



# Africa Re

# News

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English



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Corneille Karekezi

## GMD/CEO's Message

.....As you are aware, the establishment of a continent-wide insurance and reinsurance corporation features in the Programme of Action outlined in the Declaration of African Co-operation, Development and Economic Independence, adopted in Addis Ababa in May 1973, by the Heads of State and Government, members of the Organisation of African Unity.....*Dr. Kwame Donkor Fordwor, erstwhile President of AfDB*

Dear Readers and clients!  
I wish, this time, to write about the ingenuity of the founders of our common company, Africa Re.

But instead of filling dozens of lines for this purpose, permit me to offer an excerpt of the inaugural speech of the then President of the African Development Bank, Dr. Kwame Donkor Fordwor, on the occasion of the 1st Annual General Meeting of Africa Re, in April 1977 in Abidjan, Côte d'Ivoire.

Excerpt: ".....As you are aware, the establishment of a continent-wide insurance and reinsurance corporation features in the Programme of Action outlined in the Declaration of African Co-operation, Development and Economic Independence, adopted in Addis Ababa in May, 1973, by the Heads of State and Government, members of the Organisation of African Unity....."

The African Reinsurance Corporation will thus constitute an instrument of co-operation and promotion in the sphere of insurance and re-insurance business and a means of furthering and consolidating the economic development of African States.

For, not only will it undertake re-insurance operations both in and outside Africa but will, in doing so, also consolidate the African network and develop the business relations existing between Africa and the rest of the world in matters of re-insurance.....and will consequently become integrated into the existing international networks.

Furthermore, it goes to testify to the determination of all the independent African States to achieve in fullness of time their common objective, namely, the economic independence of the continent as a whole".

Wishing you a pleasant reading and a very prosperous year 2019.

Thank you

## Kenyan Insurance Industry Leaders' Breakfast

**Theme: The African Insurance Industry & Africa Re: Working together for a Bigger and Stronger Industry.**



front L-R - Mr Vinod Bharatan, CEO of APA ; Amb. Momoh Sheidu Omeiza, Nigerian High Commissioner in Kenya; Mr. Ashok Shah, Group CEO of APA; Mr. Corneille Karekezi, GMD/CEO of Africa Re



L-R Mr Kiiza Bichetero, Regional Director of Africa Re in Nairobi; Mr Chris Saigbe, Director of Life Department of Africa Re; Mrs Lucy Ngugi, MD First Re Brokers

The Nairobi Regional Office held a breakfast meeting for the Kenyan Market dubbed "Insurance Industry Leaders' Breakfast". Group CEOs and CEOs of all insurance companies and reinsurance brokers were invited and a large number honoured the invitation making it a success.

## Kenyan Insurance Industry Leaders' Breakfast Continued



Africa Re Staff Nairobi Office with GMD/CEO, Mr. Corneille Karekezi

The main purpose of the event was market engagement with a view to enhancing the Regional Office's partnerships with its clients. The highlight of the event was the keynote speech by the GMD/CEO of Africa Re, Mr. Corneille KAREKEZI. The GMD/CEO's presentation dwelt on the insurance industry's preparedness to emerging issues that are likely to disrupt the industry unless a culture of change and innovation is adopted.

## Algiers Insurance Multaka



Group photo with the Algerian Minister of Finance, Mr Abderrahmane Raouya (3rd right ) at the event

The Algerian Insurance Multaka was held on 5 and 6 November 2018 in Sheraton Club des Pins Resort in Algiers. Africa Re was represented by Mr. Corneille KAREKEZI, Group Managing Director and Mr. Mohamed Larbi NALI, Regional Director of the Casablanca Regional Office.

The theme of this maiden edition was "Insurance in the face of technical development".

Mr. Corneille KAREKEZI chaired the 5th session of the deliberations which focused on technological developments and their impact on the financial strength of insurers and reinsurers.



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## Executive Innovation Forum for the Nigerian and Ghanaian Insurance Industry captains



Corneille Karekezi, GMD/CEO of Africa Re making a presentation at the workshop..

Africa Re, in collaboration with the United States of America based Insurance Thought Leadership (ITL), organised an executive innovation forum for the top executives of the insurance companies in Nigeria and Ghana and also for its staff in Lagos on 30 November 2018.

