

Sustainable Future: Insurance Option



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From the desk of the President

Dear Professional Colleague,

On behalf of the Governing Council of our great Institute, it is with great delight I welcome you all to the Year 2023 edition of the Institute Annual Journal. I wish to convey our best wishes to our distinguished professionals and stakeholders, in appreciation of your efforts in moving the Institute forward and driving its ideas, especially in a world that has been greatly enmeshed by social and economic challenges.

My tenure as the 51st President of the Institute commenced on Friday, July 15, 2022. Quite frankly presiding over the affairs of our Prestigious Institute for the past 12 months has been a great task. We achieved to a large extent the set objectives for this Presidency, despite the economic challenges facing the nation.

It is important to note that the theme of my Presidency is focused on "**BUILDING A SUSTAINABLE LEGACY.**" A theme that is borne out of the need to maintain a continuity plan to build on and sustain the works of Past Presidents of the Institute. This will guarantee that even in the face of current global uncertainties, the Institute will continue to meet the needs and aspirations of its members. The Institute must sustain a stronger strength of professionalism and ethical standards in the Insurance Industry. The sustainable legacy cuts across revamping the digital operations of the Institute.

We are going to unlock the potential of this approach by focusing on a **three-point agenda**:

1. Digital Reinforcement of Institute's Operations.
2. Insurance Awareness for all - Grassroot, Youths and Insuring Public.
3. Infrastructural Development.

We, as an Insurance Industry and Institute, must continue to be at the frontiers of these technological innovations and trends to thrive and drive impact in our endeavours and ventures. The world is currently operating in the spheres of a vast Volatile, Uncertain, Complex, and

Ambiguous (VUCA) environment and this has tremendously caused a paradigm shift to the operations and process of business across all sectors, with the insurance sector being at the fore burners. In all these uncertainties, I must say that the insurance industry has remained dogged with the adoption of digitalisation to effectively process its modus operandi.

It would be recalled that the United Nations (UN) launched at the 2012 UN Conference on Sustainable Development, the United Nations Environment Programme (UNEP) Financial Initiative (FI) Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. The PSI initiative is the largest collaborative initiative between the UN and the insurance industry.

Many insurers are signatories to these principles and some of the most forward-looking ones have also committed to becoming carbon neutral by 2050. Regulators are also increasingly active in this space and climate change is finding its way into regulatory frameworks and capital regimes of insurers.

This edition of the Institute Journal is themed "**Sustainable Future: Insurance Option**", a theme that beams the light on Digital Underwriting, InsureTech, and Insurance in the Green Eco-System. Sustainable insurance is a strategic approach where all activities in the insurance value chain, including interactions with stakeholders, are done in a responsible and forward-looking way by identifying, assessing, managing, and monitoring risks and opportunities associated with environmental, social, and governance issues. Sustainable insurance aims to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social, and economic sustainability.

Professional Insurers need to take a more proactive role in multiple areas otherwise climate risk will have a profound impact on the insurability and pricing of certain assets or events, potentially rendering them uninsurable in the long run.

It is against the backdrop that this theme was chosen to be the subject matter for the Year 2023 edition of the Institute Journal. This publication seeks to address the following issues as they relate to a sustainable Insurance business:

- Affordability is already a critical issue with several regions and segments of the population - especially in low- and medium-income nations. Likewise, the availability and cost of reinsurance cover for weather-related risks may become prohibitive for smaller insurers in certain markets - potentially leading to a reinsurance gap.
- Another area of concern is government inclusion. This means working with government, public bodies, and municipalities not just in developing climate risk-resilient infrastructure, but also in nudging them toward disaster protection.
- Insurers need to decide their forte toward underwriting and capitalising in asset classes that are most likely to generate or be affected by climate change.

I will like to restate that membership in the Institute is one of the key ways to get to the pinnacle of the insurance profession. You can only pride yourself as a true member of the Institute by posting your dues, levies and actively

participating in the programmes outlined in the Institute's calendar. The Institute remains committed to offering value to its members and will continue to improve its operations to achieve excellence.

As stakeholders of the Institute, the onus is on us to embrace professionalism and uphold the Institute's ethics and values in the course of all our business endeavours. The Institute is our pride and it serves as a guiding light for the insurance industry.

My deepest appreciation once again to you, even as I urge you to continue supporting the Institute as partners in the progress of the growth of the insurance industry. We should equally sustain the tempo of excellence that the Institute has been noted for and turn all perceived challenges into stepping stones for greatness.

Have a pleasant reading.

Yours in Service,

Mr. Edwin Igbiti, ACII, FIIN
President/Chairman of Council
Chartered Insurance Institute of Nigeria.

CHARTERED INSURANCE INSTITUTE OF NIGERIA

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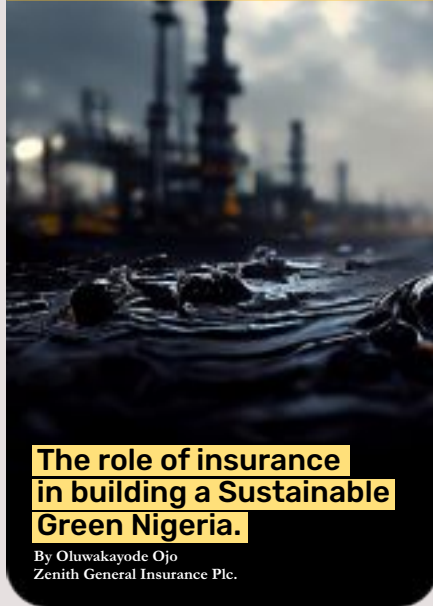
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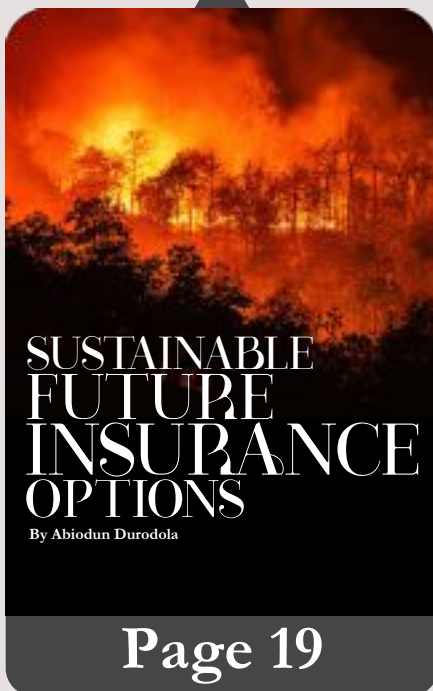
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**PARAMETERS TO ACHIEVING
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**HOW IS AI in Underwriting
Poised to Transform the
Insurance Industry?**

by RAHMUN RIDWAN AYOMIDE
300 Level Student, LAGOS STATE UNIVERSITY

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How AI in Underwriting is Poised to Transform the Insurance Industry

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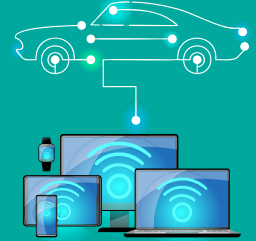


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INSURANCE IN THE GREEN ECO SYSTEM

by **Obinna Chilekezi, FCIB, FPAM, FIIN, FWAII**
Insurance Consultant and Researcher

Introduction

This world of ours is in constant change; ironically, in Africa, we rather prefer to trail from behind than to plan ahead of the change and whatever comes with it. The world of uncertainty too is becoming too uncertain to predict, and as an insurance practitioner, you know what it means to our profession. Mankind has always and will



continue to live in an unpredictable world. Hence, the Igbo, which I believe is also peculiar to other climes, have this philosophical name: Onyemaechi – meaning who knows tomorrow. It is the outcome of not knowing tomorrow that makes the insurance business thrive. This same world of unknown tomorrow generates risks and risks for mankind – for us insurers, these risks we have to fashion ways of providing covers to them.

Permit me to note, without much ado that one of the most burning issues and great concerns to mankind is that of climate change. This issue has been addressed both at governmental and non-governmental levels, at national

and inter-regional levels, among others. It is either there is too much heat or too much snow in a particular region unlike what prevails in the past. This has helped in aggravating incidents like fire, flood, and others of perils – either existing or new to humankind.

What do we mean by climate change?

The United Nations has been at the forefront of the issues of climate change. According to this world body, climate change refers to long-term shifts in temperatures and weather patterns. The global agency added that such shifts can be natural, due to changes in the sun's activity or large volcanic eruptions; however noting that since the 1800s, human activities have been the main driver of climate change, primarily due to the burning of fossil fuels like coal, oil, and gas.

United Nations in its climate action also revealed that burning fossil fuels generates greenhouse gas emissions that act like a blanket wrapped around the Earth, trapping the sun's heat and raising temperatures. The main greenhouse gases that are causing climate change include carbon dioxide and methane. These come from using gasoline for driving a car or coal for heating a building, for example. Clearing land and cutting down forests can also release carbon dioxide (United Nations). It is pertinent to add those activities like agriculture, oil, and gas operations are major sources of methane emissions as well as energy, industry, transport, buildings, agriculture, and land use are among the main sectors causing greenhouse gases.

