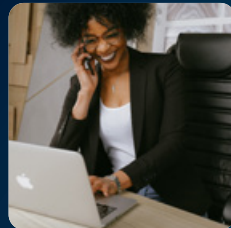
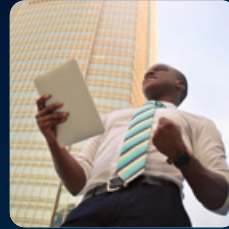




Chartered
Insurance
Institute
Standards. Professionalism. Trust.

JULY 2021



CELEBRATING PROFESSIONALISM IN AFRICA

EDITION #S04



'How Ghana's life insurers are building public trust'

By **Eunice Ntow Gyasi ACII**, Chartered Insurer
Head, Underwriting and Reinsurance, StarLife Assurance, Ghana

and **Franklin Ohene Arthur ACII**, Chartered Insurer
Head, Strategy and Performance Monitoring, StarLife Assurance, 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

HOW GHANA'S LIFE INSURERS ARE BUILDING PUBLIC TRUST



By **Eunice Ntow Gyasi** ACII,
Chartered Insurer
*Head, Underwriting and Reinsurance,
StarLife Assurance, Ghana*



and **Franklin Ohene Arthur** ACII,
Chartered Insurer
*Head, Strategy and Performance Monitoring,
StarLife Assurance, Ghana*

Recent changes in the insurance regulatory regime in Ghana have aimed to improve penetration, encourage best practice, promote ethical culture and boost public confidence. These were made possible due to revisions to the legal framework championed by the National Insurance Commission, in consultation with market participants. The Insurance Law 2020, which received presidential assent in February 2021, has come to replace the previous Insurance Act of 2006, and makes compulsory products such as workers' compensation, liability, professional indemnity, insurance of commercial buildings, and marine insurance.

Life insurers are calling for the incorporation of group life in the Act. This would afford life insurers an opportunity to improve, as a matter of collective effort and healthy competition, public trust and standards in the domestic profession. The top five life insurers are responsible for about 78% of the market and are committed to deepening their leading roles in assuring trust and demonstrating high standards. But, while gross premia grew by 21% from GH¢2.9bn in 2018 to GH¢3.5bn in 2019, the penetration rate stands at just 1%, so there is clearly plenty more we can do.

StarLife Assurance's vision is to be the pacesetter in creating wealth and a fulfilling life through personal relationships with our partners; with a mission of helping people identify the most secured wealth creation opportunities and to provide them with

unique financial security solutions. In 2019, the company ranked third in life insurance market share, with gross premium income of GH¢260,937,151 (about \$45.1m). This has been achieved by focusing on change management and performance improvement – specifically staff development, technology infrastructure, product innovation and customer experience, to provide improved value and satisfaction to the insuring public.

STAFF DEVELOPMENT, TECHNOLOGY AND INNOVATION

Staff development is a key performance indicator. StarLife has implemented a programme to develop a technical expertise base alongside knowledge of the business environment for life insurance, and invested significantly in professional training to increase professionalism and uphold standards in dealings with partners and clients. Presently, the organisation has 13 ACII members and 18 students who are at various stages of the completion journey. The company also provides support for other technical areas such as the actuarial function, and supports non-technical professional education. For instance, the human resources staff are sponsored to undertake the Chartered Institute of Human Resource Management Professional certification courses. The aim is to ensure that the company maintains high-level professionalism in the discharging of all its objectives.

Insurers have invested in technology to enhance service delivery, operations and profitability. The company's technological commitment has strengthened due to the Covid-19 pandemic. StarLife has implemented integrated systems to give a seamless flow of work internally and promote clients' convenience and satisfaction by integrating payment platforms including mobile money into the company's operational software. This also facilitates the processing of claims and insurance benefits.

Online application forms and web portals give clients immediate access to policy details and a greater ability to transact. Nevertheless, it is necessary to explore other options to maximise access. Recently, this has included platforms that deepen the customer experience culture via two-way features allowing for feedback.

“

StarLife has implemented a programme to develop a technical expertise base alongside knowledge of the business environment for life insurance



THE REGULATORY PERSPECTIVE

Compliance with regulatory requirements guarantees long-term sustainability through meeting prudent and operational requirements, and the National Insurance Commission provides guidelines to govern the conduct of insurance business. For example, insurance companies must observe minimum capital requirements, and create the necessary functional units (for example, underwriting, claims, finance) and control units (internal audit, compliance, actuarial and risk management). They must avail themselves for monitoring and evaluations, auditing, have retention limits, and have treaty arrangements with reinsurers to give them capacity to underwrite businesses beyond their retention limits. StarLife complies with these standards, once again with the goal of maintaining trust and confidence in the brand and the sector.

RISK APPETITE

Risk management is an effective management tool, and the establishment of a risk management function is mandatory under the Ghana insurance regulation. At StarLife, the risk management framework is clearly defined and ensures all areas are aligned with the organisation's objectives. The risk appetite statement has been approved by the board and communicated throughout the company, creating a shared awareness of the acceptable levels of risk. It also guides the management of exposures and risk mitigation measures. Insurers are also obliged to ensure that members within the insurance pool are adequately protected and will be indemnified should the need arises. With these basic objectives, insurers then design the appropriate risk management structure to better manage their exposure and mitigate the impact of any threats. If this is well managed, and insurers are able to meet their obligation towards their clients, we will surely further boost confidence in life insurance.

TREATING CUSTOMERS FAIRLY

Consequently, customer satisfaction is extremely relevant, especially when indemnity is provided in the wake of an insured peril. Insurers must treat customers fairly – the surest means to improve professional standards and build public trust.



Product innovation is another opportunity for reflecting customer needs and feedback and, in a competitive environment, identifying non-traditional markets is key. This activity reassures the public of insurers' creativity and builds trust. In 2020, StarLife partnered with the two major Premier League clubs in Ghana, Asante Kotoko and Accra Hearts of Oak, to design and introduce risk and endowment products for their fan base, providing financial security to the sporting fraternity.

Another significant area to boost public confidence is improved customer service delivery. It is essential to know your clients, understand their needs, and tailor products and services. Targeted use of customer insight and data stimulates superior customer engagement, customer matching and product design, better claims management, risk assessment and pricing, identification and avoidance of fraud. All these factors are continually monitored at StarLife.

For these reasons, and many more, life insurers in Ghana appreciate the need to maintain the strongest possible reputation among their clients and the wider public. ○

FURTHER READING



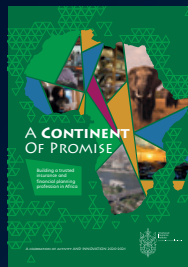
See the report ›

A Commonwealth Insured



See the review ›

Six Months In Review
(Jan '21 - June '21)



See the report ›

A Continent Of Promise:
Celebrating the African insurance profession



See the review ›

CII in Africa:
Year In Review
2020



See the guide ›

CII membership
guide



See the guide ›

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.

FOR INFORMATION:

www.cii.co.uk/africa

E: africa@cii.co.uk

PUBLISHED BY:

Chartered Insurance Institute

3rd Floor | 20 Fenchurch Street | London | EC3M 3BY

Tel: +44 (0)20 8989 8464

Email: customer.serv@cii.co.uk

www.cii.co.uk



Chartered
Insurance
Institute

Standards. Professionalism. Trust.