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INSURANCE INDUSTRY NEWS



Insurance broking at its best... stakeholders' satisfaction

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NUGGETS

➔ Oil & Gas Fuels Boom in Insurance Industry in 2023



In 2023, Nigeria's insurance sector saw substantial growth, mainly fueled by the Oil & Gas and Fire Insurance sectors, contributing 27.3% and 24.1% respectively, with Gross Premium Written (GPW) reaching N1.003 trillion, a 27% increase from 2022, as reported by the National Insurance Commission (NAICOM), with Non-Life business dominating at 61.3%, while Life insurance contributed 38.7%, valued at N388.1 billion, and the market retention averaged 66.7%, reflecting ongoing regulatory measures, notably with Life business accounting for 95% of net claims, and the market holding total assets of N2.67 trillion and a capitalization of N851 billion.

➔ NCRIB Decries Low Patronage of Insurance by Government



The Nigerian Council of Registered Insurance Brokers (NCRIB) has voiced concern over the government's inadequate patronage of insurance, emphasizing the need for increased awareness and collaboration between insurance brokers and government entities. Led by Prince Babatunde Oguntade, the NCRIB delegation met with Minister of Marine and Blue Economy, Mr. Gboyega Oyetola, seeking to enhance the government's understanding of insurance roles and promote cooperation. Minister Oyetola, a pioneer graduate of Insurance, assured continued support and advocacy for insurance brokers within the government.

IWD: Did You Know?



The concept of 'International Women's Day' originated more than a century ago in the early twentieth century. After decades of unofficial observance and significant strides in women's rights, the United Nations officially recognized the Day in 1977.

Women and Insurance in Nigeria

Throughout this century, the gender pay gap in Nigeria has seen notable improvements. However, recent data suggests that progress has been slower. In 2022, women earned an average of 80% of what men earned, according to research by the Nigerian Bureau of Statistics. While efforts to bridge this gap continue, disparities persist across age, industry, job type, and geographic location within Nigeria.

In the insurance sector, gender disparities remain evident, particularly in senior positions. According to industry reports, male insurance sales agents in Nigeria earn 50% more than their female counterparts, while men in insurance claims and administrative roles earn 30% more. Similarly, the gender pay gap is most pronounced at the executive level, with women holding less than a quarter of senior executive roles in the industry.

Despite these challenges, the insurance industry in Nigeria has taken proactive steps to promote gender equality. Initiatives, conferences, and awards have been launched to celebrate the contributions of women in the industry and to foster the growth of female talent. These efforts aim to create a more inclusive and equitable environment for women in Nigeria's insurance sector.

Five Fascinating Figures Revealing the Impact of the Contributory Pension Scheme



Nigeria's journey with the contributory pension scheme (CPS), born out of the Pension Reform Act 2004, stands as a beacon of successful reform, addressing critical issues of funding deficits and mismanagement plaguing the pension sector.

The Figures

1. N964.24 billion disbursed through programmed withdrawal
2. N227.29 billion allocated to life annuities
3. N356.32 billion distributed as death benefits to contributors and retirees' dependents
4. N43.31 billion in en bloc retirement payments
5. N208.86 billion withdrawn as the 25 percent lump sum

At the heart of this success story are diligent Pension Fund Administrators (PFAs) and custodians, safeguarding invested assets, while the watchful eye of the National Pension Commission (PenCom) ensures their protection.

Delving into the numbers, data from PenCom, scrutinized by the Pension Fund Operators Association of Nigeria (PenOp), unveils the magnitude of payouts since the scheme's inception up to June 2023.

A staggering N964.24 billion has been disbursed through programmed withdrawal, with an additional N227.29 billion allocated to life annuities. Meanwhile, N356.32 billion has been distributed as death benefits to contributors and retirees' dependents, with N43.31 billion in en bloc retirement payments and N208.86 billion withdrawn as the 25 percent lump sum.

These payouts not only underscore the commitment of Pension Fund Operators to retirees but also reflect the profound impact of pension reforms on Nigeria's socio-economic landscape.

