

# Insurance

## RELIEF

Planned investment to provide necessary support for workers

## Austerity measure: 'Pension funds will rescue contributors'

In the event that the Federal Government introduces harsher measures to battle the odds working against the economy, Nigerian workers, who are registered under the Contributory Pension Scheme, are likely to be insulated to some extent, according to the National Pension Commission.

Director-General, PenCom, Mrs. Chinelo Anohu-Amazu, said the pension industry will play a vital role in alleviating the sufferings that Nigerians would likely experience should the Federal Government introduce some forms of belt-tightening measures to salvage the economy.

The commission, currently supervising the pension assets now in the region of N4.67 trillion, has also mapped out plans to enable contributors use part of their pension savings as equity contribution towards building their own homes.

Anohu-Amazu pointed out that the pension industry had pooled significant investible funds locally and would deploy same to relevant sectors of the economy, particu-

larly for the development of infrastructure and provision of houses for contributors in line with relevant provisions of the pension law.

She recalled that the pension law allowed pension fund assets to be invested in infrastructure across the country. She

added that many jobs would be created in the course of infrastructural development and housing, such that many Nigerians would be gainfully employed. This, she said, would go a long way in alleviating the pains of austerity measures.

The Pension Reform

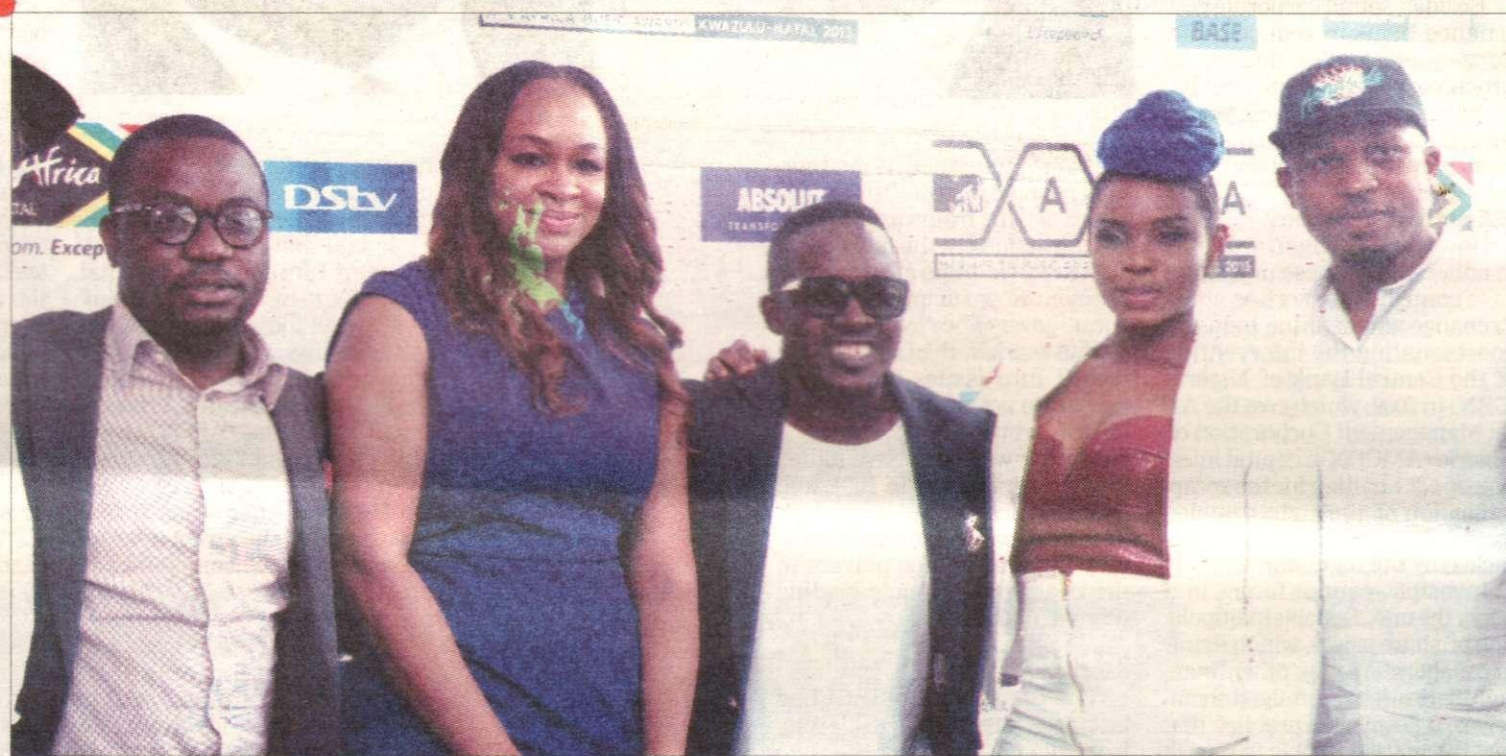
Act 2014 allows contributors seeking to own their primary homes to apply to use part of their Retirement Savings Account (RSA) balances as equity contributions for residential mortgage subject to guidelines issued by the Commission.

