



CHARTERED INSURANCE INSTITUTE OF NIGERIA MONTHLY E-NEWSLETTER

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CIIN seeks better slots for insurance professionals in public service

The Chartered Insurance Institute of Nigeria (CIIN) has called for better recognition and placement of insurance professionals in the public service.

Its President, Mrs Funmi Babington-Ashaye, said this at a courtesy visit to the Head of Service of the Federation, Mrs Winifred Ekanem Ita-Oyo, in her office in Abuja, stating that the institute had received complaints that some of its professionals are not adequately placed compared to their counterparts in accountancy and other professions in the service.

According to her, the Federal Ministry of Education visited the institute and carried out evaluation of its certificates on April 8, 2010, adding that the purpose of the assessment was to advise the office of the Head of Civil Service of the Federation on the standard/rating and relevance of the professional qualification of the Chartered Insurance Institute of Nigeria.



From left: President, Chartered Insurance Institute of Nigeria, Mrs Funmi Babington-Ashaye and Head of Service of the Federation, Mrs Winifred Ekanem Ita-Oyo, during a courtesy visit to the Head of Service in Abuja.

She maintained that the 9-member Expert Assessors Committee made their recommendations on the institute's certificates and that their recommendations were accepted by the Ministry.

Babington-Ashaye canvasses professional ethical standards

The President, Chartered Insurance Institute of Nigeria (CIIN) Mrs. Funmi Babington-Ashaye, has called on practitioners in the insurance industry to consistently play by the rules and standards with great ethical disposition so as to sustain the sector.

She said this at the Institute's Breakfast Seminar in Abuja, adding that no meaningful business can take place in an unethical environment.

The CIIN President noted that to prevent unacceptable practices and ensure a level playing field, regulations are put in place, adding that professionals cherish decent industry governed by rules, regulations and standards.

According to her, without monitoring and enforcement of compliance to such standards, operators' dream of a vibrant insurance industry will not be achieved.

She commended the National Insurance Commission (NAICOM) under the leadership of Mohammed Kari, for his leadership, expertise and sterling qualities, which have positively impacted the industry.



From left: Deputy Commissioner for Insurance (Technical), Sunday Thomas; CIIN President, Mrs. Funmi Babington-Ashaye, Managing Director, Financial Institutions Training Centre (FITC) Dr. Lucy Newman and Dr. Biodun Adedipe, Theme Speaker at the 2018 CIIN Business Outlook Seminar in Lagos.

Experts chart way forward for insurance business in 2018

Experts have called on insurance practitioners to adopt strategies such as placing customers at the centre of their business plans and Strategies; review products, policies and processes build capacities in retail businesses amongst other things to achieve success this year.

They gave the admonition at the Chartered Insurance Institute of Nigeria (CIIN) 2018 Business Outlook Seminar, in Lagos. According to them, insurance operators need to reinvent their strategies to enable them harness the enormous opportunities in the country.

The CIIN boss noted that at the end of the visit by representatives of the Ministry of Education, an evaluation report was issued in respect of insurance professional certificates, stating that certificate in Insurance would be rated as proficiency certificate for the enhancement of skills on the job and that holders of Diploma in Insurance should enter into post on salary grade level 06 in the Public Service, amongst other things.

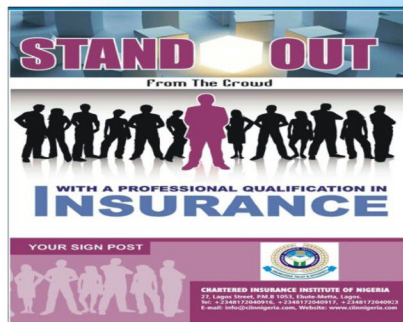
Babington-Ashaye, told the Head of Service that the institute was advised to write through NAICOM and Federal Ministry of Finance, its supervising Ministry to the Head of Service so that the recommendations can be gazetted as recommended by Federal Ministry of Education. She stressed that this had been done and that the institute is still awaiting the official response from the Office of the Head of Service, adding that the institute would be grateful if the matter is given the due attention it requires.



From left: President, Institute of Loss Adjusters of Nigeria, Femi Hassan; Past President, Chartered Insurance Institute of Nigeria, Lady Isiomu Chukwuma; President, Mrs Funmi Babington-Ashaye; Commissioner for Insurance, Mohammed Kari and President, Nigerian Council of Registered Insurance Brokers, Shola Timbu at the event.

"This is a survival mandate we can ignore at great cost. Any practice that sacrifices the ethics of the profession will only lead to regulatory sanctions, avoidable loss of financial resources, loss of business and goodwill. With time, such entity will be foreclosed. No one desires this. Therefore, we must continue to walk our talk as insurance practitioners," she posited.