The World Bank (n.d.). in painting the big picture of climate change observed that the Earth's climate is changing and the global climate is projected to continue to change over this century and beyond and that the magnitude of climate change beyond the next few decades will depend primarily on the amount of greenhouse (heat-trapping) gases emitted globally and on the remaining uncertainty in the sensitivity of the Earth's climate to those emissions. The world Bank also revealed that with significant reductions in the emissions of greenhouse gases (GHGs), global annual averaged temperature rise could be limited to 2°C or less, and without major reductions in these emissions, the increase in annual average global temperatures, relative to preindustrial times, could reach 5°C or more by the end of this century.

It is ironical to note that mankind will suffer more of the adverse effect of climate change is the main contributed to the problem.

Green insurance

A simple way to come to understand green insurance is to look at it from that Yonature (2021) who argued that

green insurance is a type of insurance that helps to protect the environment and combat climate change. It added that green insurance is also known as eco-friendly insurance, with basically an economic incentive to encourage behavioral change. As more and more people understand their impacts on the environment, they are opting for eco-friendly practices. As a result, insurance companies are creating innovative products and services to encourage sustainable practices and technologies (Yonature, 2021).

In recent times, as revealed by PWC (2023) the insurance industry in particular has shown significant interest in sustainability. The consulting firm further postulated the impact that climate change, amongst other socio-economic issues, will have on the insurance industry, especially about underwriting and profitability. PWC added that it is no surprise that the need to write green/sustainable insurance products is on the rise. This will necessitate a shift from traditional insurance products to green products to provide environmental, social, and economic benefits while protecting public health and the environment as a whole expected in the next couple of years.

According to the Insurance Information Institute (2023) apart from the environmental liability insurance companies are promoting a safe environment through “going green” which may make the insured pay a lesser premium for cover whether you are using an eco-friendlier car, a more sustainable home or “green” business practices, etc. For motor insurance, the discount for eco-friendlier cars is a result of the fact Fossil fuels deplete the earth’s resources and contribute to pollution—and many insurers offer discounts for vehicles that don't gas-guzzle. In advanced economies, your motor insurance could provide special discounts as:

- **Hybrid vehicle premium discounts** offered by motor insurance companies (and similar discounts may also be given in marine insurance for boats with hybrid-electric boats and yachts).
- **Endorsements that allow hybrid replacement** an optional coverage that allows the insured to replace his or her traditional motor vehicle with a comparable hybrid vehicle after a loss.
- **Alternative fuel premium discounts** for car that uses an alternative energy source such as biodiesel, electricity, natural gas, hydrogen, or ethanol.
- **Pay as You Drive (PAYD) programs**, with the installation of a device to track the miles driven in your car, this option offers policy discounts to drivers who, according to their sensor, drive fewer miles than the average—thus saving consumers money while reducing accidents, congestion and air pollution (Insurance Information Institute, 2023).

Apart from motor insurance, policies for buildings and contents could also enjoy some discounts too if the

homeowners are maintaining eco-friendly living, such options include:

- **Premium discounts for LEED certified homes.** LEED is short for the Leadership in Energy and Environmental Design Green Building Rating System and the system developed by the U.S. Green Building Council is a recognized environmental standard in the building world and has high efficiency and sustainability standards.
- **Eco-friendly replacement materials endorsements**, which are offered on some building and content policies. After a loss, these allow the insured to replace or rebuild with more sustainable materials, practices, and products.
- **Broad coverage for alternative energy sources.** There is a homeowner discount for those that generate their own geothermal, solar, or wind power and sell any surplus energy back to the local power grid, there are now policies that cover both the extra expense of temporarily buying electricity from another source and for the income lost during a power outage (as long as the outage is caused by a covered peril) (Insurance Information Institute, 2023).



The businesses too are not left for being environment friendly too as they would enjoy these discounts:

- **Cover installing "green" building systems and materials** to replace the standard ones, after a loss such as energy efficient electrical equipment and interior lighting, water-conserving plumbing, and nontoxic, low-odor paints and carpeting.
- **Allow "green certified" rebuilding** in the event of a total loss this coverage may pay for engineering inspections of heating, ventilation, air-conditioning systems, building recertification fees, replacement of vegetative or plant-covered roofs and debris recycling and loss of income and costs incurred when alternative energy generating equipment is damaged (Insurance Information Institute, 2023).

The Nigerian insurance industry and green insurance

The issue of green insurance is still alien to our industry. It is rather sad to observe that there is no industrial effort in promoting an eco-friendly environment and by extension eco-friendly insurance products in the market.

It is believed that the Nigerian insurance industry will benefit from the promotion of green insurance as it will help in the general reduction of claims that would have occurred from the traditional policies.

Conclusion

We cannot continue to sit and look on as the world moves on. Green insurance is the policy of now and not the future. The Nigerian insurance industry will have a lot to "win" if we can look, as an industry towards that way.

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The role of insurance in building a Sustainable Green Nigeria

Oluwakayode Ojo
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The National flag of Nigeria is Green, white, and green but is Nigeria building a green environment and nation? Rather, Nigeria is hampered by so many environmental issues which are caused by oil spillage in the oil-rich states of the Niger Delta region, gas flaring, deforestation, and overpopulation among others. There have been cases of air, soil, water, and noise pollution which are on the increase with devastating consequences for the country Nigeria.

Where we were

In 2016, the W.H.O in their study reported that Onitsha

ranked (1st) in the list of the world's most polluted city in the world in terms of air pollution with the presence of high particles of matter, with Kaduna, Umuahia, and Aba all ranking among the top 20 polluted cities in the world. Similarly, the state of global Air 2019 stated Air pollution to be the 4th leading risk factor for mortality in Nigeria, accounting for more than 7% of deaths (114,100) in 2017 alone. This is a result of Household Air Pollution resulting mostly from cooking with inefficient cook stoves. The lack of adequate electricity has led to the over-reliance of Nigerians on candles, kerosene lanterns, and generators powered by fossil fuels like diesel and petrol. These has not only become very expensive but much more harmful



to the environment and also led to household fires and even death from toxic inhalations.

The Green Path

Earlier this year, the federal government of Nigeria launched the *Imagine Nigeria?* report jointly with the United Nations Development Programme (UNDP) under a larger development framework that explores alternative pathways to further Nigeria's development. The report explores the challenges and opportunities, as well as alternative scenarios for the future. It also proposes a series of recommendations to shape a sustainable and

prosperous future for all in the coming decades.

The report notes that going green is in Nigeria's best interest and that it is a strategic choice that, if fully pursued, can allow Nigeria to take advantage of an emerging global push towards low-carbon economies. A flourishing Nigerian green economy is estimated at \$250bn investment opportunities in critical sectors, including energy, transportation, infrastructure, manufacturing, agriculture, and land use. It is imperative to develop an investment prospectus containing business cases and business opportunities that a futuristic green Nigeria presents. By going green, Nigeria can build more

inclusive, resilient, and prosperous nation.

The green economy, as defined by United Nations Environment Program, results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.

What sustainability and green initiatives look like in the insurance landscape

There are numerous opportunities to incorporate sustainability into insurance. Sustainability in the

insurance landscape may include lower premiums for the green industry or electric vehicles (Evs), determining incentives and tax measures for sustainable/green insurance, promoting new sustainable/green products, and allowing investments in projects that meet the sustainability/green criteria. Sustainable/green insurance could also be in the form of new products intended to address climate change or products that encourage customers' sustainability and green behaviors. Moreover, sustainability-related practices are predicted to be incorporated into the operations of businesses and ventures across all industries and jurisdictions. For



example, with the collaboration of the legislature, insurance companies may require companies to uphold green policy initiatives to be eligible for certain insurance policies.

A glance around the globe

Globally, insurers are progressively placing a high priority on sustainability. This increased focus began with global awareness of climate change which underlined the need for more sustainable/green products and behaviors. For insurance, promoting and driving sustainability can help insurers quantify risk and thus mitigate risks better. The United Nations Environment Program Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) is a manual that the UNEP FI released on how the insurance business should manage sustainability issues

Examples of sustainability in insurance products

We have seen meaningful movements from international insurers on this front. Sustainable/green insurance could be designed and developed into a wide range of products. Some examples of sustainable/green insurance products are provided below:

- **Green home insurance:** Insurers provide homeowners with insurance discounts or add-ons that help them save money and encourage them to construct with eco-friendly materials and consume less energy. If a disaster ruins their homes, homeowners may choose to switch to more eco-friendly materials and appliances because their insurers will usually pay for the higher cost of such replacements.
- **Renewable energy insurance:** Renewable energy sources have a significant advantage in the fight against climate change, but they are also very expensive and fraught with risks. In order to support their growth and reduce their risks, insurers provide renewable energy insurance policies to technical companies and people. For instance, throughout the project development stage, insurers may cover engineering and construction risks. Others might also assist with revenue loss and business interruption support.
- **Property loss mitigation discount:** Insurers may consider offering premium credits to homeowners who use mitigation devices or materials or construction techniques which can reduce loss from catastrophes.
- **Fossil fuel-efficient discount:** Premium discount or special insurance package could be designed and

offered to customers using electric or hybrid vehicles.

