



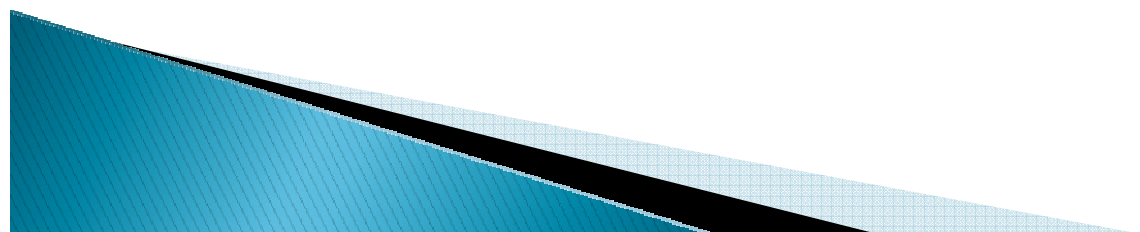
TOWARDS AN ENABLING REGULATORY ENVIRONMENT FOR MICROINSURANCE DEVELOPMENT IN ZAMBIA

Martin Libinga
Pensions and Insurance Authority
26 May, 2011



OUTLINE

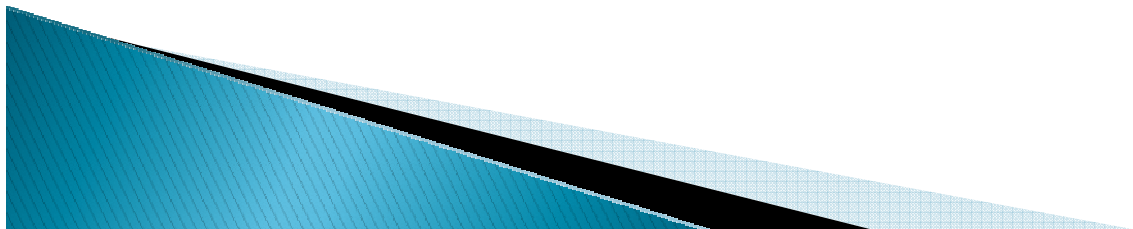
- ▶ Market overview
- ▶ Development process
- ▶ Microinsurance regulation – The rationale
- ▶ Emerging field
- ▶ Way forward and Conclusion





MARKET OVERVIEW

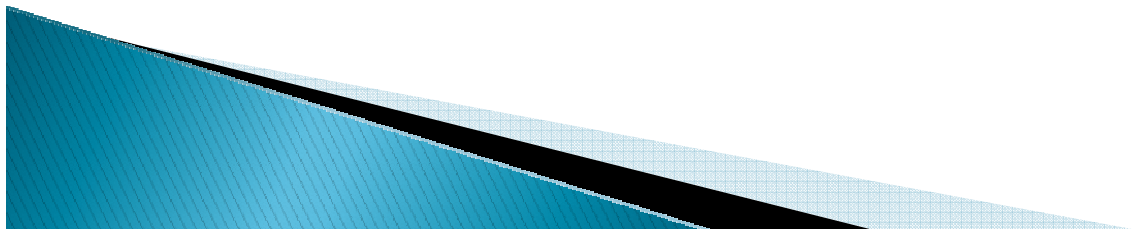
- ▶ Total population : 13 million people
- ▶ Working population in the formal sector is 18.3%
- ▶ Population engaged in the informal sector is 40%
- ▶ The rest is unemployed or rely on subsistence farming
- ▶ 15% of adult population has a bank account
- ▶ Insurance penetration rate is just about 4%

