



NEWSLETTER

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CEO'S MESSAGE.

Kudzai Bingepinge
Chief Executive Officer

To Our Valued Partners and Clients.

As we approach the close of 2025, I would like to express my sincere appreciation for the continued trust and partnership you place in Klapton Re. This has been a year defined by deliberate progress. From our base on the African continent, we continue to engage meaningfully across global reinsurance markets, guided by clarity of purpose, disciplined execution, and a growing maturity in how we underwrite risk, deploy capital, and build institutional credibility.

From Strategy to Controlled Delivery.

The themes set out in our third-quarter reporting continue to shape our approach. The global reinsurance market has evolved into one characterized by selectivity and discrimination, where underwriting judgement, claims discipline, and governance quality matter more than headline growth. Within this environment, Klapton Re has remained focused on governing the portfolio rather than mechanically expanding it.

This discipline is evident in our premium trajectory. As at the end of November 2025, Gross Written Premium stood at ZMW 2.7 billion, equivalent to approximately USD 106.9 million. By comparison, Gross Written Premium at the end of November 2024 amounted to ZMW 2.6 billion, or approximately USD 102.9 million. The year-on-year progression reflects measured growth, improved premium certainty, and a conscious reshaping of the portfolio toward structures that emphasize durability, transparency, and stronger alignment with capital, risk appetite, and governance objectives.

Strengthening Portfolio Quality and Market Standing.

Throughout 2025, underwriting effort has been increasingly concentrated on fewer markets, clearer structures, and stronger counterparties. Corrective action within parts of the portfolio, including selective non-renewals and tighter credit discipline, has been undertaken deliberately to protect portfolio integrity and reduce latent risk. These decisions were not without short-term impact, but they were necessary to reinforce long-term resilience and earnings quality.

Claims performance over the year has reinforced this direction. Improved risk selection, firmer contract discipline, and closer coordination across underwriting, claims, retrocession, and credit control have contributed to a maturing loss profile and greater confidence in reserve adequacy. Governance has become systemic rather than reactive, embedded in how decisions are taken and monitored across the business.

“ Throughout 2025, underwriting effort has been increasingly concentrated on fewer markets, clearer structures, and stronger counterparties. ”

External Validation of Progress.

This strengthening institutional profile was recognized during the period through Moody's upgrade of Klapton Re's Insurance Financial Strength Rating to Caa1 from Caa2, with a stable outlook. The upgrade reflects the expansion and increasing maturity of our international portfolio, improved diversification of insured exposures, a growing and more resilient premium base,

and demonstrated profitability. Moody's also acknowledged the progress made in reinforcing underwriting discipline and governance, while noting that continued alignment between growth, capital, and risk management will remain central to further rating progression.

Ratings engagement is now an integral part of how we calibrate growth and present ourselves to the market. It informs capital planning, portfolio construction, and the pace at which we choose to expand.

Looking Ahead

As we enter the final weeks of the year and conclude the January renewal cycle, our priorities remain clear. We will continue to deepen participation where alignment is proven, concentrate underwriting effort where relationships and structures are strongest, and ensure that growth remains anchored in control, balance, and credibility earned over time.

On behalf of the Board, management, and the entire Klapton Re team, I would like to thank you for your partnership and confidence throughout 2025. We value these relationships deeply and do not take them lightly. I wish you and your teams a restful festive season and extend our best wishes for a healthy, successful, and prosperous year ahead.



KlaptonRe announces new Board Chairman!



Mr. Elmo Jayetileke
KlaptonRe Chairman of the Board.

We are excited to welcome **Elmo Jayetileke** as the new **Chairman of the Board**.

Management and the organization are looking forward to growing from strength to strength in this new chapter under his guidance.

Mr Elmo Jayetileke is a Chartered Accountant with over forty-five years professional experience in senior Executive positions in Top 4 international accounting firms and financial institutions in Zambia, Malawi and Sri Lanka. Ot this, twenty (20) years with Bank and Non-Bank financial institutions

His areas of competence include business analysis and finance, Accounting and Financial reporting, external and internal audit budgets and forecasting, investigations, banking, mortgage financial management, tax advisory, human resource management, company secretarial and general management.

Mr. Jayetileke is also the Honorary consul for Sri Lanka in Zambia.





Engineering Reinsurance.

Our engineering policy covers a wide range of engineering-related products. It provides complete protection against risks associated with erection, resting, and working of any machinery, plant, or equipment, and it also provides protection against ongoing projects such as construction.

Klapton Re offers a wide range of engineering-related products, such as plant all risks, contractors all risks, single projects / annual projects, erection all risks, machinery breakdown, heavy equipment all risks and electronic equipment.



Africa's Reinsurance Moment.

Lynn Lucasta Harrod
Deputy Chief Executive Officer

KlaptonRe: An African Reinsurer with Global Reach.

Africa is not waiting to join the global reinsurance conversation. It is leading it. For years, the narrative around African reinsurance was one of potential, emerging capacity, developing markets, and gradual growth. That story has evolved.

Today, Africa's reinsurance sector stands on a foundation of leadership, technical expertise, and growing global influence. It is no longer defined by what it is becoming, but by what it already is, a confident, capable force shaping outcomes beyond its borders.

At KlaptonRe, we are proud to be part of this transformation. While our roots are firmly African, our reach is unmistakably global.

We write business across Africa, Asia, the Middle East, and the Americas, reflecting the strength and reach of an African reinsurer that competes on expertise, not geography.

Our experience has shown that the perception of Africa in the global market is changing, and rightly so. Where once the continent was viewed primarily as a destination for capacity support, it is now recognised as a source of insight, innovation, and disciplined underwriting.

African reinsurers are demonstrating that excellence does not belong to any one geography. It belongs to those who combine deep local understanding with a global mindset.

The Foundation of African Excellence and Resilience.

This evolution is not accidental. It is the product of years of investment in people, systems, and standards, and the resilience that defines Africa itself.

Across the continent, reinsurers are navigating diverse markets, complex risks, and shifting economic conditions with agility and integrity.

They understand that success in reinsurance is not just about numbers; it's about understanding context, anticipating change, and responding with clarity and conviction.

Underwriting the World with Purpose.

At Klapton Re, we carry forward the values Africa has taught us, resilience, adaptability, and integrity.

These are not just ideals; they are the foundation of how we work, how we partner, and how we deliver sustainable results in every market we serve.

Africa's reinsurance story is no longer waiting to be told. It is being written, confidently, globally, and with purpose.

The world is beginning to see what we have always known:

Africa is not waiting to be invited into the global reinsurance arena.

It is already there, underwriting the world with confidence, purpose, and skill.

“ Today, Africa's reinsurance sector stands on a foundation of leadership, technical expertise, and growing global influence. ”



KlaptonRe

Local
Reinsurance
Capacity

Past Quarter Events.

Africa
Underwriting the
World
www.KlaptonRe.com

KlaptonRe at the 21st Singapore International Reinsurance Conference 2025 (SIRC).