It has been two decades since the Nigeria pension reforms, and these figures serve as a testament to the transformative power of the contributory pension scheme, empowering retirees and shaping the nation's financial future.

The United Nations' Children's Fund Seeks Adoption of Health Insurance to Tackle Child Mortality



UNICEF and the Oyo State Government advocate for the adoption of health insurance as a vital tool to combat child mortality, stressing the importance of Universal Health Coverage (UHC) to ensure all Nigerians have access to essential healthcare services without financial hardship.

Highlighting the significance of collaborative efforts across sectors, UNICEF underscores the need to address systemic challenges and strengthen health systems to accelerate progress towards UHC.

The Oyo State Health Insurance Agency aims to insure 500,000 individuals by the end of 2024, emphasizing the commitment to enrolling all residents, including those living with disabilities.

With an annual premium package of N13,500, the scheme aims to expand coverage and ensure equitable access to healthcare services. UNICEF has emphasized the crucial role of health insurance in providing timely healthcare services for children and has urged journalists to advocate for improved coverage for vulnerable populations.

The agency has also emphasized the importance of financial resources in overcoming barriers to healthcare delivery, citing data indicating 4.9 million deaths of children under five in 2022, underscoring the urgent need for action.

Chubb Reassures Investors of not Taking Trump's Side Amidst Bond Backlash



Chubb CEO Evan Greenberg's reassurance to investors that "We're not taking Trump's side" amid the bond backlash, comes in the wake of controversy surrounding the provision of a multimillion-dollar bond to the former president by Chubb Insurance.

In a detailed communication to stakeholders, Greenberg emphasized Chubb's impartial role as the surety provider, stating that the company's involvement does not imply endorsement of any party in the dispute. He underscored Chubb's commitment to the rule of law and its function within the justice system, clarifying that the bond provision is part of fulfilling its role in the legal process.

This assurance follows Donald Trump's appeal for a bond to contest the defamation case brought against him by E. Jean Carroll. Despite the potential divisive nature of the case and Trump's involvement, Greenberg emphasized Chubb's adherence to neutrality and its obligation to support the legal process impartially.

Meanwhile, New York Attorney General Letitia James disputed Trump's claim that insurers were refusing to provide bonds, arguing that Trump had not provided evidence to support this assertion. James emphasized the importance of Trump posting a full bond to ensure compliance with legal requirements, raising concerns that Trump could attempt to avoid paying the fine if his appeal failed.

As the legal battles continue, Trump's ability to arrange bonds for his appeals demonstrates his financial resources despite facing multiple legal challenges. However, the ongoing controversy underscores the complexities and legal intricacies surrounding Trump's legal disputes and the role of insurers in providing bonds for such cases.

Increasing Inflation in Nigeria Poised to Increase Claim Expenses in Insurance Sector



Nigeria's surging inflation rates are casting a shadow over the insurance industry, raising concerns among economists and industry experts about the sector's resilience and stability amidst the economic turmoil.

As the country grapples with increasing inflation, experts warn that insurance companies may face a barrage of challenges, ranging from operational hurdles to financial strains, ultimately impacting their long-term viability.

