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IICC Equips Journalists on Emerging Regulations, Ethics, and Financial Literacy

The Insurance Industry Consultative Council (IICC), living up to one of its objectives which is the promotion of the industry's image and growth agenda, has pledged to continue to provide platforms for exchange of ideas with the media, especially in areas such as new and emerging industry regulations, ethics and professionalism, and financial literacy.

The Chairman IICC, Mrs Funmi Babington-Ashaye, who disclosed this in a retreat organised recently by the council for Insurance Journalists in Ijebu-Ode, Ogun State, maintained that a better understanding of insurance operations by the media cannot be over emphasized, and that as insurance is highly technical, its reporting can only be accurate if the media continue to partner the industry through mutual education, trust and commitment.

She noted that concerted efforts have been put in place by the council towards the attainment of its objectives, stressing that much of the grounds gained is as a result of the immense publicity that the activities of the IICC and by extension, the Insurance Industry has received through the efforts of members of the press.

"I therefore seize this opportunity to express our profound appreciation to the media for its immeasurable support. The media, especially the

President's Activities in the Past Month

- Hosted the 2018 IICC Media Retreat for Insurance Correspondents.
- Hosted the first edition of the Youth Empowerment Programme for NYSC members in Lagos State.

COMING EVENTS:

- **2018 Business Outlook Seminar**
⇒ **Date: 20th February, 2018**
⇒ **Venue: Lagos Oriental Hotel, Victoria Island.**
- **March 2018 Breakfast Seminar**
⇒ **Date: 6th March, 2018**
⇒ **Venue: Chelsea Hotel, Abuja**
- **2018 Miss Insurance Dance**
⇒ **Date: 9th March, 2018**
⇒ **Venue: Ten Degrees Events Centre, Oregun, Lagos.**



L-R: Guest Speaker, Mr. Adebayo Adeleke, Executive Secretary, NCRIB, Mr. Fatai Adegbenro, ILAN President, Alhaji Femi Hassan, CIIN DG, Mr. Tayo Borokini, IICC Chairman, Mrs. Funmi Babington-Ashaye, Mr. Sanya Oni, Guest Speaker, Mr. Sunny Adeda, Guest Speaker, Chairman IICC Media Retreat Committee, Mr. Tope Adaramola and Mr. Davis Iyasere of the NIA at the 2018 IICC Media Retreat for Insurance Correspondents.

insurance correspondents have continued to demonstrate expertise in the knowledge of insurance.

"You will all agree with me that a better understanding of insurance operations by the media cannot be over emphasized. As we all know, insurance is highly technical and its reporting can only be accurate if the media continue to partner the industry through mutual education, trust and commitment. Let me therefore state that the IICC will continue to provide platforms for the continuous exchange of ideas with the media, especially in areas such as new and emerging industry regulations, ethics and professionalism, and financial literacy," she said.

She posited that the insurance industry today is in a precarious state, due to the various unfolding dynamics, calling for change of operation and strategies by industry operators, adding that the industry would be able to maintain an acceptable image in the eyes of the public, only if the media shows understanding and appreciation of the times that the industry is at the moment.

The event provided an opportunity for the journalists to be educated on topics such as, The Role of media in deepening insurance penetration, presented by an Editor of the Nation Newspapers, Mrs Sanya Oni; Basic Principles of Aviation Insurance, by Past President, Chartered Insurance Institute of Nigeria (CIIN) Sunny Adeda and Understanding Financial Reports and Accounts by Non-Executive Director, SAHAM Unitrust Insurance Nigeria Limited/Managing Director, Lancelot Ventures Limited, Mr. Adebayo Adeleke.

Mr. Oni, in his presentations noted that the media has certainly come a long way from its traditional role of merely reporting events to being a major player in influencing and shaping public discourse. He posited that while the traditional roles of informing, educating, and entertaining are crucial, playing a watchdog role on governments and institutions remain equally important. The exercise of these functions have long exceeded the traditional boundaries of passivity to one of active engagement, which has become more obvious in the age of citizen journalism and the New Media.

