

CHARTERED INSURANCE INSTITUTE OF NIGERIA

JOURNAL



ISSN 117-9031 | Vol. 17 No. 6 October, 2020



INSURANCE & COVID-19: NEED FOR A NEW APPROACH





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FROM THE DESK OF THE PRESIDENT



On behalf of the Governing Council of our great Institute, I welcome you all to yet another quality edition of the CIIN Annual Journal. I wish to convey our best wishes to you our distinguished stakeholders, in appreciation of your efforts in moving the Institute forward and driving its ideals, especially in a world that has been greatly embroiled by the Covid-19 Pandemic.

I would like to use this opportunity to express my utmost gratitude to all members of the Institute as well as stakeholders of the insurance industry and well-wishers for their support during my Investiture as the 50th President of our great Institute. It is an honour that I do cherish and promise to do my utmost best to uphold the values of the Institute and move it to greater heights.

The idea of the world as we know it has been totally upstaged with the outbreak of the Covid-19 pandemic. It was an unforeseen occurrence that brought countries all over the world literally to their

knees and even as its effects have started to tail off in some countries, the global economy is still smarting from its grinding effects.

The Nigerian Insurance industry has been equally hard hit with its position made even more complicated by the fact that this is the year in which companies recapitalization is to come on full stream. The industry has responded well in the way and manner that risk managers should and the regulator NAICOM has equally been gracious enough to amend its conditions to ensure that companies are able to meet up with the deadline.

As earlier stated, we cannot surrender to the Covid-19 pandemic as in every situation, there is often a window of opportunity. The most important thing is to prepare to take the opportunity with both hands when they present themselves. The industry operators have witnessed the meteoric rise in use of online platforms, notably Zoom, Google

Meet, Free Conferencing and Microsoft Teams and I can assure you that it was no coincidence. It was a clear case of preparation meeting opportunity and the rest is history.

We have received a rude awakening and as professionals we are tasked to prepare for the future today. It is now compulsory for organizations as well as individuals to leverage on technology to overcome the vagaries occasioned by the outbreak of the covid-19 pandemic.

As an Institute, we are firm in our resolve to strive hard in order to achieve desired results. However, we must reinvent our strategies, change our ways of doing things and adapt to the new normal. Our reactions to these disruptions will determine our position today and in the future. These disruptions are here and it has come with new challenges that call for the reinforcement of our professional calling.

It is upon this backdrop that the

theme and focus of my presidency is hinged on REINFORCING PROFESSIONALISM AND ETHICS IN THE NEW ORDER

The choice of the theme is borne out of the need to establish a rolling plan which will guarantee that even in the face of current global uncertainties, the Institute will continue to meet the needs of members.

Against this background, we are going to explore the potentials of this approach by focusing on a six point agenda.

1. Digital Transformation of the Institute.
2. Reinforcement of the Relevance of Professionalism.
3. Re-energizing the Institute's Administrative Structure.
4. Insurance Awareness and Youth Mentorship Initiatives.
5. Infrastructural Development.

6. Advocacy and Collaboration with various Associations in the Private Sector.

Already the Institute is holding a lot of its programmes online and I can state that plans are underway to ensure that the April 2021 Diet of the Institute's Professional Exams is held online. These are a few in a long list of initiatives we are looking to drive through the Institute and the College of Insurance and Financial Management in order to grow the Insurance profession. I would like to solicit for the support of all members of the Institute and stakeholders in the Insurance sector in order to bring these plans to fruition.

I will like to restate that the membership of the Institute is one of the major ways to get to the top of the insurance profession. You can only pride yourself as a true member of the Institute by paying your dues, levies and actively participating in the programmes outlined in the Institute's Calendar.

The Institute remains committed to offering value to its members and will continue to improve on its operations to achieve excellence.

As key stakeholders of the Institute, I would like to remind you that the Institute is our pride and continues to serve as a unifying platform for all practitioners regardless of area of specialization. It is my hope that we continue to lift the Institute and show forth the light by exhibiting professionalism in all that we do.

Once again, I would like to thank you for your support to the Institute throughout the years and urge you to support the Institute as partners in progress to the growth of the insurance industry.

Happy reading.

Yours in Service,

Sir Muftau O. Oyegunle ACII, FIIN
President/Chairman of Council
Chartered Insurance Institute of Nigeria

CHARTERED INSURANCE INSTITUTE OF NIGERIA
JOURNAL

ISSN 117-9031 | Vol. 17 No. 6 October, 2020



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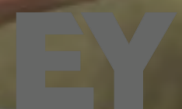
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Insurance and Covid-19:

Need for new Approach

Rotimi Okpaise
(West Africa Insurance Lead)
August, 2020

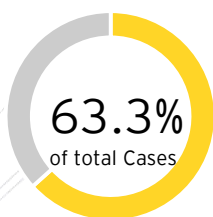


Building a better
working world

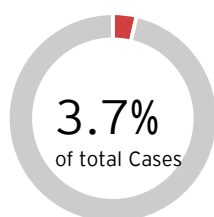
Insurance and COVID-19: Need for new Approach

Introduction

COVID-19 has significantly affected lifestyles both globally and locally. The World Health Organization (WHO) declared the virus a pandemic on January 30 2020 and, as at August 8 2020, there has been 19.67 million confirmed cases with **722,919 deaths** worldwide.

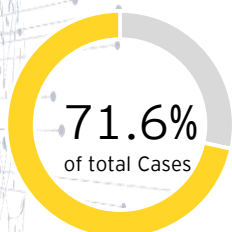


Recovery Rate

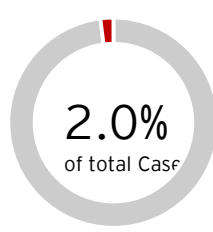


Fatality Rate

Nigeria's experience has been relatively modest with 46,140 confirmed cases and **942 deaths** as at 8th August. It is however, speculated that limited testing facilities may have impacted our low experience.



Recovery Rate



Fatality Rate



The swift reaction of both the Federal and some State governments, aimed at curbing the spread of the virus - the imposition of: local and international travel bans, prolonged lockdowns, restricted public gatherings, school closures etc. - led to sudden lifestyle disruptions challenging human and business resilience.

Sources: WHO, NCDC and JHU CSSE.

COVID-19 Impact on the Insurance Sector so far...

The Insurance sector has a high presence (offices and clients) in both Lagos and Abuja - both are commercial hubs that experienced relatively high COVID incidence and fatality rates. Both cities experienced sudden lockdowns and travel restrictions. Whilst business continuation has been impacted, the industry has been resilient, empowering employees to work remotely, majorly adopting digital technology.

Some experience **highlights** are:



The Industry has been broadly resilient with remote working and business continuity not overly impeded.



Underwriting exposure (both Life and Non-Life) to Covid-19 related incidences though not yet published, from information to hand, seems limited.



Share prices for quoted insurance stocks fell with a few companies trading under par.



Retail new business take up has been slow.



NAICOM supported the industry through extending the deadline for 2019 Annual submission returns from March to April.



The regulator also staggered its recapitalization programme from June 2020 to 50% the target being attained at December 31 2020 and the balance by June 2021.

The Scope, duration and severity of the Covid-19 virus is, at yet unknown. Insurers are faced with the reality that the virus may cause long term disruption to all stakeholders: customers, employees, business partners, shareholders and the Regulator.



CORONAVIRUS TRAVEL RESTRICTIONS

“

The swift reaction of both the Federal and some State governments, aimed at curbing the spread of the virus - the imposition of: local and international travel bans, prolonged lockdowns, restricted public gatherings, school closures etc. - led to sudden lifestyle disruptions challenging human and business resilience.

Sources: WHO, NCDC and JHU CSSE

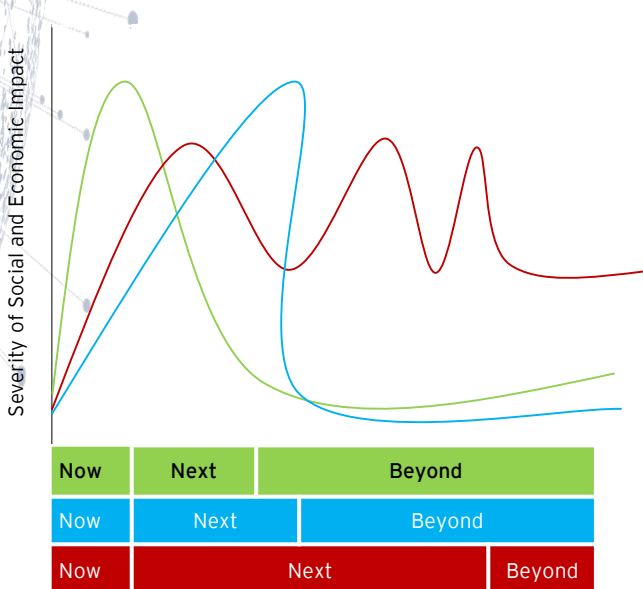
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Insurance and COVID-19: Need for new Approach

This article discusses the Insurance Industry's immediate reaction to the pandemic - the **Now**, the **Next** steps (Recovery Plans) and the likely New Normal: **Beyond**.

NOW...	NEXT...	BEYOND...
<ul style="list-style-type: none"> ▶ Insurers have been proactive in keeping their businesses afloat, servicing all Stakeholders ▶ Telecommunications and basic digital facilities have been key resilience tools. 	<p>Companies need to:</p> <ul style="list-style-type: none"> ▶ Review and realistically alter their 2020 Business Plan, including Risk Management and Investment strategies. ▶ Review Policy conditions for new policies, especially exclusion clauses with regards to Business Continuity Plans as COVID may last for a while. ▶ Review Customer engagement methods. ▶ Review viability of distribution methods. ▶ Review Product offerings ▶ Make operational changes in response to the reviews above. Agility is key to survival. ▶ Improve IT infrastructure especially Cyber Security. ▶ M& A Opportunities, etc... 	<ul style="list-style-type: none"> ▶ Use lessons from the crises to create more flexible, cost effective, technology based organizations. ▶ Find ways of actively engaging (prospective) customers - Identify their needs and sell need-based products. ▶ Be more relevant to society - people, corporates and government. ▶ Possibly define PURPOSE Statements and monitor their effectiveness.

