



**ZiCA**

*Competence, Integrity and Virtue*

**Zambia Institute of Chartered Accountants**

**Comments on the  
Insurance Bill, 2021**

**ZICA**

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## **1.0 Introduction**

The Zambia Institute of Chartered Accountants (ZICA) is a professional membership body whose function, among others, is to advise Government on matters of national and economic development. The Institute is also mandated to develop, promote and enforce internationally comparable practice standards in Zambia as well as protect and assist the public in all matters relating to the practice of accountancy. With this mandate in mind, our comments on the Insurance Bill N.A.B 36 of 2021 have been made with full cognizance of our obligations as promulgated in the Accountants Act as well as our professional resolve to act in the public interest.

**1.1** We are privileged to be invited to make oral and written submissions to the Committee on National Economy, Trade and Labour matters on the consideration of the Insurance Bill No 36 of 2021.

## **2.0 Objectives of the Insurance Bill**

The Objectives of the Insurance Bill are:

- i. To provide for the regulation of the insurance industry, supervision of and regulation of microninsurers, supervision and financial regulation of insurers, reinsurers and intermediaries;
- ii. To provide for the management and shareholding of insurers, reinsurers and intermediaries;
- iii. Provide for the auditing and corporate responsibility of insurers, reinsurers and insurance brokers;
- iv. Continue the existence of the Policyholders' Protection Committee and the Insurance Fidelity Fund;
- v. Provide for the establishment of the National Reinsurance Company;
- vi. Give effect to the Agreement establishing the African Reinsurance Corporation and the Agreement establishing the ZEP-RE (Preferential Trade Area Reinsurance Company);
- vii. Repeal and replace the Insurance Act, 1997.

### ***Comment***

We are in support of various provisions that have been included in the Insurance Bill No.36 of 2021 and recognise that the Pensions and Insurance Authority (PIA) has proposed revisions to the Bill, which the Institute also felt needed revision, and therefore support the same. These issues are summarised as follows:

- a) Licensing in perpetuity under section 11
- b) Proposed removal of Part IV – DEPOSITS

- c) Proposed removal of s148 relating to settlement of claims which is to be included in regulations instead.
- d) Creating a Part to deal specifically with Reinsurance

The Insurance Bill no. 36 of 2021 has enabling provisions that will allow the Minister to issue regulations that will support the retention and growth of insurance business.

***Conclusion:***

The Insurance Act is an important part of the framework within which Insurers operate. It is important to continuously review the Act to take into account the dynamics of business and modern economic reforms. The Insurance sector plays a significant role in Zambia's financial system as it provides critical risk management products and services to clients. The sector has grown significantly in recent years, with the entry of several new players. While the sector faces unique challenges, it has the opportunity to grow even more given the right environment. It is therefore important that the Act be amended to capture the thinking of key interest groups.