Klapton Reinsurance took part in the Singapore International Reinsurance Conference (SIRC) 2025, one of the industry's most influential global gatherings. The event brought together leading insurers, reinsurers, brokers, and regulators to discuss emerging market trends, risk solutions, and the evolving landscape of global reinsurance.

Participating in SIRC 2025 reaffirmed KRL's commitment to expanding our global footprint and ensuring that our strategies remain aligned with international best practice. It was a significant milestone as we continue to build credibility, visibility, and strong partnerships across the reinsurance industry.

KlaptionRe as Gold Sponsor at the Gralix Insurtech Conference 2025.



KlaptionRe was pleased to serve as a Gold Sponsor at the Gralix Insurtech Conference 2025 (GIC25), a key platform showcasing innovation and emerging opportunities within the African insurance sector.

Our Chief Operating Officer, Saulose Lemphane, participated in a panel discussion alongside industry leaders, sharing insights on the future of insurance and reinsurance and the role of technology in transforming the market. The conference offered valuable opportunities to engage with peers, clients, and partners, fostering conversations that inspire progress across the industry.

As a global reinsurer, KlaptionRe remains committed to collaboration, knowledge-sharing, and supporting initiatives that drive a more resilient and forward-thinking insurance ecosystem.





MOODY'S RATINGS

Klaption Re Upgraded by Moody's to Caa1 Stable: A Milestone in Global Reinsurance

Moody's has upgraded Klaption Re's Insurance Financial Strength Rating from Caa2 to Caa1, with a Stable Outlook. This reflects our robust financial growth, global diversification, and strong governance framework.

KlaptonRe at the HLB Tax Indaba.



Klapton Reinsurance was honoured to sponsor and participate in the HLB Tax Indaba held at Neelkanth Sarovar Hotel in Lusaka. The event convened leaders from government, industry, and professional practice to discuss Zambia's evolving tax environment.

The programme, officially opened by Ms Pamela Kauseni of the Ministry of Finance and National Planning, featured insightful sessions on transfer pricing, tax reforms, international tax developments, the Tax Appeals Tribunal, and incentives within the green economy.

The Indaba provided a valuable platform for collaboration between taxpayers, practitioners, regulators, and policymakers. For KlaptonRe, such engagements are essential to staying aligned with local and international tax regulations and reinforcing our commitment to responsible corporate citizenship and robust compliance across all jurisdictions in which we operate.

Annual Risk Conference 2025: Navigating Uncertainty.

KlaptonRe highlights key insights from the Annual Risk Conference 2025, held in Livingstone. The event brought together business, government, and academic leaders to explore strategies for building organisational and national resilience.

Discussions focused on the strategic role of risk management, the impact of AI, ESG integration, leadership development, and emerging challenges such as cyber threats. A key takeaway: risk management is now central to innovation, sustainability, and competitiveness, turning potential threats into opportunities for growth.



Klapton Reinsurance at AIO's 29th African Reinsurance Forum.



Klapton Reinsurance participated at of the 29th African Reinsurance Forum in Harare, Zimbabwe, joining industry leaders to explore new frontiers in African reinsurance and strengthen partnerships across the continent.

KlaptonRe was represented by Pious Ngolwe (Facultative Underwriter) and Vainess Mwale Banda (Claims Manager), who engaged in key discussions contributing to the future direction of reinsurance in Africa.



Zambia's Independence Day: Celebrating **Unity** and **Progress**.

On 24th October, Zambia commemorated its Independence Day, a moment of national pride and reflection. For KlaptonRe, it was an opportunity to honour the resilience, unity, and cultural richness that define our nation. This year, our team celebrated the day together, embracing the spirit of freedom and collective purpose that continues to shape Zambia's journey.



As you browse through the images of our employees taken on the day, we hope they capture the joy, solidarity, and dedication that drive our organisation. Independence Day reminds us not only of how far we have come as a country, but also of the shared responsibility we hold in contributing to its continued growth.

KlaptonRe remains committed to supporting Zambia's development through integrity, collaboration, and excellence. Happy Independence Day to all our colleagues, partners, and clients.

KlaptonRe Co-Hosts Weather Index Insurance Workshop with African Risk Capacity (ARC).



Klapton Reinsurance, in partnership with the African Risk Capacity (ARC) Group, co-hosted the Weather Index Insurance Awareness and Stakeholder Engagement Workshop in Lusaka. The event brought together more than 70 industry participants—including insurers, brokers, reinsurers, and regulators—to discuss how parametric and weather index solutions can strengthen financial preparedness and support vulnerable communities facing climate-related shocks.

During the workshop, KlaptonRe's Chief Operating Officer, Saulose Lemphane, highlighted the importance of collaboration and capacity building in transforming Africa's climate risk landscape. He emphasised that although climate change threatens agricultural productivity, innovative, data-driven insurance mechanisms can help turn vulnerability into long-term resilience.

The programme featured contributions from ARC Ltd., the Pensions and Insurance Authority, the Insurance Association of Zambia, and technical experts from Risk Shield, Ebony Re, and Hokma Risk. KlaptonRe's Head of Underwriting, Deborah Mafu-Jilowa, shared insights on the company's

work in advancing agricultural and weather index insurance, reaffirming our commitment to inclusive and sustainable risk solutions.

This initiative reflects KlaptonRe's dedication to strengthening technical capacity, fostering innovation, and deepening partnerships that position insurance as a key pillar of Africa's climate resilience agenda.

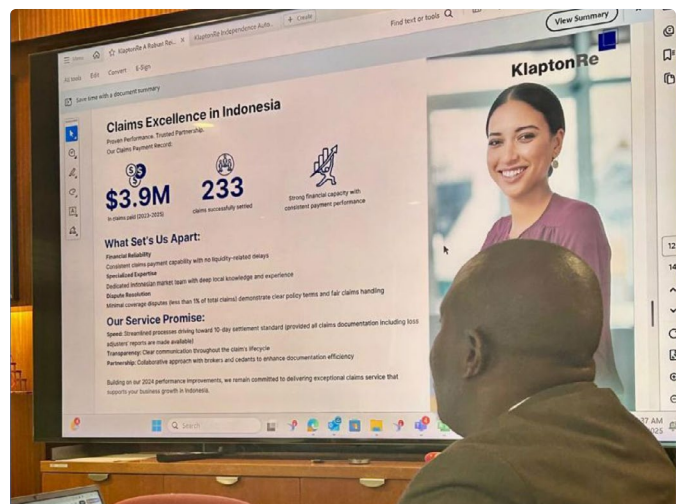


KlaptonRe Strengthens Partnerships in Indonesia.



Klapton Reinsurance concluded a successful market visit to Jakarta, engaging with local insurers and brokers to explore market needs and reinforce collaborative approaches to supporting growth in Southeast Asia.

This visit highlights KlaptonRe's ongoing commitment to providing flexible capacity, innovative solutions, and long-term partnerships that are responsive to local markets.





Fire Reinsurance.

