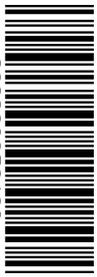


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## LIBERTY

*In It With You*



### THE CONVERSATION



....I realised that one of the key components of running a company is being able to look beyond the now and find a space for your entity in the future.



**Makhakhe Maliehe**  
Managing Director

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**"As a Personal Finance Coach, I help clients transform their mindset around money and their overall relationship with money. Read on..."**

**TKAY NTHEBE**

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## What is INSURANCE awareness really?

The insurance industry has mostly been known to be the most boring industry, with most people viewing it as for a certain age group. In Africa, insurance was commonly known as funeral cover, however, access to technology has helped immensely in spreading the deeds of insurance as being more than just a funeral policy. Insurance has a strong developmental focus to benefit and uplift communities.

As per the definition by Equisoft - Insurance awareness plays a key role in assuring policyholders' protection and in growth of the insurance sector. Lack of insurance awareness has attested to be one of the barriers in penetration of insurance across communities.

At INSURETALK NETWORK - The network newsletter is part of a marketing strategy to reach and educate the public about insurance in general and updating our readers of developments of the market.

In this issue, Makhakhe Maliehe, Managing Director at Liberty Life Lesotho shares some light on his leadership philosophy and thoughts on the insurance industry in Lesotho (make sure you read this thought-provoking piece).

To our readers our, insuredigest focuses on the analysis, insights and news for insurance and risk management. The interviews with market leaders provide in-depth information to help the community understand issues.

We hope you enjoy the read... Kea leboha. Tatenda. Obrigado.



Keke Mohasi  
INSURETALK CO-ORDINATOR ■

### ABOUT

**insuredigest**

**INSURETALK PUBLICATION**

**CO-ORDINATOR & FOUNDER**

Reekelitsoe Mohasi

Email: keke@insuretalk.org

m: 266 57 343 640

**PUBLISHER**

INSURETALK (PTY) LTD

info@insuretalk.org

**CONTRIBUTORS**

See by-lines for article contributors

**OFFICE ADMINISTRATOR**

INSURETALK (PTY) LTD

w: +266 57 343 640

m: +266 69 321 753

**MARKETING AND DEVELOPMENT**

INSURETALK (PTY) LTD

**RESEARCH AND PRODUCTION**

INSURETALK (PTY) LTD

**PROOFREADING**

INSURETALK (PTY) LTD

**DESIGN**

Lazarus Safarao

**PHOTOGRAPHY**

INSURETALK (PTY) LTD

**ADVERTISING**

INSURETALK

w: +266 57 343 640

m: +266 69 321 753

a: Oblate House | 1st Floor

| Behind Maseru Book Centre

| Kingsway | Maseru

e: marketing@insuretalk.org

**SUBSCRIPTIONS**

info@insuretalk.org

**DONATIONS**

info@insuretalk.org

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## REGULATION & COMPLIANCE REVIEWS



### Compliance vs Customer experience

The regulatory has given a directive to all financial institutions to request identification documents for all customers and prospects buying the insurance products. These process needs to be implemented as part of customer on boarding.

This directive is emphasized due to outcry from the customers who have experienced difficulties in getting their claims paid due to documentation that will only be requested at claims stage. This causes customers unnecessary delay and inconvenience.

Consultants are advised to request all the essential documents prior to issuance of the contract. The requested

documents dependent on whether the service provider is dealing with a business or individual. All this is guided by the Money Laundering Act of 2008.

Know your customer (KYC) checklist ; A basic checklist might include;

- Proof of identity
- Proof of residence
- Contact details
- Certificate of incorporation



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# MARKET & LEADERSHIP

## COMPANY REVIEW



# LIBERTY

*In It With You*

..... Liberty Life Lesotho offers an extensive range of products to help Basotho build and protect long-term wealth

### Background

Liberty Life Lesotho is a subsidiary of Liberty Holdings, they are specialists life insurance company that provides group and individual risk insurance solutions and comprehensive health cover for life changing events. Liberty Life Lesotho's vision is to become the trusted leader in insurance and investment in our chosen markets. They aim to achieve this by putting their customer's needs first, creating solutions that are simple, affordable, relevant, flexible and providing excellent service and forming strong partnerships in our markets.