We set the scene below by considering three (3) likely (but not exhaustive) scenarios of how COVID-19 might impact Nigeria's Socio-Economic trend.



Early Recovery: Lockdowns, travel restrictions, controlled gatherings, Oil price falls / volatility have all restricted economic growth and led to currency depreciation: are all gradually eased.

Fiscal and Monetary interventions introduced and slowly stimulates the economy. Supply chains improve. Incidence rates on decline, health facilities under less pressure and Non-COVID ailments attended to.



Prolonged Period to Recovery: Virus not contained for a while yet; Travel bans continue; supply chains sustainably impeded; Staff layoffs; Recession, currency further depressed before the improvements mentioned above bring about change.



Multiple Peaks: Virus containment seems under control; restrictions lifted; businesses begin to pickup *then* a second wave occurs leading to 'fear' and a paralysis of operations.



“

Insurers have been proactive in keeping their businesses afloat, servicing all stakeholders

Telecommunications and basic digital facilities have been key resilience tools.

”

Insurance and COVID-19: Need for new Approach

The discussions below anticipate either of the first two scenarios. If there are multiple waves of the pandemic (scenario 3) the socio economic environment will be chaotic until mitigating tools - vaccines, antibodies, etc. are available. This scenario is not discussed below

COVID-19 Broad Experience of Insurers: **The Now**

COVID-19 has stressed the reputation, financial and operational resilience of Insurers. The virus also presented opportunities of a fresh rethink on how business is conducted. We will consider these issues under four (4) core business areas:

1

Customer, Product and Distribution:

- ▶ Companies experienced an increase in customer enquiries and saw the need to engage customers and demonstrate confidence to meet obligations. Many companies increased visibility through 'keep safe' text and email messages.
- ▶ Claims in process, commission payments due and new business onboarding continued with the aid of technology.
- ▶ In Life Business there were relatively increased surrender requests from saving policies and increase in protection business enquiries. Group Life renewals continued.

2

People, Operations and Technology:

- ▶ Huge workforce disruption: absence of normal office teaming and human interactions has impacted achieving full efficiency.
- ▶ The rapid transition to remote working will exert pressure on IT (both infrastructure and personnel) and increase company exposures to Cyber risks.

3

Capital, Liquidity and Investments:

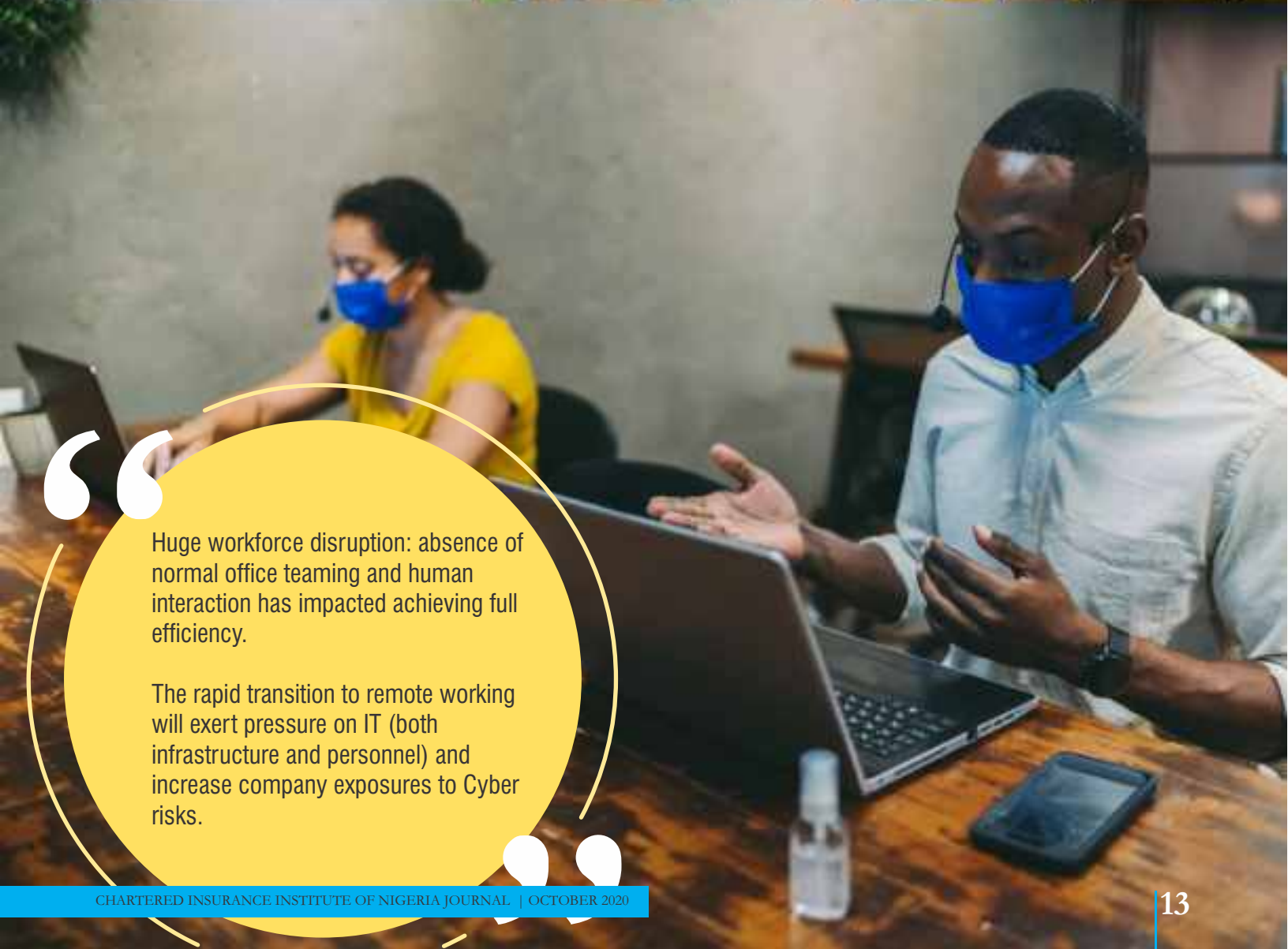
Companies generally experienced:

- ▶ Fall in new business volumes.
- ▶ Cashflow strains, arising from a combination of unplanned accelerated claims payment, investment in IT / digital infrastructure, low new business, maintenance of salary payments (low redundancy), premium rebates, lapses etc.
- ▶ Falls in Equity and Property prices and investment returns (deposit rates) leading to lower investment portfolio returns
- ▶ **Fall in Solvency levels.**

4

Financial Reporting:

Working remotely significantly delayed Financial Reporting. The pandemic led to business leaders (Management and Board) needing more frequent information than hitherto, putting a lot of pressure on Finance teams, leading to discussions of system upgrades.



“

Huge workforce disruption: absence of normal office teaming and human interaction has impacted achieving full efficiency.

The rapid transition to remote working will exert pressure on IT (both infrastructure and personnel) and increase company exposures to Cyber risks.

”

Insurance and COVID-19: Need for new Approach

The Way Forward: **Next and Beyond**

The advent of COVID-19, the consequent lockdown and remote working periods has tremendously increased the use of digital tools in Nigeria particularly for making transactions and enquiries. This cuts across **all** ages and social classes.

Most service providers believe 'digital' will be part of our 'new normal' and should be incorporated in business and operating module reviews.

Customer, Products and Distribution:	NEXT	<p>Insurers are likely to demonstrate more empathy to their customers and partners in the immediate next stages of the COVID-19 experience. This could include:</p> <ul style="list-style-type: none"> ▶ Extending policy renewal dates for non-life policies (e.g. motor, aviation, marine or giving a cash rebate where 'usage' has been low) ▶ Making 'Special COVID' payments to policyholders who die from the virus. ▶ Rolling over policyholder due payments (premiums, loan repayments). ▶ Granting agents and small sized brokers 'soft' loans.
		<p>Intensify new ways of securing new business especially adopting digitalization and collaborating with technology and telecommunication companies to expand retail business</p> <ul style="list-style-type: none"> ▶ Household Insurance ▶ Life Protection Insurance (with riders including health related benefits) <p>It is likely that agents and brokers also increase their business development through upscaling their digital activities as social distancing will hinder traditional ways of operating.</p>
	BEYOND	<ul style="list-style-type: none"> ▶ 'Return on Capital' (ROC) is going to be a key index to focus on post recapitalization. ROC will emerge from a combination of Business Development, Operational Efficiency, Investment Strategy, etc. ▶ Business Development plans will imbibe increased customer (current and potential) engagement to observe behaviors and needs, resulting in the development of relevant new products prepared on a segmented basis (age, occupation, gender, location, etc.) rather than the current one size fits all. Digitalization and data analytics will be enabling tools for deepening both Retail and Corporate business. ▶ In Non-Life business, we expect better use of information obtained from installed sensors e.g. motor trackers, installed security systems, etc. - in pricing and product development. ▶ The thirst for profits post recapitalization will lead to companies sustainably aiming to achieve deeper market penetration. This will be accomplished with the agility to change product features as needed there will be increased product differentiation amongst insurance providers. This may lead to frictions with brokers and the possibility of more B2C and B2B activities.
		<ul style="list-style-type: none"> ▶ Insurers are likely to use COVID experience to reassess and review their Purpose Statement to policyholders - and if they don't have purpose statements, construct one e.g. "To help customers defy uncertainty and look to the future with confidence"

“ Intensify new ways of securing new business especially adopting digitalization and collaborating with technology and telecommunication companies to expand retail business ”