Kari, at the event noted that insurance needs adequate regulation given the inverted production cycle, where the payment made upfront exacerbates the need to protect the product that consumers buy.



The Deputy Commissioner, Technical, National Insurance Commission, Thomas Sunday, in a paper entitled: 'Insurance and Stability of the Economy: The Roles of the Regulator and Strategies for the Future of the Insurance Industry', urged insurance operators to focus more on profitable growth rather than top-line or volume growth and that they should place great importance on professional and disciplined underwriting.

According to him, a low and uneven development of insurance business increases the level of risk in the economic decisions taken by individuals and firms, hampering in turn, economic activity.

President's Activities in the Past Month

The executed programmes are :

- Youth Empowerment for youth corpsers (Dec. 2017- Jan.2018) on Saturdays.
- Business Outlook-Tuesday, 20th Feb. 2018. Venue- Lagos Oriental Hotel, V. I.

Theme-Economic Policies Of The Government In 2018; Issues, challenges & Prospects For The Insurance Industry.

Guest speaker-Dr. Biodun Adedipe of B. Adedipe & Associates Ltd.
Other Speakers were;

Dr. Lucy Surhyel Newman, Managing Director, FITC
Mr. O. S. Thomas, Deputy Commissioner

(Technical)
NAICOM

- Breakfast Seminar, Venue- Chelsea Hotel Abuja, Date- Tuesday, 6th March 2018. Theme-Strict Regulatory Enforcement And Compliance; A Stimuli For The Development Of The Insurance Industry.
Guest Speaker; Alhaji Mohammed Kari, Commissioner For In Insurance.
- Miss Insurance, 9th March, 2018.

Upcoming Events

- Student's Forum, Date-Wed, 14th March 2018, place Lagos.
- Industry Tour 19-24 March 2018 Destination- Hong Kong.
- April Diet Examination. 16-20 April 2018
- CIIN/LBS International Seminar. Theme; Managing Weak Insurance Companies Amidst Industry Re-branding.
Date Wednesday, 18th April, 2018. Venue; Lagos Business School, Lekki/Epe Expressway.
- Fitness Walk. Date; Saturday 5th May 2018
- Seminar On Etiquette. Wednesday 16th May, 2018.

INSURANCE INDUSTRY NEWS

FIRS technically suspends controversial insurance tax law

The Federal Inland Revenue Service (FIRS) has technically suspended the controversial insurance tax law, which has been an albatross for insurance companies.

The Partner & Head, Tax, Regulatory & People Services, Wole Obayomi, disclosed this at the VAID Scheme Awareness Lecture, organised by the Chartered Insurance Institute of Nigeria (CIIN) in Lagos.

According to him, the Chairman, FIRS, Babatunde Fowler, had mandated staff of FIRS to stop implementation of sections of the controversial law which the insurance operators considered inimical to their businesses.

President, CIIN, Mrs. Funmi Babington-Ashaye, said essence of the lecture is to create awareness amongst CIIN's stakeholders such that they (i.e., defaulters, if any) can leverage the opportunity to make it up to government by paying their tax obligations. She added that penalties for not taking advantage of this window for those that will be caught, will be very severe. It is therefore important that we spread the word to encourage more tax compliance.



From left: Partner & Head, Tax, Regulatory & People Services, Wole Obayomi; President, Chartered Insurance Institute of Nigeria, Mrs. Funmi Babington-Ashaye; former President, Opia Osoke and Deputy Director, Office of the Executive Chairman, (FIRS) Abolade Kehinde at the event.

In the controversial law, some sections compelled insurance companies to pay out their capital in the form of a minimum tax because they are almost always in a never-ending refund cycle with the tax authorities. Originally, the CITA was meant to amend and simplify controversial aspects in its policy, instead it has made it more obscure particularly for the insurance sector.

In Section 16(2)(a) of the CITA, the profits of a life business insurance company are calculated by taking management expenses, including commission, subject to subsection (8)(b) of the Act from gross income (investment income and revaluation surplus).

NSIA names Ebelechukwu Managing Director

NSIA Insurance Company Limited, has appointed Mrs. Ebelechukwu Nwachukwu as its Managing Director/Chief Executive Officer.

Nwachukwu, who has since resumed, is expected to bring her wealth of experience on board in driving the affairs of the company, which according to data obtained from the Nigerian Insurers Association (NIA), has a gross premium income of N4.52 billion and shareholders' funds of N9.65 billion.

The Delta State born, is a graduate of University of Benin, Edo State. She is an Alumni of London Business School (Executive Education); London; Alumni and The Columbia Business School, New York.