Our fire reinsurance provides protection against incidents of accidental fire, lightning, explosions, etc. Fire accidents are unexpected and can cause enormous destruction in terms of finances and dealing with the aftermath. We work hand in hand with our clients to provide products and policies that meet their needs. Our fire protection includes business interruption and consequential loss of profits.



Warranty Vs Recommendation.

Dumisani Dlamini
Head Of Claims

Introduction.

Many people often confuse the two to mean one and the same thing in (re)insurance. The truth of the matter is that these two are different and the application thereof is vastly different. Let us unpack the meaning of these two terms in insurance.

What is a Warranty in insurance.

In simple terms, a warranty in a traditional insurance contract is a promise. A warranty is a contractual term whereby the insured guarantees that a certain fact is true or that a particular state of affairs will continue during the policy period. Warranties must be strictly adhered to, irrespective of whether the breach is material to the risk or casually connected to the loss.

Once breached, a warranty renders the policy void. It is irrelevant whether the breach was intentional or inadvertent, the consequence is the same, and no liability arises under the policy.

In short, a warranty is a requirement for coverage to apply, and the policyholder is legally obligated to comply in order for the policy to respond.

However, with the evolution of the insurance industry, the UK Insurance Act 2015 marked a fundamental shift. Section 10 of the UK Insurance Act 2015 converts breach of warranty b` from a terminating event into a suspension of cover, while Section 11 prevents insurers from relying on a breach unless it increased the risk of the loss that actually occurred. This reform significantly limits technical repudiations and has influenced global market practice.

The definition of a recommendation in insurance.

A recommendation is non-binding advice, often issued by a risk surveyor, which is meant to improve safety or reduce the likelihood of a loss. Unlike a warranty, it does not automatically void coverage if you fail to follow it. An example would be advising a business owner to install a parameter wall around their business premises within 30 days of the commencement of cover to minimize burglary-related losses.

If a recommendation is ignored, the premium might remain even higher at renewal of the policy because the insured failed to reduce the risk. The insurance coverage will remain valid, and the (re) insurer cannot reject or repudiate a claim because the surveyor's advice was not followed. In many instances the insured is unable to implement the recommendation because of circumstances beyond their control.

The risk surveyor or the insurer may give guidance to reduce risk, but the policy holder is not legally obligated to comply.

It is therefore important to understand the difference between a Warranty and a Recommendation.





A New Era for Zambia's (Re)Insurance Sector: Regulatory Reform and Renewed Confidence.

A Pivotal Moment for Zambia's (Re)Insurance Industry.

Zambia's insurance and reinsurance industry is experiencing one of its most significant shifts in recent years. The release of the Pensions and Insurance Authority's (PIA) updated regulatory framework, coupled with the country's recent sovereign rating upgrade, marks a pivotal moment in reshaping the sector toward greater stability, competitiveness, and alignment with global standards. This combination of strengthened regulation and improved macroeconomic confidence is not only timely but truly transformational, laying the foundation for a market that is more disciplined, transparent, and capable of delivering value to both local and international stakeholders.

Modernising the Market Through Strengthened Regulation.

The newly issued Market Conduct, Microinsurance, and Reinsurance Regulations represent a deliberate move to modernise Zambia's insurance landscape. They emphasise accountability, compliance, and consumer-focused operations across the industry. By embedding clear standards for market conduct, capital adequacy, local capacity utilisation, placement with qualifying reinsurers, and consumer protection, the regulations address long-standing industry concerns and elevate governance, operational discipline, and financial safeguards.

These reforms ensure that the sector is better equipped to withstand shocks, attract investment, and achieve sustainable long-term growth.

“ The newly issued Market Conduct, Microinsurance, and Reinsurance Regulations represent a deliberate move to modernise Zambia's insurance landscape. ”

Macroeconomic Confidence Reinforced by Sovereign Rating Upgrade.

Complementing these regulatory developments is Zambia's sovereign rating upgrade, which reinforces macroeconomic stability and enhances the country's investment profile. For the insurance and reinsurance sector, a stronger sovereign position translates into increased investor confidence, lower perceived market risk, and greater certainty in long-term commitments. It also provides a healthier environment for cross-border partnerships, strengthening the overall resilience and competitiveness of the market. Together, these regulatory and macroeconomic advancements create significant momentum for the sector and signal a promising future.



The 2011 Horn of Africa Drought.

Background & Economic Loss.

In 2011, the Horn of Africa (Ethiopia, Kenya, Somalia, Djibouti) suffered what was described as one of its worst droughts in 60 years. More than 12 million people were severely affected by food insecurity, crop failures, and livestock death.

The losses were not only human: economic damage included loss of agricultural output, increased food prices, health costs, disruption of trade. In Kenya alone, damage and losses were estimated at about USD 12.1 billion, a substantial fraction of Kenya’s GDP that year.

Insured vs Uninsured Loss.

While official figures for insured losses are harder to trace (since a large part of smallholder agriculture in the region is uninsured), much of the economic loss fell on families, local governments, humanitarian actors, and importers of food aid. There was minimal coverage for many small-scale farmers.

Insurance uptake in those regions was very low; existing policies often did not cover climate extremes.

Role of Predictive Tools & Risk Modelling.

Early warning systems (like FEWS NET), satellite rainfall monitoring, etc., helped trigger humanitarian responses.

If a tool like CatNet is deployed in such a context, it can help reinsurers, insurers, governments to map exposure ahead of time: identify regions likely to suffer crop failure, estimate probable losses, price insurance products accordingly, and set aside reserves or capacity before the drought hits.

KlaptonRe Resolve & Capacity.

KlaptonRe can assist by offering parametric or index-based insurance solutions that trigger payouts when rainfall or soil moisture falls below thresholds predicted by CatNet, minimizing delay and reducing administrative burden.

Also, working with local insurers to design affordable products for smallholders, backed by reinsurance to spread risk.

Moreover, through capacity building: training underwriters in climate risk, using CatNet to stress-test portfolios, enhancing claims readiness.



Agriculture Reinsurance.

We offer various protection coverage for material damage loss to crops and livestock from perils such as disease, flood, fire, drought, storm, hail and wind, to name a few.



Driving Underwriting Excellence: Reflections from My First Year at Klapton Re.

Manondo Chaponda
Underwriting Manager

Introduction.

As 2025 comes to a close, I've found myself looking back on a year that has shaped me in ways I didn't anticipate. What began as a journey in Treaty underwriting evolved into a much broader experience, one that challenged me, stretched my thinking, and ultimately led me to step into my current role within Facultative business. It has been a year of transition, learning, and clarity, but most importantly, a year that reminded me why I chose reinsurance in the first place: the constant opportunity to grow, adapt, and build something meaningful.