"The process of is-

suing these guidelines is already at advanced stages and it is our expectation that as soon as implemented, this development would assist in bridging the housing deficit in Nigeria," she stressed.

The Director General said the application of

the Contributory Pension Scheme (CPS) by States and Local Governments received a boost under the new pension law since a standard, which State Governments are required to comply with for the benefit of their respective employees had been set.



L-R: Marketing Director, Pernod Ricard Nigeria, Mr. Sola Oke; Head Marketing and Communications, Viacom International, Colette Otusheso; Jude Abaga; Yemi Alade and Natchukwu Chikwe, during a press conference where Absolut Vodka partnership with MAMAs 2015 was announced, at COVA Lounge, in Lagos.

## Consolidated Hallmark records N4.67bn premium income

Foremost insurer, Consolidated Hallmark Insurance (CHI) Plc, has posted a premium income of N4.67 billion in its 2014 financial year.

The results recently approved by the various Regulators, and made available to investors on the trading floor of the Nigerian Stock Exchange (NSE) signals the company's gradual return to profitability.

According to a statement from the company, the income of was higher compared with the N4.15 billion recorded during the 2013 financial year.

While the company also recorded an underwriting profit of over N863 compared to N1.05 billion in 2013, the profit attributable to Equity Holders of the parent company took a forward leap from a negative position of N200 mil-

lion in 2013 to yield N193 million in 2014.

The results brought to fruition the assurance to shareholders by the Managing Director/CEO, Mr Eddie Efekoha, during the Annual General Meeting at Uyo in 2014 that, "with the outstanding premium debacle ended in the industry and particularly for our company, it is a very strong signal of better days of profitability ahead."

"It is indeed, a promise fulfilled as the company's 2014 accounts have shown. CHI is one of the few industry players that have so far received the approval of the industry and other regulators for their 2014 financials," the statement added.

Meanwhile, arrangements are ongoing for the 20th Annual General Meeting of the company, holding on a date to be announced soon.

## PENETRATION

Multiple windows for products distribution

Just as Nigeria's insurance regulatory body, the National Insurance Commission (NAICOM) is at the verge of reviving bancassurance in the country, Ecobank Ghana Limited has ventured into it through a partnership with Africa's number one insurance company, Old Mutual Life Assurance Company (Ghana) Limited.

A few months ago, the Commissioner for Insurance, Mr. Fola Daniel, said in Benin City that the commission was planning to reinstate the model, which was put to rest some years back as a consequence of banks shedding their direct involvement in insurance business.

Bancassurance makes it possible for insurance companies to sell their products to policyholders through banks.

The partnership in Ghana makes it possible for the Ghana unit of Old Mutual, a South African-based insurer, to sell its life assurance products to the Ghana

## Ecobank ventures into bancassurance business

ian public through the 78 branches of Ecobank, where the banking needs of over 800,000 customers are served on a daily basis.

The union between the two institutions was unveiled in Accra last Friday, bringing to an end six months of negotiations between the bank and the insurer to iron out the nitty-gritties of the agreement.

The Executive Director of Domestic Banking at Ecobank Ghana, Mr George Mensah Asante, said the partnership formed part of Ecobank's aim of becoming a one-stop shop for financial sector solutions in the country.

As a bank with a wider network nationwide, Asante said Ecobank realised that it could leverage that platform to provide its customers with an added service in the form of bancassurance, a product that was fast gaining currency in the country.

He explained that the choice of Old Mutual over other insurance companies was informed by the similarities in the values and visions that the two institu-

tions upheld.

"In things like this, you do not just partner with anybody. So, we looked around and found Old Mutual, which is an African giant, a global name and well respected to bring insurance to the door-steps of Ecobank customers," he said after the launch in Accra.

Ultimately, Mr Asante said the bank would also be using the partnership to contribute its quota to the growth of insurance penetration in the country.

"We think that this is our contribution to the development of insurance penetration in the country. Because of our network and position as the biggest bank in Ghana, we realised that if we begin to sell insurance, then we can get many people to buy insurance and that goes beyond the revenues we will make and things like that," he said.

"Our venture into the bancassurance business is not only the fact that it is lucrative. We are looking at helping to improve insurance penetration in Ghana," he added.