



CELEBRATING PROFESSIONALISM IN AFRICA

EDITION #G01

GHANA

'Building a trusted profession in Ghana'

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President, Chartered Insurance Institute of Ghana

'Celebrating professionalism in Africa' is a pioneering series of case studies, published by the Chartered Insurance Institute, to showcase professional practice and innovation in insurance

BUILDING A TRUSTED PROFESSION IN GHANA



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The Ghanaian insurance industry has evolved mainly from the colonial era when British traders traded in arms and manufactured goods with the then Gold Coast (now Ghana). Companies like the United African Company (UAC), Swiss African Trading Company and others established branch offices in the west African colonial territories. The Royal Exchange Assurance Corporation began the business of insurance in the Gold Coast in 1924 and operated through Barclays Bank as its agent, to be followed by the Northern Assurance Company of Britain in 1936 when it operated through the branch office of UAC.

On attainment of independence in 1957 the Ghanaian governments have — with the support of United Nations Conference on Trade and Development — sought to encourage the indigenisation of the insurance industry.

Currently, the market has a mixture of foreign-owned and local-owned companies operating in both the general insurance (non-life) and life insurance segments. While the insurance penetration rate was 1% as at the end of 2019, insurance coverage was 30%. This apparent disparity is due to the fact that many Ghanaians are covered by microinsurance products, whose premiums are not significant enough to affect the insurance penetration rate.

The Ghana insurance market has enjoyed steady growth averaging 20%-25% in recent years, mainly driven by:

Improving economic conditions: According to the World Bank, the GDP per capita of Ghana is estimated by the IMF at \$2,223 in 2019. This points to an increasingly affluent middle class – and a greater number of households that understand (and can afford) insurance.

A growing population: Ghana enjoys a relatively healthy population growth rate of 2.2%, and more than 50% of its people are aged under 25 years. This means that there are many tech-savvy individuals who can access insurance using non-traditional distribution channels.

Demand factors: In Ghana, all vehicles except government vehicles must be insured — and the usage of vehicles is increasing alongside population growth. The motor class of insurance is the leading contributor of insurance premiums in the general (non-life) segment, contributing 40% of the premiums for the sector. Another important issue is financial provision for the aged or pensioners. The breakdown in the external family system as well as the introduction of a 'tiered pension scheme' in Ghana offers an avenue for the insurance industry to offer annuities as a vehicle to cater for the financial wellbeing of retirees.

Urbanisation: There is a strong correlation between urbanisation and insurance. Urbanisation makes it easier for providers to reach a large part of the population. In addition, urban areas generally exhibit buoyant economic activity, which also stimulates the uptake of insurance. Urbanisation in Ghana has also been the catalyst for a growing number of medium-sized and small-scale enterprises.

Mobile-phone penetration: The mobile-phone penetration rate in Ghana is more than 100%. The growth experienced in microinsurance has been



Delegates at the 2019 annual general meeting, at Rock City Hotel, Nkwatia, Ghana



Chartered Insurance Institute of Ghana – at a glance

Mission and vision

Mission: To produce insurance professionals of the highest quality, ready to offer world-class services to their clients at all times and uphold the ethical values of the profession

Vision: CIIG seeks to be the foremost provider of insurance professional practitioners, providing services of the highest professional standards in Ghana

People

Rev. Asante Marfo-Ahenkora
President

Daniela Kyra Djangba
Administrative Secretary

2020-2021 activities

Public lectures | Breakfast symposium | Induction of new members | Annual conference | Industry awards | Health walk

primarily driven by the use of mobile phones as a distribution channel, with a young, tech-savvy population comprising a fertile market for insurance products. The use of mobile phones and cyber technology also creates new risk factors, and there is a growing market for services such as cyber insurance.

However, challenges remain — including public perception, unrealistic and unsustainable pricing, the need for insurers to work harder to understand their target market so that insurance products can be developed that meet needs, and a real commitment to professionalise the Ghanaian market and implement practical solutions.

This background reinforces the value of an institute focused on the promotion and maintenance of professional standards, and the Insurance Institute of Ghana was formally inaugurated in 1972 by the late former Head of State Col. I.K. Acheampong. The core values of the institute are professionalism, integrity and excellence and its main objectives are to promote the development of the insurance profession and practice, to ensure the integrity of insurance management, and also ensure that insurance practice and services are of the highest possible standards and conform to internationally-accepted best practice.

Today, the key aims of the institute include the following:

- To conduct or provide for the conduct of the qualifying examinations for membership of the institute or for registration as a professional insurer, and to prescribe or approve courses of study for such examinations
- To advise on academic standards, qualifications and skills development of members in the insurance industry
- To collect and form a body of expert opinion on the law and practice of insurance.

The institute is currently working on attaining Chartership and is at the stage of submitting its Draft Bill for approval by parliament. It is hoped this process will complete next year and the institute shall start to award its own local Charter – this can only strengthen the relationship between the CII UK and the CIIG. Indeed, for more than 10 years, the institute has been accredited to supervise CII UK exam sittings in Ghana. ■

Role	Professional membership body	Provider of educational services	Qualification awarding body
	●	○	●
Sector focus	General insurance	Life and protection insurance	Financial planning
	●	●	●

1,300 Members

Status Not-for-profit organisation

The final photograph on the front cover shows an ARiS staff training presentation in the ARiSe Hall.

FURTHER READING



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A Continent Of Promise: Celebrating the African insurance profession



[See the review >](#)

CII in Africa: Year In Review



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CII membership guide



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CII qualifications guide

This case study is one of a series which is published by the CII. To download other case studies, please visit www.cii.co.uk/africa/casestudies. This webpage also includes an important legal notice regarding the case study series.

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