### Product Range

Liberty Life Lesotho offers Basotho an extensive range of products and services to help them build and protect long-term wealth. Amongst them are, Group risk, Credit Life, Individual, Investment and Health Offerings for individuals, small businesses, corporates and or affinity groups with many members. They have experience in working with customers and partners to understand their needs.

Group risk offering	Credit Life Offering	Individual Offering	Investment Offering	Health Offering
Designed for 10 or more people Group Life Assurance Permanent and Total Disability Temporary and Total Disability Critical Illness & Group Funeral	Home Loan Protection Vehicle Loan Protection Personal Loan Protection Business Loan Protection	Funeral Cover Simple life plan Platinum Life Plan Hospital Cash Back Plan	Education Legacy Plan	Health Cover

### Market Leadership

The company has grown from being a South African life insurer to a pan-African financial services company offering tailor-made products to over 3.2 million people across Africa.

Purpose

Liberty Life Lesotho's purpose is to make a difference in people's lives by helping them to orchestrate their financial freedom. This is their passion ■

# MARKET & LEADERSHIP

## COMPANY REVIEW

### Liberty Holdings Footprint



source: <https://www.liberty.co.ls/About.aspx>



**LIBERTY**

*In It With You*

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## IN CONVERSATION WITH

**Makhakhe Maliehe**

Managing Director  
**LIBERTY LIFE LESOTHO**



**LIBERTY**

*In It With You*

“

.....I realised that one of the key components of running a company is being able to look beyond the now and find a space for your entity in the future.

”

**Q: How would you describe your professional background –**

**A:** I am a bit of everything. I studied accounting, but later fell in love with marketing and PR and decided to study further to upskill on these disciplines. This came from the realisation of how powerful marketing and PR are in driving the strategies of any organisation. Accounting crunches the numbers and provides critical information, but marketing, PR, and customer service helps you find “where the money is”. I was lucky enough to be put through a management development program in one of the

companies I worked for in the past and realised that one of the key components of running a company is being able to look beyond the now and find a space for your entity in the future. I then studied further to acquire a qualification in Strategic Marketing and Management and pursued this deliberately through research and not course work and this has really helped because it improved my analytical capabilities. I treat any big or small problem as a hypothesis and use several information touchpoints to come up with the most value driven decision.

**Q: You have been at Liberty Lesotho when the brand started operating in Lesotho, are you happy with the role-impact the company plays in the lives of corporates to individuals?**

**A:** We have made a huge impact to the lives of corporates, individuals, and their families. We are in the business of paying claims and we always ensure that the turnaround time on payment of claim is reasonable as not to inconvenience the client. And I am saying this because traditionally insurers are deemed as companies that always find a reason not to pay claims and we

aim for the opposite instead. We have partnered with several corporates and provide them with group risk benefits that have helped strengthen their employee benefits, which then ensures that they recruit, retain, and engage talent and can support the values and culture of their organization. We are injecting millions of Maloti back into the economy through the claims we pay, through both our medical aid and life businesses, and this has helped many families survive adversities.

### **Q: What is your leadership philosophy?**

**A:** Leadership cannot be pinned to one philosophy, so this is a difficult question. My approach though is I always try to work hard, improve myself and do the right things. I also take decisions, which is a very difficult thing for a lot of leaders. I encourage my teams to do the same. Coming from the old school where hierarchy and obedience were the main characteristics of leadership, I am learning every day to lead with empathy. I also believe that everyone in the organisation should be a leader and they should be given the space to play some form of a leadership role.

