



INSURERS ASSOCIATION OF ZAMBIA

INDUSTRY REPORT 2022

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FOREWORD

Dr. Nkaka Mwashika
IAZ Executive Director



In 2022, the global economy continued on a positive trajectory albeit at a slower pace than what was recorded in 2021. This arose mainly from higher than expected inflation, the Russia–Ukraine conflict and the resurgence effects of the COVID-19 pandemic mainly in China. Global output grew at 3.4 percent from 6.2 percent in 2021.

Zambia’s economy has recovered relatively strongly in the wake of the pandemic, with GDP growing by 4.6% in 2021 compared to a contraction of 2.8% in 2020 when the disruption of supply chains and reduced economic activity caused the economy to shrink. The Ministry of Finance and National Planning (MOFNP) reported that Zambia’s economy grew by 3.6% in 2022. These sectors; financial and insurance, information and communications, wholesale and retail trade, mining and quarrying, and agriculture and education; drove the growth.

The industry recorded gross written premiums of ZMW 6.033 billion in 2022 compared to ZMW 5.344 billion in 2021 representing a growth of 13%. The gross written premium for non-life insurance was ZMW 3.867 billion (ZMW 3.514 billion in 2021) and life insurance was ZMW 2.166 billion (ZMW 1.830 billion in 2021).

In 2022 net claims increased by 20 %. Claims recorded in 2022 amount to ZMW 1.87 billion and ZMW 1.56 in 2021. Earned premiums increased by 24% as they grew to ZMW 3.53 billion in 2022 from ZMW 2.85 billion in 2021.

The Reinsurance niche achieved exponential growth of 245.75 % in Gross Reinsurance Premiums from what was recorded in the year 2021. The Gross Reinsurance Premiums grew to ZMW 921 million kwacha in 2022 from ZMW 242 million in 2021.

I would like to take this opportunity to acknowledge and thank members of staff that contributed to the preparation of this publication.



DISCLAIMER

Information contained in this report has been obtained from Audited Financial Statements received from member companies of the Insurers Association of Zambia (IAZ). While reasonable care has been taken in compiling the report, IAZ accepts no liability whatsoever for any loss or damage resulting from errors, inaccuracies or omissions affecting any part of the report. All information and figures are provided without any warranty of any kind as to their accuracy or completeness but where necessary corrections for casting errors have been done.



1.0 ECONOMIC OUTLOOK ZAMBIA 2022

1.1 Gross Domestic Product

In 2022, the global economy continued on a positive trajectory at a slower pace than what was recorded in 2021. This arose mainly from higher-than-expected inflation, the Russia–Ukraine conflict and the resurgence effects of the COVID-19 pandemic mainly in China. Global output grew at 3.4 percent from 6.2 percent in 2021.

On the domestic front, growth has continued on a positive trend despite, challenges arising from the debt burden. Preliminary estimates indicate that the economy grew by 4.7 percent in 2022, a percentage point higher than the growth of 4.6 percent recorded in 2021. Growth was largely driven by the education, transport and storage, and Information and Communication Technology sectors. Growth was, however, subdued in the agricultural, mining and construction Sectors.

1.2 Interest Rates

The commercial banks' average nominal lending rate (ALR) and the nominal 180-day deposit rate for amounts exceeding K20,000 declined to 25.0 percent and 7.1 percent in December 2022 from 25.9 percent and 7.5 percent in December 2021, respectively. The decline in yield rates on Government securities and sharp deceleration in inflation largely explained the outturn. However, in real terms, the ALR increased to 15.1 percent in 2022 from 9.5 percent in 2021 while the savings rate improved to -2.8 percent from -8.9 percent, largely reflecting the fall in inflation.

1.3 Foreign Exchange

In the foreign exchange market, the Kwacha appreciated by 15.1 percent in 2022 to an annual average exchange rate of K16.91 per US dollar from K19.91 in 2021. The Kwacha appreciated against the British pound sterling, euro and South African rand, by 23.6 percent, 24.4 percent and 23.2 percent, respectively, to annual averages of K20.95, 17.84 and K1.04.

The Kwacha appreciated against major currencies due to improved market sentiments mainly brought about by the approval of an IMF ECF programme after Zambia obtained financial assurances from its creditors.

Nonetheless, foreign exchange demand exceeded supply. Demand for foreign exchange (FX) mainly came from the energy as well as the wholesale and retail sectors while supply was largely from the mining sector.

1.4 Inflation

Overall inflation trended downwards in 2022 and reached a single digit of 9.7 percent in June, since August 2019, from 16.4 percent in December 2021 (see Figure 6-2). Inflation remained in single digit in the second half of 2022 and closed the year at 9.9 percent.

Consequently, overall inflation averaged 11.1 percent in 2022, down from an average of 22.1 percent in 2021. Food and non-food inflation declined to 11.9 percent and 7.3 percent in December 2022 from 19.9 percent and 12.1 percent in December 2021, respectively. The appreciation of the Kwacha against the US dollar, dissipation of shocks to prices of some food and non-food products, as well as improved supply of vegetables and fruits reduced the inflation rate.

1.5 Monetary Policy

In 2022, monetary policy continued to focus on containing inflationary pressures and anchoring inflation expectations. The Bank of Zambia (Bank) maintained the Monetary Policy Rate at 9.0 percent throughout the year in view of declining inflation and projections indicating that it would fall further and revert to the target band of 6-8 percent in the medium-term. The Bank also considered some vulnerabilities in the financial sector.

The Bank was also cognisant of the upside risks to the inflation outlook which included tighter global financial conditions, adverse spill overs from the prolonged Russia-Ukraine conflict, and lingering COVID-19 effects. Further, the Bank considered progress made on the implementation of fiscal consolidation and the instituted structural reform measures that were supported by the IMF Extended Credit Facility (ECF) and debt restructuring under the G-20 Common Framework.

(Source: Ministry of Finance, (2022) Annual Economic Report)



2.0 WORLD INSURANCE PERFORMANCE 2022

2.0.1

Global economic activity experienced a broad-based and sharper-than-expected slowdown of 2.9% in 2022 from 5.9% in 2021. This was the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. The slowdown in growth was attributed to higher-than-expected inflation, the Russia–Ukraine conflict and the resurgence effects of the COVID-19 pandemic in China.

2.0.2

Global growth is expected to slow further in 2023 to 1.7%. This is significantly below original estimates of 3% and pushes the global economy dangerously close to recession¹. A global recession is defined as a contraction in annual global per capita income. If this transpires, it will be the third weakest pace of global growth in almost three decades, with only the aftermath of the financial crisis of 2008 and the 2020 COVID-19 pandemic seeing lower GDP growth.

2.0.3

Going forward, the combination of ongoing monetary policy tightening by central banks, slow growth and heavy indebtedness is likely to weaken investment and trigger corporate defaults, adding further weight to global economic growth². This will leave little fiscal room for public expenditure at a time when countries are recovering from COVID-19. Sectors such as health and education in particular are expected to suffer from a reduction in spending.

2.0.4

At the regional level, GDP growth in sub-Saharan Africa was higher than global growth but was somewhat subdued, falling from 4.3% in 2021 to 3.4% in 2022. The combination of high inflation, tightening global financial conditions and weaker external demand from countries like China for non-energy commodities weighed on regional economic activity.

2.0.5

A sharp global growth slowdown and concerns about an impending global recession weighed on commodity prices. However, energy prices remained elevated amid geopolitical tensions and persistent supply disruptions.

2.0.6

Copper prices averaged US\$8,822.37 per Mt, from an average of US\$9,295 per Mt in 2021. The reduction was mainly attributed to weak global demand due to slower growth in China, the major consumer of copper. Brent crude oil prices averaged US\$99.82 per barrel in 2022, compared to an average of US\$70 per barrel in 2021 due to tight supply amid the Russia-Ukraine conflict.

2.0.7

Agricultural commodity prices increased in the first half of 2022 due to grain supply disruptions from Ukraine and weak production prospects from major producers. Subsequently, maize and soybeans prices rose significantly to annual averages of US\$318.8 per metric ton and US\$675.4 per metric ton from US\$259.5 per metric ton and US\$583.3 per metric ton, respectively. However, agricultural commodity prices declined in the second half of the year due to increased supply as exports from Ukraine resumed.

3.0 ZAMBIAN INSURANCE SECTOR

In 2022 there were 33 licensed insurance companies of which 23 were non-life and 10 were life insurance companies. There were 4 Reinsurance companies, 4 Reinsurance Brokers, 45 Insurance brokers and 242 insurance agents. Other licensed players include 8 Assessors, 3 claims agents, 2 risk surveyors and 6 loss adjustors.

Table 3.0 Number of Insurance Companies 2018-2022

S/N	Year	Non-Life	Life	Total
1	2018	21	10	31
2	2019	21	10	31
3	2020	21	10	31
4	2021	20	10	30
5	2022	23	10	33

3.1 Combined Gross Written Premiums

The industry recorded gross written premiums of ZMW 6.033 billion in 2022 compared to ZMW 5.344 billion in 2021 representing a growth of 13%. The gross written premium for non-life insurance was ZMW 3.867 billion (ZMW 3.514 in 2021) and life insurance was ZMW 2.166 billion (ZMW 1.830) billion 2021).

The industry growth over the past years is depicted in table and figure below:

Table 3.1: Growth in Gross Written Premiums (2018 – 2022)

S/N	Item	2018	2019	2020	2021	2022
1	Non-Life	1.908	2.292	2.983	3.514	3.867
2	Life	1.275	1.465	1.573	1.830	2.166
	Total	3.183	3.757	4.556	5.344	6.033

Figures in billion Kwacha.

