

"Enhancing the role of insurance for economic growth"

ZAMBIAN INSURANCE JOURNAL

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**"Killing" for profit in the
life insurance sector**

**Alternative methods
of dispute resolution**

***Radio as a tool for
Consumer Education***

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Insurance Conference 2019

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“

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Nkaka Mwashika
Executive Director

Editorial Note

Welcome!

This issue comes out during the 2019 IAZ Insurance Conference, which is supported by the regulator Pensions and Insurance Authority (PIA), the Insurance Brokers Association of Zambia (IBAZ), the Insurance Institute of Zambia (IIZA) and Financial Sector Deepening Zambia (FSDZ) not forgetting the many sponsors who have come forward to support this key industry event. A new feature in this year's conference is the allocation of CPD hours to all participants in collaboration with IIZA. We believe IIZA is a key partner and that allocating CPD hours to key events will help enhance the progress of professionals in the industry. In this issue we have articles tackling some key industry concerns, such as fraud prevention in the Life Assurance space, life assurance sales, alternative dispute resolution and the role of intermediaries. For our personality spotlight this month we are featuring Mrs Exhilda Lumbwe, CEO of Prima Re, which is a fully Zambian owned reinsurance company. We will also look at radio as an effective consumer education tool. A new feature in our Journal is the health segment which appears for the second time, and this issue we look at the challenge of Prostate cancer. Our content is carefully selected to meet the diverse needs for information on industry development, business challenges and lifestyle challenges.

We hope you enjoy our latest instalment.

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Paul Nkhoma



Greetings!

The 5th annual insurance conference is here, and this year the theme is “**Enhancing the role of insurance for economic growth.**” With about 200 delegates expected, coming from both within and outside Zambia, we are confident that this will be a productive and enlightening conference.

We as an industry need to enhance the role insurance plays in the economy because this will ensure more citizens are financially protected from misfortunes, more businesses will be able to recover from unforeseen calamity and there will be less destitution in our communities. We need to clearly articulate this insurance value statement when interacting with members of the public.

We also need to remember that Associations are built on the premise that organisations that operate in the same sector need to network and collaborate on matters of common interest such as fostering professionalism, consumer education, lobbying, encouraging strategic partnerships such as public-private partnerships, training and research. Such collaboration fosters healthy competition between industry players while promoting certain minimum standards that are upheld for the benefit of the people we insure. Similar collaboration takes place under the auspices of unions, cooperatives and project partnerships. We firmly believe that by bringing the industry together we can enhance the role insurance plays in development, including uptake and the overall contribution of insurance to GDP.

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By Kapalu Mutenda

RADIO AS A TOOL FOR CONSUMER EDUCATION

Growing up, our teachers often encouraged us to speak up on topics we hadn't understood by telling us there were no stupid questions. While that still holds true, the ubiquity of smartphones and internet access means the questions may not be stupid, but the need to ask them has reduced drastically. It goes without saying that we live in an age where information is readily obtainable. Whether you are researching a term paper. Preparing for a business interview. Or trying to uncover the scandalous past of your new

potential son or daughter-in-law. The information is there. Often just the touch of a screen away. In fact the ease of getting information has seen a steady decline in other, more traditional means. Library membership, newspaper sales and network news viewership have all been affected by the ability to get information on demand.

However, one medium that has endured is the wireless. Both a monument to a bygone era and a fitting of the present day, the radio has remained a popular

means of getting information for millions around the world. While access to internet in areas off the line of rail can be cited as a factor, closer inspection reveals that radio audiences in urban areas are just as strong as they have ever been. Presenters of rush hour shows are as recognisable personalities as any celebrity.

There is something about radio that is personable and relatable. Radio personalities remain within our reach. We can identify with them more than with personalities on other media.



And that is one reason why radio remains an absolutely critical medium for consumer education. By sheer numbers alone radio listeners are a segment impossible to ignore. The cross section of people that tune in daily is far too broad. Whether its marketeers whittling away at a slow business. Or farmers trying to keep their minds off the heat in their fields. Perhaps even a 'hostage' group of listeners on public transport subject to the will of the driver. In 2016 our company was approached by the Insurers Association Zambia to think of ways in which we could cast the consumer education net wider. Beyond the annual Insurance Week efforts and the odd leaflet there was a lot more that needed to be done. The options were many. However, the solution, considering resources, was obvious. We set about outlining

the format and content of the new insurance show and launched in February. The initial response was overwhelming. Calls from every corner of the nation came in week after week. And though it cannot be denied that a significant number of callers were calling to file complaints about claims, the vast majority sought more information about how to protect themselves. And as time went by and we dedicated more shows to explaining how the claims procedure worked and what the expectations were for the respective parties complaint calls began to reduce. Challenges do remain with radio though. While the initial format of ten slots a week proved to be an intensive outreach method, the restriction to only English prevented it from being as extensive as would be hoped. Results have

been noted in the nature and quality of the calls received, yet one would hope a wider net could be cast to take greater advantage of the opportunity radio provides. Whether that takes the form of more programs on the current platform, more time slots, other stations and even more languages all remains to be seen. What is certain though is that despite the availability of information in so many places, radio remains a key source for many. And hopefully as more efforts are made, we can see a reduction in 'stupid' questions.

