

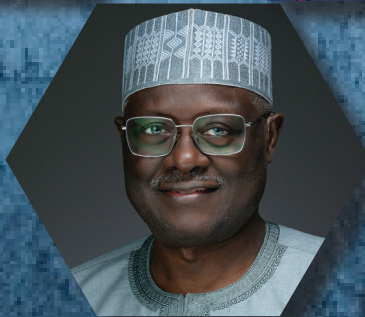
20 Years Of Pension Reform: **The Good, Bad And Ugly**



NAIPE Trumpet

...Building Bridges Across Stakeholders

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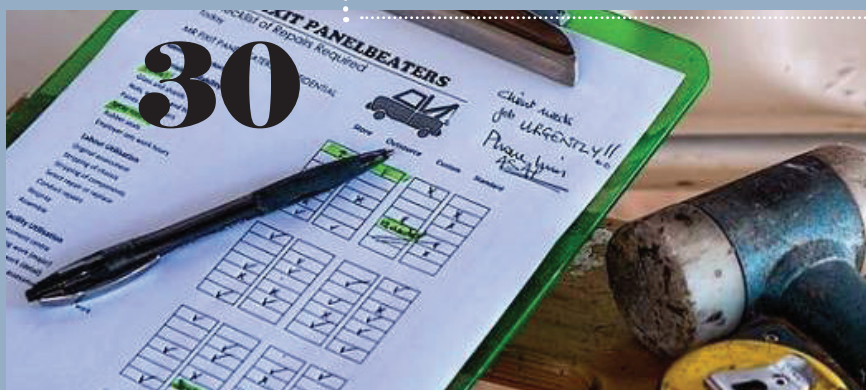
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EDITOR'S NOTE

We are pleased to present the 13th edition of NAIPE Journal in keeping faith with our promise to propagate the gospel of insurance and pension, the two most important sectors in the financial services industry.

This edition is special as it is dedicated to showcase the chairmen of insurance companies who are standout performers. Those found worthy are: Mr. Tope Smart, Chairman, NEM Insurance PLC, Dr. Akin Ogunbiyi, Chairman, Mutual Benefits Group, Mr. Seun Ajayi, Chairman, Sovereign Trust Insurance Plc, Mr. Tony Aletor, Chairman, Capital Express Holdings Limited, Mr. Martin Luther Agwai, Chairman, Leadway Assurance Company Limited, Mr. Obinna Ekezie, Chairman, Consolidated Hallmark Insurance Limited while Late Pathe Dione, Founder, SUNU Group is being recognised posthumously.

These heroes of the Nigerian insurance industry are being celebrated not only for their invaluable contributions to the success of their respective organisations, but also for their contributions to the continued growth of the industry in general, even beyond the shores of Nigeria.

Considering the economic situations in Nigeria and most countries of the world since the beginning of the year, majority of the people may be concerned with making ends meet, rather than making provisions for good and services which may be classified as luxuries.

However, it is necessary that the people know that it is during this difficult period that they need insurance covers and pension schemes, more than ever before.

The populace should note that embracing insurance and pension schemes at this point in time, is not just a prudent decision every right thinking individual can make, but they are also imperative as financial safety nets.

As it has been proved over the years, insurance provides protection against unforeseen

These heroes of the Nigerian insurance industry are being celebrated not only for their invaluable contributions to the success of their respective organisations, but also for their contributions to the continued growth of the industry in general, even beyond the shores of Nigeria.

events. Whether it is health, property, or life insurance, having coverage ensures that individuals and families are shielded from the financial repercussions of accidents, illnesses, or disasters. In a country like Nigeria, where access to quality healthcare is still a challenge for many, health insurance, for instance, offers a lifeline, providing access to timely medical care without the burden of exorbitant expenses.

Needless to state here that embracing pen-

sion schemes secures financial stability in old age. With an aging population and an uncertain economic landscape, relying solely on family support or government pensions is no longer viable. By contributing to pension funds early in our careers, every Nigerian can build a nest egg that will sustain him or her during retirement, ensuring a dignified and comfortable life post-employment.

It will be helpful to also point out that both insurance and pension schemes foster a culture of long-term financial planning and responsibility. By encouraging regular savings and investments, these schemes instill discipline and financial literacy among individuals and communities. This, in turn, promotes economic growth and stability by channeling funds into productive sectors of the economy, such as infrastructure development and entrepreneurship.

Besides, embracing insurance and pension schemes enhances social welfare and reduces the burden on the government. By relieving pressure on public healthcare and social security systems, private insurance and pension schemes contribute to a more efficient allocation of resources, allowing the government to focus on addressing other pressing issues such as education, poverty alleviation, and infrastructure development.

Additionally, insurance and pension schemes facilitate economic resilience and recovery in the face of adversities. Whether it's natural disasters, pandemics, or economic downturns, individuals and businesses equipped with insurance coverage can bounce back quicker and stronger, minimizing disruptions and preserving livelihoods.

Be that as it may, the case for embracing insurance and pension schemes in Nigeria is compelling and urgent. By providing financial protection, fostering long-term planning, enhancing social welfare, and promoting economic resilience, these schemes are indispensable tools for securing Nigeria's future. It's time for Nigerians to recognize the importance of these financial safety nets and take proactive steps towards securing their financial well-being and that of future generations. During retirement, ensuring a dignified and comfortable life post-employment.

SOLA ALABADAN.
Editor



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20 Years Of Pension Reform: **The Good, Bad And Ugly**

By **JOKE ADEYEMI**

The Contributory Pension Scheme (CPS) in Nigeria was established in June 2004 by former President Olusegun Obasanjo's administration. The enabling act was the Pension Reform Act (PRA) 2004, which was repealed and re-enacted in July 2014.

CPS represents a fundamental shift from the previous Defined Benefit Scheme (DBS), to a more sustainable and efficient defined contribution system.

The CPS was introduced to address the challenges of the DBS, which brought hardship to retirees because it was associated with non-contributory, largely unfunded, poor coverage, transparency, and

inability to pay retirement benefits.

Before the CPS, the Federal and State Governments were unable to meet their pension obligations to their retirees because funds were not set aside to meet the retirement obligations of the retirees.

The situation led to the accumulation of substantial pension liabilities.

In the private sector, retirement plans before the CPS were characterised by low or no pension contributory commitment by employers.

Under the defined benefits scheme, retirement benefits are predetermined based on factors such as years of service and final salary.

In contrast, the CPS requires employees and employers to make

regular contributions to an individual

Retirement Savings Accounts (RSAs).

A retiree under the CPS is entitled to what he is able to save from his monthly stipends into the RSA with the Pension Fund Administrators while in active service, as well as accrued rights were applicable.

The Act became necessary to ensure that uniform regulations and standards apply to the administration of retirement benefits for the private and public sectors, as well as to ensure that individuals save towards catering for their old age.

Currently, the CPS is regulated by the National Pension Commission (Pen-Com) and administered by 22 licensed Pension Fund Administrators (PFAs) and four Pension Fund Custodians (PFCs) responsible for keeping safe custody

over time, boosting the overall value of the pension fund.

The funds are invested in various financial instruments, such as stocks, bonds, and real estate, ensuring diversification and potentially higher returns.

Specifically, the CPS not only focuses on retirement benefits, but protects employees and their families in the unfortunate event of death or disability.

Under the scheme, the accumulated pension fund is paid out as death benefits to the legal beneficiaries of the deceased employee.

Similarly, the CPS provides immediate access to retirement benefits if an employee becomes incapacitated.

These provisions offer financial security and support for employees and their loved ones during difficult times.

The CPS offers a high level of portability and flexibility for employees, regardless of job changes or relocation within Nigeria, as an employee's accumulated pension funds remain in the employee's Retirement Savings Account (RSA).

This flexibility enables individuals to maintain their pension contributions seamlessly and reduces administrative complexities. It also ensures that employees can benefit from the scheme consistently, regardless of their employment history.

The CPS cushions the effects of possible job loss, as the risk of job loss is a reality for workers.

"As an RSA holder, an employee can access 25% of their RSA balance to help cushion the effect of an unforeseen job loss if they cannot secure another job after four months.

It is essential to note that this partial withdrawal is not a replacement for retirement benefits but rather a means to offer immediate support during a difficult period.

The remaining balance in the RSA continues to grow and accumulate until the RSA holder attains retirement age.

Under the CPS, RSA holders can also use a portion of their retirement savings as equity contributions for residential mortgages.

This is part of PenCom's ongoing efforts to provide greater flexibility and access to pension funds for the benefit of RSA

holders.

The commission recognises that many workers face challenges in securing adequate housing upon retirement and aims to address this issue by unlocking the value of their pension savings to facilitate homeownership.

RSA holders who have contributed to their accounts for at least five years and meet specific eligibility criteria can use up to 25% of their pension savings as equity contributions towards acquiring residential properties.

