

# AGM 2014-President's Report

Written by buyano

Friday, 29 June 2012 06:18 - Last Updated Tuesday, 22 July 2014 20:20

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## The Insurance Institute of Zambia (IIZA)

**5th Annual General Meeting held on 19th July 2014 at Mukuba Pensions House 5th Floor, in Lusaka.**

### President's Report

I welcome you all to this 5<sup>th</sup> Annual General Meeting which is an important event in the calendar of the Insurance institute of Zambia (IIZA). Before we proceed I invite you to stand and observe a minute of silence in honour of our departed members. May their Souls rest in eternal Peace.

### 2.0 Preamble

The current Governing Council (GC) was ushered into Office 28th August 2011 at the 2<sup>nd</sup> Annual General Meeting which was held at Golden Bridge Hotel, in Lusaka.

### Objectives

- Promotion of professionalism in the Insurance industry.
- Taking an advisory role on insurance matters to the government

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- Liaising with the CII Education Division on all matter pertaining to insurance education.
- To promote an awareness of insurance in the general public.
- To act as representative group for the insurance profession.
- To initiate self-regulation in the insurance profession.
- Promotion of cooperation with other associations having similar interests.
- Promotion of the interests of members.

### 3.0 Legal status

The institute currently is registered under the Societies Act Cap 119 of the Laws of Zambia. It was registered on 15<sup>th</sup> September 2005, registration number ORS/102/27/810.

### 4.0 Professionalism:

In the olden days the term profession was derived a Latin word *pro frater* meaning to confess,

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own or acknowledge, originally it was only understood to exist in religious sense to describe someone who publicly made a declaration of service to God.

Now it has been secularized and transformed to being:

- Duty of service to the public interest
- Admission to practice by qualifying licensure
- Compliance with a code of ethics
- System of discipline of its members for violation of a code of ethics

Notably, an obligation on its members to conduct themselves as members of a learned, disciplined and honorable occupation

### **5.0 Key activities of the institute**

Amongst the activities under taken by the institute are; seminars, workshops, public discussions on issues affecting the industry within and outside the country that benefit our members:

- Providing assistance in achieving professional recognition among employers and colleagues

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- Conduct seminars, workshops, public discussions.
- National voice on insurance matters
- promote Universal recognition of professionalism, when qualified and elected to use designatory Letters after the name.
- To provide an Access to information on the Zambian insurance market through quarterly Journals;.
- To initiate networking at National and International events, such as Conferences.
- To provide Coordination in terms of Continuous Professional Development (CPD).
- provide opportunities for members to participate in the ongoing legal and self regulatory development, competence and compliance.

### 6.0 Governance Structure

In terms of Corporate Governance, the Council is the highest policy decision making body of the Institute. It sets out the strategic direction of the Institute and is accountable to the Annual General Meeting. The Council provides oversight to the Secretariat of the Institute and who should carry out the day-day activities through Four (4) sub-committees which act as Management committees. The Council meets every quarter to discuss the business of the Institute whilst Committees meet as and when there is business to discuss.

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The Committees are Chaired by one of the Council member have a tenure of office that runs concurrently with Council which is two (2) years.

Ladies and Gentlemen, the current Council which was elected at the 4<sup>th</sup> Annual General Meeting that was held at Golden Bridge Hotel, in Lusaka on 28<sup>th</sup> august 2011 comprised of the following members;

President	-	Mr Justine Kabwe
Vice President	-	Mr Trevor Jengajenga
Honorary Secretary	-	Mr Godfrey Ngosa
Vice Honorary Secretary	-	Magdalene Chizanga
Honorary Treasurer	-	Ms Clara Bhima

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Vice Honorary Treasurer - Vacant

Committee Members - Ms Hazel Milambo

Mr Yona Shimishi,

Mr. Fredrick Mboma

### **Committees of the Council**

The Council has four (4) committees headed by Council Members;

#### **· Legal Framework & Technical Committee:**

##### **Mr. Justine Kabwe-Chairperson**

o Mr Chris C Kampamba representing ZAPF

o Mr Shipango Muteto Representing IAZ

o **Mrs Lydia M Sibanda representing IBAZ**

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### **· Membership & Publicity Committee –South**

o Mr Godfrey Ngosa – Chairperson -Blue Life Assurance

o Mr Musonda Naci

### **· Finance & Administration Committee**

o **Ms Clara Bhima of AON Zambia Risk Services**

### **· Educational, Training & CPD Committee**

o **Mrs. Hazel Milambo – Director of Insurance Business Academy (IBA)**

o Mrs Agnes Chakonta – Madison Life Assurance

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o Mr Julu G Simuule – ZIBCT

### **· Disciplinary Committee**

o Mr Yona Shimishi – Goldman Insurance

The Terms of Reference for various Committees are provided for in the bye-Laws of the institute.

