



Insurance and Pensions Symposium

Zimbabwe's Insurance & Pensions Evolving Landscape (2000 - 2025)

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Objectives



- ❑ **Examine how macroeconomic and regulatory drivers have shaped product innovation from 2000 – 2025.**
- ❑ **Showcase key product innovations and their market impact.**
 - ❑ **Demonstrating a delivery of Customer Value (fairness, simplicity and transparency)**
- ❑ **I will explore four key developments: Decline, Recovery, Segmentation, and Digital Innovation.**
- ❑ **Extract strategic lessons for the future innovations and product designs.**
- ❑ **Concluding thoughts.**



Traditional Structure Under Stress (2000 – 2010)



The Era of Hyperinflation

- ❑ **Market Context** : A market once resembling a conventional developing economy (Wholelife, Endowments, Defined-Benefit Plans, Comprehensive Insurance Plans)
 - ❑ Total Assets were US\$5.8 billion (some insurers did not provide data to COI-these also exclude short-term)
 - ❑ Total Revenue was US\$872 million per annum (excluding Short-Term)
 - ❑ Total Revenue contributed 10.2% to the GDP at US\$8.6 billion (excluding Short-Term)
- ❑ **The Decline** : There was a huge loss in value to assets backing pension funds and insurance companies.
 - ❑ Hyperinflation (2000 - 2008) eroded the core value of long-term savings.
 - ❑ Demutualizations
 - ❑ The birth of **IPEC (2006)**.
 - ❑ Long-term products-Wholelife, Endowments became practically obsolete.
 - ❑ Defined- benefit pension promises became impossible to maintain in real terms amidst a wave of international pressures for conversions.
 - ❑ Comprehensive insurance became an illusion and a complete luxury.
 - ❑ Total surviving assets estimated at **US\$2.7 billion** on 1 Feb 2009.
- ❑ **Impact** : True Deficit : Massive loss of household savings led to **deep mistrust** toward formal financial institutions.

Defining the “New Normal”

- ❑ **Funeral Domination** : By 2020, funeral assurance accounted for a staggering 86.21% of life premiums.
- ❑ **Service over Financial Indemnity** : Success was driven by “ benefits in kind”
 - ❑ (Funeral Parlors, Hearses, Burial Logistics) which protected against inflation rather than cash.



Dollarization & Early Reconfiguration (2010 – 2018)



The Turning Point

- ❑ **Stability Restored** : Multi-currency regime (2009) stabilized pricing and underwriting.
- ❑ **Product Pivot** : Shift toward products with **tangible, immediate real value** rather than long horizon accumulation.
- ❑ **Structural Shift** : Funeral assurance grew from 8% (2012) to 29% (2014) of life premiums.
 - ❑ Life Assurance companies focus on selling funeral cash plans.
 - ❑ Funeral Assurance plays became big players in life assurance
- ❑ **The EcoLife Landmark (2010)** : A breakthrough mobile life insurance product tied to airtime purchases.
 - ❑ Lesson : Proved mass-market demand for low-ticket cover.
 - ❑ Warning : Its 2011 collapse highlighted the need for strong operational governance.
- ❑ **CBZ Life (2010)** : Largely distributing **Bancassurance**.
 - ❑ Credit Life repositioning with distribution through a large commercial bank
- ❑ **EcoSure (2014)** : A life Assurance company offering affordable and innovative **life insurance solutions through a mobile platform**.
 - ❑ **The “Micro” Revolution** : EcoSure embedded cover into daily transactions (Airtime/Data Life Cover)
- ❑ **Various new short-term players**
 - ❑ Thanks to lowering of license fees and entry requirements.
- ❑ **Micro-Insurance Companies** : Pacesetters being Coverlink Microinsurance and Golden Knot.
 - ❑ Largely distributing **Legal Aid Products** and Hospital Plans
 - ❑ Other microinsurance products -Early pilots in agriculture (2014 - 2016); and,
 - ❑ Inclusive insurance (2019 - 2021) began to capture underserved segments.