Insurance and COVID-19: Need for new Approach

People, Operations and Technology:	NEXT	<ul style="list-style-type: none"> ▶ Remote working will be part of our new normal. Employment policies will need to be reviewed to accommodate this important change e.g. checking in online, flexible working hours , etc. ▶ Operating Procedures and Technology will need to be enhanced to accommodate <ul style="list-style-type: none"> ▪ Mobile / remote working across more employee cadres than hitherto ▪ Engaging with customers and business partners, as they will also be embracing technology than more hitherto ▶ Increased connectivity through technology will lead to the need to review and strengthen Enterprise Risk Management policies across all workstreams and possibly elevate its reporting to top management and relevant Board committee.
	BEYOND	<ul style="list-style-type: none"> ▶ The shift in work culture will lead to the need to maintain flexible agile enterprises. This could impact needed staff profile, and lead to redundancies and retraining needs. ▶ There will be an increase in the use of basic tools of engagement, e.g. Chat-box P2P or P2AI. ▶ Should operations upscale, then Robotics may be introduced for some operations. ▶ There will be an increased focus on operational excellence - (improving output at minimal cost) leading to regular reviews of infrastructure - people and technology - whilst this may be disruptive, it would reflect the needed 'pain' to scale-up.
Capital, Liquidity and Investments:	NEXT & BEYOND	<ul style="list-style-type: none"> ▶ The fall in investment yields will in the near future lead to a drop in asset values and solvency levels leading to the need for more capital. ▶ Falls in new business levels, and increased cashing-in of savings policies and policy lapses are likely to be experienced in the immediate 'next' as the economy struggles. This will lead to financial strains in the insurance industry. ▶ Hence in the next and beyond, it is expected that companies will aggressively focus on developing plans that will consistently achieve Operational Efficiency, loosely described as the combination of business expansion, cost rationalization and capital optimization, all aimed at enhancing profit and attract both good talents (employees) and capital (investors). This would attract new capital. ▶ It is expected that Enterprise Risk Management together with Asset Liability Matching procedures will be on the ascendency, as will Customer Centricity and the Agility of Insurers to deliver new product designs that reflect customer needs, and lead to business expansion.
Financial Reporting:	NEXT & BEYOND	<ul style="list-style-type: none"> ▶ Working remotely posed challenges to many Insurers in meeting regulatory Financial Reporting deadline in part because needed information were extracted from multiple sources, some not readily accessible remotely. ▶ Hence, we expect significant investments in Financial Reporting Systems moving forward. This expectation is compounded by the extensive requirements of IFRS 17.

Insurance and COVID-19: Need for New Approach

Conclusion

A significant impact of COVID-19 is the emergence of 'remote working', a concept that is expected to continue as part of our work pattern, even if modified. **For efficiency to be maintained, remote working will be accompanied with increased investment in digitalization and technology.** Hence in the near future and beyond, significant changes in the way Insurer's operate are anticipated.

- ▶ Customers will increasingly be acquired and serviced digitally. There will still be face-to-face interactions, but digital will be in the ascendency, since this medium is what customers will likely adopt for their other transactions.
- ▶ The use of digital will increase available data points - customers, agents and employees - leading to an increased use of data analytics to enhance business development and operational efficiencies.
- ▶ Workforce management will be influenced by the introduction of flexible working hours, remote working and associated scale-up of needed technology. Accordingly it's likely employment contracts are significantly reviewed.
- ▶ Companies will have higher cybersecurity costs, protecting the consequences of having numerous 'working sites' .

In summary, in the Next and Beyond, the COVID-19 experience may turn out be a catalyst for change. It is anticipated that insurance companies will be more technology driven across all workstreams.

Technology will provide the agility to:

- ▶ interact more with customers,
 - ▶ market more need based products
 - ▶ develop more partnerships and deepen market penetration.
- leading to a bigger, better-connected Insurance Industry.

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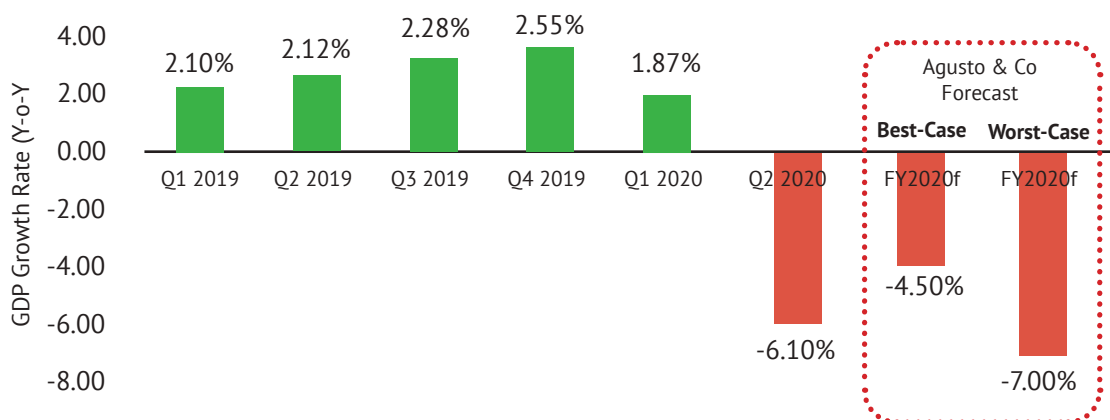


Agusto & Co. Economic Newsletter: The Nigerian Q2 GDP COVID Contraction & 2020 Forecasts

The COVID-19 Quarter

The National Bureau of Statistics (NBS) recently released Nigeria's GDP growth numbers for the second quarter (Q2) of 2020. Expectedly, real GDP contracted by 6.10% year-on-year in Q2, a sharp drop in output from the 1.87% year-on-year growth rate recorded in Q1. This represents the worst contraction since the Nigerian economy exited recession in Q2 2017. The sharp contraction was driven by the distortions in economic activities and the collapse in oil prices during the second quarter as a result of lockdown measures implemented both domestically and internationally owing to the COVID-19 pandemic.

Figure 1: Quarterly Trend in GDP Growth Rate in % (Y-o-Y)



Source: NBS, Agusto & Co

The COVID-19 QUARTER

Oil GDP: Q2 2020

Non-Oil GDP: First Decline since Q3 2017

Outlook: Q2 2020



Source: Shutterstock

Oil GDP: Nigeria Records Average Oil Production of 1.81 million barrels per day in Q2 2020

The oil sector GDP contracted by 6.63% year-on-year in Q2 2020, a sharp fall compared to the preceding quarter in which the oil sector grew by 5.06% year-on-year. The contraction in oil GDP was due to the dual decline in production volumes and crude oil prices recorded during the quarter. Notably, oil production dipped by 0.26mbpd from an average of 2.07mbpd recorded in Q1 2020 to 1.81mbpd in Q2 2020, representing a decline in production volume of circa 14%. The global oil market was pushed to the doldrums at the onset of Q2, with Brent crude price, a major global benchmark averaging \$29.7 per barrel over the quarter as compared to the \$50.3 per barrel average price recorded in Q1¹.

In terms of contribution to overall GDP, the oil sector accounted for 8.93%. This is a decline compared to the 9.50% contribution recorded in Q1 2020 and 8.82% in Q2 2019.

Figure 2: 2020 YTD Trend in Brent Crude Oil Prices



Source: Macrotrends

¹ Macrotrends



Non-Oil GDP: First Decline since Q3 2017

The non-oil sector witnessed a 6.05% contraction in Q2 2020, the first negative growth experienced in the non-oil segment of the GDP since Q3 2017. The non-oil sector accounted for 91.07% of overall GDP in Q2 2020, a slight increase compared to the share recorded in Q1 2020 of 90.5%. The largest contractions were witnessed in Transport and Storage, with a negative growth of 49.23%, Accommodation and Food services at -40.2%, Construction at -31.77% and Real Estate at -21.99% year-on-year. The contractions in these sectors were largely driven by the effects of the lockdown measures especially with the ban on interstate travel (road and air) which affected local commute, travel and hotel lodging services.

Sectors that remained resilient over the quarter include Information and Communication Technology (ICT), which recorded a growth rate of

15.09% year-on-year, driven by the Telecoms and Broadcast sub-segments with growth rates of 18.1% and 8.78% respectively; Finance and Insurance also expanded by 18.49% year-on-year and Agriculture recorded a positive but tepid growth rate of 1.58%. The ICT sector has emerged the brightest spot in this pandemic as the lockdown of Nigeria's largest cities – Lagos and Abuja led to the adoption of remote work and virtual engagements for large sections of corporates in these cities. This led to increased consumption of broadband data services by the labour force for these virtual engagements. We believe this trend will subsist for the rest of 2020 as the work-from-home trend still remains increasingly popular even after the easing of lockdown measures.

Outlook: Q2 2020 – Is the Worst It Gets For the Year?

We note that for the greater part of Q2 2020, restrictions were in place limiting economic activities and movement of goods and people both within and outside the country. The first phase of the lockdown, which began on March 30, lasted five weeks with the President enacting a shutdown of all but essential activities in the nation's economic powerhouses including the commercial capital of Lagos, the neighbouring state of Ogun, and the Federal Capital Territory². Subsequently, the key commercial hub in the north – Kano State was added to the list on account of rising infection and mortality rates. Interstate travel was suspended,

and some State governments also enacted lockdown measures within their states including Kaduna, and Rivers State. The global oil market was equally pushed to the doldrums at the onset of Q2, with oil prices descending to unprecedented lows in April 2020. Consequently, we opine that Q2 GDP numbers capture the full magnitude of the pandemic-induced downturn in the Nigerian economy.

Although some reprieve is expected as economic activities pick up with the gradual phasing out of lockdowns and the improvement in the global oil

² <https://www.aljazeera.com/news/2020/03/nigeria-announces-lockdown-major-cities-curb-coronavirus-200330095100706.html> (assessed August 24, 2020).



market, significant downside risks remain. While we note that Nigeria's oil production is limited by the 1.4mbpd cap (exclusive of condensates) as part of the OPEC+ alliance agreement, we expect the gradual recovery in crude oil prices from their lows in Q2 to provide some respite to oil GDP in subsequent quarters. Similarly, measures such as the easing of lockdowns and opening up of the country for travel are expected to support non-oil GDP.

The outlook remains tapered in view of Nigeria's persistent foreign exchange shortages, amidst the fragile oil market and reform inertia on the part of the government. There's an estimated \$7 billion of unmet dollar demand – with the backlog comprising of a \$2 billion demand by manufacturers and \$5 billion by foreign investors seeking to exit the Nigerian market.³ The reluctance to push ahead with tough reforms such as unifying the exchange rates is weighing heavily on sentiment, with the World Bank delaying its approval of Nigeria's \$1.5 billion loan request until October⁴. Our view is that foreign exchange shortages will persist throughout the second half of the year, inhibiting growth as manufacturers increasingly struggle to source sufficient dollars to pay for imports – even as activities pick up.

