

We are to address the topic “Navigation through Regulation and Compliance, a Port in the Storm?” I have tried to gather my initial discussion points as under.

Question: The purpose of insurance regulation is to

- **protect consumers,**
- **ensure the solvency and financial stability of insurance companies, and**
- **foster the orderly growth of the insurance industry.**

Response:

- Ratings fit into this by providing an independent assessment of the solvency and stability of insurance companies.
- **Credibility:** Ratings provide an independent and rigorous assessment of credit worthiness that is easily understood by Regulators, capital markets investors, market players and consumers.
- Ratings provide critical information that steers and quite possibly guides investor decisions to capitalise insurers, enabling them to better protect consumers.
- Ratings provide input for strategic decisions for Insurers such as product offering and geographical expansion.
- **Surveillance - Ongoing monitoring during the life of the rating of the insurer:**
 - Provides a continuous view of the insurer and the market
 - It serves as a tool to allow the insurer to improve their operations.
- Ratings provide an overarching assessment of the insurer in light of peers and prevailing market conditions.

Question: Regulators achieve this by

1. **setting rules for solvency, underwriting, and market conduct;**
2. **approving products and licensing insurers;**
3. **ensuring claim settlements are fair and timely; and**
4. **providing an effective grievance redressal mechanism for policyholders.**

Response:

- Feedback from Ratings can provide input into Regulatory policy and framework formulation.
- Ratings provide a Regulator with insights into the financial strength of an Insurer assisting the Regulatory with its oversight function.
- The research provided Ratings agencies provides sector insights and provides a comparison to regional and global markets.
- A Rating can also provide capital relief in certain markets which strengthens the position of the insurer so that they can better protect policy holders.

Question:

Along with the above, Regulators must also consider the global picture and take notice of

Global trends in insurance and reinsurance – for example, matters like Anti Money Laundering measures, Data Protection regulations

The usage of AI has made consumers more aware, which puts pressure on insurers to think ahead, instead of using the rear-view mirror for planning. Regulators have a major role to play guiding insurers by setting standards

Building resilience in the safety net by risk modelling, mitigation tools.

Response:

Overall, when you view ratings you have to view them through your lens as a consumer, as a Regulator or market stakeholder and ask the question: can I assess and attain the following from a rating?

- Does it provide your business or you as policy holder or you as Regulator with the requisite level of comfort that the investments and interests of all stakeholders are secure?
- Is it a forward-looking opinion on the creditworthiness of an insurer which will allow for a peer analysis in the local market, regional market and on a global scale?

As GCR our ratings can assure you of the following:

1. GCR ratings are Globally comparable.
2. As an African Credit Ratings Agency, we are expected to provide more accurate and relevant ratings that consider the economic and financial context of African economies.
3. GCR's ratings framework allows for this and provides some level of cross-border comparability. A unique feature.
4. There is a need for increased transparency. A local credit ratings agency is expected to increase transparency and have a detailed understanding of African markets and therefore reducing reliance on foreign agencies that may not fully comprehend the local context.
5. GCR Ratings neutralise sovereign/country risk to allow greater credit differentiation and our methodology is continuously being revised in line with the macro and micro risks which the African continent faces.
6. In conclusion Ratings can facilitate inclusive economic growth through financial inclusion as they are the inflection point of the interests of the Regulator, the consumer and market stakeholders and GCR Ratings remains committed to Zimbabwe, SADC and the broader African continent.

On behalf of GCR and all our staff across the African continent we thank you for the opportunity to be a part of this conference and we look forward to your continued partnership.

God Bless Zimbabwe, Nkosi Sikeleli Africa