2009

A REVIEW OF THE SOUTH AFRICAN MICROFINANCE SECTOR
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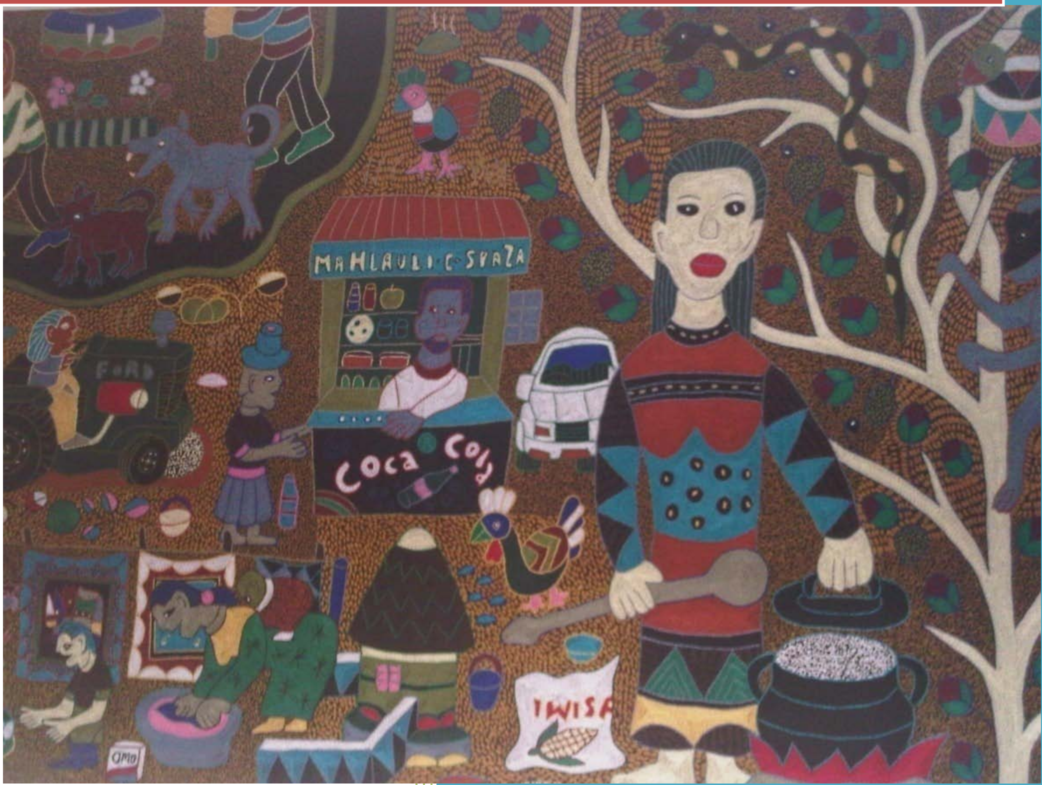

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PAPER 1: STOKVELS AND BURIAL SOCIETIES

Stokvels are informal savings groups which operate under an exemption to the Banks Act. Defining stokvels has been contentious as a wide variety of stokvels exist. Stokvels can provide a platform for periodic collective savings for members, whereby the total amount collected is given to one particular member at each successive period. Other stokvels retain part of the savings to extend as credit to members at a given interest rate. There are also stokvels that keep the savings to be used in an investment fund or to purchase an asset which is meant to generate income for the members. Some stokvels are set up as burial societies and others are used to save funds towards a particular holiday or year end event such as Christmas.

Stokvels in South Africa began in the early 19th century as a spin-off of “stock fairs” whereby English settlers had rotating cattle auctions in the Eastern Cape during the early 19th century. These fairs were a lively place for interaction, socialising and gambling among black farmers and labourers. These gatherings later spilled over into meetings of a similar nature in the black communities as a whole, and were no longer associated with stock fairs. Many years later, it evolved into the concept of burial societies when mine migrant workers started experiencing increased mortality rates. The financial exclusion of a majority of the South African population during the apartheid era also solidified the existence of informal savings clubs. Party stokvels sprung up, which arranged street or jazz parties, often with live entertainment. An entrance fee would be charged, and food and drink would be on sale. Members then shared in the profits. However, the apartheid authorities regarded these party stokvels as shebeens resulting in arrests based on illegal selling of liquor. This led to the formation of the National Stokvels Association of South Africa (NASASA) in 1988.

