YEAR 2026 INSURANCE PROFESSIONALS' FORUM

THEME:
THE ECONOMICS OF RISK: SUSTAINING A RESILIENT INSURANCE INDUSTRY

Hybrid Event held from Wednesday September 9 to Friday September 11, 2025

Presented Papers

- **First Session:**

  The Economics of Risk: Sustaining a Resilient Insurance Industry.
- **Second Session:**

  Risk Pricing and Sustaining Customer Confidence
- **Third Session:**

  Professionalism in the Era of AI, Insurtech and Disruption.
- **Fourth Session:**

  Oil & Gas Risk Exposure: Strait of Hormuz and Nigerian Insurance Industry Space
- **Fifth Session:**

  Building Resilience through Risk-Based Supervision
- **Sixth Session**

  Future-Proofing Your Health

RISK PRICING AND SUSTAINING CUSTOMER CONFIDENCE

Dr. Enobong Laurretta
CEO/Founder
Coreal8 Limited

DR. ENOBONG LAURETTA EZEKIEL

Enobong Lauretta Ezekiel is a distinguished business transformation strategist, commercial executive and corporate leader with over two decades of experience driving business growth, strategic partnerships and organisational transformation across the banking, power, aviation and corporate services sectors. She currently serves as the Founder and Chief Executive Officer of Coreal8 Limited, where she provides strategic advisory services to organisations seeking sustainable growth and operational excellence.

Throughout her career, Enobong has held executive leadership positions, including Group General Manager, Strategy, Performance & Business Transformation at Nigerian Aviation Handling Company (NAHCO) Plc and Chief Commercial Officer at Ikeja Electric Plc, where she led initiatives that delivered significant revenue growth, improved operational efficiency, and strengthened stakeholder engagement.

An accomplished strategist and executive relationship manager, she is widely recognised for her expertise in business development, consultative sales, enterprise transformation, performance management, and corporate governance. She holds Executive and Master of Business Administration degrees, complemented by numerous executive certifications from leading local and international institutions.

Dr. Enobong Ezekiel is passionate about developing high-performing organisations and mentoring future leaders. Her wealth of experience, strategic insight, and commitment to excellence continue to make her a respected voice in business leadership and transformation.

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YEAR 2026 INSURANCE PROFESSIONALS' FORUM

Theme: "The Economics of Risk: Sustaining a Resilient Insurance Industry"

RISK PRICING AND SUSTAINING CUSTOMER CONFIDENCE

A Paper Presented by:

Dr. Enobong Lauretta Ezekiel

Founder/Chief Executive Officer, Coreal8 Limited

Thursday, September 10, 2026 • 1:30 p.m.
Conference Hotel, Oke Mosan, Abeokuta, Ogun State

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Key Themes and Areas of Focus

I. Risk Pricing: More Than a Number

II. When Pricing Fails — Two Directions, One Outcome

III. The Structural Reset: NIIRA 2025 & Recapitalisation

IV. Sustaining Customer Confidence

V. What This Means for Us, Practically

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Opening Reflection

"Every policy this industry sells is, at its core, a promise — that when misfortune calls, we will answer."

Price is where that promise is first tested. Get it wrong, and either the company cannot keep the promise — or the customer never buys it in the first place.

I. Risk Pricing: More Than a Number

In Mature Markets

- ❑ Decades of granular claims history
- ❑ Real-time telematics, IoT & satellite data
- ❑ Pricing driven by probability, severity & cost of capital

In Nigeria

- ❑ Thinner data, harder to model
- ❑ FX volatility & inflation erode reserves
- ❑ History of bidding wars — motor, marine, group life

“For decades, the fastest way to win an account was not to price it correctly — but to price it lowest.”

II. When Underpricing Fails

- A premium set below the true cost of risk looks profitable for a few years
- Until claims mature and the shortfall is exposed
- August 2026: NAICOM revoked a major reinsurer's license for missing NIIRA 2025 capital thresholds and placed into receivership

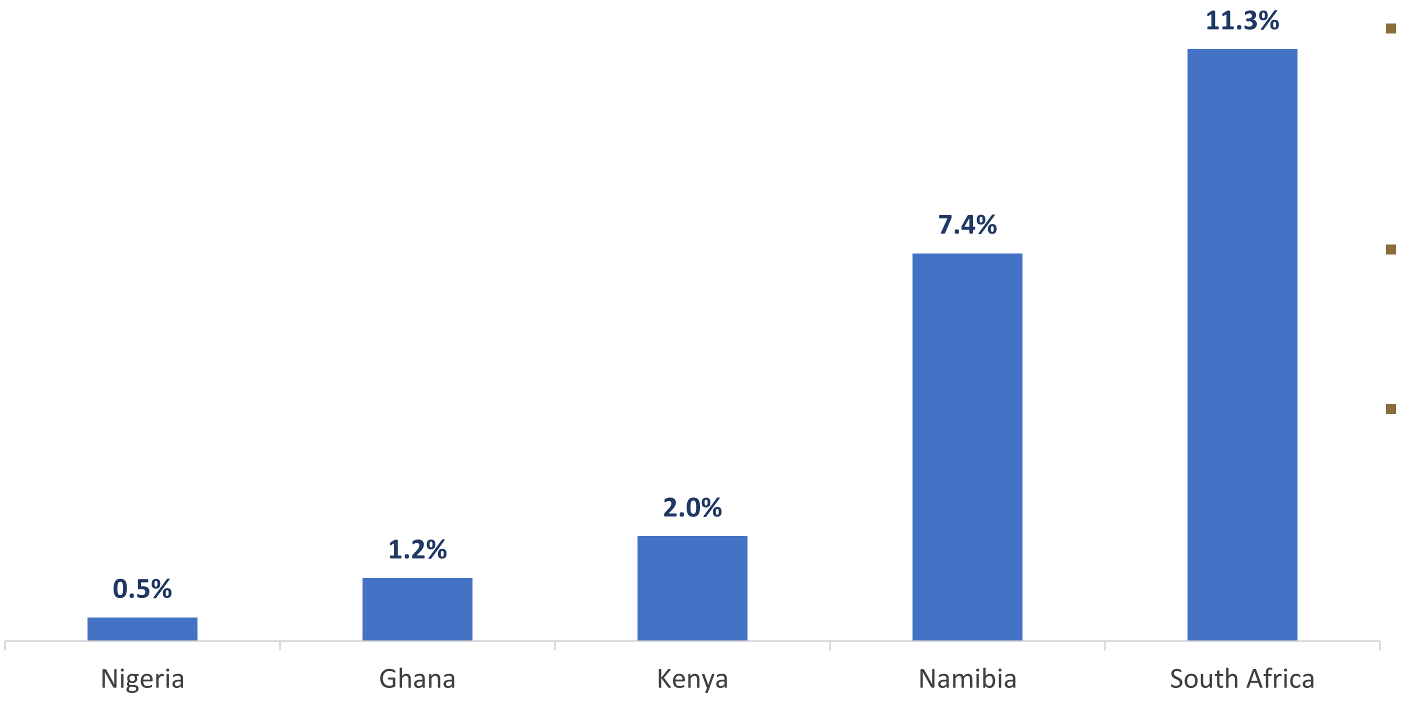
LICENCE REVOKED

A single event more telling than any lecture: mispriced risk, compounded over years, always presents its bill.

The bill does not discriminate by the size or history of the institution that owes it.

II. When Overpricing Fails

INSURANCE PENETRATION RATE (% OF GDP)



- Defensively-priced premiums don't lose money on the policy, they simply never sell it.
- The customer self-insures by accident, or walks away entirely
- Nigeria: ~0.4–0.5% of GDP, against 200m+ people

A Moment to Reflect

PAUSE FOR REFLECTION

A question worth sitting with:

In the last account you priced, or the last renewal you approved: was the number a genuine reflection of the risk, or a reflection of what you feared a competitor might offer?

III. The Structural Reset: NIIRA 2025

NEW MINIMUM CAPITAL REQUIREMENTS

Insurer Type	New Minimum Capital
Life Insurers	**₦10 billion**
Non-Life Insurers	**₦15 billion**
Composite Insurers	**₦25 billion**
Reinsurers	**₦35 billion**

- 43 insurance & reinsurance companies met the 31 July 2026 deadline
- A small number remain under final regulatory review
- At least one license has already been revoked

Capital: A Shock Absorber, Not a Discipline Fix

What It Fixes

- More room to absorb imperfect pricing
- Stronger claims-paying capacity
- Greater capacity to retain risk domestically

What It Doesn't Fix

- Pricing accuracy itself
- Underwriting discipline
- Actuarial capability & data infrastructure

NAICOM's next priority: risk-based supervision & consumer protection — pricing conduct sits squarely inside that frame.

IV. Where Customer Trust Breaks Down

- Delayed claims settlement
- Repudiation on technicalities buried in policy wording
- Mis-selling driven by commission rather than fit
- Policy opacity — exclusions discovered only at claim stage

“No Premium, No Cover” — NAICOM's policy forcing the promise to be real at both ends: premium paid before cover attaches, and cover that responds when called upon.

Five Commitments to Customer Confidence

1. **Price Transparency**

   Customers should understand — in plain language — why a premium is what it is.

2. **Claims-Led Product Design**

   Price the exclusion honestly, or it doesn't belong buried in the fine print.

3. **Speed & Consistency in Claims Settlement**

   Measured and published — the industry norm, not a rare differentiator.

Five Commitments to Customer Confidence (cont'd)

4

Appropriately Priced Micro-Insurance

Agric, health & asset-protection covers priced for affordability — not adapted from corporate products.

5

Professional Integrity in Advice

Every CIIN member who advises a client is, in that moment, the face of this industry's promise.

The CIIN's investment in ethics and technical training is the last line of defense for customer confidence — exercised one conversation at a time.