### **Q: Your thoughts on the Insurance Industry in Lesotho -**

**A:** The industry is growing, but not as fast as it should be. Insurance penetration is still very low because of a multiple reasons and factors. The most important factor is lack of enough socialization. Society still thinks that being insured means a funeral policy. Insurance is an important part of financial planning because the client shares the risks with the insurer who will protect you and your loved ones from the costs associated with accidents, disability, illness and death. As you build your wealth, it's important to protect your assets against any unforeseen events and risks. While this is not as direct a way of saving as investing; insurance planning can save you significant amounts of money over the long-term. Think of insurance planning as a

precautionary investment that shelters you from financial loss. Socialization of this is the responsibility of the insurance companies and the consumers themselves. Insurers should invest in the education of consumers and consumers should make an effort to acquire financial literacy.

The Government should also play a part by introducing legislation that creates a platform for the industry to grow and protects the interests of insurers and consumers alike. With the latter, the legislation should compel every insurer to treat clients fairly. There is also a need for a legislation that protects insurers from the infiltration coming from mostly South African companies that just come in and take clients without properly being registered in the country or paying taxes. The same legislation should also block the large-scale exodus of financial assets and capital because there is no law that, for example, limits the amount of premiums that are ceded to reinsurers outside the country or give preference to Lesotho registered companies for the insurance of multibillion projects.

### **Q: Being in the Health Business, how did your company cope through the pandemic?**

**A:** It was very tough because claims escalated, affordability dropped, and clients found it difficult to service their policies. Fraud also heightened. I think the worst is over and we are working hard to get back on track. I just hope this monkeypox will not throw us back to where Covid-19 had put us.

### **Q: Why Liberty Lesotho?**

**A:** We might not always get it right but to us our clients always matter and every single day we do our best to fulfill our obligation to serve their needs and interests. As previously said, traditionally insurers were known for finding any reason not to pay a claim but at Liberty; we are fully aware that we are in the business of paying claims and

instead of being miserable when our claims escalate, like they did in the past 2 years, we celebrate claims because through this we are injecting millions back into the economy to make a difference in our people's lives. Claims allow families to bury their loved one with dignity, they allow parents to take their children through school, they allow parents to leave legacies for their loved ones and give them opportunities to pursue their dreams. So, we always find a reason to pay a legitimate claim and very quickly. I am very proud that we have never been called to order by the Regulator because of an escalated complaint by a client because we treated them unfairly, and I hope this never happens.

### **Q: Your message to the young boys and girls....**

**A:** The young people of today are very intelligent and have access to abundant information because of the strides made by tech companies to put information on our fingertips. However, they also live in very trying times where unemployment has reached unprecedented levels and governments are not prioritizing them. What is also encouraging is how some of them have taken the challenges head on and started businesses and I am always in awe of how much support they give each others' crafts on social media by sharing the products and services offered by their peers with their own connections. But is this enough? Maybe not, because a lot of them still spend a lot of time on social media on unproductive, but clout driven, activities instead of things that empower them to do better in life. ■



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A **35-year-old female** buying **M1 500 000** cover could pay **M234 p/m**

Premiums are calculated based on your age, gender, cover, education, smoker status and the Annual Benefit Increase selected.

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## News & Snippets Keeping you abreast with some market developments...



### Metropolitan Lesotho has appointed Teboho Makoetlane as General Manager – Health.

Makoetlane, who has more than 13 years' experience in the insurance industry, spent the last two years as Freelance Pensions & Insurance Management Consultant. He said, "When I left Metropolitan Lesotho in 2014, I told my boss that I will come back to contribute at a very significant level. When I took a career break in 2020, and almost plunging into depression and personal recession, I told myself I will bounce back! With the smiles I saw from my family when I left for work this morning and the welcome I received from my team today with food, confetti and smiles, I am heavily charged to do just that - contribute and build legacy! Both resolutions have manifested and I'm happy to share that I'm starting a new position as General Manager - Health at Metropolitan Lesotho!"