NASASA became a national, self-regulating umbrella body for all stokvels – including burial societies and other informal savings clubs. It was registered as a Section 21 (non-profit) company and served by appointment of the Minister of Finance on the Standing Committee for the Revision of the Banks Act. NASASA currently represents 150 000 individual members from 11 000 groups nationwide.

NASASA defines stokvels to have the following characteristics:

- Voluntary Membership
- Groups are informal ;they are not formally regulated but rely on trust as the mechanism to ensure the safety of funds
- Functioning of these groups is solely the responsibility of members.

The South Africa Reserve Bank (SARB) started targeting stokvels in 1996 publishing a green paper to show its position on stokvels. By 2006, the SARB introduced legislation pertaining particularly to stokvels. An amendment was made to the Banks Act of 1990 to cater for stokvels whereby they are seen as falling outside the definition of a commercial bank. This meant that stokvels were viewed as legal, self-governing entities, operating outside the regulations covering banks. They were, therefore, allowed to take deposits from their members only, but were not allowed to hold in excess of R9.99 million at any one time. Any stokvel exceeding this amount would be required to register as a mutual bank and would then legally fall under the Mutual Banks Amendment Act, 1994 (Act 25 of 1994). Stokvels also had to affiliate themselves with NASASA.

The formal sector has also recently become involved in the stokvel business. The first to do so was the Permanent Building Society (Perm) that was incorporated into the Nedbank group in 1995, rebranded as Permanent Bank and then fully integrated into Nedbank in 2005. Perm developed a customised account in 1988 called the Club Account, which catered for the needs of stokvels. The Club Account included the following features:

- as the balance grew, the rate of interest grew;
- interest was capitalised monthly;

- there was no minimum balance – members could draw every cent out of the account without closing it, and could then start saving afresh from a zero balance;
- there were no service charges;
- every club was given a savings book, so that members could keep track of their balance;
- there was no limit on the number of withdrawals; and
- The stokvel itself stipulated which members were authorised to sign for withdrawals.

By 2009, all the major South African banks were offering a customised savings product to stokvels. These included the Absa Club Account, the Society Scheme of Standard Bank, the First National Bank Stokvel Account, the Nedbank Club Account, Bakgotsi of Postbank, and Club Save of Ithala Bank.

Measuring the usage of stokvels in South Africa is not an easy task, due to data collection processes fraught with sampling and non-sampling errors[1]. In terms of sampling errors, some surveys are not nationally representative. The non-sampling bias relates to the consequences of inconsistent questionnaire designs and different perceptions of what stokvels are. This leads to respondents giving inaccurate responses as to whether they are part of a stokvel or not. The FinScope 2009 dataset shows stokvel usage in five separate sections:

Table IV.1.1: Use of Stokvels and Financial Cooperatives

	Never had	Previously had	Have now
Credit and loans product usage - Borrowing from a stokvel society, burial society, umgalelo or savings club	96.6%	2.3%	1.1%
Investments/savings product usage - Stokvel or umgalelo or savings club	90.0%	2.2%	8.3%
Investments/savings product usage - Co-operative or village banks savings	99.6%	0.1%	0.4%

The table above shows that stokvels as an investment/savings product is the most widely used in 2009 with 8.3% presently having the product. Borrowing from a stokvel shows only 1.1% of the South Africa population currently using the product although 2% previously borrowed from a stokvel. Usage of financial cooperatives is very limited.

[1] Scheepers, N. (2007). Exploring data discrepancies in the estimates of stokvel membership. Finmark Trust

Savings product usage is segmented by Financial Sophistication Measure (FSM) in the table below.