- **Green Material building insurance:** For commercial lines, this product could encourage property developers to build sustainable and green buildings which may involve design, specification, and materials to preserve the environment and at the same time protect loss from climate risk.
- **Directors & officers insurance:** Insurers may consider offering optional environmental or global warming litigation protection to directors due to the increase of litigation cases against corporations that are alleged to contribute to climate change.

The above products may seem new to the Nigerian insurance industry, but insurers need to begin offering products that could fall under the category of sustainable/green insurance.

Opportunities for lead initiators

Sustainability may have come to stay and there are advantages to embracing sustainability opportunities which include some of the following:

- Becoming a leader in this new field.
- Building a sustainable/green brand name which helps in terms of reputation and also attracts customers sharing the same value.
- Increasing market shares by expanding to new sectors such as EVs, green building insurance, and green projects insurance.
- Having the ability to offer new/niche products and become a leader in such new or niche markets.
- Operating the business in a new direction that is in line with the regulator's plan - opening up the opportunity to work alongside the regulator.

In conclusion, a transition to a Green economy would only be made possible through the cooperation of all stakeholders and should not be left to Governments alone. Individuals, Non-Governmental Organisations, Environmentalists, the Media, and the Private Sector all have roles to play. There is also a need to enact relevant laws, put in place policies, provide finance, encourage entrepreneurs and provide advocacy to help make the transition a reality. Finally, a strong political will by governments at all levels, visionary entrepreneurship, and the participation of all citizens would be required to transition Nigeria's economy into a Green Economy.

PARAMETERS TO ACHIEVING Academic Success

By Kafui Kudzo
SIC Insurance Plc (Wall Best Graduating Student)



The definition and measurement of academic success are broad and complex. Academic Success is made up of six components: academic achievement, satisfaction, acquisition of skills and competencies, persistence, attainment of learning objectives, and career success (York, Gibson & Rankin, 2015). This means there are a lot of dimensions to academic success. There are several other definitions of academic success. Academic success is mostly used interchangeably with academic achievement which has different forms of measurement, the most used measure being grades or Grade Point Average (GPA). Several parameters contribute to the achievement of academic success. This article seeks to highlight some and is not exhaustive of all the parameters. In my candid opinion, academic success is not a destination but rather an ongoing process that requires constant work.

Knowing yourself and what works best for you. We are all wonderfully unique and different in our way with different personalities and qualities. The world would be bland if we were all to behave in the same way. Our differences make life interesting. In the pursuit of academic success, it matters to know what works best for you especially when it comes to understanding and retaining large amounts of information needed either for examination purposes or practical application at work. The journey to discover what works best for you may not be as simple as it sounds. It may require several unsuccessful attempts of trying various methods which may be frustrating at times. The key is not to throw your hand in despair and give up but to keep trying until you find what works best for you. In my experience, this contributes largely to coming up with the best strategy to use in your academic pursuit. Always have a personal

strategy for how you intend to succeed academically taking into consideration the measure of academic success in whatever academic journey you undertake. For instance, if you study more effectively at night, get enough rest during the day to enable you to get the most out of the night. Know what works for you and strategise accordingly. Ask for help when necessary. No one individual is a repository of knowledge, we all have our strengths and weaknesses so do not feel bad about reaching out for help when the need arises.

Paying attention to details. This is the skill of being meticulous or precise and demonstrating a thorough concern for all areas no matter how small in performing a task. Today's world is full of distractions, especially with the surge in various mobile devices and social media platforms. Sometimes what makes one excel academically is nothing exceptional. It may just be one's ability to pay attention to the minutest detail which every other person may overlook or not notice. In performing any task, be it at work or studying for exams, it pays to do away with anything that may distract or interfere with your concentration. It is important to avoid all forms of distractions to be effective and efficient at the task at hand. For instance, during a lecture presentation, certain comments or submissions may be made in passing. You have to be attentive enough to note these little things. Most often than not, these things may not be in your course materials or lecture notes and are used by examiners to distinguish the best students from the average ones. Have you ever had the experience where right after an examination students complain about how certain questions were foreign and were not in their study materials they would swear they have never heard or seen

it before. Well, most of the time these situations are avoidable by paying undisturbed attention both during lectures and studies, noting the minutest details which may go a long way in making a truck load of difference in the outcome of any assessment taken. A conducive environment is also necessary for effective studies and research.

Recognising that no knowledge acquired is irrelevant. It is important to recognise that knowledge acquired no matter how trivial it may seem at the time is a waste. This helps in keeping an open mind when learning. As we move up the academic ladder, it becomes evident that knowledge acquired at lower levels is used as a foundation block to build more advanced concepts. Simple arithmetic learned at basic levels which may not seem to be much at the time may come in handy in computing complex calculations later at advanced levels. Practical experience gained from say the corporate environment helps in appreciating concepts better and faster in pursuing professional courses. You then begin to appreciate the bits and pieces of knowledge gathered over the years better and recognise their usefulness and the fact that without them it is virtually impossible to progress. In the insurance industry today, different types of risks are coming up which requires an insurance underwriter for instance to be knowledgeable in a lot of areas. The knowledge gathered at the basic or secondary level in agriculture, for instance, comes in handy in underwriting micro-insurance policies for farmers in rural area who are into subsistence farming. It becomes evident that past knowledge acquired in agriculture helps to fully appreciate the risk you are about to underwrite.





Take good care of your health, rest, relax and have fun. A healthy mind resides in a healthy body. It is important to eat properly, ensure your body has enough of the nutrients it needs to function properly, and generally take care of your overall health. An unhealthy body would not be able to do anything productive and as such achieving academic success with it is highly unlikely. It is easy to get lost in trying to make it academically to neglect your health. It is needful for the sake of your physical and mental health to periodically relax, and take some time off to engage in activities that relieve stress. These may include engaging in hobbies, going sightseeing, and going on picnics among others. As the famous saying goes "All work and no play makes Jack a dull boy". Constantly working with no break to refresh the body and brain may not produce the desired results one may expect or want. The human body also needs rest to function properly. It is also important to get enough quality sleep. Good sleep improves your mood, health, and brain performance. Sleep deprivation increases the risk of many diseases and disorders. It is therefore a requirement for optimal brain performance to get enough sleep, especially during examination. There is time for everything, so work when you have to and play when the time comes.

Self-Discipline is defined according to the Merriam-Webster dictionary as the "correction or regulation of oneself for the sake of improvement". This is an important skill to acquire as it helps not only in the academic journey but in life as a whole. This skill makes you do what is right or what is required of you without necessarily being motivated by anyone else but yourself. It

can be a hard thing to practice at times but it saves you a lot of trouble in the long run. For instance, self-discipline makes attend all your lectures on time regardless of whether you feel like it or not with or without any monitoring system in place. Do not put off that which can be done now. Procrastination would only increase your stress levels which is not good for your health and well-being. There is always the temptation to believe there is more time to study or prepare for the final assessment, however this plan most at times does not end well. Anything worth achieving requires being self-disciplined and focused.

Surrounding yourself with people who inspire you to excel and be the best version of yourself. The people around you influence how far you go in your quest for academic success. This is captured in a quote by Jim Rohn which says "You are the average of the five people you spend the most time with." This is to say, you are most likely to turn out like the people you associate with. It is therefore in your best interest to choose such associates very wisely since it affects your success not just in the academic sphere but also generally. If you spend your time with people who do not have the slightest interest in doing well, the probability of succeeding is very slim or almost impossible. Spend time with people who celebrate excellence and challenge you in a positive way to excel and reach the highest level. Associating with the right persons provides assistance, exposure, and resources such as educative materials, experiences, skills, and networks among others. Get people who are interested in your academic success and from time to time would check up

on you to find out if all is well. They may include your parent, mentors, bosses, friends, etc. This creates a form of accountability and serves as a source of strength on bad days when the zeal to press on is low. Have a positive mindset to encourage yourself and believe in your potential and capabilities. With these at your disposal, academic success is not too far to reach.

Employing the use of technology to your advantage and adapting to change. Change may not always be comfortable but sometimes adapting quickly has benefits. The world keeps evolving with technology playing a major role in fueling this evolution. It is therefore essential to keep up the pace or get left behind. Today, it is possible to have an effective lecture, meeting, seminar, and the like virtually with participants from all over the world, this was not the case previously. This practice gained momentum during the Covid 19 pandemic, where social distancing was a requirement to curb the spread of the virus. It is thus important to embrace change and make the most out of it. With the help of technology, it is possible to access relevant information from different sources just with the click of a button instead of going through several hard copy books from cover to cover in search of that same information. There are quite several software available that make academic research easier and saves time. To have academic success, one should be conversant with available technologies and view change as an opportunity to drive growth rather than as a burden. In the pursuit of academic success, it is prudent to constantly be abreast with new developments, current trends, and issues affecting the industry. This requires constant learning fueled by a passionate curiosity to know more. A quote by Albert Einstein which says 'Intellectual growth should commence at birth and cease only at death' summarises this point.