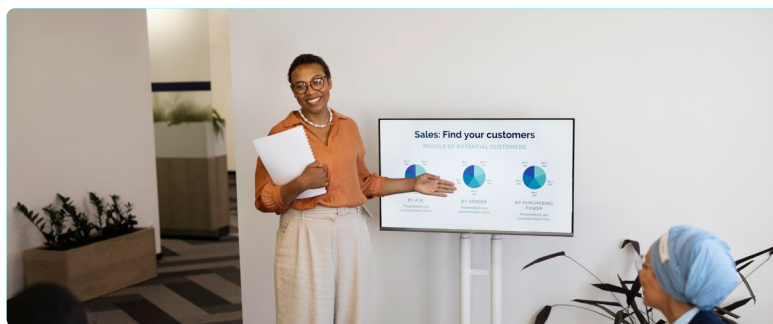
Stepping Into Treaty: A Foundation Built on Discipline and Perspective.

When I joined Klapton Re, I stepped into Treaty with an eagerness to contribute and a real desire to understand our markets and clients. The six months I spent in that space were intense in the best way, full of lessons about structure, portfolio balance, and the discipline required to make decisions that stand up over time. It taught me that underwriting is as much about perspective as it is about numbers, and that every risk carries a story, an opportunity, and a responsibility.

Transitioning Into Facultative: Finding Purpose and Precision.

Transitioning into Facultative presented a new level of purpose. Fac is fast-paced, technical, and demands a higher degree of judgment, creativity, and clarity. In many ways, it felt like discovering a part of underwriting that fits how I naturally think, analytical yet intuitive, structured but flexible. Stepping into this role has helped refine my voice

as an underwriter and sharpened my sense of the kind of value I want to bring to the business and to the clients we serve.



Reflecting on the Year: Lessons That Stand Out.

If I had to summarise what this year has given me, a few themes stand out.

First, the importance of underwriting discipline. Markets are shifting, exposures are evolving, and capacity is tightening. But discipline remains the anchor, ensuring that decisions are responsible, sustainable, and aligned with long-term value rather than short-term wins.

Second, the power of collaboration. Whether Treaty or Facultative, I've come to appreciate how much stronger we become when we learn from one another, challenge each other's assumptions, and share insights across teams. This year reminded me that underwriting is never a solo sport.

Third, the significance of vision. In stepping into Facultative, I've gained a clearer sense of where I want to grow and what I want to build. I see opportunities to enhance the quality of risks we take on, strengthen relationships with brokers and cedants, and contribute to a more confident, agile underwriting culture.

Looking Ahead to 2026: A Commitment to Excellence.

As I look ahead to 2026, my goal is simple: to continue driving underwriting excellence. That means being intentional about the decisions I make, staying curious, and bringing structure and consistency to the way we assess and support risks. It also means investing in my own growth,

deepening my technical expertise while remaining open to the lessons that come through new challenges and new conversations.

This year has been one of change, but also one of grounding. It has given me a stronger sense of direction and a deeper appreciation for the work we do. I'm grateful for the trust, the opportunities, and the lessons that have shaped this first year, and I look forward to building even more in the year ahead.





Aviation Reinsurance.

Flying creates unique risks to businesses that own or use aeroplanes or helicopters for business purposes. This incorporates risks such as fire, theft, floods, hailstorms, wars etc. Because we understand that the risks associated with aviation can be catastrophic, we offer products tailored to cover your needs. We offer Aviation Hull, War and P&I, Aviation Cargo material damage cover and Liability risks protection for aeroplanes or helicopters for private and business purposes.



Portfolio Diversification: How we can use Data to shape Smarter Strategy.

Thelma Phiri

P&C Facultative Underwriter

Introduction.

In today's rapidly shifting risk environment, portfolio diversification remains one of the most effective tools reinsurers have for managing volatility. But diversification is no longer just about spreading exposure across markets and lines of business. With climate change, inflation, geopolitical uncertainty, and emerging risks reshaping global loss patterns, reinsurers must harness data-driven insights to build more resilient and balanced portfolios.

Diversification Beyond Traditional Measures.

Historically, diversification meant balancing treaties across territories, classes, and perils. While these fundamentals remain relevant, risk correlations have become more complex. Secondary perils, supply-chain disruptions, inflation, geopolitical instability, and globally correlated events show that surface-level diversification can mask hidden concentrations. This is where data becomes indispensable. Analytics allow underwriters to identify hidden concentrations, emerging hotspots, correlation patterns and move from intuition to evidence-based insights on how risks behave within the portfolio.



Stronger Insights Through Better Data.

Modern underwriting platforms and analytics tools provide insights far beyond traditional triangles and exposure summaries. Advanced analytics help reinsurers:

- Identify accumulation hotspots: granular exposure data helps reveal whether multiple treaties create unintended concentrations in specific regions, industries, perils and cedant portfolios. This allows for more informed capacity allocation.
- Model correlation across multiple risk drivers: events today rarely occur in isolation. Data tools enable scenario testing that combines, for example CAT events and inflation spikes, political unrest and supply chain disruption, and climate-driven weather shifts across continents. Understanding these correlations supports smarter diversification.
- Understand how emerging risks influence volatility: Cyber, climate transition risks, renewable energy exposures, and complex liability trends influence portfolio volatility. Data-driven insights help identify how these new risks interact with traditional lines.

Early identification of these patterns supports better capital allocation, pricing decisions, and risk appetite management.



Pricing With Portfolio Impact in Mind.

Diversification is not just about portfolio composition, it also shapes pricing strategy. Data supports tiered pricing based on how a treaty contributes to or reduces overall concentration and capital allocation models that tie pricing to marginal impact on risk, enabling reinsurers to make disciplined decisions and apply loadings or credits that reflect true economic impact not just technical rate indications.

The Importance of Cedant Data Quality.

Reinsurers can only diversify intelligently if they have reliable data. High-quality cedant data is core to effective diversification. Improving data governance through structured submissions, standard templates, and proactive engagement with cedants enables better exposure modelling, accumulation analysis, pricing accuracy, portfolio steering and strengthening underwriting confidence.

A Future Built on Insight and Judgement.

While technology enhances decision-making, the underwriter's expertise remains central. Data does not replace the need for market knowledge, relationship insight, understanding cedant underwriting discipline and commercial competitiveness. The strongest strategies combine analytics with experience, context, and communication. As the industry faces increasing uncertainty, data-driven diversification is no longer optional, it is a strategic advantage that positions reinsurers for resilience, profitability, and sustainable long-term growth.

Conclusion.

Portfolio diversification is evolving from simple spread management to a sophisticated, data-driven strategy. Reinsurers that effectively integrate analytics into underwriting decisions will be better positioned to improve profitability, reduce volatility, allocate capital efficiently, identify new growth opportunities and strengthen long-term resilience. Data is not merely an operational tool, it is a strategic asset. When harnessed correctly, it enables underwriters to build smarter, stronger, and more future-ready portfolios.





Know Your Customer/ Business – Why It Matters!

Joan Bwalya

Head of Risk, Compliance and Governance

Introduction.

Ever wondered what all the hype around Know Your Customer/Business (KYC/B) is about? Why can't financial institutions and regulated businesses just transact without the hassle of requesting certain documents from their customers? Take reinsurance companies like Klaption Re, why will they not just accept reinsurance risks without asking potential clients to complete KYC questionnaires and share documentation?