### Transafrica Life Insurance Company has appointed Khauhelo Ramakongoana as Chief Executive Officer.



Ramakongoana has more than 14 years' experience in the financial services industry and has held senior positions at different financial institutions.



Do you have any news to share with our readership? Please send us the information at [info@insuretalk.org](mailto:info@insuretalk.org)

FOR IMMEDIATE RELEASE  
2 JUNE 2022



# LNIG HOLLARD GENEROUSLY DONATES TO SOS CHILDREN'S VILLAGE

The LNIG Hollard purpose of 'enabling more people to create and secure a better future' is brought to life through their social goal which requires them to ensure that they use their skills and resources, as well as those of their partners, to actively engage in developing systemic social impact solutions.

Through LNIG Hollard's social goal of Adequate Nutrition, which aligns to goal NO1 of the UN Sustainable Development Goals: No Poverty, the company was able to contribute to the SOS Children's Village by donating groceries which includes gas for heating and cooking.

'As a proudly Lesotho company, we understand the challenges of our people and know we need to play our part in contributing to the socio-economic development of our country and its people. We will continue to do so through striving for exceptional, sustainable, and inclusive growth', says LNIG Hollard Managing Director, Mpho Vumbukani.

This initiative is one of the many promises that LNIG Hollard has made to serve the communities of Lesotho through the development and implementation of a robust corporate social investment strategy by investing in the improvement of areas that affect their lives and their environment.

## ABOUT LNIG HOLLARD:

As one of Lesotho's largest and most iconic insurers, LNIG Hollard Group includes LNIG Hollard Life and LNIG Hollard Insure. Established on 1 July 1977 previously known as Lesotho National Insurance Company, our group has been serving Basotho with short-term and long-term insurance products for over forty years. LNIG provided insurance to the emerging economy of Lesotho when no one else was around to do so which is how we became the biggest protectors of Lesotho's economy from all stages of life, through our extensive product line.

LNIG Hollard is a stronger and fresher brand that will take-over and fully transform insurance in Lesotho by adopting unconventional strategies that have helped grow our partner Hollard into the international insurance giant it is today. We pride ourselves with providing Basotho with safety nets and peace of mind by taking care of things closest to their hearts. Our products are designed to exceed our customer expectations and provide impeccable service for all. LNIG Hollard is a hub of professionalism, innovation and is taking visible steps to be a prominent member of the digital age. It has a track record of reliability tested over many years and commands considerable loyalty amongst Basotho in personal insurance, business insurance and insurance for government and their parastatals.

For media queries and interviews,  
please contact:

Thando Nkosi  
thando@bnv.agency  
(+266) 2232 5671 or (+266) 5959 2471





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# How To Invest During Bear Markets

**By: Lerato Sekants'i |  
Financial and investment Advisor |  
Strategica (PTY) LTD**

For most investors the phrase, "bear market" is right up there on the list of the worst things that could ever happen. But unless you are about to need the money you have invested and are heavily invested in volatile assets, then you should not panic. This is not the first bear market we see and it definitely will not be the last. In fact, we experience bear markets on average every 5.4 years, earning them at least a supporting lead role in an investor's investment story. Before we go any further, let's talk about what a bear market is.

A bear market is a period of time in financial markets when a major index drops by 20% or more from its most recent high. Compared to bull markets, which are a period when the prices of assets and securities rise continuously, bear markets do not last very long. The worst bear market ever experienced was a drop of 84% in prices between September 3rd 1929 and June 1932. The losses were not fully recovered until 1945 after The Great Depression.

As devastating as they may be, bear markets are a part of the market cycle where investors can potentially make a lot of profit. Ever heard the saying, "Invest when there's blood on the

streets"? This is because bear markets create an opportunity for investors to make a lot of profit by buying low and selling high later when markets pick up again, completing the market cycle.

