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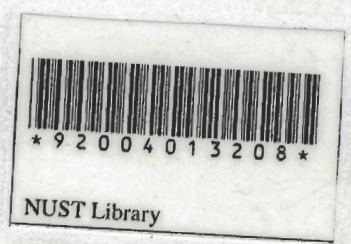
DEPARTMENT OF INSURANCE AND ACTUARIAL SCIENCES

### AN EVALUATION OF BANCASSURANCE OPERATIONS IN ZIMBABWE.

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*Research Project  
For*

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N005 399D



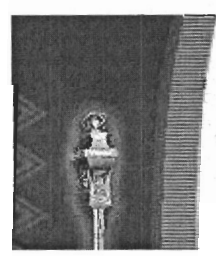
**B. Com. Risk Management and Insurance (Hons)**

*Supervised by*  
**Mr. T. Chowa**

This research project is submitted in Partial Fulfillment of the Requirements of the Bachelor of Commerce Honours Degree in Risk Management and Insurance

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## Abstract

The research primarily aimed at examining the effects of bancassurance on the performance of insurance companies in Zimbabwe, evaluating the challenges that they face in implementing it and establishing why the concept is failing to live up to expectations. It further aimed at establishing the role that regulatory authorities such as the central bank and the insurance commission should play in the successes of bancassurance. Theoretical and empirical literature studies were carried out to address the research objectives and questions. The theoretical literature covered such aspects as defining bancassurance, rationale for the concept, its benefits to the banks, insurers and consumers plus the challenges that come with the concept. Empirical literature was mainly focused on the analysis of bancassurance elsewhere, that is, in emerging and mature markets. A descriptive research design was adopted in order to determine the impact of bancassurance on the performance of insurers in Zimbabwe, evaluate the challenges that they face and ultimately assess the reasons for the success or failure of the bancassurance formations. The researcher gathered qualitative data by means of structured questionnaires and personal interviews with the targeted respondents being banks and insurers already in bancassurance operations. Research findings concluded that the bancassurance operations in Zimbabwe are still in infancy stage, making use of convenient models and the traditional products and thus realising minimal contributions to profitability. The study also revealed that major expenses being incurred under bancassurance include training and workshop costs to conscientise bank employees on insurance selling and also in stationary costs for policy documentation and communication between insurers and the banks. From the research, it also emerged that the concept is not all rosy but brings with it challenges into the playing field of financial services like uncompetitive behaviour, inefficient markets and a threat to the existence of insurers. The research concluded that Bancassurance does have an impact on the profitability and has improved insurance business although the level is quite negligible in Zimbabwe. As major recommendations, the Zimbabwean bancassurers need to engage in extensive research & development, rigorous training and serious marketing of the bancassurance concept to maximize on its benefits.