The workshop served as a platform for Africa Re and ITL to build understanding on innovation best practices and to identify strategic opportunities to create new products and services to generate profitable growth and serve African markets.



Cross section of participants.

The Group Managing Director /CEO of Africa Re, during his presentation to the participants, emphasised that “digital transformation has redefined the business landscape in the insurance industry making it imperative for the insurers to align with today’s business requirements as the customers will be in the nearest future the ones who will decide the product type as well as the premium to pay”.

## Training on “Developing Competent Reinsurance Professionals” Cairo, Egypt



Cross section of the participants.

Africa Re conducted a training in Cairo, Egypt, from 14 to 17 October 2018. The theme was “Developing Competent Reinsurance Professionals”. The participants were trained on reinsurance & technical accounts.

Over 35 participants from Egypt and Sudan attended the 3-day training.



Group photograph of the participants

The Facilitators of the Training Programme were staff of Africa Re Cairo Regional Office, namely:

- Mr. Mohamed EMAM (Senior Manager, Underwriting).
- Mr. Yousif LAZIM (Senior Manager, Underwriting).

## Seminar on Life Insurance and Reinsurance in Antananarivo, Madagascar- 1st and 2nd October 2018



Group photo of the participants and the facilitators

Africa Re held a seminar on Life insurance and reinsurance at Carlton Hotel in Antananarivo, Madagascar on 1st and 2nd October 2018. It was attended by 28 participants from the 4 local companies (ARO, NY HAVANA, SAHAM and ALLIANZ), the 2 largest direct brokers (ASCOMA and Gras SAVOYE) and the insurance regulator (Ministry of Finance). Also in attendance was a participant from Comoros (ALAMANA Assurances).

## Seminar on the Overview of Aviation Insurance



Africa Re in conjunction with The African Aviation Pool and JLT London hosted the market to a 2-day seminar on the Overview of Aviation Insurance from October 24 – 25, 2018, at Africa Re Headquarters, in Lagos, Nigeria.

The seminar which focused on the various risks Aviation practitioners were exposed to and the underwriting of such risks, was attended by twenty (20) participants.

## Seminar on Life Assurance Cessioning and Administration



Cross section of the participants

Africa Re conducted a 3-day seminar on Life Assurance Cessioning and Administration in Lagos, Nigeria from September 10 – 12, 2018.

The seminar had in attendance forty seven [47] participants drawn from across Africa: Ethiopia, Ghana, Kenya, Liberia, Sierra Leone, The Gambia and Uganda.

The seminar was designed for Life Managers, Heads of Technical Operations, Heads of Actuarial Units, Senior Underwriters and Life Underwriters in Life Offices; and also for experienced practitioners keen on refreshing their knowledge on Life Reassurance Cessioning, Annuities and Life Claims Management.

## Inaugural Annual Conference of the Nigerian Actuarial Society (NAS) in Lagos



Mr Aggrey Mwesigwa, delivering Africa Re's message on behalf of GMD/CEO, Mr Corneille Karekezi

The Nigerian Actuarial Society held its inaugural annual conference on Thursday 15 November 2018 themed: Actuaries – delivering value beyond numbers.

The key topics discussed during the conference included IFRS 17, Risk Based Regulation and Role of Actuaries in Defined Contribution Pension Funds which was followed by panel discussions.



Africa Re delegates, Mrs. Marie Agnes Sanon, Director of Risk Management and Compliance; Mr Jolaolu Fakoya (standing), Manager, Risk Management and Compliance and Sulaiman Jagunlana, Manager, Actuarial Services

Taking the floor during the Conference, the GMD/CEO of Africa Re, Mr. Corneille KAREKEZI, urged actuaries to go beyond what they are traditionally known for and deliver more value to the organisations they serve.