A Second Moment to Reflect

PAUSE FOR REFLECTION

Think back to your last claims conversation:

Were you explaining a decision you were proud to stand behind? Confidence in this industry is not rebuilt in NAICOM's boardroom alone — it is rebuilt, or lost, in that exact conversation.

V. What This Means for Us, Practically

- **Invest in local actuarial & data capability**

  Borrowed international loss ratios, applied without local calibration, swing pricing between reckless and defensive.

- **Treat consumer protection as a pricing input, not an afterthought**

  Complaint-resolution speed and claims transparency are becoming a competitive advantage, not just compliance.

- **Resist resuming price wars with bigger balance sheets**

  A stronger capital base funding undisciplined pricing only postpones the reckoning — it does not prevent it

The Same Promise, Told Twice

Risk pricing done with technical honesty. Customer confidence sustained through consistent conduct.

Not two separate workstreams — the same promise, told once at the point of sale, and once at the point of claim.

Nigeria's insurance story over the next decade will be written by whether this room chooses to price risk as it truly is, and to honor that price when it is called upon.

Thank you

PROFESSIONALISM IN THE ERA OF AI, INSURTECH AND DISRUPTION

Dr. Pontsho Mokoena
Group Chief Financial Officer
Dangote Industries Limited

DR. PONTSHO MOKOENA, FIISA

Pontsho B. Mokoena is a South African executive with more than 20 years of experience spanning financial services, industrials, manufacturing, healthcare and insurance.

She is recognised for integrating enterprise risk management, insurance, governance, strategic foresight and digital transformation to strengthen organisational resilience across complex, multi-jurisdictional businesses.

She holds a Doctorate Degree specialising in Predictive Risk Management from Paris School of Business, a Masters Degree in Actuarial Science from the University of Leicester and a Bachelor's Degree in Business Finance and Insurance & Risk Management from the University of the Witwatersrand. She has further completed executive programmes in Advanced Insurance, Healthcare Governance and Artificial Intelligence.

Pontsho is a respected thought leader on the application of data, analytics, and artificial intelligence in risk management, helping organisations build resilient, future-ready operating models through sound governance, sustainable risk transfer mechanisms, innovation and strategic leadership.

She is currently the Group Chief Risk Officer for the Dangote Group, where she overseas Enterprise Risk Management, Group Insurance and Digital Transformation.

Additionally, she is the Founder of a boutique advisory consultancy, Khauta Risk Advisory.

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Dr. Pontsho B. Mokoena
Group Chief Risk Officer: Dangote Group

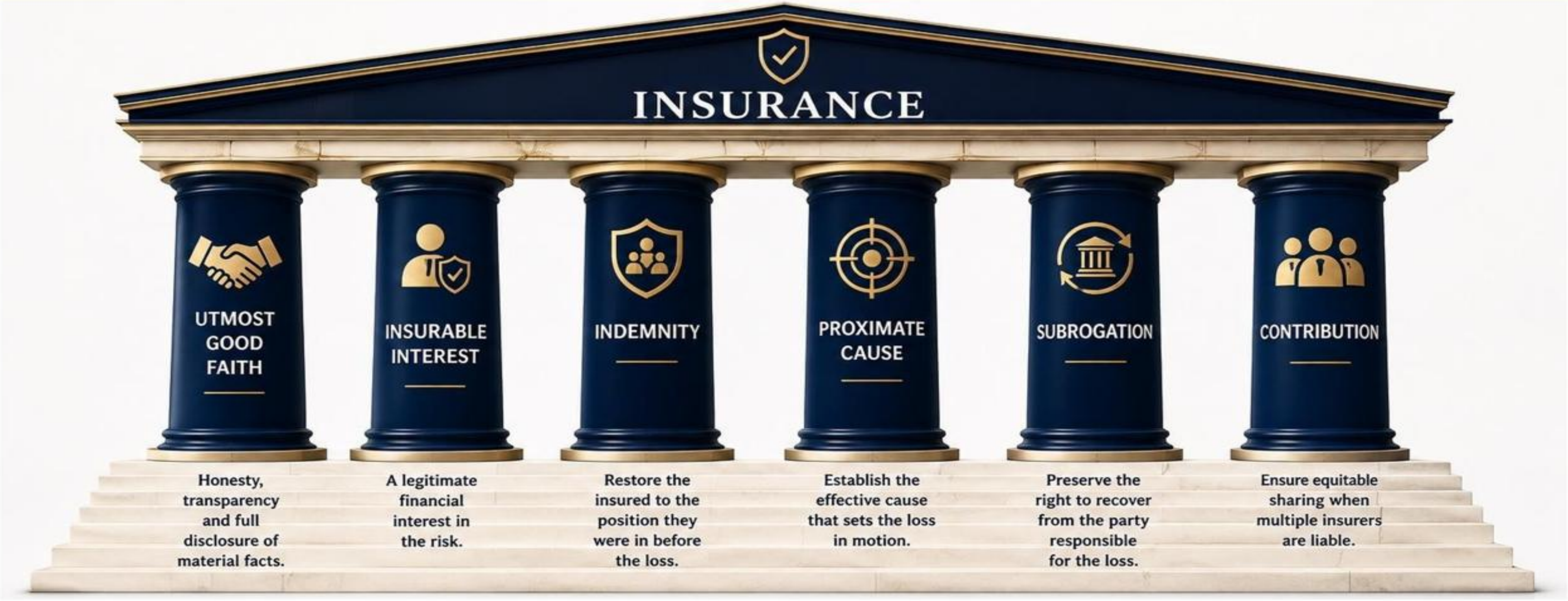
Before technology, there was trust.

Insurance has survived centuries of change because its foundation is not technology. It is trust, supported by enduring principles.

Technology will change how we practise insurance, however it must not change what makes insurance, insurance.

PRINCIPLES THAT MAKE INSURANCE WORK

These principles are the architecture of a functioning insurance system



These principles are timeless, they are non-negotiable.
They are the foundation of trust in insurance

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DANGOTE VISION 2030

TECHNOLOGY TESTS EVERY PRINCIPLE

Technology can execute a process, it cannot redefine the principle governing that process

Principle	Technology opportunity	Professional tension
Utmost Good Faith	Richer data	Surveillance, opacity, misuse
Insurable Interest	Embedded/digital insurance	Who genuinely bears the risk?
Indemnity	Automated settlement	Speed vs fair compensation
Proximate Cause	AI loss analysis	Correlation vs actual causation
Subrogation	Automated recovery	Fairness and due process
Contribution	Instant policy matching	Correct allocation

PROFESSIONALISM IS HOW WE PROTECT THOSE PRINCIPLES

- There is an obligation bestowed upon each of us as insurance professionals
- Insured | Broker | Insurer | Reinsurer | Claims Professional | Technology Provider
- Different roles, Different duties, One professional obligation
- That obligation sits across the ecosystem and we therefore have a collective responsibility to preserve the integrity of insurance.

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ARTIFICIAL INTELLIGENCE ADDS AN ADDITIONAL LAYER OF COMPLEXITY

It creates a reliance and produces an invisible distance between accountability and ownership

TECHNOLOGY CHALLENGES THE OPERATING MODEL

AI, Machine Learning, IoT, Telematics, Digital Twins, Automation, Big Data, Satellite Intelligence, Digital Platforms.

What are they transforming?

Risk identification → Underwriting → Pricing → Distribution → Prevention → Claims → Fraud detection → Customer experience

We should not fear this transformation. We should accelerate it. But increased capability brings increased responsibility.

AI CHANGES THE INFORMATION EQUATION

Historically, the insured often knew more about the risk than the insurer. Hence the importance of Utmost Good Faith and disclosure.

Today, an insurer may have:

Telematics + IoT + behavioural data + satellite imagery + predictive analytics + AI and potentially know things about a risk that even the insured does not know.

So the professional obligation evolves. Utmost Good Faith can no longer concern only what the insured discloses. It must also concern how the insurer uses what technology allows it to know.

THE ALGORITHM IS NOT THE PROFESSIONAL

Artificial Intelligence may:
Recommend, predict, price, detect, underwrite, flag, propose settlement figures, however, AI does not carry professional accountability.

When an algorithm produces an unfair outcome, “the system decided” is not an acceptable professional defence. The broker remains accountable for advice, the insurer remains accountable for underwriting and claims, the insured remains accountable for truthful disclosure and leadership remains accountable for governance.

Technology can augment judgement, it however cannot outsource accountability.

