

NOVEMBER 2023



INSURANCE INDUSTRY NEWS

Celebrating International Men's Day
#ZeroMaleSuicide

Insurance broking at its best... stakeholders' satisfaction

CONTENTS



**02 INSURANCE AS A SUPPORT SYSTEM:
NAVIGATING MEN'S MENTAL HEALTH
CHALLENGES**

**03 CYBER INSURANCE: DP WORLD'S RECOVERY
PATH FROM CYBER ATTACK**

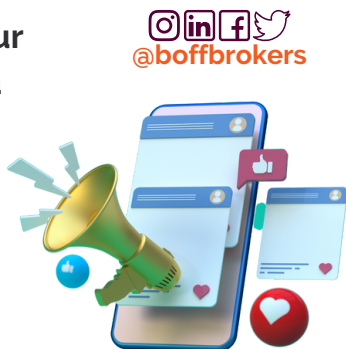
**03 NAICOM TAKES STRIDES TO ENHANCE
COMPLIANCE IN PUBLIC BUILDING
INSURANCE**

**04 DECLINING PURCHASING POWER IMPACTS
INDIVIDUAL LIFE INSURANCE POLICIES**

**04 NDIC COMMITS TO ENFORCING PRUDENTIAL
THRESHOLDS AND CORPORATE
GOVERNANCE IN BANKS**

Follow Us

Check out our
social media
accounts
for great
content
on
INSURANCE



02 NUGGETS

05 BOFF EVENTS

NUGGETS

➔ Expanding Global Health Insurance Market Projected to Reach \$5.6 Trillion by 2032 as Nigeria Pursues Development



The global health insurance market is set to reach USD 5.6 trillion by 2032, driven by factors like GDP growth and aging populations. In Nigeria, the health insurance sector is growing but remains nascent, with only 3.03% of GDP allocated to health expenditures in 2019. Challenges include high premiums and low understanding of policies, despite government initiatives like the National Health Insurance Scheme. Nigeria has immense growth potential, but success depends on strengthening healthcare infrastructure, increasing insurance penetration, and government support for universal health coverage. Stakeholders expect coverage to rise from less than 10% to 20% in the next four years under the National Health Insurance Scheme's leadership.

➔ Insurers Urged to Seize Major Opportunity Ahead of COP28



Ahead the 2023 United Nations Climate Change Conference (COP28), insurers are urged to play a crucial role in climate investments as countries aim for a green economy. This conference follows a year of extreme weather, marking a critical moment for global climate action. Nigel Brook from Clyde & Co sees it as a major opportunity for insurers, emphasizing the need for a shift in risk appetite. Insurers' role in the carbon transition is underappreciated, but as government and companies act on climate change, insurers will be crucial in covering new projects. While renewables have known risks, emerging technologies pose challenges that insurers must navigate. Despite potential challenges, there are long-term opportunities for insurers to become leaders in climate-related insurance, aligning with their ambitious climate goals. The upcoming COP28 is expected to focus on shorter-term goals for 2030, with discussions around a "loss and damage" fund for low-income countries affected by climate change impacts.

Insurance as a Support System: Navigating Men's Mental Health Challenges



Understanding the Local Landscape

In Nigeria, mental health challenges are a reality for many men, with societal expectations and pressures playing a significant role. According to local surveys, a notable percentage of men face issues like anxiety, stress, and depression, often linked to work pressures (32%), financial strains (31%), and health concerns (23%), among others. The reluctance to discuss mental health is prevalent, leading some men to unhealthy coping mechanisms. This silent struggle emphasizes the urgency of addressing men's mental health in the Nigerian context.

Cultural Pressures and the Silent Struggle

Deeply ingrained cultural expectations around masculinity contribute to the silence surrounding men's mental health. Societal norms often discourage men from expressing vulnerability and seeking help. The Movember movement seeks to challenge these norms, providing a platform for Nigerian men to share their emotions without judgment.

The Role of Insurance in Nurturing Mental Well-being

Financial Security for Peace of Mind

Insurance becomes a crucial pillar in supporting men's mental health by offering financial security. Many stresses faced by Nigerian men, especially related to finances, can be eased knowing they have a safety net. This financial reassurance contributes positively to mental well-being.

Accessible Mental Health Support

Comprehensive insurance plans often include mental health coverage, making professional help more accessible. This inclusivity breaks down barriers, encouraging Nigerian men to seek therapy or counselling without worrying about exorbitant costs, thereby aiding in managing mental health challenges.

Balancing Work and Life

Work-related stress is a prevalent issue, and certain insurance policies, like income protection or critical illness cover, can offer a buffer during challenging times. This support enables Nigerian men to navigate work pressures more confidently, fostering a healthier work-life balance.

Destigmatizing Mental Health Through Awareness

Insurance companies can actively contribute to dismantling stigmas around mental health in Nigeria. Collaborating with local initiatives and movements can amplify these efforts. By participating in and promoting mental health conversations, insurers become agents of change in reshaping societal attitudes toward men's mental health.

