



JURISDICTION: GHANA

AUTHORITY: NATIONAL INSURANCE COMMISSION (NIC)

Background

The *National Insurance Commission* (NIC) was established under Insurance Law 1989 (PNDC Law 227), and now operates under Insurance Act, 2006 (Act 724). The object of the Commission is to ensure effective administration, supervision, regulation and control the business of Insurance in Ghana. The NIC is mandated to perform a wide spectrum of functions including licensing of entities, setting of standards, and facilitating the setting of codes for practitioners. The Commission is also mandated to approve rates of insurance premiums and commissions, provide a bureau for the resolution of complaints, and arbitrate insurance claims when disputes arise. Other responsibilities include the provision of recommendation to the sector Minister for policy formulation, supervision of practitioners, enforcement of compliance, and public education. The development of strong relationships with regulators from other countries and international bodies such as the IAIS and ensuring the conformity of practitioners to internationally accepted standards are also key mandates of the Commission.

Sustainability objectives

The successful implementation of the Motor Insurance Database and its intended benefits in the industry (curbing the canker under-pricing/under-cutting of insurance business) has further motivated the National Insurance Commission to, in collaboration with other stakeholders, deliberate on how to implement the Marine Insurance Database for Marine Insurance business. Also in a bid to sustain the growth and robustness of the industry, the NIC will continue to ensure Enforcement of current compulsory Insurances. The introduction of additional compulsory insurances: Group Life, Public Liability, Professional Indemnity, Workmen Compensation will also augment this effort of sustainable insurance. Crop and Livestock insurance are also in the pipeline to being formalized. Also plans are far advanced to formally introduce Annuities into the Ghanaian Insurance Market. The impetus for these initiatives is the new Insurance bill yet to be passed by the Parliament of Ghana and is expected to be forward looking with novel initiatives and ideas. Also, the National Insurance Commission in collaboration with the insurance industry is expected to use the new insurance bill as leverage for the transformation of the face of insurance in Ghana.

Secondly, in its quest to increase insurance coverage, the NIC is working with relevant stakeholders (GIA, MicroInsurance Third Party Service Providers, GIZ, NCA, BoG) to step up the development of the microinsurance sector; Collaborate with the Inclusive Insurance Innovation Lab (iii-Lab) team to implement the Micro and Small Business Clinics concept. This will help improve education as well as the development of suitable products for micro and small business.

Thirdly, in enhancing public confidence in insurance the NIC is planning to implement a Claims and Complaints Management system for the entire industry to enable the NIC to monitor and supervise claims payment practices, develop a treating customers fairly policy, resource the existing regional offices and expand into the newly created regions. Also, developing awareness and confidence indices as well as creating a mechanism to update regularly and finally creating an Insurance Education Fund and engaging all insurance stakeholders to buy into it.

The above discussions will aid the NIC in ensuring that its insurance sustainability objectives for the industry are met.



Sustainability work highlights

- Growth of Total Assets by 20% from GHS6.23bn in 2018 to GHS 7.49bn in 2019
- Growth of Total Premiums by 21% from GHS 2.9bn in 2018 to GHS 3.5bn in 2019
- Average daily benefit of GHS 2.2m paid by Life Insurers
- An estimated and growing 12,000 people employed by the entire industry
- With a total of 29 Non-life Insurers, 20 Life Insurers, 3 reinsurers, 1 reinsurance contact office, 90 Insurance Brokers, 3 Loss Adjusters and 5 Reinsurance Brokers in 2019.

Membership of any other initiatives/networks working on sustainability

- IAIS
- AIO
- WAISA
- IASADC
- AAISA
- A2ii