This policy aligns with PenCom's commitment to ensuring that pension funds catalyse economic development and social well-being.

In addition, the CPS aims to secure the financial future of workers, ensuring they can retire with dignity and peace of mind.

One of the primary objectives of the Contributory Pension Scheme in Nigeria is to promote a culture of savings among workers.

Under this scheme, both employees and employers make contributions to the pension fund, fostering a habit of disciplined saving for retirement.

This encourages financial responsibility and helps individuals build a substantial retirement corpus.

The Contributory Pension Scheme in Nigeria operates on a structured framework with clear guidelines for pension fund management by the PFAs.

This oversight mechanism ensures transparency and accountability in the management of retirement funds. Its introduction has instilled confidence among retirees, knowing that their pension funds are secure and subject to efficient management.

This has led to increased trust in the pension system, reducing the incidence of pension fraud and mismanagement that was prevalent under the old scheme.

The Contributory Pension Scheme in Nigeria also benefits the economy by channeling pension funds into various investment opportunities. These investments contribute to economic growth and development, creating job opportunities and stimulating entrepreneurship. As the pension assets grow, they become a vital source of long-term capital for the nation's development projects.

of pension assets on trust on behalf of the contributors.

One of the significant advantages of the CPS in Nigeria is its stringent regulation and oversight.

PenCom serves as the regulatory authority, enforcing compliance and safeguarding the interests of pension contributors.

The Contributory Pension Scheme in Nigeria is a groundbreaking initiative that has revolutionised the nation's pension system.

The scheme offers employees a reliable financial safety net, addressing the long-standing issue of inadequate funds to pay retirement benefits to retirees.

The funds accumulated under the CPS are invested by the PFAs on behalf of the employees.

Meanwhile, data from PenCom reveals that Nigeria's pension fund assets rose to N19.531 trillion as at 31st January 2024.

This represents an increase of about 6.40 percent when compared to the N18.356 trillion that was reported as net asset value in December 2023.

These investments generate returns

With its portability feature, the CPS allows workers to switch employers without losing their accumulated pension benefits. This mobility fosters labor market flexibility and encourages job mobility, ultimately leading to a more dynamic and adaptable workforce.

However, having recorded remarkable successes and achievements in the last 20 years, the CPS is not without its share of accompanied challenges, complaints and criticism.

There are concerns about the adequacy of pension benefits and the need to continually review the contribution rates to ensure that retirees can maintain their desired standard of living.

Some workers and retirees under the CPS have continued to lament that the 25% of the total RSA contributed by a worker during his/her service years paid at retirement as lump sum is too small.

They also complained that the monthly stipends paid as pension is too low, while pensioners under the CPS are lacking in many other benefits.

The aggrieved workers, however, want the Federal Government to make budgetary allocations to cater to their pension needs, in addition to other benefits that are not available under the CPS.

As a result of some of the agitations, former President, General Muhammadu Buhari in May 2023, assented to the National Assembly Service Pensions Bill which exempted the National Assembly workers from the CPS.

The assent, which industry operators say did not pass through due process, was done barely 24 hours before the end of Buhari's administration in May 2023.

After it became law, Senator Babajide Omowore said in a statement that the new development was in furtherance of the provisions of Section 58 of the Constitution and the Acts Authentication Act Cap. A2, Laws of the Federation of Nigeria 2004.

Omowore said: "The National Assembly Service Pensions Board (Establishment) Act establishes the National Assembly Service Pensions Board to administer the pension scheme for personnel of the Service and exempts the personnel of the National Assembly Service from the CPS.

While this new law has not gone down



well with the industry operators, the beneficiaries have often time complained of their displeasure in the CPS.

Similarly, a bill before the National Assembly which has passed the second reading also seeks to exempt the Police and other Paramilitary organisations from the CPS.

Senate President Godswill Akpabio has assured the Nigerian Police retirees that the Senate was willing and ready to pass the Police Pension Bill into law on time and transmit same to President Bola Tinubu for assent.

If the Bill is eventually passed into law, the police retirees will be exited from the CPS for an independent pension board.

However, Pension industry experts have stated that with the consistency in government's fiscal deficit, rising debt profile and dwindling revenue, it will be difficult, if not impossible, for the government to finance the new jumbo package.

According to the experts, such development will lead to situations where workers will retire and be unable to get any pension benefit.

Commenting on the performance of the CPS in the last 20 years, former President Olusegun Obasanjo in an interview said that the scheme which commenced about two decades ago is now providing the needed solutions to the country's huge pension challenges.

Obasanjo, also expressed joy at the growth of the pension assets over the last 20 years.

He explained that when his administration instituted the pension reforms and pushed for a bill to reform pension

administration in Nigeria, there were no expectations that the assets will grow so rapidly and have the positive effect it has had so far.

In an interview with NAIPE Trumpet, Mr Michael Omisande, the Chairman, Nigeria Union of Pensioners, Contributory Pension Scheme Sector (NUPCPS) said that the CPS has eventually reformed the pension landscape within the last 20 years, as the old system, DBS, was not adequately funded and characterised with corruption and fraud.

In conclusion, to further improve the Contributory Pension Scheme in Nigeria, stakeholders have continually advocated for the incorporation of sustainable investment practices, including ethical and socially responsible investments.

Such measures would align pension fund management with environmental, social, and governance considerations.

CPS, over the years in Nigeria has demonstrated resilience in the face of economic fluctuations, providing a buffer for retirees against market uncertainties.

The scheme's long-term investment horizon and diversified portfolio contribute to its ability to weather economic challenges.

Through this innovative pension system, Nigeria has taken significant strides towards building a financially secure and stable society for generations to come.

By continually refining and enhancing the scheme, Nigeria can pave the way for a prosperous retirement landscape, setting a shining example for other nations across the globe.



Insurance As Safety Net In The Face Of Rising Inflation

By **FAVOUR NNABUGWU**

Rising inflation and worsening economic conditions in Nigeria, over the last five years, have negatively impacted lives and businesses in the country.

No sector of the economy is spared this, not even the financial sector. This has also raised concerns about the effectiveness and usefulness of insurance in such periods of economic difficulties.

However, such concern ignores the crucial role insurance plays in loss prevention and reduction, especially during times of high inflation. At a time of such economic volatility, when unexpected losses have a larger financial sting than they ever have before, the safety net of insurance can be the difference-maker.

The result is an opportunity: for insurance companies to demonstrate their value by managing inflation risk and

providing financial security and peace of mind to their customers.

Now, we are feeling the effects of an inflationary environment and periods of lower economic growth, illustrated most plainly by price shocks and the subsequent cost of living crisis. In such a landscape, insurers have a unique perspective and, indeed, responsibility in absorbing the impact for both consumers and the wider economy.

Insurance, A Safety Net In Difficult Times

In plain language, the high cost of living and decreased purchasing power of individuals has an obvious consequence of a lower demand for insurance – especially in areas where customers view the expense as non-essential.

Global Head of Insurance, Wealth and Trend Research at Allianz, Arne Holzhausen commented, "Insurance

industry, financial burdens can be smoothed and shared over time. While we cannot undo inflation for our customers, we can act as a buffer, cushioning the shock to an extent."

Adapting To Customer Needs

Chief Distribution & Regions Officer, Allianz UK, Nick Hobbs, said in the face of persistent inflationary pressures, the insurance industry has much work to do in remaining relevant and valuable to customers.

"A little more understanding of the things that keep our customers awake at night brings us all into better alignment as a profession, which can only be a good thing".

While insurers must take action to mitigate profitability and solvency challenges (only a profitable insurance company can offer reliable risk protection in the long run), it is essential that insurers

put customer needs at the forefront and avoid a purely commercial response to inflation. In other words, insurers have to think beyond higher priced premiums, stringent underwriting requirements and reduced risk appetite.

Actions Insurers Can Take To Respond To Inflation

There are a number of actions insurers can take to respond to the new macroeconomic environment and soften the blow to customers:

- * Product innovation: Insurers can offer products and solutions that address some of the macroeconomic risks customers are facing. For example, more affordable low-cost products with an increased focus on risk and loss prevention, as well as usage-based propositions. A good example of the latter is telematics technology.

- * Indexation: Incorporating an indexation feature in insurance policies ensures that the policy benefits keep up with the rising costs of living and inflation.

- * Review of indemnity periods: At times of shock, a small business might not fully understand how long it will take to return to full operations. Drawing customer attention to this and working together to set realistic indemnity periods is crucial.

- * Investment in technology and digitalization: Technology can help insurance companies automate various processes and streamline their operations, reducing costs and increasing efficiency. For example, online marketing and distribution, digital customer self-service, and claims automation.