"While access to internet in areas off the line of rail can be cited as a factor, closer inspection reveals that radio audiences in urban areas are just as strong as they have ever been".

VISION

To be a robust association that provides the first point of reference for all retirement matters and an ardent promoter of the growth of the pension industry in Zambia



MISSION STATEMENT

To be a strong and effective promoter of the interest of the members through innovative advocacy, education, representation and networking at various levels in the public and private sector



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'KILLING FOR PROFIT' IN THE LIFE INSURANCE SECTOR

PREVELANCE OF FRAUD ON FAMILY FUNERAL EXPENSES POLICIES

When we hear the phrase “killing for profit” we ordinarily think of poachers doing anything to obtain the much treasured government trophy. Poachers want to kill rhinos for horns, elephants for tusks, and a variety of wildlife for meat, etc. We can find a different “killing for profit” that has invaded the insurance sector. This fraud has shown its ugly face in the insurance industry especially with the family funeral expenses policies in Zambia. This happens when claimants, in their own accord or while acting together with their agents or employees of insurance companies, or both, file claims of fake death of an assured member with a view to receive funeral benefits that they are not entitled to.

A funeral expenses policy is designed to cater for policy holders who would like a provision of death benefit payout on their own death or that of the assured members. A policyholder chooses the amounts of cover for each of

the assureds. There are no medicals or health questions prior to taking up this policy. Rather, insurers request for non-medical factors such as age, relationship and name but with selected waiting periods applicable for deaths arising from natural causes. In exchange for the total coverage, a regular premium is payable in advance. Since it is a family policy with potential scale, it is designed with minimum underwriting rigors that are normally associated with life insurance.

Fraudsters take advantage of the cracks in the operations of the funeral expenses policies to ‘kill’ an insured person and claim the associated funeral benefits. By honouring such claims, insurance companies are losing a lot of money which would have been channeled to other avenues. Usually for such ‘killing’ to succeed, it requires coordination in provision of required documents such as proof of death, date and cause of death (for accidental

death). Although there are many factors on which such fraud thrive, some of the pertinent ones include the following:

‘Killing’ at Proposal Stage

By its nature, this policy encourages extended family member coverage as long as ability to pay extra premium is established.

While this brings more premium, some are tempted to propose names of already dead people for cover. Knowingly, and usually with the help of inside staff, the proposer includes already dead family members with a view to claim soon after expiry of the waiting period. In such cases, if the insurer attempts to verify death, such claims qualify as death indeed occurred but the fraud is a matter of the date of occurrence. The aspect of insurers dropping their prudent underwriting guard at proposal in exchange for scale comes back to haunt them in form of fraudulent claims.



BY DR BRIAN MANCHISHI

'Killing' at Claims Stage through fabricated documents

Often times fraudulent policyholders need 'assistance' from other parties in 'confirming' death that never occurred or death that took place much earlier but records were altered to show as if death just occurred, to justify the claim. Unsuspecting insurers end up honouring such claims because of the trust endowed in those charged with confirmation of death.

Lack of a Data Reference Bureau (DRB)

Having been cornered in the banking sector through the implementation of the Credit Reference Bureau (CRB), fraudsters are thriving on the disjoint exchange of information by insurers. Insurers in Zambia seem to have held on to the traditional view where competitors do not see eye to eye. By and large the insurance products are homogeneous needing only service and innovation as differentiators.

This should then be the basis for insurers to have a central database to enhance underwriting decision-making by identifying prospective clients with bad claims history. The Banking sector uses data collected from various lenders by the CRB to assess borrowers' ability to pay back loans and their repayment behaviour. It means no credit can be advanced to a borrower unless the name is cleared by the CRB. The insurance sector needs a similar common source of information.

Professionalism

This can be extended to members of staff. While killing for profit is executed by clients, in some instances the architects are insiders; staff and sales agents who end up being dismissed and prosecuted. It is a major worry that such dismissed fraudsters end up being embraced and entrusted with even more responsibilities by the insurance company next door! Before long, they repeat what they know best and the cycle continues.

THE WAY FORWARD

While insurers can cancel the fraudsters' policies, reject to settle their claims and prosecute perpetrators, the industry would stand to lose in terms of bad publicity. A high rate of cancellations and prosecutions would negatively impact the perception of the insurance sector.

The family and peers to the convict are more likely going to frown upon insurance or at least against such an insurer thereby negatively affecting consumer education efforts aimed at activating demand for insurance. Prospective clients may shun life insurance altogether.

When clients shun insurance, uptake of insurance will reduce further, a figure which already stands at less than 4% of the adult Zambian population. This would also further reduce the contribution the industry makes towards national GDP and overall development. There is a better way remedy the situation:



Prevention makes everyone a winner

Fraudsters will stop at nothing to attain their goals. For such minds, even one-tenth of a chance is more than sufficient to strike. Insurers should tighten their procedures to prevent crime. Prevention is not only better than cure but also ensures harmony. Insurers will prevent fraud without time consuming and costly legal proceedings, prevent potential misunderstanding by the general public and build a reputation for a high rate of positive responses to claims made. It is in this light that prevention ensures a win-win situation.