From left: From left: Managing Director, AICO Insurance, Edwin Igbidi; President, Chartered Insurance Institute of Nigeria, Mrs. Funmi Babington-Ashaye and Miss Insurance, Ms. Oyewole Abigail at the event.

Leadway Assurance Girl wins Miss Insurance pageant

A member of staff of Leadway Assurance Limited, Miss Oyewole Abigail, has won the 2018 Chartered Insurance Institute of Nigeria (CIIN) Miss Insurance Pageant.

She emerged winner after defeating eight other contestants at the event which held on Friday/Saturday March, 10/11 at 10 Degree, Oregun Lagos.

Other winners are, Miss Chukwuedo Vivian Awele of Zenith General Insurance Limited, who took the second position and Ukeagbu Elizabeth of AICO Insurance Plc, the third position.

he started her insurance career at International Standard Insurance in 1994. She joined Standard Alliance insurance in 1996, playing both underwriting and marketing roles. She left the firm as Assistant General Manager (AGM) in 2004.

She joined HEIRS Insurance as Deputy General Manager, in June, 2004 as a Divisional Head, Retail and Channel Management with the task of running the Bancassurance Model with UBA Plc, developing multiple channels of distribution and managing the agency network.

In 2007, she joined Zenith Insurance and was promoted to the position of General Manager (GM) in 2008. She was confirmed Managing Director/Chief Executive Officer in January 2010.

Miss Oyewole Abigail, went home with a Toyota Corolla Car, while the other winners took home refrigerator and sound system.

President of the CIIN, Mrs. Funmi Babington-Ashaye, said the pageant is very special to the institute, stressing that driven by the institute's firm belief in the total or all-round development of insurance professionals, it initiated technical and business fora to discuss issues germane to it and the economy.

She lauded the contestants for their courage and enthusiasm to participate in the contest, and also appreciated the sponsors of the event.

The Chairman of the event, Commissioner Ministry of Commerce, Industry and Cooperatives Lagos State, Mrs. Olayinka Oladunjoye, applauded the CIIN leadership for the yearly event, adding that Miss Insurance Pageant, over time, has become a veritable tool for propagating insurance awareness in Nigeria.

She acknowledged the strategic role insurance plays in an emerging economy, and called for support towards making insurance parts of private and corporate schemes.

BUSINESS AND ECONOMY NEWS

Nigeria's external reserves hit \$46bn - CBN

Nigeria's external reserves has hit \$46 billion, the Central Bank of Nigeria (CBN), has said.

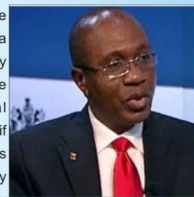
According to the CBN, the latest figures indicated that the reserves grew by about \$3.2 billion between February and March this year.

The reserves at the beginning of 2018 stood at \$39.3 billion, then rose to \$42.8 billion in February before hitting the new high of \$46 billion.

The CBN Acting Director, Corporate Communications Department, Isaac Okorafor, who confirmed this, attributed the continued accretion to the country's reserves to the bank's effort at vigorously discouraging unnecessary importation and reducing the nation's import bill; inflow from oil and non-oil exports, as well as the huge inflows through the investors and exporters window of the foreign exchange market, which he said had attracted over \$33bn since April 2017, when it was created.

CBN stress test reveals weak capital signs in banks

Stress test conducted by the Central Bank of Nigeria (CBN) has revealed that only large banks will stay above the regulator's capital adequacy ratio threshold if the non-performing loans levels of the Deposit Money Banks (DMBs) should rise by 50 per cent.



CBN Governor, Godwin Emeffele

The CBN stated this in its latest Financial Stability Report posted on its website.

According to the report, the end-June 2017 banking industry stress test, which covered 20 commercial and four merchant banks, was conducted to evaluate the resilience of the banks to credit, liquidity, interest rate and contagion risks (shocks).

The banking industry was categorised into large banks (those with assets up to N1tn or above); medium banks (those with assets more than N500bn but less than N1tn); and small banks (those with assets up to N500bn or below).

According to the CBN, the stress test showed that only large banks could withstand a further deterioration of their NPLs by up to 50 per cent, adding that none of the groups withstood the impact of the most severe shock of a 200 per cent increase in the NPLs as their post-shock CARs fell below the 10 per cent minimum prudential requirement.

The impact of the severe shocks, according to CBN on the banking industry, large, medium and small banks will result in significant solvency shortfall of 15.21, 9.78, 93.42 and 17.53 percentage points from the regulatory minimum of 10 per cent CAR, amounting to N2.77 trillion; N1.54 trillion; N0.98 trillion and N0.25 trillion respectively.

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