- * Communication with customers: Educating customers on the potential impact of inflation on their coverage and the risks of underinsurance, as well as providing regular updates on any adjustments to products or pricing to account for inflation are key.

- * Strategic partnerships: Insurers can



Risk mitigation starts with data.

Insurers use several methods to collect and analyze substantial amounts of information, such as process mining, statistical modeling and forecasting, and applying machine learning and algorithms.

combat inflation by partnering with other organizations, such as healthcare providers or technology companies, to develop new products and services that are more efficient and cost-effective.

- * Diversification of investments: Preventative asset allocation that invests in a range of different asset classes, such as equities, real estate and commodities can help insurers to spread their risk and generate returns that are not undermined by inflation. Insurers can also invest in inflation-linked bonds, building additional protection through investment returns that are directly linked to inflation.

This inflationary environment is hitting the insurance industry hard in supply chain constraints, labour shortages and increasing litigation costs. Insurers are accelerating their business transformation plans centered around three primary themes to mitigate these risks: data, technology and talent.

Risk mitigation starts with data. Insur-

ers use several methods to collect and analyze substantial amounts of information, such as process mining, statistical modeling and forecasting, and applying machine learning and algorithms. Data-driven insights help assess the capacity and performance of an insurer's network of suppliers and vendors, improve their ability to assess risk more accurately, optimize productivity and control costs.

Insurance is a heavy task- and transaction-based industry, and much of these tasks are still done manually. The mass exodus of skilled workers and unexpected retirements can pose workers compensation-related risks. To counter future supply chain disruptions and social inflation, insurers are accelerating their digital transformation strategies, including expansion of their vendor networks and partnerships, application of intelligent workflows and automation of underwriting tasks. Companies need to exploit technology to operate more efficiently and accurately assess risks.

Much like other industries are navigating the labour shortage, many insurers are paying higher wages, offering increased benefits and more work flexibility. Staying competitive in this environment requires sophisticated talent acquisition and retention strategies that go well beyond wage considerations. Companies need discipline and consistency in creating clearly defined and achievable career pathways through mentoring, upskilling and training to address skill and knowledge gaps.

Conclusion

The multifaceted effects of inflation on the insurance sector will continue to be an issue that companies need to navigate. Still, those that think strategically about how to use data and technology to boost efficiency and more holistically cultivate talent will likely be the most formidable competition.



Olorundare Sunday Thomas

Olorundare Sunday Thomas: The Man Who Elevated Insurance Sector


ROSEMARY IWUNZE

When Mr. Olorundare Sunday Thomas was appointed substantive Commissioner for Insurance/Chief Executive Officer of the National Insurance Commission (NAICOM) by former President Muhammadu Buhari, on 3rd of May 2020, stakeholders in the insurance sector heaved a sigh of relief knowing the capacity and capability of the man that is taking charge of the insurance sector.

It is no news that the Nigerian insurance industry, prior to Thomas appointment, was plagued with diverse challenges such as low rating/poor recognition in the financial services sector and the economy, unprofessional practices by some operators, low insurance penetration, distrust, disrepute, weak regulatory oversight, etc.

However, Thomas came on board and brought numerous changes and initiatives that elevated the status of the insurance sector.

Following his appointment as the Commissioner, Thomas introduced strategic policies and plans driven to enhance market development, efficiency in

 With Thomas as Commissioner, the atmosphere in the industry became more accommodating and cordial. Insurance operators showed desire for consistent advancement because of a better working relationship and comprehension of the activities of NAICOM.

service delivery, protection of consumers as well as stakeholder confidence in the insurance business. Accordingly, the industry did not only see improved rating, but launched into new growth areas and level.

Thomas as Commissioner/Chief Executive of NAICOM

One of the greatest feats achieved by Thomas which none of his predecessors were not able to achieve is that he changed the nature of the insurance sector from one where the various arms are constantly antagonistic and at loggerheads with each other to one of mutual understanding and respect.

With Thomas as Commissioner, the atmosphere in the industry became more accommodating and cordial. Insurance operators showed desire for consistent advancement because of a better working relationship and comprehension of the activities of NAICOM. As a result, all arms of the industry worked in unison with same intent and purpose, to grow and develop the insurance sector.

Also, one of Thomas' key achievements as commissioner was his focus on digital transformation. Recognising the growing impact of technology on the

insurance landscape, he championed the development of digital platforms to streamline and simplify processes, making the documentation easier for consumers to access information and services. His digitisation drive not only increased efficiency within the industry but also empowered consumers with greater control over their insurance choices. Under Thomas, the Commission successfully completed its portal. The NAICOM Portal started nine years ago, but until Thomas came on board, nothing was happening. Today, the portal is already up and running.


As Commissioner for Insurance/Chief Executive of NAICOM, Thomas continued the drive to increase insurance penetration and market development in the country.

He introduced the 2021-2023 Strategic Plan with five points agenda designed to entrench effective and efficient service delivery, ensure safe, sound and stable insurance sector, adequately protect policyholders, and public interest, improve trust and confidence in the insurance sector and encourage innovation and promote insurance market development.

Also, Thomas renewed engagement with the Nigerian Content Development and Monitoring Board (NCDMB) and a committee was set up to work on the guidelines to enforce the law in the Nigerian content Policy. All the leakages hitherto being experienced were blocked which led to an increase in the retention of oil and gas insurance business.

Thomas instigated the development of more actuarial analysts' capacity in the industry as the first step of having more qualified actuaries in the country.

Thomas expanded the operating field by licensing more underwriting



Thomas expanded the operating field by licensing more underwriting companies, two Takaful insurance companies in addition to the existing two.

companies, two Takaful insurance companies in addition to the existing two. Also, four micro-insurance companies were licensed and an additional two are on the verge of being licensed.

In an attempt to increase insurance penetration in the country as well as increase government participation in insurance business, NAICOM, under Thomas, consistently engaged state governments to draw them closer and bring the gospel of insurance to their door steps. In the course of his stewardship, many state governors visited the Commission. The Commission also paid series of courtesy visits and entered into partnerships with many Ministries, Departments and Agencies (MDAs) of government as part of measures to increase penetration and awareness.

On the enforcement of compulsory insurance, NAICOM under Thomas embarked on various engagement measures across the country. Aside from visiting state governments to solicit for their sup-

port, especially on the domestication of Insurance Laws, NAICOM also worked in collaboration with the Federal Road Safety Corps, Federal ministry of transportation, Federal Fire Service, among others.

It is in light of these achievements that the Service Compact with all Nigerians, (Servicom) awarded him Best Supportive CEO on SERVICOM with a Letter of Commendation for the award presented to him on December 30, 2022 during the 2022 End of Year meeting and awards ceremony in Abuja.

Sunday Thomas' era as the Commissioner for Insurance was characterised by regulatory innovation, digital transformation, and a commitment to inclusivity which had profound impact on the industry.

Thomas Qualifications

Before this appointment as Commissioner, Thomas was the Deputy Commissioner in charge of technical matters at the Commission between April 2017 and August 2019.

He served as Director-General of the Nigerian Insurers Association (NIA) between May 2010 and April 2017 and it is to his credit that the Association successfully developed and deployed the Nigeria Insurance Industry Database (NIID) platform.

He holds a BSc (Hons) in Actuarial Science and an MBA in Finance both from the University of Lagos. He is also an Associate Member of the Chartered Insurance Institute, London and Nigeria, Member Society of Fellows of the CII London, Member, Nigeria Institute of Management among others.

Thomas is a thorough-bred insurance professional with vast knowledge and experience in underwriting, regulation and hands-on management of humanity and material resources spanning over four decades uninterrupted.



Tope Smart

Tope Smart: A Simple Man With Great Achievements

The man, Tope Smart is humility personified. At first encounter, an acquaintance could easily arrive at the conclusion that he is a simple man with simple achievement.

On the contrary, Smart is a simple man with great achievements.


For about three decades, he has traversed the African Insurance market like a colossus.

Currently the Chairman of NEM Insurance Plc, Smart, an astute professional, believes very strongly in the entrenchment of insurance in the minds of all Africans.

After the insurance industry recapitalisation of 2007, Smart co-founded the company with other investors and over the years has positioned NEM to be one of the industry leaders today.

Smart, a graduate and an award winner from the University of Lagos also holds a master's degree in Business Administration (MBA) from the University of Nigeria, Nsukka. He is an Associate member of both the Chartered Insurance Institute of London and the Chartered Insurance Institute of Nigeria.

Immediately after his completion of Secondary Education, he got admission at the Federal School of Arts and



A visionary leader and a very passionate Insurance Executive, Smart initiated the construction of a befitting edifice for NEM Insurance Plc. The building, now a pride to the Industry has contributed to the promotion of the image of the Nigeria Insurance Industry.