In conclusion, insurance in Nigeria serves not only as a financial safety net but also as a crucial ally in nurturing men's mental well-being. Beyond policies, the industry's role in promoting awareness and challenging cultural norms is pivotal. By adopting this comprehensive approach, insurers become advocates for positive change in men's mental health, contributing to a more compassionate and understanding Nigerian society.

Cyber Insurance: DP World's recovery path from cyber attack



On Monday, tens of thousands of shipping containers remained stuck in ports around the country following a cyber attack on stevedore, DP World. Restoration of these port services, according to DP World, is likely to be days rather than weeks.

DP World operates container terminals in Sydney, Melbourne, Brisbane and Fremantle. In a comment on social media, Claire O'Neil, the home affairs minister, said the firm handles nearly 40% of the goods coming in and out of Australia. The Dubai headquartered company disconnected from the internet on Friday to contain damage.

The federal government, including Air Marshal Darren Goldie, the national cyber security coordinator, is

providing DP World with technical and communications advice around the attack.

Cyber insurance and DP World attack

Before the incident, Insurance Business spoke with Ben Robinson, professional risk placement manager with Honan Insurance Group. Robinson is a cyber insurance specialist.

Robinson's responses to questions suggest that DP World's insurance program will be a key factor in its capacity to fully recover from this cyber attack.

"Cyber Insurance not only provides access to capital in times of crisis, but also connects businesses with an ecosystem of top-tier vendors necessary when responding to a breach," he said. "This is invaluable when a timely response is crucial to meet regulatory requirements, while minimising financial and reputational damage."

The importance of DP World to supply chains and the economy likely explains why the government is also taking such an active advisory role in this attack.

"DP World have been working with government to try to resolve this and in ways that will make sure that this doesn't impact as much as possible on Australians," said Home Affairs Minister Clare O'Neil.

Access to experts through cyber insurance

Robinson described a wide array of experts that a firm like DP World is likely consulting through its insurance program as a result of this attack.

"This network of experts includes ransom negotiators, forensic IT specialists, forensic accounting specialists and regulatory advisors," he said. "It is too expensive for any business to engage these advisors in a permanent and ongoing capacity, so an efficient way to obtain the right advice in a timely manner in the event of a breach is through the right cyber insurance program."

Cyber insurance market has stabilized

Despite these ongoing major attacks, over the last year, the cyber insurance market and premiums have stabilized.

"Conditions in the cyber reinsurance market specifically have relented this year, with pricing stabilizing after a period of significant hardening," Robinson said.

He said particularly during the last quarter, the "dynamics" of cyber insurance has experienced "significant changes."

"There was an initial period of disruption characterized by a deteriorating loss environment, limited insurance

capacity, increased global demand, and a major pricing correction," Robinson said.

He said the market conditions are now stabilising due to improved underwriting results.

"Pricing has either levelled off or decreased in Australia and other regions globally, limits are increasing, and competitive forces are leading to more customised underwriting decisions that align with companies' risk profiles," Robinson said.

He attributed the turnaround to improved cybersecurity measures and the initial impact of the Ukraine conflict, which decreased ransomware activity, although he said that trend is now reversing.

"Risk transfer has played a crucial role in promoting stronger risk controls, thanks to insurers' strategies for deploying their capacity," Robinson said. "By 2030, a substantial boost in supply is needed to meet the escalating demand, despite notable advancements."

DP World's battle to re-establish operations

Meanwhile, DP World continues to deal with the fallout from this latest incident.

In a statement quoted by ABC News, the firm said it "has worked tirelessly, making significant progress in re-establishing landside freight operations at its ports."

DP World said it is investigating if personal information "has been impacted and has taken proactive steps to engage the Office of the Australian Information Commissioner." The statement said teams were "testing key systems crucial for the resumption of normal operations and regular freight movement" and it would provide a further update once testing was complete.

Source: Insurance Business

NAICOM Takes Strides to Enhance Compliance in Public Building Insurance



In a decisive move towards enhancing the safety of

public buildings and construction sites, the National Insurance Commission (NAICOM) has taken a significant step. The regulatory body has established a 10-member stakeholder committee to enforce and monitor insurance for public buildings and those under construction.

Commissioner for Insurance (CFI), Sunday Thomas, marked this groundbreaking development during the inauguration of the committee at the conclusion of the 'National Insurance Conference 2023' in Abuja. With confidence, he stated, "We believe with this Committee, the Nigerian insurance industry will never remain the same again. We believe also that we will be redefining safety in the entire economy and also putting insurance at the center of the redefinition of safety in Nigeria."

Thomas emphasized the transformative potential of this committee, foreseeing a significant shift in the industry landscape. The replicated formation of similar committees at the state level is on the horizon, with a six-month timeline to assess the impact on the insurance of public buildings and structures under construction.

The committee's mandate spans crucial aspects such as data collection, continuous monitoring, comprehensive reporting, and organizing regular meetings to evaluate the state of insurance coverage within the sector. Its pivotal role extends to fortifying building safety and minimizing risks associated with construction and occupancy.

