

The Official
Newsletter of



BOFF & COMPANY
INSURANCE BROKERS LIMITED

April 2022 Edition

INSURANCE INDUSTRY NEWS



Precision House, 87, Obafemi Awolowo Road, Oke-Bola,
P. O. Box 13011, Dugbe, Ibadan, Nigeria.



+234-(0)9046068858, +234-(0)9084858596



www.boffbrowsers.com



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INSURANCE INDUSTRY NEWS

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CONTENTS

One million Lagosians benefit from free health insurance on World Malaria Day

Between insurance and vandalised national assets
By Ekerete Ola Gam-Ikon

NCRIB introduces Seal of Practice

Tesla Insurance Turning 'Nightmare' Experience Into 'Dream': Musk

'Digital compulsory insurance can create 50,000 new jobs'

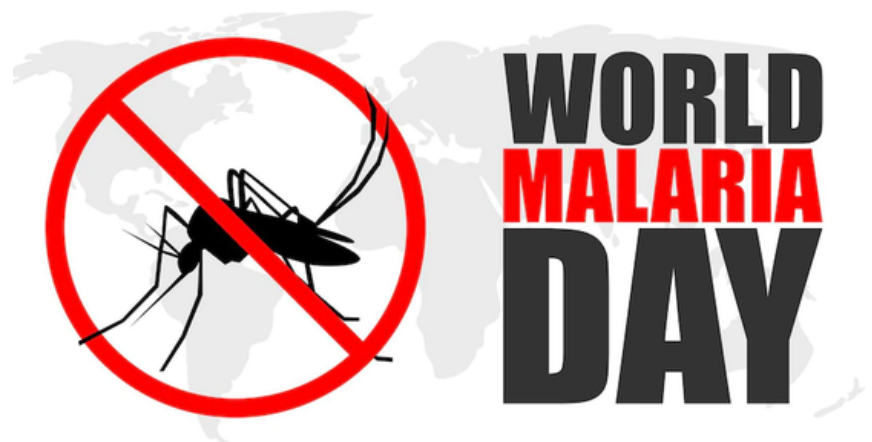
EFCC implores underwriters and policyholders to report insurance fraud

NAICOM bars undercapitalized insurers from new businesses, orders claim settlements

COVID-19: More Nigerians opt for health, life insurance

Boff Events

ONE MILLION LAGOSIANS BENEFIT FROM FREE HEALTH INSURANCE ON WORLD MALARIA DAY



A politician, Gbadebo Rhodes-Vivour has partnered with WellaHealth to provide Micro Health Cover for 1 million Lagosians in commemoration of World Malaria Day (25 April 2022). This partnership is aimed at enabling registered voters in Lagos to access Micro Health Insurance Cover provided by WellaHealth.

At an event held in Lagos, he stated that he believes every Lagosian deserves access to affordable and high-quality health care especially owing to the high level of stress and various health hazards that the city presents to its hardworking and resilient residents.

The Micro Health Plan provides beneficiaries with a 30-Day Cover for Malaria Test & Treatment, Typhoid Cover when Malaria is Negative, Treatment for Fever & Pains, Treatment for Cough & Cold, Treatment for Stomach Upsets & Allergies, Blood Pressure & Blood Sugar Checks with access to talk to a Doctor 24/7 as long as the Plan is active.

The health plan comes in the form of a Voucher that is activated via a USSD Code with a simple less than 1min activation process. Beneficiaries will wait four days to begin to enjoy the benefits of their plan once activated.

BETWEEN INSURANCE AND VANDALISED NATIONAL ASSETS



In weeks of horror for many Nigerians, precious lives have been lost and some of our valued national assets have been destroyed and vandalised.

From an insurance perspective, considerations will lean towards possible life assurance policies for the lives lost and the huge impact on the families left behind, unprepared and exposed. A completely inestimable situation.

Can National Assets be Insured?

Many people have asked this question, mostly due to the lack of understanding of how insurance works, by simply looking at the multibillion values of these assets compared to the tens of billions that insurers have as a capital base.

Insurance is a pooling system; which means the capacity of all put together anchored on the accumulated size of reinsurance makes it possible for insurers to underwrite any risks with insurable interest.

The arguments for and against the insurance of national assets have been based on the capacity of insurers to respond when something goes wrong, as we have now, compared to the capacity of the government to do it, with minimum delay.

While indeed, national assets can be insured, the process will have to be coordinated by the Adviser to the Federal Government on all insurance matters, the National Insurance Commission (NAICOM), which will ensure that the best insurers with an excellent track record of claims settlements are appointed to provide the coverage for the national assets.