Science in Ondo for his Advanced level programme. This step led him to gain admission into the prestigious University of Lagos where he read Insurance and graduated in 1987 with a Second Class Upper degree and also won the University's prize for the overall best graduating student in Insurance department. Smart equally won the Unity Life and Fire Insurance Company Limited prize for the best graduating student in Insurance in

the same year.

He proceeded immediately after graduation for the National Youth Service Corps program at Everyman Insurance Brokers, Abuja where he was involved in the overall operations of the branch office. He contributed in no small measure to the rapid growth of the Company. After the National Youth Service, he was rewarded with a permanent employment as a Branch Manager with the same firm. He however left Abuja to join Nigerian-French Insurance Company Limited as one of the pioneer staff in 1989.

In 1991, Smart completed his professional examination with the award of CII London where he equally won the prize for Distinction in Property and Pecuniary Insurance. He served Nigerian French in various capacities and became an outstanding staff in the company. No wonder, he was rewarded with a double promotion and was made to head the Marine Unit of the company, a position he held till he left the company.

In 1991, he left Nigerian French and joined hands with two other people to pioneer Perpetual Assurance Company Limited as Assistant Controller. In this position, he was responsible for the development of the Technical and Mar-

keting policies of the company, a task he performed beyond the expectation of the Board. He was therefore rewarded with a promotion to the position of a Controller, barely a year after the company commenced operations in 1992. In 1994, due to his continuous impressive results he was again promoted to the position of Assistant General Manager (Operations) of the company.

In the year 1995, Smart joined Vigilant Insurance Company Limited as the General Manager/Chief Executive Officer. He was responsible for the overall growth and development of the organization. In view of the outstanding results posted in two years, the Board in 1997 approved his elevation to the position of Managing Director/Chief Executive Officer with shareholding in the company.

He transformed the company from N6 Million annual premium income in 1995 to an industry leader with a recorded premium income of about N1 billion in 2005. The company was acknowledged and adjudged as one of the fastest growing Insurance companies in Nigeria then. The company was not only making profit but consistently paid dividends to its shareholders throughout the period. This excellent performance was rewarded with the Active Corporate Executive award for Excellence by Credit News in April, 2000. This was followed with the Award of Excellence by the Actuary Science and Insurance Students' Association, University of Lagos in September, 2001.

In 2007, he successfully spearheaded the merger arrangement between Vigilant Insurance Company Limited and NEM Insurance Plc. After the merger, Smart was appointed the Managing Director of the merged entity. The company has since become the delight of shareholders and brokers alike.

A visionary leader and a very passionate Insurance Executive, Smart initiated



In recognition of his outstanding achievements, Smart has won several awards among which are: Distinguished Alumnus by the University of Lagos, University of Lagos Alumni Association Golden Jubilee Special Recognition Award amongst others

the construction of a befitting edifice for NEM Insurance Plc. The building, now a pride to the Industry has contributed to the promotion of the image of the Nigeria Insurance Industry.

In 2009, he set up a subsidiary in Ghana, named NEM Insurance Ghana Limited which he wanted to use as a Springboard to launch out to other West African Countries.

In 2014, he was appointed by the Federal Government as Co-Chairman of Insurance Industry Transformation Committee.

Smart played a vital role in the industry both at the Nigerian Insurers Association (NIA) and as a member of Council of Chartered Insurance Institute of Nigeria (CIIN). In 2018, he was elected as the 23rd Chairman of NIA. His landmark achievements – which he christened “Insurance First Agenda” remains indelible.

Smart believes in working hard and

working smart. Clothed in humility, his amiable personality has endeared him to all that has crossed his path, and paving the way for the growth and successes of NEM Insurance.

Although an unassuming personality in the insurance industry, his doggedness and hard work has been the magic wand that has continued to propel NEM Insurance to greater heights.

He is an unrepentant advocate of a better and stronger Insurance Sector in Africa. He is a Council member, Chartered Insurance Institute of Nigeria, Council member, West African Insurance Companies Association (Ghana), Council member, Nigeria-Britain Association, member of Senate, University of Lagos, and a past Chairman of Nigeria Insurers Association.

Smart was a past President of the African Insurance Organisation (AIO). During his presidency, AIO witnessed phenomenal growth and increased visibility as a result of several initiatives introduced by him.

Topé is presently the Chairman, Alpha Morgan Capital Limited, Chairman, NEM Health Limited, Vice-Chairman, AIO Foundation, amongst others. In 2014, he was appointed by the Federal Government as Co-Chairman of the Insurance Industry Transformation Committee. He was also recently appointed Chairman, Planning Committee of the University of Lagos Alumni Association's Golden Jubilee Anniversary.

In recognition of his outstanding achievements, Smart has won several awards among which are: Distinguished Alumnus by the University of Lagos, University of Lagos Alumni Association Golden Jubilee Special Recognition Award amongst others. Smart is the winner of year 2023 (Almond Insurance Industry Award) Insurance CEO of the Year. He is also a two-time winner of the Businessday Top 25 CEOs award. He is an alumnus of Harvard Business School.



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Akin Ogunbiyi

Dr. Akin Ogunbiyi: Innovative Leader With Eagle Eye For Opportunities

Dr. Akinade Ogunbiyi is an innovative leader and well-grounded scholar who identifies opportunities and creates great and highly beneficial values from them through entrepreneurship. With a Doctor of Insurance (Honoris Causa), he has over the years accumulated unique skills and capabilities through his insatiable search for knowledge.

Ogunbiyi was born on 12th September 1962 in Ile-Ogbo, Ayedire Local Government Area of Osun State. He attended Ansarudeen Primary school from 1967 to 1974 and Kuta/Ile-Ogbo Modern School for his intermediate school. He proceeded to Luther King's College Ile-Ogbo.

Whilst growing up, Akin as fondly called was enterprising, diligent with focus on activities that would generate income. He was engaged in farming, fishing, hunting and basket weaving. He supported his family by engaging in the sales of farm produce and other petty items in the town. After graduating from high school in 1980, he proceeded to the College of Arts & Science, Ile-Ife for his A Levels. It was after his first year that he wrote the Joint Admission & Matriculation Examination to read Agricultural Economics at the University of Ife. (Now Obafemi Awolowo University) Ile-Ife, Osun State. He graduated with a Second-Class Upper Division in 1986.

A thorough-bred professional, an

economist and a management consultant, Akin Ogunbiyi is an alumnus of the following institutions: University of Ife, Ile-Ife (now Obafemi Awolowo University, Ile-Ife); University of Navarra, Barcelona, Spain; Lagos Business School (LBS), Nigeria; Harvard Business School, Boston, Massachusetts, USA; Said Business School; University of Oxford, United Kingdom and Yale School of Management, USA.

Ogunbiyi is an Associate Member of the Chartered Insurance Institute of London and a Fellow of the Chartered Insurance Institute of Nigeria (FCIIN). He is a Fellow of the Nigerian Institute of Directors (FIoD), a Fellow, of the West Africa Insurance Institute, Banjul, Gambia and a Fellow of the Risk Managers Society of Nigeria (RIMSON).

Described as an Icon of Insurance in

the industry, his career development in Insurance started during his undergraduate studies when he ventured into Agricultural Insurance as his choice of specialization.

In his entrepreneurial pursuits, he has taken quite some risks. He gave up an impressive and promising career at NICON to go into Insurance Consultancy. Dr. Akin Ogunbiyi was the pioneer Chief Executive of Finance & Insurance Expert Limited, a firm of Finance, Insurance, Environmental and Management Consultants as Managing Partner/Chief Executive Officer in 1992.

A resilient business manager, he has continued to create wealth for the nation through the establishment of many viable and well-managed businesses. He is currently the Group Chairman of Mutual Benefits Group- a Conglomerate



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with five subsidiaries, including affiliate companies in Niger Republic and Liberia. Institutions with over 5,000 staff and marketing executives, who are gainfully employed in various value-adding sectors of the Nigerian and other nations' economies. Akin is the Chairman of the USIG, a real estate investment firm and Charles Enterprises LLC; both in the USA, and CIL (Inc) UK.

He integrated and successfully transformed the coordinated business units into highly profitable business ventures in Insurance, Oil and Gas, Agriculture, Transportation & Logistics, Real Estate, Banking, and Mining.

Ogunbiyi pioneered grass-root insurance with its tailor-made offerings as a catalyst for revenue gains, growth and expansion in the economies of catchment countries.

A philanthropist and God-fearing technocrat, Dr. Akin Ogunbiyi is presently promoting the establishment of a private University under the Arubiewe Educational Foundation. The Foundation has supported over a hundred scholarship awards and sponsorship of students in secondary, and tertiary professional education. Of these awards, there are 10 graduates of the West Africa College of Insurance, Banjul, Gambia; 15 graduates from Chartered Institute of Management, Lagos, Nigeria; a post-graduate study leading to the award of PhD in Architecture from the University of Leeds, United Kingdom among others. The Foundation which provides Awards and sponsorship of students on yearly basis has currently 15 pupils who just finished Primary School at Adeleke college, Ede, 5 undergraduate students in a private university and several others in diploma and professional education.