Table IV.1.2: Investments/Savings Product Usage: Stokvel/Umgalelo/Savings Club

	2006			2009		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	93.6%	1.6%	4.7%	99.5%	0.4%	0.2%
2	93.0%	2.1%	4.9%	94.5%	3.3%	2.5%
3	89.4%	4.6%	6.0%	91.3%	3.4%	5.3%
4	89.9%	1.8%	8.3%	87.4%	2.0%	10.6%
5	87.4%	4.6%	8.1%	85.8%	2.6%	11.7%
6	88.6%	.8%	10.6%	79.9%	1.7%	19.0%
7	93.8%	.5%	5.7%	85.4%	1.2%	13.3%
8	95.8%	.4%	3.8%	91.7%	0.0%	8.3%

The usage of stokvel is expected to be high in the micro market and this is reflected in the table above. However, research has shown that the "rich" also form savings clubs (Edmund Kibuuku:2006) .There is a particular increase of users of savings clubs in 2009 in FSMs 5, 6, 7 and 8 compared with 2006. Interestingly, there has been a drop in percentage of those that were part of a savings club in FSMs 1, 2, and 3 between 2006 and 2009.

Table IV.1.3: Stokvel/Umgalelo/Savings Club by Geographical Area in 2009

	Never Had	Previously	Have now
Urban Formal	90.1%	2.2%	7.7%
Urban informal	88.6%	2.8%	8.7%
Tribal Land	88.6%	1.7%	9.7%
Rural Formal	92.0%	1.8%	6.2%

The use of stokvels is popular in all geographical areas but more prevalent in the tribal land areas with a 9.7% usage level. The urban informal comes at a close second with an 8.7% usage level. Rural formal areas recorded the lowest usage level in 2009 with a 6.2% usage level. These results also confirm the expectation that stokvels are more popular amongst those in the informal economy whom are likely to reside in the tribal lands and urban informal areas.

Table IV.1.4: Stokvel/Umgalelo/Savings Club by Race in 2009

	Never Had	Previously had	Have now
Black	86.7%	2.6%	10.7%
Coloured	98.7%	0.6%	0.7%
Asian	98.9%	0.00%	1.1%
White	99.8%	0.00%	0.2%

According to race, the black population group use stokvels more than any other race. Looking at the numbers in the table above, it appears that the other population groups are not that involved in stokvels.

According to gender, the table below shows that the use of stokvels is more popular with females, who accounted for 10.5% of those who used savings clubs in 2009.

Table IV.1.5: Stokvel/Umgalelo/Savings Club by Gender in 2009

	Never Had	Previously had	Have now
Male	92.7%	1.5%	5.8%
Female	86.0%	2.5%	10.5%

Burial societies came about due to the need in lower-income communities in South Africa to cope with the cost and shared responsibility of death. The purpose of burial societies is to encourage members to save each month so that they are able to provide funds at the time of death. They are formed by people who know each other and have a common bond (e.g. family, friends and communities). Societies are not for profit and are governed and managed by members.

Average membership of societies is 50 to 80 members. Financial benefits of most societies are not guaranteed. These societies offer a form of cash flow management or a risk pooling service, there are no third party profits from the risk management.

Most societies in South Africa are contributing societies (members contribute the same amount on a periodic basis) – as opposed to collection societies (funds are collected at the time of death). Burial societies also offer emotional and physical ('helping hands') support at the time of death – to members and family.

The table below shows the usage of burial societies in South Africa in 2009 across FSM segments. There seems to be a huge participation by the micro market in burial societies with 14.4% of those in FSM 1 being part of a burial society. The highest participation percentage is in FSM 5 whereby 27.3% currently belong to a burial society.

