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Wednesday, June 22, 2022 Visit www.graphic.com.gh

Special Supplement



• Accidents come in many forms, people must be educated to take policies to cover them

Deepening insurance awareness to enhance public confidence



Breaking bottlenecks around workmen's compensation

• More education needed

By Kester Aburam Korankye

IN Ghana, there seems to be a myriad of challenges in the administration of claims for compensation by injured employees, including delays in processing claims, access to physicians to conduct examination of claimant's injuries and to attest that the injury occurred in the course of employment.

In some instances, there could be further delays due to legal challenges to the degree of disability provided by the examining physician.

The situation has birthed many stories that paints a gloomy picture that indeed the challenges encountered in the Workmen's Compensation administration in Ghana is institutionalised and will need official commitment by the relevant institutions to turn things around.

Awareness

First of all, there is a general lack of understanding of Workmen's Compensation or the administration of it in the country, and it is an astounding reflection of the lack of interest in insurance-related issues by workers even in the public sector.

Majority of the employees in the formal sector, especially public sector workers, do not seem to understand the law of compensation, and innocently shy away from discussions that involve injury or a need to make claims for compensations. They assume that they would be protected under the laws in times of misfortune.

The constitutional provisions for occupational health and safety of persons employed at workplaces in Ghana are guaranteed by Article 24(1) of the 1992 Constitution. Article 24(1) provides, among others, that "...every person has the right to work under satisfactory, safe and healthy conditions ...". It covers those who are engaged in both the formal and informal sectors, as well as those who are self-employed.

The aim is to ensure that all workers work under safe conditions devoid of significant adverse effects on their health. The constitutional protections are broader than the Workmen's Compensation Law 187.

The Constitution places the burden on the government to ensure that the safety, health and welfare of persons at work are safeguarded. This is additionally provided for under Article 36(10) that: "The State shall safeguard the health, safety and welfare of all persons in employment, and shall establish the basis for the full deployment of the creative potential of all Ghanaians."

Current legislations for the safety, health and well-being of persons are scattered in a number of public laws and policies such as the Factories, Offices and Shops Act, 1970 (ACT 328), the Mining Regulations, 1970 (LI 665), the Radiation Protection Instrument, 1993 (LI 1559) and the Workmen's Compensation Act, 1987 (PNDC 187) [1,9]. The day-to-day administration of these laws and policies are all under different ministries and agencies.

The Factories, Offices and Shops Act (FOSA) is administered by the Department of Factories Inspectorate of the Ministry of Employment and Social



• The workplace must be a safe environment for employees

Welfare, but the provisions of the Mining Regulations are enforced by the Mines Department, the enforcement wing of the Minerals Commission. The Radiation Protection Instrument, 1993 (LI 1559) is administered by the Radiation Protection Board under the Ghana Atomic Energy Commission.

The Workmen's Compensation Act is under the Labour Department of the Ministry of Employment and Social Welfare [1,10,14-16].

The primary legal authority for Workmen's Compensation regime and administration in Ghana is the Workmen's Compensation Law of 1987. Section 1 and 2 of Law 187 provides:

(1) This law shall apply to workmen employed by the Republic, as well as by private persons, except in the case of persons in the Armed Services of the Republic.

(2) An injured workman shall not suffer any diminution in his earnings while he undergoes treatment for injuries he has sustained through an

accident arising out of, and in the course of, his employment [1,7].

Study

According to a study by the Occupational Medicine and Health Affairs, the general lack of understanding of the compensation regime is coupled with the general lack of medical specialists in occupational health.

"This handicap is further worsened by the large physician-to-patient ratio in Ghana," it stated.

The study identified many problems in the physician-claimant relationship, such as the administration and management of compensations and benefits.

It noted that the 1987 law provides few guidelines to the physician on how to assess disability. This contributes to low claims settlement and backlog of cases of injured employees due to legal challenges.

What to do

Ghana does not have an Occupational Health Policy but operates with a draft policy that has been in the drafting stage since 1999. The study suggests that the situation needs to change in order to streamline the administrative modalities of occupational health.

More importantly, the study suggests that Ghana needs to delink financing for occupational injuries from annual national budgets produced by the Ministry of Finance and invest it in an insurance-based regime financed by employer-employee contributions.

It also suggests the need to harmonise current safety legislation such as the Factories, Offices and Shops Act, 1970 (ACT 328), the Mining Regulations, 1970 (LI 665), the Radiation Protection Instrument, 1993 (LI 1559) and the Workmen's Compensation Act, 1987 (PNDC 187). These should be administered by one entity for efficiency and scaling.



• Workers must be aware of what goes into compensation during accidents



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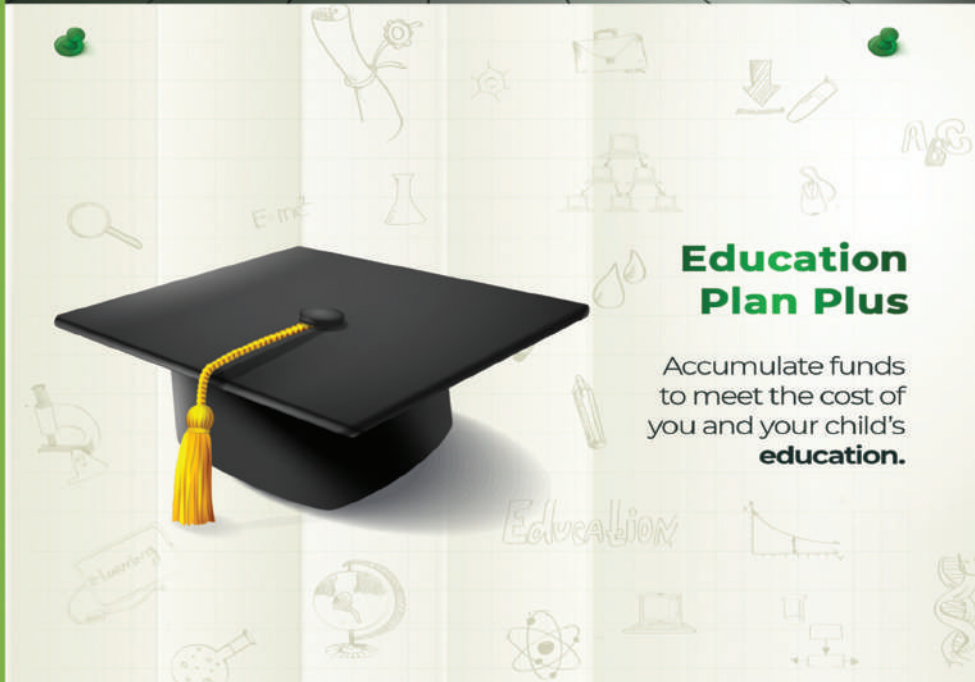
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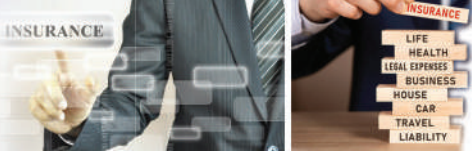
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Premium undercutting in insurance industry

• Has it stopped?

By Emmanuel Bruce

PREMIUM undercutting has over the years been a major challenge for the insurance industry in Ghana, and despite the tough stance of the industry's regulator on this menace, this challenge still persists.

Premium undercutting is the practice where an insurance company secretly offers clients unrealistically low premiums in order to gain a competitive advantage.

Besides the accepted rates, insurers are allowed to offer limited discount rates, but the challenge has been where some insurers offer rates far and above the acceptable minimum discount.

It must be emphasised that the practice is not only unethical but criminal, as the National Insurance Commission (NIC) may revoke a defaulting insurer's licence.

Illegality

Although insurance companies who engage in this illegality do so to increase their business portfolios, this act has over the years been identified as a major cause of the inability of some insurance companies to promptly and sustainably pay claims, which in the long run affects the confidence in the sector.

It is also worthy to note that a good number of the insuring public is often motivated by lower premiums, without cognisance of the ability of an insurer to pay claims when the need arises.

Role of competition

One of the reasons why premium undercutting still remains a challenge

is due to competition in the industry.

With all insurance companies in the country offering almost the same products and services, some have been left with no other choice than to resort to

underpricing of their premiums to stay ahead of competition.

Over the years, one area where the competition has been stiff and more exposed to premium undercutting has been the motor insurance industry, due to the fact that the Insurance Act, 2021 (Act 1061) makes it mandatory for every vehicle plying the roads of Ghana to have some form of insurance.

However, with the introduction of the Motor Insurance Database (MID), which is a platform that houses all information on motor insurance policies in the country, this problem appears to have been nipped in the bud.

In an interview with the Daily Graphic in January 2020 after the MID was launched, the Commissioner of Insurance, Dr Justice Yaw Ofori, said the platform was going to help prevent companies from underpricing their motor insurance policies.

He said the issue of underpricing was a burning concern for the commission because if companies sold their policies cheaply, they would not be able to pay genuine claims when they were due.