We are cautiously optimistic that Q2-2020 could turn out to be the worst it gets for the year, and also note the relative resilience of the Nigerian economy during the quarter, compared to several economies: The US suffered a downturn of 9.5% year-on-year in Q2⁵, while the UK economy plunged by 21.7% year-on-year in Q2⁶ and the Euro Area printed a -15% growth year-on-year in Q2⁷. We believe that Nigeria's growth rate reflects the relatively lax implementation of lockdown measures across the country, especially in States outside of the nation's economic powerhouses. Avoiding the worst of the pandemic in terms of infections and mortality has also helped mitigate the contractions while buoying consumer confidence ahead of the second half.

Overall, the -6.10% growth rate recorded in Q2 brings half year 2020 GDP growth rate to -2.18%. At Augusto & Co., we maintain our forecast scenarios of -4.5% in the best-case and -7% in the worst-case for full year 2020.

³ <https://businessday.ng/exclusives/article/nigerias-fx-demand-backlog-near-2016-crisis-levels-of-7bn/>

⁴ <https://www.reuters.com/article/us-nigeria-worldbank-exclusive/exclusive-nigerias-1-5-billion-world-bank-loan-delayed-over-reforms-say-sources-idUSKCN25D1V6>

⁵ US Department of Commerce https://www.bea.gov/sites/default/files/2020-07/gdp2q20_adv.pdf

⁶ UK Office for National Statistics: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/apriltojune2020>

⁷ <https://ec.europa.eu/eurostat/documents/2995521/11156775/2-31072020-BP-EN.pdf/cbe7522c-ebfa-ef08-be60-b1c9d1bd385b>



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CIIN

Transitioning into
**A DIGITAL PROFESSIONAL
INSTITUTE**

EDDIE EFEKOHA

Since one of the parameters for measuring effective leadership is its influence on followers, the tenure of the 49th President of the Chartered Insurance Institute of Nigeria, Mr. Eddie Efekoha could be said to have had significant impact on the Institute and its members.

Aside from accomplishing all his tenure objectives bordering majorly on professionalism and knowledge enrichment of members as well as opening new vistas for them in the market and economy generally, Mr. Efekoha in this interview which was conducted at the twilight of his administration also forecasted the future of the Institute within the Nation's financial ecosystem.

He opined the Institute was on a transition course into becoming a fully digitally driven organization.

At your Investiture as the 49th President of the Chartered Insurance Institute of Nigeria, a number of laudable projects were outlined. To what extent were you able to accomplish these?

First, I owe this honour and privilege to Almighty God and to the Governing Council of the CIIN for the confidence reposed in me to steer the Institute for two years. Though it came with enormous responsibilities as I initially planned for only one year tenure, but as fate will have it and also as necessitated by the turn of events, I reluctantly accepted to serve for the second year.

I have always had passion for training and imparting knowledge as evidenced in prior positions I held in the Institute such as Chairman of Education Committee and the College of Insurance and Financial Management Board. Similarly, an important aspect of the CSR of my organisation, Consolidated Hallmark Insurance, is the Annual Essay Competition for Tertiary Institutions.

Therefore, it was not surprising that this passion influenced the main focus of my presidency as elucidated in my theme of *Advancing Insurance Education and Professionalism*. The fact that the CIIN had the statutory responsibility of determining the skill and knowledge requirements of insurance practitioners further reinforced that vision in me.

Foremost on the agenda was ensuring that our professional members of the Institute acquired cutting edge skills that match up with global standards and enables them to compete favourable with their counterparts in other sectors. During my tenure, there was

growth and development in the intellectual capacity of members and also the infrastructure of the CIIN; by extension, the College of Insurance and Financial Management which is its training arm.

The relationship between the Institute and the CII, UK, was strengthened and among some of the fruits therefrom were revision of syllabus and the domestication of CII textbooks which were launched in June 2020.

Similarly, the Institute's Mentorship Programme was actualized with the organisation of an inaugural bootcamp where industry leaders shared experiences with young professionals with the aim of inspiring them to strive for greater achievements. The event also had Mr Niyi Adesanya, a renowned life coach deliver a very impactful paper on leadership.

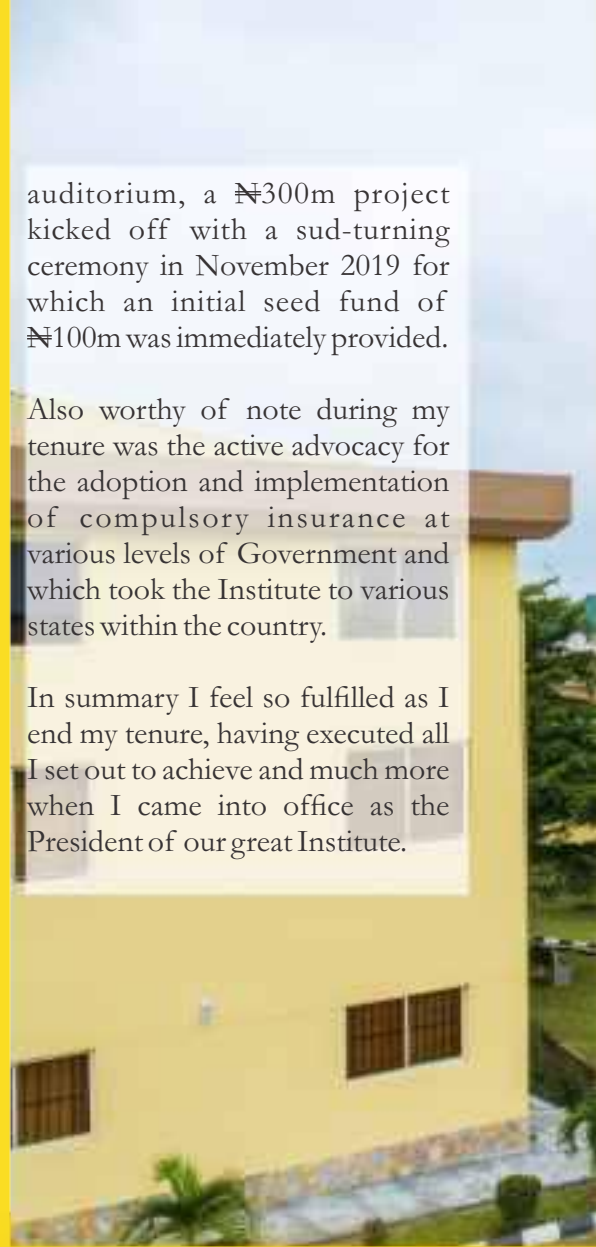
Furthermore, the College has become the focal point for human capital development for insurance industry in Nigeria. This is evidenced by the partnership between the College and National Insurance Commission which resulted in the first ever Insurance Directors Conference and recently in the Actuarial Development Programme. Hence, the Institute more than ever before effectively delivered on its statutory duties during my tenure.

This is not forgetting the tremendous infrastructural development at the College. The College campus now has a standard tennis court, well-furnished accommodation both for students, staff and visitors. We also recently commenced the construction of a world class

auditorium, a ₦300m project kicked off with a sud-turning ceremony in November 2019 for which an initial seed fund of ₦100m was immediately provided.

Also worthy of note during my tenure was the active advocacy for the adoption and implementation of compulsory insurance at various levels of Government and which took the Institute to various states within the country.

In summary I feel so fulfilled as I end my tenure, having executed all I set out to achieve and much more when I came into office as the President of our great Institute.







Specifically, one of the projects in your presidency's agenda was equipping accredited Insurance Departments of tertiary institutions across the country. How successful were you in this regard?

The CIIN under my tenure made remarkable progress by building on the work of my predecessors. We donated two complete sets of CIIN course books to seven (7) institutions of higher learning namely:

- University of Lagos
- University of Uyo
- Enugu State University of Technology
- Ekiti State University
- Niger Delta University
- Ken Saro-Wiwa Polytechnic
- College of Insurance and Financial Management.

In total, 462 course-books were presented to these institutions. In the same vein, the CIIN Insurance Textbook for Senior Secondary School Students was also donated

to secondary schools in Delta State in line with the Institute's initiative geared towards promoting insurance as a career choice for secondary school leavers.

Making CIIN Examinations affordable and accessible was part of your mandate, how well did you achieve that?

I must say that this was successfully achieved regardless of rising inflation and costs in the country; the fees for the CIIN Professional Examinations have not been increased and remain the most affordable when compared with what similar professional bodies charge. The CIIN has also continuously advocated for insurance organisations' support for staff writing professional examinations. This has accounted partly for the increase in enrolment rate for the examinations.

Secondly, under my tenure, the CIIN instituted scholarships for best students in insurance in

various tertiary institutions while we have preserved the discounts offered to students in tertiary institutions writing the Institute's examinations.

How confident are you about CIIN Associates' ability to compete favourably with counterparts from all over the world, considering the structure of the CIIN Examinations today?

The Institute's examinations both in content and delivery are of global standards because it benchmarked against leading insurance institutes all over the world. Consequently, our Associates have continuously excelled in countries where they have been opportune to practice the profession. Nigerian professionals hold leadership positions in insurance all over the world. Even our females are recognised as trailblazers in Africa as highlighted by the African Insurance Organisation at its annual conference in 2019.



These successes were achieved because of the dynamism of our examination process, ensuring that course books are produced and examinations are conducted in emerging areas in the insurance business. In recognition of this some other countries within and outside the sub region have requested that our examinations be conducted in their countries.

Similarly, Mandatory Continuous Professional Development (MCPD) is required of all Associates and this is promoted by both the CIIN and CIFM to afford insurance professionals the opportunity of continuously upgrading their skills in line with emerging trends in the insurance market.

I am delighted to inform you that a lot of the Institute's Associates easily pass mandatory insurance practice examinations in other countries; an attestation to the fact

that the CIIN Examinations is of global standard.

What is the impact of Covid-19 on activities of the Institute?

The Institute like other organisations in the world has been affected by the pandemic, however, this has brought about positive innovations in its service delivery.

While our professional examinations have been put on a temporary hold, we are rigorously exploring digital means of conducting our examinations and training including relating with our members.