Effective time management and planning. Time is an important resource in the pursuit of academic success. There is a need to manage time efficiently and

effectively to get the most out of it. Time is a limited resource that cannot be gotten back once lost. Procrastination is the greatest enemy of effective time management. Doing what is to be done early puts you at an advantage should there be an unpleasant situation. There was an occasion where for a group assignment, after meeting and putting our work together the colleague whose laptop we used developed a fault and the entire work was deleted. We were only able to meet the deadline for that assignment because we started early and although we lost our work we still had ample time to remedy the situation. The outcome would have been different had we done the assignment close to the submission date.

It is appealingly tempting to hold off a task till a later time, however, this only increases stress levels and oftentimes results in poor results. Some students make the terrible mistake of consuming coffee, energy drinks, and other caffeine-based products to stay awake to cram everything within the shortest time before the exams while ignoring rest or sleep altogether. This is not only unhealthy but produces very undesirable results. A much more proactive plan is to study consistently, self-examine yourself on what has been learnt, make all the mistakes so you have very little to make in your final assessment, and seek help early should there be a need. Constant practice leads to perfection. Practicing consistently helps to identify all the shortfalls which gives you time to research and come up with an excellent solution beforehand. You may not have the exact scenario in the final assessment but you would have trained your brain enough to be able to think and come out with meaningful results within the shortest possible time. It is easier to perform tasks in bits than to pile them up and attempt to tackle them all at once in the end. Managing time effectively and planning ahead of time helps avoid unsavory situations.

Design a suitable plan and stick to it. By failing to prepare, you are preparing to fail." - Benjamin Franklin. I could not agree more with this quote. To succeed in any venture a A



comprehensive plan is needed to give a sense of direction and determine the focus. Going with the flow is not a good plan. As a student who wants to excel in their exams a study plan is needed. The student must stick to the study plan, work diligently on all assignments, and read extensively to be armed with enough information for any situation.

Being confident in yourself and consistently working on being a better version of yourself. Believe in your abilities and work on areas where you are lacking. Self-doubt in itself is defeat waiting to happen. If public speaking is not your strong suit find a way to get trained to excel in that area especially if your career or work schedule requires that. Some communities and clubs help in this area. Strive to be the best at any task or venture you undertake. Believe you can and you will.

Finally and most importantly the **God factor**. I am a strong believer that there is a God that rules in the affairs of men and plays a relevant role in the outcome of any pursuit man undertakes. Notwithstanding, a person also has a role to play if he or she is to succeed in any aspect of life, more so academically. Sincerely do your very best and commit the rest to God. Depending on one's religious disposition, this parameter may or may not be relevant but I am proof that it works.

In my humble opinion, the parameters to achieving academic success are: Knowing yourself and what works best for you; Paying attention to details; Recognising that no knowledge acquired is irrelevant; Taking good care of your health, resting, relaxing, and having fun; Self-Discipline; Surrounding yourself with people who inspire you to excel and be the best version of yourself; Employing the use of technology to your advantage and adapting to change; Effective time management and planning; Being confident in yourself and consistently working on being a better version of yourself; and the God factor.

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Aderonke Faidat Coker is the current Ambassador of the Chartered Insurance Institute of Nigeria (CIIN). She is an insurance and finance professional with over four years of industry experience. She is currently a Claims Analyst at Linkage Assurance Plc., having previously worked with RTS Insurance Brokers Limited as a Technical Officer.

She has a strong understanding of the complex world of risk management, claims management and financial planning. She has honed skills in client relationship management, with the ability to provide personalized service and tailored solutions to meet the unique needs of every client. With a focus on customer service and a dedication to meeting clients' needs, she has built a reputation of excellence in the field.

She is a Graduate of Insurance from the prestigious University of Lagos and a Qualified Member of the Chartered Insurance Institute of Nigeria (CIIN), which demonstrates her commitment to staying at the forefront of industry trends and best practices.

With a passion for the industry and a drive to succeed, she is committed to continued career growth and development as an insurance and finance professional.



SUSTAINABLE FUTURE INSURANCE OPTIONS

By Abiodun Durodola

The world is not static but the improvement in the quality of life of the world population which is also related to the natural resources available keeps changing therefore, the constant increase in the number of people on the planet continues to struggle with the natural resources including temperature, rainfall, windstorm, humidity, etc. all these are classified as weather conditions in the short run and climate condition in the long run thus, with the continuous movement and change in climate which the ecosystem around the world impacts, there is the real threat to plants, animals and invariably assets created by man. Nowadays temperature, rainfall, glacier, and humidity change is experienced all over the world, forests and rivers are drying up, less rainfall is being experienced, more fires, especially in the bush, is being experienced, glaciers are melting gradually thereby exposing man to various consequences which hitherto have not been experienced in the past or were envisaged in different parts of the World both the North and South poles are shrinking, the effect is being felt by all of us (the whole World) because natural disasters have been on increase with extreme temperature, drought, fire (especially forest), floods, tropical and local storms, tsunami, earthquake, active volcanic eruption, all these are some of the risks which dominate the portfolio of Insurances. Insurance is simply efforts put in place to mitigate the effect of loss suffered by anybody as a result of the happening of any of the perils or put simply any of the activities mentioned above. The fact that any of these can happen is not in controversy but the fact that the happening was not used to be in some parts of the World before or the happening is now more severe is the major worry of many.

For example in Nigeria, the rain period and dry seasons have varied so much that farmers cannot predict the best time to till the ground or plant crops to avoid crop failure, and likewise the temperature change makes heat to be prevalent than cold, unlike the past. Thus the Insurers

nowadays need to be more proactive and determinant in their underwriting with proper application data analysis. Insuretech has come to be with the application of the available data to reduce cost and achieve delivery of insurance products cheaply and easily without compromising the standard and expected satisfaction of Policy holders. It is simply the marriage of Insurance in its traditional manner without compromising any principle or practice and Technology. When adequate data is available as well as analysis of even extreme weather conditions, the expected climate change can be

determined and proper pricing achieved so that policyholders pay ratable premiums according to risks introduced. The innovation is to leverage technology and create products and services that meet customers' needs and satisfaction. From underwriting which entails assessment of risks and determination of price to the point of claim processing and payment, a lot of time and cost can be saved with the application of technology to scientifically appraise data available from experience and adequate interpolation of figures coupled with efficient dissemination of information or collation of the same for



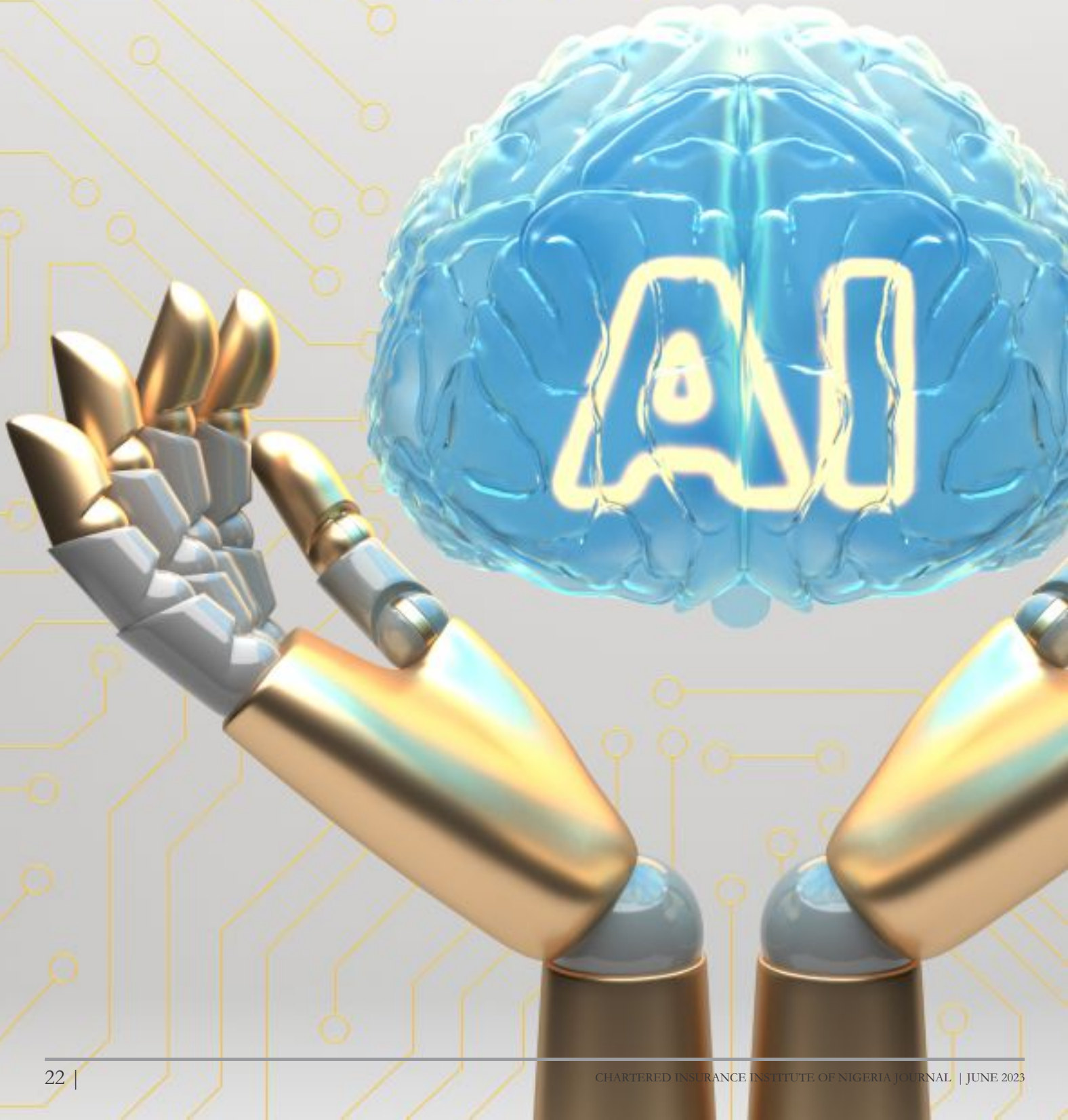
the claim processing. The traditional human efforts are reduced and replaced with modern IT facilities including artificial intelligence. The result of this modern technological approach to the provision of innovative insurance products and services that meet customer needs is the ability to lower costs, improve efficiency and ultimately increase profitability. Among the major costs that will be saved by any Organisation that embraces full digitalization are rent, transportation, staff overhead, and logistics whilst the customers will enjoy the fast response from service providers most times all through social media by carrying a phone.