# Interview with the Nigerian Commissioner for Insurance

**The Nigerian Commissioner for Insurance, Mr Mohammed Kari, speaks to Africa Re News about the recent happenings in the industry and other insurance related issues in Nigeria , West Africa and the continent at large**



### **Mohammed Kari**

Nigerian Commissioner for Insurance

**|| The people remain the greatest assets any organisation can have. NAICOM recognises this and has continued to advocate that relevant trainings for both staff, CEOs and Board of Directors of insurance entities are conducted regularly so as to ensure professionalism, capacity building and good ethical behaviours in the industry. ||**

*Concerning the recapitalisation of the Nigerian insurance industry (tier 1, 2, and 3), a recent court injunction ruled that status quo should be maintained. In light of this, what is NAICOM's position in view of the fact that the exercise is perceived to have been suspended?*

Let me first and foremost correct the erroneous impression that NAICOM embarked on a recapitalisation exercise. That's not exactly correct. The policy that was introduced focused on the reclassification of insurers according to their solvency capital as at the end of financial year 2017. This was no recapitalisation. Yes, there was a court injunction restraining NAICOM from implementing the policy but that is now in the past as the Commission has already withdrawn and cancelled the policy.

*The Commission has been silent on the recapitalisation of the reinsurers. Any plan from the Commission to look into that?*

Yes, the Commission had plans for the reinsurance companies but that now is on hold due to the current development in the sector.

*One of the major drivers of the insurance industry is human capital. What is your Commission doing or what are your programmes for human capital development in the industry?*

Like you've rightly mentioned, the people remain the greatest assets any organisation can have. NAICOM recognises this and has continued to advocate that relevant trainings for both staff, CEOs and Board of Directors of insurance entities are conducted regularly so as to ensure professionalism, capacity building and good ethical behaviours in the industry. The Commission will continue to encourage operators to imbibe this culture of exposing members of staff of their respective organisations to qualitative trainings and knowledge sharing

sessions. This will ensure that the workforce is brought up to date with prevailing developments. Recently, the Commission hosted a training session on Islamic financing which was facilitated by the Islamic Financial Services Board (IFSB) Malaysia for the purpose of understanding Islamic Financing with particular attention to Takaful. Furthermore, the Commission has had discussions with the Institute and Faculty of Actuaries (IFoA) of the United Kingdom on collaboration in building capacity for the Actuarial profession in Nigeria.

You will also recall the on-going collaboration between NAICOM, IFC – World Bank and Africa Re in the area of training on Index based Agric Insurance (IBAI). The Commission is also partnering with other organisations including sister regulatory organisations to carry out training programmes under the auspices of the Financial Services Regulatory Coordinating Committee (FSRCC) as well as the Financial Systems Strategy (FSS) 2020 among others.

The Chartered Insurance Institute of Nigeria (CIIN) being the education arm of the sector is primarily saddled with the responsibility of developing manpower for the sector. NAICOM has continued to support the Institute towards achieving its mandate.

*Given the high level of management expenses in the industry, it is believed that digital transformation of the industry may be one of the solutions. Is NAICOM ready to register and license a fully digital insurance company at the moment?*

The Commission is not averse to it but it might take a little longer to happen due to the rapid changing development in Information and Communication Technology, the capital intensive nature as well as

the capacity to regulate such an entity. The Insurers' Committee is already exploring partnership with Nigerian Interbank Settlement System (NISS) to leverage a common ICT platform for shared services which will help reduce the cost of doing business in Nigeria.

*There are over 400 brokers in the market. Sometimes they are just portfolio brokers with maybe one or two businesses. Some players consider this situation as harmful to the professionalism of the industry. What is the Commission's view on this?*

**||** *What we see is a situation where more than 75% of this number (of brokers) are found only in Lagos and Abuja chasing the same set of clients. There is so much concentration on the corporate segment of the market rather than the retail end.* **||**

The issue should not be about numbers and what kind of business they facilitate but how well they perform; where do they play and how much they contribute to the growth of the industry in terms of premium generation and penetration. With a population of over 170 million people, the sector can accommodate more than 400 brokers across the country.

But what we see is a situation where more than 75% of this number are found only in Lagos and Abuja chasing the same set of clients. There is so much concentration on the corporate segment of the market rather than the retail end. Insurance intermediaries the world over play an enormous role in breaking new grounds and driving insurance growth. We believe this could be successfully replicated here. The activities of some intermediaries and even among the insurers may not be reflective of the insurance profession but the Commission has noted this and is working on options to adequately address it. The Commission has already commenced the process of re-engineering the distribution channels and more significantly, making sales and marketing more responsibly.

