

# INSURANCE INDUSTRY NEWS

APRIL 2021 EDITION



*The  
Official  
Newsletter  
of*  
**BOFF & COMPANY**  
INSURANCE BROKERS LIMITED



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Dear Esteemed Client,

We welcome you to the April edition of the Insurance Industry News.

It was the start of the second quarter and several insurance companies published their audited annual report and accounts for the Y2020. Despite the challenges through the year, the resilience of the industry shines through with largely positive results being observed. It is yet to be seen how the entire industry fared through the year but what is evident is Operators' commitment to honoring legitimate claims, treating clients fairly and compassionately, by working to achieve a balance between protecting the clients' bottom line via palliative measures at the height of the COVID-19 pandemic and theirs.

To bolster the industry's resilience even further, NAICOM announced the effective date for the implementation of new Corporate Governance guidelines within the industry and we look forward to progressive changes which will have us operating with international best practices that also benefit our clients.

We hope you enjoy the read; please contact your usual account liaison or send an email to [info@boffbrokers.com](mailto:info@boffbrokers.com) in respect of any enquiries you might have about any of the news items herein.

### *Management's Corner*

“ All of us at Boff & Company are committed to providing you with personalized insurance broking experience. We work tirelessly to deliver value to your portfolio, and it is our greatest pleasure to be of service to you.

We promise to always exceed your expectations.

Do enjoy the read.”

## **NIGERIAN INSURERS, OTHERS TO CLOSE GAP ON CLAIMS FRAUD WITH CURACEL'S \$450,000 EXPANSION FUND**

Nigerian Artificial Intelligence (AI) insurtech startup, Curacel, had announced a \$450,000 pre-seed raise led by Atlantic Ventures and Consonance, with participation from Kepple Apple Ventures and other African angel investors.

Curacel's AI-powered system works by figuring out whether a claim is true while detecting and flagging false and fraudulent claims. Apart from serving insurers directly, it creates a link between insurance companies and primary care hospitals, travel agencies, automobile companies, security outfits and automate claims seamlessly.

Insurance companies in Nigeria and other African countries are to benefit from Curacel's \$450,000 pre-seed funding for expansion that seeks to address issues on claims fraud.

Currently adopted by insurance companies and over 800 hospitals in Nigeria, Ghana, and Uganda, Curacel plans to expand into ten other African countries by the end of 2021. Founded in 2016, the startup has popular insurers like Old Mutual, AXA Mansard, and Liberty Health using its technology.

Insurance companies in Nigeria have lamented increased cases of fake insurance certificates in marine and third-party policies, where billions of naira are lost to fake players. This led to the Nigerian Insurers Association (NIA)'s creation of the Nigerian Insurance Industry Database (NIID) which has helped to curb the issuance of fake motor and marine policies but has not eradicated the problem.

According to the NIA out of about 12.5 million registered vehicles in Nigeria, only about 58 percent are captured in the NIID, implying that the rest are driving with fake certificates, a significant loss to insurers.

In relation to marine insurance businesses, fraudsters issue fake marine certificates which carry the names and logos of legitimate, registered insurance companies, unbeknown to the companies who receive no premium for these transactions, according to the NIA's report.

Africa's insurance penetration is low, below 3 percent, Nigeria's is less than 1 percent which is due to ignorance, the state of the economy, and illiteracy. Our insurance companies are therefore faced with the task of simultaneously driving adoption and avoiding fraud.

Source: Business Day

## **INSURANCE COVERS TO HELP PROTECT THE FAMILY**

Supposing you are the breadwinner of your family, providing food on the table, paying children's school fees, and probably servicing the mortgage you bought for the family apartment, then you must think what happens to your dependents when you are not there. This is the reality of life that stares us in the face, which unfortunately many ignore only to realize when it is too late. Yes, death is a reality and inevitably what no one has power to control when it will come. To be on the safer side, and as a sign of true love for your family and those who depend on you for survival, it is critical that you arrange for certain insurance policies for their protection.

The benefit is that in the event of the unexpected happening, you are rest assured that your dependents could continue on the standard of living they have been used to; that they are able to continue their

education to the level you had wished for them and that they will not be chased away from their living apartment because they could not service the mortgage. Experts in insurance taking cognizance of the reality of life have come up with some insurance products that could suit every breadwinner in the family, either as a father or mother.

The products include a Life Insurance policy and Personal Accident policy. The beauty of these products is that they are more affordable than you can imagine.

Source: Business Day

## **NAICOM REKINDLES PARASTATALS COMMITMENT TO PROTECTION OF GOVERNMENT ASSETS**

NAICOM has reemphasized the need for government to protect its assets against catastrophic events.