Include coffin in benefit payout
Restrict death benefit to coffin plus cash (the difference between total benefit and coffin cost). This will not only encourage genuine claims but also will ensure that claims are reported before burial takes place thereby allowing for real time investigation.

A Data Reference Bureau is a must!

Insurers can take a leaf from the Banking sector and the CRB.

A data reference system can be tailored to suit the needs of the insurance sector. This would not only help detect fraud but also address the paradox of one client enjoying no claims discount with an insurer of a particular risk while at the same time being charged extra premiums for frequent claims on another risk carried by another insurer. Insurers would underwrite with full information regarding claims history including information in other lines of business insurers might not have been privy to before. In the long run, the vulnerability of insures to high risks would drastically reduce.

High level investigation
Deaths occurring in rural areas or away from hospitals are even more challenging to investigate. The 'killing' for profit is usually conducted by a syndicate and needs higher level investigation. Fraudsters have allies in all relevant offices to assist in fabricating death. Therefore investigations

should not end at mere sight of proof of death documents. Rather it should interrogate the dates of death, verification of death, place and time of death, patterns of claimed death and more importantly the ability for insurance administrators to 'smell a rat' and thereby prevent losses due to fraud.

"Fraudsters have allies in all relevant offices to assist in fabricating death... investigations should not end at mere sight of proof of death documents. Rather it should interrogate the dates of death, verification of death, place and time of death, patterns of claimed death and more importantly the ability for insurance administrators to 'smell a rat' and thereby prevent losses due to fraud."

INSURERS ASSOCIATION OF ZAMBIA



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The Insurers Association of Zambia is a member organisation for all Insurance companies in the country. It is registered under the Societies Act, Cap.119.

Promoting the growth of insurance in Zambia



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Objectives of the Association

- a.** Protect, promote and advance the common interests of Members, including the taking of any necessary measures whenever the business of a Member is, or is likely to be, affected by an action or proposed action of any authority, organisation, body or person;
- b.** Promote professionalism in the conduct of insurance business by the Members;
- c.** Promote the agreement and co-operation among the members on matters of mutual interest;
- d.** Provide dispute resolution mechanisms for any disputes among Members;
- e.** act as a consultant to the Government of the Republic of Zambia in matters related to insurance;
- f.** Consult, co-operate with, or be affiliated to, other Associations or similar bodies within and outside Zambia with regards to matters of mutual interest;
- g.** Promote knowledge and a clearer understanding of insurance;
- h.** Gather and collate data, information and market-wide statistics from members of the Association, for purpose of determining market trends and satisfying any other requirements set by the Board from time to time;
- i.** Manage the assets and funds realised from contributions by Members and out of investments made for the benefit of the Members; and
- j.** Do all such things connected with, or incidental to the objects of the Association.



INSURERS ASSOCIATION OF ZAMBIA

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RELEVANCE OF INSURANCE INTERME

The concept of intermediaries has existed since time immemorial and will run way into the future. Various fields entail the usage of intermediaries such as Stock Brokers, Property Agents, Lawyers just to mention a few. Today my focus is on insurance intermediaries, in particular insurance brokers and why they have become more relevant at this stage than ever before.

Insurance is an intricate subject that entails voluminous policy documents endowed with conditions, warranties and subjectivities. It is for this reason that most prudent businesses outsource the services of a competent broker to analyze, interpret and recommend an appropriate insurance coverage for them. This enables them to concentrate on their core business and enhance chances of success. Outsourcing the services of a broker is a way of transferring errors and omissions risk to a third party. Imagine if you suffer a substantial loss and the insurer repudiates the claim on the basis of technicalities in the policy? It will be easy to recover this loss through the insurance broker's Professional Indemnity cover if they did not guide you properly. However if there is no intermediary the only next course will be litigation and I can only wish you luck as you debate the content of a policy document with the insurer who was its architect.

Insurance brokers are licensed to deal with all registered insurance companies meaning they offer choice to the insured. They independently provide advice to their clients on the merits and demerits of choosing a particular policy or choosing a particular insurer. In their recommendations brokers look at a myriad of factors such as breadth of cover, claims service, flexibility of insurer, quality of reinsurance, quality and experience of management and insurer's experience in the risk type at hand.

Insurance Brokers work in the insurance industry every day and are best placed to guide the insured on the realities of the industry. Without full knowledge clients may be misled by media adverts or mere perceptions. The independent broker will lay out the facts for the insured to make an independent and informed decision on why they should pick one insurer instead of the other. Brokers often share a litany of practical market experiences with clients to assist in this crucial decision making process. Insurance Brokers save

clients' money by offering cost effective insurance policies that respond to the specific client risk profile. There is misperception that brokers increase costs because they are paid brokerage over and above the risk premium. This is untrue and in my ten years working experience in Zambia I have challenged several clients on this and proved otherwise to their amazement. Firstly brokers structure the insurance policies in a manner that ensures that risks are covered adequately and cost effectively.