At the forefront of this initiative is the aim to effectively mitigate the recurring issue of building collapses that have adversely affected Nigeria in recent years. The committee boasts a diverse composition, including representatives from NAICOM, the Ministry of Housing and Urban Development, the Nigerian Insurers Association (NIA), the Nigerian Council of Registered Insurance Brokers (NCRIB), the Nigerian Institution of Estate Surveyors and Valuers (NIESV), the Real Estate Developers Association of Nigeria (REDAN), and the Nigeria Hotel Association.

This strategic move by NAICOM signifies a proactive approach to address safety concerns in the construction and real estate sectors. As the committee takes charge, it marks a paradigm shift towards a safer and more secure built environment in Nigeria, underlining the pivotal role of insurance in the nation's safety narrative.

Declining Purchasing Power Impacts Individual Life Insurance Policies



Amidst notable declines in the purchasing power of many Nigerians, there's a notable shift in the insurance landscape, with a growing inclination towards group life policies and a waning interest in individual life coverage. The recently released first-half report for 2023 by the National Insurance Commission (NAICOM) reveals a 37.6% YoY surge in group life insurance to N70.2 billion in H1'23 from N51 billion in H1'22. In contrast, individual life insurance saw a modest 6.5% increase, reaching N67.1 billion in H1'23 from N63 billion in H1'22.

The data further highlights a robust 66.4% surge in premium income for group life insurance, hitting N48.6 billion in Q1'23 compared to N29.2 billion in Q1'22. Conversely, premium income for individual life insurance witnessed a 23.5% dip, sliding to N34 billion in Q1'23 from N42 billion in the corresponding period of Q1'22.

Group life insurance, a collective coverage for a group of individuals, seems to be gaining favor, potentially attributed to its cost-effectiveness compared to individual life covers. Analysts suggest that as inflation continues to erode the purchasing power of many Nigerians, the trend toward group life coverage may persist, reflecting a pragmatic response to the challenging economic climate.

However, the industry's proactive and efficient claims settlement practices are identified as significant factors attracting corporate organizations and associations to the group life sector. The Managing Director of Achor Actuarial Services, Mr. Pius Apere, observes that the rising inflation is impacting the average Nigerian's purchasing power. He notes, "The insurance sector has improved on its claims settlement ability, hence more people are being attracted to the sector as they believe that their claims will be settled when their risks crystallize."

Similarly, Mr. Olumide Fatogun, the Managing Director of Boof Africa Insurance Brokers, affirms the growing

preference for more affordable group life insurance amid economic challenges. He comments, "As more Nigerians transfer their risks to insurance, especially now that inflation is hitting the rooftop, the preference for group life insurance is on the increase. This is part of measures to beat the rising prices of things."

NDIC Commits to Enforcing Prudential Thresholds and Corporate Governance in Banks



The Nigeria Deposit Insurance Corporation (NDIC) reaffirms its commitment to collaborating with the Central Bank of Nigeria (CBN) for effective bank supervision and adherence to corporate governance, ensuring the safety and stability of the Nigerian banking system.

Managing Director Bello Hassan, during the NDIC special day at the 2023 Lagos International Trade Fair, emphasized the ongoing payments of insured sums, totaling N1.393 billion to depositors of closed Microfinance Banks and Primary Mortgage Banks.

Mr. Nuhu Bashir, representing Hassan, stated the Corporation's swift response to recent bank closures, with ongoing efforts to verify and pay liquidation dividends to depositors of 20 banks in the process.

Hassan highlighted the NDIC's commitment to addressing infractions and complaints, operating a 24-hour toll-free helpdesk for depositors. The Lagos Chamber of Commerce and Industry President, Dr. Michael Olawale-Cole, thanked NDIC for its partnership and applauded its engagement with depositors at the trade fair.

Birthday Celebrations



Mr. Leke Oduoye
Chief Financial Controller



Mr. Yahaya Jimoh
Maintenance Officer



Mrs. Ndidi Prince-Mang
Deputy Manager (Technical Unit)



Almond Insurance Industry Awards
Insurance Broker Life Achiever
Presented To
Chief Babajide Agbeja
1st November 2019



Recently, the Almond Insurance Industry Awards' selected and awarded our erstwhile CEO, now Chairman, Babajide Olatunde-Agbeja, as an Insurance Broker Life Achiever.



Today, we celebrate men's strength and resilience while emphasizing our commitment to championing mental health.

Our tailored insurance policies provide financial protection and peace of mind, alleviating stress associated with uncertainties. Ensuring men navigate life with confidence and security is important to us.

Happy International Men's Day!

#ZeroMaleSuicide

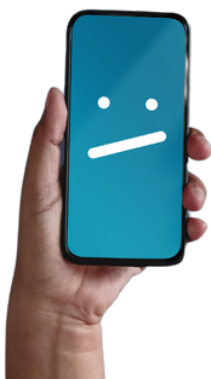
   @boffbrokers  boffbrokers.com  info@boffbrokers.com

Do you have any enquiries or complaints?

Or

Do you have comments or feedback on this publication?

We are eager to hear from you.



Kindly send us an email: