure.
- Insurers are expected to adopt appropriate technical and organizational measures to safeguard data integrity, confidentiality, and availability.



PILLAR III: INCLUSIVENESS

Financial Inclusion

IPEC plays a critical role in creating an enabling environment for financial inclusion while ensuring the safety and soundness of the financial system and protecting consumers.

Achieved through setting and enforcing standards for the conduct and solvency of insurance companies.

IPEC participates alongside other financial sector regulators in the Thematic Financial Inclusion Committees facilitated by the Reserve Bank of Zimbabwe.

IPEC is also a member of the Financial Stability Committee and Smart Regulatory Forum chaired by the Ministry of Finance and Economic Development.

PILLAR III: INCLUSIVENESS Ct'd



Gender Diversity & Equality

Regulators have a duty to promote gender diversity and equality to enhance the performance and sustainability of the insurance sector.

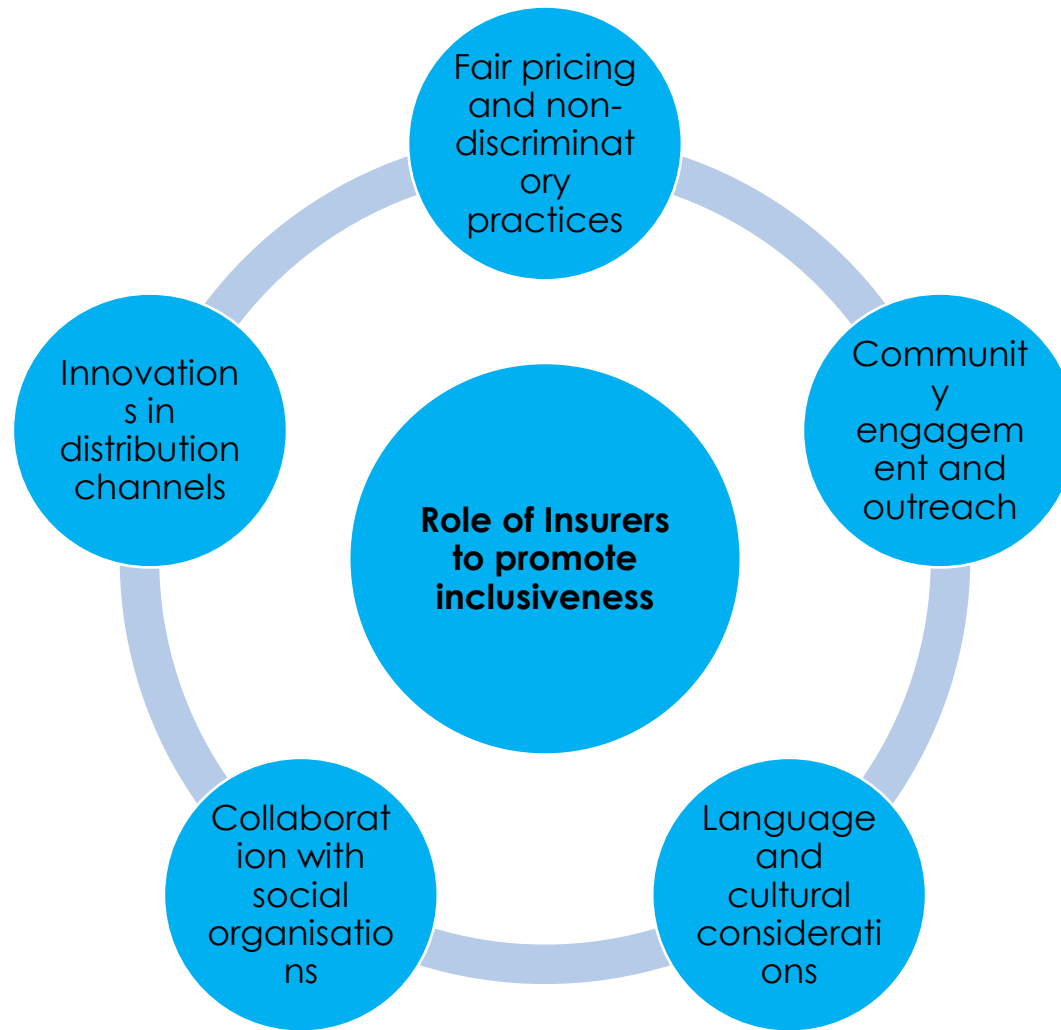
Increase the talent pool, foster creativity, innovation, customer satisfaction and loyalty by addressing the protection gap for women and other underserved segments.