Dr. Ogunbiyi sits on the boards of several companies both in Nigeria and other countries. He is Chairman, Mutual Exploration Co. Limited; Chairman, Track Africa Limited; Chairman,



He integrated and successfully transformed the coordinated business units into highly profitable business ventures in Insurance, Oil and Gas, Agriculture, Transportation & Logistics, Real Estate, Banking, and Mining.

Arubiewe Farms Limited; Chairman, Arubiewe Educational Foundation; Chairman, Arubiewe Pharmaceutical Limited and Chairman, Reals Pharmaceutical Limited.

In a career spanning over 34 years, Ogunbiyi has been honoured with several awards. These include: Honorary Degree of Doctor of Insurance (honoris causa) by the Senate, Governing Council and the Board of trustees of Joseph Ayo Babalola University, Osun State; Professional Innovator Award (Merit Award), in recognition of his service to the Insurance Industry in Nigeria from the Professional Insurance Ladies Association (PILA); Lifetime achievement award for entrepreneurship 2017, Black Heritage Magazine; Insurance Icon 2017 Award. Association of Online Publishers; Odua Business Ambassador Award 2017; OBA Awards Program; Benson Idahosa University's special recognition on contribution to Nation Building, in the areas of Entrepreneurship and Job Creation, 2015; Recognition Award from Business Journal, 2014 and Recognition Award from Yaba College of Education, as Chairman Valedictory Ceremony, 2013.

Others are: Excellence award for outstanding support to the Nigeria Police at the 1st Nigeria Police Sports Award, 2014; Award of Honour from African Church, 2012; Commander, Great Ife, (CGI), 2016; Obafemi Awolowo University Distinguished Alumnus Award, 2021; Grand Patron, Guild of Photo-journalists of Nigeria (GPN), 2022 and Induction into the Marketing Edge Hall of Fame with the Corporate Pacesetter Award, 2022.

Ogunbiyi's wealth of experience has been written into books and essays for the development of others. As of today, he has over 80 essays and publications to his credit.

He is married to his beautiful wife Mrs. Adedotun Ogunbiyi and they are blessed with five wonderful children and grandchild.

Plan To Scrap PTAD: In Whose Interest?

BY EDET UDOH

The Nigerian Government during the Federal Executive Council (FEC) meeting held Monday February 26, 2024, in Abuja, presided over by President Bola Tinubu, decided to scrap some agencies, commissions and parastatals and also agreed to merge, subsume and relocate some of the agencies, commissions and parastatals in order to reduce the cost of governance.

The Pension Transitional Arrangement Directorate (PTAD) is one of the agencies to be scrapped and functions transferred to the Federal Ministry of Finance.

Government said its action is in line with the implementation of the Steve Oronsaye Committee Report submitted in 2012 on Rationalization of Ministries, Departments and Agencies of government.

Since the announcement of the government's plans to scrap PTAD and transfer its functions to the ministry of finance, pension industry's stakeholders and the pensioners union have continued to react to the matter.

While some have outrightly condemned the federal government's decision, pointing out that scrapping PTAD will take the Nigerian pensioners back to the dark days before the enactment of Pension Reform Act in 2004, when many pensioners lost their lives while waiting endlessly for their pensions, others are calling on the government to tread with caution in the interest and the overall well-being of the pensioners.

Similarly, some aggrieved Union members are threatening to take the federal government to court if they go ahead to scrap PTAD.

Some industry analysts have expressed concerns, asking why government decided to scrap the Directorate established since 2013, adding that the scrapping of PTAD amounts to waste of resources and counter productive considering tax payers money spent in the



Chioma Ejikeme, Executive Secretary, PITAD

establishment and running of the Directorate for more than 10 years.

They appealed to the government to give PTAD time to complete some of the ongoing programmes such the "I Am Alive" and "Back End Computation for Pensioners" which implementations are due to commence soon, adding that considering financial implications and government's huge investments in these project, scrapping PTAD now when it has not completed the mandate

to which it was established amounts to waste of money and government resources.

They also drew government's attention to how billions of naira that were meant for the payment of pensions were embezzled by the former pension controllers and directors.

PTAD was established in August 2013 in compliance with the Pension Reform Act of 2004, which was repealed and re-enacted in 2014, with the mission to provide exceptional, transparent and technology-driven,

innovative and long-term pension services through a competent and dedicated workforce.

PTAD came on board when the Defined Benefit Scheme (DBS) administration under the old pension offices was facing overwhelming challenges.

Speaking during an interview with NAIPE Trumpet, the National Chairman of the Nigerian Union of Pensioners, Contributory Pension Scheme (NUPCPS), Comrade Sylvanus Nwaiwu, expressed concern on the issue, describing it as “very unfortunate” even as he blamed some Nigerians who are instrumental to the matter for their narrow-mindedness and for allowing themselves to be used.

He expressed regret why government should forget very easily the suffering that pensioners under DBS had to go through in the past before getting paid which led to the 2004 pension reform and the establishment of PTAD.

“I have even seen a pensioner under PTAD who is already celebrating the recommended scrapping of PTAD. To me, this is very unfortunate. The situation is even more pathetic where majority of the citizenry is easily brainwashed.

“Another cause of concern is that our political system is yet to imbibe the culture of continuity. Where continuity is key, we rather build upon existing structures than destroy them. There is also the factor of our being too forgetful. Have we forgotten the nightmares pensioners under the old pension scheme (DBS) had to go through to receive their pensions before the introduction of PTAD, how many of them died during the frequent deceitful verification exercises? Have we also forgotten the billions of naira that were embezzled by the former pension controllers and directors?

“A major challenge before us is that in Nigeria laws are easily made and easily changed not for the citizens but with some people in mind. Once, the instigators of reforms are no longer in position of power to enjoy the benefits, the reforms they earlier sponsored are quickly condemned and sooner than later expunged whether they are good or bad. However, I was happy when I heard the National Assembly call for caution and proper investigation before scrapping or merging of any of the agencies recommended by the executive arm of the government.

Speaking on the performance of PTAD, Comrade Nwaiwu said, “I am not under PTAD, I am under PenCom. There's there-



fore little I can deliver on the performance of PTAD in terms of carrying out its statutory responsibility. I believe only PenCom as the apex supervisor of the Nigeria pension industry, can judge the performance of PTAD. However, being a member of the National Executive Council (NEC) of the Nigeria Union of Pension (NUP) that includes the DBS retirees and the Contributory pension retirees Sector, I can say from the feelers during our meetings that PTAD has steadily carried out its statutory responsibilities optimally.

In his contributions, NUPCPS Chairman, Lagos State Sector, Comrade Michael Omisande, highlighted why PTAD was established and why government decided to scrap it, just as he called on the federal government not to shy away from its responsibility of taking care of the retirees who had laboured to build the country.

According to him, PTAD is an Agency established by the Federal Government for prompt payment of pensioners under DBS and also for managing and directing the affairs of the DBS in order to make it efficient. But since the Federal Government decides to implement the Oransanye's report, in order to reduce some Government Agencies, that is the reason why it is being scrapped in order to cut the cost for Government expenditure and duplication of Government agencies.

“The foundation of failure of the new Pension Scheme in Lagos State started when the Retirees accrued benefit since 2007 were not credited into their Retirement Savings Account (RSA) like others in Private Sector.

The template used in calculating the bond is poor as it cannot put food on our tables.

“Government as a matter of facts cannot and should not deny or withdraw their responsibilities to the senior citizens who had laboured to build the state with their sweat and blood.

“All over the world, senior citizens are cherished, respected and cared for throughout their lifetime. That is the reason why such countries are moving forward. We are the birds that laid the golden eggs, we appeal to the Federal Government, to let us enjoy the dividend of democracy as we all know that without yesterday, there cannot be today,” Omisande stated.

Meanwhile, the Southwest chapter of the Nigeria Union of Pensioners (NUP) has condemned Federal Government's plan to unilaterally scrap PTAD without the approval of the National Assembly, and threatened legal action against the federal government.

The Union made its stance on the matter known in a communique released at the end of the meeting of state chairmen, secretaries and leaders of the union, held in Abeokuta, Ogun State.

The union insisted that scrapping of PTAD would amount to taking pensioners back to Egypt “where our pensions and gratuities will be at the whims and caprices of larcenous civil servants.”

According to the body, the Oransaye report did not recommend the scrapping of PTAD and urged the federal government to allow PTAD to continue to exist as an agency that oversees pension issues of all pensioners.