De-dollarization & Impact (2019 – 2025)



- ❑ The de-dollarization disrupted the term assurance plans, funeral cash plans, etc
- ❑ As a result,
- ❑ **Life Assurance Shift ?:** A promise of tangible real benefits
 - ❑ Integration of funeral services into funeral plans
 - ❑ Nhaka Life (2015)
 - ❑ Vaka Yako (2022)
 - ❑ Diaspora Funeral Plans
- ❑ **Diversification Re-emerges :** By 2025, funeral remains king (68%), but *now in US\$* Credit Life (8%) ,Group Life (14%) and others 10%
- ❑ show signs of a maturing mix.
- ❑ **Insurance Shift ?:** Embedding insurance into agriculture
 - ❑ AFC Insurance (2021)- formed to offer climate-proof insurance solution.
 - ❑ Agriculture Insurance Index (a response to climate changes- payouts are a function of weather patterns)
 - ❑ Telematics (Moovah) : Behavior - based motor insurance pricing
- ❑ **Pension Shift ?:** A promise of tangible real benefits
 - ❑ Housing loans for members
 - ❑ ...at times members demand shares instead of cash
 - ❑ Micro-pensions (uptake yet to be felt)
 - ❑ Donhodzo/Dura (2024) : Portable pensions that match the irregular income of the informal sector



Beyond Survival : A shift to Innovation



- ❑ **A Shift in Mindset** : The industry has moved from “defensive” crisis management to a proactive, innovation-driven phase (2021 - 2025)
- ❑ **The “New Normal”** : The market is no longer attempting to revert to the pre-2000 structure;
 - ❑ It is consolidating around a model built for the current reality.
- ❑ **Strategic Reconfigurations** : Success is no longer measure by “highly refined actuarial modelling”
 - ❑ But by how well a product aligns with lived realities, such as:
 - ❑ Informal incomes ,
 - ❑ Digital lifestyles,
 - ❑ Be innovative in underwriting and pricing emerging risks
 - ❑ Rolling over short-term pricing for long-term goals.
- ❑ **The Foundation of the Future** : This “New Dawn” is defined by three pillars:
 - ❑ Resilience (surviving shocks),
 - ❑ Accessibility (reaching the informal sector), and,
 - ❑ Immediacy (delivering visible real value).