He noted that with new technologies comes the dramatic shift in emphasis from medium to content and the democratization of information dissemination. "While this itself poses enormous challenges, the industry can only ignore developments in the media sector to its peril.

"More crucially is the kind of engagement that the industry can bring to bear

in not only getting its message across but also to ensure that it makes maximum impact – as against the refusal to engage which results in perennial fighting of fires by organizations when things go wrong.

"That itself assumes that the industry has developed a coherent agenda. To the extent that the media can only interpret things from its own perspective, taking it into confidence seems to me a good start in the partnership process. A good example is the current quest to amend the Pensions Act – given its wide ranging implication for the industry," he said.

Mr Adeda, in his papers, explores areas such as, Basic Covers in Aviation insurance; Liability regimes; Passenger Liability Claims and The role of media in major losses.

According to him, in the event of a major loss, the media is very critical in the handling of information, stressing that the first step in handling a major loss is to activate an emergency loss plan, adding that the media has to work with Brokers, Insurers, Lawyers, Surveyors, the insured/Policyholder/Carrier from the outset.

He stated that the media has to also play a role of Liaison with airlines, Brokers, Insurers and Surveyors to assess the situation, obtain factual information, help in the Collection of passenger information such as manifest, and publish official accident report from the accident Investigation Bureau (AIB) amongst other roles.

Mr. Adeleke, exposed the media personnels to how they can make inform analysis that will help investors. According to him, the performance of companies stocks at the Stock Exchange is often driven by information and good reportage and analysis will help project insurance stocks.

On financial literacy, he called for avoidance of consumption mentality, stressing that it is antagonistic to prosperity. According to him, the major difference between the rich and the poor is the way they handle money.

"When a rich man sees money, he doesn't think of spending it. He thinks of multiplying it, buying assets, expanding his business.

If once you see money, you quickly think of 20 ways to spend it, you suffer from consumption mentality and you can never be rich," he said.

He noted that for people to be financial stable, they must develop the ability to see money and not feel like spending it.

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INSURANCE INDUSTRY NEWS

NAICOM CHIDES ERRANT INSURANCE CONSUMERS

The National Insurance Commission (NAICOM) has called on insurance consumers that connive with unscrupulous operators to desist from such practices that are inimical to them, the industry and our nation.

The Commissioner for Insurance, Mohammed Kari, disclosed this recently at a forum in Lagos, stressing that the vices committed by these parties are not only dangerous to the insurance industry but also to the consumer.



Kari

Kari, was unhappy with insurance consumers over practices that are not in sync with insurance rules. He accused some consumers of connivance with insurance Brokers to allot proportion of risk to local underwriters without due cognizance of the insurers' capacity, preferring to place risk abroad even when the local market is not saturated.

He also alleged that some consumers also in alliance with intermediaries chose to exclude some underwriters from participation in underwriting certain risks without cogent and tenable justification.

"However, the Commission in recent time has noticed certain behaviours and actions of consumers that are not in consonance with the correct practice and this is detrimental and dangerous to the insurance industry in Nigeria.

"The Commission frowns at these practices and want to use this medium to inform such consumers to desist from the practices as they run counter to our regulations. Where we have noticed such practices, we have rejected applications from operators for approval to cede such risks abroad. This action of the consumer/broker sometime leads to delays in placement of the risk even when the insured has paid its premium to the intermediary. While the Commission is not averse to ceding of risk offshore, it must be done

only when the local market has taken the much its capacity would allow," he said.

Other areas, according to him, where the Commission has issues with the insurance consumers are in: Direct involvement of the insured with reinsurance placement of their Insurances, stressing that once the consumer places his risks with the Insurer, whether direct or through a broker, he or the broker has no role in the placement of the reinsurance.

"On this note, I would like to remind consumers that the Nigerian insurance space should only be occupied by Insurance institutions licensed and regulated by NAICOM. We would not accept insurances placed through a non licensed operator in this market," he added. He was also unhappy with delays in submitting evaluation results of bidding processes to the Commission, adding that delays by the insured in issuing placement/renewal instruction to the insurer makes it impossible for the Insurer to meet the deadline for the placement of excess risks offshore.