DIARIES IN MODERN TIMES



Instead of buying several piece-meal policies brokers often craft hybrid packages that are less costly but still cover the intended risk exposures. In some instances the addition of a simple extension on one policy can waive the need to buy a complete different policy and save client money. Secondly, brokers in particular the large ones have immense bargaining power against insurers. This power emanates from the large volumes of business they place with them and the knowledge levels they command in the market. The bulk of the large multinational Mining, Manufacturing and Financial Services risks are placed through insurance brokers. Therefore when an insurance broker negotiates with an insurer for better insurance terms, they are viewed in the context of this large supplier. It goes without saying that an insurance broker who places large tracts of business with an insurer is likely to get favorable terms than a mere single policyholder who places cover directly. This can be likened to Economies of Scale in mere retail industry, Shoprite buys in bulk and cheaper than the small retail outlets. The world risks are changing at a faster pace than ever before and there has never been a better time to source independent risk advice. The emergence of cyber risk exposures, climate change, geo-political tensions, increased environmental protection laws, changes in labour laws all call for an independent eye to scrutinize and advise insureds on the potential impact to their businesses and long term survival. The only constant in life is change and those who can't prepare and embrace change will be wiped away by it. Insurance Brokers are this independent eye and insureds need them.

**George Marekera | B.Com Risk, ACII, FIIZA, MBA
Chief Operating Officer – Marsh Zambia Limited**



Insurance Word Puzzle

B	R	O	K	E	R	C	G	I	W	D	E	O	U	Y
R	E	G	U	L	A	T	O	R	E	T	C	B	N	T
U	R	W	U	U	E	M	Q	C	M	E	N	U	D	I
T	F	E	S	S	U	C	L	V	T	Q	A	D	E	U
M	R	E	I	I	N	A	I	A	P	D	R	S	R	N
C	T	U	M	N	R	O	M	T	I	S	U	M	W	N
W	L	E	S	A	S	I	I	S	O	P	S	A	R	A
Q	R	A	T	T	X	U	C	T	T	N	N	N	I	E
P	Z	I	I	O	E	O	R	N	P	C	I	O	T	X
I	O	H	R	M	U	E	C	E	O	E	A	G	E	C
N	E	P	T	N	E	G	A	A	R	I	C	F	R	E
R	C	W	T	A	C	T	U	A	R	Y	S	X	O	S
S	N	O	I	T	I	D	N	O	C	E	V	N	E	S
D	U	T	Y	S	L	A	I	R	E	T	A	M	E	J
E	S	U	A	L	C	X	M	B	Q	G	U	Z	G	P

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INDUSTRY ROUNDUP OF EVENTS

AGRITECH EXPO 2019

The 6th annual Agritech Expo took place in Chisamba from 1st to 13th April 2019. Both local and international farming professionals took part in the event. Live crop trials, machinery demonstrations and workshops took place, with something for everyone, whether small scale farmers, large scale farmers or service providers.

A number of insurance providers exhibited at the expo. IAZ Secretariat took part in the workshop programme, speaking to interested participants on insurance for farmers. IAZ also took part in a roundtable discussion. Copies of the Insurance Journal were distributed to participants from all over the country. The event was organised on behalf of the Zambia National Farmers Union (ZNFU) by Spintelligent event organisers.

FINANCIAL LITERACY WEEK 2019

The Financial Literacy Week is an event that brings together the whole financial sector, which includes Securities, Banks and Insurance providers. The event took place from 25th to 31st March 2019, and the Lusaka events were complimented with events in every province of Zambia.

IAZ spearheaded the events in Mansa. These included an interschool debate, which saw Don Bosco Secondary School emerge victorious, an inter-college debate that saw Mansa school of nursing triumph, and a launch held at UB market. The theme was, "Be money smart to live a better life." The theme addresses the need for practical decisions on how we invest money, save money and protect ourselves against the risk of financial shocks.

UPCOMING EVENTS 2019

The 2019 IAZ Insurance conference takes place from 17th to 19th July 2019, under the theme "Enhancing the role of insurance for economic growth." The event will see around 200 delegates from within and outside Zambia gathering at Avani Resort, in Livingstone. CPD hours will be allocated to delegates and certificates will be given out. More information is available on our site: www.iaz.org.zm

Insurance Week 2019

Insurance week 2019 will take place from 17th to 20th September 2019. We urge all insurance providers and development partners to support this important events.

Insurance golf day 2019

Golf day takes place on 18th October 2019



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INSURANCE CONFERENCE 2019

"Enhancing the role of insurance for economic growth".
17th to 19th July 2019 | Avani Hotel – Livingstone Zambia

The Insurers Association of Zambia, will be holding the 5th Annual Insurance Conference at the Avani Hotel in Livingstone under the theme *"Enhancing the role of insurance for economic growth"*.

The conference is unique opportunity to network with insurance providers and stakeholders in one location. Several themes will be discussed during the conference which impact risk management, insurance provision and economic growth.

The conference is supported by the regulator Pensions and Insurance Authority (PIA), our all-weather industry partners Financial Sector Deepening Zambia (FSDZ), the Insurance Institute of Zambia (IIZA) and the Insurance Brokers Association of Zambia (IBAZ). This year we are expected to attract over 200 delegates from Zambia and across the African Continent.