Table IV.1.6: Burial Society Usage in 2009

	Never had	Previously had	Have now
FSM 1	85.6%	0%	14.4%
FSM 2	84.4%	0.1%	15.5%
FSM 3	78%	0.1%	21.8%
FSM 4	80.1%	0.1%	19.8%
FSM 5	72.7%	0%	27.3%
FSM 6	75.3%	2.5%	22.2%
FSM 7	79.9%	0.1%	19.9%
FSM 8	89%	0.%	11.0%
Total	80%	0.4%	19.7%

PAPER 2: MICROINSURANCE

The insurance market in South Africa is divided into long-term insurance, governed by The Long-term Insurance Act, 52 of 1998, and short-term insurance, governed by The Short-term insurance Act, 53 of 1998. In South Africa, it is not allowed to have licences under both acts. All policies relating to life-events are captured under long-term insurance, while short-term insurance covers the loss of an asset or another indemnity event. Personal accident or disability events are included under both. As a result, policies under the Long-term Insurance Act may have short-term risk features, whereas some policies under the Short-term Insurance Act may have long risk terms.

The most popular type of insurance among the low-income population is funeral insurance. Only public companies and friendly societies, in terms of the Friendly Societies Act of 1956, are permitted to provide insurance. The Cooperatives Act, 14 of 2005, provides for the formation of financial services cooperatives, including cooperative burial societies, as legal persons. Such cooperatives may also provide insurance but are obliged by the Act to then register for insurance purposes under the Long or Short-term Act. Market conduct is further regulated by the Financial Advisory and Intermediary Services (FAIS) Act of 2002, which requires the authorisation of all financial service providers and their representatives (including those selling insurance) who provide advice or intermediary services. It further regulates the manner in which financial products and services are to be marketed and sold.

Burial societies which are formed to provide social and financial support to members upon the death of a family member are the most commonly registered type of society. Friendly societies are exempted from registration if they provide policies for which the benefit amounts do not exceed R5, 000, or should they not contractually guarantee their policy amounts. Traditionally, the funeral insurance market has largely been served by informal players (e.g.: burial societies providing informal, unguaranteed, cover rather than insurance) and illegal insurance providers in the form of self-insuring but unregulated funeral parlours. Since the Financial Sector Charter was signed, however, the formal sector has been making strides into the micro market. Insurers are now obliged to fulfil access to finance targets by 2014.

Beyond funeral insurance, penetration in the low-end of the market has been low despite the range of products that have been launched since the Financial Sector Charter was ratified. Products such as basic household structure and contents insurance, asset insurance and personal accident insurance have been less successful in the low-income segment of the market. The relatively more successful insurance products in the micro market include credit life insurance, credit insurance (an insurance policy associated with a specific credit purchase which provides for the replacement or repair of the purchased item in the case of it being damaged, lost or stolen – as opposed to credit life which provides for the repayment of the outstanding amount upon the death of the purchaser), cell-phone insurance and legal insurance.

The second largest type of microinsurance product is credit life insurance. It is an involuntary product based on credit purchases. Legal insurance, though its uptake is still almost negligible relative to the overall market, is a product which has developed historically, without any Charter pressure, due the need for the underlying service among the poor. Cell-phone insurance is popular due to the importance of cell-phones as a business and personal accessory and the distribution of insurance during the phone sale process, especially when it is being purchased on credit.

The major suppliers of insurance products are shown in the table below. For the Short-term Insurance, the 5.7% difference balance of market share is comprised of reinsurers, the so-called bank segment, and specialist providers.

Table IV.2.1: Largest Providers of Insurance in South Africa

Top 10 general short-term insurance insurers	% of total gross premiums written		Top 10 long-term insurers	% of total gross premiums written
Santam	28.3		Old mutual	18.7
Mutual & Federal	20.1		Liberty group	13.2
Hollard	12.0		Sanlam	12.8
S.A Eagle	9.2		Momentum group	11.0
Outsurance	5.7		Investec	8.0
Auto & General	4.6		Investment solutions	7.9
Lloyd's	4.2		Metropolitan	3.7
Regent	3.5		Allan Gray	2.9
AIG (SA)	3.4		Coronation	2.4
Constantia	3.3		Liberty Active	2.0
Total Market Share	94.3		Total Market share	82.6

Source: National Treasury (2008)

Challenges for informal players are largely related to institutional and prudential aspects as well as the market conduct regulations posed by FAIS registration and compliance. Challenges for formal sector players, on the other hand, are largely related to efficient distribution and sales.