That being said, this is a good time to invest if you are not already or to invest more if you already are. Don't try to time the market. No one knows how long the bear market will last or how much further prices will fall so trying to time when prices will be at their lowest is a big and unnecessary gamble. Rather, use the dollar-cost averaging strategy. With this strategy, you invest a certain amount of money regularly irrespective of whether the price has gone up or down. But if you try to time the market and use all your funds to buy "when prices are at their lowest" you might find that you paid more than you would have if you had bought gradually.

So, now on to what you should invest in during this controversial time. First on the list are consumer staples and utilities. The reason is that irrespective of what might be happening in the world, people will still buy these goods because they cannot live without them. As a result, the share price of such companies will not drop as low as those of other sectors.

You also want to invest in the health-care sector because just like staples, the need for medical attention does not

cease to exist when stock prices are sinking. Third on the list are growth stocks. These are shares that are expected to perform better than the market average and thus are considered to be a less risky share option. The fourth option is investing in value stocks.

Now, value stocks are shares that are thought to be underpriced in the market and to have potential to provide a superior return. The catch here is that a profit is made if the assumption that the shares really were underpriced and they do grow in value. Lastly, you should look into stocks that have always been on your wish list but just hadn't gotten around to buying them because maybe you couldn't afford them back then or you were waiting for the opportune time to buy. Well, that time is NOW.

In closing, bear markets are nothing to be afraid of especially if you are a long way from needing your money. The chaos that comes with it should be seen as an opportunity to create more wealth and nothing else. Assuming that you were comfortable with your portfolio before the bear market, it is important that you stay the course and not act rash. As Emerson Ham III said, "A knot in your stomach is not a sell signal."

## MOST ADMIRABLE LESOTHO FINANCIAL SERVICES BRAND



# CAREER & GUIDANCE

## ALL YOU NEED TO KNOW ABOUT A T-SHAPED MARKETER



### What do you love about taking care of a brand?

As a marketer, I believe I play a critical role, as I am the link between the consumer and the brand, and how I tell the story of a brand matters, as it can make or break the investment that has been done over the years. My role is to ensure that I tell a story that people can relate to, that has an emotional connection and can create a long-lasting impression. I am passionate about telling the story of a brand to create sustained brand image that will last way beyond the campaigns we run and media platforms we use, that to me, ignites the love that I have in taking care of a brand.

### Tell us about your job as Head Group Marketing & Corporate Communications.

My role is to steer the marketing function and provide effectual strategic and integrated marketing and communications support to the business. I am also entrusted to promote the Company's overall objectives and brand to its selected customers and stakeholders.

I always see my function as that of a film director, whose primary duties include reading and editing scripts, motivating, and directing actors, and working with editors to produce the film to its final form. One who can direct an award-winning film, but is always behind the scenes and usually, people don't get to know him or her, but rather the actors of the movie he has directed.

### What makes you good about what you do?

I don't consider myself good at what I do, I consider myself blessed to have a team that is amiable to be led by me, as that plays a critical role in producing great results. I make it my business to get to know every aspect of my team and their capabilities and be able to use their skills to achieve the department's goal. So, if you were to say I am good at my job, I would say, probably yes, but I am better at working with a team and leveraging off on their skills to produce the work that I do. I have been given a chance to be where I am as someone somewhere believed in my capabilities, and I never missed an opportunity to do the same to others.



**Makeabetsoe R. Mabaleha | Head Group Marketing & Communications | Alliance Group Investment Holding Company Ltd**

I believe in my capabilities, but I also know that I don't know it all, so I listen, I give others a chance to prove themselves, and I am a great team player, and everything I achieve and have achieved thus far, is all because I love taking opportunities that are challenging, but more importantly, I love giving others opportunity to shine as I understand that them shining will not at all overshadow my success, but rather help me to shine even more.

Your brand is recognised as the most admired Lesotho Financial services brand..... how do you feel about this..