SPEED IS NOT THE SAME AS PROFESSIONALISM

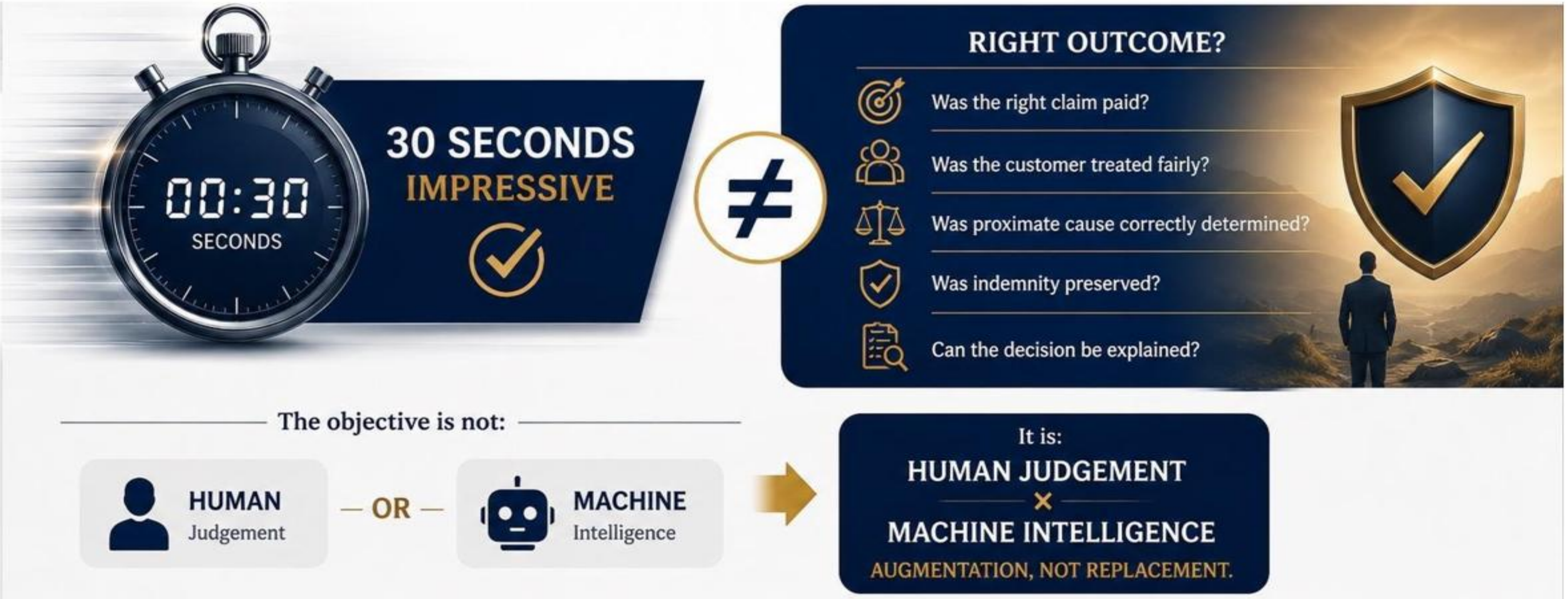
Professionalism ensures that speed never comes at the expense of principles, fairness and integrity

Professionalism ensures that speed never comes at the expense of:

- Principles
- Fairness
- Integrity

Professionalism ensures that human judgement is augmented with machine intelligence to ensure the:

- Right outcome
- Right reason
- Right every time



WHAT DOES PROFESSIONALISM LOOK LIKE

Professionalism sometimes means being prepared to say: The technology allows us to do it, however our principles tell us we should not

Doing the right thing when it matters the most:

- Act with integrity in every decision
- Be dilligent, competent and thorough
- Communicate clearly and honestly
- Take ownership and accountability
- Exercise judgement, think beyond today
- Put the client's interest first
- Uphold the princples that define insurance
- Use technology responsibily
- Collaborate, Respect, Build, Trust

The insurance professional of the future must combine:

- Insurance principles
- Technical expertise
- AI & data literacy
- Ethical judgement
- Critical thinking
- Professional courage

Key Focus

- Principles in practice
- Judgement in action
- Trust earned every day

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ACCELERATING AFRICA'S INDUSTRIALISATION

MODERNISE EVERTHING WE CAN

Preserve everything we must

Modernise how we understand risk
Move from periodic assessments to continuous, predictive risk intelligence. Use AI, IoT, digital twins, telematics and satellite intelligence to identify changing exposures earlier.

Modernise: How much can we know about risk?
Preserve: The obligation to use that knowledge fairly and truthfully

Modernise how we underwrite
Use AI to process enormous datasets, identify patterns, improve segmentation and price risk with greater precision. But underwriting cannot become a black box that nobody is prepared to defend.

Modernise: How we reach the decision.
Preserve: Fairness, explainability and accountability for the decision

Modernise how we distribute
Embedded insurance, digital platforms and automated placement can make protection dramatically more accessible. That is progress however convenience cannot replace insurable interest, suitability, informed consent or appropriate advice.

Modernise: How easily insurance is accessed.
Preserve: Why the cover legitimately exists.

Modernise how we prevent losses
Insurance can move from:
Predict → Price → Pay towards: Predict → Prevent → Protect

Modernise: Use IoT sensors, predictive analytics and AI can help prevent machinery failure, fire, motor accidents, fraud and business interruption before the claim occurs.
Preserve: That is not an erosion of insurance principles. It is one of technology's greatest contributions to them.

Modernise how we settle claims
Automate straightforward claims. Detect fraud faster. Use computer vision and AI to assess damage. Reduce administrative friction. A claim that once took 30 days may eventually take 30 seconds howeverm the objective cannot simply be the fastest decision. It must be the fastest fair decision.

Modernise: The speed of settlement.
Preserve: Indemnity, proximate cause, fairness and the right outcome.

Modernise the insurance profession
The profession itself cannot demand innovation from the industry while refusing to evolve. Tomorrow's professional needs: Insurance expertise + Data literacy + AI fluency + Critical thinking + Ethical judgement

Modernise: Elevate the profession through technology.
Preserve: The principles of insurance and exercise professionalism of the highest calibre

MODERNISE EVERTHING

But do not modernise the foundation that insurance is built on, TRUST.

Trust is the cornerstone of professionalism

- Technology changes.
- Business models change.
- Distribution changes.
- Data changes.
- Customer expectations change.

Principles do not become obsolete simply because capability improves, at the foundation remain:

- Utmost Good Faith — truth.
- Insurable Interest — legitimacy.
- Indemnity — fairness.
- Proximate Cause — causation.
- Contribution — equity.
- Subrogation — legitimate recovery.
- Professionalism — accountability.

And beneath all of them:

TRUST

"Our mandate therefore is not to preserve yesterday's insurance industry. It is to build tomorrow's insurance industry, faster, smarter, predictive and AI-enabled, without surrendering the principles that gave insurance legitimacy in the first place."

Thank you!

Cement | Sugar | Salt | Food Products | Rice | Oil & Gas | Fertiliser | Petrochemicals | Automotive | Packaging | Logistics | Real Estate | Maritime | Mining | Energy | Infrastructure | Telecommunications |

Thank you

OIL & GAS RISK EXPOSURE:
STRAIT OF HORMUZ AND NIGERIAN INSURANCE INDUSTRY

Mr. Sunday Ozoma
Assistant General Manager
Linkage Assurance Plc

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MR. SUNDAY NKEMAKONAM OZOMAH, AIIN

Sunday Ozomah is a seasoned insurance professional with over 20 years of experience specializing in complex and high-value risk underwriting, particularly in the oil and gas and aviation sectors. With a strong academic foundation and professional certifications, he brings a wealth of knowledge, strategic insight, and technical expertise to the Nigerian and broader African insurance markets. He holds a Masters' degree in Business Management, a Bachelor's degree in Insurance, and another Master's degree in Transport Management, Currently running his PhD in Insurance and Risks Management at the prestigious Joseph Ayo Babalola University equipping him with a multi disciplinary approach to risk evaluation and client advisory. He is also an Associate of Chartered Insurance Institute of Nigeria (CIIN).

Throughout his career, Sunday has played a pivotal role in the placement, and management of insurance solutions for some of Nigeria's most critical energy infrastructure, including onshore/offshore oil installations, power plants, and LNG assets, as well as commercial and private aircraft fleets. Currently positioned at the forefront of special risk underwriting at Linkage Assurance PLC, where he is also the Head, technical Operations. Sunday is also actively involved in developing strategies for expanding insurance penetration in specialized sectors, such as Compressed Natural Gas (CNG) vehicles, renewable energy, and travel insurance. He is deeply passionate about rebuilding trust in the Nigerian insurance industry by promoting local capacity, technical competence, and global best practices in risk management. He is the Author of the Book Fundamentals of Energy Insurance, a book that is helping bridge the knowledge gap in the Oil and Gas Insurance space in Nigeria.

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OIL & GAS
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A PAPER PRESENTED BY
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AT THE
2026
INSURANCE PROFESSIONAL FORUM
GEOPOLITICAL UNCERTAINTY
MARITIME & ENERGY RISKS
INSURANCE SOLUTIONS
BUILDING A RESILIENT NIGERIAN INSURANCE INDUSTRY
JUNE 12 2026
CULTURAL CENTRE, KUTO, ABEOKUTA, OGUN STATE
THE CONFERENCE HOTEL, PRESIDENTIAL BOULEVARD, 1, GOLF RESORT DRIVE, OKE MOSAN, ABEOKUTA, OGUN STATE.

Managing Uncertainty, Protecting Value: Nigeria, the Strait of Hormuz and the Insurance Imperative

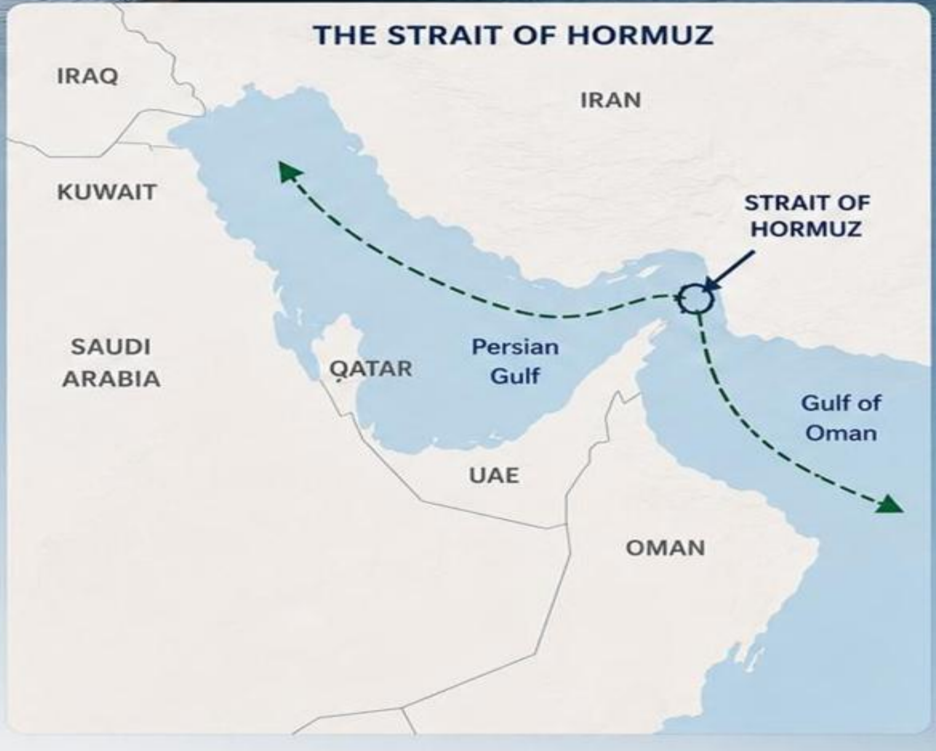
This paper examines Nigeria's oil and gas risk landscape, analyzes the strategic importance of the Strait of Hormuz, and evaluates its implications for the Nigerian insurance industry. The paper further proposes risk management strategies for insurers, reinsurers, regulators, and energy operators.