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KEY THEMES

1. *Global Perspectives*

In this global economy, the global economic outlook is important to help us navigate the wider financial landscape and evaluate its impact on sub-Saharan Africa. Expectations for inflation, productivity growth, unemployment and balance of trade.

2. *The Zambian economic outlook*

Zambia is set to continue its path of steady economic growth. Calls for economic diversification continue with emphasis on the potential for agriculture and manufacturing sectors to grow. While the growth of the informal sector is a sign of increasing entrepreneurial activity, the bulk of the informal sector still does not make sufficient use of formal financial services. This creates challenges for risk mitigation and retirement, but this can also be seen as an opportunity for innovation.

3. *The insurance landscape & inclusive insurance*

The insurance landscape provides insight on the attitudes and customs surrounding risk management, and the hurdles we must overcome if we are to impact the insurance uptake among people from every walk of life.

We will also explore the role that intermediaries can play in the distributing microinsurance products, and learn from the experience of other markets where intermediaries play a significant role in the design and distribution of microinsurance products. There will also be a session to address the role of Bancassurance on the insurance landscape, and what opportunities and challenges this presents to the industry and the nation.

4. *Alternative premium financing*

Credit is an indispensable part of business, but it is not without its challenges arising from credit control challenges, bad debts and delayed payments. The impact of bad debts on the insurance sector cannot be overemphasised, as insurance providers are expected to settle claims promptly for upstanding clients while cushioning the impact of premiums that can often be written off as bad debts. It is in our best interest to examine how other markets deal with this challenge and assess which approach can be best suited for the local market.

5. *Building a corporate culture for business growth*

A mission statement is only as effective as the people who are tasked with implementing it on a daily basis. A culture is about habits and systems that people follow, and the expectations that are engrained in every member of that community. Translating a mission statement into

corporate culture is essential for the smooth implementation of the core mission of an organisation. This session looks at how to evaluate corporate culture, and some approaches to shaping human resource management and professional development for greater efficiency.

6. *Preventing insurance fraud*

Fraud is undeniably a constant threat to the economy. There is not only risk of direct financial loss, but also possibility of loss of reputation, cost of investigations and legal proceedings. It can also create scepticism towards formal financial services at a time when financial inclusion is a priority. This session will focus on preventing fraud, identifying fraud and responding to it.

7. *Competitive Claims Management*

Insurance exists because of claims, that is the reason why there is demand for insurance coverage, and it is at the point of claiming that a client determines the true value of a policy. This session reviews how claims management can be adapted to grow the insurance sector, enhance reputation of the industry and respond to economic challenges.





Mrs. Exhilda Lumbwe

PERSONALITY SPOTLIGHT

Tell us a bit about your life's journey so far

I was born in the fifties and grew up with six sisters, no brothers. I went to boarding school at an early age and learnt quickly how to fend for myself and interact with other people. I started my career in insurance by accident because I had not thought of insurance when growing up. After graduating from the University of Zambia in 1980, the graduates in those days had a lot of job opportunities; they were wooed by many corporates. ZSIC or Zambia State Insurance Corporation as it was called then, was conducting interviews for graduate trainees and a friend suggested that we go there as a group, and so we went. We underwent psychometric tests and I was one of the top 5, so I was offered a job. I really didn't know what insurance was about at that time as I was looking to work in a bank. My parents urged me to take the job as I waited for the offer from the bank I had in mind. I started work in the Reinsurance Department and I found it fascinating and as they say, the rest is history.

What challenges did you have to overcome?

Being a female and being young are encumbrances when you are trying to climb the ladder of success as fast as you can. Everyone knows about the challenges that women face at the work place. Being young in an established work environment where you are working with men old enough to be your father can be intimidating. Your suggestions are

constantly brushed aside and you are shut down. My remedy was knowledge, which I set out to acquire with determination and I got my Associateship in insurance in 1988. The Fellowship followed. Knowledge is truly powerful and no one can take it away from you. I set up Prima Reinsurance Plc in 2007, in conjunction with a few business people who believed in my idea of a local reinsurance company.

The main challenge was raising capital and the initial capital raise was difficult as it literally involved going door to door to various institutions and individuals to make presentations and get them to believe in the idea.

Some did and bought in and we started with a handful of promoters and then went on to do a private placement that brought in some institutional shareholders, mainly pension funds. We listed on the Lusaka Stock Exchange in 2013 and we now have over 300 shareholders. The other challenge was and remains competition from large foreign reinsurance companies who we are essentially competing with for business, and I admit that competition is fierce.

What advice would you give to someone who wants to follow your career path?

Insurance is a great career and there are many areas of specialization within it; from underwriting to reinsurance to risk management to being an actuary. With hard work and determination, anything is doable.

What challenges do you see in the industry and how can they be overcome?

The low insurance rates are a real concern as competition is based on price rather than service. The nonpayment of premiums is a major challenge which is constraining insurance companies in the payment of claims.

Even reinsurers are affected as some insurance companies are failing to pay reinsurers. We are all operating on credit which is leading to this debt buildup in the industry with no end in sight which is not healthy.