"The law allows us to come out with a minimum premium, but what we have realised is that because of competition, companies are underpricing and selling below the minimum allowed, and this results in delays in the payment of claims or non-payment of claims.

"With this new system that we have in place, when you underwrite and you sell below the minimum required and approved by the commission, you cannot issue the stickers," he stated.

Expectation

In a recent interview with the Daily Graphic on June 1, 2022, Dr Ofori said the MID had so far lived up to expectation as it had prevented insurance companies from

"It must be emphasised that the practice is not only unethical but criminal, as the National Insurance Commission may revoke a defaulting insurer's licence."



underpricing their motor insurance policies.

"Through the MID, we have been able to monitor to ensure that they are charging the appropriate premiums so that at any given time, they will be solvent enough to pay claims," he stated.

Still a challenge

Dr Ofori, however, noted that premium undercutting continued to be a challenge to the industry which was already struggling to shrug off negative public perception, particularly regarding claim repudiation or delay.

"Although we have been able to work on it with the motor insurance, it is still a challenge with other business lines such as fire and marine insurance," he stated.

He said the NIC was, therefore, putting in place measures to introduce similar software like the MID in other lines of business.

"The MID is the first step and we hope to continue in other areas," he said.

He said the NIC would also continue to engage the insurance companies to ensure they desisted from that illegality, warning that any company that would still be found engaging in the act would face sanctions.

Dr Ofori also advised the public to stay away from insurance companies that offered them low insurance premiums which were too good to be true.

Loyalty Insurance leverages ICT for excellent service, expansion



• Enerst Frimpong, Managing Director, Loyalty Insurance

LOYALTY Insurance Company Ltd is licensed by the National Insurance Commission (NIC) to underwrite non-life insurance business.

The company is owned by Frimps Oil Company Limited, which is one of the leading Oil Marketing Companies (OMCs) in the country with over 80 service stations nationwide and, therefore, Loyalty Insurance enjoys its financial strength and capacity from its parent company.

Loyalty Insurance is a well-managed, highly capitalised and well-resourced company. The company can also boast

well-trained and highly qualified professionals with in-depth knowledge and wealth of experience in the insurance industry in both technical and supervisory issues.

These are backed by a forward-looking Information Communications Technology (ICT) infrastructure and architecture, which allows the company to delight its cherished clients with speed and efficiency.

Since its inception, Loyalty Insurance has successfully established itself as a reliable and credible insurance

company, providing excellent insurance services which are patterned on insurance education, fair and prompt settlement, and payment of legitimate insurance claims. The company, therefore, constantly strives to meet and even exceed the expectations of its valued clients and service partners, especially in the area of claims payment.

Posture

This posture is very important because the ability of an insurance company to meet its financial obligations as and when they fall due

speaks volumes of its financial strength, solvency, and operational efficiency and viability.

Since inception, the Company's Capital Adequacy Ratio (CAR) has always been above 400 per cent which is far in excess of the NIC's required CAR standard of 150 per cent. Furthermore, the company has grown its Assets from GH 15.6 million in 2017 to GH 59.2 million in 2021, representing a growth rate of 279 per cent.

In whatever it does, Loyalty Insurance



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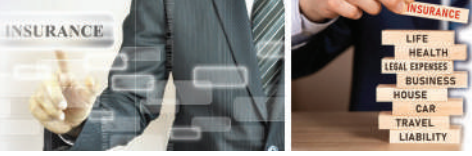
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Improving insurance penetration

• How Vanguard Assurance is walking the talk

DURING our over 40 years of operation, conversations around improving insurance penetration in Ghana have remained very topical. Unfortunately, the good intentions are yet to result in significant progress.



• Frederick Adotey Saka — CEO, Vanguard Assurance

The good thing is, as expressed by the meaning of the word Vanguard, we are determined to “lead the way” and have therefore taken significant steps to change the insurance penetration narrative. In this regard, we have just completed a deal through BlueOrchard, a leading impact investment fund manager which has resulted in InsuResilience Investment Fund (IIF), acquiring 40 per cent shares in Vanguard Assurance.

To understand what this has to do with Vanguard leading the way with enhancing insurance penetration in Ghana, you have to look closely at our new shareholders, InsuResilience Investment Fund and the fund’s manager, BlueOrchard.

New shareholders

InsuResilience Investment Fund (IIF) - New shareholders with 40 per cent stake in Vanguard Assurance.

Luxembourg based InsuResilience Investment Fund was set up by KfW, the German Development Bank, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The overall objective of the InsuResilience Investment Fund is to contribute to the adaptation to climate change by improving access to and the use of

insurance in developing countries. This will in turn reduce the vulnerability of low-income households as well as micro, small and medium enterprises (MSME) to extreme weather events. The fund aims at both financial return and social impact.

BlueOrchard - Fund Manager with InsuResilience Investment Fund’s Assets Under Management.

Founded in 2001 by initiative of the UN, BlueOrchard is a leading global impact investment manager and member of the Schroders Group. As a pioneering impact investor, the firm is dedicated to generating lasting positive impact for communities and the environment, while aiming at providing attractive returns to investors.

Today, the firm offers impact investment solutions across asset classes, connecting millions of entrepreneurs in emerging and frontier markets with investors with the aim to make impact investment solutions accessible to all and to advance the conscious use of capital.

\$ 9 billion Investment
To date, BlueOrchard has invested over \$ 9bn across more than 90 countries. As of December 2021, around 230 million poor and vulnerable people in emerging and frontier markets had

received access to financial and related services through the support of BlueOrchard.

Enhancing insurance penetration

IIF’s investment in Vanguard therefore brings additional capital and expertise to enable us to enhance our insurance penetration efforts by improving our micro-insurance product development and distribution capabilities while concurrently raising market awareness for climate risk mitigation. This will go a long way to protect the livelihoods of poor and vulnerable people against extreme weather events and natural disasters through insurance solutions.

Three years of impressive growth and our preparedness for the amazing years ahead

The actions we are taking today are the result of a three-year journey to transform our operations, strengthen our underwriting capabilities and deepen our market penetration. The journey began with the realignment of our business objectives to current and forecast industry trends and the appointment of a new management team who have successfully marshalled staff to deliver cumulative growth of 50.8 per cent between 2019 and 2021.

However, our journey as a trusted partner of our many loyal clients include providing financial stability and peace of mind during times of challenges and instability goes back over 47 years. Along the way, we have learned lessons that have prepared us for the future which beckons us. We are therefore excited about the amazing possibilities that lie ahead and remain confident in our ability to brace up for the new future with you.

Enterprise Group: Influenced by lives of people

AT Enterprise Group PLC, our core values of Excellence, Professionalism, Trust, Friendliness & Reliability can be seen through our identity as a thoroughbred, a horse of outstanding pedigree which promises you a safe ride through all the changing scenes of life.

Since 1924, we have pioneered customer centric insurance solutions, small wonder that one out of three Ghanaians who have an insurance or pensions policy is a customer of a subsidiary of Enterprise Group PLC.

We are leaders in all our markets. The company operates in six segments, offering solutions from cradle to grave. Our subsidiaries are Enterprise Insurance, Enterprise Life, Enterprise Trustees, Enterprise Properties, Enterprise Funeral Services Ghana (trading as Transitions) and Acacia Health. Through these subsidiaries we offer an extensive portfolio of services which include risk and non-risk life insurance solutions,

personal, corporate and micro-insurance asset protection, pensions, funeral services, facility management and leasing services as well as health insurance solutions.

CSI Activities

Enterprise Group PLC has in many ways influenced the lives of people in our society. Our Corporate Social Investment (CSI) programmes span Health, Education and catering for the needs of underprivileged people. Examples include various donations to the Dialysis Centre at the Police Hospital in Accra, donations to the children’s ward of the Accra Psychiatric Hospital, Korle-Bu Teaching Hospital, among others.

During the COVID-19 pandemic, the Group made donations in cash and in kind worth over Ghc100,000. We also provided insurance cover to frontliners in the health sector worth over Ghc 2 million.

Over the past two years, the Group has made significant investments in education and financial literacy. The Group built a three-story classroom block for our immediate neighbour, the Bishop Mixed Junior High School, worth over GHS 2 million. Hitherto, the students were housed in an uncompleted structure in a

deplorable state.

In addition to the infrastructural development, EGPLC invested over 100 hours in Financial Literacy sessions with students and parents of the school.

Our People

To ensure that you are at the heart of our operations, our offices in Ghana, The Gambia and Nigeria are manned by highly motivated staff, first in class in all their subunits. We are driven by a culture of performance, a can do will power and an openness in communication so that your advantages are not cut short.

Your Advantage

Our promise to you is to go beyond the frontiers of our core business and ensure that our offerings are meaningful to you in every aspect of life, even during aspects of rest and relaxation. We have pioneered the usage of technology to suggest to you healthy lifestyle offerings through our Enterprise Advantage App.

Let us come into your stables and offer you a partnership which will be to your advantage, from cradle to grave, as you dream big with us. We are Enterprise Group PLC and we are Your Advantage.