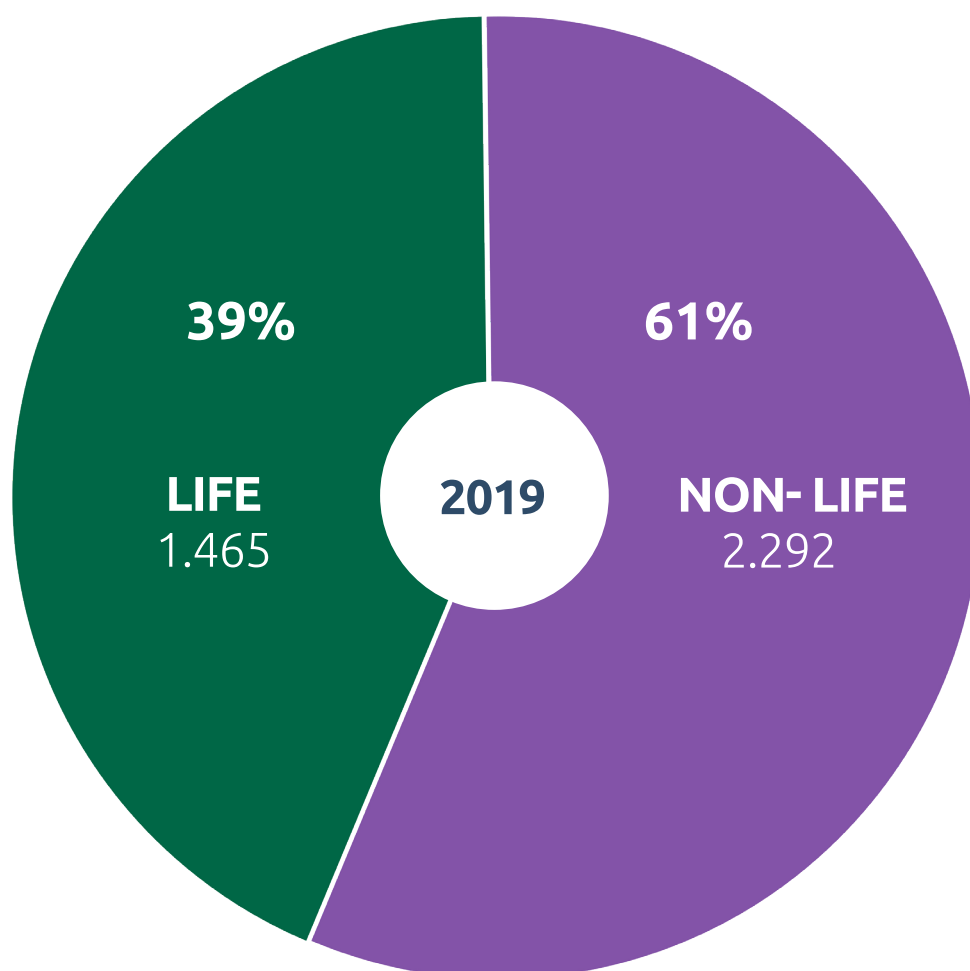
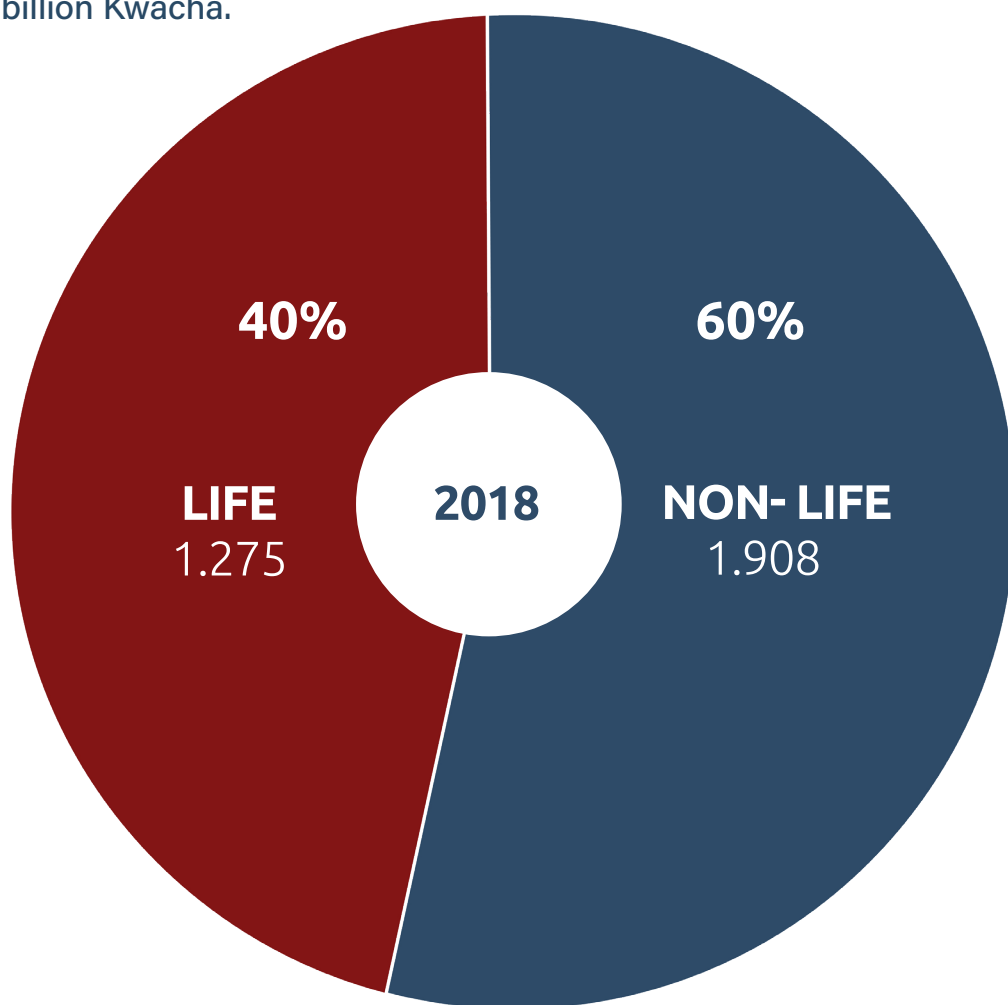
Figure 1 Growth in Gross Written Premiums

Non-life insurance premium grew by 10% in 2022 (18%:2021) while life insurance premiums grew by 18% in 2022 (15% growth:2021). The insurance industry as a whole grew by 13% in 2022 as opposed to 17% growth recorded in 2022.

The percentage growth of the insurance industry over the past five years is depicted in table 3.2 and figure 3 below:

Gross Written Premiums from 2018 - 2022

Figures in billion Kwacha.



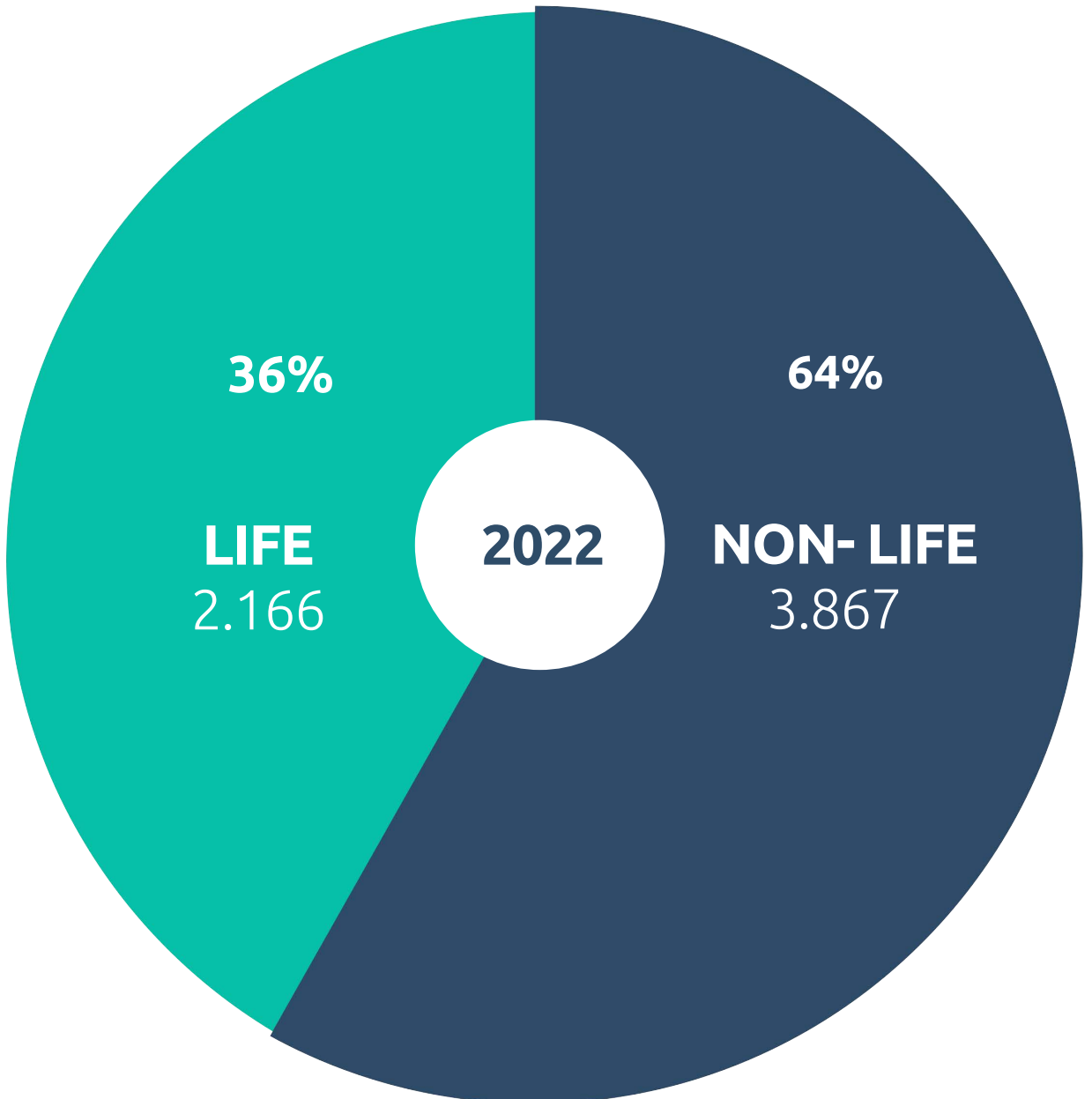
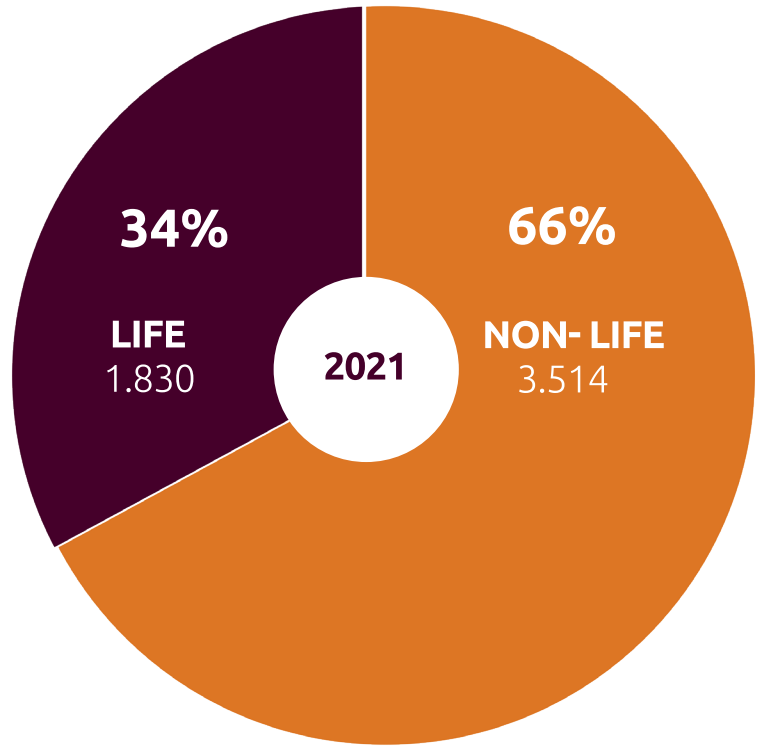
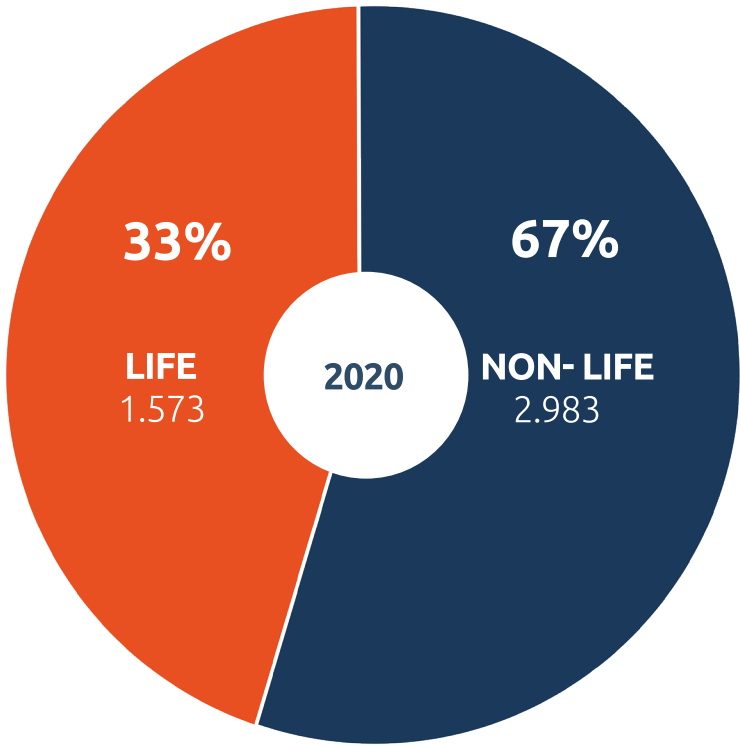
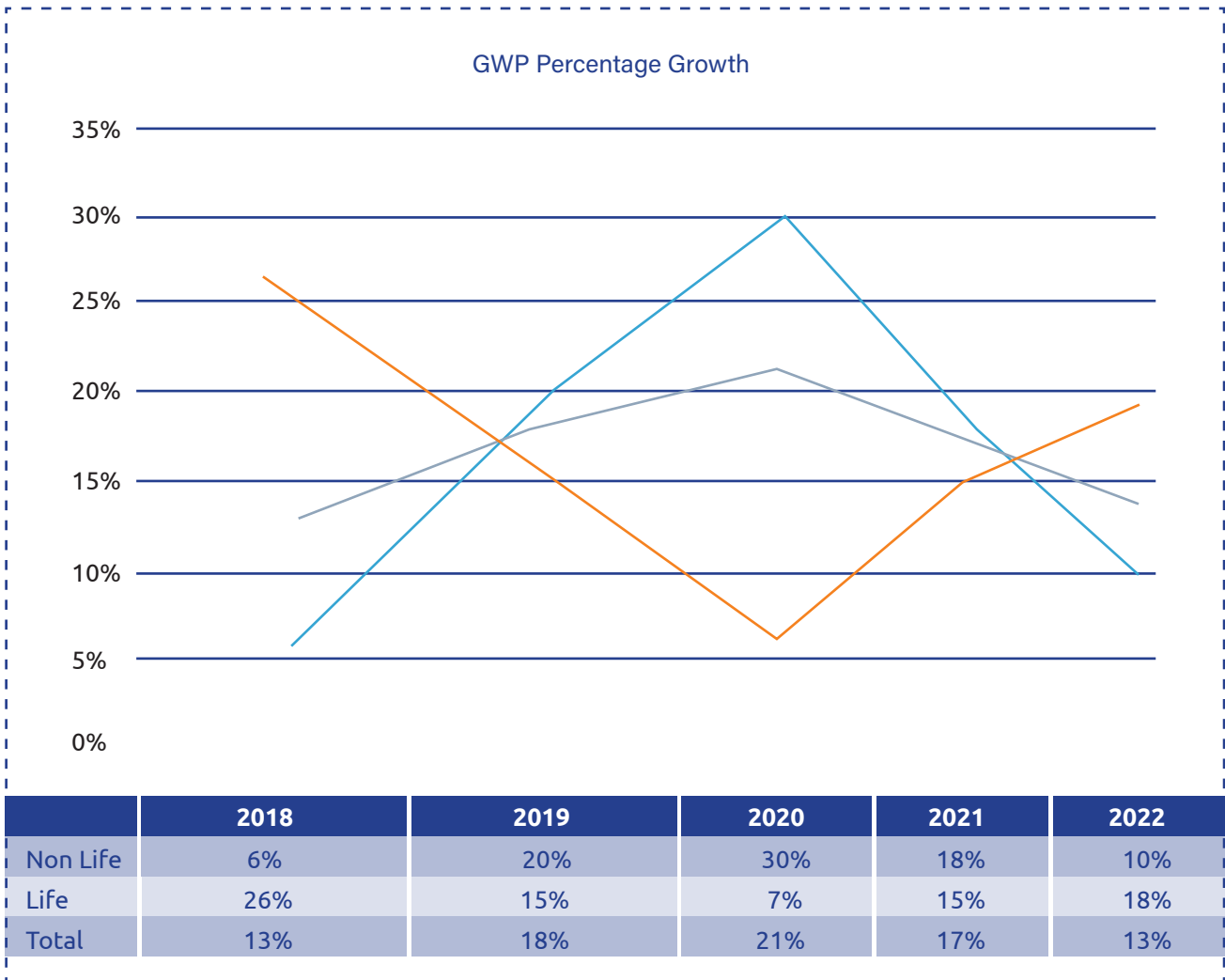