What is required is relevant legislation to solve these problems and we have seen such legislation enacted in some countries on the continent whose industries are now vibrant and are contributing significantly to GDP.

The other challenge is the skills shortage which hopefully is being addressed through the new Zambia College of Pensions and Insurance Trust (ZCIPT), which is spearheading the introduction of a degree program in partnership with one of the universities.

What do you do in your free time?

new recipes from cookery shows but using our local ingredients. I think I was a chef in my other life. Now I am a grandmother and I dedicate one day each week to babysitting and enjoying being a grandma.



AVOID FRUSTRATIONS READ YOUR INSURANCE POLICY

By Doreen Kambanganji

One of the roles of the Pensions and Insurance Authority (PIA) is to deal with complaints from insurance clients. The complaints we receive range from unauthorized deductions to nonpayment and delayed payments of claims. The PIA assists in resolving most of these complaints and those who have sought our assistance can attest.

Unfortunately, sometimes we are unable to assist because we discover that the insured person did not understand the policy and this leads to frustration.

Most of us buy policies and we sometimes choose not to read the agreement and therefore do not understand what is covered, the exclusions that take away coverage, and the conditions that we must meet in order for the coverage to apply when a loss occurs.

A few weeks ago, a caller on our ZNBC Radio 2 programme entitled “Improving Financial Education And Awareness On Insurance And Pensions” called in and complained about how he had been under paid by an insurance company.

Upon further inquiry it was discovered that he had bought a policy which was supposed to mature after 5 years but mid way he decided to cash in. Unfortunately, what he was given was not what he anticipated and he felt cheated. But had he read the policy before buying, he would have understood that you can only get the full benefits of a policy if it matures. Terminating a contract has its own consequences and these are usually included in the policy contract.

In our consumer education programmes we not only raise awareness on the benefits of insurance but also emphasis on

the need to read an insurance policy, including the terms and conditions. The reason we do this is because understanding your policy before buying it can help you avoid problems and disagreements with your insurance company in the event of a loss.

An insurance policy is a legal contract between the insurance company and the person or business being insured. If you find the policy difficult to understand, do not hesitate to ask your insurer or broker and they should be able to assist you.

Reading and understanding your policy helps you verify that the policy does actually meet your needs and that you understand your and the insurance company's responsibilities if a loss occurs. . It helps you to also determine if it is something that you can afford.

Below are some of the basic things that we need to understand in a policy contract:

DECLARATION

This is usually the first part of an insurance policy. It identifies who is an insured, what risks or properties are covered, the policy limits, and the policy period. In the case of motor insurance, this section will include the description of the vehicle covered (make/model, VIN number), the name of the person covered, the premium amount, the sum insured, etc.

DEFINITIONS

Most policies have a definitions section which defines specific terms used in the policy.

Do not take it for granted that all words always mean the same thing, for instance the term dependent may be linked to age, employment status, etc.

EXCLUSIONS

Exclusions mean the conditions or services excluded (taken away) from the policy cover.

An example of an excluded loss under a motor policy is damage due to wear and tear.

Under a medical policy you may find exclusions on selective or planned surgery say within the first three months following commencement of the policy.

Other exclusions could include attempted suicide, cosmetic/plastic surgery, or treatments for infertility. Injuries caused by alcohol or drugs may also be excluded. Conditions

Terms and conditions are provisions found in the policy that qualify or place limitations on the insurer's promise to pay or perform. If the policy conditions are not met, the insurer can deny the claim.

Common conditions in a policy include the requirement to file a proof of loss with the company, to protect the property after a loss, and to cooperate during the insurance company's investigation.

Some people choose not to cooperate and the insurance company may delay or even fail to honour the claim and when this happens, it leads to frustrations and even anger.

This can be avoided if you read and understand the policy before buying it as you would be fully aware of the terms and conditions tied to the policy.

To ensure that you are on the safe side, make sure you get a copy of your insurance policy through your agent, broker or directly from the insurance company.





BY DR CRISPIN MOYO

PROSTATE CANCER: FACTS AND STATISTICS

Prevalence of prostate cancer

Prostate cancer is most frequent cancer in men. It is also the second most common leading cause of cancer death for older adult males. 25% of all male cancer cases are prostate cancer.

The odds of developing prostate cancer are 2.4 times higher with the family history of prostate cancer in father or brother.

Chances of being diagnosed with prostate cancer increase with age from 1 per 1000 subjects at 40 years of age to 80 per 1000 at 70 years. Furthermore, Black African men have a 60 percent higher incidence of prostate cancer compared to other ethnic groups, and a 150 percent higher risk of dying of prostate cancer – in part because blacks tend to have a more aggressive form.

Early stages

Prostate cancer is a slow progressing cancer. There are usually no symptoms unless it has spread significantly.

Symptoms

The following might be an indication of prostate cancer:

- Weak urine stream
- Urine only starts to flow after a period of waiting – Hesitancy
- Passing urine more frequently and with urgency
- Waking up several times at night to pass urine – Nocturia
- Urine flow stops and starts
- Dribbling of urine at the end of urination
- Feeling of incomplete emptying of bladder
- Occasional incontinence
- Blood in urine – Hematuria
- Blood in the ejaculate –

Hemospermia

How does this affect quality of Life?