The foray into virtual training began with the recent CIIN/CIFM Webinar themed 'Insurance Value Delivery in the Pandemic and Beyond: A New Reality' which was aimed at sensitising our members about the

need to ensure value delivery in the adoption of technology.

While the planning of digital examinations which is the ultimate is still in progress, we are awaiting a relaxation of restrictions and rules from government to conduct the postponed examinations due in the first diet in year 2020. The CIFM on the other hand now conducts all its training programmes online including certification workshops i.e. agents and bancassurance officers together with the Diploma Programme. One of the exciting opportunities that the pandemic has created is the ability to collaborate with foreign experts in the College thereby bringing training programs of global standard to our members at affordable prices.

This is a reflection of the fact that the Institute is a very dynamic organisation with tremendous human and capital resources.



Going forward, how prepared is the Institute for new normal?

Permit me to reiterate that the Institute is a dynamic organisation that has continuously adapted to past and ongoing global challenges. This is our success factor.

Before now, we had embarked on the digitalisation project which sets us on the path to effectively and efficiently accomplish our statutory functions. Hence, adapting to the new normal has been made easier than it would have been.

The vision of the Institute is to become a digital organisation using technology to drive value delivery to all stakeholders both internal and external.

The CIIN through its Executive Program has taken insurance industry leaders to the United Kingdom, Hong Kong and United States of America. Of what impact is this program to the core objectives of the Institute?

The Executive Program has impacted significantly on the Institute in the content and delivery of services to members and conduct of its examinations. Top insurance executives who have been on this programme harness and leverage on the experiences of their counterparts in the countries visited. It therefore fits into the Institute's MCPD program.

Secondly, knowledge from this program enables the Institute identify global trends in insurance business which is then incorporated into our professional examinations. A good example was the program's visit to Malaysia which not only informed the setting up of the CIFM but also birthed the designing of certificate programmes in Takaful which is the form of insurance acceptable to Muslims.

What in your opinion is CIIN ranking amongst other Professional bodies in Nigeria?

The CIIN like other professional bodies in Nigeria has regulations which impose responsibilities such as conducting professional examinations, promoting professionalism and ethical behaviour amongst members amongst others.

Without any iota of doubt, the CIIN is at par with other professional bodies with regards to its statutory obligations which it has continuously pursued with success.

The CIIN has been the rallying point for all insurance professionals and is a globally recognised organisation in insurance profession just like other professional bodies in Nigeria.

While some other bodies have break out organisations setting up parallel professional bodies, for the insurance profession in Nigeria, the CIIN remains the single professional body conducting insurance professional examinations in Nigeria for the various arms of the insurance industry.

The students still have this notion that annually the Institute pegs the number of qualifiers. How true is this?

This notion is totally wrong because it is contrary to our vision of growth in the industry which requires increase in the number of professionals. However, we cannot because of our desire for growth compromise on the standards of our examination. The CIIN benchmarks its examinations against global standards so that our Associates can compete favourably with others in the global market. This we have conveyed to our stakeholder at every available opportunity.

In 35 years of your insurance practice, in what other ways have you contributed to the growth of the industry?

My professional life has been dedicated to personal and industry growth.

I have tirelessly pursued the development of the industry through education and enlightenment. I accepted responsibilities to serve in various capacities in the CIIN in response to my personal desire to see the industry grow.

I have also served as the Chairman of the Nigerian Insurers Association and still retain a seat



on the Governing Council of the Association. At the time of my Chairmanship I initiated and concluded work on charting a course for industry culminating in a strategy document (Industry Roadmap - Vision 2027) that the Association is working with to grow the industry. This is in addition to ensuring the commencement of the construction of an edifice for the Association among other things.

I have been privileged to set up insurance institutions and today, to the glory of God, I am the Group Managing Director of Consolidated Hallmark Plc, an organization that employs over 300 staff nationwide.

At every opportunity to serve, I have strived to leave a legacy that will engender the growth and acceptance of insurance as a profession and as a service.

Having received mentorship from various industry giants such as Mr. Amos Adeyeye of Hogg Robinson, where I started my incursion into the profession, I have in turn served as mentors to a lot of practitioners some of which have become heads of insurance institutions. I have been able to inculcate the success factors of the insurance profession that have worked for me which are professionalism, hard work and integrity.

What were the challenges you faced as the 49th President of the CIIN?

Aside the challenge of adapting to the new normal which has been forced on us, I personally was challenged by my desire to achieve the best I could during my tenure. Having had forty-eight Presidents before me who had consistently

raised the bar in ensuring the Institute remained relevant to the insurance industry, it became imperative that I must continue on the growth pedestal of the Institute because that was the only option for me.

To the glory of God, we have been able to achieve so much over the past two years and the experience has made long lasting impressions on me personally.

Can you share your most memorable moments as the President with us?

There were lots of memorable moments during my tenure but that which stood out most was the 60th anniversary celebration of the Institute.

Coincidentally, the Institute and I share the same year and birth



month, August 1959. It was pretty exciting to be President and co-celebrant with the Institute. The weeklong event which culminated in a Gala night where Olola Olabode Ogunlana was honoured with the title of Doyen of the Insurance Industry.

The highlight of the event was the launching of a 60th anniversary compendium chronicling the Institute's achievements over the past six decades. It afforded me the opportunity to look back at my life especially my years in the industry and the humble contributions made by many like myself to bring the Institute to the enviable position it now occupies. It was nostalgic for me and I would forever be grateful to God for this rear privilege and divine coincidence of being the president at this point in time.

How was it possible to be the Chairman of the Nigerian Insurers Association and President of Chartered Insurance Institute of Nigeria consecutively?

This is another evidence of God's grace upon my life. I did not plan or envisage that it would happen that way, but it was the doing of Almighty God. Like the words of the bible, 'This is the Lord's doing and it is marvellous in our sight'

What is next for Eddie Efekoha?

I am still the Group Managing Director of Consolidated

Hallmark Insurance Plc and continue to serve on the Governing Councils of the NIA and CIIN as provided in the constitution and Law of both institutions respectively.

Therefore, I am still in the service of the insurance industry and my prayer to that God would continue to bless me with good health and sound mind in this regard.

More importantly, my wife and daughters faithfully supported me in the last four years that I had to serve the NIA and CIIN back to back. Therefore, paramount amongst my next plans is to spend more time with them and make up for those years

I would not want to conclude this interview without acknowledging the support of Governing Council of the Institute together with those of current and immediate past Commissioner for Insurance, Mr. Sunday Thomas and Alhaji

Mohammed Kari. I am most grateful to the National Insurance Commission for impactful collaborations with the Institute and the College during my presidency.

My utmost gratitude goes to the Board, Management and Staff of Consolidated Hallmark Insurance Plc, for standing by me all through my tenure as the President of the Institute.

A special thanks also go out to the Director General of the Institute, Mr. Richard Borokini and members of staff of the Secretariat who toiled tirelessly to bring a lot of our plans to fruition over the past two years. This is not forgetting the staff and Members of the Board of the CIFM for partnering with me and ensuring that all the College programs on my agenda were achieved.

I cannot but recognise the contributions of all members of the Institute and Trade bodies who participated so actively in the programmes of the Institute throughout my tenure.

Finally, to God be all the glory for the opportunity to serve at this auspicious time in the history of the Institute.



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Telemedicine involves remote diagnosis and treatment of patients through telecommunication technology. It is manifestly beyond diagnosis and prescription through telephone as the average person tends to think. Telemedicine allows patients to access medical expertise quickly

and efficiently without the need to travel. Telemedicine services can be used for a number of non-emergency situations such as diagnoses of common medical problems such as allergies, asthma, bronchitis, cold, or flu, ear infection, pinkeye, rashes, digestive problems, and many other issues.

Some of the potential benefits of telemedicine include increased access to health care (especially in underserved areas and among underserved populations), expanded utilization of specialty expertise, system coordination and integration, ready availability of patient records, and reduced

An isometric illustration on a light blue grid background. In the center, a large tablet displays a medical interface with icons for a DNA helix, a heart with a pulse line, a stethoscope, and a document. A stethoscope is draped over the tablet. To the left, a smartphone shows a heart icon and a pulse line. In the upper left, a monitor displays a heart icon and a pulse line. In the lower right, a female healthcare worker in blue scrubs is talking to a male patient in a white shirt. The title 'Telemedicine and Malpractice Insurance' is written in large, bold, red letters, with 'By Dr. Femi Obikunle' in smaller red letters below it.

Telemedicine and Malpractice Insurance

By Dr. Femi Obikunle

opportunity costs of care for patients.

These advantages and benefits of Telemedicine practice must be balanced with the reality of any professional practice. Professionals are individuals who have passed rigorous examinations, are licensed to

practice, subscribe to ethical guidelines and mandatory continuous post qualification training.

Employers and telemedicine practitioners ought to be concerned about medical malpractice claims, and how the use of telemedicine may affect

their legal responsibility. Telemedicine may give rise to complex legal issues for medical practitioners in Nigeria, if proper procedures and guidelines are not followed.

These claims may arise from

- i) Malfunctioning of telehealth equipment



- ii) Wrong diagnosis
- iii) Wrong patient records access
- iv) Non access to patient records
- v) Prolonged downtime of Telemedicine system
- vi) Professional negligence of Telemedicine practitioners
- vii) Failure of Telepharmacy
- viii) Post telesurgery complications
- ix) Employers' collateral liability
- x) Telemedicine Employees Malfeasance

Telemedicine insurance plays a very fundamental role in ensuring that professionals and their employers are financially protected against these claims.

Malpractice describes a breach of duty owed by someone rendering professional services to a person who has contracted for such services. According to Gostin (2000), the mortality resulting from medical errors each year in USA is estimated to be between

44,000 to 98,000 per year, accounting for more deaths than motor vehicles crash, breast cancer, or Acquired Immunodeficiency Syndrome.

It is instructive at this juncture to review the trend of Malpractice claims in a North American State.