Faces At 2023 PenOp Media Parley For NAIPE Members



Faces At The 8th NAIPE Insurance & Pension Conference



Faces At The NAIPE 2023 End of Year Family Get Together





Seun Ajayi

Seun Ajayi:

A Figure To Reckon With In Insurance Sector

A head count of professional insurance men who witnessed rapid rise to leadership position in Nigerian insurance industry, without mentioning Mr. Seun Ajayi, is certainly incomplete.

Ajayi, is a Chartered insurer spanning four decades in the insurance industry. He is both an Associate of the Chartered Insurance Institute of London (ACII) and Nigeria (AIIN) respectively. An astute professional who has devoted his entire working life to the practice of insurance. He was at various times with NICON Insurance Corporation, and International Standard Insurers Limited, (ISI) where he held several Management positions. Ajayi is the Co-Founder and Pioneer MD/CEO of Sovereign Trust Insurance Plc.

He attended various Management and Leadership Development Programmes at different times in the course of his career including a profes-

sional and Management Programme at the London School of Insurance.

He is an alumnus of the Lagos Business School having completed the Chief Executive Programme, (CEP) of the Institution. Ajayi attended leadership and Management development programmes at the IESE Business School of the University of Navarra, Spain, the University of Nottingham Business School, and the London Business School, respectively. Back home, he attended several Management development Programmes including leadership training at the Administrative Staff College of Nigeria, (ASCON). He is a graduate of History and Politics from the University of Ibadan.

Under his leadership, Sovereign Trust Insurance Plc consistently experienced steady and remarkable accomplishments and he successfully transitioned the company from a Limited Liability Underwriting Firm to a Publicly Quoted Company in November 2006.



Ajayi attended various

Management and Leadership Development Programmes at different times in the course of his career including a professional and Management Programme at the London School of Insurance.



Anthony Aletor

Anthony Aletor: A Philanthropist Making Positive Impacts

Chief Anthony Aletor, the Chairman, Capital Express Holdings Limited, is a true Nigerian whose benevolent spirit and generosity knows no ethnic boundary and religious background. As insurance guru, Aletor made landmark impact in the Nigerian insurance industry, through Capital Express Assurance Limited.

He founded the Capital Express Group in 1990, and in the year 2000, he set up Capital Express Assurance Limited, one of the biggest life insurance companies in Nigeria today.

The Group later acquired fourteen (14) other insurance companies including the famous Nigerian General Insurance (NGI), a company wholly owned by the defunct Western region now consisting of Ogun, Osun, Oyo, Ondo and Ekiti States. This further led to the establishment of Capital Express Assurance in Kenya, Ghana, Gambia, Liberia, Sierra Leone, and a representative office in the United Kingdom.

The Group also includes Capital Express Financial Services which is into investment banking, securities trading, trusteeship, commodity brokerage and has the following subsidiaries: Capital Express Securities Limited, Capital Ex-

press Assets and Trust Limited, Capital Express Trustees Limited, and Prime Wealth Nominees Limited.

An achiever par excellence, Aletor, has received Honours which include Commander of the Order of the Niger (CON), conferred by the former President and Commander-in-Chief of the Armed Forces of Nigeria, Muhammadu Buhari (GCFR); and Justice of the Peace (Edo State).

Born on August 17, 1962, Aletor attended University of Ibadan; Olivet Baptist High School, Oyo; Lagelu Grammar School, Ibadan; and St Patrick's Catholic School, Bacita, Kwara State. He has also attended trainings and courses in the United Kingdom.

He also sponsored the rehabilitation of street urchins in Victoria Island, Lagos especially the Bar Beach area, by pulling the addicts and runaways through a rehabilitation programme that got them off drug abuse, assisted them to learn trades and to further their education. United Pastoral Foundation also supports less privileged, orphans and widows through a revolving entrepreneurial scheme that gives free grants to setup small scale businesses.

-Christ Against Drug Abuse Minis-

try (CADAM): Aletor is the Chairman CADAM, an organisation that has been at the forefront of battle against the menace of drug and drug abuse in our society, through the rehabilitation of thousands of Nigerians via their permanent world-class rehabilitation centre at Araga, Epe, Lagos.

Unilag Student Indigent Fund: He is a notable supporter of the University of Lagos indigent fund via a 10-year sponsorship programme.

-Ecole Supérieur d'Administration et d'Economie (ESAE-UNIVERSITY), COTONOU, BENIN REPUBLIC: His contributions to the aforementioned body, a Private Trust for annual award to the best graduating students in the Faculty/Department of Risk Management, Finance & Accounting is worth mentioning.

-Lagelu Grammar School Alumni Association: As an active member of the Lagelu Grammar School, Ibadan Old Boys Association, Aletor was the chief host of the Golden Jubilee Celebration in 2008. His immense contributions led to raising of funds for the huge success of the 50th anniversary programmes of the association.

In 2018, he was unanimously saddled with the responsibility to chairman the

60th Diamond Anniversary of his alma mater where he raised over N350 million for the renovation and rebuilding of all the school's infrastructure. Some of the projects were the new school gate with a 3-km tarred road, renovation of the school hall, modernisation of the clinic, dining hall, school auditorium, new classroom blocks (storey building), and a personal donation of a digital library among others. This made the school to take its place of pride among schools in the whole of Oyo State and the entire country.

In appreciation for his immense contributions the leadership of the Alumni Association conferred on him the highest title and honour of Grand Distinguished Lagelite (rarely given out) for his outstanding and exemplary leadership qualities. The late Governor of Oyo State, Abiola Ajimobi, was so elated at the commissioning of these facilities that he urged all old boys of other schools in Oyo State to emulate Lagelu Grammar School Old Boys Association.

Chief Aletor's philanthropic deeds did not elude members of the NYSC as well as less privileged and old peoples' homes as through his various companies, he contributed to the construction of a building for the NYSC skill acquisition programme at the Nasarawa State NYSC camp, Lafia; Building of a library and archives centre, Nigerian Navy Secondary School, Ojo, Lagos, Yearly donation to the old people's home Yaba; Mercy and Love Orphanage Home Bogije; Nigerian RED Cross Motherless and abandoned Babies Home; Home of Destitute, Ebute-Meta; Bales of Mercy Bariga; Destiny Trust Centre Lagos.

He sponsored inter-house and inter-schools' competition, for secondary schools across the federation in the pub-


lic and private sector.

Aletor is Member, National Institute (mni); Associate Chartered Insurance Institute of London (ACII); Associate Chartered Insurance Institute of Nigeria (ACIIN); Associate Corporation of Insurance Brokers (ACIB); Associate Member, Nigerian Institute of Management (AMNIM); Fellow of the Chartered Institute of Stockbrokers (CIS); Member of the Association of Pensions Fund Managers of Nigeria; Member of the Institute of Directors (IOD); Honorary Fellow Chartered Institute of Loan & Risk Management of Nigeria (HCILRM); and Patron and Honorary Fellow, Institute of Co-operative Professionals of Nigeria (ICOPRON).

The financial chieftain, Aletor, has Honorary Doctorate Degree (Doctor Honoris Causa) in Leadership & Community Development - Ecole Supérieur d'Administration et d'Economie (ES-AE-UNIVERSITY), Cotonou, Benin Republic; and Doctoral Fellow (Dr. ICRMP) International Certified Risk Management Professionals, United Kingdom.

Others are Dr Kwame Nkrumah Great Achievers' Award for Icons, Technocrats, Diplomats and International Business Tycoons; Distinguished Alumni Award, University of Lagos Alumni Association; Distinguished Achievement Award – Olivet Heights' Founders Dream in Private Sector; Olivet Baptist High School Oyo National Old Students' Association; Grand Distinguished Alumni Award, Lagelu Grammar School Old Boys Association; Prestigious Award – Ibadan Golf Club; and Outstanding Friend of Ibadan Indigenes Award - Central Council of Ibadan Indigenes.

Aletor is happily married with children.



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Insurers And Steps To Address Unpaid Claims

The initiative by the National Insurance Commission (NAICOM) to ensure that insurers clear all outstanding claims in their books this year is eliciting positive reactions from stakeholders and public, writes **EBERE NWOJI**.

Indeed, the year 2023 marked a turning point in the history of insurance practice in Nigeria, as it witnessed a redefinition of insurance practice by operators in the area of claims payment and premium generation.

With regards to claims' payment, insurers last year through the influence of the regulator, the National Insurance Commission (NAICOM), resolved to clear all cases of outstanding claims in their books by inviting members of the insuring public to come up with requisite documents for settlement of any outstanding claim they have with any insurance firm.

The operators through the directive of NAICOM, put up public notices in newspapers inviting members of the insuring public who have one case of unpaid claims or the other to come with necessary documents to have the claims paid.

NAICOM mandated the operators through their umbrella body, the Nigerian Insurers Association (NIA) to do this while the commission carried out necessary supervision.