Table 3.2: Percentage Growth in GWP

Item	2018	2019	2020	2021	2022
Non Life	6%	20%	30%	18%	10%
Life	26%	15%	7%	15%	18%
Total	13%	18%	21%	17%	13%

Figure 2: Percentage Growth of Gross Written Premiums



The reduced growth of gross written premiums in 2022 was on account of foreign exchange market, the Kwacha appreciated by 15.1% in 2022 to an annual exchange of ZMW 16.91 per USD from ZMW 19.91 in 2021. The Kwacha appreciated against major currencies due to improved market sentiments mainly brought about by the approval of an IMF ECF programme after Zambia had obtained financial assurances from its creditors

3.1.1 Premiums Reinsured

There is been growth of Premiums ceded to reinsurers over the 5 years under review. The total premiums ceded in 2022 were ZMW2.530 billion and ZMW 2.22 billion in 2021 denoting a growth of 14%. The growth in Premiums ceded can be attributed to the growth of Gross Written Premiums.

Table 3.1.1 Premiums Ceded to Reinsurers 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Non-life Premiums ceded	0.875	1.18	1.687	1.879	2.205
	% of Gross Premiums - Non Life	46%	53%	57%	59%	57%
2	Life Ins Premiums ceded	0.254	0.229	0.308	0.341	0.325
	% of Gross Premiums - Life	20%	15%	20%	19%	15%
3	Total Premiums ceded	1.13	1.409	1.996	2.22	2.530
	% of Gross Premiums - Industry	36%	38%	44%	44%	42%
4	% Growth- Total Premiums ceded	8%	25%	42%	9%	-5%

Figures in billion Kwacha

3.1.2 Contribution to National GDP

The relative performance of the insurance industry to the national Gross Domestic Product for the periods 2018 to 2022 are shown in table 3.1.2 below

Table 3.1.2: Insurance Performance relative to National GDP

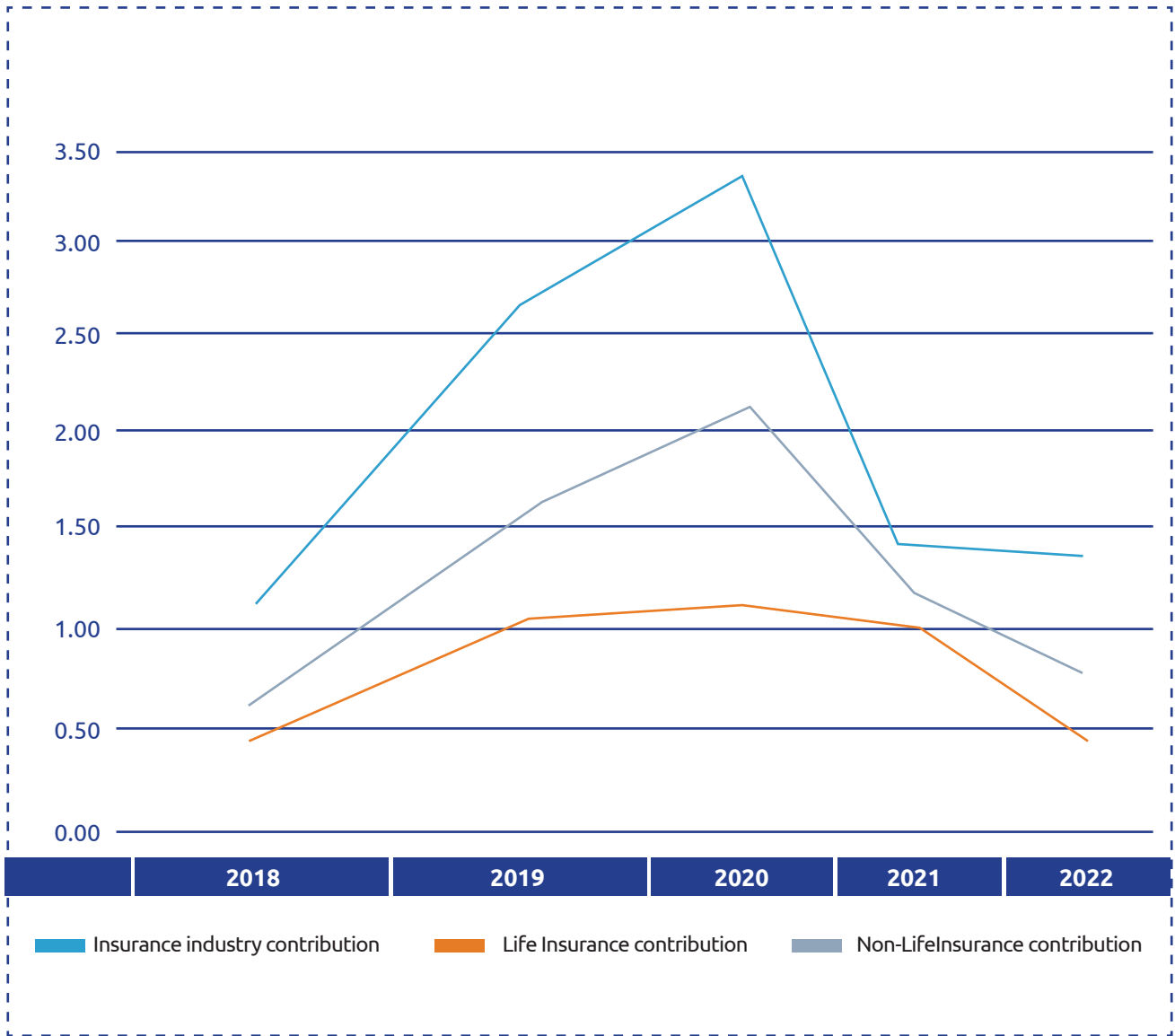
S/N	Item	2018	2019	2020	2021	2022
1	Gross Domestic Product-Mkt Price	253.356	277.634	332.397	443.362	504.477
2	Life Insurance Premiums	1.275	1.465	1.595	1.831	2.166
3	Life Insurance Contribution	0.50%	0.53%	0.48%	0.41%	0.43%
4	Non-life Insurance Premiums	0.198	2.292	2.974	3.513	3.867
5	Non-Life Insurance Contribution	0.08%	0.83%	0.89%	0.79%	0.77%
6	Total Industry Premiums	1.473	3.757	4.569	5.344	6.033
7	Insurance Industry Contribution	0.58%	1.35%	1.37%	1.21%	1.20%

Figures in billion Kwacha

**Insurance Contribution=(Gross Premium)/GDP x 100%

Life insurance recorded a Contribution ratio of 0.43% in 2022 compared to 0.41% in 2021 while Non-life insurance recorded 3.867% in 2022 compared to 3.513 % in 2021.