If these national assets were insured...

Payment of full premium is the consideration that an insurance contract is valid and if the unexpected happens, the insurers will be obligated to respond positively.

So, if these affected national assets – airport, rail track and coaches and stadium, were insured, the insurers would be expected to form part of the first team of responders to the scenes of the horrifying events, primarily, to assess the extent of damages and consider providing for the claims that will be lodged.

Loss adjusters would be appointed immediately to join the respective teams in the Ministries to ensure repair work commences without delay.

Depending on the terms of the insurance policies, the insurers may make deposit payments to ease the commencement of the repairs.

Thus far, what we have seen and heard from the officials of the Ministries does not indicate that these national assets were insured. Or have they all forgotten that these assets were insured and insurers should be called upon to respond?

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NCRIB INTRODUCES SEAL OF PRACTICE



To tackle quacks, NCRIB has unveiled its seal of practice.

It has also kicked off the celebration of its 60th Anniversary with the unveiling of its mascot and logo, which is OKIN (Optimising Insurance Knowledge in Nigeria).

Its President, Mr. Rotimi Edu, who made this known during a press conference in Lagos, said the Council was worried by the activities of quacks who are denting the image of the profession.

He stated they have the support of the National Insurance Commission (NAICOM) on the matter.

He said: "The Council is poised to ensure the enforcement of Professional Practice, Stamp and Seal amongst others to rid the broking fraternity of charlatans. The image of insurance brokers is still being smeared by some members who are not brokers by training and certification but masquerade as one.

[Source: The Nation](#)

TESLA INSURANCE TURNING 'NIGHTMARE' CLAIMS EXPERIENCE INTO 'DREAM': ELON MUSK



Tesla is "trying to turn a nightmare into a dream with Tesla Insurance," chief executive Elon Musk says.

His final words on an earnings conference call that lasted more than an hour came as Musk and Chief Financial Officer Zachary Kirkhorn answered an analyst's question about profit margins and underwriting rates for the vehicle manufacturer's insurance program.

Kirkhorn said Tesla expects to be the largest insurer of Teslas in the state of Texas by the end of the year. In addition to expanding its "real-time insurance" offering to Virginia, Colorado and Oregon this week, Tesla Insurance is working to give 80% of U.S. customers access to a Tesla Insurance product. by the end of 2022, he added.

After that, "we will focus our attention on expanding outside of the United States," the CFO said.

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'DIGITAL COMPULSORY INSURANCE CAN CREATE 50,000 NEW JOBS'



The digital compulsory insurance being promoted by the Nigerian Insurers Association (NIA) and Lagos State Safety Commission (LSSC) will generate over 50,000 new employment opportunities in the state, the Director-General, NIA, Mrs Yetunde Ilori, has said.

Ilori, who spoke at the Stakeholders' Conference on Lagos State Digital compulsory insurance, said Section 65 of the Insurance Act 2003 stipulates that public buildings must be insured to reduce the liability on property owners and the government.

Director-General/CEO Lagos State Safety Commission, Lanre Mojola, noted that natural disasters, building collapses, infernos, and explosions have happened which led to injuries, permanent disability, loss of lives and property without any compensation to those affected or their loved ones, adding that a recent case is the gas explosion at OPIC Plaza in Ikeja.

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EFCC IMPLORES UNDERWRITERS AND POLICYHOLDERS TO REPORT INSURANCE FRAUD

The Economic and Financial Crimes Commission (EFCC) has implored underwriters' policyholders and the general public to report insurance frauds so as to stem the menace.

The Head, Economic Governance, EFCC, Enugu Command, Effiong Ekerendu said this on a television programme monitored by Inспенonline, adding that Nigeria hardly reports insurance frauds which makes it difficult for the commission to prosecute perpetrators.

According to him, any practice that negates stipulated insurance law is an offence and should not be tolerated.

He noted that the law has stipulated obligations of insurance operators to policyholders and that when they contravened the law to cheat policyholders, it becomes fraud and a crime against the state.

He also submitted that it is a fraud for policyholders to enrich themselves with insurance claims, stressing that most policyholders connived with their vehicle engineers to quote unscrupulous claims, stating that such an act amounts to fraud.

Chairman, NIA, Ganiyu Musa, said insurance operators have hitherto, not been engaging the EFCC on systematic bases, but do report to the Police.

He stated that the operators would gladly work with the EFCC on issues related to fraud.

The President, NCRIB, Barrister Rotimi Edu, who expressed worry on the loss of revenue in the sector, said the expected annual premium income of insurance industry is being crippled by losing a whopping N160 billion annually to fake motor insurance racketeers in the country.