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Sovereign risk transfer scheme for flood projects launched

THE Ministry of Finance, the United Nations Development Programme (UNDP), the German Government, and the Insurance Development Forum (IDF) announced today the launch of a Tripartite project to develop a sovereign risk transfer scheme for urban floods in Ghana.

This is alongside long-term investments in the country's capacity to leverage and integrate insurance and risk financing into their development strategies. The announcement was made during the IDF Summit in Zurich, Switzerland.

Allianz

The risk transfer project is led by IDF members Allianz and Swiss Re, and closely supported by UNDP. Further partners in the project are flood risk consultants HKV, microsatellite operator ICEYE, and media monitor Flood Tags. It aims to enhance the response of the Ghanaian National Disaster Management Organisation (NADMO) and local authorities after severe flooding, especially for poor and vulnerable people.

The Director, Economic Strategy and Research Division at Ghana's Ministry of Finance, Alhassan Iddrisu, noted: "We welcome the cross-sector collaboration in the Tripartite Insurance Programme as one of the financing mechanisms for climate adaptation."

He said through the industry-led insurance project to develop an innovative risk transfer scheme for urban floods, with its knowledge-sharing element, it aimed at improving and developing greater local ownership of risk analysis and provide a faster response and recovery, especially to our most vulnerable citizens.



• Climate change requires insurance for urban floods

UNDP

Mr Iddrisu indicated that by carefully selecting a pre-defined trigger for pay-out as opposed to assessing actual losses, the parametric insurance solution will enable quick pay-outs in case of a flood.

Improve

This, he explained, will improve resilience and support the rapid re-establishment of economic activity of low-income communities in urban areas, starting with the Greater Accra Metropolitan Area (GAMA).

Long Term

The UNDP-led work with the Government of Ghana aims to enhance

the country's long-term financial resilience through strengthening capacity to financially manage risk, the integration of insurance and risk financing into national development strategy and delivery and the

development of insurance markets and inclusive insurance solutions for at-risk populations.

UNDP Country Representative Angela Lusigi pointed out that at UNDP Ghana, they were

committed to supporting integrated development solutions that build resilience across societies to protect Ghana's development progress.

She noted that the project to develop

an innovative insurance solution for managing flood risks and to provide rapid pay-outs as a safety net for poor and vulnerable urban communities is welcome.

Ghana is one of the countries most prone to floods in West Africa, and the impact of climate change is exacerbating the risk of flooding in urban areas. While the entire population of Greater Accra may indirectly benefit from the risk transfer product, the core beneficiaries are the poor and vulnerable residents in the GAMA region.

InsuResilience Solutions Fund

The InsuResilience Solutions Fund (ISF), funded by the KfW Development Bank on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and managed by Frankfurt School of Finance & Management, will co-fund the risk transfer project alongside the IDF insurance industry members.

"It will serve as a boost to government and private sector efforts to provide wider access to insurance and risk finance."

Hollard, GEA's Asomdwee offer financial security



• Patience Akyianu
— CEO, Hollard Ghana

PRODUCTS boldly seeking the attention of micro, small and medium enterprises (MSMEs) are hard to find. Will the returns justify the effort to promote products targeted at the grass roots foundation of our economy?

Is the action not better directed to larger businesses? One may ask. To answer this - it's all about the purpose of engagement. When a trustworthy brand such as Hollard partners Ghana Enterprises Agency (GEA) to better the lives of MSMEs, one can be sure the inspiration is to enable better future. The two have partnered to offer MSMEs an attractive offer of financial security through their exciting new policy tailored to suit small and micro-business needs; Asomdwee Insurance!

Yet, it's not a simple process to attract the attention of MSMEs for their benefit. Here are indications for how Hollard and GEA are making MSME lives better:

Understanding the risks faced by entrepreneurs

Unemployment hinders development. The lack of economic structures to support job creation and business growth has rendered jobless most youthful populations such as Ghana. Some may resort to low paying white-collar jobs that barely meet their needs with few blue-collar alternatives. In comes entrepreneurship as a viable solution that many in Ghana have found refuge in. A refuge (entrepreneurship) that is fraught with many challenges on the path

to business growth. As with all challenges, there's a solution to help these people deal with risks associated with operating a business in Ghana. With a purpose to enable more people to create and secure a better future, Hollard is in the business of easing worries by providing risk mitigation for people and their businesses. Big or small.

Understanding how MSMEs operate in Ghana

Research from the Ministry of Trade and Industries titled National micro, small and medium enterprises (MSME) policy, 2019 revealed that the MSME sector employs more than 80 per cent of

the workforce and generates 70 per cent of the Gross Domestic Product (GDP) in Ghana. One cannot undermine the role of MSMEs in the health of Ghana's economy since they contribute to national development by absorbing many vulnerable groups, including women, youth, and low-skilled workers. MSMEs contribute to the nation's economic development and sustainability goals of achieving zero poverty. They dominate the industrial landscape of the country as well as exhibit potential in accelerating wealth creation and poverty reduction. Despite its immense contribution to national development, MSMEs lack support to survive the risks

• Continued on page SS21



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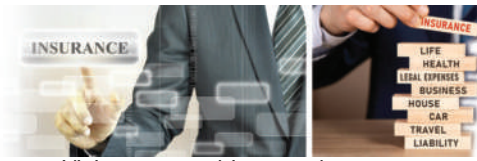
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Customer experience in insurance industry

• StarLife Assurance leads way

IN the past, having a strong brand name and reputation was enough to keep customers happy. Today, they crave personalisation and convenience in every interaction they have with a company across different channels.

Positive word-of-mouth is now of paramount importance, as it contributes to leads and facilitates conversions, whereas negative word-of-mouth can erode the customer base. There is, therefore, a general pressure on every business to pay extra attention to all customer interactions and to transform the customer experience all round.

Customer experience (CX) refers to all the ways a customer interacts with a company and their perception of those interactions. It includes everything from advertising prior to becoming a customer, the actual sales experience and finally, to post-purchase support. Creating a positive experience is essential for any business that wants to retain and grow its customer base. Businesses can create loyal customers only when they understand the different touchpoints of the customer journey and ensure that the customer enjoys a good experience at each level.

Gartner survey

A recent Gartner survey reveals that some businesses cut the customer journey short. Crafting an incomplete customer journey weakens the opportunities that influence customer satisfaction, loyalty and long-term advocacy. There are several customer service principles that often provide long-term benefits. However, the

problem lies in the approach that some organisations use to achieve their CX transformation goals. While the obvious choice is often skewed towards technology investments that introduce new and innovative features or build on more robust customer engagement capabilities, the counter effect is the ballooning of the average number of CX tools being used.

StarLife is cited as Ghana's third largest life insurance company in the Insurance Commission's annual industry report. While this may be

attributed to its considerable assets and market share, what really sets StarLife apart is the understanding, design and orchestration of a seamless customer experience structure that leverages on product innovation, its people and ICT infrastructure.

It starts with market research. The company is noted for introducing a need-based life insurance approach, embedded with periodic reviews by a dedicated Product Development Team. The team is always armed with feedback gleaned

from up-to-date research, customer surveys and industry trends. Gathering customer insights for consistent product improvement purposes is an inspiring innovative technique at StarLife. After all, who better knows the experiences they crave from the brand than the customers themselves? Deliberately collecting valuable information about how customers truly feel about products and services puts the business in the right stead to learn more and to equip the business with the necessary tools that provide appropriate solutions, leading to an exceptional experience. It is also worth noting that staff are empowered to share ideas on improving products to suit customers' evolving needs.

Anigye Plan

One such is the "Anigye Plan", an add-on feature to the WealthMaster Plus, which serves as an endowment plan to meet medium-to long-term goals whilst providing an attractive life cover.

Since the company values staff development, various structures have been put in place to enhance the technical and non-technical knowledge of its "StarLives". The goal is to groom highly skilled and motivated staff guided by unrivalled ethical standards to push the vision. StarLife can boast of about 30 professionals in various disciplines, students at different levels of certification and non-technical experts who together are enriching the customer experience. The emphasis on regular training for customer-facing teams is admirable. Product knowledge forms an integral part of staff onboarding since it embodies all customer interactions. Strategies to provide in-depth knowledge even before commencement of a work role eliminates the tendency to give inaccurate and faulty analysis that may further aggravate a customer's situation. Similarly, top-tier staff have been trained to readily assess and outline alternatives that meet a customer's needs. Such display of competence and confidence promotes effective communication and trust. Occasional spot quizzes with rewards for top performers serves as an incentive to demonstrate excellence at all times.



• Emmanuel Frimpong Appiah — Head of Customer Experience, StarLife

Loyalty Insurance leverages ICT for excellent service, expansion

• Continued from Page ss04

always reminds itself of a strong duty of unflinching support and allegiance to its clients, intermediaries and service partners. The company prides itself on creating and maintaining a good working relationship with its service partners, including other insurance companies, reinsurance and insurance broking companies which ultimately translates into superior services for its valued clients.

The company's primary interest is to develop and sell general insurance products that meet the specific needs of customers and thereby ensure that policy holders are positioned to feel safe.