Gender diversity remains low in the insurance sector, especially at senior levels.

Generally, women face multiple barriers to access insurance products and services that meet their needs and preferences.

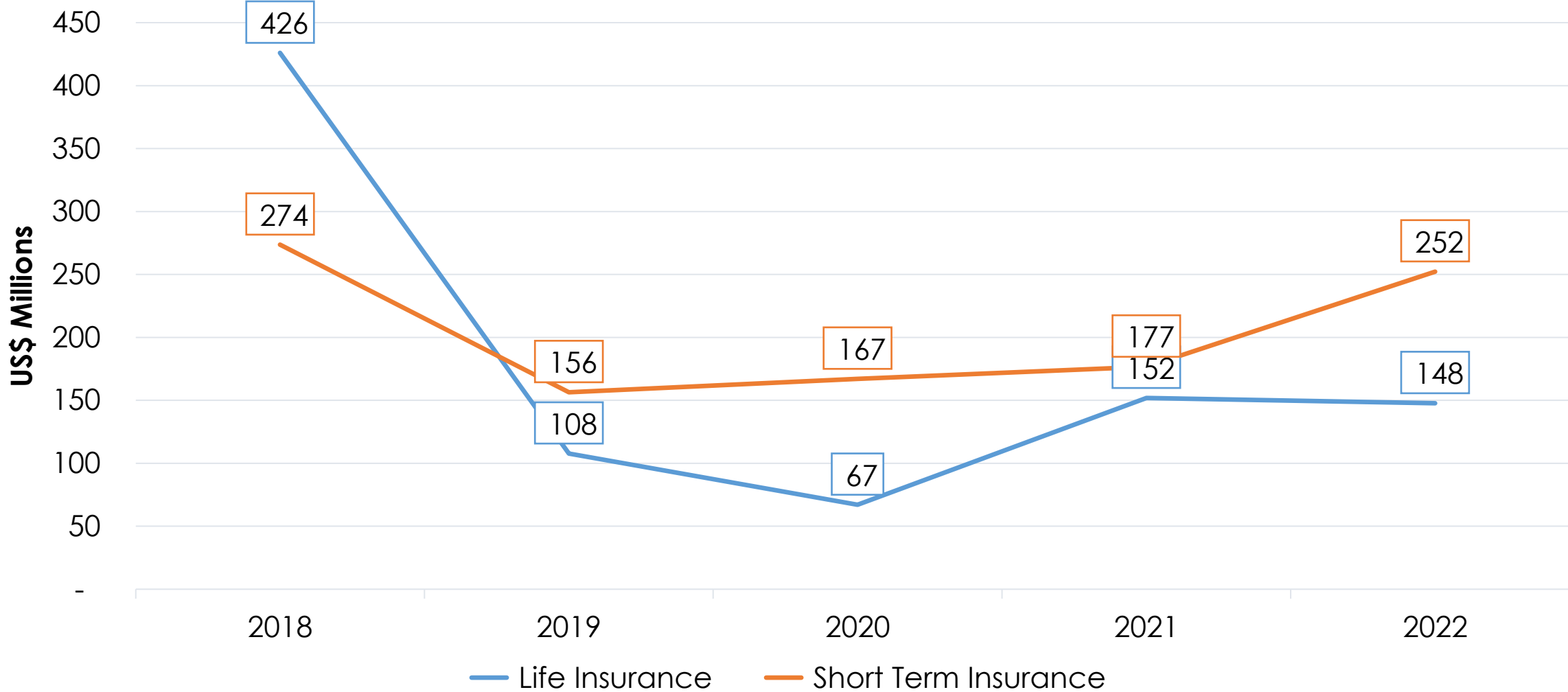
IPEC is currently participating involved in the Women's World Bank Leadership programme to promote gender diversity, in the insurance sector.

