GCR Zimbabwean Medical Schemes Sector Risk Score
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Related criteria and research

Criteria for the GCR Ratings Framework, May 2019
Criteria for Rating Insurance Companies, May 2019
GCR Ratings Scales, Symbols & Definitions, May 2019
GCR Country Risk Scores, July 2021
GCR Financial Institutions Sector Risk Scores, June 2021

The GCR Zimbabwean Medical Schemes Sector Risk Assessment

The Medical Schemes sector risk score (ranging from 0 to 15) is a key factor in the operating environment component score. The core of the GCR Ratings Framework is based on GCR Ratings’ (‘GCR’) opinion that an entity’s operating environment largely frames its creditworthiness. As a result, the operating environment analysis anchors the underlying risk score for the GCR rating methodology. GCR combines elements of the country risk and sectoral risk analysis, blended across countries for entities operating across multiple jurisdictions, to anchor a medical scheme to its current operating conditions.

GCR will periodically publish updated “Zimbabwean Medical Schemes Sector Risk Score”. This publication, is available at gcrratings.com/risk-scores/.

Zimbabwean Medical Schemes Sector Risk Score

Zimbabwean Medical Schemes, Sector Risk Score 1.75. Country Risk Score 0*, Mapping Table 0.0 to 1.00

The Zimbabwean medical schemes sector risk score of 1.75 is restrained by a weak regulatory environment, evidenced by limited regulatory framework, enforcement and implementation to support, guide and control schemes’ activities. Furthermore, note was taken of low levels of transparency, with limited track record on industry performance. Nevertheless, earnings risks are viewed to be low, stabilised by contribution increases in line with inflation. In this respect, industry density is in line with mature regional peers at around USD250, although corresponding to a very low penetration at around 0.2% which is expected to remain constrained given that industry growth potential is likely to be subdued by additional...
economic challenges emanating from the COVID-19 pandemic. The Zimbabwean medical scheme industry presents an oligopolistic structure, dominated by three major schemes, collectively accounting for about 75% of industry contributions whilst the remainder is fragmented amongst the rest of players. This structure is expected to be maintained going forward, underpinned by high barriers to entry embedded in the historical development of the industry.

*Country risk score as at date of publication.