## **7.0 Collaborations With Industry Stakeholders**

The Institute has continued collaborating with other stakeholders ; the Insurers association of Zambia (IAZ), Insurance Brokers Association of Zambia(IBAZ), the Zambia Insurance Business College trust(ZIBCT) and the industry regulator, the Pensions & Insurance Authority (PIA).

### **7.1 Zambia College of Pensions and Insurance (ZCPI)**



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The insurance industry has undergone through various transformations; from 1940 to 1967 it was a liberalised market with many foreign insurance companies operating, 1968 to 1991 it was a nationalized market then 1992 to date again liberalised. In April 1981 the Zambia state insurance corporation Limited (ZSIC) set aside a sum of K750,000 for the establishment of the training centre to operate at a ZSIC Pavilion at the Lusaka Show ground another one at International trade fair grounds in Ndola. Establishment followed a technical and training Agreement signed between Messrs J.H Minet of London and the Management of ZSIC and the ZNIB who were jointly going to run the College as a Trust. When ZNIB closed ZSIC remained a single Settlor of the Trust.

The trust had had a life span of 21 years and it expired extended twice until 11<sup>th</sup> April 2014 when it was allowed to permanently cease.

On 25

<sup>th</sup>

September 2012 the PIA called for stakeholders meeting to discuss future of the ZIBCT following intimation by the ZSIC Limited divesting Settlor interest in favour of the insurance and pensions industry (Multi-Settlor). Various consultants have been engaged :

- Tom Banda And Associates – conduct a financial Analysis and valuation of the Trust, to give an indicative value of the trust:
  
- Wilson & Cornhill – prepare the new Trust Deed for ZCPI.
  
- Policy Analysis & Evaluation Bureau - produce the New Business Model for the Zambia College of pensions and Insurance
  
- Grant Thornton – Post Dissolution Consultant

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The Trust Deed for the ZCPI is still in the process of being registered with the Ministry of Lands and PACRA, it awaits a gift from the prospective Settlor under the Multi-Settlor set up comprising of IAZ, IBAZ, ZAPF, IIZA, PIA and ZSIC Limited. The consultant recommended an initial amount of K500,000.00 to be equally shared amongst all six (6) Settlor in K84, 000.00. The institute has to raise this amount, hence, this issue is an agenda issue which will be discussed and resolved. It will enable the institute to have an equal seat at the Board of Trustees as a settlor.

### **7.2 Bachelor Of Science And Pensions Degree Offered By University Of Lusaka**

The University of Lusaka introduced a Degree in Insurance and Pensions, they were approached by the institute in order to get an in-depth of course outline and syllabus structure and a Memorandum of Understanding was signed. Then University will collaborate with Insurance Institute of Zambia enforce regulation on the quality of insurance and Pensions practice in the Republic of Zambia. The specific areas of this collaboration relate to the;

- Design and review of the syllabus of the Insurance and Pension Management courses;
- Quality assurance management of the human resources courses to ensure that graduates thereof meet the needs of industry;
- Networking necessary to facilitate industrial exposure for human resources management students;
- Certification of the UNILUS and its students as members of the IIZA as per its mandate; and
- Any other areas of mutual interest in the furtherance of the insurance and pension's human

resource management practice as part of national capacity building effort.

The first students to graduate have just gotten their results for the June Final examination and are finalizing their

### **8.0 National Insurance Curricula.**

The institute had approached TEVETA to assist in the development of National Insurance Curricula which would be examined by the Institute. A Technical Committee comprising of members from the Insurer Association of Zambia (IAZ), Insurance Brokers Association of Zambia (IBAZ), Zambia association of Pension Funds(ZAPF) and the IIZA, was put in place to spearhead the above activity. Ladies and Gentlemen, quality professionalism is very essential to a delivery of quality services. A qualification is expected to integrate theory and practice, knowledge and skills, and attitudes and values. This will be in line with the National Qualifications Framework (NQF) launched by TEVETA in 2012.

### **9.0 Chartered Insurance Institute - Examination Invigilation**

The late Dorothy Mwalimu (MHSRP) was a very dedicated member of both the IIZA and CII and was recommended by the Institute to be Examination Secretary until her demise in 2012, from that time to date the CII had appointed me to be the Examinations Secretary. The number of students pursuing CII examination continues to grow with the latest for those who wrote the April 2014 examinations rising to almost 200 students. The candidates wrote various subjects which range from the elementary for those wishing to join the insurance and pensions industry

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from other fields, certificate, diploma and advanced diploma in insurance leading to election as an associate of the Chartered insurance institute (ACII). Amongst the new courses in which some students have expressed interest to pursue are;

- cargo and good in transit insurances
  
- risk management
  
- healthcare insurance products
  
- investment principles and risk
  
- principles of Takaful
  
- commercial insurance contract wording
  
- provision of retirement products
  
- defined benefit schemes
  
- Mortgage Advice
  
- Senior management and supervision

### **10.0 Insurance Institute of Zambia Draft Bill**

The industry needs to a legal framework that would support the development of the profession in Zambia. Arising from the above a Draft Bill was prepared and circulated to the industry for comment, this was going to transform IIZA into a statutory Regulatory Body of all insurance and Pensions practitioners. Everyone will be licensed on an Annual basis before allowed to practice, once enacted into Law through the Ministry of Finance for onward presentation to Parliament. Professionals must be able to run their affairs in line with the code of ethics in order to respond quickly to dynamic and challenging business environment.