Continued



National Insurance Commission Abuja, Nigeria

*Rate cutting has been a source of concern to the market players. What is the Commission doing in this regard to help the market?*

I don't agree that rate cutting is a source of concern to market players when they are the ones indulging in it. The operators are the ones involved in rate cutting perhaps to gain competitive advantage, so it cannot be a source of concern to them. Rate cutting is unethical and an unprofessional practice. The Commission frowns at it but the operators indulge in it for reasons I cannot understand. As a Commission, we are already putting in place measures to check the practice in the market.

**// Insurance intermediaries the world over play an enormous role in breaking new grounds and driving insurance growth. We believe this could be successfully replicated here.**

*A recent survey showed that insurance penetration in the country is less than 0.5 %. What do you think is responsible for such a low level of insurance penetration? What is the Commission doing in this regard? At the continental level, the situation is neither better. What, in your opinion, is the way out for the continent?*

The Nigerian public to a very large extent has a negative perception about insurance due to a number of reasons – religious beliefs, socio-cultural affiliations, purchasing power (poverty), financial exclusion and most significantly, inadequate awareness of the benefits inherent in the consumption of insurance products and services.



**Mohammed Kari**

Nigerian Commissioner for Insurance

These are the challenges that have confronted insurance operation in Nigeria and have largely affected patronage. This is not peculiar to Nigeria as it cuts across Africa. I must say that the sector in Nigeria is beginning to change for the better due to the various initiatives of the Commission and the NIA on awareness creation.

The rebranding project of the Insurers Committee which commenced in June 2018 will expectedly go a long way in improving the perception of people on uptake of insurance. Also the Commission in its efforts to deepen insurance penetration introduced Microinsurance and Takaful insurance as a bottom-up approach for the excluded and low income segment of the society. The market is now being serviced by 2 Standalone Takaful Insurance companies and 3 companies with window operation.

The Commission also introduced Bancassurance after signing an MoU with the Central Bank of Nigeria in April, 2017 so that insurance companies

can leverage on the wide branch network of banks. As at Oct 2018 fourteen insurance companies have been granted approval to partner with banks for Bancassurance.

The Commission is establishing twenty (20) new branches and converting four (4) of its existing Zonal offices to Branches bringing the total number of branch offices in the states to 24. This will enable proximity to the people, deeper insurance penetration, promote insurance awareness as well as cover the range of inspections. In the West African Sub region, efforts are being made by regulators to harmonise their insurance laws and this is being facilitated by the West African Insurance Supervisors Authority (WAISA). When harmonised, members will have an appropriate structure for business conduct and rules on insurance activities towards an enlarged insurance market.

*Where do you see the Nigerian insurance market in the next 5 to 10 years?*

A safe and sound insurance sector competing globally and contributing optimally to the Nation's Economic Growth and Development. This actually might look like a Herculean dream, but we are fully committed to it. We must understand that the development of the Insurance market is the collective responsibility of all. Therefore, all stakeholders must support the drive of the Commission as we forge ahead in creating an enabling and sustainable environment for deepening insurance penetration to enable it to contribute significantly to the nation's Gross Domestic Product (GDP)

**Rate cutting is unethical and an unprofessional practice. The Commission frowns at it but the operators indulge in it for reasons I cannot understand. As a Commission, we are already putting in place measures to check the practice in the market.**

## 2018 Employee Of The Year Award



Duncan Mukonyi,  
the employee of  
the Year 2018



Mr Duncan Mukonyi, receiving the Employee of the Year Award from GMD/CEO, Mr. Corneille Karekezi

The winner of the 2018 Employee of the Year Award was Mr. Duncan MUKONYI, Manager Underwriting & Marketing, West Africa Regional Office, Lagos. Mr. Mukonyi was nominated for the role he played in the adjustment of six (6) major claims from Cedants and Brokers by reviewing and establishing correct pay-outs of claims that led to significant cost savings to the Corporation.

Continued  
The joint runners-up



Mr Kantam Nagou, runner-up receiving commendation letter from GMD/CEO ..



Mr Sulaiman Lanre Jagunlana, runner - up, receiving commendation letter from GMD/CEO

## Continued



Group photo of the long service awardees with Management

The joint runners-up were Mr. Kantam NAGOU, Senior Manager, Project Development and ICT Security in the Office of the Group Managing Director/CEO and Mr. Sulaiman Lanre JAGUNLANA, Manager, Actuarial Services.