Edu, who stated this at the February 2022 Edition of the NCRIB Members' Evening sponsored by African Alliance Insurance Plc, in Lagos, noted that, it is disheartening to note that an industry which had been contributing less than one per cent to the gross domestic product, in spite of its huge potentials, loses such whopping amount of money to fake vendors who contribute nothing to the growth of the nation.

Some of these fake racketeers have their offices in some local government secretariats across the nation, carrying out their unethical acts unabated.

“Aside from the loss of revenue and premium that should accrue to the industry, these criminals create a bad image for us. Most of the unattended claims in Motor Insurance are victims of fake certificates,” he pointed out.

He stressed that it is saddening to note that most motorists go about their daily businesses with certificates of moribund and deformed insurance companies, just because there is no proper enforcement, adding that, some of these insurance policies, flying around local government premises across the country, are just putting money into people’s pockets.

“I am certainly aware that NIA deployed technology to curb the proliferation of fake certificates. But I am of the opinion that enforcement is still at low ebb. May I use this medium to appeal to the Government to wade into the situation and curb the perpetrators,” he pleaded.

While equally pleading to Vehicle Inspection Service (VIS) to see this as a clarion call, he believes the agency can as well increase its enforcement strategies to include Insurance Certificate in such a way that any motorist without a genuine motor insurance certificate should be made to face sanctions as stipulated in the law.

Our economy continues to drag because we are not paying attention to the issue of insurance, he stressed.

[Source: inspenonline](#)

NAICOM BARS UNDERCAPITALIZED INSURERS FROM NEW BUSINESSES, ORDERS CLAIM SETTLEMENTS



NAICOM
National Insurance Commission

NAICOM has stopped some insurance firms from taking on new business. It also placed a limit on the transactions some of them can underwrite based on the level of capital they have. This followed the continuous challenge which had delayed the enforcement of recapitalization in the industry. The Commissioner for Insurance, NAICOM, Mr. Sunday Thomas, disclosed this to a correspondent for Punch Newspapers.

He said the commission observed that the capital of some insurance firms had eroded over time which could hinder their ability to pay claims. To protect the policyholders, he said NAICOM ordered some insurance firms to divert a substantial part of the proceeds earned from their asset sales to payment of claims.

Thomas said, “We have done a bit of what we said we will do as a first step. Some of them (insurance companies) have been stopped from taking on new business; and for some of them, we have limited their expenses; we call it regulatory order. “They cannot expend any amount above the threshold without the approval of the commission, so that will reduce frivolities.”

Thomas added that “And if there is any disposal of assets, about 70 to 80 per cent should go to settlement of claims. “There are no two companies that are the same, so we treat each company according to its own circumstance.”

While the issue of recapitalization has stiff opposition in the sector, he said NAICOM was monitoring the activities of the insurance companies and taking proactive measures to ensure that policyholders were protected.

NAICOM had said one of the reasons for introducing the recapitalization exercise in the industry was to strengthen the performing firms and sieve out the non-performing ones. It observed that some insurance firms already had liquidity problems and were not meeting their claim obligations.

In a circular to all insurance companies on June 3, 2020, titled, ‘Segmentation of minimum paid-up share capital requirements for insurance companies in Nigeria’, NAICOM mandated underwriters to meet the deadline for the first phase of the recapitalization exercise, which was slated for December 31, 2020. The final deadline was September 30, 2021.

At the end of the first phase, Life Insurance companies were required to increase their capital to N4 billion, and by the end of the second phase, to N8 billion; General Insurance businesses were required to boost their capital to N3 billion, and N5 billion at the end of the second;

Composite underwriters were required to increase their capital to N9 billion and by the end of the second phase, to N18 billion; and Reinsurance companies were required to increase their capital

to N12 billion, and then to N20 billion at the end of the second phase.

However, pending litigation by some aggrieved companies allegedly using their shareholders against the commission forced NAICOM to suspend the recapitalization exercise after the first phase.

COVID-19: MORE NIGERIANS OPT FOR HEALTH, LIFE INSURANCE



There had been a surge in the demand for health, life, asset protection insurances since COVID-19 and EndSARS crises in Nigeria

The Nigerian insurance industry is seeing an increased consumer appetite for health, life insurance and other related policies in the wake of the COVID-19 pandemic and associated economic uncertainties.

The drive, industry analysts say, is connected to many people becoming more aware, and now willing to manage their financial shocks, critical illnesses and other negative impacts of the pandemic that was worsened by inflation.

BIRTHDAY CELEBRATION



Mrs. Tomilola Eniolorunfe
(Deputy Manager, Lagos)



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