Figure 3.: Insurance Contribution, Percentage of GDP



3.2 Claims

The industry has been recording a rise in the loss ratio throughout the Five-year analysis. This trend was due steady increase in both earned premiums and claims.

In 2022 net claims increase by 20 %. Claims recorded in 2022 amount to ZMW 1.87 billion and ZMW 1.56 in 2021. Earned premiums increased by 24% as they grew to ZMW 3.53 billion in 2022 from ZMW 2.85 billion in 2021.

Table 3.2: Net Claims analysis 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Earned Premium	2.01	2.17	2.39	2.85	3.53
2	% Increase in earned premiums	17%	8%	10%	19%	24%
3	Net Claims	0.9	0.95	1.12	1.56	1.87
4	% increase in claims	14%	6%	17%	39%	20%
5	Loss Ratio	45%	44%	44%	55%	53%

Figures in billion Kwacha

3.3 Total Expenses

Total expenses include net commissions and other expenses besides claims. The total expenses in 2022 were ZMW 2.531 billion (2021: ZMW 1.756 billion) of which non-life insurance expenses were ZMW 1.235 billion (2021: ZMW 0.891 billion) and life insurance expenses amounted to ZMW 1.296 billion (2021: 0.865 billion). Total industry expenses have increased by 44% between 2021 and 2022. This increase in expenses is attributed to depreciation of the Kwacha which in turn triggered Inflation hence increasing the cost of carrying doing business

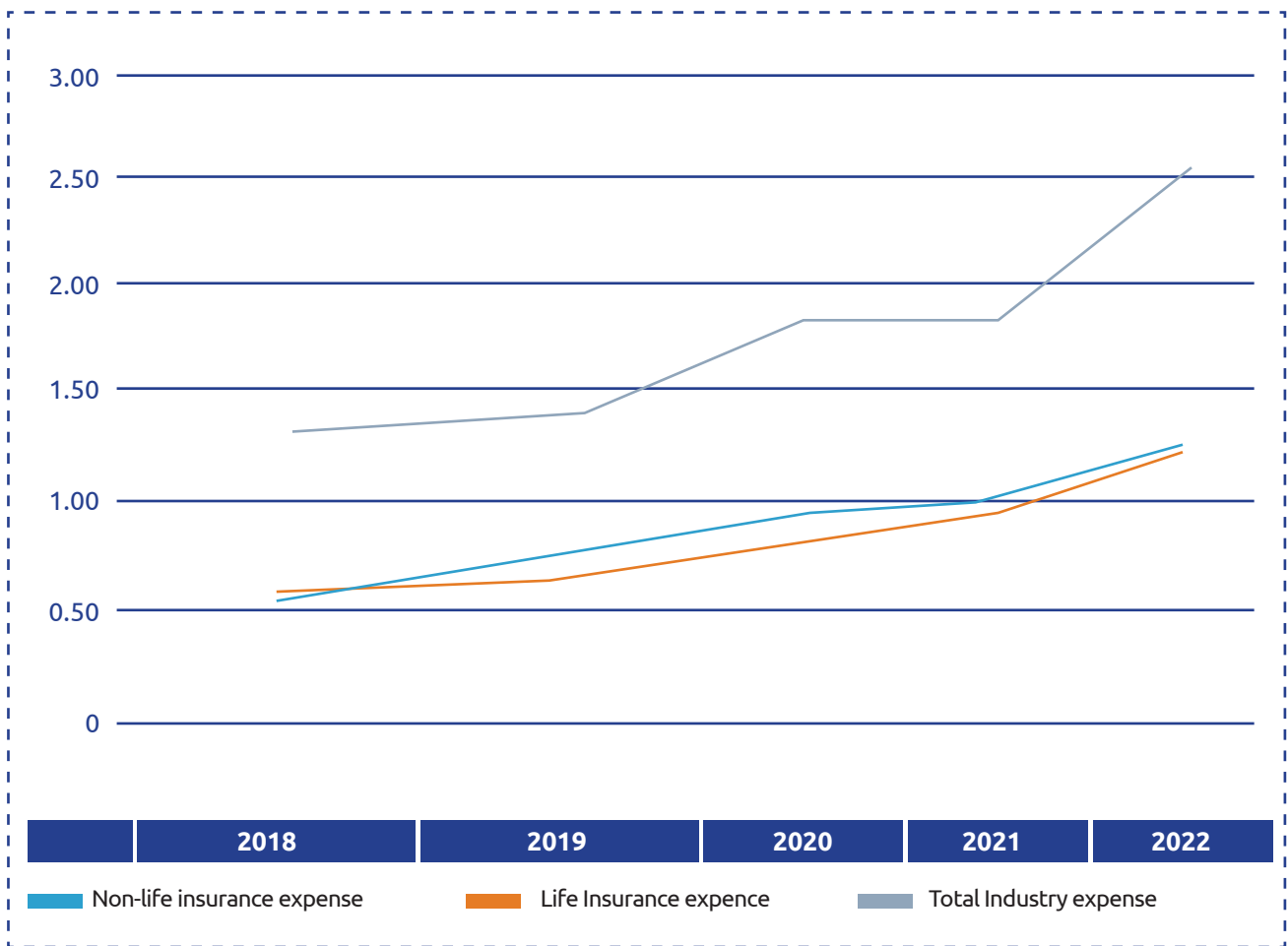
Table 3.3: Expenses 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Non-life Insurance expenses	0.597	0.695	0.91	0.891	1.235
2	Life Insurance expense	0.739	0.696	0.818	0.865	1.296
	Total Industry expenses	1.336	1.391	1.728	1.756	2.531

Figures in billion Kwacha



Figure 3.: Insurance Contribution, Percentage of GDP



3.4 Profitability

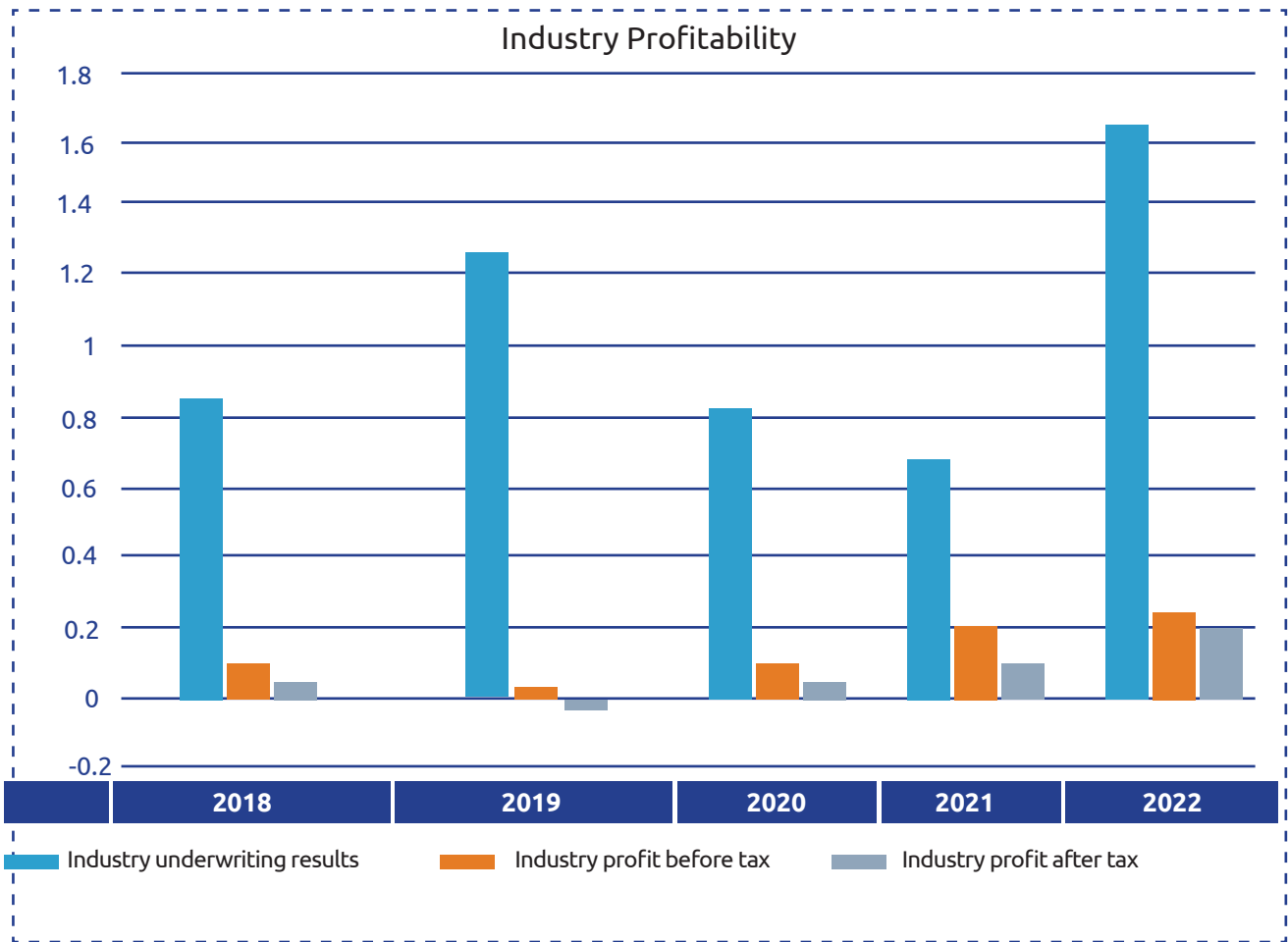
The industry recorded an increase of 132% in underwriting profit from ZMW 0.715 million in 2021 to ZMW 1.656 million in 2022. Details of the Industry profitability for the 5-year analysis are shown in table 3.4 and figure 4 below

Table 3.4: Industry Profitability 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Industry underwriting results	0.869	1.301	0.822	0.715	1.656
2	Industry profit before tax	0.12	0.016	0.141	0.207	0.224
3	Industry profit after tax	0.079	-0.025	0.085	0.139	0.206

Figures in billion Kwacha

Figure 3.: Insurance Contribution, Percentage of GDP



3.5 Insurance Premium Receivables

In the past 5 years, 17% of Insurance Business written during a calendar year remains uncollected at the year end.

The table below then depicts how about 37% of debt at the end of the year was either provided for as bad or is actually written off. This affects the ability to pay claims hence the current proposals for insurance to be done on cash and carry basis.

Table 3.5: Insurance Industry Receivable Analysis 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Gross Written Premiums	3.2	3.67	4.556	5.336	6.033
2	Gross Debtors	1.01	0.81	1.04	1.14	2.25
3	Provision for/Bad Debts	0.31	0.18	0.17	0.19	0.38
4	% Debtors / GWP	32%	22%	23%	21%	37%
5	% Bad Debts /Debtors	30%	23%	22%	23%	17%

4.0 INDUSTRY REGULATORY ENVIRONMENT & OTHER INDUSTRY MATTERS

4.1 Regulatory Framework

The new Insurance Act was signed into law in May 2021. IAZ members participated in the PIA 2-day consultative workshop on “Stakeholder Validation meeting on the Licensing, Shareholding, Fit and Proper and Solvency Regulations,” IAZ members also participated in a PIA 2-day workshop on the draft microinsurance regulations. The Minister of Finance and National Planning signed the Commencement Order on 6th December 2022. This has given life to the new Insurance Act 2021 and has now come into force replacing the old Insurance Act. The new act will require companies to have 30 percent local share holding.