Like when we walk into a bank, we trust them with our hard-earned money, but still, they will not open an account without making us fill out forms and attach all sorts of documents. They need customers to function as profitable businesses, right? So why the fuss over these seemingly irritating requirements?

Well, if these thoughts have ever crossed your mind or you are simply curious, read on. I will give you some background, my two cents. (Well, not technically mine because this is history and globally accepted principles, but to keep the vibe of this article flowing, we will call them my two cents.)

A Story of Knowing: the history of KYC/B.

In the early days of modern banking, financial institutions were built on personal relationships. A banker often knew their customers by name, face, and family background. Trust was local, and transactions were manual. There was no need for elaborate checks because customers were, quite literally, "known." ("known"? I raised my eyebrows, hope you did too!) But as the world became more interconnected and financial systems grew in scale and complexity,

that old-world trust began to break down. Money started moving faster and across borders. Along with it came the darker sides of globalization: money laundering, fraud, terrorism financing, and organized crime.

(Something always falls apart. That is why, as a personal principle, I never operate on trust alone and I hope you do not either.)

It was in this context the need to preserve trust in a rapidly changing financial landscape that the concept of Know Your Customer was born.

(Problems always birth opportunities for innovation, remember that next time you hit a roadblock.)

The Rise of KYC: from Crime to Compliance.

The roots of KYC trace back to the 1970s, when global law enforcement agencies began to realize that drug cartels and criminal enterprises were exploiting banks to launder illicit funds. In response, the Bank Secrecy Act (BSA) of 1970 was passed in the United States, marking the first major legislative move to require financial institutions to keep records and report suspicious activities.

However, KYC as we know it today started to take shape in the 1980s and 1990s, particularly with the formation of the Financial Action Task Force (FATF) in 1989 by the G7 nations. The FATF was created specifically to combat money laundering and later expanded its mandate to include terrorism financing.

It issued a set of 40 Recommendations, which became the global standard for anti-money laundering (AML) policies and KYC was a foundational piece of that framework.

9/11: A Turning Point.

Everything changed after the September 11 attacks in 2001. Investigations revealed that terrorist networks had exploited gaps in financial systems to move money and fund operations. This revelation pushed governments around the world to implement much stricter financial controls.

In the U.S., the USA PATRIOT Act of 2001 made KYC mandatory for all financial institutions. It required banks to implement Customer Identification Programs (CIP) to verify the identity of individuals and entities before establishing business relationships.

At this point, KYC evolved from a best practice to a legal requirement.

“ Everything changed after the September 11 attacks in 2001. Investigations revealed that terrorist networks had exploited gaps in financial systems to move money and fund operations. ”

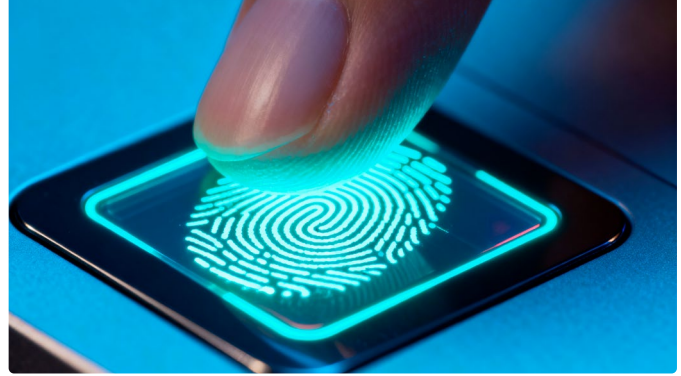
The Birth of KYB: Knowing the Business Behind the Customer.

As regulations tightened, it became increasingly clear that individual customers were not the only risk. Shell companies, front organizations, and opaque corporate structures were being used to hide beneficial ownership and launder money.

(Ever noticed how you keep discovering more problems or potential problems, from a problem you are trying to sort out? Does it ever end?)

This gave rise to Know Your Business (KYB) the corporate-focused extension of KYC. KYB requires financial institutions to identify the actual people behind a business (i.e., beneficial owners), understand the structure of the business, and assess the legitimacy of its operations.

The 4th and 5th EU Anti-Money Laundering Directives (AMLD) especially after 2016, entrenched KYB further by requiring member states to create beneficial ownership registries, increasing transparency across corporate entities in Europe.



Where are we today? technology, fintech, and the modern Era.

Today, KYC and KYB are cornerstones of global financial compliance. But they are no longer manual, paper-heavy processes. With the rise of fintech, regtech, and digital financial operations and business, verification is now powered by AI, biometrics, and blockchain.

Automated systems can validate IDs, scan global databases, and screen against sanctions lists in seconds. But with innovation comes new challenges; cybercrime, synthetic identities, and ever-evolving regulatory expectations (remember what I said about one problem uncovering other problems?)

What began as a principle rooted in trust has now become a complex, dynamic system, a blend of technology, regulation, and risk management, all designed to keep financial systems safe, transparent, and fair.

Looking Back and Forward.

Look at what memory lane has uncovered! I am convinced you now appreciate why it matters. Why KYC/B is more than just a checkbox exercise. Why it is a critical tool in curbing financial crimes that are like a cancer spreading across the globe, threatening our financial systems and economic stability.

I also hope you enjoyed my side commentary, a few life lessons in there, if I do say so myself.

Below are a few links to matters discussed in this history and forward-looking lesson, for those who wish to further expand their business acumen.

Bank Secrecy Act (BSA), 1970 (U.S. Treasury summary): <https://www.fincen.gov/resources/statutes-regulations/bank-secrecy-act>
Financial Action Task Force (FATF) – 40 Recommendations: <https://www.fatf-gafi.org/en/publications/fatf-recommendations.html>
USA PATRIOT Act, 2001 – Key Provisions (U.S. Treasury): <https://home.treasury.gov/policy-issues/financial-sanctions/usa-patriot-act>
EU 4th & 5th Anti-Money Laundering Directives: https://finance.ec.europa.eu/anti-money-laundering-and-countering-financing-terrorism/eu-legislation_en
World Bank on KYC/KYB and AML Practices: <https://www.worldbank.org/en/topic/financialsector/brief/anti-money-laundering-combating-the-financing-of-terrorism>



Optimizing Our Foundation: How We Built Our In-House Credit Control System.

Victor Mandla Ndlovu

Data Engineer

Introduction.

A quarter ago, our credit control team managed complex workflows through manual processes – spreadsheets, sticky notes, and fragmented systems. While functional, it limited our agility and scalability. Today, we’ve transformed that foundation with PayVue, an in-house system designed to turn data into actionable strategy. (Yes, the name was debated. No, we’re not changing it.)

What PayVue Actually Does?