What remains now to conclude the consultation process is hold three (3) public discussions one in Livingstone, another one in Kitwe and the Last one in Lusaka then compiled the report to accompany the Draft Bill and submit to the Ministry of Finance for presentation to Parliament.

### **11.0 Representation - Technical Committee of PIA Board**

The institute being a professional body is well placed to contribute effectively advise on technical insurance matters as well as regulatory issues relating to insurance and pensions, in this regard an invitation from the director –Corporate services PIA was received requesting the institute to nominate a person, Mr yona shimishi was nominated to sit at this Committee, though no meetings were held yet.

### **12.0 Professional Designation Status**

Worldwide, membership to a professional body brings with it a host of benefits to assist in professional development, whether studying towards a qualification or helping one to just maintain competence. Members of professional body have a crucial role in raising standards in

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an increasingly complex and competitive market and customer service. Managements in insurance entities have witnessed increased demand for Service Level Agreement from clients, most of the times they request for Company profiles and that of Senior Managements. To strengthen, this, the Institute developed a Job Profile and Competence Framework in consultation with the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA), to achieve the following:

- Fellow of the insurance institute of Zambia (FIIZA)
  
- Associate of the Insurance Institute of Zambia (AIIZA)
  
- Ordinary member of the insurance Institute of Zambia (MIIZA)
  
- Student Member of the Insurance Institute of Zambia (SIIZA)

Currently the total membership is almost 700 members both paid up and unpaid, however, only 198 are fully paid up as follows:

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· Fellows	-	25
· Associates	-	62
· Ordinary members	-	85
· Students member	-	26
Total	-	198

The recipients for **AIIZA** and **FIIZA** have attended insurance courses and have passed examination either locally through the Zambia Insurance Business College Trust (ZIBCT) or internationally with the Chartered Insurance Institute (CII) London.

The objective is to raise the **standard of professionalism, confidence and profile of insurance practitioners** which is more vital to the insurance industry, employers and the insuring public. Above all it will enhance their contribution to the industry through **compulsory Continuous Professional development (CPD)** and the national economy.

### 13.0 Affiliation With The Chartered Insurance Institute (CII)

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The institute is affiliated with Chartered Insurance Institute (CII) in United Kingdom. The purposes of affiliation as set out by CII Management Committee are:

- To provide an opportunity for a regular exchange of views and information on matters of common interest;
  
- To offer assistance , particularly in matters relating to insurance education and training;
  
- To establish a mechanism for the recognition of qualifications for the purposes of accreditation, exemption or dispensations from examination;
  
- To provide training opportunities, particularly for young students;
  
- To encourage the publication of Technical and other articles in each other's Journals;
  
- To encourage participation by one institute in the activities of another e,g the presentation of papers at an Annual Conference.

### 14.0 The Website

The Institute purchased its own domain iiza.org from e-zambia for the website [www.iiza.org](http://www.iiza.org) and as well as for personalized e-mail for Governing Council and any other members who may apply get one. It only requires frequent upload of activities that the institute is undertaking or participating in order to remain relevant to the industry.



## 15.0 The Journal:

Previously, published by langmead & baker then TIAM Limited. Members are entitled to a free copy and the remainder to be sold the members of the public to generate income for the institute. However, the publication staled efforts are being made to find another publisher.

## 16.0 FUTURE CHALLENGES

The above successes did not come about without challenges, amongst which are:

### 16.1 Membership Recruitment

The institute needs to come up with a consistent and robust membership recruitment drive. The industry had 1017 insurance employees (PIA: 2006) 1006 were Zambians and 11 non-Zambian employees. The institute has 450 members which accounts for 44% and this figure excludes Sales representatives usually employed by life offices on the basis that they are independent contractors.

### 16.2 Full Time Secretariat

Administrative work has continued to increase as the membership grows to the extent that a need to recruit an Executive Director to run the Secretariat on full time basis.

### **17.0 Conclusion**

I would like to pay tribute to the members of the outgoing Governing Council for their support, innovation and creativity, the Pensions and Insurance Authority (PIA), the Insurers Association of Zambia (IAZ) has always been on stand by to offer advise on how the institute can grow its membership. The Insurance Brokers Association of Zambia (IBAZ) and the Zambia Association of Pension Funds are always on liaising with Institute to enhance professionalism in both insurance, pensions and other related fields. It is because of this co-ordination, and enthusiasm to take insurance professionalism to another level that has made the institute to grow from strength to strength, with the view to attain full self regulation.

Thank you and I table the report for discussion and adoption.