



STUDENTS PENSION AND INSURANCE NEWSLETTER

Buzz Fm

Buzz: Welcome to today's entrepreneurship show, on a lovely Wednesday morning! Who is on the line?

AJ: This is Aunty Jojo. I am a big fan of your programme! I am listening with my three children... They are home because of social isolation!

Buzz: It's great to have you on the show. Our question for today is, how have you managed risks in your business?

AJ: I am a small scale farmer, and so many things are unpredictable in farming. I can't control the price of tomatoes or if the tomato jam factory will remain open. We can only make an educated guess! But I can do something about other types of risks.

Buzz: That sounds interesting. Please explain more.

What risks do you face? How can you protect yourself against losses? How can insurance keep you safe from losses?

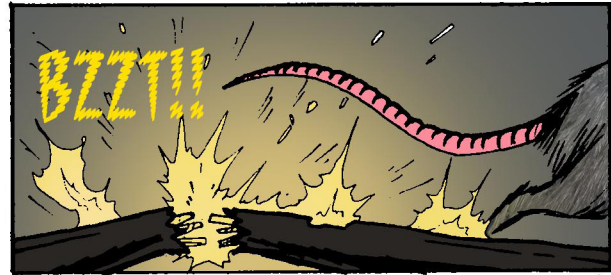
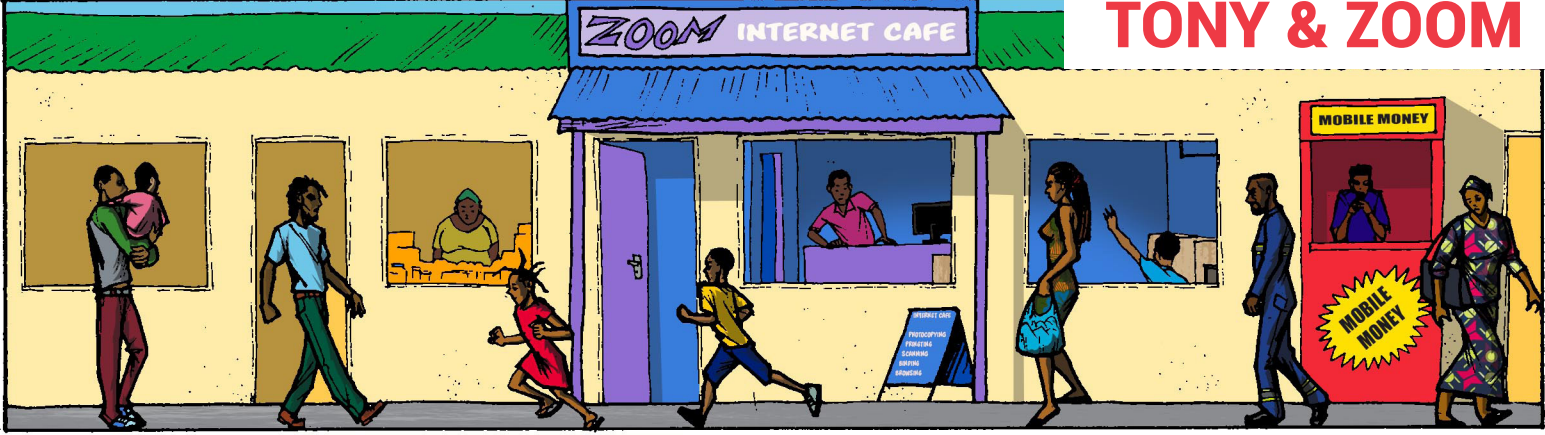
AJ: After some tomatoes were stolen, I made sure I got 2 big dogs for security, called "Thunder" and "Lightning". I quickly consult the agro-experts when I see strange insects in the field. I also insured the house and storeroom and equipment.

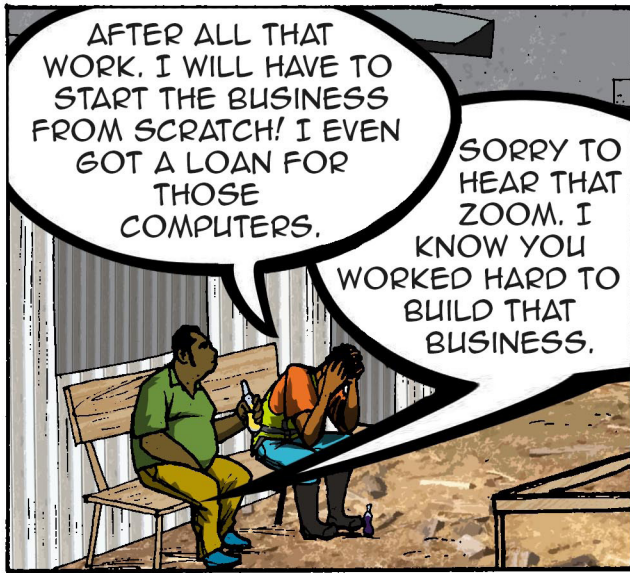
Buzz: How have you benefited from these measures?

AJ: We have no security problems anymore. Also, last month there was heavy rain and a tree fell on the storeroom, and destroyed the roof. Fortunately, my insurance paid for a new roof.

Buzz: That is good news. The insurance is affordable?