One example of formalised insurance providers servicing the low-end market is the Real People Group, who are recent entrants into the long-term market. Real People is a non-bank financial service provider with more than 150 branches and 1,300 employees. Its traditional focus is low income salary-based lending. It has expanded its reach to SMME financing, housing solutions (small home loans), and housing improvement loans. At the end of 2005, it was awarded a long-term insurance license and has since been selling funeral insurance. It is also an authorised service provider under the FAIS Act of 2002.

Recently, Real People's offering was enhanced by the launch of the "5-in-1 Family Care Plan". For a basic premium of R99 per month it offers a package consisting of:

- medical trauma cover of a lump sum of up to R100,000 per specified event for the main member (the spouse can be covered at an additional monthly premium);
- commuter cover of R20,000 for the main member and spouse in the event of death in a vehicle accident;
- Unemployment benefit which provides for 50% of salary and a maximum of R2,500 per month for a period of 3 months
- Funeral cover for spouse and up to 4 children (extended family may be added at an additional monthly premium each)
- Catering benefit to the value of R5,000 to assist with catering needs at the funeral

In South Africa, insurance is distributed through broker networks (though this model is limited in the low-income market), in partnership with retailers, or via direct marketing (internet or telesales). Social groups also provide a medium to distribute insurance products to the low-income group. The existence of such groups, however, is often not related to insurance, but in most cases focused on the provision of credit (microfinance organisations) or the facilitation of savings (savings and credit co-operatives) or other financial services. Some of these groups are member-owned and all monetary surplus derived from their activities is used to the benefit of group members, e.g. stokvels. These groups are all client-driven and the intermediation of insurance is initiated as a client collective process rather than by an existing intermediary or insurance product provider.

Insurance Activity Status

This section draws on FinScope data and aims to look at the usage of insurance products in order to ascertain the participation of the micro market. The usage of insurance products by FSM from 2006 to 2008 in South Africa is shown in the subsequent tables.

Table IV.2.2: Vehicle Insurance

	2006			2008		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	99.7%	.3%	.0%	99.9%	.1%	.0%
2	99.7%	.3%	.0%	100%	.0%	.0%
3	99.3%	.6%	.1%	99.9%	.1%	.0%
4	97.6%	1.0%	1.4%	97.9%	1.8%	.3%
5	94.4%	2.2%	3.5%	94.4%	1.6%	4.0%
6	79.7%	4.0%	16.3%	84.5%	4.7%	10.3%
7	54.0%	2.8%	43.2%	57.0%	7.3%	35.2%
8	22.3%	2.5%	75.2%	30%	5.4%	65.6%
Total %	91.9%	1.3%	6.8%	90.9%	1.9%	7.2%

Vehicle insurance seems to be enjoyed by those in FSM 5 and above; there is very little participation by the micro market. The profile is the same in 2008, but there is a decline in the overall percentage of those who have vehicle insurance, likely attributed to global financial conditions.

Table IV.2.3: Household Content Insurance

	2006			2008		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	99.8%	.2%	.0%	100.0%	.0%	.0%
2	99.9%	.1%	.0%	99.8%	.1%	.1%
3	100.0%	.0%	.0%	99.9%	.1%	.0%
4	99.0%	.5%	.5%	98.4%	1.5%	.3%
5	96.5%	1.7%	1.8%	96.7%	.9%	2.5%
6	88.0%	3.2%	8.8%	88.9%	2.9%	8.2%
7	71.5%	2.5%	26.0%	69.2%	6.5%	24.3%
8	44.4%	1.9%	53.7%	41.3%	3.0%	55.7%
Total %	95.0%	.9%	4.2%	93.1%	1.4%	5.5%

Insurance for household content reflects similar trends as that of vehicle cover in 2006 whereby the take-up is largely by those in FSM 5 and above. The segments that enjoy household content insurance also dominate in 2008 but there were percentage decreases similar to vehicle insurance. There is also a limited micro demand in the market for household content insurance.