NIGERIA AT A GLANCE

- Africa's largest oil producer
- One of the world's major LNG exporters
- Oil & gas account for **over 90%** of export revenue
- Crucial to government revenue and economic stability

THE STRAIT OF HORMUZ: A CRITICAL CHOKE POINT

- ~20% of global oil consumption passes through the Strait
- Key route for LNG shipments to global markets
- Highly sensitive to geopolitical tensions and security threats
- Any disruption can trigger global energy market volatility



In a volatile world, risk intelligence, collaboration and resilience are our strongest insurance.

Proactive risk management today ensures sustainable value for Nigeria's energy future.

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Nigeria: A Global LNG Powerhouse

Nigeria remains one of the world's most important LNG exporters and Africa's leading LNG supplier.

NIGERIA'S POSITION IN THE GLOBAL LNG MARKET

Nigeria is currently the largest LNG exporter in Africa.
(africaenergyinsights.com)

Nigeria is generally ranked among the top 6–8 LNG exporting countries globally, depending on annual production levels.
(IISD)

Nigeria accounted for approximately **6%** of global LNG exports in recent years.
(IISD)

KEY TAKEAWAY

Nigeria's abundant gas resources, strategic location, and growing LNG infrastructure continue to strengthen its position as a reliable and competitive LNG supplier to the world.

NIGERIA'S LNG STRENGTHS

- Abundant natural gas reserves – among the largest in Africa.
- Established LNG infrastructure and operational experience.
- Strong global market presence and long-term supply contracts.
- Strategic location with access to key international shipping routes.
- Reliable partner for energy security and global demand.

Sources: *africaenergyinsights.com; International Institute for Sustainable Development (IISD)*

Nigeria LNG (NLNG) Production Capacity

The Nigeria LNG Limited plant located on Bonny Island has:

Train	Capacity (MTPA)
Train 1	3.2
Train 2	3.2
Train 3	3.2
Train 4	4.1
Train 5	4.1
Train 6	4.1
Total Current Capacity	**≈22 MTPA**

Nigeria's current LNG liquefaction capacity is approximately **22 million tonnes per annum (MTPA).**
(Global Energy Monitor)

About NLNG

Nigeria LNG Limited (NLNG) is a global LNG producer and one of the largest in Africa. Its world-class plant on Bonny Island is a key driver of Nigeria's position in the global LNG market.

Nigeria's Actual LNG Exports

Nigeria exported approximately:

Year	LNG Exports
2022	~24–25 million tonnes
2023	~12–13 million tonnes *(due to feed gas constraints and pipeline vandalism)*
2024	~13.8 million tonnes *(recovery year)*

Nigeria's LNG exports rebounded to approximately **13.8 million tonnes** in 2024. *(TradeInt)*

Major Destinations for Nigerian LNG

Nigeria supplies LNG to more than **20** countries.

MAJOR BUYERS INCLUDE:

- Spain
- France
- Portugal
- China
- India
- South Korea
- Turkey

According to recent trade data, **Spain, China, France, India and South Korea** are among Nigeria's largest LNG customers.

(World Integrated Trade Solution)

LNG

NNPC has also disclosed that roughly **60%** of Nigeria's LNG exports currently **go to Spain and Portugal,** reflecting Europe's search for alternatives to Russian gas supplies.

(LinkedIn)

Spain Portugal

60%

of Nigeria's LNG exports

Strategic Significance

For Nigeria:

- LNG is the country's **largest gas export product.**
- LNG exports generate **billions of dollars** in foreign exchange annually.
- Europe increasingly relies on **Nigerian LNG** as part of its energy security strategy.
- **NLNG remains** one of Nigeria's most successful energy projects and a major **contributor to government revenue, dividends, taxes and foreign exchange earnings.**

(Business Post Nigeria)

ECONOMIC POWERHOUSE
Generates billions in foreign exchange and strengthens Nigeria's balance of payments.

REVENUE GENERATOR
Supports government revenue through taxes, dividends and royalties.

ENERGY SECURITY PARTNER
Reliable LNG supplier supporting global energy security, especially in Europe.

STRATEGIC ASSET
A world-class project showcasing Nigeria's potential as a leading energy nation.

LNG is not just Nigeria's energy export — it is a strategic asset driving economic growth, international partnerships and long-term national development.

The Strait of Hormuz:
A Critical Artery for Global LNG Trade

The Strait of Hormuz is the narrow sea passage between the Persian Gulf and the Gulf of Oman, connecting the world to vital energy supplies from the Middle East.

20%

Approximately **20% of global LNG trade** passes through the Strait of Hormuz.

This makes any disruption in the Strait of Hormuz a significant factor in LNG pricing, shipping costs, marine insurance, war risk premiums and global energy security.

Source: eia.gov

WHY THE STRAIT OF HORMUZ MATTERS FOR LNG AND GLOBAL ENERGY MARKETS

LNG PRICING
Disruptions can cause price spikes due to supply uncertainty and market volatility.

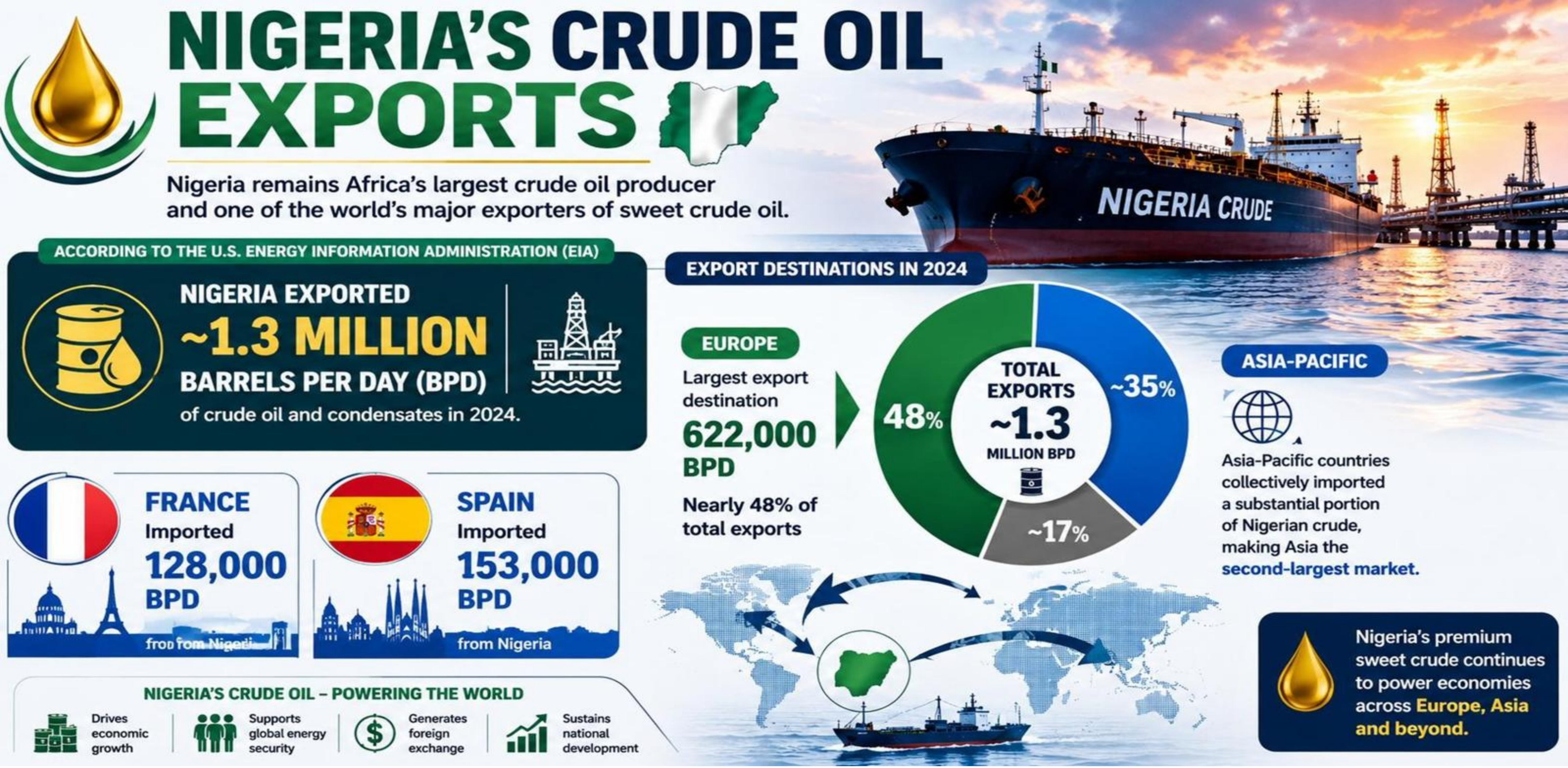
SHIPPING COSTS
Longer rerouting increases fuel consumption, vessel charter rates and overall costs.