Loyalty Insurance does whatever is within its power to delight its clients and remain a loyal partner at all times, bearing in mind that

each contact with an insured is an opportunity to improve the confidence and trust in Loyalty Insurance and the Insurance Industry as a whole. In fact, the company is so committed to being a loyal partner to its cherished clients at all times.

This has culminated in the company positioning itself to be a game changer in the Insurance Industry with the client as the focus in all its processes and deliveries.

At Loyalty Insurance, we have an array of insurance products carefully packaged and tailored to meet the varying needs of our customers. We are always pleased to offer our cherished clients a portfolio of customised and comprehensive insurance products designed to deliver effective covers for various needs or risk exposures of our clients at very competitive rates.

The company's esteemed clients can flexibly select from a wide range of covers to produce a single policy to meet their risk exposures. The company always works with both clients and intermediaries to recommend the right, appropriate and most suited insurance package and risk management solutions to our esteemed clients at the right time.

Product range

Our product range is not limited to the following classes of business; Casualty Insurance, Liability Insurance, Property Insurances, Pecuniary Insurance, Bankers' Indemnity, Fire Insurance, Bonds and Guarantees, Engineering Insurance, Marine Insurance and Motor insurance.

Loyalty Insurance made history by

launching the first-ever digital customer relationship management and reward system in the insurance industry in August 2020. This is in line with the company's quest to continue to deliver excellent service to its clients and thereby continue on the path of taking the company to the next level.

As indicated earlier, Loyalty Insurance continues to leverage a forward-looking ICT infrastructure and architecture to position itself to deliver on its promises and to delight its loyal and cherished clients. For convenience, flexibility and efficiency, we recently unveiled five (5) new digital applications, they included; a Digital Commissions Platform, a WhatsApp Chat Bot, a Mobile USSD code, Mobile and WEB Apps, to enable our loyal customers buy insurance from the comfort of their homes.



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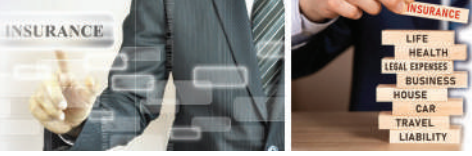
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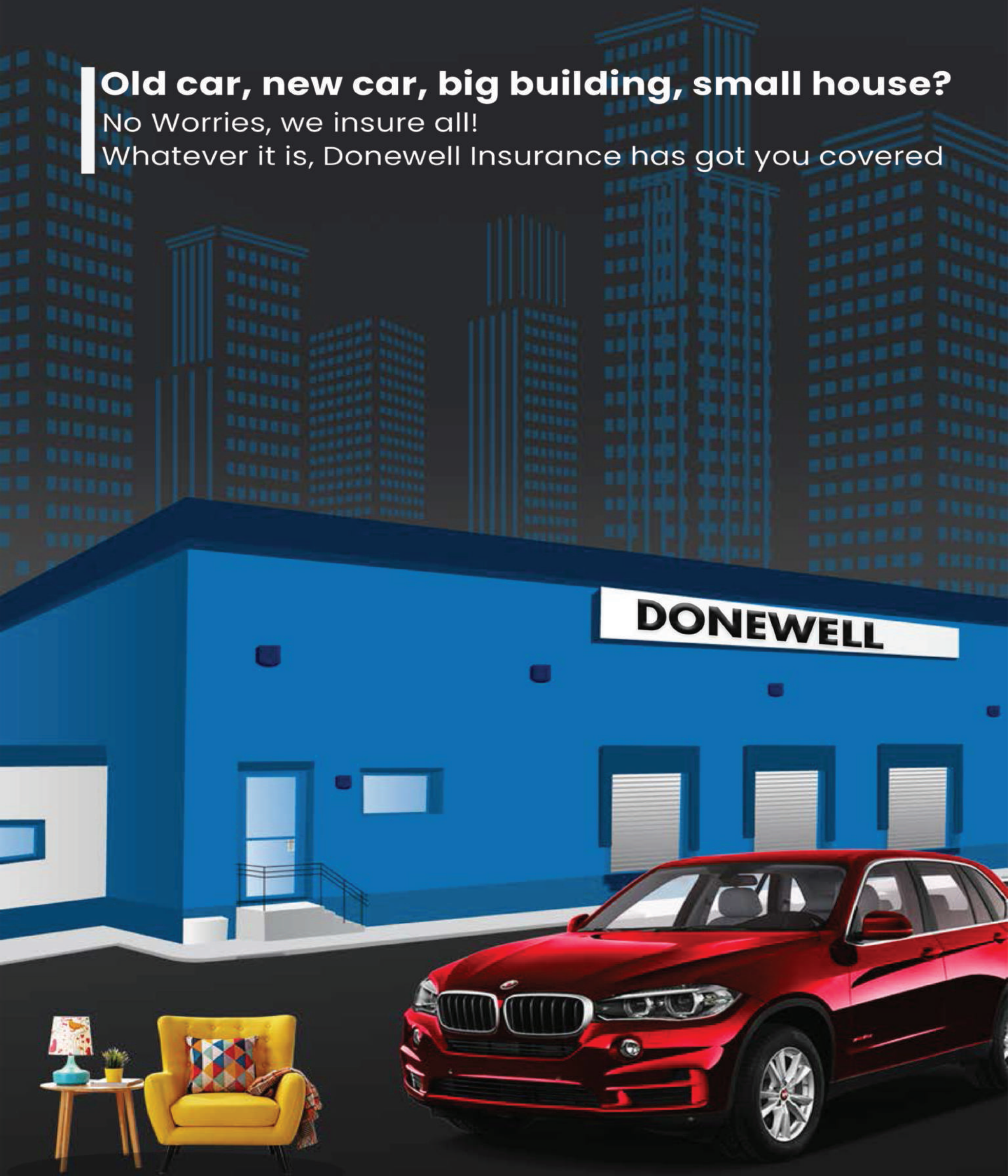


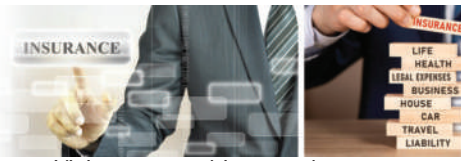
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• Ken Ofori-Atta (4th from left), Minister of Finance, and Ignatius Baffour-Awuah (5th from right), Minister of Employment and Labour Relations, with some of the stakeholders

Excitement greets unemployment insurance scheme

By Kester Aburam Korankye

WORKERS and employers are excited about an insurance scheme and a social intervention programme being rolled out by the government to cushion workers against the effects of the COVID-19 pandemic.

Known as the National Unemployment Insurance Scheme (NUIS), the initiative was conceived last year under the Ghana Cares 'Obaatanpa' programme as a mitigation measure against the ravages of the pandemic.

At the launch of the training and retraining component of the initiative in Accra Monday, the Trade Union Congress (TUC) and the Ghana Employers Association (GEA) welcomed the NUIS as opportune and well designed to provide a safety social net for citizens in times of uncertainty.

The Secretary-General of the Trade Union Congress (TUC), Dr Anthony Yaw Baah, told the *Daily Graphic* in an interview that the initiative was expected to serve as a mitigating measure for unexpected future events that might disrupt employment in the country.

"This is step against future uncertainties and I am excited because a lot of people, especially those who lost their sources of income as a result of the pandemic, will have something to

fall on and in the future it will provide insurance and social protection for citizens," he said.

Graphic collaboration

The government's vision behind the establishment of the NUIS is in tandem with an initiative being championed by the *Graphic Business*, in collaboration with the National Insurance Commission (NIC) and the Ghana Insurers Association (GIA), which sought to create insurance awareness on insurance through the month of June with various activities.

It was on the theme: "Deepening insurance awareness to engender an enhanced public confidence in Ghana" and it is aimed at preserving and upgrading the human capital and skills of the current cohort of workers who lost their employment because of the COVID-19 pandemic.

It will, therefore, be implemented through collaboration between the government and selected public and private training institutions across the country.

The initiative would bring home the need for insurance and encourage the government and its development



• Ken Ofori-Atta (right), Minister of Finance, interacting with Dr Yaw Baah (left), Secretary General of the TUC, while Daniel Akeampong (middle), President of the Ghana Employers Association, looks on. Pictures: GABRIEL AHIABOR.

partners to consider insurance as a social protection mechanism.

Ofori-Atta's pledge

The Minister of Finance, Ken Ofori-Atta, pledged the financial commitment of government to the programme and said an implementation committee with membership from organised labour and employers had been put in place to see to its effective implementation

Mr Ofori-Atta said the government would pay the fees of workers who enrolled in the programme.

"After today's launch, advertisements will be placed in the daily newspapers to call for application for the programme. We encourage all eligible beneficiaries across the country to apply," he said.

He said government, in the 2020 Mid-Year Fiscal Policy Review announced the establishment of a NUIS and a Training and Retraining Programme as part of the "Obaatan Pa" GhanaCARES Programme being measures to mitigate the impact of the COVID-19 pandemic on households, firms, and the economy.