The Commission notes that the essence of insurance of Government assets and liabilities is to cushion the impact and reduce the burden that the government would have to bear in likely occurrences of catastrophic events such as natural disasters, fire, accidents, building collapse, injuries or death to third parties, thereby saving the government money which can be channeled towards augmenting the needs of the citizenry, providing infrastructure, and creating employment, among others.

Sunday Thomas, Commissioner for Insurance made the remark during the sensitization workshop held in Kaduna for Insurance Desk Officers of Ministries, Departments and Agencies of the Federal Government (MDAs).

Thomas said the workshop was convened as part of ongoing efforts to apprise participants of their roles in ensuring adequate protection of assets and liabilities of Government.

“Section 7 (d) of the National Insurance Commission (NAICOM) Act 1997 stipulates that the Commission shall ensure adequate protection of strategic government assets and other properties, while Section 7 (f) of the Act provides that the Commission shall act as Adviser to the Federal Government on all insurance related matters.

According to him, the Commission can better achieve this task with the full cooperation of the MDAs. “It is very worrisome to the Commission that most assets and liabilities of government are never adequately and appropriately insured, which further accentuates the need for urgent measures to be put in place to ensure that government gets value for money in the purchase of insurance by MDAs. It is the desire of NAICOM to change this narrative for good.”

NAICOM in 2009 launched the Market Development and Restructuring Initiative (MDRI) project aiming at the creation of awareness on compulsory insurance products, education of the public on the long-term benefits of insurance to policyholders and the economy at large, among others.

Source: Business Day

## **NAICOM PROMISES NEW REFORMS, INITIATIVES TO STRENGTHEN INSURANCE INDUSTRY**

NAICOM has promised that it will continue to introduce new reforms and initiatives in line with international best practices that will strengthen insurance institutions in the country.

Sunday Thomas, Commissioner for Insurance, who made the remark at the official commissioning of 'NAICOM Hall', a 1,500-capacity auditorium of the College of Insurance and Financial Management (CIFM), said the commission is open to ideas.

Thomas noted that human capital development anchored on relevant upscale of skills, digitalization and product innovations, effective and efficient service delivery remain the strategic focus of the Commission under the current dispensation.

"On this premise, several initiatives have been designed by the Commission to facilitate attainment of the strategic focus which will redefine the future of the Nigerian insurance market," Thomas said.

"The Commission is also internalizing the human capital development initiative through the effective plan of action for the take-off of its academy and will soon be requesting for assistance from erudite scholars in the industry to fill the identified knowledge gaps in the regulatory system," he noted.

Source: Business News

## **INSURANCE STAKEHOLDERS SEEK WORK EFFICIENCY THROUGH KNOWLEDGE AND TECHNOLOGY**

Stakeholders in the insurance industry have said that investment in technology and knowledge acquisition is imperative for achieving workflow efficiency in the delivery of services to consumers.

They spoke during the Nigerian Council of Registered Insurance Brokers (NCRIB), Lagos Area Committee April 2021 general meeting with the theme 'Workflow Efficiency'.

It was reported that the forum witnessed quality presentations on workflow efficiency on motor policy, as well as marine business, and how insurance consumers could be served better from a knowledge background.

The Chairman, NCRIB Lagos Area Committee, Rotimi Olukorede, in his welcome remarks, said this was the first empowerment series to equip members with the right knowledge and skills that would enhance their efficiency in the profession. He promised that more would come as knowledge was vital in driving growth and increasing relevance in the profession.

The President and Chairman of council, NCRIB, Mrs. Bola Onigbogi, who was the chief host said the empowerment programme was an innovative idea that would impact members positively and enhance their professionalism.

Source: Punch Newspaper



## **INDEMNITY INSURANCE WILL HELP YOU PROTECT YOUR MEDICAL PROFESSION AGAINST LITIGATION**

Medical doctors and other healthcare professionals by virtue of their calling take the responsibility to ensure that patients under their care are treated to become safe and healthy, but sometimes the unexpected happens due to one (technical) error or the other, exposing them to risks of litigations.

According to World Health Organisation (WHO), annually, 134 million adverse events occur in hospitals in Low- and Middle-Income Countries (LMICs) due to unsafe care, resulting in 2.6 million deaths. Though the issue of litigation and demand for compensation over death or disability of loved ones as result of medical officers' errors are often neglected here in this part of the world, increased awareness is being raised particularly with exposures of COVID-19 pandemic and so professionals could be facing more than they anticipate.

This therefore brings to more relevance the importance of having Professional Indemnity Insurance by healthcare professionals or hospitals for their staff. It is an insurance product made compulsory under the law in Nigeria to protect medical professionals in the event of injury, death or liability, resulting from their negligence or carelessness while trying to discharge their duties.

In Nigeria, Section 45 of the National Health Insurance Scheme Act 2004 requires every healthcare professional to have insurance that will protect their patients in case of accidents or fatalities (death) resulting from professional negligence. This type of insurance provides compensation to patients and their dependants in the event of involuntary murder, disability, shock and injury suffered by patients as a result of the negligence of Health Care Providers.