PILLAR III: INCLUSIVENESS Ct'd



INDUSTRY ON A GROWTH RECOVERY

Gross Premium Written Trend



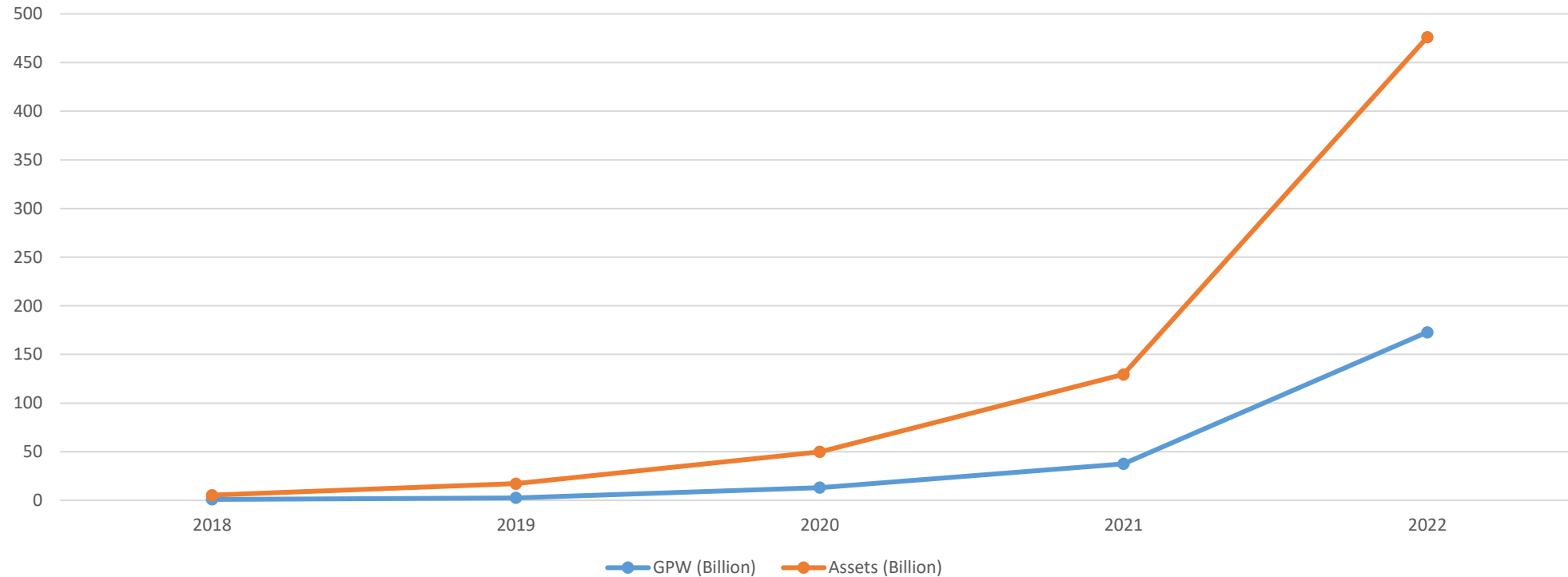
MEASURES OF GROWTH AND INDUSTRY STATISTICS



Measures of growth:

- Gross premium written
- Assets

Trend Analysis for Industry Assets and GPW





Discussion Time

WhatsApp: +263 772 154 281

Email: enquiry@ipecc.co.zw

Facebook: Insurance and Pensions
Commission

Twitter: @IPECCZW

Website: www.ipecc.co.zw