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MAY 2021



# CELEBRATING PROFESSIONALISM IN AFRICA

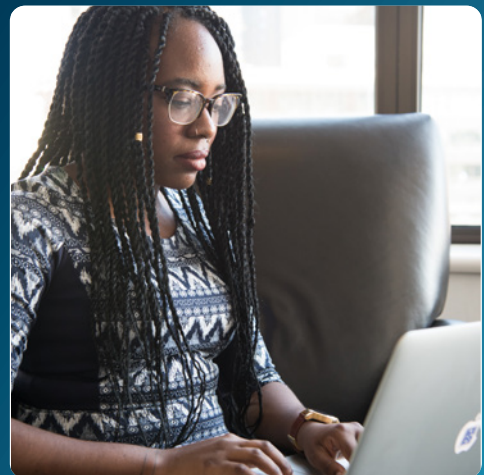
EDITION #N05

## NIGERIA

*'Spotlight on Nigeria'*

By **Tope Smart**

*Chair, Nigerian Insurers Association*



*'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*

# SPOTLIGHT ON NIGERIA



by **Tope Smart**  
*Chair, Nigerian Insurers Association*

**A**uthor and journalist Binyavanga Wainaina, one of *Time* magazine's 'top 100 most influential people in the world', once said: "There is no country in the world with the diversity, confidence and talent of Nigeria." It's hard to disagree with this sentiment; indeed, you could spend half a lifetime travelling the length and breadth of the country, and still only scratch the surface of our glorious, vibrant society — home to 250 ethnic groups, speaking more than 500 languages, and comprising the seventh-largest population in the world.

Life in Lagos is famously fast-paced — the city hosts numerous cultural and celebratory festivals, has a dynamic entertainment sector (Nollywood is now second only to Bollywood in the volume of films produced), and is an important gateway to the country's rain forests, savannahs, waterfalls and sandy beaches. As Nigeria continues its emergence into a major developed economy on the world stage, I foresee insurance will play an increasingly vital role in the country's success and wellbeing, and I'd like to take this opportunity to highlight some of the most far-reaching trends.

## ECONOMIC VITALITY

A well-oiled insurance profession is vital to economic prosperity — giving confidence to investors, businesses, families and individuals. It allows everyone from entrepreneurs to established corporations to take calculated risks, knowing they are protected from a wide range of adverse incidents outside their control. Many sectors, from telecommunications providers to operators in the energy supply chain, use insurance as an essential business tool — especially as they expand into new ventures or conclude major trade contracts. The government recognises this and has been active in attracting cross-border insurers to invest in Nigeria. Their presence benefits everyone, including the Nigeria-based insurers, since all of us can learn from the best policies and practices being applied by their peer group.





## A well-oiled insurance profession is vital to economic prosperity

### STANDARDS AND TALENT

A thriving insurance profession is only as good as the workforce it employs. Nigerians are eager to learn and ambitious to succeed. Insurance is increasingly seen as an aspirational career for talented young people, and I congratulate the many insurance firms that

have proactively reached out to schools and colleges in the search for talent. Qualifications are the best way to provide tangible evidence of knowledge and a serious intent. Every year, I see more new entrants into the profession choosing to register for entry-level CII exams, and more qualified people studying to progress to the higher levels — including Chartered. Awareness plus education is a powerful combination.

### DIGITAL ACCESSIBILITY

Historically, the take-up of insurance in Nigeria has been slow relative to the country's need, and much of this arose because products were difficult to purchase. We are currently witnessing a seismic change in accessibility, enabled by the widespread popularity of mobile phones among the population. It's no longer necessary for individuals considering insurance cover to schedule a face-to-face appointment with a salesperson or to travel to a physical office; instead, insurance can be arranged remotely, often with a customer experience that is seamless and quick as that provided by the best online retailers.

### PRODUCT DESIGN

Life varies sharply across the continent and, even more so, around the world — and with it, the types of risks to which we are all exposed. Insurers that seek to 'lift and drop' policies from one country to another, without pausing to understand the needs and wants in each

locality, are unlikely to secure a sustainable foothold with their customers. For example, due to climate uncertainties, fire outbreaks and flooding have both become major issues within Nigeria. Policies must reflect these risks if insurers are to prove they are relevant to the needs of Nigerians.

### MORE FLEXIBLE AND RESPONSIVE CLAIMS SETTLEMENT

The market will never fulfil its potential if we suffer bad word of mouth about claims settlement — after all, this is the very reason people pay for cover, and it breeds ill will if we let them down at the moment they're most reliant on us. Digital processes

have been rolled out by most of the major providers so that claims in Nigeria can be assessed, relevant information gathered, and payment made on an accelerated timescale. I've seen many times the beneficial effect this has upon trust and advocacy.

### A MORE MATURE SECTOR

As insurance becomes embedded in Nigerian society, the sector is taking on more of the characteristics one finds in mature markets. For example, capital requirements are currently being raised across the board — for life insurers, non-life insurers, composites and reinsurers. It's no longer an infant profession that needs special treatment and the regulator is right to insist upon capital adequacy. Fortunately, the market in Nigeria is now of such scale (you can find the statistics in the Country Profile section, elsewhere in this publication), that insurers recognise the business opportunity, and are not deterred by such rules.

The role of the Nigerian insurers Association, which I'm pleased to chair, is to "create and sustain a positive image for the Insurance industry and contribute to legislation and decisions made by the government and other public authorities". The best way to ensure this happens is to demonstrate a causal connection between a strong insurance profession and the country's wider economic health. I hope this article has highlighted many of the themes that, I believe, will underpin a mutually beneficial relationship between the insurance world, its customers, and wider society during the coming years, and be part of a profession that, in the words of our national anthem, serves "with heart and might one nation bound in freedom, peace and unity". ■



## FURTHER READING



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