MARINE INSURANCE
Higher perceived risk leads to increased insurance premiums for vessels transiting the region.

WAR RISK PREMIUMS
Geopolitical tensions drive up war risk premiums, adding to the cost of LNG deliveries.

GLOBAL ENERGY SECURITY
The Strait's stability is critical to ensuring a secure, reliable energy supply worldwide.

STRATEGIC CHOKE POINT
A narrow passage with no viable alternative route for a significant portion of global energy trade.



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For Nigeria, Africa's largest oil producer and one of the world's major LNG exporters, instability in the Strait of Hormuz presents both opportunities and risks.
IRAN
SAUDI ARABIA
STRAIT OF HORMUZ
UAE
OMAN
OPPORTUNITIES
Elevated crude oil prices may increase government revenues
Improved profitability for upstream operators
Stronger fiscal position to support economic stability and investment in the energy sector
RISKS
Disruptions can increase marine insurance costs and war risk premiums
Higher reinsurance pricing and reduced capacity
Increased supply chain costs and delivery delays
Higher capital expenditure for oil and gas projects due to heightened risk and cost of capital
LNG
Strategic Position.
Global Exposure.
Managed Risk.
Sustainable Growth.
Proactive risk management, strategic planning, and industry collaboration are essential to maximizing opportunities and mitigating the risks arising from instability in the Strait of Hormuz.

Impact on Nigeria if the Strait of Hormuz is Disrupted

POSITIVE IMPACT

1 Higher Crude Oil Prices

- When Hormuz is threatened, global supply fears immediately push oil prices upward.
- Recent disruptions caused crude prices to rise above $100 per barrel in some markets as traders priced in supply risks.

For Nigeria:

Oil Price Increase	Estimated Benefit
$10/bbl increase	Significant rise in FX earnings
$20/bbl increase	Stronger government revenues
$30/bbl increase	Improved fiscal position and reserves

A country exporting **1.3 million bpd** gains approximately:

$13 million
additional revenue daily
for every **$10** increase in crude prices.

$4.7 billion
additional annual gross revenue
if prices remain elevated.

(Illustrative calculation based on export volumes.)

A disruption in the Strait of Hormuz would likely boost Nigeria's foreign exchange earnings, improve government revenues, strengthen reserves, and enhance the country's fiscal position — provided Nigeria can sustain production and exports.

2 Increased Demand for Nigerian Crude

European and Asian refiners seek **alternative suppliers** when Gulf supplies become uncertain.

When the Gulf is disrupted,
Nigeria delivers.

Nigeria therefore becomes a preferred source because:

- **Shipping routes are** outside the Gulf conflict zone.
- **Nigerian crude is** technically suitable for many European refineries.
- **Europe is already** Nigeria's largest customer.

Disruptions in the Strait of Hormuz redirect global buying patterns, and Nigeria stands to benefit as a reliable, accessible, and high-quality crude supplier.

Global uncertainty creates opportunity. Nigeria's reliability creates preference.

3 Stronger Bargaining Power

Nigeria's strategic importance rises during Middle East disruptions because buyers seek **supply diversification.**

Global uncertainty = Higher value for stable, alternative suppliers like Nigeria.

WHY NIGERIA'S IMPORTANCE RISES

Buyers look for stable alternatives
When Middle East risks rise, importers prioritize dependable suppliers.

Nigeria becomes a preferred option
Proximity to Europe, existing contracts, and reliable grades increase Nigeria's appeal.

More leverage in negotiations
Higher demand gives Nigeria stronger negotiating power on prices, terms and contract conditions.

WHAT THIS MEANS FOR NIGERIA

BETTER PRICING POWER
Ability to secure higher prices during periods of market tightness.

BETTER CONTRACT TERMS
Stronger position to negotiate favorable contract duration, flexibility, and destination clauses.

LONG-TERM PARTNERSHIPS
Stronger relationships with buyers seeking reliable, diversified supplies.

ECONOMIC ADVANTAGE
More foreign exchange, government revenue and industry growth opportunities.

THE BIGGER PICTURE

When the Middle East is unstable, **NIGERIA BECOMES MORE THAN A SUPPLIER— IT BECOMES A STRATEGIC ENERGY PARTNER.**

Buyers need security.

Nigeria provides reliability.

Nigeria gains influence.

STRONGER BARGAINING POWER TODAY, STRONGER ECONOMY FOR NIGERIA TOMORROW.

NEGATIVE IMPACT

1 Higher Marine Insurance Premiums

War risk premiums **increase sharply** during Gulf tensions.

Even though Nigerian crude does not transit the Strait of Hormuz, global tensions in the Gulf **impact the entire tanker market.**

CONSEQUENCES INCLUDE:

- Increased tanker insurance costs.
- Higher freight rates.
- Increased cargo insurance costs.
- Increased reinsurance costs.

These higher costs affect Nigerian exports even though the crude itself does not transit Hormuz because the **global tanker market becomes stressed.**

HOW IT AFFECTS NIGERIA'S EXPORTS

1. **GULF TENSIONS RISE** — Risk of disruption in Strait of Hormuz increases.
2. → **WAR RISK PREMIUMS INCREASE** — Insurers charge more to cover potential risks.
3. → **HIGHER SHIPPING AND INSURANCE COSTS** — Tanker, cargo and reinsurance costs all rise.
4. → **HIGHER TOTAL TRANSPORTATION COSTS** — Freight rates and overall voyage costs go up.
5. → **REDUCED COMPETITIVENESS AND LOWER NET REVENUE** — Nigeria earns less net per barrel exported.

Global instability = Higher costs for everyone, everywhere.
Nigeria pays more, even without transiting the Gulf.

NEGATIVE IMPACT

2 Inflationary Pressure on Oil & Gas Projects

Global tensions in the Strait of Hormuz disrupt supply chains and increase costs for critical equipment and materials.

MANY UPSTREAM PROJECTS DEPEND ON IMPORTED:

- Drilling Equipment
- Turbines
- Compressors
- Valves
- Subsea Equipment
- Other Specialized Materials

These items are often sourced from or shipped through regions affected by Gulf tensions.

Disruptions in the Gulf = Higher costs globally = Higher project costs for Nigeria.

IMPACT ON PROJECTS

- Higher Equipment Prices ↑
- Higher Freight Costs ↑
- Higher Insurance & War Risk Premiums ↑
- Longer Lead Times & Delays ↑
- Project Cost Escalation ↑

Supply chain disruptions increase project costs and delay deliveries.

HOW SUPPLY CHAIN DISRUPTIONS TRANSLATE TO HIGHER COSTS

1. **Strait of Hormuz Tensions** — Higher risk of disruption to shipping and trade
2. → **Disrupted Global Supply Chains** — Delays, rerouting, and capacity constraints
3. → **Higher Costs for Equipment & Freight** — Prices rise due to risk, scarcity and demand
4. → **Project Delays & Cost Overruns** — Schedules slip and budgets increase
5. → **Higher Capital Expenditure** — Less profitability and lower project returns

CONSEQUENCES FOR NIGERIA

- Increased cost of developing oil and gas fields
- Reduced project profitability
- Delays in bringing new capacity online
- Lower tax revenues and foreign exchange earnings over time

Global instability increases costs. Higher costs slow development. Slower development reduces Nigeria's oil & gas potential.

NEGATIVE IMPACT

3 Higher Energy Sector Reinsurance Costs

Global tensions in the Strait of Hormuz increase risk perception, leading to higher reinsurance costs for energy risks.

For the Nigerian insurance market:

- Energy treaty renewals become **more expensive.**
- Facultative placements become **harder.**
- War risk exclusions become **stricter.**
- Offshore energy rates **harden** globally.

IMPACT ON THE NIGERIAN INSURANCE MARKET

- Higher reinsurance premiums ↑
- Reduced capacity from reinsurers ↑
- Longer negotiation and renewal timelines ↑
- More exclusions and coverage restrictions ↑
- Higher costs passed on to operators ↑

WHY REINSURANCE COSTS RISE

Geopolitical instability in the Gulf	Increased risk of disruption to energy flows	Higher probability of conflict, attacks or sanctions	Greater uncertainty for insurers	Reinsurers protect capital by charging more

PARTICULARLY RELEVANT FOR OPERATORS SUCH AS:

- Nigeria LNG Limited
- Shell Petroleum Development Company
- Chevron Nigeria Limited
- TotalEnergies EP Nigeria
- Seplat Energy

Higher reinsurance costs mean **higher insurance premiums**, affecting project economics and long-term investment decisions.

Higher risk perception. Higher reinsurance costs. Higher insurance premiums. Higher operating costs. Lower competitiveness. Greater pressure on Nigeria's energy sector.