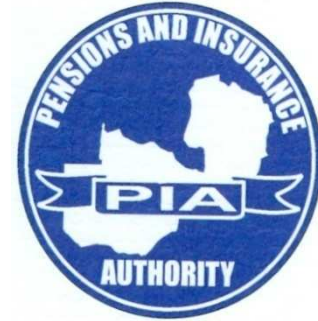


MARKET OVERVIEW CONTD

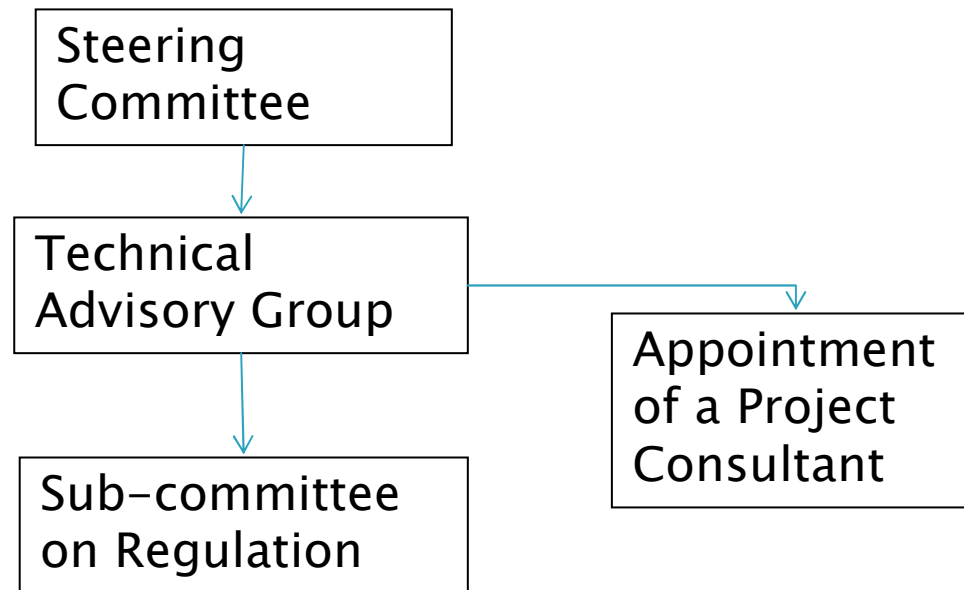


- ▶ Relatively low
- ▶ Consists of mainly credit life
- ▶ Micro finance institutions have become major distribution channels



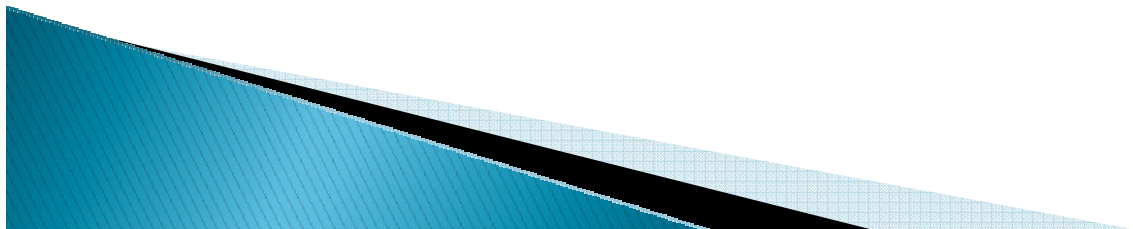


DEVELOPMENT PROCESS – MI Structure Spearheading the initiative.





- ▶ Conducted a number of public sensitization meetings
- ▶ Training of industry players
- ▶ The PIA issued a statement to the industry supporting the initiative.



MICROINSURANCE REGULATION – RATIONALE

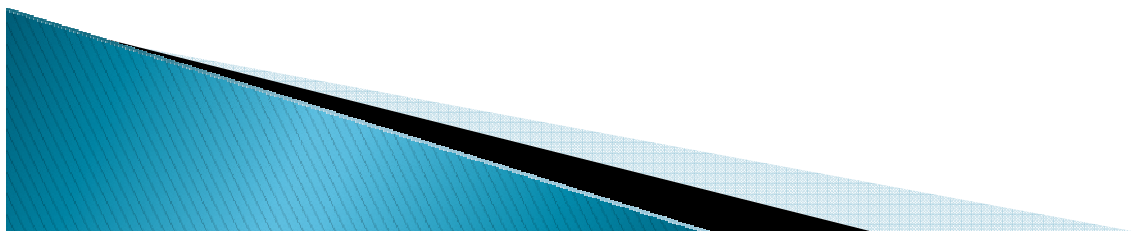
- ▶ Broadly, regulation will endeavor to deal with issues relating to:



MICROINSURANCE REGULATION – EMERGING FIELD



- ▶ Regulation of microinsurance is yet to be fully defined or analyzed.
- ▶ Attempts are begin made to integrate provisions relating to microinsurance in the broader framework of insurance legislation
- ▶ Regulatory framework to motivate aggregators and informal sector to legally provide microinsurance services





WAY FORWARD AND CONCLUSION

- ▶ Regulations should set the technical platform for solvency, licensing, data collecting, reporting requirements and policy holder protection
- ▶ Training should be designed around domain-knowledge of microinsurance
- ▶ Allow bundling of products

