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INSURANCE INDUSTRY NEWS



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#Women'sHistoryMonth

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NUGGETS

➔ **Insurers, LASG Collaborate on Mandatory School Safety Insurance Scheme**



Insurance operators have joined hands with the Lagos State Government to establish a mandatory school safety insurance program in all public and private schools in the State. This aims to safeguard the welfare and interests of students in the state. The plan which is still at discussion stage was initiated by industry leaders in the insurance industry while discussions for its full take-off are ongoing between Nigeria Insurers Association (NIA) and Lagos State Safety Commission. With the introduction of this insurance policy, parents and guardians can be rest assured that a reliable safety net covers their children, while educational institutions can focus on their core mandate of providing quality education.

➔ **Victims of the BRT/Train Crash Assured of Receiving Fair Compensation by NCRIB**



The Nigerian Council of Registered Insurance Brokers (NCRIB) has assured families of victims of the recent train and staff bus accident in Lagos that they will receive compensation if they were insured. The council's president, Rotimi Edu, expressed confidence that the victims' dependents or those injured who were covered by insurance would not be left unattended. Edu called for better management and supervision of railway authority's level crossings to prevent future occurrences. The Association of Registered Insurance Agents of Nigeria (ARIAN) also offered condolences and advised drivers and other road users to drive carefully.

Life Insurance Attracts N309.9bn Investments from Nigerians, Amidst Uncertainties



More Nigerians are investing in life insurance policies as a measure to protect themselves against total loss in uncertain events. The fourth quarter of 2022 saw a premium of N309.9 billion recorded for the life segment, with individual life cover taking 39%, group life taking 34%, and annuity taking 27%.

The National Insurance Commission (NAICOM) reported that the life premium represented 42.6% of the total premium of ₦726.2 billion posted at the end of the quarter. The sector also recorded a remarkable gross premium generation growth of approximately 36% quarter on quarter, translating to about ₦726.2 billion. Non-life business dominated with 57.4% relative to the share of the life business.

On the Non-Life Insurance Scene...

Further analysis of the Non-Life segment showed that the Oil & Gas business sustained its market share dominance at 30.25%, followed by Fire Insurance at 22.2%, Motor Insurance at 14.9%, Marine & Aviation at 12.2%, General Accident at 11.1%, and Miscellaneous at 9.5%.

To sustain the positive outlook in the insurance sector, the report noted that claims reported during the quarter represented a 31.2% growth, with net claims paid growing at about 17.9%. This growth is likely due to increasing awareness and market expansion, as well as improved consumer confidence.

NAICOM also noted that the sustained growth in the insurance sector is a reflection of increased consumer confidence and

awareness, as well as consistent regulatory measures being carried out by the Commission.

Overall, the insurance sector in Nigeria is experiencing remarkable growth, with more Nigerians investing in various segments of life insurance policies. This growth is attributed to recent reforms and aggressive awareness in the sector, as well as consistent regulatory measures by the NAICOM.

Insurers See Strikes, Riots, and Protests Elevating Risks for Businesses



According to a report by Allianz, businesses are increasingly feeling the impact of civil unrest and protest movements on their operations, and this trend is expected to grow in the future. The report identifies five factors likely to power ongoing incidences of political violence activity around the world, including social inequality, a lack of faith in governments and institutions, polarized politics, activism, and environmental concerns.

The report notes that strikes, riots, and civil commotion have already cost businesses and institutions \$12bn from just six major incidents in recent years. For example, insurance claims from South African riots in July 2021 cost \$1.9bn, while those from Nigeria's EndSARS protests had paid out ₦11 billion as of the first quarter of 2022.

To address the increasing risk of civil unrest, analysts from Allianz suggest that businesses should view the current climate as a catalyst for evaluating best practices and policies around preparing office locations and employees for the impact of potential civil unrest. This heightened risk environment means that businesses need to remain vigilant about the different threats that such activity can pose.

The report notes that since 2017, more than 400 significant anti-government protests have erupted worldwide, and over 50 percent of countries saw an increase in civil unrest risks between Q2 and Q3 2022 alone. As a result, "political risks and violence" ranks as a top 10 peril in the Allianz Risk Barometer in 2023, with Africa and the Middle East being particularly vulnerable. While political risks and violence fell two places to sixth in this region, it remains in the top three risks in Burundi, Madagascar, and Nigeria, and ranks fourth in South Africa and eighth in Cameroon.