THE BENEFITS OF
DANGOTE OIL REFINERY
TO NIGERIA'S ECONOMY
DURING A SHUTDOWN OF THE STRAIT OF HORMUZ
A strategic national asset that shields Nigeria, creates value and turns global crisis into opportunity
DANGOTE REFINERY
650,000 BPD
Capacity
STRAIT OF HORMUZ
THE RISK
About 20% of the world's oil and a large volume of LNG pass through the Strait of Hormuz. A shutdown causes supply disruptions and price spikes globally.
650,000 BPD CAPACITY
Enough to meet Nigeria's domestic fuel demand with surplus for export.
MAJOR EXPORTER
Produces petrol, diesel, jet fuel, naphtha and other products for global markets.
FOREX & REVENUE BOOST
Saves foreign exchange, earns export revenue and strengthens the Naira.
JOBS & INDUSTRIAL GROWTH
Creates thousands of direct and indirect jobs and drives industrialization.
STRATEGIC ADVANTAGE
Positions Nigeria as a key energy hub for Africa, Europe and the world.
1 ENHANCED ENERGY SECURITY
• Reduces dependence on imported fuels from the Middle East
• Ensures stable supply of petrol, diesel and aviation fuel
• 650,000 bpd capacity can meet Nigeria's domestic demand and provide surplus for export
2 FOREIGN EXCHANGE CONSERVATION
• Saves billions of dollars annually on fuel imports
• Reduces pressure on the Naira
• Retains more export earnings within the economy
Potential savings estimated at several BILLION USD annually
3 INCREASED EXPORT REVENUE
• Global fuel prices rise during Hormuz disruption
• Dangote can export petrol, diesel, jet fuel and naphtha at premium prices
• Strong opportunity to earn more from non-Gulf markets
4 OPPORTUNITY TO BECOME A GLOBAL FUEL SUPPLIER
• Alternative supplier to Europe, Africa and other regions
• High demand for jet fuel and distillates globally
• Enhances Nigeria's relevance in global energy trade
5 IMPROVED BALANCE OF PAYMENTS
• Reduced import bills
• Increased export earnings
• Higher shipping and port activity
• Stronger external reserves and macroeconomic stability
6 JOB CREATION AND INDUSTRIAL GROWTH
• Thousands of direct and indirect jobs created
• Supports growth of petrochemical, logistics and maritime sectors
• Expansion to 1.4 million bpd will create tens of thousands more jobs
More jobs. Stronger industries. Stronger Nigeria.
7 STRENGTHENING NIGERIA'S STRATEGIC POSITION
• Europe, Africa and global airlines seek alternative suppliers
• Nigeria becomes a key energy hub outside the Middle East
• Enhances diplomatic and economic influence
From crude exporter to value-added energy leader.
8 INCREASED GOVERNMENT REVENUE
• Higher crude prices increase petroleum profit tax and royalties
• More NNPC earnings and export revenues
• Dual advantage: higher crude prices + higher refined product margins
More revenue for development. Stronger national finances.
DANGOTE REFINERY
STRATEGIC CONCLUSION
During a Strait of Hormuz shutdown, the Dangote Refinery acts as:
A national energy security buffer
A major foreign exchange earner
A stabilizer of domestic fuel supply
A source of employment and growth
A strategic export platform for Africa, Europe and the world
THE DANGOTE REFINERY TURNS GLOBAL DISRUPTION INTO NATIONAL ADVANTAGE AND DRIVES SUSTAINABLE ECONOMIC PROSPERITY FOR NIGERIA.

RELEVANCE TO THE NIGERIAN INSURANCE INDUSTRY

The Nigerian insurance market may not appear directly connected to Hormuz; however, the impact is significant because **energy** and **marine insurance** are globally interconnected.

WHY IT MATTERS FOR NIGERIA

Nigeria is an energy nation
The economy, government revenue and foreign exchange depend heavily on oil and gas.

Global risks = Local impact
Disruptions in the Strait of Hormuz increase costs across the global insurance value chain.

Higher costs for local market
Reinsurance, marine and energy insurance costs rise, affecting Nigerian insurers, corporate clients and the broader economy.

Capacity and coverage challenges
Tighter global capacity and stricter terms make it harder and more expensive to place quality coverage.

Broader economic consequences
Higher insurance costs increase operating expenses for businesses and projects, affecting growth and investment.

THE GLOBAL LINK: HORMUZ → NIGERIA

Tensions in the Strait of Hormuz → Higher oil prices & market volatility → Higher marine & war risk → Higher insurance & reinsurance costs → Impact on Nigerian insurance market & the economy

LINES OF BUSINESS MOST AFFECTED

- Energy Insurance (Upstream, Midstream, Downstream)
- Marine Hull & Machinery
- Marine Cargo
- War Risk & Political Violence
- Offshore Energy Insurance
- Liability Insurance (Energy & Marine)

HOW THE IMPACT TRANSLATES TO THE NIGERIAN MARKET

Reinsurers increase prices globally
Nigerian insurers pay more for reinsurance.

Higher premiums for clients
Businesses face increased insurance costs.

Reduced capacity and stricter terms
Harder to place covers; higher deductibles.

Project delays and cost overruns
More expensive insurance slows down projects.

Pressure on profitability
Higher claims and costs reduce insurers' margins.

WHAT NIGERIAN INSURERS SHOULD DO

- Strengthen risk assessment and scenario planning
- Build strong relationships with global reinsurers
- Diversify reinsurance partners and markets
- Enhance pricing adequacy and terms discipline
- Monitor geopolitical developments closely
- Invest in data, analytics and risk intelligence

BOTTOM LINE: WHAT HAPPENS IN THE STRAIT OF HORMUZ DOES NOT STAY THERE.
IT TRAVELS THROUGH MARKETS, COSTS AND RISKS—AND ULTIMATELY IMPACTS THE NIGERIAN INSURANCE INDUSTRY.

1 RISING MARINE INSURANCE COSTS

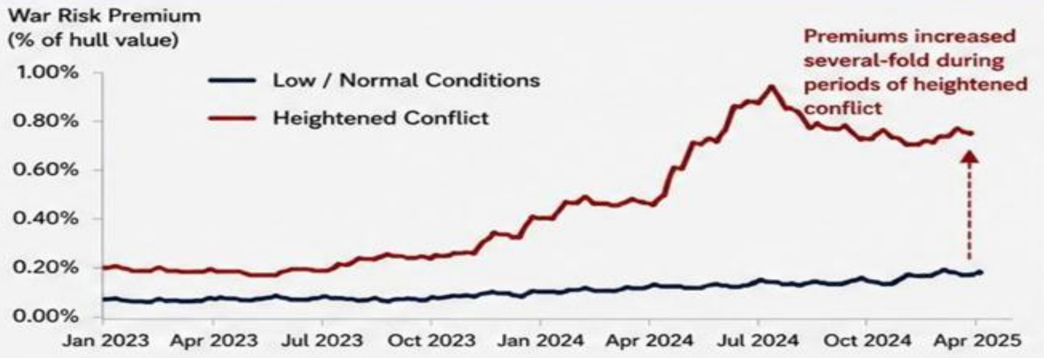
The most immediate insurance consequence is the increase in **marine war risk premiums.**

Tensions in the Strait of Hormuz directly **increase risks** for vessels in the region, triggering **higher insurance costs** across the global shipping market.

DURING PERIODS OF TENSION:

- War Risk premiums **rise significantly**
- Hull and Machinery rates **increase**
- Cargo insurance costs **rise**
- Freight rates **escalate**

WAR RISK PEEMIUMS: GULF OF OMAN / PERSIAN GULF



Recent market data indicate war-risk premiums for vessels operating in and around the Gulf increased **several-fold** during periods of heightened conflict.

HOW THIS AFFECTS NIGERIAN EXPORTERS

Higher Transportation Costs

Higher war risk premiums and freight rates **increase** the overall cost of moving Nigerian crude and products to global markets.

Increased Insured Values for Shipments

Increased risk exposure leads to **higher** declared values and risk adjustments on insured shipments.

Higher Cargo Insurance Premiums

Cargo insurers price in the elevated risk, resulting in **higher premiums** for Nigerian export cargoes.

WHY IT MATTERS

- Global shipping market is highly interconnected.
- Risks in the Gulf impact rates everywhere.
- Higher insurance costs affect the entire supply chain.
- Nigerian exporters feel the impact directly.

HIGHER RISK = HIGHER COSTS = LOWER PROFITABILITY

Rising marine insurance costs ultimately reduce margins for exporters and impact the competitiveness of Nigerian crude in global markets.

2 HARDENING OF THE GLOBAL REINSURANCE MARKET

The Nigerian insurance industry depends heavily on international **reinsurance support** for critical and high-value risks.

Geopolitical instability in the Strait of Hormuz leads to higher perceived risk globally.

NIGERIAN INSURANCE INDUSTRY RELIES ON REINSURANCE FOR:

- Energy Risks
- Offshore Risks
- Marine Liabilities
- Aviation Risks

FOLLOWING MAJOR GEOPOLITICAL EVENTS, GLOBAL REINSURERS TYPICALLY:

- Reduce Capacity ↑
- Increase Treaty Pricing ↑
- Introduce Stricter Exclusions ↑
- Increase Retentions ↑

These actions are known as **"market hardening"**.

THIS DIRECTLY AFFECTS NIGERIAN INSURERS UNDERWRITING RISKS FOR:

- Shell Petroleum Development Company
- Chevron Nigeria Limited
- TotalEnergies EP Nigeria
- Seplat Energy
- Nigeria LNG Limited

IMPACT ON NIGERIAN INSURERS

- Higher reinsurance costs increase overall expense.
- Profitability comes under pressure.
- Underwriting capacity is constrained.
- Policy terms become more restrictive for clients.

OVERALL RESULT

The hardening of the global reinsurance market leads to **higher premiums, reduced capacity, and tougher terms** for Nigerian insurers and their clients.

KEY TAKEAWAY

As geopolitical risks rise, reinsurance becomes more expensive and less available — creating **significant challenges** for the Nigerian insurance industry and the energy sector it supports.

GLOBAL TENSION → HIGHER RISK PERCEPTION → COSTLY REINSURANCE → HIGHER INSURANCE COSTS → IMPACT ON NIGERIAN ECONOMY

3 INCREASED ENERGY INSURANCE PREMIUMS

A Hormuz crisis often triggers a **global hardening** of the energy insurance market.

TENSIONS IN THE STRAIT OF HORMUZ ELEVATE RISK. MARKETS RESPOND.
Result: Higher energy insurance premiums globally.

WHY IT HAPPENS

- Heightened geopolitical risk in the Strait of Hormuz
- Threats to energy supply routes
- Increased claims severity potential
- Global reinsurers reprice for higher risk

THIS PRESENTS A DUAL EFFECT FOR THE NIGERIAN INSURANCE INDUSTRY

OPPORTUNITIES

Increased Premium Income
Higher rates across energy lines lead to improved premium generation for insurers.

Improved Technical Pricing
Market hardening allows for adequate pricing that reflects the true risk exposure.