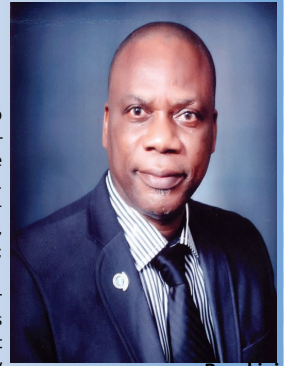
"We ask you to desist from these practices because they are neither in your best interest nor that of the insurance operator and of course, that of our nation. We also crave the understanding and cooperation of the consumers to ensure compliance with our laws and regulations particularly the Insurance Act 2003 and the Local Content Act," he said.

Kari noted that good understanding between all stakeholders can only make NAICOM more effective in its role of protecting the insurance consumer.

CIIN TAKES INSURANCE OPERATORS ON AN INDUSTRY TOUR OF HONG KONG

Insurance Industry operators under the umbrella of the Chartered Insurance Institute of Nigeria will embark on an Industry tour to Hong Kong with a bid to tap into the Technological Innovation models that were employed by the Insurance Industry in Hong Kong to mitigate the growth challenges it has faced in recent times.

According to the Director – General of the CIIN, Mr. Richard Borokini, the tour, aptly themed; Corporate Strategies for Growth is being put together by



Borokini

the Institute in conjunction with York City Consulting Limited is scheduled to take place from 19th to 23rd March, 2018. Part of the programmes lined up to take place during the tour includes visits to frontline Insurance organizations in Hong Kong, Interactions with the Federation of Insurers in Hong Kong and the Insurance Institute of Hong Kong.

Topics expected to be covered during the tour are as follows:

- Corporate Strategy & Policies for Growth
- Leading for Innovation
- Enterprise Risk Management/Operational Efficiency
- Technological Innovations/Digitalization

The CIIN DG also reiterated that the Industry Tour is a continuation of the Institute's efforts at regularly up scaling the knowledge and skills of Insurance practitioners with the aim of competing favourably with counterparts in other climes.

Similar industry tours previously organized by the Institute included visits to South Africa, India, Malaysia, and Australia.

BUSINESS AND ECONOMY NEWS

FG EYES REDUCED COST WITH \$2.5BN EURO-BOND

The Debt Management Office (DMO) has said Federal Government's plans to refinance its Treasury bill portfolio with a \$2.5billion Eurobond will not increase its overall debt stock but will help lower cost.

DMO in a statement noted that proceeds from the bond sale would be converted to naira and used to redeem a more expensive local debt, thereby improving the government's debt service ratio.

The Finance Minister, Kemi Adeosun, had said the country was planning to redeem N762.5bn worth of Treasury bills and that it would save government N64bn each year after the refinancing had been completed.

In January, the Director-General of the DMO, Patience Oniha, had told *Reuters* that the government would consider raising \$2.5bn through Eurobonds in the first quarter to refinance a portion of its domestic Treasury bill portfolio at lower cost.

"FG WILL RETAIN CAPITAL BUDGET DESPITE 2019 ELECTIONS" -ADEOSUN

The Minister of Finance, Mrs. Kemi Adeosun, has given an assurance that the Federal Government's 2018 capital budget of N2.4tn would be strictly deployed to fund infra-

structural projects across the country, especially completion of ongoing projects.

The Government, she added, would retain the capital budget despite forthcoming elections in the country.

The Minister made this known on Friday in Abuja while representing the Vice President, H.E. Prof. Yemi Osinbajo, at a lecture delivered to the National Defence College (NDC) Course 26 participants.

Responding to an enquiry by a member of the NDC Course 26 on the use of the capital budget for the general elections, Adeosun maintained that the present Administration would not engage in the diversion of the capital project funds for the forthcoming elections.

The Minister said, "The Administration remains committed to infrastructure spending at the high levels of the past two years and the completion of major ongoing projects."

She further reiterated the commitment of the Administration to its programme of transformation, and jobs and wealth creation across the country.

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