No-Fault Compensation for Medical Injury: A Case Study

According to Horwitz and Brennam (1995), Florida found itself facing a crisis in medical malpractice liability in the 1970s and 1980s. Between 1970 and 1975, more than twenty medical malpractice insurers canceled their coverage of Florida physicians, and by the mid-1980s the state's largest malpractice insurer ceased doing business there altogether. The major reasons for this closure were malpractice claims were increasing, particularly for

obstetrics; and severity of claims (that is, the amount paid out) also was increasing, again particularly for obstetrical cases. Clearly, a legislative response to the perceived crisis was called for. In 1988, Florida passed a bill transferring liability cases for newborn infants' neurological injuries from the tort system to a no-fault system. Unlike the tort system, no-fault liability compensates patients who suffer any treatment-induced injury, not just those that can be traced to medical malpractice, or negligence (Horwitz and Brennan, 1995). This is a qualitative advisory for countries that are yet to embrace Telemedicine practice.

In USA, Kilpatrick and Cody (2009) from Georgia Telemedicine Center (College of Medicine) stated that “a current argument has been made that a Physician carrying out consulting services in

telemedicine should be protected from malpractice claims from a referring physician. Current case law suggests that courts will find a physician – patient relationship, and hence contractual obligation exists in telemedicine. “According to Kilpatrick and Cody (2009), the courts determined that the following factors to form the basis of such relationships:

- 1) If the Consultant has met the patient, or know the patient’s name;
- 2) If the Consultant examined the patient’s chart;
- 3) If the Consultant examined the patient;
- 4) If the Consultant accepted a fee for his, or her services.

It is possible for a consulting Physician to establish legal physician-patient relationships if any of these conditions are met.

Group professional liability

insurance reduces cost for individual practitioners as the following example demonstrates.

Some experts in the field of telemedicine argue that telemedicine reduces individual practitioner's liability because the practice involves collaborations between several healthcare professionals. However, there is a general consensus that telemedicine raises patients' expectations which could lead to malpractice claims when their needs are not fulfilled. In addition, the practice itself could challenge an insurance company with regards to the grey area of coverage provided that may not be properly written.

According to a round table discussion coordinated by Diane Hoffmann, who is a Professor of Law at the Maryland School of Law and Health Program (2010),

“there has been a lack of telemedicine malpractice cases from which to draw some ground rules about legal risks associated with telemedicine. The majority of legal actions that have been associated with telemedicine were brought against providers who prescribed medication over the internet, rather than claims brought against providers for negligent care administered through telemedicine.” The case study was designed to stimulate discussion involved in the provision of tele-oncology consultation services by a medical center in one state to patients in another state. The complicated fact pattern included a patient (Kay) located in Oklahoma and diagnosed by her attending physician (Dr. Local) with lung cancer but also being seen by a consulting oncologist. Although there are few legal cases involving telemedicine, there is a widespread





assumption that telemedicine may pose new complications to traditional medical malpractice claims, in particular jurisdictional, choice of law, and procedural issues and duty of care concerns. As the use of telemedicine grows, malpractice claims relating to telemedicine services may increase and, if so, these complications are likely to create a new body of law.

Another illustrative malpractice claim is expounded in a recent case in Telemedicine malpractice that related to online prescribing was that of a United States doctor who was sentenced in 2017, to nine months in county jail with a fine of more than \$4,000 for practicing medicine in a patient's home state without being licensed in that state. It began when a patient filled out an online questionnaire. The website forwarded their responses to a processing firm which sent them to the physician, who was

subcontracting for an online pharmacy and prescribed an antidepressant to the patient. Shortly after filling the prescription, the patient committed suicide. The doctor, pharmacy, website, and patient were all located in different states.

The court decided the doctor needed to have been licensed in the patient's home state to prescribe medicine to someone living there, and the doctor pleaded no contest to the felony charge. (Reisenwitz C.,2017).

The real cases highlighted above indicate that novel claims can be brought against telemedicine firms and practitioners which may not be applicable in traditional medical practice.

The following questions must be satisfactorily resolved before a

world class telemedicine practice could be in place. The questions have been grouped for the stakeholders in Telemedicine practice.

Questions to Consider by Nigeria Insurance Companies.

- Are the employees in their clients' companies provided adequate guidelines about the coverage plans?
- What telemedicine services are they covering?
- Are the quotations provided for telemedicine billing explained thoroughly and consistent across board?
- Are there billing coding templates for telemedicine provided to the clinical setting?

Is this coding approved by the Nigeria Insurance Commission?

- Are telemedicine services covered in the malpractice insurance offered to companies?
- How are the insurance companies in Nigeria planning against issues that relate to the legal and moral aspects of telemedicine such as the confidentiality of patient records, reimbursements, and the jurisdictional difficulties related to cross-border consultations?

- Does the insurance company that a company employee uses, have a written document to validate that the clinic being used by a patient uses telemedicine?

- Medical professional liability insurers will need to think through how they will respond to the adoption of different licensure models by various states. If a group of states agree to accept the licensure decisions of each other (in a reciprocal agreement) will the insurer feel the need to be licensed in each of the states where the insured is “practicing”?

- Does telemedicine present unique challenges for medical professional liability insurers?

Questions to Consider by Regulators.

- Are there licensing requirements for the clinical setting to practice telemedicine within a particular state, or jurisdiction?
- Are there separate licensing requirements to practice telemedicine across states?
- Does telemedicine pose the same malpractice challenge as the traditional face to face way of medical practice?



- Do the unique attributes of telecommunications technology increase telemedicine practitioner's liability?
- Is there recognition for telemedicine billing in Insurance practice?
- Are these billings standardized throughout Insurance Industry?
- What role is the Nigeria Medical Board currently playing with regards to telemedicine standards, policies, procedures, and guidelines?
- Widespread dissemination of telemedicine may be affected by the availability of Medical Professional Liability (MPL) insurance coverage for the practice. How will Nigeria regulators handle this issue?
- Should telemedicine practitioners be held to the same standard as others in their field or to a separate telemedicine standard?
- Because telemedicine is a relatively new field, it is still unclear whether the professional liability insurance industry will treat telemedicine differently from other medical practices. If telemedicine is treated differently, premium rates may be increased and additional types of insurance may be required.

Nigeria Legal Practitioners need to ponder on these questions:

- Does the Telemedicine patient insurance consent form

contain the right wordings?

- Are the policies and guidelines for telemedicine by the clinics where telemedicine is practiced clearly stated, filed, and documented?
- What new legal standards will be created as a result of telemedicine in Nigeria?
- How are the legal principles of medical practice applied to telemedicine?
- Will the same legal principle that applies to the conventional face to face doctor-patient relationship be equally valid with telemedicine practice?
- How does the law view the practice of telemedicine in Nigeria?
- Litigation issues - telemedicine may introduce new dynamics into malpractice litigation such as new statutes, unique judge and jury characteristics, and environmental factors such as rural vs. urban concerns.
- Who, if anyone, is responsible for the failure of the equipment or internet connection? Can any steps be taken to minimize risks and responsibilities for communications failures, such as prohibiting telemedicine consultations when a communication failure could lead to serious injury or death? What degree of internet availability should be required for telemedicine and who should make that determination?

Clinical Settings need to think about these questions:

- Does the clinical setting have malpractice insurance?
- Are physicians in their clinics allowed to practice telemedicine?
- Does the telemedicine insurance coverage cover all the physicians and healthcare workers operating telemedicine within the clinical setting?
- Is there a form prepared by the clinical setting for a patient to sign in relation to their consent and confidentiality or privacy?
- Are the physicians in the clinical settings certified to practice Telemedicine?
- Employers need to consider these questions:
- Are the companies where their employees are being sent for telemedicine consultation having good reputation?
- Was the mortality or morbidity rate of the clinical setting verified?

Way Forward

- Nigeria Telemedicine Act needs to be established. This ensures that healthcare workers within a particular jurisdiction are licensed appropriately to practice telemedicine, and understand billing guidelines.
- Setting up of a comprehensive Telemedicine Policy, procedures, and guidelines.
- Careful Telemedicine planning will limit costly liability exposure.
- Insurance coding revisions that

gives room for adaptation for telemedicine innovation and variants.

- There needs to be an effective coordination between Healthcare practitioners and Insurance bodies in constructing a unified billing template. This can be enhanced through running appropriate workshops.
- Telemedicine patient consent form needs to be completed per each consultation and accurate records need to be kept in case of insurance audit.
- The Federal government of Nigeria through its various bodies needs to be involved in developing a national telemedicine strategy that will

include cost/payment, privacy, licensure, malpractice insurance, standardization, and other forms of telemedicine liabilities.

- All insurance companies need to establish telemedicine benefit plan that provides flexible coverage options for individual and family coverages. And physicians should make affordable provisions for patients who are not able to make payment.
- There is the need for the provision of state-of-the-art technology to attain operational excellence, while contributing to prompt service delivery.

- Provision of effective health risk management solutions and financial services to both individuals and corporate bodies.
- Plan to militate against cyber exposure to telemedicine platforms, and guide against medical fraud abuse.
- Provision of flexible healthcare plans where clients can have access to an array of healthcare benefits, including telemedicine within a given insurance network throughout their branches within the country and understands cross border implications as well.
- Medical group practices need to properly address the legal issues



that will minimize their liability exposure for providing telemedicine services. In addition, clinical settings need to give careful scrutiny to telemedicine contracts when negotiating managed care contracts.

Conclusion

Telemedicine has introduced a new dimension to healthcare delivery system in Nigeria. As a result, salient issues that come with the

implementation need to be understood by Healthcare Practitioners, Insurance Companies, Lawyers, and the governing bodies associated with insurance and healthcare delivery ecosystem. These governing bodies include the Nigeria Insurance Association, Nigeria Insurance Commissions, Chartered Institute of Insurers of Nigeria, Nigeria Insurers Brokers Association, and Nigeria Medical Board. All these stakeholders need to work together in setting

standards, procedures, guidelines, billing templates, and so on, in ensuring a successful telemedicine adoption within the country, in order to minimize the tendency for malpractice liability and medical fraud.

By Dr. Femi Obikunle, Certified Telehealth Clinical Presenter (CTCP)-USA, Doctor of Business Administration - Healthcare Management (Telemedicine), and USA.