Let’s cut through the jargon: PayVue is the nervous system of our credit control world. It tracks every penny flowing from brokers and cedants to policies, giving each credit controller a laser-focused view of their portfolio. But it’s not just a glorified spreadsheet. Here’s the magic:

- **Aging Like Fine Wine (But Less Fun):** It auto-sorts overdue payments into aging brackets (0-30 days, 31-60 days, etc.), so we spot delinquent balances before they turn into financial fossils.
- **Claim Eligibility Gatekeeper:** Cedants filing claims while dodging premium payments? PayVue slams the door. No more risk of paying out claims to ghosts who haven’t settled their tabs.
- **Unallocated Balance Whisperer:** That nagging receipt with \$50K “unallocated”? PayVue tracks every unassigned cent.
- **Payment Reminders on Autopilot:** 30 days out? 3 days out? Brokers now get gentle nudges before their balances age into museum exhibits.
- **Executive Overview:** Real-time dashboards show executives exactly where cash is stuck, who’s paying on time (heroes!), and who hasn’t paid since we on-boarded them.

The result? Our analysts now spot payment trends faster. We’ve even identified partners who treat “premium payments” like a theoretical concept, saving us from an inflated GWP.

Building PayVue: Iterating Toward Excellence.

Developing a custom solution demanded deep collaboration. We navigated three key phases:

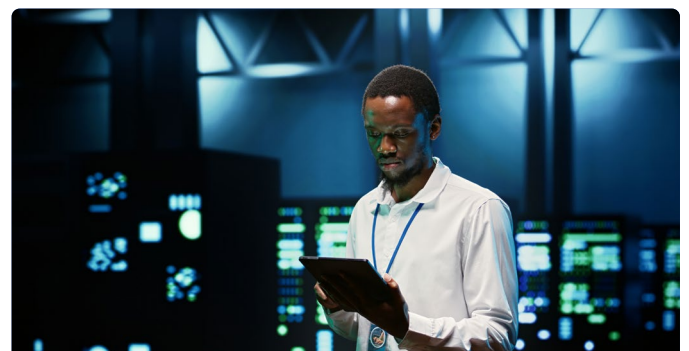
Challenge 1: Aligning Vision.

Translating stakeholder needs into technical requirements required close partnership. What began as high-level goals (“Make it smart, simple, and focused”) evolved through workshops into precise workflows. Lesson learned: Requirements gathering is 10% listening, 90% psychic interpretation. I carried a pen and paper everywhere I went.

Challenge 2: Tailoring to Reinsurance Realities.

Off-the-shelf tools couldn’t handle our multi-currency receipts, offsetting logic, or document workflows. We chose customization to future-proof our operations. This meant:

- Refining receipt rules with the team during UAT (turning “Actually, we do it like THIS...” into collaborative improvements).
- Building ETL pipelines resilient enough to handle anything. (Pro tip: Always sanitize broker names. “NULL” is not a valid entity!)



Challenge 3: Balancing Agility and Stability.

In-house development empowered rapid iteration, a critical advantage. When allocation logic needed tweaks, we deployed fixes in 48 hours, not months. This agility came with trade-offs: context-switching was intense, and scope requests were frequent. But every “Uhm, Mandla... can the system also do this?” pushed us toward a more robust tool.

Bonus Win: Performance at Scale.

Early dashboard load times taught us optimization isn't optional. By refining database queries and adding caching, we achieved near real-time data, proving scalability was baked in from day one.

Why This Matters: More Than just a user interface.

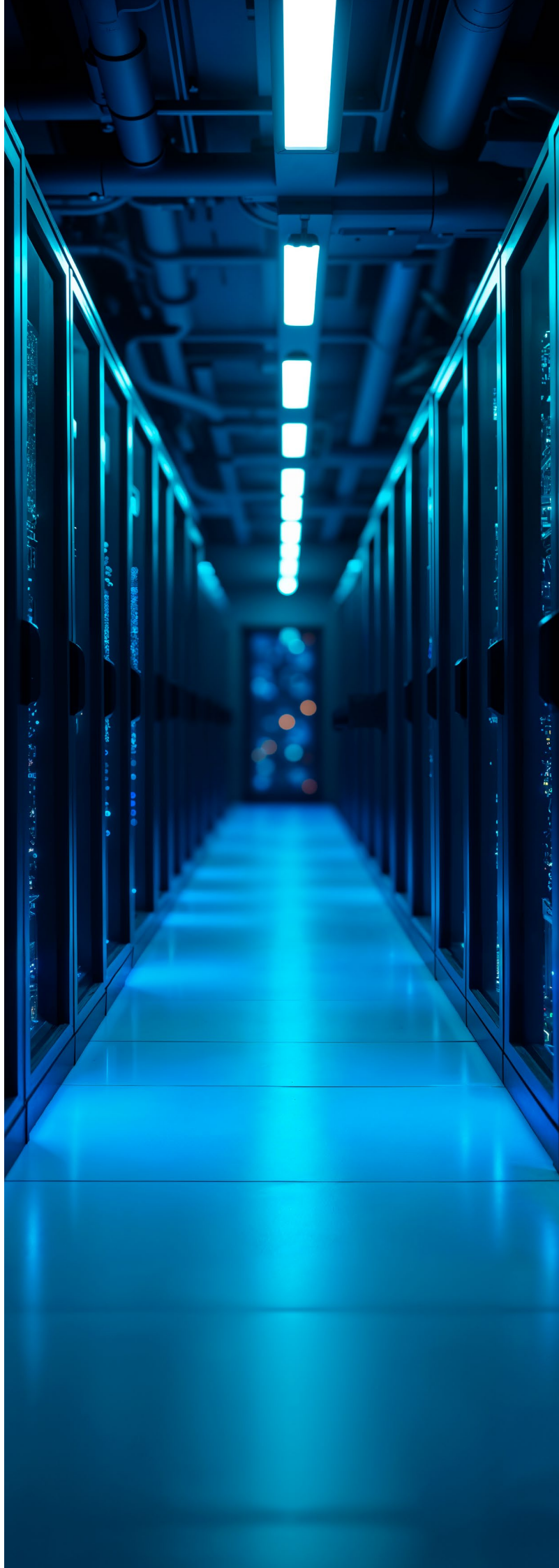
PayVue isn't just a tool – it's a force multiplier for our team's expertise:

- **Proactive Collections:** Automated reminders reduced late payments by 22% in Q3, letting controllers focus on high-value negotiations.
- **Precision in Reconciliation:** Unallocated balances dropped 40%, eliminating hours spent on manual matching.
- **Data-Driven Decisions:** Executives now monitor real-time risk exposure. When PayVue flagged Broker Y's pattern, we reallocated coverage before defaults occurred, turning insights into action.
- **Agility as Standard:** Custom logic updates deploy in days, not quarters. What was once a constraint is now our competitive edge.

The Punchline.

Building PayVue taught me that the best systems aren't built in code, they're built in trust. Trust that the engineer will listen when you rant about unallocated cash. Trust that the controller will forgive you when the reminder email goes to “Test Broker” instead of an actual entity. Trust that your laptop battery will last long enough for you to fix that emergency bug over the weekend.