Oh, it is a humbling and gratifying feeling. This recognition will be a reminder to all of us at Alliance that hard work indeed pays. It came at a time when we were still trying to overcome the emotional turmoil of having lost friends, parents, colleagues, and those we knew due to Covid-19 and yet, everyday, each and every one of the A-Team kept their heads afloat and remembered the vision and the values that guide us and pressed on. This is definitely a great achievement and dedication to the A-Team, and the love and support we received from our customers. What we need to remember is to celebrate with pride, but not to become complacent. Like Jonas Salk indicated "The reward for work well done is an opportunity to do more" therefore we should brace ourselves to work even more harder.

### What did you study and, how does that help you do what you do at work?

I studied Marketing and Advertising, and furthered my knowledge in digital marketing, leadership, communications, research and continue to do so even now. I have noted that having educational background is a great foundation, as you have the theoretical knowledge, and you need experience and mentorship to be able to deliver your best. The world has undergone a fascinating evolution, so is Marketing, and everyday is a great opportunity to learn, whether in class, online, reading or from others.

### What is your go-to career advice for young people wishing to follow the same career path?

Marketing is not about making things pretty, its about telling a story of a brand to create an everlasting image in the consumer's mind. Marketers needs to be resilient, empathetic, inquisitive, innovative, and mostly, be willing to learn. You will have to conquer the valleys and endure adversity to achieve greatness, therefore be ready to overcome obstacles, be open minded, and be willing to adopt. Don't ever sacrifice your values in the interest of being favored. Be you, be authentic, tell the story in such a way that even in years to come, you will be remembered. Make your mark. Lastly, we no longer need to be just marketers, but T-shaped Marketers, as that will help in the adaptation of the new ways of work.

### What did you want to be when you were a child?

I have always been good at creating something out of nothing, and I believe it was because of my childhood upbringing, where I didn't have much, but I always had to do more with what I had. In high school I was good with needlework, and I wanted to be in a fashion designing industry, however, during the registration process in my first year of varsity, the fashion designing classes were full, so my second choice was Marketing. I thought I would change in the second year to do fashion designing, but I fell in love with marketing and as they say, the rest is history. ■

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# FREQUENTLY ASKED QUESTIONS

## CONSTRUCTION ALL RISKS (CAR)



### Contractors All Risk

What is Contractors' All Risks (CAR) Insurance? Contractors all risk insurance is a flexible policy designed to meet the needs of construction companies on building sites. Coverage can include contract works, public liability, product liability, employers' liability, own plant, hired-in plant, etc.....

### Definitions

#### Insured Property Contract Works

The permanent works undertaken in the performance of the Contract and allocated to or incorporated in the works including:

- a) Temporary Works and
- b) Free Issue Materials

#### Contract Works does not include

- i) prototype experimental untried or unproven works or machinery
- ii) Contractors Plant
- iii) Temporary Buildings
- iv) Employees Effects
- v) Hired In Plant.

#### Temporary Works

Structures and their materials that are necessary for access to or support of the works and will

- a) be removed from the contract site on or before the date of completion of the works
- b) not normally be used again in connection with other Contracts.

#### Free Issue Materials

Materials supplied by the Employer or their agents for which the Insured is responsible under the terms of the Contract and for which the value has been declared to the Insurers.

#### Contractors Plant

Tools tackle plant and equipment belonging to the Insured or for which the Insured is responsible under a hire purchase or lease agreement.

#### Temporary Buildings

Site huts and other temporary



accommodation and their contents (other than computer or other data processing equipment) belonging to the Insured or for which the Insured is responsible under a hire purchase or lease agreement.

#### Employees Effects

Tools and personal effects belonging to Employees but not motor vehicles precious metals or stones watches jewellery or money.

#### Hired In Plant

Tools tackle plant and equipment site huts and other temporary accommodation hired by the Insured and for which they are responsible under the terms of their hiring agreement or otherwise but not plant on hire purchase or subject to a lease agreement or on free loan.

#### Contract

The agreement under which the Contract Works are undertaken.

#### Contract Value

The awarded value of the Contract Works including the value of Free Issue Materials and all other costs associated with the completion of the Contract.