Mr. Nagou was nominated for his high commitment, especially his due diligence in the VoIP project that assisted Management in taking critical decisions

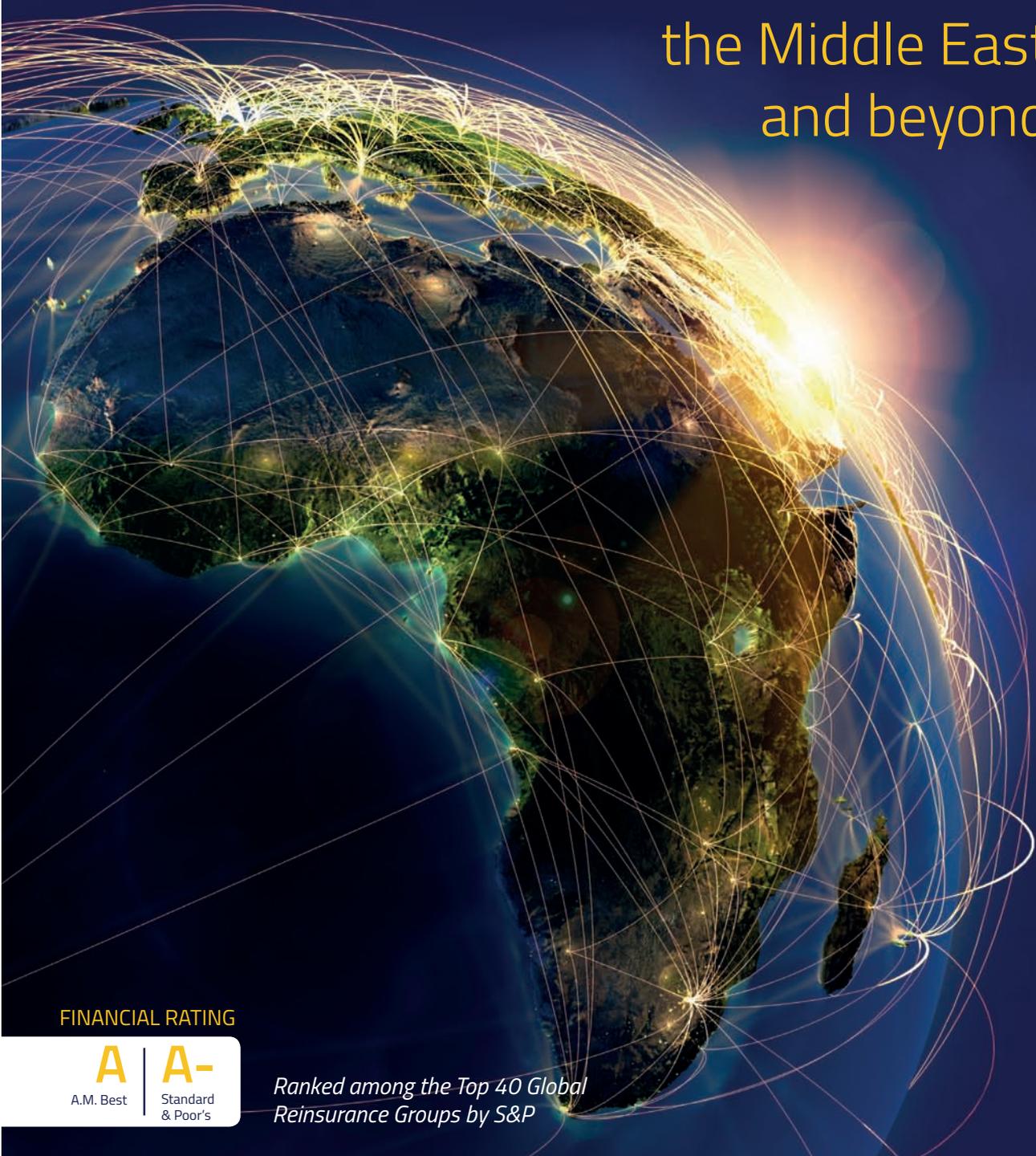
concerning the project and saving cost while Mr. Jagunlana was nominated in recognition of his dedication and internal customer service to different departments and the production centres which assisted them in their analysis and decision-making.

Congratulations to the winners!!!



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