

Employee medical insurance practices in Zimbabwe

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What is employee medical insurance?

Employee medical insurance is a plan dedicated to treat employees and their dependents and to offer to attract and engage talents. The main purpose of an employee medical insurance package is to cover and promote the health and well-being of employees so that they can remain active and productive in the company.

Employee medical insurance can be obtained through a private scheme or a national social security scheme. Private medical insurance is available to every citizen in Zimbabwe as long as one has the money to pay the monthly contributions. However, in reality, such medical insurance is mainly accessed by individuals who are employed and are covered by an employer plan.

According to the Zimbabwe Demographic Health Survey 2015, the majority of women (89%) and men (88%) do not have health insurance. The most common source of insurance is through one's employer.

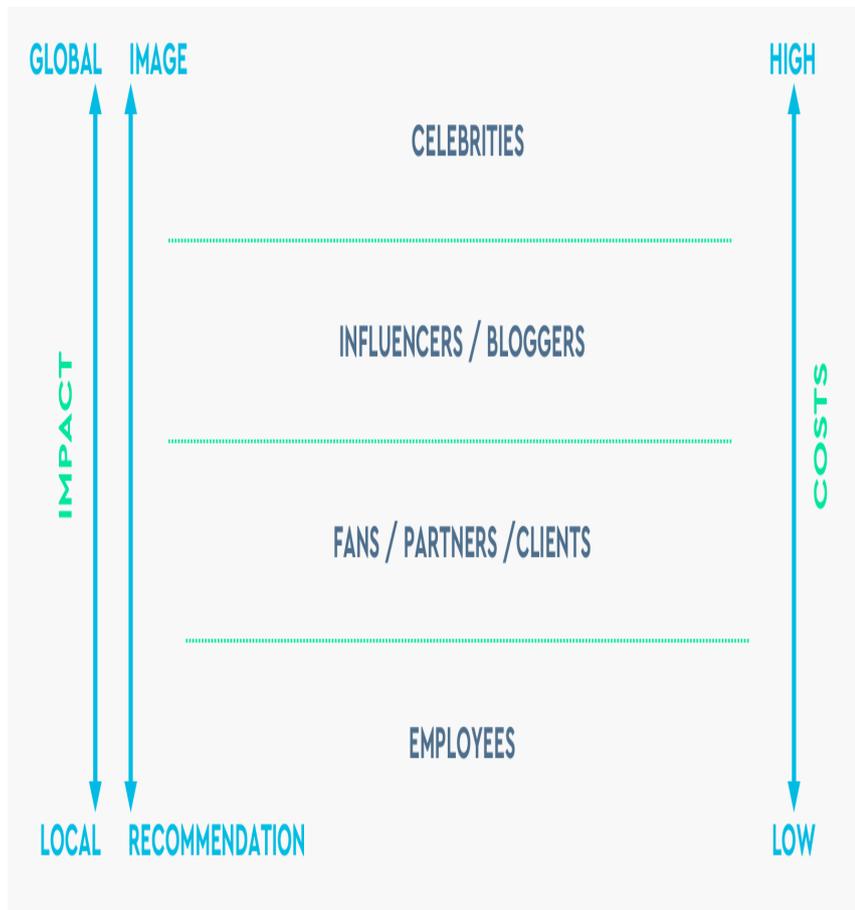
Health insurance coverage						
Background characteristic	Social security	Health insurance through an employer	Mutual Health Organization/comm unity-based insurance	Privately purchased commercial insurance	Other	None
Women	0.2%	7.3%	0.8%	2.7%	1.0%	88.9%
Men	0.3%	6.6%	1.1%	3.9%	0.5%	87.8%

Percentage of women and men age 15-49 with specific types of health insurance coverage, according to background characteristics, Zimbabwe Demographic and Health Survey 2015

According to ZIMSTAT 2019 labour force and child labour survey, around 8.1 million persons were in the working-age population constituting about 57% of the country's total population. About 3.5 million (43%) out of the 8.1 million were in the labour force of whom 566 thousand (16%) were unemployed. 60% of the employed population were paid employees with the remainder being employers, own-account workers or contributing family workers.

Medical insurance is popular as an employee benefit because healthcare is expensive. Countries like the United States spend about USD 3.5 trillion each year on healthcare expenses, an increase of 12,300% since 1960. Employees value medical insurance because it helps give them peace of mind should they find themselves ill or injured.

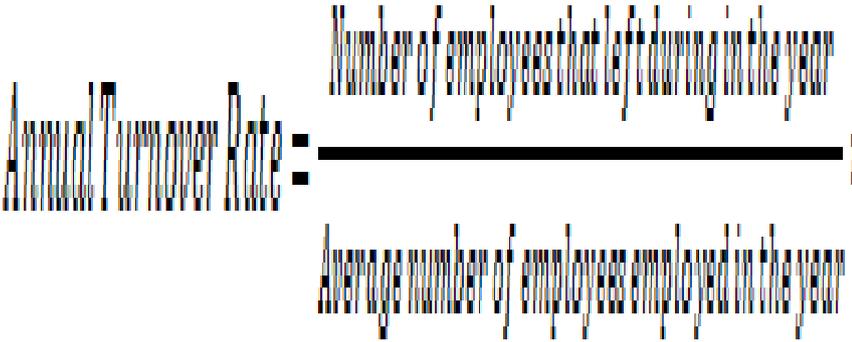
As such, it's no wonder that workers so strongly appreciate receiving medical insurance from an employer. A Clutch survey indicated that a whopping 73% of employees received benefits of some kind from their employer, and 55% of those people said health coverage was the most important in terms of job satisfaction.



What are the practices in employee medical insurance?

According to Industrial Psychology Consultants 2019 Medical Aid Practices and Policies Survey Report, the trend is for the employer to pay 50 – 100% medical aid cover for the employee, employees' spouse and up to three children. Most companies in Zimbabwe that offer medical aid to their companies over it across all levels of employment.

According to Industrial Psychology Consultants 2019 Medical Aid Practices and Policies Survey Report, most companies (95%) in Zimbabwe have a policy that requires their employees to belong to a specific medical scheme.



Most companies provide medical cover for their employee, spouse and an average of three children. This is a very good practice but it needs to be managed properly to reduce costs. It is prudent at this stage to share the cost of medical aid cover with the employee (50/50). While you are restructuring this benefit, you must make sure you allow the employee the choice to decide who should be on their medical aid. As an example; if the employee is not married but has a mother and brothers to make up for the four dependents, can they include them on the company medical aid scheme? The answer is why not? Why should they be discriminated on the basis that they do not have children? The best way to handle this is to say “the scheme covers the employee and three dependents of the employee’s choice and contributions will be 50% employee and 50% employer”. Several companies are incurring huge bills related to medical aid because of the way their schemes are structured. Review your medical aid scheme with the view to make it more equitable and sustainable.

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