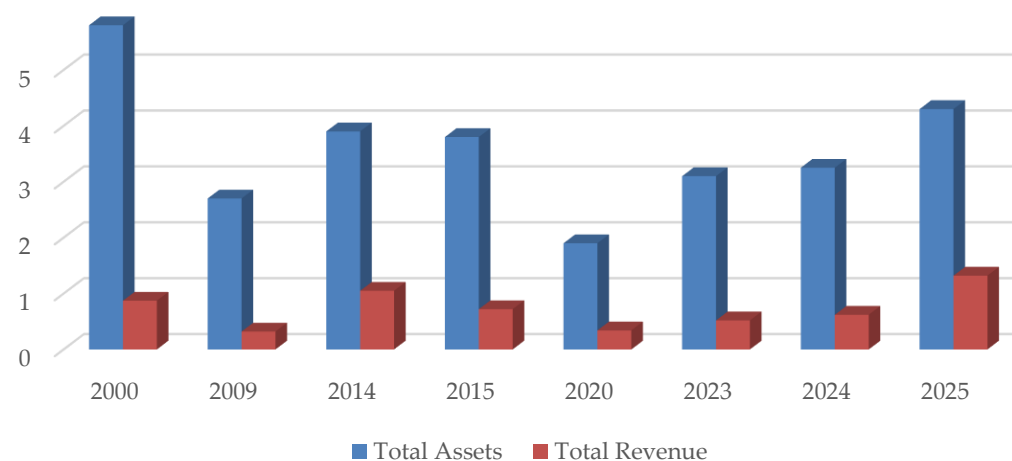


The Impact : Then vs. Now



- ❑ **The Reality Check** : Relative to the 2000 period, the true value of assets contracted significantly
 - ❑ 2000 : Total Assets were US\$5.8 billion, with total revenue at **US\$ 0.872 billion** (excluding short-term)
 - ❑ 2009 : Total Assets were US\$2.7 billion, with total revenue at US\$ 0.32 billion
 - ❑ 2014 : Total Assets were US\$ 3.9 billion, with total revenue as **US\$ 1.05 billion**
 - ❑ 2015 : Total Assets were US\$3.8 billion, with total revenue at US\$ 0.72 billion
 - ❑ 2020 : Total Assets were US\$1.9 billion, with total revenue at US\$ 0.34 billion
 - ❑ 2023 : Total Assets were US\$3.1 billion, with total revenue at US\$ 0.52 billion
 - ❑ 2024 : Total Assets were US\$3.25 billion, with total revenue at US\$ 0.62 billion
 - ❑ 2025 : Total Assets are now US\$4.3 billion Revenue now **US\$1.32 billion**

Industry Assets & Revenue Amounts (Billions)



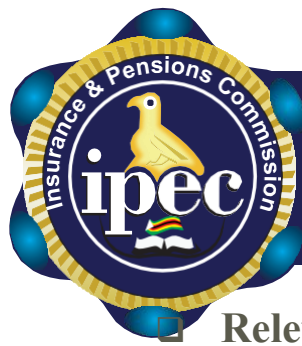


The Impact : Then vs. Now Cont`d



The Gap : The industry currently contributes 2.5% to the GDP.

- ❑ Showing moderate revenue growth (almost at par with the year 2000 levels)
- ❑ But still lagging the expected US\$5.5 billion (>10.2% of GDP)
- ❑ Assets yet to grow to the year 2000 levels. (very little being invested- over last 25 years- pensions at **US\$44 p.a**)
- ❑ **Clear Signs of Recovery: *I think we are in the right direction.***
- ❑ ***The industry needs a conducive , stable and enabling environment to flourish.***
- ❑ We need to build confidence.
- ❑ Demonstrate we can be trusted.



Strategic Lessons & Takeaways



- ❑ **Relevance Over Complexity** : In low-trust environments, “theoretical elegance” fails,
 - ❑ Products must be **simple** and be able solve visible needs
 - ❑ Life Risks (death, disability and critical illness)- promising real and tangible benefits)
 - ❑ Savings at targeted real benefits (shares, houses, cows, etc.) –and grow the assets
 - ❑ Securing all the real assets through insurance.
- ❑ **Trust is Operational** : Quick claims payment and responsive service are the product value proposition.
- ❑ **Embrace the Informal** : The future of growth lies in products tailored for the unbanked and informal workers (portability and flexibility).
- ❑ **Embed products into necessities.**
- ❑ Agric Insurance for farmers-bundled with inputs or loans.
- ❑ Telair-Insurance bundled with phone airtime or data
- ❑ Mortgage/Credit-linked life assurance.
- ❑ Insurance premiums bundled in Association Membership, fuel, etc
- ❑ Partnerships with retail outlets.
- ❑ **Digital as an Access Tool** : Mobile distribution is the only way to scale low-ticket products effectively.
- ❑ **Digital Tools** : Shift to paperless applications, self-service portals and real time claims.
- ❑ **Long-term tangible and real benefits promise-** promise of (land, houses, shares, cows, shares etc.) not cash benefits.
- ❑ If the promise is cash, let’s create an environment where *money is preserved and grows in real terms.*

The Future is Adaptive

A small green seedling with two leaves is growing out of a crack in dry, cracked brown soil. The background is a close-up of the cracked earth, with the seedling positioned in the lower right quadrant. The overall tone is one of resilience and hope.

Zimbabwe's insurance journey offers a compelling case study in transforming uncertainty into opportunity by prioritizing relevance, trust, and immediacy to turn uncertainty into opportunity. I think we are in the right direction!

Thank You