He said the outbreak of the COVID-19 pandemic devastated economies around the world impacting thousands of lives and livelihoods.

"A major outcome of the pandemic was the unprecedented levels of unemployment and joblessness recorded. While Ghana largely avoided serious health ramifications, including public sector job losses, private sector

jobs were lost and to date, there are still unique set of socioeconomic challenges to overcome," Mr Ofori-Atta said.

"This is step against future uncertainties and I am excited because a lot of people, especially those who lost their sources of income as a result of the pandemic, will have something to fall on and in the future it will provide insurance and social protection for citizens."

Ignatius Baffour-Awuah, for his part, said the initiative would help calm the labour front as it would provide hope for people who lost their jobs during the pandemic.

He also called on the public, especially the youth, to take advantage of the programme to help ensure the security of their jobs.

Collaboration

He explained that the programme was developed through extensive consultations between government and key stakeholders comprising representatives from Ministry Finance, Ministry of Employment & Labour Relations, organised labour and Ghana Employers Association and other stakeholders such as the Ministry of Education, Ministry of Tourism, Arts and Culture, Ghana Education Service (GES) and the Ghana Tourism Authority (GTA).

Other institutions included the Council for Technical and Vocational Education and Training (COTVET), Ghana National Association of Private Schools (GNAPS), Ghana National Council of Private Schools (GNACOPS), Ghana Tourism Federation (GHATOF).

He said the programme would be implemented in two phases with the first covering workers in the sectors that were mostly affected by the pandemic, the Private Education sector and the Tourism and Hospitality sector.

The second phase, he said, would cover other sectors of the economy with emphasis on vocational and technical training, explaining that beneficiaries who enrolled in the programme had two options.

Explaining further, the Finance Minister said the first option was for workers who had the requirement and capacity to pursue existing academic programme or courses available in the various training institutions.

"These existing courses are adjusted with add-ons that address the issues of work ethics, productivity and attitudinal change and they are of longer duration usually between six and 12 months," he added saying the second option was the core competency-based training programmes primarily for workers who did not have the capacity nor the time to pursue long duration academic courses.

The Minister of Employment and Labour Relations,

Recapitalisation blues

• Expert urges NIC to consider tiered capital system

By Emmanuel Bruce

WITH the National Insurance Commission (NIC) yet to make any official statement on the recapitalisation exercise which ended on December, 31 2021, an insurance expert, Kwame Sarpong has urged the regulator to consider implementing a tiered capital system.

He said the tiered capital system should be implemented based on a risk based approach where each insurance company would be made to recapitalise based on the risks on their books.

He noted that instead of a general increase from GH¢15 million to GH¢50million, the charges should be divided into tiers; tier one (GH¢500,000); tier two (GH¢1million to GH¢5million); tier three (GH¢5 million to GH¢10million), tier four (GH¢30million to GH¢50 million).

This system, he said, would allow the local insurance companies, who were struggling to meet the new required capital, scale through the exercise and continue to stay in business.

Recapitalisation exercise

The NIC in June 2019 announced a new capital requirement for insurance companies operating in the country after a series of consultations and discussions between the industry players and the regulator.

The new capital regime saw the stated capital for life and non-life insurance companies move from GH¢15 million to GH¢50 million, with that of reinsurance companies also moving from GH¢40 million to GH¢125 million.

Insurance broking companies also saw their stated capital increase from GH¢300,000 to GH¢500,000, while that of reinsurance broking companies was maintained at the current GH¢1 million.

All the companies were expected to meet this new requirement by June 30, 2021, however, six months to the deadline; the NIC extended the deadline by a further six months to January 2022 due to the outbreak of the COVID-19 pandemic which hit hard at businesses all over the world.

Despite the extension, the fate of some local insurance companies still remains a concern as many are wondering how insurance companies, who were even struggling to meet the old capital requirement of GH¢15 million, will be able to meet the new requirement.

New capital requirement

Speaking in an interview with the *Daily Graphic*, the Executive Director of First Insurance, Mr Sarpong, said over 80 per cent of insurance companies could not meet the minimum capital requirement, hence the need to review it downward.



• Kwame Sarpong

He said the increase in the charges was unfavourable, especially when the COVID-19 pandemic had taken a toll on businesses in the country including insurance companies.

"What was the rationale for increasing the capital from the GH¢15million to GH¢50million? They haven't been able to give any tangible reasons. We do not understand the basis for this increase.

"The reason why the deadline was extended to December 31, 2021 was due to the COVID-19, but are we not still in the pandemic era," he quizzed.

Sources

In an earlier interview with some sources at the NIC, the *Daily Graphic* was informed that the regulator was engaging insurance companies who failed to meet the new minimum capital requirement to find an amicable solution.

The engagements have become necessary to protect the image of the industry, protect policy holders, and save jobs.

This was after it emerged that some insurance companies in the country, mostly the local ones, have not been able to meet the minimum capital requirement

set by the commission and which deadline expired on December 31, 2021.

The sources told the paper that some of the options being considered included the possibility of mergers.

"Yes, a few have not been able to meet the requirement but there is no cause for alarm. In their present state, they can pay claims and operate but our policy was to ensure that they have a stronger buffer.

"We are in constant engagement with them and we trust that in the next few months, all will be well," one of the sources stated.

Despite the extension, the fate of some local insurance companies still remains a concern as many are wondering how insurance companies, who were even struggling to meet the old capital requirement of GH¢15 million, will be able to meet the new requirement.

Mergers

On the issue of mergers, Mr Sarpong said it was good to encourage mergers in the industry.

"The regulator must call on stakeholders to see what they can do to meet the new requirement. The mandate of the regulator is to support industry players and merging companies so they can pay the said amount.

"They must try as much as possible to aid the local companies to remain in operation," he stated.

He added that there was a need to build the local companies to meet global standards, something which could not be possible if regulators kept collapsing them.

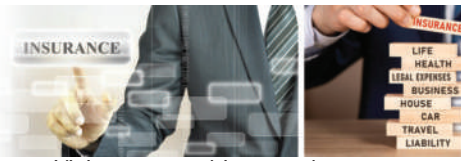
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• Workers must make income insurance a priority

Ghanaians urged to insure incomes

By Emmanuel Bruce

THE Executive Director of First Insurance, Kwame Sarpong, has advised Ghanaians to make the protection of their incomes a number one priority when buying life insurance policies.

He said people normally insured their vehicles and properties but failed to insure the income they use to pay for the car and property insurance.

“You pay your car insurance and property insurance with your income. So if you are insuring your car and property, why won’t you insure the income with which you are making all these expenses?”

“Life insurance is supposed to be based on the protection of our income and when you are doing that, it must

be based on 15 years of your net income,” he stated.

Speaking in an interview with the *Daily Graphic*, Mr Sarpong said if death occurred at an early stage of a marriage, the income that the deceased was earning would cease to come and that would create some vacuum.

“So the income that the dead partner was earning has to be given back to the living spouse to ensure

continuity and this is where insurance comes in.

“When we are taking insurance, we are not taking it for burial because after you bury the person, you

still have to pay fees, rent, upkeep and the rest, so assuming the person earns GH¢5,000 a month, a year gives you GH¢60,000 and if the person has insured himself or herself against 15 years of their income, that would give you a total amount of GH¢900,000,” he explained.

“Life insurance is the most important thing for any person on this planet and the foundation to life is life insurance.”

He said that amount would be paid to the living spouse and even if GH¢100,000 was lavished on the burial, the spouse would still be left with GH¢800,000.

Mr Sarpong noted that should the amount even be invested in government treasury bills, the surviving partner was assured of an interest of about GH¢93,000 per year, which was more than what the deceased was earning per year.

“So in this case, the income has been brought back to the living spouse to ensure continuity of life,” he stated.

Life insurance not for five years

Mr Sarpong also pointed out that life assurance should not be for five or 10-year period but rather something that must be kept until retirement.

“Most people get married at 28 and when you give birth at 29 or 30, you are equally going to look after this child till he or she also completes university.

“So if you give birth at the age of 28 and you add 25 years to your age, how old will you be? So how then should anybody take insurance for five years,”

he asked rhetorically.

The Executive Director of First Insurance said when death occurred, those who suffered most were the children and therefore wondered why people would take insurance for five years, when their children would still be under their care.

“You must, therefore, take up a life insurance policy until you go on retirement because by the time you go on retirement, you might have educated all your children and they are no longer your responsibility.

“Life insurance must be kept until you go on retirement, and in some cases, you must even keep it for an additional buffer of five years after retirement when the children have all left home,” Mr Sarpong said, adding that a life insurance cover was supposed to be held for a minimum of 30 years.

Public education

The executive director called for the education of the public on insurance to ensure that they take up the right insurance policies.

“Some clients have policies but most of them have the wrong policies. We need to educate the clients to get the right policies and the right sum assured,” Mr Sarpong stated.

He said First Insurance took pride in educating the public on having the right insurance cover.

“We take pride in giving adequate cover to our clients and also educating them to take the right cover. Normally, insurance should be sold based on the needs of the customer, so we do a needs analysis of the customer to understand them before we sell insurance to them,” he noted.