- Restriction in fluid intake
- Lack of adequate sleep as result lethargic and tired
- Inability to participate in social gatherings and public events
- Embarrassment and anxiety due to urine odour, frequency and incontinence
- Lowered sexual drive and appetite
- Depression

Screening and Early diagnosis

Annual Check-up

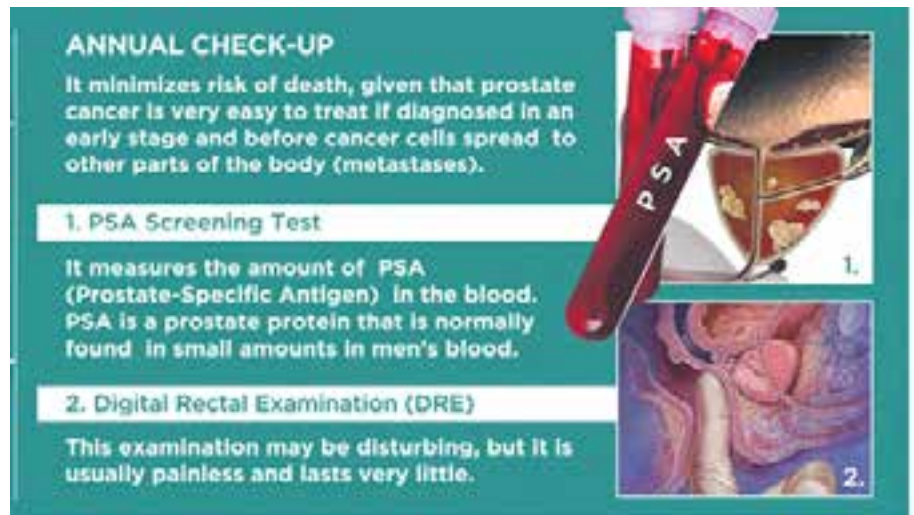
Above 40 years annual prostate screen is recommended. It minimizes the risk of advanced disease, complications and death from prostate cancer.

The good news is the prostate cancer is very easy to treat if diagnosed early before the cancer cells spreads to other parts of the

Digital Rectal Examinations (DRE)

The examination involves the healthcare provider inserting a finger per rectal to examine the size, nature and consistency the prostate gland.

The examination maybe disturbing or uncomfortable but it is normally painless and lasts very few moments



If there are any significant or suspicious findings from screening, an ultra sound guided biopsy is indicated to provide a definitive diagnosis.

Treatment procedures

For Early Stage Prostate Cancer:

- Active Surveillance
- Radical Prostatectomy
- Brachytherapy (**Internal radiation**)
- External radiation

For Late Stage Prostate Cancer:

- Hormone therapy
- Chemotherapy

Complications of Therapy:

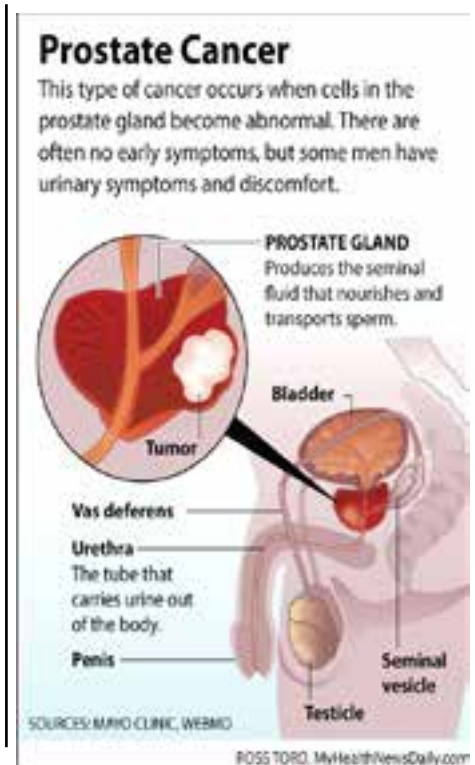
- Erectile dysfunction
- Urinary symptoms -Incontinence, Urinary tract infections
- Generalized malaise - Low haemoglobin
- Depression

Prevention of prostate cancer

Non-modifiable risk factors such as race, family history and age can't be helped; however regular screening and good health seeking behaviour may prevent advanced cancer, complications and death due to prostate cancer.

Modifiable risk factors include eating healthy diet: Men who eat a lot of red meat or high-fat dairy products appear to have a slightly higher risk. Excessive alcohol intake increases risk. Smoking and Excessive weight (obesity). The use of drugs known as steroids predisposes to the development of prostate cancer.

Therefore, get screened regularly for early diagnosis and good treatment outcomes.