The penalty for non-compliance with this law as provided in the NHIS act is a possible revocation of medical license by the National Health Insurance Council, a record of conviction, and sealing-off of the premises.

With the exposure of the Nigerian healthcare sector and its inadequacies following the COVID-19 pandemic, and the growing effort by the government to resuscitate the sector, it is important that professionals are compelled to have adequate insurance to protect their profession. Advancements in telemedicine are widening the scope of rights awareness, citizens will no longer be cowed in ignorance about what is proper and right in healthcare needs.

This implies that litigation and call for compensation for loss or damages due to professional carelessness or negligence in medicine and healthcare will begin to assume greater dimensions going into the future.

Source: Business Day

## **LEADWAY ASSURANCE ADVISES CORPORATE INSTITUTIONS TO TACKLE CYBERCRIMES**

Leadway Assurance has warned that cybercrimes are on the rise and posing threats to the business community.

Mr. Uzodinma George Ibe, Senior Underwriting Executive, Property and Casualty, speaking on "Understanding Cyber Insurance" at a virtual training workshop organized by Leadway Assurance for

Insurance journalists, said with increased online and internet connectivity becoming part of our day-to-day business, as a result of COVID-19 pandemic, there is need for protection against cyber attacks.

He said a comprehensive report by a United Kingdom (UK) cybersecurity company, identified that there is high traffic when it comes to information, transactions and data emanating from Nigeria into digital space, adding that the survey noted that 36 per cent of Nigerian organizations suffered cyber attacks in the last twelve months.

Uzodinma also said that 64 per cent of cyber attacks in Nigeria exploited misconfigurations on the organizations' servers, pointing out that Nigeria has the highest data leakage in the world. The report identified where Nigeria as a digital hub is and to what extent are their cyber exposures.

In order to avoid cyber attacks on our computer networks, which sometimes resulted into data and financial losses, there is need for enterprises, individuals, corporate organizations, to see it as a serious business and take up some form of cyber security mitigating effort in this regard.

“Risks of this nature are typically excluded from traditional commercial general liability policies or at least are not specifically defined in traditional insurance products. Most people believe that only large-scale industries, such as banks need cyber security insurance. However, any electronic information such as your name, email, contact number, financial records, medical records, payment information, government documentation, etc., stored in your personal devices can be easily and quickly hacked by a genius hacker,” he explained.

“Cyber insurance is a specialty lines insurance product intended to protect businesses, and individuals providing services for such businesses, from Internet-based risks, and more generally from risks relating to information technology infrastructure, information privacy, information governance liability, and activities related thereto,” he pointed out.

Source: Oriental News

## **NAICOM TARGETS JUNE FOR NEW GUIDELINES IMPLEMENTATION**

NAICOM has fixed June 1, 2021, for the implementation of the Industry's Corporate Governance guidelines that will take the sector to a greater height.

NAICOM, on its website, noted that the guidelines were issued on March 17, 2021, and implored all Insurance and Reinsurance firms to comply with the rules and the Nigerian Code of Corporate Governance (NCCG) 2018. According to NAICOM, non-compliance with the code and the guidelines shall be a violation of Section 49(1) of the NAICOM Act 1997 and attracts a penalty.

The Commission maintained that its main objective is to ensure effective administration, supervision, regulation, and control of the Insurance business in Nigeria, adding that Sections 11 and 51 of the Financial Reporting Council of Nigeria (FRCN) Act confers on the FRCN the power to ensure Corporate Governance practices in public and private sectors.

It noted that the FRCN issued the NCCG in 2018 to institutionalize Corporate Governance best practices in the country and repeal previous sectoral codes. It posited that the new guidelines shall be read and

interpreted in conjunction with the provision of NCCG 2018 and replaces the NAICOM Code of Good Corporate Governance for the Insurance Industry 2009.

### **NAICOM, FEDERAL FIRE SERVICE RESOLVES TO COMMENCE ENFORCEMENT OF COMPULSORY PUBLIC BUILDING LIABILITY INSURANCE.**

NAICOM and the Federal Fire Service have resolved to commence the enforcement of compulsory public building liability insurance in earnest across the country. This was part of the resolution at the end of a meeting between both agencies at NAICOM's Head office in Abuja.

Section 65 of the Insurance Act of 2003 requires the owner or occupier of every public building to be insured against liability for loss or damage to property or death or bodily injury caused by collapse, fire, earthquake, storm or flood.

The Act defines a public building as a tenement house, hostel, a building occupied by a tenant, lodger or licensee and any building to which members of the public have ingress and egress for the purpose of obtaining educational or medical service, or for the purpose of recreation or transaction of business. The penalty for non-compliance is a maximum fine of ₦100,000 or one-year imprisonment or both.