This is a paradigm shift from hitherto practice of claims repudiation by many insurance firms, a situation which has, over the years, portrayed the sector in bad light.

Members of insuring public hailed this initiative while stakeholders said it would surely boost the industry's image.

Place of claims payment in insurance value chain :

Claims payment in insurance contract serves as spice that attracts potential policyholders to insurance patronage.

Insurance claim in its simple definition is a formal request for compensation made by

a policyholder to an insurance company for loss (es) suffered under the terms/conditions of the policy. Although a claim could be filed by a third party like a lawyer or broker, only the person listed as beneficiary on the insurance policy is entitled to receive payment.

Ideally, insurance business is all about claims payment and claim is the main reason a policyholder takes up an insurance policy.

Without claims being paid by insurance companies, people are not likely to take up insurance policies. In every insurance contract, there is always a promise that when the

eventuality (risks) happens, the insurance company as a risk bearer, will be there to compensate the insured/policyholder.

Therefore, claims payment serves as a test instrument that determines the extent to which an insurance company lives up to the 'utmost good faith' promise. In other words, claim payment serves as brand image of an insurance company.

Claims payment situation in Nigeria:



Here in Nigeria, because some operators have over the years neglected claims payment, thereby making the insured to withdraw their patronage of insurance services, even the compulsory insurances.

This explains why among the compulsory insurance like the Third Party Motor or Marine insurance, you see people patronising quacks just to obtain any certificate to show to law enforcement agents and pass check points. This is because the prevailing cases of unpaid or delayed claims made the public not to value claims and prefer to obtain any paper bearing insurance from anybody instead of going to genuine operators to buy their in-

surance cover.

NAICOM as a regulator has made efforts to address the situation but none has yielded the desired result until the latest resolution to compel insurers to clear all outstanding claims in their books through invitation to the public to approach insurance firms owing them outstanding claims for payment.

Effects of claims repudiation:

The effect of claims repudiation suffered by many insureds in Nigeria has affected the industry's image negatively.

Before Now, NAICOM had devised several ways of ensuring that insurance firms pay claims seamlessly.

Way back in the days of late Chief Oladiipo Bailey as the insurance commissioner, the commission did a lot to improve claims payment in the industry.

One of the strategies he used was significant increase in the minimum capital of the industry from N20 million to N70 million for general insurers and N50 million for life insurers. This, he said, was to ensure that insurers have enough money in their coffers to pay claims. He also mandated for a re-registration exercise in the industry, a strategy he used to weed out non claims paying and weak insurance firms.

After this, he adopted the strategy of presiding over claims payment in the industry to the extent that he used his prerogative power to mandate the insurers to pay major claims that ordinarily they would not have agreed to pay.

A case in point was claims from the Ikeja cantonment explosion in 2002, which the late NAICOM Chief executive officer mandated insurers to pay under what he tagged "gentleman's agreement".

After him came Fola Daniel, who from his assumption of office in 2007, continued the crusade about the place of claims payment in insurance contract.

Daniel had told the insurers that the best advertisement they would do that could pull crowd to insurance firms is seamless claims payment.

The late Emmanuel Chukwulozie was also not left out among NAICOM chief executives who fought for claims payment. Even the former insurance commissioner, Alhaji Mohammed Kari, did not mince his words in telling the insurers the mandatory nature of claims payment in insurance contract.

The Immediate Past Commissioner, Mr. Sunday Thomas, seems to be a stronger force

compared to his predecessors in pushing for seamless claims payment in the industry.

Thomas had before now threatened to adopt the 'name and shame' strategy in getting insurance firms pay claims.

This, according to him, will involve publishing names of insurance firms that failed to pay claims for no genuine reason.

NAICOM's current efforts:

With the "10 year strategic road map" of NAICOM under the administration of the former commissioner, Mr Sunday Thomas, transformation of the regulatory environment to sustain the industry's growth topped the list.

Industry analysts interpreted the move by the commission to finally address cases of unsettled claims in the books of insurance firms as a major part of the transformation targeted at making Nigerians renew their interest and appetite for insurance.



NAICOM as a regulator has made

efforts to address the situation but none has yielded the desired result until the latest resolution to compel insurers clear all outstanding claims in their books through invitation to the public to approach insurance firms owing them outstanding claims for payment of such claims.



Obinna Ekezie

Obinna Ekezie: International Sportsman Cum Business Mogul

Talking about a Nigerian boardroom guru who combines sportsmanship talent with business acumen, one cannot but mention Mr. Obinna Ekezie, the Chairman Consolidated Hallmark Insurance Limited. A master strategist, founder and author of fastest growing and largest internet travel sites in Africa, wakanow.com, Ekezie stands tall in sports and business arena across continents.

His positive impact in Consolidated Hallmark Insurance since 2016 as chairman is very conspicuous.

He joined the board of Consolidated Hallmark Insurance in 2016 as Chairman and has continued in that capacity following the transformation which led to the current status of the company as a Limited liability.

The company consistently paid interim and final dividends to shareholders, as well as recorded growth in profitability and premium income from N6,039,451,539 in 2015 to N12,826,865,000 as at the 2022 Financial Year.

Consolidated Hallmark Insurance Limited is now the General Insurance and Special Risks subsidiary of Consolidated Hallmark Holdings Plc.

Aside Consolidated Hallmark, Ekezie is the founder and past Managing Director of one of the fastest grow-



A talented strategist and tactician, his leadership offerings, strategic insights and advice for market differentiation, helped to secure wakanow as the fifth fastest growing company in Nigeria within a short time.

ing and largest Internet travel sites in Africa, wakanow.com which was established after an initial experiment with a travel website, zeepttravel.com.

He is an alumnus of the University of Maryland, USA and with a Minor degree in IBM Total Quality Management from the same institution.

A talented strategist and tactician, his leadership offerings, strategic insights and advice for market differentiation, helped to secure wakanow as the fifth fastest growing company in Nigeria within a short time.

A professional basketball player, his sojourn in the United States was remarkable with him signing on to attend and play basketball for the University of Maryland at College Park in 1995. He later competed at the highest levels in two continents, while contributing to the success of teams including the Vancouver Grizzlies, Washington Wizards, Dallas Mavericks, Los Angeles Clippers, Atlanta Hawks, amongst others.

Ekezie is also the Founder/Chairman of African Basketball League, established to develop innovative organisational models in African Basketball.

He has also established the Organised Basketball Network (OBN), which is focused on grassroots basketball infrastructure development with the completion of the OBN Academy in Lagos, Nigeria.



Martin Luther Agwai

Martin Luther Agwai : Revolutionizing Insurance Operations

Like the historical Martin Luther who brought revolution in the world of Theology, Christianity and politics of his time, General Martin Luther Agwai, the Chairman Leadway Assurance in collaboration with management and staff of the company disrupted and revolutionized the existing order among insurance firms in Nigeria in terms of annual premium income earnings and claims payment.

As the chairman, Leadway Assurance emerged the first Nigerian insurance firm to cross the three digit billion naira premium mark in 2022 having posted N104.4 billion premium. This height has not been attained by any other insurance firm in Nigeria.

In the 2023 business year, going by the performance of the company in first and second half of the year the company will surpass this figure thus remaining a champion in both premium income earnings and claims payment.

Looking at the company's books, with a gross premium written of N92.5 billion, savings and investment of N10.8 billion and another N1.1 billion from its Ivorien Insurance subsidiary, totaling N104.4 billion premium collection in 2022, Leadway Assurance Company Limited is the first Nigerian insurance company to achieve this height.

Also, the company's claims payment of N57.5 billion makes the firm the largest claims payer in the industry consistently in the last seven years, thereby showcasing the benefits of insurance as an intervening tool in preventing financial losses.

While the resilient and resolute management team of the company contributed in no small measure to bring forth these achievements, the commitment of

the Chairman of the Board of Directors, General Martin Luther Agwai in creating a world class company cannot be swept under the carpet.

Under the Chairmanship of General Martin Luther Agwai, Leadway Assurance has become a flexible and market-sensitive company in the execution of its business strategy as well as engagement with stakeholders across the value chain.

Leadway Assurance, as one of the foremost insurance services company in Nigeria, has a reputation for service efficiency and customer reliability. The company extended its footprint to the West African markets with Leadway Vie Limited, a Life insurance services provider, and Leadway IARD Limited, a General insurance services provider, fully operational in Cote d'Ivoire.

General Agwai has said: "We remain firmly committed to intensifying and amplifying our group synergy towards enhancing our business reach and replicating successes achieved in Nigeria across other regions in Africa."

As the highest claims paying insurance company in the insurance industry, Leadway Assurance has consistently re-emphasised its resolute commitment to prompt claims payment to policyholders despite the uncertainties in the economy.