In conclusion, with or without Insuretech, the technological revolution will continue to shape the future development of Insurance and other Finance related businesses. In fact, in the future, more fully integrated insurance software providing the ability to leverage smart automation will be sought after to build platforms for modern insurance policy cycles from underwriting to claims settlement even profitably.



HOW IS AI in Underwriting Poised to Transform the Insurance Industry?

by RAHMUN RIDWAN AYOMIDE
300 Level Student, LAGOS STATE UNIVERSITY



The theme of the essay is quite topical at a time when insurance and other top professions are experiencing tremendous change courtesy of artificial intelligence (AI). Artificial intelligence has been the order of the day, with experts positing that we will no longer require the full use of manpower in the future. Precipitated by this, industries, including the insurance industry, have embraced what has made its way into our daily activities.

John McCarthy, known as the "father of AI," has defined AI as "the science and engineering of making intelligent machines, especially intelligent computer programs." It is related to the task of using computers to understand human intelligence, but AI does not have to confine itself to biologically observable methods" (McCarthy 2007). AI is growing due to the ever-increasing "datafication" of business interactions, private lives, and public lives. In the age of digitalization, more and more data is being collected by organizations, governments, households, and individuals (Kumar, Srivastava, & Bisht, 2019).

Underwriting in the insurance industry is the most important aspect of taking risks. It consists of evaluating information and resources to determine how an individual will be classified. After this classification procedure is

complete, the policy is rated in terms of the premium that the applicant will be charged. Succinctly put, it is the assessment of risk that determines whether it should be accepted or not, and once the decision is made to accept, the next logical step is "What rate of premium should be charged?"

It is not ideal to consider how AI will transform the insurance industry without considering the fate of

underwriting insurance before technology. The term "underwriting" was coined in the 17th century by bankers who would physically write their names beneath the ships listed on the wall-to-wall covered blackboards that displayed precise information on the cargo, crew, destination, and weather. Since then, underwriting has progressed from underwriters manually collecting and sifting through many sources to underwriters using computer systems and actuarial data to assess the likelihood and magnitude of a payout over the policy's life.

The inability to precisely capture and interpret all risk variables is, ironically, one of the constraints of manually assessing risk and pricing. Every application has a new set of risk variables that are becoming more and more complicated to assess and account for with precision. Every application introduces a new set of risk variables that are getting increasingly difficult to analyze and account for precisely. The comfort that comes with a personal touch is a good argument for manual underwriting, yet the strenuous and lengthy process often allows for erroneous evaluation and incorrect interpretation of risk variables. However, using AI, information about risk variables may be effectively evaluated. Although the consensus is that AI uses historical data, which prevents it from predicting pure risks such as floods and earthquakes, it is worth noting that even underwriters use historical data, which still does not provide accurate predictions. Nonetheless, AI technologies are quite good at detecting patterns and forecasting future trends. With Cortical.io SemanticPro, insurers can quickly implement a custom AI solution and start generating actionable insights within weeks, limiting their risk and investment. This approach enables insurers to better understand their data and exponentially improve their underwriting workflows. (Will AI Fully Automate Underwriting by 2030? | Cortical.io, 2022)

Furthermore, after accurate risk variable interpretation, AI is poised to ensure better decision-making with the information gathered. It is unarguable that the approaches taken by two distinct insurers to risk assessment and policy formulation differ. Simply put, due to a lack of consistency, there is no standard procedure for reaching an underwriting judgment, which explains why two insurance companies may not charge the same premium for the same type of risk. Quotes and coverage decisions would not be made arbitrarily but rather based on insights drawn from data concerning risk variables using AI.

On the other end, AI aims to eliminate human errors while also controlling operational costs. Errors, they say, are unavoidable, but they are often costly to the insurance company. An underwriter's unintended omission of a significant risk variable is one of these blunders. Similarly, the operational costs incurred are another area that would be mitigated with the help of artificial intelligence. The the

goal of every organization is to keep underwriting expenses as low as possible because the lower the underwriting expenses, the higher the profitability of the insurer. Automation of essential underwriting processes is a better way to achieve this. Adopt the use of artificial intelligence, which can enable the collection and analysis of data with a click. This will only require a streamlined workflow centered on machine learning models that can self-train and adapt to the system's patterns and subtleties without incurring additional costs to scale up. (3 Strategies for Reducing Administrative Expenses in the Insurance Industry, 2019)

In reality, transitioning to the use of AI in underwriting to transform insurance demands audacious measures, but the effectiveness of AI to transform the sector remains undeniable. Because of the ease with which AI can learn, adapt, perform, and process information, the business would then shift to a group of technological companies selling insurance in the future.

Because the processes would now be exact and accurate, insurance providers and customers would undoubtedly

benefit the most from this transition. Provider-to-client contact is critical, but AI is here to stay and has the potential to enhance the relationship by upgrading the client experience.

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How **AI** in Underwriting is Poised to Transform the Insurance Industry

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According to McKinsey, AI will "increase productivity in insurance processes and reduce operational expenses by up to 40% by 2030 (Fakete, 2022)." AI is the ability of a machine to display human-like capabilities such as reasoning, learning, planning, and creativity. AI will have a unique impact in the insurance industry because it helps gain data-driven insights, increase underwriting productivity, and increase insurance profitability.

AI helps gain data-driven insight. We all know data runs the world. Data has always been a major component in the insurance industry, since a very long time underwriters have always used data to determine the magnitude and the

likelihood of risk. Utilizing a variety of data sources creates a more accurate picture of risk, this is done by providing additional insights on behaviors while at the same time providing degrees of risk to assess the total exposure.

More than two-third of insurer's credit predictive analytics with reducing issues and underwriting expenses, and 60% say the data has helped increase sales and profitability. AI can help collect large amounts of data.

It helps make strategic decision making based on data collection, analysis, interpretation, or insights. The data-



driven approach helps insurance companies make more informed decisions and become confident about the decisions made. Following a data-driven insight gives measurable advantages since a data-driven strategy uses facts and hard information rather than gut feelings.

AI assists in increasing underwriting productivity. According to a study by Accenture, AI can increase productivity by 40% or more. Improving productivity has been an obvious goal in insurance and today it has become much more important. Cytora research team interviewed a cross section of underwriters about the productivity pains they are facing. The underwriter view "Many

operations in underwriting remain inefficient. Time and effort are still required for a lower value." A recent report from McKinsey found that "anywhere from 30 to 40 percent of underwriter's time is spent on administrative tasks, such as rekeying data or manually executing analyses. AI has made underwriting faster and better because it can gather vast amounts of data, and understand and implement them correctly within a short period. AI makes it unneeded for underwriters to sift through documents to manually gather the data and insights needed to assess risk. AI provides a better underwriting of productivity by using algorithms that takes into consideration a lot of data points at once, helping underwriters analyze information about the people or asset to be insured.

AI helps increase Insurance profitability. AI is a great tool that can assist insurance companies to optimize resources and increase their profitability. Accenture research shows that AI has the potential to boost rates of profitability by an average of 38 percent by 2035. As we know, one of the main objectives of insurance companies is to increase sales and its profitability.

Therefore, they use AI that increases their profitability and provides them with greater efficiency and more value than in the conventional way. AI can automate repetitive tasks such as data entry, customer service, and underwriting tasks and free up time and resources for underwriters to focus on other areas of the insurance business leading to cost savings and increased profitability.

The insurance industry has been positively impacted by AI because of its human-like capabilities. It helps gain data driven insight which helps uncover solutions hiding in unorganized data to make more informed decisions, it helps increase underwriting productivity and assist underwriters in making fast decisions. Finally, AI helps increase profitability which facilitates the growth of an insurance company.

Underwriters should use AI in underwriting, as it has a unique impact on the insurance industry.