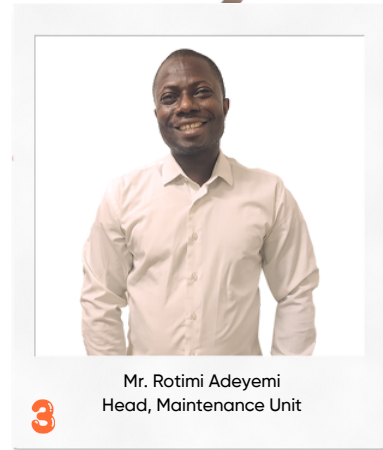
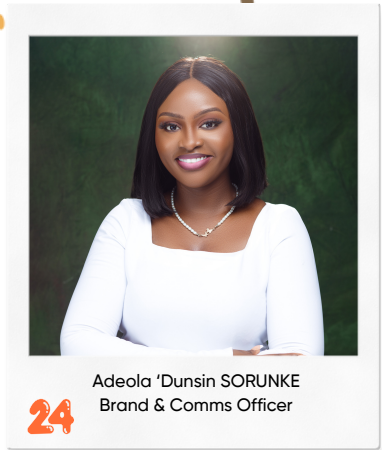
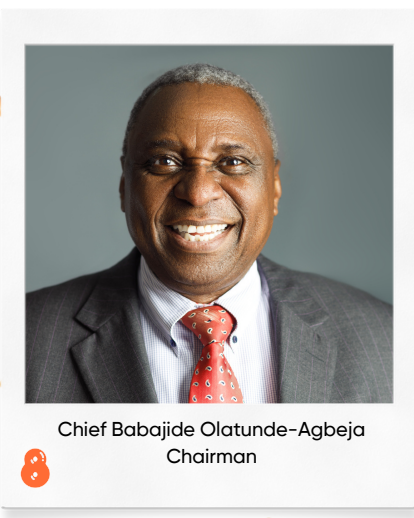
One of the primary concerns revolves around the escalating costs of insurance claims. Dr. Simon Ibe, an economist, has highlighted the threat posed by asset replacement value, wherein insurers may find themselves obligated to replace insured assets at significantly higher costs due to inflation. He underscored the imperative for insurers to accurately assess and price risks to mitigate potential losses.

Dr. Nelson Nkwo, an insurance lecturer, has pointed to the volatility introduced by high inflation into insurers' investment portfolios, eroding the real value of fixed-income securities and jeopardizing their ability to meet future obligations. This, he argued, necessitates adjustments to investment strategies and asset allocations to maintain solvency and liquidity.

Moreover, high inflation contributes to an increase in claims inflation, as the rising costs of goods and services amplify claims settlement expenses. Professor David Igboga emphasized the implications for insurers' regulatory compliance and capital adequacy requirements, urging them to bolster risk management practices and seek additional capital injections to safeguard financial stability.

John Aimurie, a certified accountant, underscored the impact of high inflation on consumer affordability and purchasing power, which could dampen demand for insurance products and services. He emphasized the need for insurers to adapt proactively to the evolving inflationary environment, implement robust risk management strategies, and enhance financial resilience to navigate the complexities effectively.

Birthday Celebrations



Pictures from Our Chairman's Birthday Celebration



Celebrating International Women's Day



Testimonial of a Woman Empowered Through Insurance

Celebrating International Women's Day

When I first heard of the insurance company, I thought it was also going to be like some other insurance companies who just collect people's money to invest on their company until a disaster occurred in my apartment that lead to a consequential loss and I sought for my claims through Boff & company insurance brokers. At first I thought it was fake until the brokers assisted me to get my claims from the insurance company.

Boff & Company Insurance Brokers is real and affordable with quality standard They have a good and friendly customer services. I'm glad I met Boff & Co.

A big thanks to Boff & company insurance brokers for their selfless effort in getting my claim from the insurance company without any bribe. I never knew such insurance brokers still existed in Nigeria.

I will forever be grateful to Boff & Company Insurance Brokers.

- Anonymous

Let us continue to break barriers and empower women through insurance



Is Your Life Insured?

Very affordable, this policy of protection, you can read all about it, just look under resurrection.

No monthly premiums taken from your bank account; His Book of Life will show your net amount.

Sometimes His agents will come to call,
A reminder of sort, He sees it all.

Never a late fee to reinstate, just His forgiveness,
is all it takes.

Whole Life is the premium plan, He offers you,
paid daily, by the things you do.

One policy, one name, no one else can claim,
the owner and beneficiary, are one of the same.

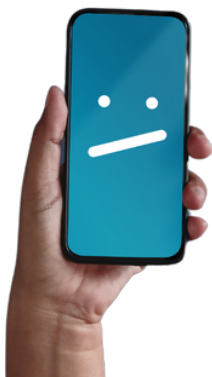
Upon death your policy is paid, eternal life
for the choice you made." – Christy Hardy

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Or

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