He said while the most important thing about insurance was the sum assured, some of the sum assured being offered by some insurance companies were inadequate for the needs of the clients.

Advice to the public

Mr Sarpong advised the public to take life insurance seriously, describing it as the most important thing for everyone.

“Life insurance is the most important thing for any person on this planet and the foundation to life is life insurance.

“Therefore, when you are buying a policy, you must make sure you are getting adequate cover. People take insurance and yet it doesn’t serve the purpose for which they took it which defeats the purpose for insurance,” Mr Sarpong stressed.

Hollard, GEA’s Asomdwee offer financial security

• Continued from page SS08

they face. For instance, there are high numbers of fires recorded in markets nationwide every year. Some of these businesses fail after facing devastating setbacks.

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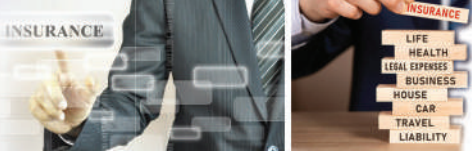
insurance product for MSMEs in Ghana to secure businesses. The comprehensive product has both life and non-life insurance elements. Asomdwee, which loosely translates as “peace of mind”, covers growing enterprises’ property, public liability, and life insurance. The combo product offers three tailor-made insurance packs at unbelievable prices that work for MSMEs. Depending on the size and nature of business, they are bronze, silver and gold, with premiums as low as GH¢360, GH¢910 and GH¢2,310 for coverage as high as GH¢300,000.

The MSME is covered no matter the company’s size, whether big or small. In addition, all Asomdwee policyholders get to benefit from permanent total disability, critical illness, death, burglary, public liability, and fire and allied perils at flexible premiums, regardless of the package. The visual outlook in the promotions of Asomdwee is excitingly presented in the two brand colours with simple to read information. The promotions acknowledge that MSME owners have little time to spare. However, it is relatable because

it shows examples of small businesses in action, e.g., a smiling dressmaker.

Claiming is simple

The claims process for Asomdwee is very seamless. No need for small business owners to waste time in long queues or fill out cumbersome forms. Valid claims are paid promptly without any delays. The MSME owner needs to submit the required documents.



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Donewell Life records remarkable growth

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To deepen its penetration in the life insurance industry in the Ghanaian market, the company has invested heavily in technology and product distribution channels. This is aimed at providing the opportunity for its customers to pick up new policies, renew existing policies, pay premiums as well as file their claims from the comfort of their homes, offices and wherever they could be without the stress of driving through traffic.

The company wishes to solidify these gains through prudent underwriting and investments as well as continuous investments in IT infrastructure, human capital and continue to enrich the lives of its customers by providing innovative life policies and financial solutions.

Innovative Life Insurance

Donewell Life is committed to offering innovative life insurance solutions to customers and the life insurance market in general as such has exciting risk policies namely; Donewell Life Protection Plan (DLPP) which provides for the loss in family earnings on the death of the policyholder, as well as lifestyle protection in the event of the policyholder contracting a critical illness or becoming disabled during the cover term.



• Eric Ato Botchway — Managing Director, Donewell Life

It also covers death, critical illness, total permanent disabilities, maternity complication and or female related illness (which are optional features of the product), hospitalisation and cashback for the policy holder. The Royal Funeral Policy is a whole life policy designed to help meet the cost of funeral for policyholders and their dependents.

Robust sales recruitment

The company has a robust sales

recruitment procedure which has resulted in growth in the sales force. Donewell Life has active, aggressive and well-motivated sales executives in all of its 12 branches across the country. The sales executives are motivated through, attractive remuneration packages, promotions, appropriate training programmes aimed at improving the knowledge and skills of the sales executives and well planned sales conferences where hardworking sales personnel are rewarded. This has

resulted in a drastic reduction in attrition by over 40 per cent in 2021 from previous year.

As a customer focused company with the drive for customer excellence, customer feedback is of importance to the company.

We believe this is one surest way of delighting our customers. In view of this, the company has various customer complaints channels where friendly and professional Customer Service Executives are readily available to assist clients with resolution of their complaints. It is, therefore, not by chance that the company has customer centricism as its strategic objective for the year 2021 and 2022.

Over the years, the company has embarked on a number of Corporate Social Responsibility initiatives in various schools and orphanages.

Donewell Life is poised to remain resolute and grow astronomically in the coming years.

Over the years, the company has embarked on a number of Corporate Social Responsibility initiatives in various schools and orphanages.

Unique Insurance achieves positive growth through excellent service



• Victor Obeng-Adiyiah — Managing Director, Unique Insurance

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This feat made us one of the few indigenous companies in our industry to achieve the recapitalised benchmark ahead of the regulator's deadline. By this, Unique Insurance is one of the investee companies under the Teachers Fund, with funds under management in excess of GH¢3.5 billion.

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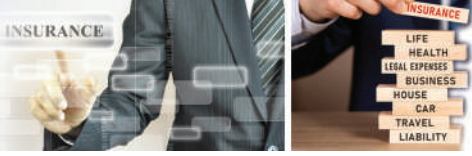
Our unrivalled MOTOR INSURANCE POLICY comes with free towing service for comprehensive policyholders and the payment of minor claims within two hours. These have positioned us as a strong force in motor insurance underwriting in the country.

Unique Insurance HOME 360 POLICY is the first of its kind in the industry which covers domestic fire and allied perils for individuals. It is endorsed with alternative accommodation, personal accident for occupants and visitors alike in addition to

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Why automobile garages must be insured

By Mawuli Zogbenu

'Anything can happen at anywhere at any time' — Author

AFTER the June 3, 2015 disaster which was the height of all motor insurance claims in Ghana at least in the past decade, some motor insurance policyholders were unable to access their insurance claims and this was a source of worry to many an insured person or a corporate entity. Some automobile garage owners / vehicle repair workshops in the capital were reported to have allegedly persuaded their clients, whose vehicles were lost to the floods, to consider them as a total loss (i.e., without compensation from the garages), describing the cause of the loss as a natural disaster or an act of God.

Some victims who resorted to some of their insurers had the shock of their lives when their insurance companies showed them 'the rule book'. Letting go of expensive luxury vehicles could actually cripple some individuals and in some cases corporate clients!

Indeed, consumers have an equal responsibility to always take self-precaution (e.g., insurance), as this will not only provide them protection or security against unexpected losses, but also the peace of mind to focus on other aspects of life.

A Classic Scenario

Circa 2019, a friend sent his vehicle to a vehicle repair workshop for some work to be done on it. By the following day, news got to him that his car had been completely burnt after a mentally deranged man torched a number of

vehicles at the workshop including his.

As complex as the situation was, there was suspected arson by a madman! Confident that he would fall on the insurance company to make a claim, he was disappointed when the insurance Company told him they could not pay the claim once the event occurred on the premises of a repair workshop! As it's often said, 'it does not rain; it pours'; the vehicle was insured under a third party cover. Additionally, it is technically unacceptable for any insurance company to pay claims on losses occurring in a workshop as it is expected that the shop owners would have their own insurance in place to take care of some of these accidents.

As fate would have it, the workshop did not have any insurance and the owners did not even know there was the need for them to do so.

He lost the car with no fault of his and no compensation from the workshop owner!

What we should know

In a previous article, I posited that with motor insurance, anytime a vehicle is checked in for servicing or repairs at a workshop, which could take some days, months, the insurance cover on the vehicle AUTOMATICALLY CEASES. In this regard, it is the insured individual's responsibility to officially notify his / her insurers to either suspend cover on the vehicle and return premium or extend the expiry date of the cover by the number of days the vehicle remains at the workshop, since the insurer may not be obliged to pay claims that may arise while the vehicle is at the workshop, in the custody of the service provider.

What should vehicle workshop owners insure?

It is obvious that the insurers of these workshops would not pay third

party claims in the aforementioned situation, as the likely policy in place at the time of the fire could be a standard fire policy with extension to cover flood and other allied perils. Insurers would not in this circumstance assume a risk which is not catered for. It is therefore the duty of every vehicle repair workshop owner to obtain a blanket policy perhaps an 'Assets-all-Risks' policy which will automatically include burglary together with the following:

Professional Indemnity Cover - it is expected that these workshops obtain a Professional indemnity cover for all its professionals to protect them against any liability at law in the discharge of their duties.

Public Liability Cover - workshops of automobile companies owe motor vehicle owners a duty of care once the vehicle enters their premises and in their custody, hence the expectation that they would have this cover to compensate any vehicle owner on account of damage to their vehicle.

Do garages and workshop owners know this?

Even though this requirement is well known to especially the well-organised automobile companies, some of them still go to the extent of issuing disclaimers as force majeure to the effect that they will not be held liable in the event of any direct or indirect damage done the vehicle and this includes while the vehicle is being road-tested. While the primary focus of the disclaimer is against valuables kept in the vehicle at the time of the loss, nonetheless, many of the well-established auto firms take responsibility for accidental damage on customers' vehicles during road-tests or any other damage during repair works.