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EDDIE EFEKOHA:
Connecting
the Past *with*
the Present

The Nigerian Insurance Industry is richly blessed with seasoned eggheads who have made a significant impact on the trajectory of growth of the industry over the years. One of them is Eddie Efekoha, the current President of the West African Insurance Companies Association, (WAICA,) who has also held commanding positions in pivotal insurance institutions, notably the Nigerian Insurers Association (NIA) and the Chartered Insurance Institute of Nigeria (CIIN) as Chairman and President, respectively. In this interview conducted by the duo of Tope Adaramola and Adeleke Adetunji, the Delta State born professional brought to the fore his rich repertoire of knowledge and experience as a bridge between the old and the new generation of insurance practitioners in the country. His rich and demonstrated gift of teaching evidenced his first foray into teaching as a career before switching providentially to insurance, where he has etched his name in the league of renowned professionals. The interview is quite expository and remarkably interesting as Eddie connects the past with the present and highlights pathways for future growth. Enjoy it.

Who is Eddie Efekoha?

Thank you very much for the rare privilege given. My name is Eddie Efekoha, a native of Warri, Delta State. It is a statement of fact to say I was the president of the Chartered Insurance Institute of Nigeria (CIIN) between the year 2019-2020) and also a Past President of the Nigerian Insurance Association (NIA). I currently sit on the Presidential seat of the West African Insurance Companies Association (WAICA).

Strides as the President of CIIN?

Sigh, I was so privileged to have achieved some landmarks while I was the President/Chairman of the Council of the Insurance Institute. I established a team that visioned transforming insurance education with strident advocacy of doing the core responsibility of the Chartered Insurance Institute which is insurance education. My administration published quite a large number of Insurance textbooks for secondary schools in Nigeria, this was aimed at introducing insurance as a subject in the secondary schools. Also, we reviewed the Institute examinations syllabus in a bid to produce efficient and pragmatic manpower to the insurance workforce, this includes domestication of the CIIN Coursebooks which aimed at giving the students more understanding of the courses within the context of the country. I can recall that

we sent some of these coursebooks to some universities that offer insurance as a course of study for their use.

Another landmark achievement is the introduction of a Mentorship programme tagged "Bootcamp" for young insurance professionals in the industry. This aimed at mentoring and educating the younger generation on the practice of insurance business as a career and profession. My administration embarked on insurance penetration by introducing the concept of risk management to the populace.

Passion for the industry and a bridge builder between the old and younger generation

Yes, you can describe me as a bridge. Looking back to how I started and where I am today, I can confidently say with certainty that I am a bridge. Quite a lot happened in the process of the industry's growth that is worth reliving, but before I proceed, I like to appreciate the Doyens of Insurance (Those who have passed on and the current) the likes of Mr. T.A Braithwaite, Chief J. Akin George of blessed memory, Professor Joe Irukwu and our Baba, Olalola Olabode Ogunlana for the solid foundation they gave the industry. Insurance practice in the olden days was quite robust. It was a period when, though the industry was nascent, there were strong bonds of camaraderie





■ Mr. T.A Braithwaite



■ Chief J. Akin George



■ Professor Joe Irukwu



■ Olalola Olabode Ogunlana

which characterized the operations. There was cooperation and collaboration which made the market cohesive and highly professional. In the 80s we had flourishing companies like Unic Insurance, Sun, Law Union, Phoenix, Fire Equity, and the like. I recall was then a Broker and worked closely with these companies, particularly when we had to seek quotations for our insurance contracts. I as a broker with some persons visited these companies with our slips in search of business quotations, I mean something we can work with and fall back on. The underwriters gave us the quotations in our slips and when you compare the different quotations the margin is always minimal say a difference of about 0.04, it tells you that the margin is very minimal and also indicated they were arrived at through scientific or diligent underwriting procedures. They were almost often on the same page concerning risk ratings.

The technology was not there but we were trained by the British and they tutored us well, we were well equipped for

the job. The consideration of accessing a risk, the good and the bad risks, and how you discount and value were all given and we followed it closely so results were the same from different angles. We understood policy clauses and their interpretations. I recall my days in Glanvill Enthoven Insurance Brokers, I was an insurance teacher then and anytime I visited some of my underwriter friends at their offices, my "students" there hyped me so well, they would gladly tell their senior colleagues, "that's Oga Efekoha he is good, therefore anything he tells you is correct". This veneration was a spur for me to study more to sustain my good will be given to me on a platter of gold!

It went on and on like that for a while until the shift started, the new era companies came and they asked brokers not to come for business again, the companies were using their marketers to send the brokers businesses at their offices. Underwriting companies were always waiting for brokers to come to them for reports, the new era companies on their part, compiled the reports and sent



to brokers through their marketers. Their response to the competition was entirely different.

Comparing yesterday and today, I would say our fore runners did very well, the generation of today is also doing a great job, but with every modern world, there would be those sides that are not good enough. In the days of yore, there was a diligent commitment to the ethos of the profession and market discipline, but despite that, they had no access to the tools of operations, especially information technology which has facilitated easy work processes nowadays. Also, the diversity of skills extant

with the new generation of operators is a huge advantage for risk assessment and appreciation. Even for this current generation, we have several noticeable shortfalls giving room for them to improve and do better. A projection into the future shows that the coming generation is already introducing Artificial Intelligence (AI). Insurers do not have to do too much, AI is doing most of the jobs. So, there will be no hospitalization, no absenteeism in meetings, you have few people working (Management Cost) then profitability can return. That is the era of technology.



The issue of specialization was a major concern in the industry in the old days, today it seems to be fading what is your opinion?

You are very right, The CIIN examination is structured in a way that students are compelled to be a professional in the Associateship certification of the exam, I call them generalists. The Fellowship certification is where you begin to specialize, some become Fellows of Property, some life assurance, some Fire and Equity, some Marine and Aviation while some are Fellows of Motor insurance. I will share my experience, Venerable Olusola Ladipo-

Ajayi is a very good friend of mine, he was the Chairman of Occasion at my Investiture as the President of WAICA and he summed it in his address that "I know Eddie very well, I didn't go to a formal school but I moved closely with those who went to formal school like Unilag. I showed Eddie the Sprinkler heads for the first time" Myself and Venerable met while we were preparing for our CII London Fellowship certification, I had already failed risk management once and I was looking for whom to read and compare/share notes with, then he agreed that we study together, I would leave my office in Glanvill to his office in Sun Insurance to study. I was only reading about sprinkler heads in the course books, but never saw it until I visited him in his office, seeing it made me understand what it is, the study continued and that was how we both qualified as Fellows.

Speaking of specialty, in Glanvill, the brokers collaborated and cooperated, they worked together and that was the beauty we had at the time. Jim Crossing was the DMD and Head of Technical Operations at Glanvill, and Peter Cree was the DMD and Head of Technical Operations at Hogg Robison, both of them and others met under the leadership of our boss, Amos Adeyeye to share ideas. Glanvill had the highest number of Fellows then and it created a society of Fellows for proper interactions between them. Kofi Sagoe (A fire specialist) and late Oluyemi (A motor specialist) who we made condescending comments of as a mere "Motor Fellow", myself (A property specialist who formed discussions on business issues, I will review property slips, share with them while they review theirs also and share. The likes of Egwounu, Nwokocha, the Late Mrs. Temowo in Guinea, and Mr. Bolaji Banjo, were known as leading heads in Fire Underwriting. You cannot be a jack of all and be master of all. The model today is quite different. A motor specialist should settle for motor and not fire because of the commission attached. Some of the underwriters over lunch share business ideas for positive projections and it was part of this tradition that crystallised in the founding of the Nigeria Insurers Association informally as a collaboration of the existing operators.

Changing face of insurance intermediation and underwriters roles in the market

It is the truth, I do say it, insurers introduced the shift, to us. Brokers were the ones visiting the underwriters for a quotation before the shift and now, the agency through the agents are the ones selling insurance products. Earlier, the agents were not properly guided as to the sales of insurance products, and here comes the gap between the client and the insurance company at the time of claims payment, the policies are not properly interpreted by the clients. Today the story is changing, the agents are being taught and tutored on the policy clauses and the interpretation and that is why NAICOM mandated that all



agents must be trained and get their license from the Insurance Institute. All agents must go through a proficiency course before license is given. However, it shouldn't be a one-off thing but a continuous process.

Congratulations and expectations as President of WAICA

Firstly, I say thank you for your warm congratulations. The Association in no doubt a Sub-Regional one, thus the scope is a bit wider. As to agenda, I firstly want to get the Secretariat settled, you know we have a new top administrative head and a new president at the same time, so we need to study the trend in the secretariat. That is the

engine room of the Association, the President stays for a year while the Secretariat remains forever, it is the brain box of the Association. A year to achieve a lot might be a bit challenging, but we will do the best of our ability to ensure we achieve quite several things and promote the free market platform within the Sub-Region that all members would be proud of.

Words of advice for the younger generation.

The younger generation needs to understand the market structure and this has to be achieved through thorough guiding. When I was in Glanvills, we got the recommendation from our bosses. I remember I wanted

to go into banking and that was the main reason why my MBA degree majored in Finance and Marketing because I saw money in the banking sector, but what drew me back was that if I had to join the banking sector, I would join from the scratch having no experience in banking and at the time I was already a manager in Glanvills, so I said to myself, will I leave this big salary to start from the scratch again, then I concluded to stay and be promoted. Today I am the GMG/CEO of Consolidated Hallmark Insurance (CHI) Plc.