“ Plan to militate against cyber exposure to telemedicine platforms, and guide against medical fraud abuse. ”



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INSURANCE & COVID-19: A NEW PERSPECTIVE

By Obinna Chilekezi



Introduction

COVID-19, according to Christoph Nabholz, Maria Amelia Lorenzo Caamaño and Dan Ryan (2020), is a David vs. Goliath battle. They argued that the SARS-CoV-2 virus, with its simplicity of four protein types, is waging war against our multi-layered physical and immune defences. Thus,

adding that David has been remarkably successful; at the time of writing, there were in excess of 20 million global confirmed cases of COVID-19 and more than 730,000 deaths. The situation keeps going up as more deaths are experienced on daily basis.

Christoph Nabholz, et al had maintained that, presently, there is much we can do to broadly prevent infection, from social distancing and protective measures to developing a vaccine, but once an individual is infected, the battlefield is at a cellular level and the response varies widely. At one

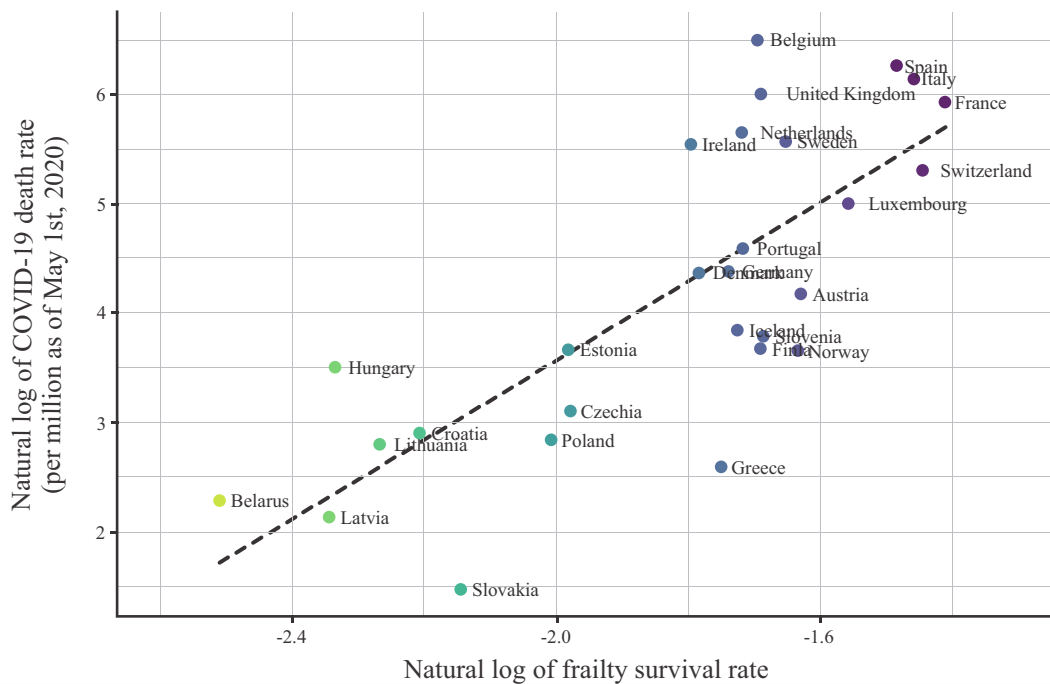
end of the spectrum, large numbers of SARS-CoV-2 carriers, ranging from 41%-80% for young adults down to 6%-20% for those in at-risk groups, appear fully asymptomatic. At the other end, the mortality rate of COVID-19 is a multiple of seasonal influenza, with great variations in the extent of illness in between (Christoph Nabholz, et, 2020).

Age, gender and underlying conditions appear the most significant risk factors in developing COVID-19. A systematic review and meta-analysis of observational studies show that 14 from an initial search of 143 studies attempted to quantify associations between various risk factors and risk of death from COVID-19 infection. The most significant associations

were with older age, male gender, hypertension, cardiovascular disease, diabetes, chronic obstructive pulmonary disease and cancer (Christoph Nabholz, et al, 2020).

Figure 1 illustrates the positive association between this frail survival rate and a logarithmic transformation of COVID-19 mortality rates.

Figure 2.3 COVID-19 death rates and health frailty (11)



Source: Swiss Re, 2020





The study, according to Swiss Re concluded that there is an exponential increase in COVID-19 mortality at older ages and country variations were consistent with high percentages of deaths taking place in frail populations in care homes, specifically where insufficient zoning meant that elderly, susceptible populations were exposed both to visiting staff and those discharged prematurely from “hotzone” hospitals. This may be the advantage that tropical countries like Nigeria is enjoying from the lower spread of the virus and low mortality rate in them.

Insurance and Societal Challenges

At this juncture, it is important to note that Covid-19 is not the first challenge that mankind has faced neither will it be the last. Going through the history of insurance, we are told as students of insurance that insurance has been

one of the most important mechanisms devised by man to reduce the impacts of risk on his existence. This fact is buttressed by the invention of fire insurance following the outbreak of the great fire incident of 1666 or that of aviation insurance in the early 19th Century following the invention of The Aeroplane among other classes. In this way, the outbreak of coronavirus, aka Covid-19 could also be seen as one of such challenges facing mankind that is seeking succor from the tenets of the insurance industry. Thus, one can deduce that the challenges posed by the advent of Covid-19 could be, if schematically approached, managed through the use of insurance as a risk management technique.

On the history of the virus, it is important to note coronavirus is one of the gifts from China, to be specific from Wahum China to

mankind. This notwithstanding, the virus has caused devastating impact on both national and global economies, with that of Nigeria being not an exception. This article will rather concentrate on the virus and the insurance industry leaving behind the political aspect of the disease.

Impact of Covid-19 on the Global Insurance Industry

There have been some extensive reviews on the impact of Covid-19 in the global insurance market, with the major reinsurers of Swiss Re and Munich Re in the forefront especially in the area of life insurance and/or the finances of the industry. On the part of the life business, such studies have shown that Covid-19 has led to increase in death claims globally, a situation that has caused some form of erosion of life funds. This is worsening by the fact that there is reduction of the number of new

businesses as a result of loss of jobs, among other financial instabilities in most global economies.

The situation is not quite different from the non-life portfolio, especially with regards to the business interruption insurance class. At this juncture, it is important to note that unlike in most African insurance markets where business interruption claim is triggered off by “material damage” risks such as fire, engineering or computer breakdown, in the advanced market commercial policies are normally issued on blanket insurance or ‘All Risks’ Insurance bases and not on risk specific policies. What this entails is that once there is accidental closure of business, for an example a lockdown, as was the case in the United Kingdom’s market, this would trigger off a BI claims. This was what happened in that market that resulted in a number of BI claims, and subsequent court cases, following the imposition of lockdown in that country. Interestingly, the courts resolved the matter on the BI claims in favour of the insureds.

I do not want to state here that because we never had such claims that we had a better market. I will rather say that the absence of such claims, triggered by the virus, showed a major gap in the commercial policies we presently have.

Some of the global actions by the insurance industry on coronavirus and its impact

Permit me to state that the Swiss Re had done a very good study on the virus and its effect on the industry. The reinsurance giant had highlighted some its findings on

the virus which could be of interest to our market. This study could influence thinking on issues pertaining to and having important implications for insurers, not least as investment income is a major source of sector earnings. These issues could be summed up as follows:

- Signs of implicit and even explicit yield curve control, and redesigns of monetary policy frameworks, strengthen our belief that interest rates will be even lower, and remain so for a long time.
- In non-life, even with some rate hardening in commercial lines, insurers need to improve their underwriting margins significantly to shore up profitability.
- In the G7 markets, we estimate the non-life profitability gap to long-run ROE expectations will widen by another 1.3 percentage points through 2021, from 6-9 ppt in 2019.
- In the life sector, low interest rates have a huge impact on savings products that combine long-term guarantees, and high flexibility and liquidity.

- Life insurers are seeking to enhance the value of existing portfolios by steering clients to high-value products and services, increasing persistency, improving claims management and also reducing operational costs.
- In the long-running low interest rate environment, insurers have invested more in higher-risk assets in (albeit with caution and within strict solvency frameworks in most jurisdictions) search of yield.
- Insurers can also use risk transfer solutions such as reinsurance to reduce mortality, morbidity and longevity risk exposures in order to free up and optimise available capital to support profitability.

Covid-19 and the Nigerian Insurance Industry

The main challenge of Covid-19 to our industry is that the virus has challenged practitioners to do things differently from the way they are used to doing before. Apart from this, it has affected the growth of the market negatively. In this regard, operators have to



devise means of getting new businesses from the insuring who are equally facing the impact of the virus on their daily existence.

There have been some calls in certain quarters that life policies issued in the market should exclude deaths caused by the virus or linked to the virus. This should not be the case; rather, the market should design clauses promising to pay double the death claim in the event of death arising from the virus. This extension or clause should not be free but should be rated higher than normal cover.

The non-life business should review its classes of insurance, with a view of migrating from the traditional specific policy cover to that of the modern day commercial blanket insurance covers as we see in the advanced markets.

Conclusion

Finally, we can conclude that with the outbreak of Covid-19, the insurance business cannot be same again in Nigeria. This is a challenge to the professionals to think out from the box on how insurance business should be carried out better, to the satisfaction of the insuring public in general and the industry in particular. We should equally bear in mind in designing policies that the suffering from the COVID-19 pandemic has been staggering and heartbreaking, with a devastating impact on individuals, families and economies. As countries take the first steps in relaxing restrictions, the Nigerian insurance industry should be committed to supporting clients and partners through our product innovations and thought leadership, and by paying covered losses. This will go a long way in showing how we

fulfill our vision of helping to make the insuring public more resilient at this time of great challenge.

Lastly, let me submit that there should be a need in the market to provide research and analysis to gain a better understanding of the impact of the virus in the industry. In order to do this, the market could set up a research team that could carry out this assignment or better still contract the investigation to an independent research firm. The issue of the impact of Covid-19 on the Nigerian insurance industry should be considered very important that should get all the attentions that it deserves.