The company is well-positioned, strengthened and financially secured to continuously deliver its mandate of outstanding risk management and wealth creation to policyholders.

A commander of the Order of the Federal Republic of Nigeria (CFR) Gen. Martin Luther Agwai attended Government Secondary School (now Alhudahuda College), Zaria and holds a Post Graduate Diploma Administration with distinction

from the Administrative Staff College of Nigeria (ASCON) as well as a Master of Science Degree in National Resource Strategy from the National Defense University (NDU) in Washington DC, USA.

He enlisted into the Nigerian Armed Forces as a member of Regular Combatant Course 8 in 1970 and was commissioned in 1972. He rose swiftly through the ranks to the position of Chief of Army Staff in June 2003.

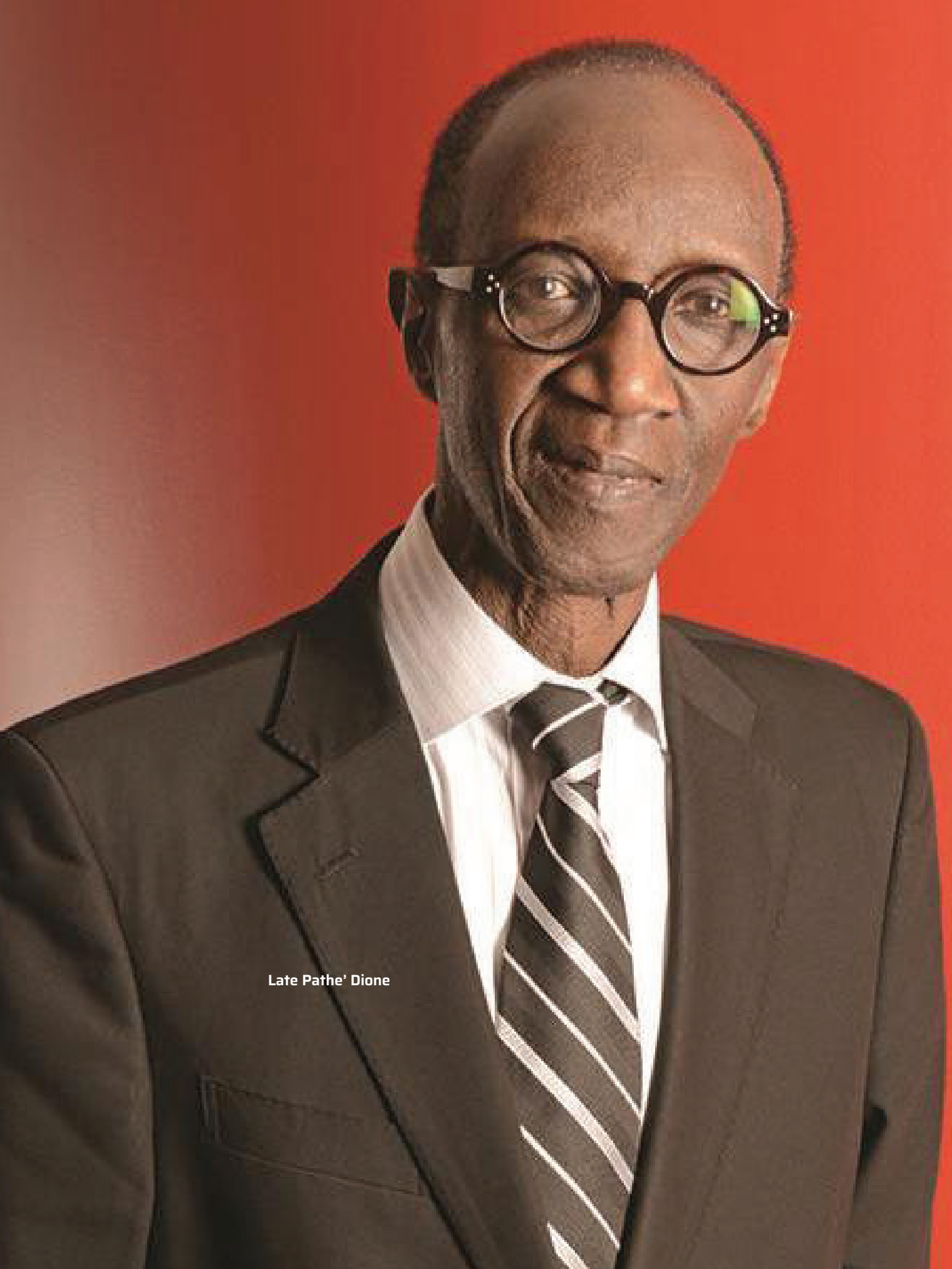
He was later promoted to the rank of Four Star General and appointed the Chief of Defense Staff of the Nigerian Armed Forces in May 2006. Since his disengagement from active military service in 2009, he has been a Pro-Chancellor of a Nigerian university, Council member of two Nigerian universities and Chairman of Subsidy Reinvestment Programme (SURE-P).

He is a Chairman and member of several local and international boards. He is presently a Visiting Professor to African Leadership Centre, King's College, London.

With Gen. Agwai as Chairman of the Board, Leadway Assurance is in the forefront of improving customers' lives, protecting their assets, and securing a future for their loved ones, an ethos that remain paramount to the company's operations.

The company pledges to continue to deliver innovative, tech-infused product and service offerings across all channels while deepening insurance penetration in Nigeria and Africa at large.

He said: "As it has been our strategy to strike a balance between overexposure of capital and total risk aversion in making business decisions, we reaffirm our goals to disrupt existing markets and, in the long term, maintain leadership positions across emerging and regional markets."



Late Pathe' Dione

Posthumous Recognition

Pathe' Dione: An Insurance Legend And Pan-Africanist

Unlike many companies that die when the founder dies, SUNU Group has been set to outlast everyone that comes across it, either by acquaintance or relationship.

This is possible because the late SUNU Founder and President, Mr. Pathe' Dione set the highest Corporate Governance standard for the Group by establishing a Trust Deed.

With this, SUNU Group which has 34 subsidiaries in 17 African countries, has been put on a path to exist for life.

Born on December 29th, 1941 in Dakar, Senegal, Dione established SUNU Group 24 years ago.

Dione, who passed away last year at 81 years, had envisioned an establishment that will thrive beyond his family and soar across the African continent for the sake of humanity.

Dione established a Trust Deed for the Group before he passed on at a time when Government across the continent is enforcing Corporate Governance rules.

He understands that good corporate governance helps with a system of rules, practices and processes by which a company is directed and controlled.

During his lifetime, he believed that corporate governance involves balancing the interests of the company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, govern-

ment and the community.

With a turnover of 234 billion FCFA (357 million euros) at the end of 2021 and more than 567 billion FCFA (865 million euros) in assets under management, the SUNU Group is the leading life insurer in the CIMA zone (Inter-African Conference of Insurance Markets).

SUNU Group's 34 companies, including a bank, a microfinance company and a health management company, is present in 17 French and English-speaking sub-Saharan African countries: Benin, Burkina Faso, Cameroon, Central African Republic, Congo, Côte d'Ivoire, Gabon, Ghana, Guinea, Liberia, Mali, Mauritania, Niger, Nigeria, DRC, Senegal and Togo, are high in standards.

Suffice to state that many senior insurance practitioners and other stakeholders outside the insurance industry have described late Dione as an insurance legend blazing the trail even in death.

The Managing Director, SUNU Assurances, Mr. Samuel Ogbodu said the legacy of late Dione will live on forever.

He described late Dione as an eminent player in the financial services sector, who devoted his entire life to contributing to the development of Africa by Africans and for Africans.

He said Dione outlived his vision to establish insurance and other financial services across the African continent.

Ogbodu noted that the late founder put in place a Trust wherein he put in people,

including his children that will run the company, but cannot sell it.

He said: "The Trust indicates that SUNU Group would continue to run for life. Even the children cannot take over the company. There is a Trust Deed already that manages the company.

Similarly, the Managing Director, SUNU Health, Dr. Patrick Chukwuemeka Korie said Dione was a great pan-Africanist.

"Today, the resources are here and we have a pan-African company, all from the fruit of his labour. He has left a path in the health services that we are striving to sustain.

"Dione was a wonderful man, a missionary and an entrepreneur. He was a man of vision and he lived for humanity. He had a vision of servicing Africa and Africans through insurance and he provided a global platform for Africans to access excellence insurance policy across Africa. He was an epitome of diligence and professionalism that believed so much in doing the right thing. His Corporate Governance in doing business was unrivalled and he laid down a good legacy for SUNU to grow across Africa. He believed so much in Corporate Governance and living to satisfy customers and the entire staff force across the globe.

"He doesn't believe in cutting corners in business. He followed ethics and corporate governance rules set up by the government of any country."

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