Speaking to some renowned automobile dealers a couple of years ago, one cited the fact that it was not

always the case that they did not want insurance but some insurers were not willing to provide cover for their garages due to the high risks associated with working in a garage or in certain high risk and / or flood prone environments. It is public knowledge that the 'big boys' in the automobile industry have found themselves within the same flood-prone enclave in the capital and it only makes prudent business sense for such apprehensive attitude of some insurers. That notwithstanding, I believe there should still be a way out either through marginal increase in premiums for such high risks or any other business-to-business arrangements.

Words of advice to members of the motor insuring public

Generally, motor accidents may be caused by the owner/user or someone else. At the workshop, however, one's motor vehicle could get burnt, damaged or carried away by floodwaters. In any event, once the loss occurred while the vehicle was at the garage or workshop, one would only get compensated if the garage had an appropriate insurance, as discussed above.

The Way Forward

As required by the Insurance Act 2006, Act 724 that all commercial buildings are insured with an insurance company against the hazards of collapse, fire, earthquake, storm and flood, and an insurance policy issued for it, auto workshop owners must be aware that they fall under this category.

Many vehicle owners have had to suffer this fate in years gone by and many continue to suffer similar fate as did my friend. For starters, the relevant stakeholders within the insurance industry must continue to zoom their lenses on engaging with garage or workshop owners including what we call 'fitting shops' and provide them adequate education on this all-important issue. This could significantly transform their operations, while expanding the insurance reach in Ghana. When the risks associated with their services are transferred to insurers, their clients who may suffer losses on account of their vehicles while they remain in their custody would be paid their claims.

That notwithstanding, workshop owners must also take seriously the safety requirements within their premises as that would make it easier for insurers to accept the risks.

It is also important for policyholders to ensure that they notify their insurance companies anytime they are sending their vehicles for repairs or routine servicing. This should be done between the day of handing over the vehicle to the service centre and the day it is estimated to be ready for delivery.



• Garages must also be insured



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• Travelers must take insurance to cover COVID-19

COVID-19 Pandemic good or bad case for travel insurance?

'When you take little things for granted, don't be surprised when bigger ones swallow you up'

— Author

By Mawuli Zogbenu

IT is a truism that many people are convinced that air travel remains the fastest means of travelling to any destination across the world.

Travelling by air plane, especially for the first time, is such a life-threatening experience for many people as it is often filled with fear and some appreciable degree of anxiety. The taking-off of an air plane itself stirs up some inexplicable 'chemicals' in one's inner being!

The journey through the clouds with its accompanying occasional turbulence, and the eventual announcement of '...please fasten your seat belts...' as the plane prepares to touch down, is one that could ignite the 'fear of the unknown'.

While the cruising itself is typically covered by aviation insurance, the other associated risks such as illnesses, loss of life and / or luggage among several others (which are not occasioned by an accident to the aircraft) are covered by a specialised form of insurance known as Travel Insurance.

It does appear that these fears are being further aggravated by one tiny virus that has shaken the very foundation of the world - the COVID-19 pandemic!

Restricted international movements

Since the COVID-19 pandemic broke out and went so viral in early 2020, the world and movement across it have been stalled significantly. No one was going anywhere and no country wanted any other national to enter their country knowing the possible risk factors.

This continued till the air space was eased a bit towards the end of year 2020. The world still seems to be dragging its feet as to whether to move or not and to which extent.

The unmatched and unforeseen effect on lives, businesses, jobs among others need no over-emphasis.

Air travel, tourism and other ancillary services have become a pale shadow of themselves. The ravaging effects of the virus has become more conspicuous than ever as different variants and predictable waves keep rearing their ugly heads in spite of available vaccines.

Has the pandemic made a good case?

From the eyes of my mind, I think, the answer is both a YES and a NO! Yes, because some local insurance companies have extended their travel insurance covers to include COVID-19 (which was hitherto excluded from the list of diseases covered under travel insurance).

Then again, virtually everyone has come to the realisation that it may not be safe to travel or be held up in other countries due to border closures and / or restricted movements. This has naturally triggered the need to protect themselves against all unforeseen circumstances, including having to overstay due to border closures (or other government restrictions with the view to control the spread of the virus).

It is a no because, virtually no one is travelling anywhere and so demand has dipped so low, especially during the pre-vaccine epoch!

It is estimated that prior to the pandemic, the aviation industry contributed \$63 million to the Gross Domestic Product (GDP) of African economies with support for 7.7 million jobs. These figures have since dipped to \$32 billion loss to GDP thus putting at least 5 million jobs at risk.

(mylocaltravelclinic.co.uk, www.norvanreports.com).

Was travel insurance really necessary?

A couple of years ago, a friend requested my assistance to obtain a travel insurance policy in order to meet the entry visa requirement of the embassy of a European country he was scheduled to travel to. Indeed, he didn't find that requirement necessary, as he thought it was only going to add to his travelling cost. Anyhow, there was no way his application was going to be accepted and processed, without meeting this requirement. Having noticed my friend's ill-informed view of this requirement, I painstakingly explained to him the concept, features, benefits, exclusions and claims processes of a travel insurance policy.

Persons travelling outside the borders of their home countries (e.g. Ghana) either for business, holidays, visits, sports tournaments, are often vulnerable to many risks before, during and after the journey. A travel insurance policy, therefore, provides cover against the risks of travelling

which may include medical fees, loss of personal belongings, flight cancellation charges, third party liabilities, death, injury, etc.

The duration of this policy does not usually exceed 90 days, though yearly policies could be granted to regular travellers and students. It is usually provided by a local insurer in partnership with an internationally accredited one.

Scope of the standard cover

Medical expenses where surgical fees, hospital charges and emergency dental treatments are covered. Additionally, the cost of air-ambulance for the sick traveller, his/ her close relations, friends and accompanying nurse(s), are all provided for in the cover. The policy may also cover the repatriation of policyholder's corpse or ashes in the event of death.

Loss of luggage where there is reimbursement for loss of luggage, personal effects, missing passports, etc. The compensation here is, however, based on agreed limits.

Travel delays usually occasioned by bad weather, or strike actions 12 hours into the original departure time. I am

inclined to believe that the inclusion of COVID-19 cover is likely to be factored in here for longer stay occasioned by border closures among other restrictions.

Personal liability arising from the insured's legal liability for injury or accident to third parties in the course of travelling.

Hospital cash benefits arising from the insured being hospitalised. Daily cash payments may be applicable, but subject to agreed

terms.

It is worthy to note that in the unfortunate event of a Ghanaian losing his or her life while abroad, their local insurance company in concert with the foreign partner will consequently be responsible for repatriating their cadavers or ashes to Ghana.

Optional benefits

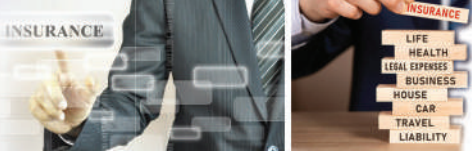
Policyholders have the option to request additional fee-based benefits which may not be contained in the standard policy. Below are some context-specific optional benefits available to policyholders:

Financial failure of tour organiser or guide for especially booked holidays to whom advance payments have been made.

Lack of Amenities - poor service provision in relation to utilities such as water, electricity, breakdown elevators, swimming pool facilities, at a hotel where the traveller is staying.

Cover could also be extended to legal costs in pursuing claims for

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Graphic Business INSURANCE SUPPLEMENT & FAIR



Theme:
Deepening Insurance Awareness to Engender and
Enhance Public Confidence in Ghana.

Date: Wednesday, June 22nd - Friday, June 24th, 2022.
Venue: Alisa Hotel, North Ridge Accra.
Time: 8 am - 5 pm Each Day.

Public Lecture on Insurance: 22nd June, 2022
Time: 8am - 9am

For participation kindly contact: 0242650449 / 0507067988



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How some Ghanaians perceive insurance

By Elizabeth Konadu-Boakye, Faith Ayokor Mensah & Abigail Sedinam Kortiah

INSURANCE is a useful intervention for protecting people against unforeseen risks, the only product you can have money but can never buy when you need it.

It also allows individuals and organisations to contractually transfer the potential financial consequences of a risk exposure to an insurer.

An important benefit of insurance is the reduction of uncertainty and worry.

Graphic Business, in collaboration with the National Insurance Commission (NIC) and the Ghana Insurers Association (GIA), will mark the Insurance Awareness Month through various activities.

One of the major activities is a three-day fair on the insurance sector of Ghana as an activation integrated into our usual special focus on selected sectors of the economy.

The fair will start from today to Friday, June 24, 2022 at the Alisa Hotel, North Ridge, Accra.

There will be a launch to kick-start the fair.

Over the years, premium management has been a major challenge to the insured

and is increasingly reducing demand for people to sign on insurance policies.

It is a concern to the insurance sector and it needs to be addressed to build confidence and trust in the people, so that they can make good choices for insurance products.

Insurance companies that manage premium effectively and efficiently are likely to get more people to sign on to their businesses.