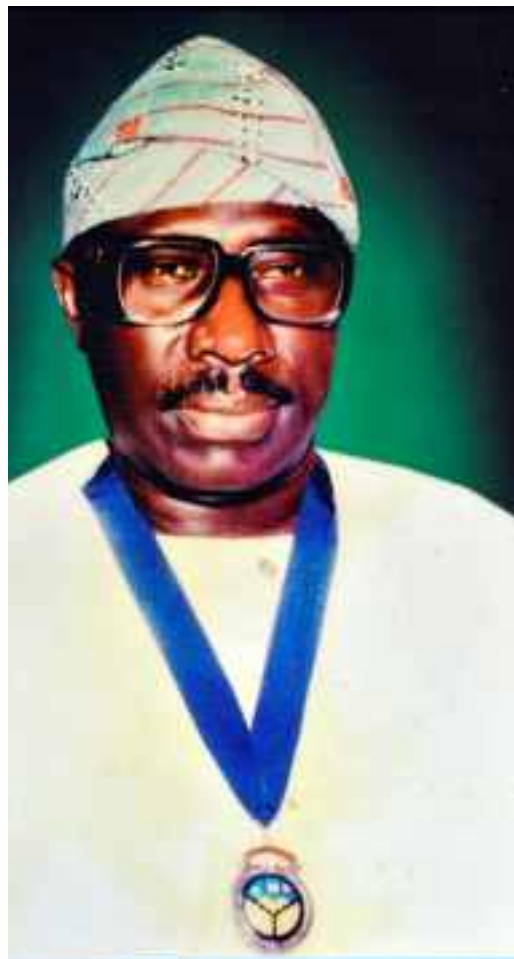
Obinna Chilekezi, PGD (F&B), M.Sc., MBA, FCIB, FIIN, FPAM.



Chief J Akin-George

Reflecting on the life of a colossus

by Tope Adaramola



A significant chapter was closed in the history of the insurance industry in Nigeria on Tuesday, April 11, 2010 with the demise of one of the patriarchs of the industry and commerce, Chief J. Akinwumi-George, OFR. Chief Akin-George breathed his last peacefully in his sleep in Lagos.

The deceased could be aptly described as an iconic figure who bestrode the field of insurance, commerce, the professions, social and traditional spheres like a colossus. He was generously endowed in physique (standing at about six feet) as well as abundant in intellect and vision. He was also a multipreneur whose footprints remained indelible everywhere providence allowed him to impact lives during his eventful voyage on the earth.

It is most significant to note that the Late Chief Akin-George was one of the few earliest Nigerians who metaphorically sowed the seeds for the birth of notable institutions, among them, the now prestigious Lagos Chamber of Commerce and Industry (LCCI); Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA); Nigeria-USA Business Council and Nigerian Council of Registered Insurance Brokers (NCRIB), some of which he served devotedly as President at different times.

Chief Akin-George made significant impact in developing

the Nigerian economy as he joined like-minded progressive Nigerians to establish and promote companies in various fields spanning, insurance, banking, construction, brewing, hospitality, etc, and sat on their boards for many years.

Although of Egba descent and heritage, Chief Akin George grew up and joined other industrial and professional gurus to determine the moorings of commerce in the cosmopolitan Lagos for several decades. A product of Baptist Academy, Lagos, Chief Akin-George pitched his tent more with the insurance profession having obtained the Chartered Certificate of the prestigious Chartered Insurance Institute, London in 1960, coinciding with the year Nigeria obtained her independence. His obtaining the chartered status of CII became the icing on his professional aspiration as he started work as a Banker and Clerk in the Bank of British West Africa, later Standard Bank and now First Bank Plc. From there he joined Royal Exchange Assurance Co. Ltd as Head of Accounts with Dominion Insurance Co Ltd between 1957 and 1960, after which he was at Feberland Du Founder, Marine and General Brokers Co. Ltd Ghana in 1969.

As one of the earliest insurance practitioners in Nigeria post-independence, it was not a coincidence that Chief Akin George combined efforts with the likes of Mr. T.A Braithwaite, Mr.

Sonny Odogwu, et al, to form what was then the Nigerian Corporation of Insurance Brokers (NCIB), a precursor of what is today known as the Nigerian Council of Registered Insurance Brokers (NCRIB). He became the second President of the Corporation after the tenure of Mr. T.A Braithwaite. The intent of those patriarchs then was to create a professional collaboration or rallying point where issues relating to the broking of the emerging mercantile businesses post-colonial Nigeria could be discussed. The activities of this circle of "early birds" opened the floodgate for other professionals to take advantage of the fledgling insurance broking opportunities in the economy. Notable amongst operators and companies that were formed at that time were Thomas Insurance Brokers by Mr. J.A Thomas; J.A Akin George and Co Ltd, pioneered by Chief Akin George and African Underwriters Ltd set up by Chief Sonny Odogwu. Others like B.C Madiebo, H Clarkson Edu, Ola Esan and Co, among others soon followed suit. Fired by the zeal to join in setting the sound footing for insurance professionalism in Nigeria, Chief Akin-George became one of the most active Nigerians on the Council of the then Insurance Institute of Nigeria (IIN) which later metamorphosed to the Chartered Insurance Institute (CIIN). He became the President of the Institute in 1973. It is quite auspicious that even after his meritorious tenure, Chief Akin

George was a principal figure in the Institute, where he held several responsible positions and led the teams of the Institute on strategic engagements with government and other notable corporate institutions, part of which crystallized in the chartered status of the Institute. Similarly, on the NCRIB divide, Chief Akin George's role in the annals of the Council is inimitable. He combined efforts with other early progressive minds on the Council to bring to pass the vision of professionalizing the insurance broking practice, putting it on the same pedestal with similar professional institutions across the globe. He occupied a conspicuous space in the committee of Elders of the Insurance Industry for some decades during which he left his footprints.

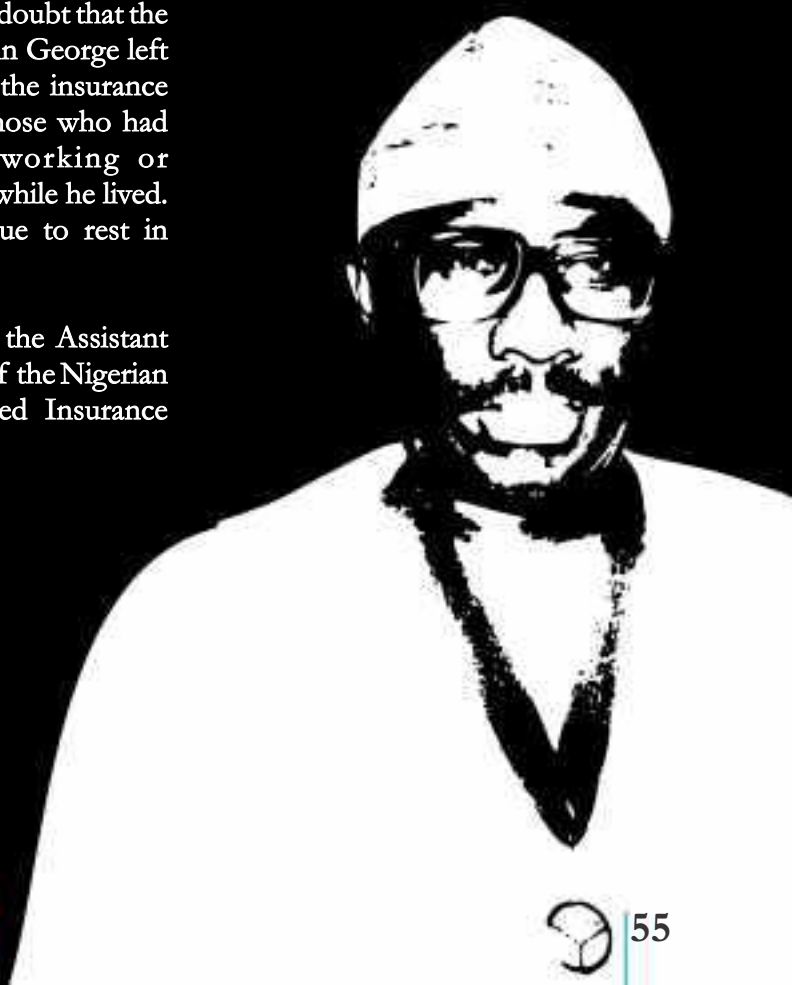
A highly cosmopolitan and diversified professional, Chief Akin George was a man who hated to be submerged in the crowd. His position, intellect, integrity and physique often earned him a front seat in any association and group he belonged, irrespective of the sphere of human endeavor. A core traditionalist, Chief Akin George was the Bobajiro of Ile Oluji; the Lisa Ago Odo and the B'obagbimo of Egbaland. In the Rotary Club, he rose to become the President of the Club and served variously as President of prestigious social clubs such as the prestigious Metropolitan Club, Boat Club, and Tennis Club, all in Lagos. It is on record that he was one of the first few Insurance professionals to

make a foray into the international plane when he founded the Sierra Leone Insurance Brokers Ltd.

For these outstanding accomplishments in the professions, business and humanitarianism, Chief Akin George was awarded the National Honours of the Officer of the Federal Republic (OFR) and the Gold Mercury Award of Ethiopia. A Board room guru, Chief Akin George served as Chairman and member of several blue chip companies. A few of them were Marine & General Assurance Co. Ltd which he founded; United African Insurance Brokers Ltd, which he co-founded; JKN Construction company Ltd as well as served as President of Federation of West African Chambers of Commerce and the Chairman of African Insurance Brokers Association (AIBA).

There is definitely no doubt that the passage of Chief Akin George left an unfillable void in the insurance industry as well as those who had the privilege of working or interacting with him while he lived. May his soul continue to rest in peace.

Tope Adaramola is the Assistant Executive Secretary of the Nigerian Council of Registered Insurance Brokers.





The Institute was founded in 1959 by Article of Association and Memorandum. The Institute was known and referred to as the Insurance Institute of Nigeria until February 26, 1993, when it became Chartered vide Decree (now Act) No 22 of the Federal Republic of Nigeria. Upon establishment in 1959, the Institute became the rallying point for insurance practitioners in Nigeria comprising a few Expatriates and their Nigerian counterparts whose pioneering effort provided the building blocks for what has now become a veritable force in the Nation's Financial Services Industry and the economy at large. The Institute was affiliated to the Chartered Insurance Institute (CII), London in 1960 for reasons bordering on the need to model its operations after the London Institute which then produced the bulk of insurance professionals whose expertise were indispensable in shaping the face of professionals' practice in the days.



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