#### Employer

The party on whose behalf the

Contract Works are undertaken (other than a director partner or Employee of the Contractor).

#### Employee

Any person under a contract of service or apprenticeship with the Contractor.

#### Contractor

The party undertaking the Contract Works on behalf of the Employer.

#### Testing

Testing means the application of power or driving force to an item of machinery prior to the introduction of feedstock or raw materials or the application of a load.

#### Commissioning

Commissioning means operational testing commencing either with the introduction into the Contract Works of feedstock or other materials for processing or handling or when supply to a system commences.

Commissioning does not include any processes involving chemical action or reaction unless the prior agreement of the Insurers has been obtained.

Source: <https://www.allianz.co.uk/>  
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# African Cannabis Industry Boom, a new insurance market frontier

By **Richard Makanza** | Agriculture Specialist | **Maksure Risk Solutions**

## 1.0 Brief History

Cannabis was once a mainstay crop of the cultural and economic well-being of many African societies since the nineteenth centuries. During the colonial era, the economic value of the crop suffered a blow from many anti-drug laws such as the Geneva Opium convention of 1925 and the Single Convention of Narcotic Drugs of 1961. In addition, the drug also faced stigmatization among societies due to ulterior concerns associated with diminishing quality of labour and immorality. Further, the colonial governments also shifted agricultural production to other cash crops such as tobacco, tea, coffee, cocoa, etc. During the post-colonial era, most African governments maintained anti-cannabis laws to date. As a result, the cannabis business became an underground operation commonly practiced by the vulnerable classes of society, with the risk of illegal behavior and diminishing market establishment. Despite all these challenges, cannabis farming was far from being eradicated into oblivion. Instead, the business continued to thrive due to premium prices as a result of prohibition laws. To date, the current cannabis production in Africa which stands at 38000 metric tons is largely illegal and targeted for both export and local markets.

## 2.0 Liberalization

The opening up of the global market created a lot of demand for cannabis resulting in a significant positive change in the cannabis industry. Some African governments reacted to this by also

removing or lessening prohibitive laws over the last five years. To date, at least 10 countries: Lesotho, Zimbabwe, South Africa, Uganda, Malawi, Zambia, Ghana, Eswatini, Rwanda, and more recently Morocco have provided a legal framework for the cultivation, manufacture, storage, distribution, import, and export of cannabis for medicinal, scientific or research purposes. Recently, South Africa has gone a step further to legalize private cultivation and personal use of cannabis by adults. Where cannabis production is still illegal, there seems to be a lot of incentives (mainly economic incentives) provided by the cannabis industry that should push for its legalisation. On top of that, the other socio-economic spills that emanate from the industry might also be a push factor too. Such include lessening the burden on unemployment and prospects of foreign currency to be earned. It will also fill in the gap on the decline in markets for mainstream export crops such as tobacco, tea, and cocoa.

## 3.0 Cannabis Licensing

During the last five years, we witnessed a huge number of players in the Cannabis Industry being licensed in countries like Lesotho, Zimbabwe, and South Africa. According to a Bloomberg report, Zimbabwe Investment Development Agency issued 57 cannabis cultivation licenses in 2018, which included investors from Canada, Switzerland, and Germany as well as local players. In South Africa, 63 licenses have been issued by South Africa Health Products Regulatory Authority (SAPRA) since 2018 to date. Furthermore, Cannavigia also reported issuance of up to 140 licenses by Lesotho Ministry of

Health since the onset of the licensing program in 2017. The Cannabis Regulatory Authority in Malawi also announced the issuance of 86 cannabis licenses to 35 entities by April 2021. Recently, in Uganda, the licensing framework has been put in place, although only two licenses were already issued beforehand to Industrial Hemp Uganda and Together Pharma Company. Other countries that have recently legalized cannabis cultivation include Rwanda and Morocco.