AJ: Yes it is. I even got insurance to cover for medical costs for any accidents on the farm. And I got a discount because of all the safety measures on the farm





AFTER ALL THAT WORK, I WILL HAVE TO START THE BUSINESS FROM SCRATCH! I EVEN GOT A LOAN FOR THOSE COMPUTERS.

SORRY TO HEAR THAT ZOOM, I KNOW YOU WORKED HARD TO BUILD THAT BUSINESS.



YES I DID. IT WILL TAKE ME A YEAR TO START AGAIN.

NEXT TIME, MAKE SURE YOU GET INSURANCE. FIRE INSURANCE WOULD HAVE COVERED COSTS OF REPLACING ALL THE EQUIPMENT.



YES. AND PUBLIC LIABILITY INSURANCE WOULD HAVE EVEN PAID FOR THE CUSTOMER WHO WANTS YOU TO COMPENSATE FOR THE BURNT SCHOOL BOOKS AND BAG. IT WOULD HAVE PAID FOR MEDICAL TREATMENT FOR THE LADY WHO FAINTED.

REALLY?



WHAT OTHER TYPES OF INSURANCE ARE THERE?

THERE IS LIFE INSURANCE THAT CAN HELP YOU SAVE FOR FUTURE EVENTS LIKE ENROLLING IN SCHOOL OR A WEDDING. IT ALSO HELPS PREPARE FOR RETIREMENT AND COVER FUNERAL COSTS.

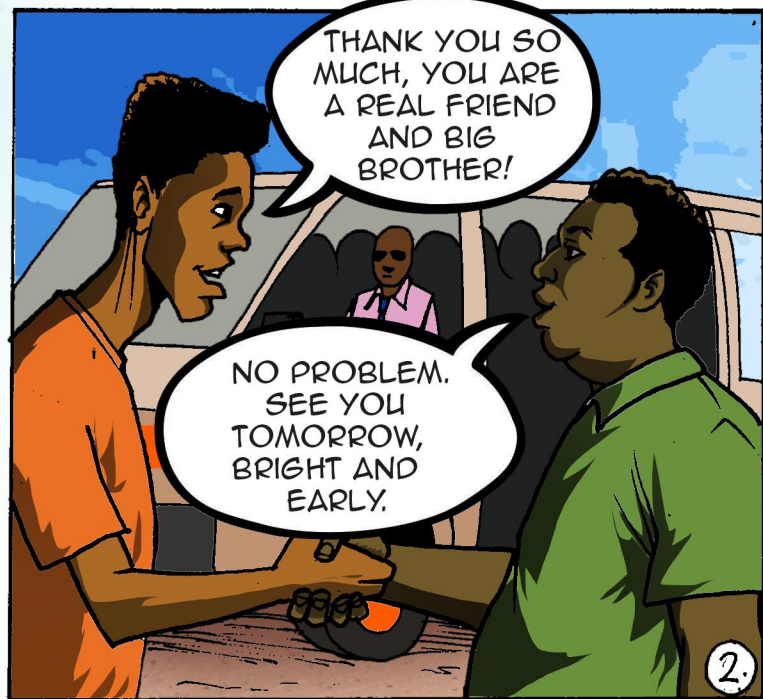


I FOUND YOU FILLING OUT INSURANCE FORMS LAST TIME. I WISH I TOOK YOU MORE SERIOUSLY!

LIVE AND LEARN!

I NEED TO RAISE SOME FUNDS. WHAT CAN I DO?

YOU CAN SELL SOME OF MY FURNITURE AND GET COMMISSION.



THANK YOU SO MUCH, YOU ARE A REAL FRIEND AND BIG BROTHER!

NO PROBLEM. SEE YOU TOMORROW, BRIGHT AND EARLY.

THE IMPORTANCE OF FINANCIAL LITERACY

Financial education is defined as “Providing people with knowledge, understanding, skills, and confidence so that they can make financial decisions and take actions that are appropriate to their personal circumstances” (NSFE II)*. This includes knowing how to make a budget, how to keep financial records, how to make a business plan, how to invest money, and how to use insurance to manage risks.

When you understand financial services, you will be able to make better choices to protect yourself financially, and to make good investments. You are financially literate, when you know some key facts about finances, and you know when and how to apply them.

How well do you understand the financial service called insurance? Insurance provides a financial safety net for individuals and businesses. To obtain insurance cover, you must know what kind of insurance you want (e.g. Travel insurance, fire insurance, accident insurance, investment policy, etc.) After that, you can approach a licensed insurance provider** for details on the cost and the limits of cover. Once

you are satisfied, you pay an amount called a premium, and you will receive an insurance certificate, and also a detailed policy document. Make sure you read these documents, to understand the service you are paying for. If the unfortunate risk happens, you can approach the insurance provider to claim for the loss.

**National Financial Inclusion Strategy 2020-2024*

*** Check out the Pensions and Insurance Authority (PIA) website for a list of licensed insurance providers, or contact them directly*

In the story of Tony and Zoom:


1. What risks did Tony face in the Internet Café business?
2. How did Tony prepare to face risks?
3. What did Tony forget to do?
4. What business would you like to start?
5. What risks would you face, and how would you prepare for them?



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

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