The relationship between input and compensation in Nigeria today is not commensurable with the international standard. I am the only CEO in the wide world that will say to you that my salary of today will definitely not be of the same standard tomorrow because of the dollar rate, it keeps dropping every moment yet I put in the same measure of input or even more for a reduced salary. I have applied for quite several study applications abroad and any moment I enter my salary in the application forms, the rate is not always the same, it reduces drastically and it is the disheartening part of it. So, if I were to be in my 40s, I would say the best is to join the 'Japa' syndrome. Over there the compensation of inputs is commensurable and it increased with the exchange rate. What I see with my

global friends is different from what is happening here.

I always ask myself questions like; Do I enjoy this job? Is it giving me joy or I'm only managing it? Do I have passion for what am doing? what is my career? and more. These are the questions the younger generations should ask themselves; it will guide them as to what next step to take. My first insurance investment was in 1992, then I was still in Glanvills, I met quite a number of friends and investors, they assured me of the partnership and investment accordingly. We had three different meetings and due to the assurance I got, I went to Cooperative to get some money. Then the time to invest came and none of my partners was available, I did my best to do it but I lost ₦500,000 so I said to myself Eddie, what is the learning point?

The learning point for any investment, the funds must be from your resources, resources of those friends and relations who will not question you as to the profitability and viability of the business before giving you the fund. Anything aside that will cause a lot of sweat. So, I built my financial strength and capacity, I needed friends because teamwork is a driver to a successful business, so I got those friends who will not question the idea, we started buying



the shares around and today see where we are. Another icing on the cake is 'you can't marry yourself' you need others to come support you and build with you, so many mergers have failed today but to the glory of God, CHI is standing and counting. God factor is another business success nugget. We believe so much in God and we don't joke with prayers, from the days of Fountain in 1996 till today, we have our weekly prayers for 30 minutes every first working day of the week because that is our strength, where our help comes from.

For determination, we were so determined to achieve what we wanted in our time, we shared ideas, teamed up and we worked towards becoming successful people. I shared earlier how myself and Ladipo-Ajayi were studying together for Fellowship certification. One thing my teacher taught me in Harvard is "Enable others to Succeed" critically looking at the soccer game, there are quite some players and they all must take shot to enable another to take that one shot that will give the desired goal, called 'passing' and the preceding shot before the goal is

called 'assist' you must assist others to succeed, a single player can't take the ball from his goal post to the other without being assisted by a team member. Hence do not be judgmental rather, be the success enabler, interact and share experience.

I picked up a book to read recently and the most interesting part of the book reads; "Learn to dig a well wherever you find yourself because you never know when you will be thirsty" It is not about how well, it is about doing good wherever you find yourself because you don't know whose help you will need. There are quite a number of people out there that Eddie has impacted in their lives and they appreciate it, some even still call me their MD despite that they don't work with me anymore. Gen-Z should learn to embrace and enable each other to take the right shorts. There are numerous opportunities out there, what is required is the right collaboration.



SMART iNsure

SYNOPSIS



The Actuarial Science and Insurance Students Association (ASISA), University of Lagos, Akoka held its annual Students' Conference tagged "The National Risk Compendium" on May 11, 2023. The Chartered Insurance Institute of Nigeria (CIIN) partnered with ASISA, UNILAG on the programme in its bid to foster insurance awareness. The event had a brainstorming session in line with its goals of solving insurance industry risk-related problems requesting the students in teams to present the case study challenge on digital insurance which was tagged "Smart Insure".

The invitation was sent to different schools that offer insurance as a course of study to develop digital insurance ideas for the insurance industry. The best two presentations out of the five that were presented were selected to feature in this edition of the Institute's annual journal.

These two are:

- 1) Team Elites from the University of Lagos, Akoka, comprising of Adejoke OLAOSEBIKAN, Emeka NNACHI, Munachi IWUOZO and Ola AKANNI; and
- 2) Team Asiwaju from Ibadan Polytechnic, Ibadan, comprising of Sunday T. OLUSHOLA, Tifase Olumide ADEGBOYEGA, Emmanuel O. OLUWASOOTO and Deborah A. AKINTUNDE.

Case Synopsis

The contributors are assumed to be the lead underwriters from an imaginary company named "Smart Insure". The company is assumed to be a well-established motor insurance company that has been operating for over 20 years. Smart Insure has a large customer base, but it is facing increasing competition from newer Insurtech companies within the industry that offer more innovative and digital-first products. The CEO is looking to improve its underwriting process by incorporating Artificial Intelligence (AI) to provide faster and more accurate quotes. The motor insurance market is highly competitive, with several established players and newer Insurtech companies offering similar products. Customers are increasingly looking for a digital-first approach to insurance, with the ability to purchase and manage their policies online.

Challenge

Smart Insure's current underwriting process is assumed to be manual and time-consuming, which limits its ability to provide fast and competitive quotes. The company is looking to use AI to automate its underwriting process and provide customers with faster, more accurate, and personalised quotes.

Data

Smart Insure is assumed to have collected data on customers' age, gender, location, driving history, and vehicle makes and model. Contributors can make assumptions about the data but clearly state them. They are also allowed to assume additional data as applicable.

Deliverables

The contributors' goal is to explain how an AI algorithm can increase the competitiveness of the imaginary company. The following are what the teamse are expected to work on:

- (i) an explanation of how an algorithm for AI-driven motor insurance underwriting leverages the data collected by Smart Insure to provide faster and more accurate quotes;
- (ii) a pricing strategy that offers competitive rates while also providing sufficient revenue to support the company's growth;
- (iii) a marketing strategy that emphasises the benefits of AI-driven underwritings, such as faster and more accurate quotes, and that targets both new and existing customers. It should include a communication plan that explains its benefits in plain language that is easy for customers to understand;
- (iv) a powerpoint presentation that summarizes the algorithm, pricing strategy, and marketing strategy, and explains how they work together to provide a competitive advantage.

In addition to the above, they should document any assumptions made (and cite the sources if possible); with clear and easy to follow communication style(s).

Glossary of Terms

Insurtech - A term used to describe the use of technology to disrupt and innovate the insurance industry.

Underwriting - The process of evaluating and assessing risk for insurance purposes.



SMART INSURE

YOUR CAR , OUR PRIORITY...

TEAM ELITES



WHO WE ARE



About Us

Smart Insure is a leading Motor Vehicle Insurance Company that has built a solid reputation on Integrity, Prompt Claims Settlement and Innovative Service



For over 20 years, SMART INSURE has honored its underwriting commitments and has earned its reputation of excellence in claims handling.



WHO WE ARE



Problem Statement

- Our manual underwriting process is time-consuming.
- Increasing competition from newer insure tech companies.
- Competitors offer more innovative and digital-first solutions.



Why should Smart Insure Incorporate AI?



Speedy Underwriting



Improved Accuracy



Personalized Customer Experience



Fraud Detection



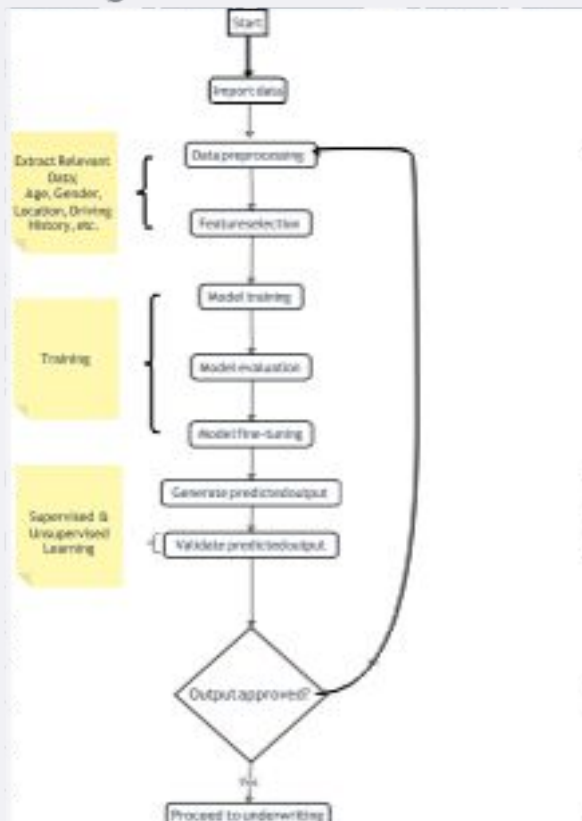
Cost Effectiveness



PROPOSED SOLUTION: THE ALGORITHM



The Algorithm: Flowchart



1. Import Data

2. Data preprocessing:
Data Cleaning
Data formatting

3. Feature Selection:
Extract relevant data

4. Model Training:
Supervised Techniques
Unsupervised Techniques

5. Model Evaluation:
Metrics: Accuracy, Precision, Recall
Aim: Test Model effectiveness and accuracy of predictive performance

6. Model Fine Tuning:
Adjust data to better adapt to specific requirements to new trends
Improve accuracy accuracy and relevance

7. Generate Predicted Output

8. Validate Predicted Output



SCENARIO (IDÀN)

Assumptions



- Idan lives and drives primarily in a rural area; few road safety measures, increasing the risk of accidents.
- Vehicle: older model, suggests fewer safety features; could be more prone to breakdowns or accidents.
- History of two accidents in the past year, indicating they may be a risky driver.