PFA's in Nigeria Perform Well, with Praise Going to PenCom



The year 2022 was challenging for financial markets worldwide due to the impact of the COVID-19 pandemic and the Russia-Ukraine war. Central Banks across the globe, including the Central Bank of Nigeria (CBN), responded with monetary policies such as rate hikes, which led to bearish sentiments across most asset classes.

The National Pension Commission (PenCom) played a crucial role in stabilizing Nigeria's financial market during the global financial crisis by ensuring the effective administration of pension matters. Despite the macroeconomic environment's difficulties, aggregate pension assets under the Contributory Pension Scheme (CPS) reached ₦15 trillion in 2022. This achievement was possible due to the resilience of Nigeria's 22 licensed Pension Fund Administrators (PFAs), particularly in 2022.

Among the PFAs, the Nigerian Police Force (NPF) Pensions and Access Pensions posted the highest investment returns across the four main retirement savings accounts funds. The NPF Pensions Limited has adhered to high standards of investment management and customer service, as evidenced by its impressive returns.

The organization has fulfilled its mission of providing quality customer and financial advisory services to stakeholders and adopting investment strategies that yield the best possible returns on their pension assets. The impressive returns have been a bountiful harvest for their clients – the officers and men of the Nigerian Police.

How AI Can Be Beneficial to the Insurance Industry



Artificial Intelligence (AI) has the potential to significantly impact the insurance sector in several ways, both positive and negative. On the one hand, AI can be leveraged to improve fraud detection by analyzing large sets of data to identify unusual patterns or behaviors that may indicate fraudulent activity. This approach is already being used by many companies, and as the technology continues to advance, it is likely that we will see even more sophisticated fraud detection methods emerge.

In addition to fraud detection, insurers can also use AI to simulate various scenarios and predict risks more accurately, allowing them to identify potential future claims and take steps to deter them. This can lead to significant cost savings, both in terms of preventing claims from being filed and in terms of reducing the amount of manual input and data analysis required by insurance companies.

Furthermore, AI-powered chatbots and customer service tools can be used to provide personalized responses to complex customer questions in less time, improving customer satisfaction. By quickly searching large databases for answers to frequently asked questions and information on the status of claims or policy coverage, insurers can provide faster and more efficient service to their customers.

While these potential benefits of AI are promising, there are also several downsides that must be considered. For instance, not all consumers are sold on the idea of using AI in insurance. Other downsides include ethical concerns regarding the use of facial recognition and regulatory headaches. Additionally, generative AI may not be suitable for making pricing decisions that require explanation to internal stakeholders and regulators.

International Women's Day 2023: An Article Inspired by Melissa Collett of CII



It is heartening to note that the insurance and financial services industry is making progress towards gender parity. However, there is still much work to be done in order to achieve true gender equality.

One positive development is the growing number of companies committed to supporting women in senior roles in the financial services sector, with over 50 companies signing up for the HM Treasury's Women in Finance Charter in 2022. The Chartered Insurance Institute (CII) was an early signatory to the Charter, and today more than half of its executive leadership team are women.

Amanda Blanc, CEO of Aviva, has been appointed as the Women in Finance Champion by HM Treasury and has spoken out publicly about the measures needed to bring about more rapid change. The Association of British Insurers and the CII have also introduced their own initiatives to promote flexible working and gender pay transparency.

There has been progress in increasing the number of female presidents of CII local institutes, and the Worshipful Company of Insurers reports that 23% of its members are women. ISC Group has also reported a significant growth in the number of female executive members over the past. The FCA's requirement for listed financial services companies to report on targets for at least 40% of the board to be women, which is expected to have far-reaching implications for the sector as a whole is also likely to accelerate change in a way that voluntary schemes could only hope for.

In conclusion, there is hope for cautious optimism for the future of gender equality in the financial services industry. While progress has been made, it is clear that there is still a long way to go in order to achieve true gender equality.

Birthday Celebrations

Mr. Oreoluwa-
Ebunoluwa
Olarinmoye
(MD/CEO)

22



Mr. Olurotimi Adeyemi
(Head, Maintenance Unit)

3

Adeola 'Dunsin Sorunke
(Brand and Communications Officer)

24



Chief Babajide Olatunde-Agbeja (Chairman)

8



[#birthdaycelebrations](#)

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