Table IV.2.4: Home Owner Insurance

	2006			2008		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	99.8%	.2%	.0%	100.0%	.0%	.0%
2	99.8%	.2%	.0%	100.0%	.0%	.0%
3	99.6%	.4%	.0%	100.0%	.0%	.0%
4	98.1%	.9%	1.0%	98.8%	.6%	.6%
5	97.0%	.4%	2.5%	97.7%	.6%	1.7%
6	87.6%	2.1%	10.3%	91.3%	1.8%	6.9%
7	79.1%	2.2%	18.7%	75.6%	4.5%	19.8%
8	48.5%	2.1%	49.3%	48.4%	3.5%	48.1%
Total %	95.4%	.7%	3.9%	94.5%	.9%	4.6%

Home-owner insurance starts to emerge from FSM 4 and above according to the FinScope data. Similar to the preceding types of insurance, it is enjoyed more in the higher FSM segments. The transition from 2006 to 2008 shows very little movement in percentage changes between 2006 and 2008 although there is a significant drop in percentage for FSM 6 from 10.3% in 2006 to 6.9 percent in 2008. Since mortgage agreements are likely to have an insurance requirement, this explains the lack of movement in percentages between 2006 and 2008.

Table IV.2.5: Credit Life Insurance

	2006			2008		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	99.8%	.2%	.0%	100.0%	.0%	.0%
2	99.0%	1.0%	.0%	100.0%	.0%	.0%
3	99.6%	.4%	.0%	99.2%	.0%	.8%
4	98.7%	.6%	.6%	97.0%	.4%	2.6%
5	96.8%	.9%	2.3%	94.7%	.3%	5.0%
6	91.1%	.5%	8.3%	86.7%	.0%	13.3%
7	88.1%	1.4%	10.6%	68.2%	2.0%	29.8%
8	69.6%	1.0%	29.3%	48.5%	1.3%	50.2%
Total %	96.7%	.7%	2.6%	92.5%	.3%	7.2%

This type of insurance product is quite popular in South Africa. The take up begins from FSM 4 in 2006 while it expands down to FSM 2 in 2008. One would expect parallel behaviour in this market and that of household content insurance given that credit life is mostly compulsory when household effects such as furniture, fridges and microwaves are purchased. It can also be seen from Table IV.2.5 that the use of credit life insurance increased across all FSM segments especially in the upper FSM segments.

Table IV.2.6: Life Insurance

	2006 (life insurance with an institution)			2008		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	99.6%	.4%	.0%	99.8%	.2%	.0%
2	99.3%	.1%	.6%	98.3%	1.0%	.7%
3	98.6%	.5%	.9%	98.5%	.4%	1.1%
4	95.0%	1.1%	3.9%	95.5%	1.4%	3.1%
5	89.1%	2.0%	8.9%	87.7%	2.3%	9.9%
6	70.9%	4.5%	24.5%	70.1%	3.0%	26.9%
7	48.7%	3.4%	47.9%	43%	4.3%	50.7%
8	18.9%	.9%	80.2%	24.1%	.5%	76.4%
Total %	89.3%	1.3%	9.4%	86%	1.5%	12.5%

Life insurance is a generic name given to two different types of insurance, namely term life and permanent life or whole life. Term life refers to a policy under which the death benefit is payable only if the insured dies during a specified period. Listed below are various types of term insurance. Permanent life insurance provides coverage throughout the insured's lifetime and may include an element that builds cash value. The FinScope data does not distinguish between the two. The trend is that there is a slight increase in percentage of those who have the product in 2008 compared to 2006 and, at FSM 5 representing the upper end of the micro market; usage is reaching 10% in 2008.

Table IV.2.7: Medical Aid/Scheme

	2006			2008		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	99.7%	.3%	.0%	100.0%	.0%	.0%
2	98.6%	1.3%	.1%	99.4%	.3%	.3%
3	97.7%	1.8%	.4%	98.4%	.3%	1.3%
4	95.8%	2.6%	1.6%	97.7%	.9%	1.4%
5	87.4%	4.3%	8.4%	94.7%	1.4%	3.9%
6	74.0%	5.2%	20.7%	80.3%	4.5%	15.2%
7	53.2%	3.5%	43.3%	61.2%	6.8%	32.0%
8	28.8%	3.1%	68.1%	32.7%	4.0%	63.3%
Total %	89.7%	2.4%	7.9%	90.4%	1.7%	7.9%

The take-up of medical insurance begins from FSM 2 in 2006. However, the percentages of those that have the product are quite low. The percentages do increase by 2008 but significantly high in FSMs 7 and 8. Usage in the micro market, similar to the preceding insurance products, is quite small.