DATA

- Age: 19
- Gender: Male
- Location: Ikorodu
- Driving history: 2 accidents in the past year
- Vehicle: 2010 Honda Civic

Page 05



Insights from Algorithm



Idan's Risk score

HIGH = HIGHER PREMIUM



Idan May be a risky driver



Page 05



Value Chain

Get a quote in less than 2 minutes!



Prototype

Get a quote in less than 2 minutes!



PRICING STRATEGY

Behavior Based pricing



- Charging customers based on our AI-generated risk score
- Use of satellite network and advanced analytics to update risk score based on driver' behavior.
- The safer the driver, the lower the premium.

SMART-SCORE:
Lower premium,
higher revenue



- This is SMART INSURE reward system to encourage safe driving.
- The aim of this is to help customers pay less premium and also reduce claim payout at Smart Insure. I.e., customers will be rewarded for driving safety.
- We're making our drivers make conscious effort to reduce the risk of an accident.

Quote!

Payment

NIID

Other Pricing Strategy

AI for Market Research



Using AI to conduct market research on industry prices

Loyalty discounts



Discounts to SMART INSURE long time customers.



DRAWBACKS

DRAWBACKS	PROPOSED SOLUTION
<ul style="list-style-type: none"> • Potential Bias 	<ul style="list-style-type: none"> • Investing in high-quality inputs • Ensuring our algorithm effectively removes bias in data sets.
<ul style="list-style-type: none"> • Need for Consistent Monitoring and Control 	<ul style="list-style-type: none"> • Model fine-tuning of the AI will ensure continual monitoring and adjustment process.
<ul style="list-style-type: none"> • Data Privacy Issues 	<ul style="list-style-type: none"> • Investing in robust data privacy and security measures.
<ul style="list-style-type: none"> • Reduced Human Element 	<ul style="list-style-type: none"> • creating a diverse team that would bring a range of perspectives to the underwriting process. • AI should be used as a tool and not a replacement of human judgement



MARKETING STRATEGY



SMART-RANK:
Building Community



- Our SMART RANK system will create Leaderboards based on the SMART SCORE reward points accumulated on a weekly basis.

Referrals:
Building a Community



- We believe that word of mouth is the best marketing strategy ever create.
- Referrals will be rewarded with SMART SCORE points that can be used for fuel subscription or coupon on Premium.



Other Marketing Strategy



Chatbox



Testimonials



Partnerships



Communication Plan:
SMART-RESOURCE



- To bridge the gap between our technology and customers interaction
- Relevant video content and articles will be available on our App to facilitate a good user experience.

CONCLUSION



While there may be upfront costs to implement AI in motor insurance underwriting, we believe the long-term savings and benefits will far outweigh the initial investment.

It's a smart financial decision and it's time for SMART INSURE to embrace this technology.

Thank you!



Team Elites



Adejoke Olaosebikan



Emeka Nnachi



Iwuzo Munachi



Ola Akanni



Thank You!



SMART *insure*



UNDERWRITING with Artificial Intelligence



“Machine intelligence is the last invention that humanity will ever need to make”



As a prudent Underwriter, you have to consider these four factors prior to investment.

**FINANCING
DECISION**

**INVESTMENT
DECISION**

**LIQUIDITY
DECISION**

**DIVIDEND
DECISION**

FINANCING DECISION

- Sourcing, Cost, Rate of interest where and when.
- This plays a very important role financing the company assets, investment related decisions.

Why Artificial Intelligence?

- Enhanced efficiency
- Improve Risk Assessment for Both Potential Customers and Existing Customers
- Personalized Underwriting
- Easy Fraud Detection
- Automation and Straight-Through Processing (STP)
- Continuous Learning and Adaptability
- Compliance and Regulatory Adherence

WHAT TO DO;

- BUILD A WEBSITE
- DEVELOP A SOFTWARE
- DEVELOP A MOBILE APP



COMPONENTS

- When building a website for Motor Insurance data collection, We will need several component to ensure a comprehensive and functional system that automate our underwriting.

1. User Interface (UI)

- Design a friendly user interface that allows users navigate the website easily i.e. inputting Motor Insurance data conveniently



2. Data Input Forms

- Create digital forms to collect essential information from users. This form should include fields for personal details (Name, Contact information), Vehicle details (make, model, year, VIN), Drivers information (Driving history, license details) and other relevant data required for motor insurance underwriting



3. Quote Generation

- Implement a mechanism to generate insurance quote based on the data provided by users

4. Integration with External Systems:

- Connecting our website to external system that provides data verification and validation i.e. We can integrate with Nigeria Vehicle Data bases to validate vehicle details or driving records.
- Integration with payment gateways is also essential to facilitate premium payment.

5. Quote Comparison:

- Provide users with the ability to compare multiple insurance quotes side by side.

6. Documentation and Policy Generation:

- Incorporate functionality to generate insurance policy documents based on the user's selected coverage.
- This may include generating PDF documents of providing policy information digitally.

7. Predictive Maintenance:

- AI algorithm can be trained on historical motor performance data to predict when a motor is likely to fail or require maintenance. AI can identify patterns and anomalies indicative of impending motor failure.

8. Mobile Responsiveness:

- Ensure that our website is mobile responsible, meaning it adapts to different devices. This ensures a seamless user experience for both mobile and desktop users.



9. Analytics and Reporting:

- Implement analytic tools i.e. black box to track user behavior, website performance and conversion rate.

10. Computer Vision Techniques:

- A.I algorithms can detect visual indicators such as corrosion, physical damage, loose connections or worn out components.



Monitor and adjust prices to maintain competitiveness and ensure profitability.



Other Pricing Strategies

- Understand customers needs and preferences
- Determine our unique proposition
- Segment our customers
- Communicate Value effectively
- Monitor and adjust Prices to maintain competitiveness and ensure profitability
- Focus on customer satisfaction and retention
- Develop tiers or packages



PARTNERSHIP AND COLLABORATION



CUSTOMER'S TESTIMONIAL



DATA SECURITY AND PRIVACY



CUSTOMER EXPERIENCE FOCUS



THANK YOU

#TEAM_ASIWAJU OF SMART INSURE

SUSTAINABLE FUTURE: *Insurance Option*

By: Adeleke Adetunji
CIIN, Corporate Communications



Introduction

The concept of sustainability has become an integral part of present society. More and more people are becoming aware of the impact of our economic, social, and environmental habits on the planet. Sustainability refers to the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. Therefore, it is a way of using resources efficiently and in a manner that ensures their preservation. One of the ways to achieve a sustainable future is by using insurance as an option. Insurance can be an effective tool in promoting sustainable growth and development. Below are some of the ways that insurance can contribute to a sustainable future.

- Reduce Risk

Insurance can help to reduce uncertainties and risks that businesses face. By reducing the risks associated with investing in projects, businesses can feel more confident in investing in sustainable projects that would otherwise be deemed too risky. Many sustainable projects, such as renewable energy projects, require significant upfront capital investment. Insurance can provide guarantees for investors, which will give them the confidence to participate in these projects.

- Protecting Natural Capital

Insurance can help to protect natural capital. Natural capital refers to the stock of natural resources and ecosystems that provide goods and services to society. By insuring natural capital, insurance companies can help to reduce the risk of environmental damage and ensure that these resources remain available for future generations. For example, insurance policies can be designed to cover the costs of restoring ecosystems that have been damaged by businesses or to compensate for lost income from the loss of ecosystem services such as clean air, water, and biodiversity.

- Encourage Sustainable Practices

Insurance can encourage sustainable practices by providing incentives that reward environmentally friendly practices. Businesses that adopt sustainable practices can reduce their exposure to risks and enjoy lower insurance premiums. This can be particularly attractive to businesses that are looking to minimize the impact of their operations on the environment. For instance, an insurance company can offer lower premiums to a company that has installed energy-efficient lighting, heating, and air conditioning equipment.

- Collaboration

Insurance can foster collaboration among organizations by bringing together businesses, governments, and civil society. The insurance sector is uniquely placed to facilitate collaboration between these groups because it has relationships with all of them. Insurance companies can develop partnerships with stakeholders to promote sustainable development projects. For example, an insurance company can partner with a local government to create a policy that incentivizes the use of electric vehicles.

Conclusion

In conclusion, insurance can be a valuable tool in promoting sustainable development. By reducing risk, protecting natural capital, encouraging sustainable practices, and fostering collaboration, insurance can play an important role in building a sustainable future. As consumers and businesses become more aware of the impact of their actions on the environment, the demand for sustainable insurance products will continue to grow. As such, insurance companies can make a significant contribution to the transition towards a more sustainable future by developing products and services that promote sustainability. With the right policies and practices in place, insurance can become one of the pillars of sustainable development.

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



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