Some of the key compliance issues under the new act are as follows:

1. The transition period for the new capital adequacy/solvency requirement is 3 years.
2. Both Insurer and Reinsurer are to submit quarterly returns.
3. Both Insurer and Reinsurer are to publish returns and statements in the media quarterly.
4. Revised draft Corporate Governance Guidelines have been shared through IAZ.
5. PIA has been empowered to apply penalties for various offences.

4.2 Fiscal Policy Environment

4.2.1

Government also pronounced the introduction of a 20% Withholding Tax on Reinsurance placed outside the territory of Zambia. The WHT came into force effective 1st January 2022. IAZ has been lobbying for amendment of the WHT because, (1) This is far higher than the regional average of 5% WHT, (2) Retrocession has been included under the WHT, and industry was lobbying for the exclusion of retrocession. Kindly note this was reversed due concerns over WHT being applied to retrocession which defeated the intention of the policy.

4.3 Insurance Trading Environment

4.3.1

Mrs Namakau Ntini was the acting PIA Registrar during the period under review and continued to serve in that position to date.

4.3.2

The industry continues to prepare for implementation of IFRS 17. IAZ held two 2 workshops in 2023, and more training will be required before stakeholders are fully prepared.

4.3.5

ZRA has maintained the waiver on withholding tax on broker commissions the matter which had burdened and threatened the financial and tax position of the industry this was after a long battle which IAZ had been lobbying for over five years.

4.3.6

Following the successful elections, the following members took up office on the IAZ Board for the period 1st June 2022 to 31st may 2024:

1. **President – Moses Siame**
2. **Vice Present – Irene Muyenga**
3. **Reinsurance Council Chairperson – Ronald Kasapatu**
4. **General Insurance Council Chairperson – Charles Madziva**
5. **General Insurance Council Member – Jean-François Cateaux**
6. **Life Assurance Council Chairperson – Barbara Mwandila**
7. **Life Assurance Council Member – Collins Hamusonde**
8. **Ordinary Board Member – Prince Nkhata**
9. **Finance Committee Chairperson – Ellison Munyenyenbe**

5.0 INDUSTRY RATIO ANALYSIS

The analysis of the industry key Performance ratios over the last Five-year period has been divided into Non-life, Life and concluded with a Combined analysis as follows;

5.1 Ration Analysis: Non-life Insurance

The table below depicts ratio analysis for the non-life insurance niche

Table 5.1 Non-life Insurance Ratio analysis 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Risk Retention	0.54	0.46	0.38	0.44	0.43
2	Loss Ratio	38%	49%	58%	44%	45%
3	Expenses Ratio	61%	71%	79%	57%	73%
4	Combined Ratio	99%	120%	138%	102%	118%

5.2 Ratio Analysis: Life Insurance

The ratio analysis for the non-life insurance niche has been depicted by table 5.3 below.

Table 5.3: Life Insurance Ratio analysis 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Risk Retention	0.8	0.81	0.79	0.81	0.85
2	Loss Ratio	51%	39%	57%	71%	61%
3	Expenses Ratio	71%	58%	65%	94%	71%
4	Combined Ratio	123%	97%	122%	165%	131%

5.4 Ratio Analysis: Combined Industry Ratio analysis

Table 5.3: Insurance Industry Ratio Analysis 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Risk Retention	0.65	0.61	0.52	0.57	0.58
2	Loss Ratio	45%	44%	58%	56%	53%
3	Expenses Ratio	66%	64%	72%	74%	72%
4	Combined Ratio	111%	108%	130%	124%	125%

Table 5.4: Ratio Formulas

Ratio	Formula	Significance in Analysis
Risk Retention	Net premium Written Gross Premium written	Indicates the level of risks retained by the insurer. Reinsurance plays an essential role in the risk spreading process.
Loss Ratio	$\frac{\text{Net claims Incurred} \times 100}{\text{Net Premium Earned}}$	The ratio measures the company’s loss experience as a proportion of premium income earned during the year. The loss ratio is a reflection on the nature of risk underwritten and the adequacy or inadequacy of pricing of risks.
Expenses Ratio	$\frac{\text{Management Expenses +/- Net commission paid/ (earned)} \times 100}{\text{Net Premium Earned}}$	Expense ratio reflects the efficiency of insurance operations. Expense ratio for an insurer would be analysed by class of business, along with the trend of the same
Combined Ratio	Loss Ratio + Expense Ratio	Combined ratio is a reflection of the underwriting expense as well as operating expenses structure of the insurer.

(Source: Care Rating)

6.0 COMBINED STATEMENT OF COMPREHENSIVE INCOME

The insurance industry's statement of Comprehensive Income for the last five years is shown in table 6.0 below.

Table 6.0: Combined industry Statement of Comprehensive Income

S/N	Item	2018	Growth	2019	Growth	2020	Growth	2021	Growth	2022	Growth
1	Gross Written Premiums	3.18	13%	3.8	18%	4.557	21%	5.34	18%	6.03	13%
2	Reinsurance Ceded	-1.13	8%	-1.4	23%	1.99	43%	2.22	12%	2.53	14%
3	Net Written Premium	2.07	19%	2.4	14%	2.53	7%	2.87	13%	3.50	22%
4	Change in Net Provision for UPR	-0.06	415%	-0.2	192%	-0.13	-26%	-0.12	-8%	0.02	120%
5	Earned Premium	2.01	17%	2.2	9%	2.39	9%	3.06	28%	3.53	15%
6	Net Claims Incurred	-0.90	13%	-1.1	21%	1.38	27%	1.74	26%	1.87	8%
7	Commissions and other expenses	-1.34	18%	-1.5	15%	1.73	12%	2.28	32%	2.53	11%
8	Investment and other income	0.25	-34%	0.5	82%	0.72	58%	1.13	57%	1.10	-3%
8	Investment and other income	0.25	-34%	0.5	82%	0.72	58%	1.13	57%	1.10	-3%
9	Total Profit / (loss) before tax	0.02	-32%	0.0	-25%	0.18	1100%	207.30	115067%	0.22	-100%
10	Taxation	-0.04	25%	0.0	-2%	-0.05	22%	67.70	135500%	-0.02	-100%
11	Total profit/ (loss) after tax	-0.02	-45%	0.0	-30%	0.13	600%	139.26	107023%	0.21	-100%

6.1 Detailed Statement of Comprehensive Income

Table 6.1 below shows a detailed analysis of the Comprehensive income of each Insurance company. The information provided in the table below is based on the 33 audited Financial Statements of the year ended 31st December 2022 received by the Insurers Association of Zambia.



Table 6.1: Detailed Analysis of the Statement of Comprehensive Income for the year ended 2022

Company	Gross Insurance Premiums	Reinsurance Ceded	Net Written Premium	Change in Net Provision for UPR	Earned Premium	Net Claims	Net commissions and expenses	Investment and other income	Total Profit/(loss)before tax	Taxation	Total profit/(loss) after tax
1. A/grey	0.038	-0.010	0.028	0.000	0.028	-0.006	-0.027	0.001	-0.003	0.000	-0.004
2. Adelvis	0.023	-0.008	0.014	0.000	0.014	-0.004	-0.032	0.020	-0.002	0.001	-0.001
3. A/pride	0.114	-0.054	0.060	-0.002	0.058	-0.023	-0.019	0.000	0.016	-0.005	0.011
4. Adv/tage	0.047	-0.016	0.031	0.000	0.031	-0.010	-0.031	0.007	-0.004	0.001	-0.003
5. Aplus	0.042	-0.003	0.039	0.001	0.040	-0.007	-0.032	0.001	0.002	-0.001	0.001
6. Absa Life	0.079	-0.010	0.069	0.000	0.069	-0.013	-0.063	0.011	0.004	0.000	0.004
7. Discover Insurance	0.011	-0.002	0.009	-0.009	0.000	-0.001	-0.003	0.000	-0.003	0.000	-0.003
8. Swan	0.140	-0.059	0.081	-0.002	0.079	-0.053	-0.042	0.021	0.005	-0.005	0.000
9. G/alliance	0.045	-0.021	0.024	0.001	0.024	-0.014	-0.011	0.003	0.002	-0.005	-0.003
10. Hollard	0.351	-0.192	0.160	-0.010	0.150	-0.078	-0.096	0.038	0.014	-0.004	0.010
11. HOLLARD life	0.065	-0.018	0.047	-0.003	0.045	-0.012	-0.037	0.005	0.001	0.000	0.001
12. Innovate	0.032	-0.004	0.028	0.001	0.029	-0.006	-0.019	0.002	0.005	-0.002	0.004
13. Indigo	0.005	-0.001	0.004	-0.002	0.002	-0.001	-0.005	0.001	-0.003	0.000	-0.003
14. Innovate Life	0.000	0.000	0.000	0.000	0.000	0.000	-0.001	0.000	-0.001	0.000	-0.001
15. Klaption G	0.001	-0.001	0.000	0.000	0.000	0.000	-0.006	0.001	-0.005	0.001	-0.003
16. Liberty	0.162	-0.096	0.066	0.000	0.066	-0.015	-0.065	0.020	0.005	0.000	0.005
17. Madison	0.254	-0.067	0.187	-0.002	0.185	-0.086	-0.109	0.018	0.007	-0.002	0.005

Figures in billion Kwacha

INDUSTRY REPORT 2022

18 . Madison/l	0.236	-0.022	0.214	0.000	0.214	-0.090		0.118	0.004	0.000	0.004
19 . Mayfair	0.162	-0.106	0.055	0.006	0.061	-0.036	-0.037	0.027	0.015	-0.010	0.005
20 . Goldman	0.118	-0.014	0.105	-0.010	0.094	-0.032	-0.059	0.002	0.005	-0.002	0.003
21 . Golden Lotus	0.067	-0.026	0.040	-0.005	0.036	-0.042	-0.013	0.004	-0.015	0.003	-0.012
22 . Meanwood	0.010	-0.002	0.008	-0.001	0.007	-0.008	-0.018	0.000	-0.020	-0.002	-0.021
23 . One-Life	0.225	-0.003	0.222	0.000	0.222	-0.158	-0.089	0.004	-0.021	0.000	-0.021
24 . Nico	0.516	-0.334	0.182	0.006	0.187	-0.135	-0.132	0.053	-0.026	0.000	-0.026
25 . Phoenix	0.055	-0.037	0.018	0.002	0.020	-0.005	-0.022	0.012	0.005	0.000	0.005
26 . Professional	1.205	-0.890	0.315	0.020	0.335	-0.134	-0.253	0.139	0.086	-0.027	0.059
27 . Prudential Life	0.601	-0.027	0.573	0.000	0.573	-0.387	-0.237	0.080	0.030	0.000	0.030
28 . Sanlam	0.384	-0.135	0.249	0.000	0.249	-0.159	-0.144	0.072	0.018	-0.001	0.017
29 . Savenda	0.038	-0.004	0.034	0.000	0.034	-0.006	-0.025	0.004	0.006	-0.002	0.004
30 . Ses	0.195	-0.001	0.194	0.000	0.194	-0.129	-0.113	0.067	0.019	-0.005	0.014
31 . Veritas	0.014	-0.002	0.012	0.000	0.012	-0.006	-0.006	0.000	0.000	0.000	0.000
32 . Zsic	0.580	-0.350	0.229	0.034	0.263	-0.063	-0.238	0.084	0.047	-0.014	0.032
33 . Zsic/l	0.218	-0.012	0.206	0.000	0.206	-0.151	-0.309	0.285	0.031	0.063	0.094

6.2 Combined Industry Statement of Financial Position

Table 6.2: Combined Industry Statement of Financial Position

S/N	Item	2021	2022	Growth
1	Shareholders Capital and Reserves	1.12	1.47	31%
2	Total Assets	5.69	7.42	30%
3	Total Liabilities	4.57	5.96	30%
4	Net Assets	1.12	1.47	31%
5	Profit/(loss)	1.39	0.21	-85%
6	ROCE	16%	14%	-12%

Figures in billion Kwacha

The insurance industry shareholders capital, life fund and reserve increased by 31% to ZMW 1.47 billion kwacha in 2022 from ZMW 1.12 billion Kwacha in 2021.