Table IV.2.8: Disability Cover with an Institution

	2006			2008		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	100.0%	.0%	.0%	100.0%	.0%	.0%
2	99.9%	.1%	.0%	100.0%	.0%	.0%
3	99.6%	.4%	.0%	100.0%	.0%	.0%
4	99.3%	.3%	.4%	98.2%	.8%	1.0%
5	99.0%	.5%	.6%	96.2%	.5%	3.3%
6	94.4%	1.6%	4.0%	92.5%	.8%	6.7%
7	85.1%	1.5%	13.4%	85.5%	2.3%	12.3%
8	61.1%	2.3%	36.6%	67.9%	1.3%	30.8%
Total %	97.2%	.5%	2.3%	95.9%	.5%	3.6%

Disability cover only exists from FSM 4 upwards in 2006. The percentage of those with disability insurance increases in 2008 compared to 2006 for those in FSM segments 4-6 while it decreases slightly for those in FSM segments 7 and 8.

Table IV.2.9: Funeral cover with an Insurance Company

	2006			2008		
FSM	Never had	Previously had	Have	Never had	Previously had	Have
1	99.1%	.3%	.6%	99.8%	.0%	.2%
2	98.6%	.2%	1.1%	98.6%	.0%	1.4%
3	96.8%	.6%	2.5%	99%	.1%	.9%
4	95.8%	.8%	3.3%	97%	.2%	2.8%
5	88.3%	1.6%	10.0%	92.9	.1%	7.0%
6	78.5%	.6%	20.9%	83.3	.1%	16.6%
7	66.1%	1.5%	32.5%	67.1	.2%	32.7%
8	57.3%	1.1%	41.6%	76%	.1%	33.9%
Total %	91.6%	.7%	7.7%	92.1%	.1%	7.8%

In 2006, funeral cover from an insurance company is widespread across all the FSM segments. The 2008 figures show a decrease or no change in the usage for all the FSM segments. Funeral cover through an insurance company is widely used from FSMs 4 and above with little usage in FSM 3 and below.

Zimele Product Usage

In South Africa, the extension of access to financial services to the low-income market is an explicit policy goal, and the financial sector has been committed to certain access targets under the Financial Sector Charter (FSC) of 2003. The long-term industry (through its industry body the Life Offices Association (LOA) has developed product standards that are applied in the recently launched *Zimele* accreditation programme.

Launched by the LOA in 2007, *Zimele* products are aimed at the low income market and will enable providers, based on geographic availability of the product, to score points towards meeting their FSC access commitments. *Zimele* products rely on simplicity and flexibility. For a product to gain *Zimele* accreditation, customers have to be able to buy the policy, pay a premium or amend a policy at least once a month within 40km of their residence or place of work. It is envisaged that *Zimele*- accreditation will send a signal to consumers that products are trustworthy and reasonable in terms of pricing and terms.

A number of products have already obtained the *Zimele* stamp of approval. However, some non-life products have not been able to take-off due to concerns by the competition authorities who feel the homogeneity of *Zimele* products could lead to collusion by providers.

According to the FinScope (2007) data, 33% of respondents say that they still cannot afford the premiums charged with *Zimele* products. Seventeen (17) percent disagree while the remaining 50% gave no response. Only 5% of the respondents understood the *Zimele* products while 83% didn't know anything about the product. The rest were unsure of the question. When the question surrounding how many respondents held a *Zimele* product was posed, the take-up was so low that it was rounded down to zero. In the FinScope 2008 data, only 8 out of 3,900 respondents have Zimele which makes up about 0.21%.