This is just the beginning. PayVue has already transformed credit control from a transactional function into a strategic partner freeing the credit control team from being excel warriors to doing what credit controllers should actually be doing: negotiate, strategize, collect balances and only occasionally leaving the office at 10pm.





2025 Year-End Reflection.

Nathan Nsofu
Human Resource Manager

Introduction.

As 2025 draws to a close, the HR team is pleased to share a snapshot of the progress and initiatives that shaped the year. Our focus remained constant: creating a workplace where people feel supported, motivated, and connected to KlaptonRe’s vision.

Cultivating a Healthy, Balanced Workplace.

Employee well-being continued to be a priority. We encouraged simple yet effective habits that make a real difference—taking short breaks to recharge, keeping workspaces organized, and staying active throughout the day, even with quick stretches or walks.

Strengthening Our Culture of Alignment and Shared Success.

This year reinforced the belief that success is built collectively. Teams collaborated more, took ownership, and celebrated the small, everyday contributions that lead to bigger wins. The “we win together” mindset will be even more visible in 2026, fostering unity and purpose across KlaptonRe.



Evolving Performance Management: Focusing on Real Contribution.

We introduced changes to the performance rating scale to ensure contributions are measured meaningfully. The revised approach emphasizes outcomes, behaviours, and alignment with the organization’s “Must Wins,” while clarifying what success truly looks like. These changes promote better conversations between managers and teams and ensure both visible achievements and behind-the-scenes efforts are recognized—supporting a fair, objective performance culture.

Leadership Training for Department Heads.

In 2025, a Leadership Training was organized by the HR department for the department heads department heads, aimed at deepening their managerial and strategic skills. The training focused on areas such as:

- Strategic leadership and decision making to deal with complex business environment situations.
- Using communication skills effectively to engage the team and thus facilitate collaboration.
- Resolution of conflicts and use of emotional intelligence to bring about workplace harmony.
- On the job coaching and talent development to create high performing teams.
- Management of changes and ability to adapt to them and thus be able to lead through organizational transformation.

Some of the advantages that will come about because of this training:

- Confidence in leadership: Department heads are better equipped to make informed, strategic decisions.
- Improved team performance: Enhanced communication and coaching skills energize teams and increase productivity.
- A leadership pipeline that is ready for the future: It is a great way to get managers ready for more responsibilities and facilitation of succession planning.

First Aid Training for Staff.

This year a First Aid Training program was arranged by HR through a partnership with the Zambia Red Cross Society to provide employees with essential skills that can save lives. Every participant in the course is a certified first aid provider.



Why this matters:

Unexpected situations can happen at any time, the presence of skilled personnel in the workplace is a guarantee for a quick and efficient solution of the emergency. This step is in line with our pledge to create a safe and well-prepared working environment.

Some of the main benefits of first aid training are:

- Particularly, the training significantly improves the ability of staff members to prepare for emergency situations as staff are then very capable of handling incidents in the work environment quickly and effectively.
- An increase in the employees' confidence and a safety culture at the workplace.
- Also, First Aid Training leads to reduced risk and shorter response times: If assistance is provided immediately, a minor injury may not escalate to a major one.
- This goes hand in hand with health and safety standards.
- Professional recognition: Certified staff become key players in our organizational safety framework.

Giving Back: Breast Cancer Awareness Month.

In October, Klaption Re visited the Zambia Cancer Society to engage with those making a meaningful difference in the fight against cancer. The company donated to support their work, and several staff members contributed personally, adding to the collective effort. This outpouring of support reflects the genuine passion and commitment our team has for causes that truly matter.



Looking Ahead to 2026.

We're particularly enthusiastic about the initiatives to be embarked upon in this new year that will reinforce our talent pipeline and further deepen our impact. Much preparatory work has been done on a major development program, bridging the gap between learning and real-world application, and positioning Klaption Re at the forefront in shaping the future of industry professionals. Further to this, we remain committed to well-being, collaboration, and performance excellence to ensure all team members feel connected to our shared success.



Surety Bonds.

We offer a wide range of solutions and capacity for your regular guarantees, such as advance payment, performance, removal in transit, maintenance, retention, security, bid/tender bonds, and contract guarantees. In addition, for the right terms of cover, we extend our capacity and can provide lead terms on less traded types of sureties by most securities, namely guarantee backed debentures, trade finance, guarantees/residual value, payment/repayment guarantee, and property buyers bond.



Who's new at KlaptonRe?



Alick Mwale

P&C Facultative Underwriter

Alick Mwale has joined Klapton Re as a P&C Facultative Underwriter, bringing over a decade of experience in the insurance industry. He possesses strong expertise in underwriting, claims management, and client relationship management. Alick holds a Bachelor of Business Administration degree from the Information and Communications University. His extensive hands-on experience, deep industry knowledge, and technical underwriting capabilities make him a valuable addition to Klapton Re as we continue to strengthen our service delivery in underwriting the world.



Emmanuel Kafwanka

Junior Risk & Compliance Analyst

Emmanuel Kafwanka Joined Klapton Re in September 2025, as a Junior Risk & Compliance Analyst. Prior to this, he held various roles in KYC Compliance, customer service and financial operations across the banking and telecommunications industry.

Emmanuel is a highly motivated and detail-oriented professional, with a disciplined and ethical approach to work. He has and continues to build solid capabilities in process improvement, operational support and data driven decision making, now supporting the Risk and Compliance Function at KlaptonRe.

Who's new at KlaptionRe?

Caleb Ngungu

P&C Facultative Underwriter



Caleb Ngungu has joined Klaption Re as a P&C Facultative Underwriter. Caleb is a seasoned insurance professional with over seven years of progressive experience in underwriting, policy administration, customer service, and business development. He began his career at Madison Life Insurance Company, where he advanced from Underwriting Assistant to Senior Underwriting Assistant, gaining extensive expertise in risk assessment, policy servicing, and client relationship management.

He holds a Master of Business Administration (MBA) from the University of Lusaka and a Bachelor of Arts in Demography from the University of Zambia. His academic background is complemented by professional training in Leadership and Management Development, Life Assurance Practice and Claims Management quipping him with strong technical expertise, strategic insight, and leadership capacity.

Throughout his career, Caleb has consistently demonstrated strengths in technical underwriting, risk analysis, building lasting client relationships, and ensuring compliance within regulated environments. Caleb is committed to providing valuable insights and contributing to the continued growth and success of Klaption Reinsurance.



Kondwani E. E. Chirwa

Claims Analyst

Meet Kondwani E. E. Chirwa, a dedicated Claims Analyst with hands-on experience in managing and analyzing insurance claims. Kondwani brings a detail-oriented approach and strong analytical skills to the team. She is committed to delivering efficient, high-quality service while ensuring full compliance with company policy and industry standards. When not working, Kondwani enjoys watching movies, playing strategy games and trying out new outdoor activities.