By Maiwase Chilongo

ALTERNATIVE METHODS FOR DISPUTE RESOLUTION

For anyone that has ever gone through a litigation process, whether relating to a personal matter or a commercial one, they would probably agree that litigation is expensive, time consuming, complicated and generally not a user friendly route to take for resolving a dispute. Alternative dispute resolution methods, however, do exist but are seldom used in the Insurance Industry in Zambia. The use of these alternatives may assist parties to resolve matters amicably without having to endure the court process. In addition, the Pensions and Insurance Authority (PIA) are currently on a drive to reform the regulatory regime of the pensions and insurance industry by introducing market conduct supervision in addition to the prudential supervision that is already being practiced. This is a global trend, and we see bodies such

as the OECD identifying prudential supervision and market conduct as being necessary areas of regulation and supervision. According to the AFI Consumer Empowerment and Market Conduct (CEMC) Working Group, some of the main goals of Market Conduct Supervision are “ensuring the fair treatment of customers and building confidence and trust in financial markets, which in turn can lead to financial inclusion, sustainable (financially inclusive) economic growth and financial stability”. This is how dispute resolution come in as a way to promote consumer confidence in a financial institution and ensure that the dispute resolution process is swift and objective. More and more we will be seeing the regulator getting involved in dispute resolution between insurance companies and clients, particularly retail clients, and perhaps industry players can do more to ensure that,

as much as possible, disputes are not being referred to the regulator or the courts to intervene. Out of the many forms of alternative dispute resolution, negotiation, which in this case refers to complaint management, mediation and arbitration are the most common ones. This article will look at the benefits and features of various dispute resolution methods with particular attention being paid to these three methods

NEGOTIATION

The first port of call for the resolution of any dispute is negotiation. From a client's point of view, it is always important to have a complaints procedure that clients are aware of and can refer to where necessary. In addition, there must be an appropriate procedure in place in any organisation to ensure that all complaints are being recorded, being handled well, being concluded and being tracked well



Organisations are also encouraged to analyse the types and frequency of claims that are being reported as way of establishing where there may be deficiencies with the product, processes, policies, etc.

It is therefore good practice for clients to be made aware of the complaint process that is to be followed and this can be displayed on policy documents, marketing material, on the organisations' reception areas and notice boards, etc. Transparency International also provides further guidance on best practice in complaint management in its publication, Complaint Mechanisms, Reference Guide for Good Practice

Also from a legal point of view, most contracts contain a dispute resolution clause which provides for the process to be followed when a dispute arises and will often stipulate the amount of time that a dispute can be given for resolution before other methods can be sought. If at negotiation stage the parties have not been able to reach middle ground, alternative methods may be sought such as mediation.

MEDIATION

In the case of mediation, a skilled individual is appointed to assist the parties to reach resolutions/settlement and this individual is known as a Mediator. Primarily, the role of the mediator is to listen to the cases brought forward by both parties, make suggestions on how to resolve the dispute and broker compromise between the parties. It is very important to note that the Mediator does not decide for the parties and merely facilitates the process and that the mediation settlement is reached by the parties themselves.

ARBITRATION

If after going through the mediation process or if the main contract/policy provides for it, arbitration may be pursued by the parties. One distinct difference between Arbitration and Mediation is that the arbitrator provides a judgement at the end of the process which is final and binding and is enforceable in the same way that a court judgement is. The Arbitrator/Arbitral Tribunal determines the dispute after hearing facts, taking

evidence and applying law to the case.

Arbitrators are usually persons with knowledge of the matters in dispute so would most commonly be a professional in a particular field. The parties to the dispute are free to choose the individual(s) that will hear their case. In Zambia the Chartered Institute of Arbitration maintains a database of trained Arbitrators in the various disciplines who can be engaged to preside over matters.

"Alternative dispute resolution methods, however, do exist but are seldom used in the Insurance Industry in Zambia. The use of these alternatives may assist parties to resolve matters amicably without having to endure the court process."



Some advantages of arbitration are that proceedings are private and are not open to the public to attend like the court process. Also the Arbitration process is driven by the parties, so they must consent to the procedures that will be followed, the timelines, the fees and generally speaking must consent to the manner in which the proceedings are being held.

There are also various forms that arbitration may take, it may be documents only, for less complicated cases, where the Arbitrator/Arbitral tribunal will determine the outcome based on just the documents presented, without any verbal representations. This method helps to speed up the process and is therefore less costly. In a case where verbal representations, the Arbitrator/Arbitral tribunal will hear representations ranging from expert

witnesses evidence to testimony by either of the parties. In both cases the parties must agree to the method being used.

“Dispute resolution come in as a way to promote consumer confidence in a financial institution and ensure that the dispute resolution process is swift and objective.”

Generally speaking, alternative dispute resolution has the following advantages over litigation:

cost effective
quicker
simpler
does not require legal counsel
party driven
private in nature
It is therefore recommended that Insurance firms ensure that processes are put in place to promote alternative dispute resolution within their organisations in order to promote the image of the insurance industry.

Maiwase is a seasoned Insurance Professional who is currently Risk and Compliance Officer & Company Secretary at Liberty Life Insurance. She has worked in the sector for over 13 years and has industry experience in risk management, legal, regulatory compliance, broking, business development, operations and human capital management.

Photo Focus



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Metropolitan Life Zambia Ltd	Chabala Mumbi chabala@metropolitan.zm.com	Metropolitan House 2nd floor, stand no. 2374 off Kelvin Siwale road Lusaka	+260 211 236217/8 +260 211 230113

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