Total assets and liabilities both increased by 30% respectively being an increase to ZMW 7.42 billion from ZMW 5.69 billion and to ZMW 5.96 billion from ZMW 4.57 billion from 2021 to 2022 respectively.

Net assets increased by 31% to ZMW 1.47 billion from ZMW 1.12 billion in 2021 in 2022.

Industry recorded a surplus of ZMW 0.21 billion in 2022 which translates into 85% less than the ZMW 1.39 in 2021.

The industry recorded a Return on Capital Employed of 14% from the 16% recorded in 2021



Table 6.3 Industry Statement of Financial Position 2022

S/N	MEMBER	Shareholders C& R	Total Assets	Total Liabilities	Net Assets	Profit/(loss)	ROCE
1	A/grey	0.014	0.042	0.028	0.014	(0.004)	-26%
2	Adelvis	0.054	0.074	0.020	0.054	(0.001)	-2%
3	A/pride	0.027	0.081	0.055	0.027	0.011	42%
4	Adv/tage	0.022	0.047	0.025	0.022	(0.003)	-12%
5	Aplus	0.017	0.039	0.023	0.017	0.001	6%
6	Absa Life	0.024	0.095	0.071	0.024	0.004	18%
7	Discover Insurance	0.011	0.023	0.012	0.011	(0.003)	-30%
8	Swan	0.022	0.112	0.089	0.022	0.000	1%
9	G/alliance	0.021	0.056	0.036	0.021	(0.003)	-16%
10	Hollard	0.060	0.293	0.233	0.060	0.010	16%
11	HOLLARD life	0.003	0.042	0.039	0.003	0.001	20%
12	Innovate	0.037	0.091	0.054	0.037	0.004	10%
13	Indigo	0.007	0.010	0.004	0.007	(0.003)	-45%
14	Innovate Life	0.007	0.014	0.007	0.007	(0.001)	-17%
15	Klaption G	0.018	0.024	0.006	0.018	(0.003)	-19%
16	Liberty	0.020	0.116	0.096	0.020	0.005	25%
17	Madison	(0.034)	0.208	0.243	(0.034)	0.005	-16%
18	Madison/l	0.046	0.617	0.570	0.046	0.004	9%
19	Mayfair	0.051	0.249	0.198	0.051	0.005	9%
20	Goldma	0.018	0.105	0.086	0.018	0.003	18%
21	Golden Lotus	0.002	0.074	0.072	0.002	(0.012)	-597%
22	Meanwood	0.020	0.059	0.039	0.020	(0.021)	-105%
23	One-Life	0.001	0.100	0.099	0.001	(0.021)	-1790%
24	Nico	0.038	0.285	0.248	0.038	(0.026)	-69%
25	Phoenix	0.032	0.067	0.035	0.032	0.005	16%
26	Professional	0.257	1.405	1.148	0.257	0.059	23%
27	Prudential Life	0.157	0.745	0.588	0.157	0.030	19%
28	Sanlam	0.060	0.694	0.634	0.060	0.017	28%

Figures in billion Kwacha

29	Savenda	0.020	0.055	0.036	0.020	0.004	20%
30	Ses	0.039	0.156	0.117	0.039	0.014	36%
31	Veritas	0.009	0.020	0.011	0.009	(0.000)	-6%
32	Zsic	0.196	0.606	0.410	0.196	0.032	17%
33	Zsic/l	0.190	0.817	0.627	0.190	0.094	50%
		1.466	7.423	5.957	1.466	0.206	14%

7.0 NON-LIFE INSURANCE SECTOR

Non-Life insurance is also referred to general insurance in some circles. The major classes of non-life insurance written in Zambia include Fire, Accident, Motor, Marine/Aviation, Engineering and Agriculture. Other classes include Liability, Bonds and Micro insurance. Twenty-Two (23) companies wrote non-life insurance business in 2022.

7.1 Gross Premiums

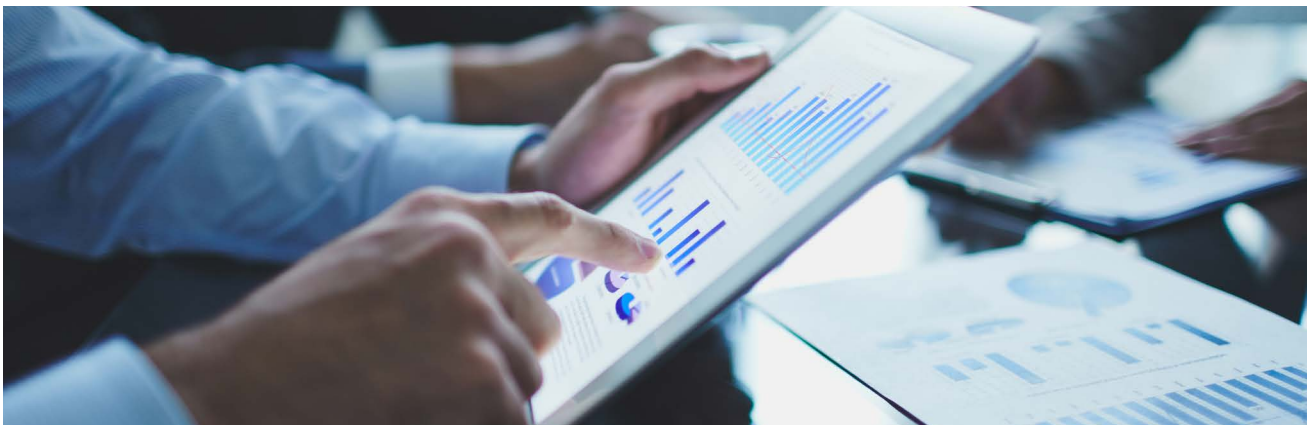
Gross premiums for 2022 were ZMW 3.867 billion and in 2021 ZMW 3.26 billion being an increase of 19% compared to an increase of 11% in 2021.

In the last 5 years, Professional Insurance has exhibited consistency in maintaining a market share of above 20%. In the year 2022, Professional Insurance had the Market shareholding of 31%, The other insurance companies with a significant market share include Nico Insurance, Madison General, Mayfair, Hollard and ZSIC General all with a market share of around 5% to 15%. Over 50% of the companies have a market share of less than 5%.

The table below shows the gross premium, market share and percentage growth per company for the last Five years.

7.2 Gross Written Premium Growth

Non-life Insurance premiums have grown by ZMW 1.96 billion in the last 5 years, a growth rate of 103%.



COMPANY	2018			2019			2020			2021			2022		
	Gross Premiums	% Growth	Mkt Share	Gross Premiums	% Growth	Mkt Share	Gross Premiums	% Growth	Mkt Share	Gross Premiums	% Growth	Mkt Share	Gross Premiums	% Growth	Mkt Share
ADELVIS	0	0%	0.00%	0.003	0%	0.12%	0.008	-183%	0.26%	0.014	-81%	0.43%	0.023	-63%	0.58%
ADVANTAGE	0.030	40%	1.55%	0.032	-9%	1.46%	0.045	-41%	1.54%	0.000	100%	0.00%	0.047	0%	1.22%
AFRICA PRIDE	0.033	11%	1.72%	0.040	-21%	1.81%	0.070	-76%	2.38%	0.097	-38%	2.98%	0.114	-18%	2.96%
AFRICAN GREY	0.035	6%	1.84%	0.032	10%	1.43%	0.033	-5%	1.13%	0.040	-19%	1.21%	0.038	3%	0.99%
APLUS	0.015	-5%	0.78%	0.019	-26%	0.85%	0.036	-91%	1.22%	0.000	100%	0.00%	0.042	0%	1.09%
DISCOVER	0.000		0.00%	0.000	0%	0.00%	0.000	0%	0.00%	0.000	0%	0.00%	0.011	0%	0.29%
SWAN	0.033	-25%	1.75%	0.039	-16%	1.76%	0.067	-72%	2.27%	0.110	-65%	3.39%	0.140	-26%	3.61%
GENERAL ALLIANCE	0.022	37%	1.16%	0.026	-19%	1.18%	0.043	-64%	1.46%	0.050	-18%	1.55%	0.045	11%	1.16%
GOLDEN LOTUS	0.019	57%	0.97%	0.000	100%	0.00%	0.000	0%	0.00%	0.000	0%	0.00%	0.067	0%	1.72%
GOLDMAN	0.082	1%	4.28%	0.000	100%	0.00%	0.108	0%	3.69%	0.000	100%	0.00%	0.118	0%	3.05%
HOLLARD	0.158	19%	8.30%	0.182	-15%	8.27%	0.217	-19%	7.36%	0.277	-28%	8.50%	0.351	-27%	9.09%
INNOVATE	0.018	4%	0.93%	0.026	-48%	1.19%	0.025	5%	0.85%	0.036	-43%	1.09%	0.032	10%	0.83%
INDIGO	0.000		0.00%	0.000	0%	0.00%	0.000	0%	0.00%	0.000	0%	0.00%	0.005	0%	0.13%
MADISON GEN	0.287	12%	15.03%	0.336	-17%	15.22%	0.351	-5%	11.93%	0.273	22%	8.37%	0.254	7%	6.56%
MAYFAIR	0.171	71%	8.98%	0.269	-57%	12.17%	0.309	-15%	10.51%	0.281	9%	8.62%	0.162	43%	4.18%
MEANWOOD	0.040	-7%	2.10%	0.025	39%	1.12%	0.010	59%	0.35%	0.010	0%	0.31%	0.010	0%	0.26%
NICO	0.198	-16%	10.40%	0.257	-29%	11.64%	0.342	-33%	11.64%	0.455	-33%	13.97%	0.516	-13%	13.34%
PHOENIX	0.042	-3%	2.20%	0.042	-1%	1.91%	0.050	-18%	1.70%	0.065	-30%	1.98%	0.055	15%	1.42%
PICZ	0.463	9%	24.27%	0.589	-27%	26.67%	0.815	-38%	27.70%	1.064	-31%	32.65%	1.205	-13%	31.17%
SAVENDA	0.019	65%	1.01%	0.031	-64%	1.43%	0.035	-10%	1.17%	0.045	-29%	1.37%	0.038	15%	0.99%
ULTIMATE	0.012	328%	0.62%	0.000	100%	0.00%	0.000	0%	0.00%	0.000	0%	0.00%	0.000	0%	0.00%
VERITUS G	0.004	-1%	0.19%	0.005	-54%	0.25%	0.005	1%	0.18%	0.011	-97%	0.33%	0.014	-28%	0.36%
ZSIC GI	0.228	-9%	11.93%	0.255	-12%	11.54%	0.373	-46%	12.67%	0.432	-16%	13.25%	0.580	-34%	14.99%
TOTAL	1.91	6%	100%	2.21	16%	100%	2.94	33%	100%	3.26	11%	100%	3.87	19%	100%