Bubile Kaira

Claims Analyst

Meet Bubile Kaira, a skilled Claims Analyst with a strong foundation in reinsurance broking, specializing in treaty and claims. She combines hands-on experience in managing and analyzing insurance claims with a detail-oriented approach and sharp analytical skills. Bubile is committed to delivering efficient, high-quality service while ensuring compliance with company policies and industry standards. Outside of work, she enjoys outdoor games, exploring new cuisines, and discovering new destinations.

Who's new at KlaptonRe?

Tamara Ngoma

Credit Control



Tamara joins Klapton Re as a Credit Controller, bringing extensive experience in credit management, collections, and customer engagement gained in the banking industry. She holds an Economics degree from the Copperbelt University, along with top distinctions in both Risk Management and Certified Credit Professional qualification.

Prior to joining Klapton Re, Tamara worked at Absa Bank where she managed a large retail credit portfolio, engaging closely with premium clients and ensuring strong portfolio performance through effective collections, analysis, and client support. She is highly driven, detail-oriented, and passionate about strengthening credit processes that support business growth.

Tamara looks forward to contributing to the organisation's continued success through her expertise in risk management, client relations, and proactive credit governance.

Taonga Kasanje

Credit Control



Taonga Kasanje joins Klapton Re as Assistant Credit Controller. She is a self-driven and industrious young professional with a bachelor's degree in Banking and Finance obtained from the Copperbelt University where she graduated as the best graduating student. She began her career at Africa Global Logistics as an Administrative Assistant later rising to the role of Credit Controller.

As an Assistant Credit Controller at Klapton Re, Taonga demonstrates expertise in managing credit risk and ensuring timely collections and allocations. She is a team player who looks forward to adding more value to the company.

Chileya Mwango

Credit Control



Chileya Mwango joins Klapton Re as Credit Control Trainee. She holds a Bachelor's Degree in Accounting and Finance from ZCAS University. The qualification has equipped her with strong financial skills which she applies in credit control.

Outside of work, Chileya enjoys cooking, reading and travelling. Whether experimenting with new recipes, exploring captivating books or discovering new destinations, she embraces all experiences which broaden her perspective and inspires her. She looks forward to adding more value to Klapton Re.

Who's new at KlaptonRe?



Precious Nsuluka

Credit Control

Precious Nsuluka joins Klapton Re as Credit Control Trainee. Prior to joining Klapton Re, she worked as a Credit Officer in a micro financing institution, where she developed expertise in credit control.

Precious holds a Degree in Banking and Finance from Cavendish University and a Diploma in Accounts from the Association of Chartered and Certified Accountants (ACCA), UK.

With strong credit control skills, Precious has the ability to foster positive relationships with clients and is poised to make a valuable contribution to Klapton Re.



Millan Mwaambwa

Finance

Millan Mwaambwa joins Klapton Re as Accounts Intern. He holds a bachelor's degree in accounting and finance from Mulungushi University. Millan applies his finance and accounting skills to support finance department. He is committed to continuous learning and dedicated to contributing to the achievement of the department's goals and the company at large.

He is excited to join Klapton Re and looks forward to working with the team.

Product and Service Offering



Agriculture

We offer various protection coverage for material damage loss to crops and livestock from perils such as disease, flood, fire, drought, storm, hail and wind, to name a few.



Aviation

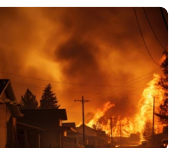
Flying creates unique risks to businesses that own or use aeroplanes or helicopters for business purposes. This incorporates risks such as fire, theft, floods, hailstorms, wars etc. Because we understand that the risks associated with aviation can be catastrophic, we offer products tailored to cover your needs. We offer Aviation Hull, War and P&I, Aviation Cargo material damage cover and Liability risks protection for aeroplanes or helicopters for private and business purposes.



Engineering

Our engineering policy covers a wide range of engineering-related products. It provides complete protection against risks associated with erection, resting, and working of any machinery, plant, or equipment, and it also provides protection against ongoing projects such as construction.

KlaptonRe offers a wide range of engineering-related products, such as plant all risks, contractors all risks, single projects / annual projects, erection all risks, machinery breakdown, heavy equipment all risks and electronic equipment.



Fire

Our fire reinsurance provides protection against incidents of accidental fire, lightning, explosions, etc. Fire accidents are unexpected and can cause enormous destruction in terms of finances and dealing with the aftermath.

We work hand in hand with our clients to provide products and policies that meet their needs. Our fire protection includes business interruption and consequential loss of profits.



Marine

Under marine reinsurance, we offer a wide range of products that protect against damage to the ship and cargo at sea or inland waterways in transit. In addition, we have extended cover risks that other reinsurers may be reluctant to cover, such as oil spillage and pollution. This also broadens to cover risks affiliated with war. Offering a wide range of Marine Hull, War and P&I, Marine Cargo product protection against damage shipment of cargo at sea or inland waterways, including extended coverage that most reinsurers are reluctant to cover, such as oil spillage and pollution.

Product and Service Offering



Motor

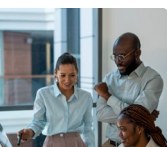
Accidents on the road are unexpected and can cause both financial and mental strain. Our products have a wide coverage from third party liabilities to damages to own vehicles arising from risks such as fire, theft, property damage etc. We cover both private and commercial vehicles. Our products have a wide coverage from third party liabilities to damages to own vehicles arising from risks such as fire, theft, property damage etc., covering both private and commercial vehicles under the following categories; RVI. Motor Vehicles, MV TPL and MV Casco Cover.



Bonds & Trade Credit

Klapton Re offers reinsurance solutions for Bonds and Trade Credit, providing vital protection to insurers supporting clients in managing credit and performance risks. Our Trade Credit cover safeguards businesses against the risk of non-payment by buyers, helping to ensure stable cash flow and secure trading relationships in both domestic and international markets. We also reinsure Surety Bonds, which offer financial security by guaranteeing the performance of contractual and regulatory obligations.

From bid bonds in tender processes to performance bonds in large-scale projects, we provide the capacity needed to support critical undertakings and enable confidence in commercial and infrastructure ventures.



Liability

We provide Liability reinsurance that covers a wide range of exposures where an insured party may be held legally responsible for causing harm to third parties, whether through injury, property damage, or financial loss. This includes general liability, professional liability, public liability, products liability, and other specialized lines. Our coverage supports insurers in protecting businesses, professionals, and individuals against compensation claims arising from negligence or failure to meet legal obligations. Through our liability solutions, we help ensure continuity and protection in environments where legal accountability and risk exposure are high.



Political Violence and Terrorism

Given the ever-changing nature of political violence and terrorism threats, Klapton Re offers reinsurance solutions that provide protection against these complex and unpredictable risks. Our Political Violence and Terrorism cover includes exposure to events such as terrorism and sabotage (T&S), strikes, riots and civil commotion (SRCC), malicious damage, and related perils. We support insurers by covering property damage, loss of income, and business interruption resulting from such incidents. With a clear understanding of the challenges in today's risk environment, Klapton Re stands ready to provide the necessary protection against politically driven unrest.



KlaptonRe



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