## 4.0 Cannabis Market Overview

According to a report by Prohibition and Partners (2019), the legal cannabis market in Africa could be over US\$7.1b by 2023 with South Africa, Nigeria, and Morocco being the largest markets. The pharmaceutical industry (medicinal cannabis) rapidly grew to over US\$49 million driven by increased health care expenditure and investment, urbanization, and ever-evolving economic profiles. Although there is so much growth potential for medicinal cannabis, the African recreational market still dominates with a majority share of 90% despite it being illegal. Despite the legalization of cannabis for private use in South Africa, local marketing still remains illegal. As such, illegal marketing by legacy operators that have persisted during the rough perches of the prohibition era is still dominant. The current liberalization laws which were structured following the Global North models totally exclude the local players as they cannot meet the high license and capital investment costs.

## 5.0 Insurance Market Overview

There has been so much reluctance by



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the insurance industry to underwrite risks in the cannabis industry space since the inception of cannabis liberalization. At this point, the industry was characterized by opaque legislations for different countries and limited underwriting expertise, especially for the African environment. Meanwhile, few players in the insurance industry especially in South Africa started collaborations for research and development for the cannabis value chain to come up with customized underwriting processes. In the recent past, there has been a growing interest provide insurance cover with sound cannabis underwriting processes. Among the pioneers of cannabis research and development is Maksure Risk Solution through its Prototype Farm in Midrand, South Africa. To date, cannabis insurance product development is still evolving and the

insurance industry needs to continuously invest in understanding the exposure of cannabis to risks in the African environment.

### 6.0 Cannabis Industry Growth Prospects

The cannabis industry has the potential to grow on the African continent as it has the favorable climate for the successful production of the crop. In order to ensure local economic growth, the African countries need to promote the local market, value addition and production by local players. The development of the local market can be achieved firstly by the legalization and commercialization of recreational cannabis. To this end, focus can be put on standardization of product, pricing, and taxation at a local level for the benefit of the consumer, farmer, and state respectively. Secondly, the local

players need to be mainstreamed into cannabis cultivation by introducing a tiered license fee model to lower the fees for locals. In most legalized countries where cannabis was legalized, the pricing was influenced by Capitalistic Global North pricing models which are far beyond the rich of Legacy Cannabis Operators. Increasing the participation of local players helps to better securitize the value chain by spreading the risk. Lastly, policies that promote value addition to support both downstream and export markets should be developed and enacted. These policies seek to promote new product development, innovation intellectual property (IP) rights and facilitate the integration of local pharmaceuticals with the healthcare industry. ■



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**Tomorrow's leader is created today. As INSURETALK, we would like to recognise women in insurance and that we believe we should watch as they can lead the insurance market further. We celebrate diversity, resilience, innovation in future leaders. Our nominee this month is Mabohlokoa Makosholo. She automatically enters our insure**digest** Women2Watch Annual Awards.**

Mabohlokoa Makosholo is an insurance professional who is passionate about customer-centric risk solutions that can improve the customer experience through service and process design. She has a postgraduate diploma in business administration University of the Witwatersrand and a BCom in Financial Management from the University of the Free State. She is an associate member of the South African Insurance Institute (IISA) and is passionate about professional development. She is currently enrolled for a Higher Certificate in Short-Term Insurance with Milpark and has a variety of qualifications and certificates, including the evaluation of medical aid financial soundness and the role of protocols in benefit management, which she completed with the South African Institute of Health Risk Managers. She has also completed design thinking and six sigma certifications.

Mabohlokoa has 8 years of industry experience in the insurance and medical aid sectors in Lesotho, including strategic and operational support, risk underwriting, and claims management.

She has worked for Insurecare Insurance Brokers, Liberty Lesotho, Mamoth Citrus Group (then Mamoth Employee Benefits), and is now an Assistant Operations Manager at Thaba Bosiu Risk Solutions.

Mabohlokoa is drawn to environments that allow her to use and improve her skills, and she is always looking for new challenges. In her spare time, she enjoys reading and dabbling in various artistic pursuits, such as dancing. ■





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