Even though many have an idea about insurance, the picture in terms of the numbers who have taken the step to enter into such arrangements is still insignificant, despite years of education and sensitisation.

As part of efforts to scale-up education on the subject, the *Daily Graphic* sought the views of the public on insurance. Below are excerpts of the interviews;

Interviews

A commercial bus driver, Alexander Sowah, told the *Daily Graphic* that he was on a life insurance policy that covered health, accident and death.

He, however, expressed dissatisfaction with the manner in which the policies were handled by insurance companies, saying they did not make refunds when customers were unable to pay their claims.

"I think this is very unreasonable because the insurer must get some benefit from the claims paid so far, instead of not getting anything at all because he or she stopped making payments," he said.

Mr Sowah said because of the inconsistencies with insurance companies, he preferred to go into investment other than insurance.

He, however, said his only motivation was the fact that beneficiaries could get something when there was a situation with the insurer.

An trader, Ophelia Baffour, said she was on an accident and death insurance policy but said she wished she did not have to pay the claims at certain times, but she had no choice but pay due to the compulsory nature of the insurance.

Madam Baffour said it would be helpful if the insurance policies could increase the benefits.

Patrick Narh, a vehicle spare parts dealer, said he was not on any insurance policy and did not wish to be on any.

He explained that he used to be on one but realised they were not trustworthy.

"I opted out of my insurance policy because I was shortchanged and their interest rates clearly do not make any sense"

He added that no insurance company shared their interest rates but rather said that it was subject to prevailing market prices.

Mr Narh said that for car insurance, he was on it initially because there were laws regarding it.

The General Overseer of the Word and Light Solution Chapel, Rev Caleb A Mensah, stressed the importance of insurance, stating that; "no one really knows the future so it is best to prepare against contingencies that may arise in the future".

Struggle

The struggle for most people was not knowing whether they would ever require to make any claims, he said, adding that it would feel like throwing money down the drain to some people, especially to those who struggle to make a living.

"It has been two years since I was involved in an accident and needed to claim the insurance for the victims involved but still I have not been attended to, despite having completed the necessary processes," he said and lamented about the stress he sometimes had to go through just to make his claims.

A retired official of the Ghana Revenue Authority (GRA), John Seth Agbolosu, said, he had an education endowment fund for his children's education for close to a decade which he used to pay the school fees for his children.

He said although his car was insured, it would have been very difficult for him to do that if he was not bound by law to do so.



COVID-19 Pandemic good or bad case for travel insurance?

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compensation and damages arising out of death or injury to the traveller.

Travelling to any part of the world has become a very sophisticated adventure, especially as occasioned by the pandemic. The need for individuals to protect their lives against the uncertainties associated with being in a foreign land has become more imperative than ever before.

Until this pandemic, Travel Insurance

remained mandatory for only applicants wanting to travel to mainly some 26 Schengen countries including The Netherlands, Austria, Italy, Spain, etc as it is a major requirement for the acquisition of entry visas.

This demand triggered the custom-design and sale of travel insurance policies by the various insurance companies in Ghana.

I am of a stronger conviction now than ever before that the emergence of the pandemic could increase the demand for travel insurance. I will not be surprised if it becomes a requirement that goes beyond just the Schengen countries but a standard requirement for obtaining entry visas to any other country in the world.

The hitherto lukewarm attitude of some applicants towards travel insurance is most likely to change, given the emergence of the pandemic and other unforeseen illnesses globally. It is important, therefore, that prospective travellers do not limit their view of travel insurance as merely for meeting entry visa requirements, but a means of adequately protecting their lives and those of others while abroad.

It is becoming increasingly necessary for insurance companies to continue to provide adequate education to the public, especially prospective travellers, detailing the features, benefits and claims procedures of travel insurance. By so doing, travellers will not just

view travel insurance as merely satisfying the requirements of embassies, but an opportunity to adequately protect themselves and their valuables while on such trips abroad.

This is the reason travellers need to talk to their insurance companies, and or brokers in order to apprise themselves of the need for travel insurance which has become like 'buttons to a shirt'.

I personally expect nothing but a scramble for this type of insurance globally without merely being seen as attempting to satisfy all 'righteousness' as a pre-requisite for entry visas.



Does the depth of penetration matter?

By Chartered Insurance Institute of Ghana Editorial & Publicity Committee

THERE is no denying the fact that Ghana's insurance penetration remains abysmally low, currently below two percent, despite the uptake of insurances being perked at about 30 per cent.

This unfortunate phenomenon appears to give credence to the view of some industry watchers who believe the insurance industry in Ghana is progressing in a retrogressive gear! No and yes, such perceptions or rather misconceptions have some seed of logic in them.

Hardly would a typical media person engage any member of the insurance fraternity without raising the issue of 'penetration is low' and expect the latter to accept it hook line and sinker! No Sir, No Madam!

Indeed, the insurance penetration rate is a function or measure of the insurance industry's total contribution to the Gross Domestic Product (GDP) of the Country.

It is trite that the under two per cent contribution may appear small, and thus, make it easy to conjecture the fact that, yes, insurance is not doing

well in Ghana.

However, compared to some other insurance jurisdictions on the continent, Ghana's measure of the penetration rate is constrained by the exclusion of health insurance and pensions assets.

What do we mean? In South Africa for instance, where the penetration rate is a combination of life insurance, non-life insurance, pensions, and health insurance, thus giving them a relatively higher rate of seven per cent, Ghana's is limited to only the life and non-life insurance premium contribution.

Low penetration

Does low penetration suggest a dwindling sector?

The 2020 Financial Stability Review Report recently revealed Ghana's insurance industry witnessed an increase in its total capital base from GH¢2.53 billion recorded in December 2019 to GH¢2.91 billion as of December 31, 2020.

According to the report, the increase amounts to a growth of 15 percent in 2020 over the previous year.

The report attributed these positive developments to good corporate governance practices championed by the regulator and stringent measures taken by insurance entities to meet the new minimum capital requirement for the strong results.

It is important to note that the

Financial Stability Review assesses developments in the financial system and the broader macro-economy, with a focus on emerging threats to financial stability.

The report specifically covers macro-financial developments, and the four broad sectors of the financial system; i.e. banking, insurance, pensions and securities sectors. The publication of this report is targeted at promoting market transparency and public awareness on financial stability issues in Ghana. The report was compiled by the Bank of Ghana (BoG) in consultation with the National Insurance Commission (NIC), National Pensions Regulatory Authority (NPRO) and the Securities and Exchange Commission (SEC).

Sectors

Whereas many sectors of the economy reeled under the threat and actual impact of the COVID-19 pandemic, the same cannot directly be said about the insurance industry, as the sector was heavily activated through innovations by players in the insurance space to ensure business continuity and alternative ways of doing business.

At the heart of this, as the Report cites, good Corporate Governance practices spurred the growth.

While the insurance industry is growing per coverage, this is however, being blindfolded by the 'lighthouse' of

the focus being only on penetration rate!

It is akin to a situation where we seem to suggest that the importance of a car engine supersedes that of a car tyre forgetting the fact that both must work hand-in-hand to propel movement!

Factors

What other factors account for a struggling penetration rate?

The National Insurance Commission (NIC) has taken steps to sanitise the insurance space, as it has initiated proactive steps to deepen its regulatory regime, in a bid to avoid a possible spillover effect from what happened in the banking sector.

Implications of the desire to increase penetration rate

Borrowing from a popular financial language, 'one per cent of GH¢1million is bigger than ten per cent of GH¢100,000', suffice it to say, while the desire to have an exponentially high insurance penetration rate remains in focus, even at the current rate, the continuous expansion of the Ghanaian economy will effectively enable growth of the insurance industry.

Instructively, the insurance regulator, the NIC, for some time now, has shifted focus towards a risk-based supervision, aimed at enhancing the sustainability and responsiveness of the industry players. Merely redefining a supervisory regime would appear inadequate, as the capacity of players to underwrite large transactions have often been called to question, but we are excited by the fact that the answers are now in the question!

Stakeholders

As a key stakeholder in this endeavor, the Chartered Insurance Institute of Ghana (CIIG), has recently introduced a different perspective to this narrative by provoking constructive debate with the aim of building and deepening consensus around the subject and other key areas of interest.

Should we continue to measure the performance of the insurance sector using the penetration rate?

Will the use of the coverage of insurance be more appropriate as the figure is relatively higher and therefore has the potential to generate or engender more interest and confidence in members of the insuring public?

Should health insurance and pensions be included in the basket of contribution that helps in permuting the penetration rate as pertains in South Africa and Kenya to reflect a more encouraging outlook?

What will be the effect on the Ghanaian insurance professionals' attitude toward innovation and ethics in the discharge of their duties - a fire-power approach or that of complacency as the figures may put a smile on the faces of many a practitioner just because all righteousness had been satisfied?

As to whether insurance coverage is being overshadowed by the penetration rate mindset or vice-versa, all we can say is that: We are going, CIIG knows where we are going, and we know we will get there!



• Three cars involved in an accident