Non-life Insurance Companies Market share 2022



7.3 Claims Analysis

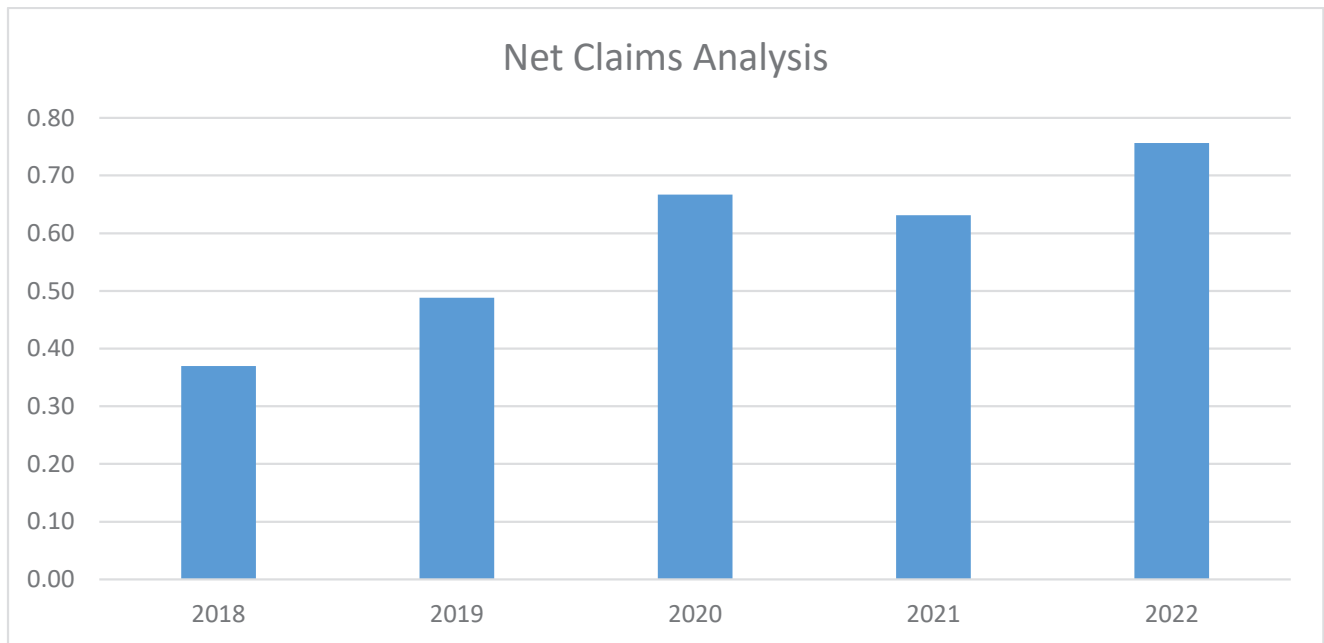
Non-life insurance incurred net claims of ZMW 0.76 billion in 2022 compared to ZMW 0.631 billion in 2021. This indicates an increase of 20% against the previous year. The Non-life Net claims have increased by 0.43 billion over the Five-year period from 2018 to 2022. The year 2022 has been the lowest while the year 2020 recorded the highest in the past 5 years

Table 7.3: Claims Analysis 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Earned Premiums	0.974	0.984	1.14	1.37	1.69
2	Net Claims	0.37	0.488	0.667	0.631	0.76
3	% change in net claims	10%	31%	48%	-5%	20%
4	Loss Ratio	38%	49%	59%	46%	45%

Figures in billion kwacha

Figure 6- Net Claims Analysis



7.4 Expenses

The total non-life insurance expenses were ZMW 1.235 billion in 2022 and ZMW 0.891 billion in 2021.

7.5 Reinsurance

The total of premiums ceded has been at an average of 50% of gross premiums written. Total premiums ceded in 2022 amounted to ZMW 2.20 billion whereas ZMW 1.88 billion premiums were ceded in 2021. The year 2020 and 2021 recorded the highest percentage of 57% in the past 5 years under review. Table 7.5 below shows the premiums ceded from the year 2018 to 2022.

Table 7.5: Non-life Premiums Ceded

S/N	Item	2018	2019	2020	2021	2022
1	Non-life premiums ceded	0.88	1.18	1.67	1.88	2.20
2	% of Gross Written Premiums	46%	53%	57%	57%	39%
3	% growth	1%	34%	42%	13%	17%

Figures in billion Kwacha

7.6 Summary of Revenue Account

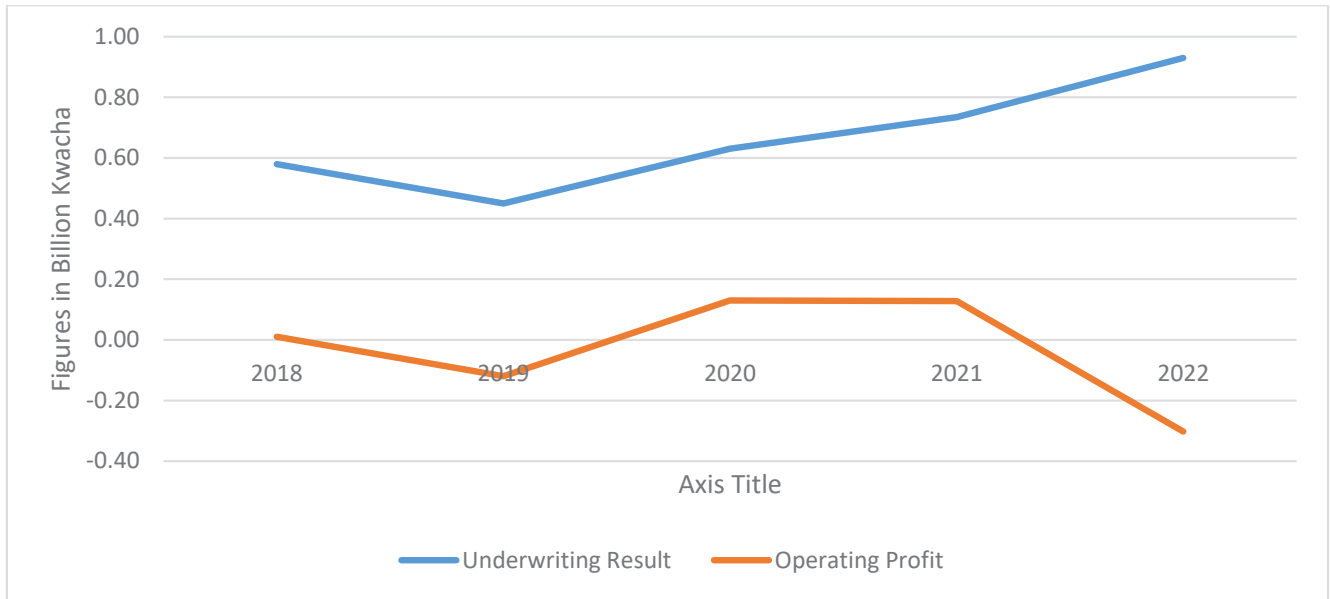
Non-life insurance even though experiencing underwriting profits over the last Five years it has recorded operating losses with only 2018, 2020 and 2021 having recorded a profit. The table below depicts the trend

Table 7.6: Summary of Revenue Account 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Gross Written Premiums	1.91	2.21	2.94	3.26	3.87
2	Earned Premium	0.97	0.98	1.14	1.37	1.69
3	Direct Insurance Expenses	0.40	0.53	0.41	0.64	0.76
4	Underwriting Result	0.58	0.45	0.63	0.74	0.93
5	Administrative expenses	0.57	0.66	0.50	0.61	1.23
6	Operating Profit	0.01	(0.12)	0.13	0.13	(0.30)

Figures in billion Kwacha

Figure 7: Change in Revenue Account 2018-2022



8.0 LIFE INSURANCE SECTOR

8.1 Premiums Income

The life insurance niche recorded a growth in Gross Written Premiums of 18% in 2022 (2021:15%) to ZMW 2.17 million in 2022 from ZMW 1.83 million 2021.

In terms of Market share, Prudential recorded the highest Market share of 28 %, Seconded by Sanlam with 18%, Madison life recorded 11%, One life recorded 10 %, ZSIC life recorded 10%, Speciality Emergency services recorded 9%, Liberty life recorded 7 %, ABSA life recorded 4% with the least being Hollard Life recorded 3%.

Table 7.1 below shows the gross premium, market share and percentage growth per company for the last five years.