Better Underwriting Discipline
Stricter terms and conditions lead to stronger underwriting standards and risk selection.

THREATS

Higher Exposure Volatility
Geopolitical shocks increase uncertainty and can cause sudden spikes in claims.

Increased Accumulation Risk
Concentration of energy assets (offshore, LNG, pipelines) creates potential for large losses.

Reduced Facultative Support
Reinsurers limit capacity and impose stricter terms, making additional cover harder to obtain.

KEY ENERGY SEGMENTS AFFECTED

Upstream (Exploration & Production)
Offshore platforms, drilling operations, FPSOs, equipment.

Midstream
Pipelines, storage terminals, gas processing plants.

Downstream
Refineries, depots, petrochemical plants.

LNG & Gas
LNG plants, shipping, regasification terminals.

IMPACT ON NIGERIAN INSURERS

- Higher premiums improve top-line performance.
- Stronger pricing enhances portfolio profitability.
- Risk awareness improves, leading to better risk selection.
- Greater focus on exposure management and diversification.
- Long-term result: A more resilient and sustainable market.

THE BOTTOM LINE

A Hormuz crisis increases energy insurance premiums, creating **opportunities for growth**, but also bringing **higher risks** and **tighter market conditions**.

HIGHER RISK ENVIRONMENT. HIGHER PREMIUMS. SMARTER UNDERWRITING. STRONGER MARKET.

4 POLITICAL VIOLENCE AND TERRORISM EXPOSURE

Global insurers reassess geopolitical exposures whenever **strategic energy corridors** become unstable.

Tensions in the Strait of Hormuz heighten global risk perception, leading to tougher pricing and stricter terms for energy risks worldwide.

CONSEQUENTLY:

- **Political Violence** rates increase.
- **Sabotage and Terrorism** pricing hardens.
- **Energy infrastructure** becomes more scrutinized.

NIGERIAN OPERATORS MAY FACE ADDITIONAL REQUIREMENTS FOR:

- Security Audits
- Risk Surveys
- Emergency Response Plans
- Business Continuity Planning

These requirements **increase operational costs** and affect insurance placements and terms.

IMPACT ON INSURANCE MARKET

- Higher premiums for political violence, terrorism, and sabotage covers.
- Reduced capacity from reinsurers for high-risk energy exposures.
- More exclusions, sub-limits and restrictive wordings.
- Higher deductibles and retentions.
- Longer placement timelines and more complex negotiations.

AREAS OF HEIGHTENED CONCERN

- Offshore oil & gas installations
- Pipelines and flowlines
- LNG facilities and terminals
- Onshore processing plants
- Energy logistics and supply chain
- Power generation and transmission assets

SECTORS MOST AFFECTED IN NIGERIA

- Upstream Operators
- Midstream Companies
- Nigeria LNG Limited
- Power Companies
- Energy Insurers

EXAMPLES OF NIGERIAN OPERATORS IMPACTED

- Shell Petroleum Development Company
- Chevron Nigeria Limited
- TotalEnergies EP Nigeria
- Seplat Energy
- Nigeria LNG Limited

THE RESULT

Increased political violence and terrorism exposure leads to:

- Higher costs
- Stricter terms
- Greater scrutiny
- Reduced flexibility

for Nigerian energy operators and the insurance industry.

INSTABILITY IN STRATEGIC ENERGY CORRIDORS = HIGHER RISK PERCEPTION = HIGHER INSURANCE COSTS

PROACTIVE RISK MANAGEMENT AND STRONG SECURITY MEASURES ARE NOW ESSENTIAL.

Technology Enforcement through Education Building

THREE PILLARS, ONE MISSION.

MEMBERS' SATISFACTION. KNOWLEDGE. TRUST. EFFICIENCY.

5 SUPPLY CHAIN AND CLAIMS INFLATION

Global disruptions in the Strait of Hormuz create ripple effects across **supply chains**, driving up costs and claims in Nigeria's oil and gas sector.

NIGERIA'S OIL & GAS INDUSTRY RELIES HEAVILY ON IMPORTED:

- Turbines
- Compressors
- Drilling Equipment
- Control Systems
- Subsea Components

SHIPPING DISRUPTIONS CAN RESULT IN:

Delayed Repairs
Critical equipment and parts arrive late.

Increased Replacement Costs
Higher prices for scarce materials and equipment.

Longer Business Interruption Periods
Extended downtime impacts production and revenue.

Higher Claims Settlements
Increased costs result in larger insurance payouts.

CONSEQUENTLY, INSURERS MAY EXPERIENCE:

Larger Claims Reserves
Higher uncertainty requires stronger reserving.

Increased Claims Severity
More expensive repairs and replacements drive up claim size.

Greater Pressure on Loss Ratios
Higher claims costs reduce profitability.

HOW THIS IMPACTS THE NIGERIAN INSURANCE MARKET

- Higher claims frequency and severity.
- Tighter underwriting and coverage conditions.
- Increased premiums across energy insurance lines.
- Greater demand for risk engineering and loss prevention.
- Longer claim settlement timelines.

AREAS MOST AFFECTED IN NIGERIA

- Offshore Operations
- Refineries & Processing Plants
- LNG Facilities
- Pipeline Infrastructure
- Marine & Logistics Support

THE BOTTOM LINE

Supply chain disruptions triggered by a Hormuz crisis lead to higher costs, longer downtime, and bigger claims — putting pressure on insurers, operators, and the entire energy value chain in Nigeria.

STRONGER RISK MANAGEMENT IS ESSENTIAL

- Diversify supply sources
- Improve inventory and logistics planning
- Strengthen insurance coverage and reinsurance support
- Invest in risk monitoring and business continuity

GLOBAL TENSION. SUPPLY CHAIN DISRUPTION. **HIGHER CLAIMS. GREATER IMPACT.**
PREPAREDNESS TODAY, RESILIENCE TOMORROW.

STRATEGIC IMPLICATIONS FOR NIGERIAN INSURERS

For insurers operating in Nigeria, the Strait of Hormuz should not merely be viewed as a geopolitical issue but as a**strategic risk indicator**.

Tensions in the Strait of Hormuz have global consequences.
Prepared insurers are resilient insurers.

INSURERS SHOULD:

1. **MONITOR GEOPOLITICAL DEVELOPMENTS CONTINUOU!SLY**
   Establish robust intelligence gathering and early warning systems focused on the Strait of Hormuz and global energy corridors.
2. **REVIEW CATASTROPHE ACCUMULATION MODELS**
   Update accumulation models to reflect potential shocks to marine, energy, aviation, and political violence risks.
3. **STRENGTHEN REINSURANCE PROGRAMMES**
   Secure adequate capacity from diverse global reinsurers and explore alternative risk transfer solutions.
4. **INCORPORATE GEOPOLITICAL SCENARIOS INTO ERM FRAMEWORKS**
   Integrate geopolitical stress scenarios—such as a Hormuz disruption—into enterprise risk management and capital planning.
5. **REASSESS MARINE AND ENERGY PRICING ASSUMPTIONS**
   Reflect the impact of higher war risk premiums, supply chain disruption, and claims inflation in underwriting models and pricing.
6. **ENHANCE STRESS TESTING UNDER NAICOM'S RISK-BASED CAPITAL FRAMEWORK**
   Perform severe but plausible stress tests on solvency, liquidity, and profitability under prolonged regional instability.

WHY IT MATTERS

- Protects solvency and financial strength in a high-volatility environment.
- Improves underwriting discipline and technical performance.
- Enhances stakeholder confidence and market credibility.
- Positions insurers to respond proactively to emerging geopolitical risks.

THE BOTTOM LINE

The stability of energy corridors like the Strait of Hormuz is **critical to global economies**—and by extension, to the insurance industry in Nigeria.

STRONGER STRATEGY TODAY.
GREATER RESILIENCE TOMORROW.

MONITOR · ASSESS · TRANSFER · PREPARE · THRIVE

ANTICIPATE. ADAPT. PROTECT. THAT IS STRATEGIC INSURANCE LEADERSHIP.

WAR RISK EXCLUSION CLAUSE AND THE STRAIT OF HORMUZ

How War Risk Exclusions Affect Marine Insurance Coverage

The Strait of Hormuz is a critical global oil shipping route, with ~20% of the world's oil supply passing through it.
Due to ongoing geopolitical tensions, the risk of military conflict, strikes, terrorism, piracy and other hostilities in the area is high.
Standard marine insurance policies typically exclude losses arising from war risks.

1. WHAT IS A WAR RISK EXCLUSION CLAUSE?

A War Risk Exclusion Clause is a provision in marine insurance policies that excludes cover for loss, damage, liability, or expense directly or indirectly caused by:

- War, civil war, revolution, rebellion
- Insurrection or civil strife
- Hostile acts by or against a belligerent power
- Capture, seizure, arrest, restraint or detainment (piracy, jettison, etc.)
- Terrorism, sabotage or weapons of mass destruction

2. HOW IT AFFECTS THE STRAIT OF HORMUZ

If a vessel or cargo is lost, damaged, or delayed while transiting the Strait of Hormuz due to war-related perils, standard marine insurance **will NOT respond.**

WAR-RELATED PERILS IN THE STRAIT MAY INCLUDE:

- Missile strikes
- Naval warfare
- Terrorism or sabotage
- Piracy and hijacking
- Sea mines and UXO
- Seizure or detention

3. HOW TO OBTAIN COVER

To be covered for these risks, shipowners must purchase separate War Risks Insurance.

War Risks cover may include:

- War, strikes, terrorism
- Piracy and armed robbery
- Related delays, diversion and extra expenses
- Kidnap and ransom (K&R)

! Coverage is subject to specific terms, limits, waters, and warranties.