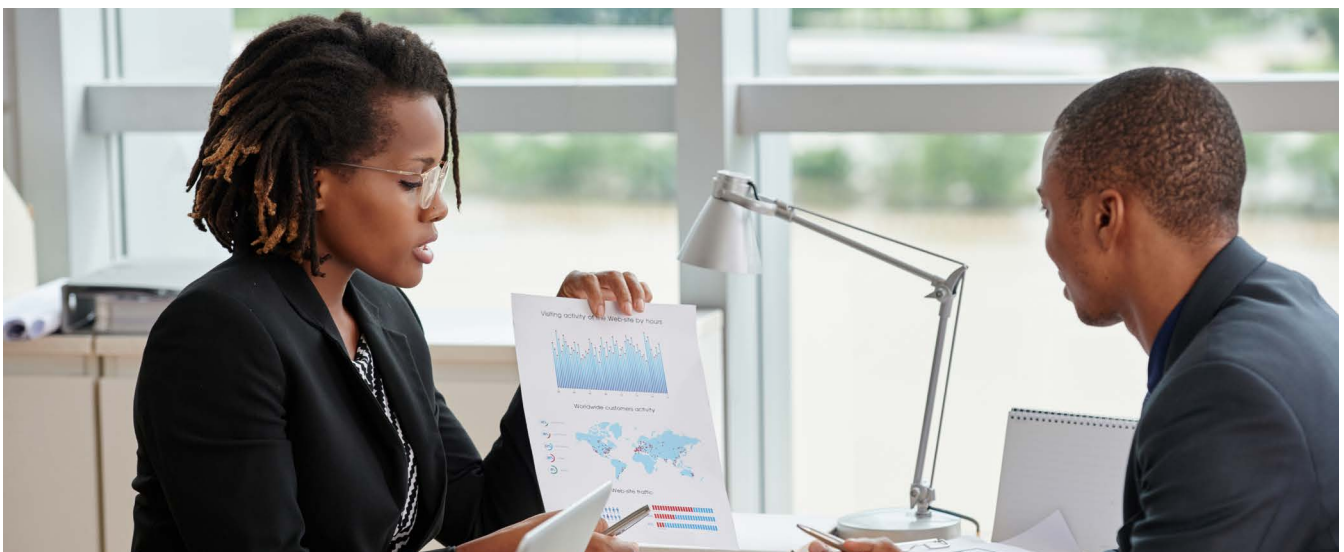


Table 8.1: Growth and Market Share of Life Insurance 2018-2022

S/N	Company	2018			2019			2020			2021			2022		
		Gross Premium	% Change	Mkt Share	Gross Premium	% Change	Mkt Share	Gross Premium	% Change	Mkt Share	Gross Premium	% Change	Mkt Share	Gross Premium	% Change	Mkt Share
1	ABSA Life	0.07	33%	5.58%	0.07	-2%	4.77%	0.06	-8%	4.12%	0.08	30%	4.60%	0.08	-6%	3.66%
2	Hollard life	0.03	49%	1.97%	0.03	37%	2.35%	0.04	23%	2.71%	0.05	20%	2.80%	0.07	28%	3.02%
3	Innovate Life	0.00	100%	0.09%	0.00	-100%	0.00%	0.00	0%	0.00%	0.00	0%	0.01%	0.00	-50%	0.00%
4	Liberty Life	0.08	42%	6.46%	0.11	37%	7.73%	0.12	7%	7.77%	0.14	17%	7.79%	0.16	14%	7.47%
5	Madison Life	0.17	11%	13.24%	0.19	9%	12.64%	0.19	0%	11.89%	0.22	20%	12.28%	0.24	5%	10.90%
6	One Life	0.08	12%	6.43%	0.06	-30%	3.93%	0.06	0%	3.70%	0.11	85%	5.88%	0.23	109%	10.39%
7	Prudential	0.18	31%	13.79%	0.25	39%	16.76%	0.28	14%	17.95%	0.39	38%	21.37%	0.60	54%	27.73%
8	Speciality SES	0.10	27%	7.57%	0.14	40%	9.29%	0.20	44%	12.59%	0.20	3%	11.14%	0.20	-4%	9.02%
9	Sanlam Life	0.39	21%	29.87%	0.45	17%	30.45%	0.49	8%	30.90%	0.46	-5%	25.12%	0.38	-16%	17.72%
10	Zsic Life	0.19	55%	15.00%	0.18	-8%	12.09%	0.13	-26%	8.37%	0.16	25%	9.02%	0.22	32%	10.09%
	Total	1.29	26%	100.00%	1.48	14%	100.00%	1.57	6%	100.00%	1.83	15%	100.00%	2.17	18%	100%

Figures in Billion Kwacha

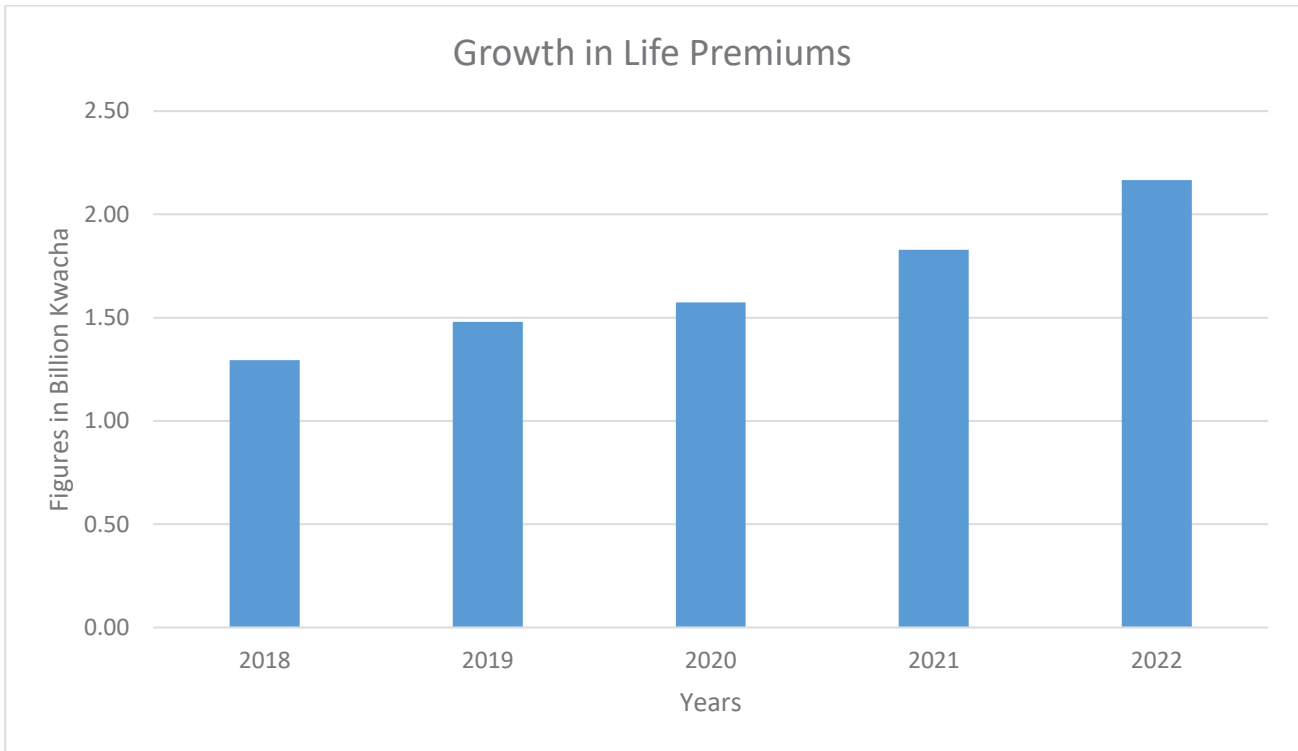
life Insurance Companies Market share 2022



8.2 Gross Written Premiums Growth

Life insurance premiums increased by 18% from 2021 to 2022. In 2022 insurance premiums increased to ZMW 2.17 billion from ZMW 1.83 billion in 2021.

Figure 7: Growth in Life Premiums 2018-2022



8.3 Claims

Claims as well as Earned premiums have been increasing over the past five years. In the Fifth year 2022 the Net Claims Incurred increased by 19%.

Table: Life 7.3 Insurance Claims 2018-2022

S/N	Item	2018	2019	2020	2021	2022
1	Net Claims Incurred	0.53	0.52	0.72	0.93	1.11
2	% change in net claims	15%	-3%	38%	30%	19%
3	Earned Premiums	1.04	1.19	1.25	1.49	1.84
4	Loss Ratio	51%	44%	57%	63%	61%

Figures in billion Kwacha

8.4 Expenses

Expenses include all expenses in a company's income statement excluding claims. The life insurance Expenses in year 2022 amounted to ZMW 1.296 billion Kwacha.

8.5 Reinsurance

The total premiums ceded amounted to ZMW 0.325 billion in 2022 with an increase of 15% from the 2021 figure of ZMW 0.341 billion.

Table 8.5: Life Insurance Premiums Ceded 2018-2022

Year	2018	2019	2020	2021	2022
Life Ins Premiums ceded	0.254	0.275	0.308	0.341	0.325
% of Gross Premiums	20%	18.50%	20%	18%	15%
% Growth	46%	8.30%	12%	11%	-5%

Figures in billion Kwacha

8.6 Five Year Revenue Accounts

Revenue accounts over the Five-year period is as shown in table 8.6 below

Table 8.6: Revenue Accounts

S/N	Item	2018	2019	2020	2021	2022
1	GWP	1.29	1.48	1.57	1.83	2.17
2	Earned Premium	1.04	1.19	1.25	1.49	1.84
3	Net Claims	0.53	0.52	0.72	0.93	1.11
4	Total Other Expenses	0.74	0.70	0.82	0.86	1.30
5	Underwriting profit/(loss)	0.29	0.18	-0.28	-0.31	-0.57
6	Investment income & Non insurance premium income	0.12	0.31	0.43	0.36	0.66
7	Total Profit /(loss)before tax	0.01	-0.02	0.15	0.06	0.001

Figures in billion Kwacha

9.0 REINSURANCE

The Reinsurance niche performance in the year 2022 was better than the results obtained from the year 2021. The performance detailed in item 9.1 and 9.2 below.

9.1 Combined Statement of Comprehensive Income

The Reinsurance niche achieved exponential growth of 73.54 % in Gross Reinsurance Premiums from what was recorded in the year 2021. The Gross Reinsurance Premiums grew to ZMW 916 million kwacha in 2022 from ZMW 242 million in 2021.

This was due to the introduction of a 20% Withholding Tax on Reinsurance placed outside the territory of Zambia with intention to keep reinsurance locally.

Table Combined 9.1 Statement of Comprehensive Incomes

S/N	Item	2021	2022	% Change
		K	K	
1	Gross Reinsurance Premiums	0.242	0.916	73.54%
2	Retrocession Premiums – ceded	-0.074	-0.154	-51.79%
3	Net Reinsurance Premium Income	0.000	0.000	0.00%
4	Retrocession Commissions – received	0.005	0.009	44.01%
5	Unearned Premium Movement	-0.020	-0.285	-93.06%
6	Net Earned Premiums	0.153	0.486	-68.43%
7	Net Reinsurance Claims	-0.040	-0.115	-65.27%
	Net Commission / Acquisition Costs	-0.063	-0.194	-67.80%
	Operating Expenses	-0.074	-0.100	-26.11%
	Operating Surplus / (Deficit)	-0.023	0.076	130.54%
	Other Income, Revaluation & Exchange Gains	0.015	0.040	61.40%
	Profit (loss) before Tax	-0.008	0.116	106.67%
	Taxation	-0.010	-0.030	-67.06%
	Profit (Loss)After Tax	-0.018	0.087	120.22%

9.2 Reinsurance Statement of Financial Position

Total assets increased by 61.07% percent to ZMW 0.88 billion in 2022 from ZMW 0.343 billion in 2021. Details of the consolidated statement of financial position are summarised in Table 9.2 below

Table 9.2 Statement of Financial Position

	2021	2022	Change
	ZMW	ZMW	
PPE, Deferred/Current Tax & Prepayments	0.044	0.043	-4.27%
Deferred Tax Asset	0.016	0.021	22.76%
Deferred Acquisitions	0.013	0.100	86.78%
Investments	0.102	0.203	49.71%
Retrocession Receivables	0.018	0.257	93.01%
Premium Receivables	0.057	0.089	36.48%
Other Receivables	0.035	0.056	37.70%
Cash & Bank Balances	0.057	0.112	48.55%
Total Assets	0.343	0.881	61.07%
EQUITY AND LIABILITIES			
Share Capital	0.155	0.168	7.60%
Share Premium	0.032	0.041	20.94%
Retained Earnings	-0.001	0.088	101.39%
Revaluation Reserves	0.007	0.014	53.15%
Total Equity	0.193	0.310	37.92%
Unearned Premium Reserve	0.042	0.326	86.99%
Reinsurance Payables	0.062	0.158	60.88%
Current Tax Liability	0.014	0.018	24.02%
Other Payables	0.026	0.064	59.40%
Outstanding Claims	0.007	0.006	-21.13%
Total Liabilities	0.150	0.571	73.65%
Total Equity & Liabilities	0.343	0.881	61.07%

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