4. TYPICAL WAR RISK EXCLUSION WORDING

"This insurance excludes loss, damage, liability, costs or expenses of whatsoever nature directly or indirectly caused by, resulting from, or in connection with war, civil war, revolution, rebellion, insurrection, civil strife, hostile acts by or against a belligerent power, piracy, terrorism, capture, seizure, arrest, restraint, detainment, jettison, or any consequences of these events."

Result: Losses caused by war-like events in the Strait of Hormuz will be rejected if only standard marine insurance is held.

5. EXAMPLES OF CLAIMS LIKELY NOT COVERED

SCENARIO	COVERED UNDER STANDARD POLICY?
Tanker hit by missile in the Strait of Hormuz	✗ Not covered (War risk)
Vessel hijacked by armed groups while transiting	✗ Not covered (Piracy / War risk)
Vessel seized or detained by a state authority	✗ Not covered (Seizure / Detention)
Delay due to missile threats causing deviation	✗ Not covered (Consequential delay from war risk)
Strikes, riots or civil unrest in the region affecting the voyage	✗ Not covered (War / Civil strife)

6. KEY TAKEAWAYS

- ✓ The Strait of Hormuz remains a high war risk area.
- ✓ Standard marine policies exclude war, terrorism, piracy, and related perils.
- ✓ Separate **War Risks Insurance** is essential for vessels and cargo transiting this region.
- ✓ War risk premiums vary based on threat level, vessel type, route and duration.
- ✓ Always check policy terms, limits, warranties and navigation area definitions.

IMPORTANT

During periods of heightened tension (e.g., military confrontations, threats of closure, attacks), insurers may:

- Refuse to cover the area
- Increase war risk premiums
- Impose strict warranties and navigation conditions
- Reduce limits or impose deductibles

BOTTOM LINE:

Without War Risks Insurance, losses arising in or around the Strait of Hormuz due to hostilities will likely not be indemnified.

BE PREPARED. GET WAR RISKS COVER.

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MEMBERS' SATISFACTION. KNOWLEDGE. TRUST. EFFICIENCY.

CONCLUSION

The Strait of Hormuz is a critical global energy artery.
Disruptions create both opportunities and significant risks for Nigeria's economy and insurance industry.

THE OPPORTUNITY FOR NIGERIA

HIGHER REVENUE POTENTIAL
Disruptions often lead to higher crude oil and LNG prices, boosting export revenue and government earnings.

INCREASED GLOBAL DEMAND
Tight supply in global markets can increase demand for Nigerian oil and LNG cargoes.

THE RISKS AND CHALLENGES

HIGHER MARINE INSURANCE COSTS
War risk premiums, hull & machinery, cargo and freight rates rise sharply.

INCREASED REINSURANCE EXPENSES
Global market hardening leads to higher treaty prices, lower capacity and stricter terms.

CLAIMS INFLATION
Delays, higher replacement costs and longer downtime drive up claim severity and reserves.

SUPPLY CHAIN DISRUPTIONS
Delays in equipment and spare parts increase operational risks and costs.

GREATER MARKET VOLATILITY
Increased uncertainty impacts underwriting results, capital adequacy and profitability.

STRATEGIC IMPLICATIONS FOR NIGERIAN INSURERS

- Monitor geopolitical developments continuously.
- Review catastrophe accumulation models and exposure concentrations.
- Strengthen reinsurance programmes and diversify reinsurance partners.
- Incorporate geopolitical scenarios into ERM frameworks.
- Reassess marine and energy pricing assumptions regularly.
- Enhance stress testing under NAICOM's Risk-Based Capital framework.

For Nigeria, disruptions in the Strait can create **substantial revenue opportunities** through higher crude oil prices and increased demand for Nigerian oil and LNG. However, these benefits are accompanied by **higher marine insurance costs, increased reinsurance expenses, claims inflation, supply chain disruptions,** and **greater volatility** within the insurance market.

Accordingly, the Strait of Hormuz should be regarded not merely as a Middle Eastern geopolitical issue, but as a strategic risk factor with direct implications for Nigeria's oil and gas sector, foreign exchange earnings, and the long-term sustainability of the Nigerian insurance industry.

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Thank you

FUTURE-PROOFING YOUR HEALTH

Dr. Timileyin Ogunkoya

DR. OLUWATIMILEHIN

OGUNKOYA

Oluwatimilehin Ogunkoya is a medical doctor and healthcare executive with over a decade of experience spanning clinical practice, health insurance & employee benefits, wellness management and preventive health. He has led corporate wellness initiatives for some of Nigeria's leading organizations, designing and implementing workplace health programs focused on preventive care, mental wellbeing, lifestyle modification and employee engagement.

His expertise lies in translating complex health concepts into practical, actionable strategies that empower individuals and organizations to achieve better health outcomes. He is passionate about preventive healthcare and building sustainable systems that improve access to quality healthcare. He is a sought-after speaker who has facilitated numerous health talks, wellness webinars, leadership discussions and stakeholder engagements across the healthcare and corporate sectors.

Future-Proofing Your Health

Building Sustainable Habits Today for a Healthier Tomorrow

Introduction

The *World Health Organization (WHO)* defines health as a state of complete physical, mental and social wellbeing, not **merely the absence of a disease**.

We often think of health as something we "maintain" rather than something we "design." Yet, the truth is your future health is being shaped by what you do **right now**.

Introduction

In an era defined by **long work hours**, digital fatigue, and **sedentary lifestyles**, future-proofing your health means taking deliberate, consistent actions that protect your body and mind

It's not about quick fixes or 30-day challenges; it's about designing habits that last, especially in the modern workspace where stress and performance pressures coexist.

Quick Facts

According to the World Health Organization, non-communicable diseases account for **over 70%** of global deaths, many of which are linked to modifiable lifestyle factors such as *poor nutrition, inactivity, inadequate sleep, and chronic stress.*

1. Eat Healthy

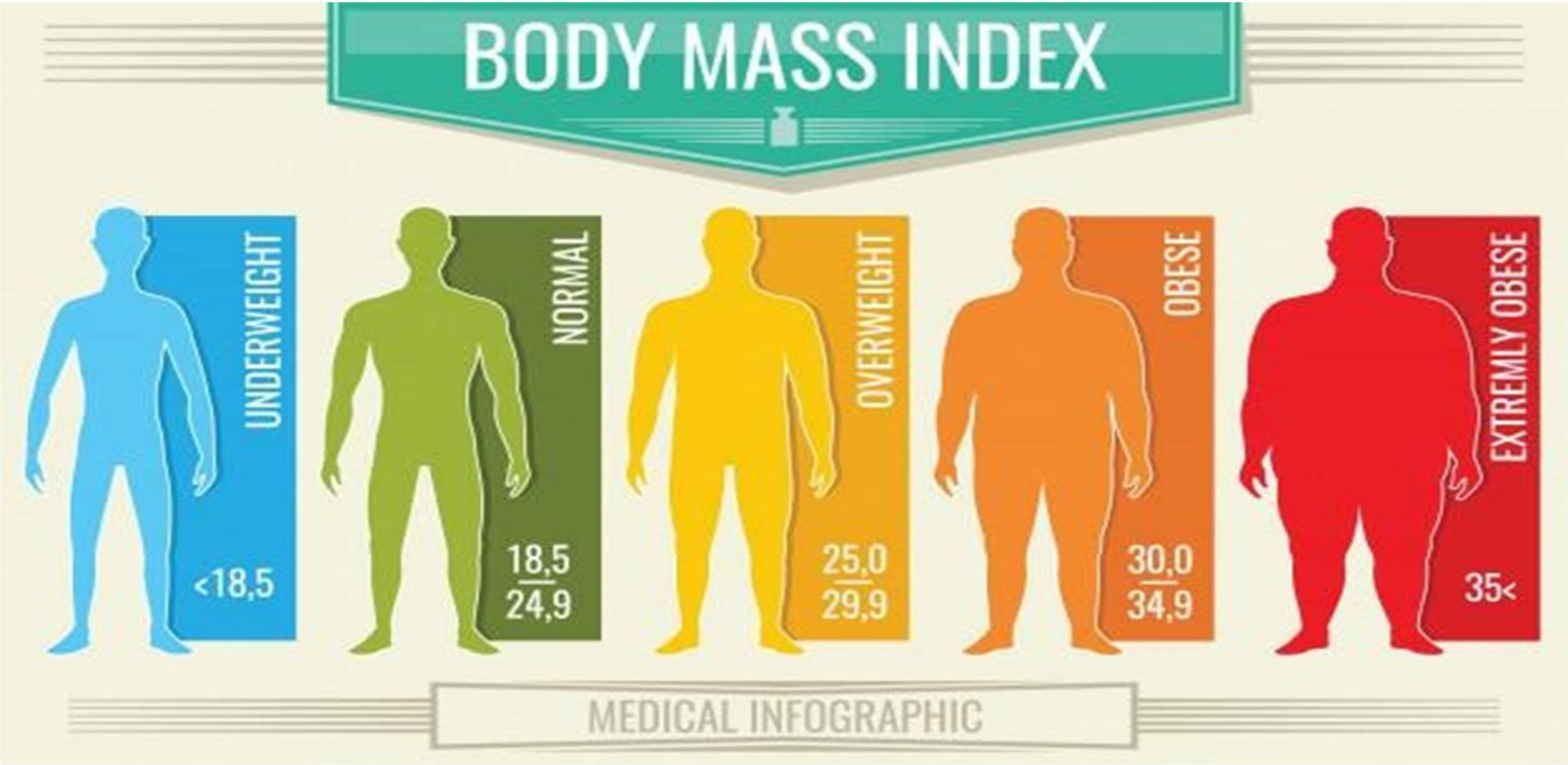
Eating healthy foods is one of the most important ways to keep your heart and body working at its best.

Healthy eating can improve quality of life by lowering blood pressure, blood sugar, blood cholesterol and the risk of coming down with a stroke or heart attack.

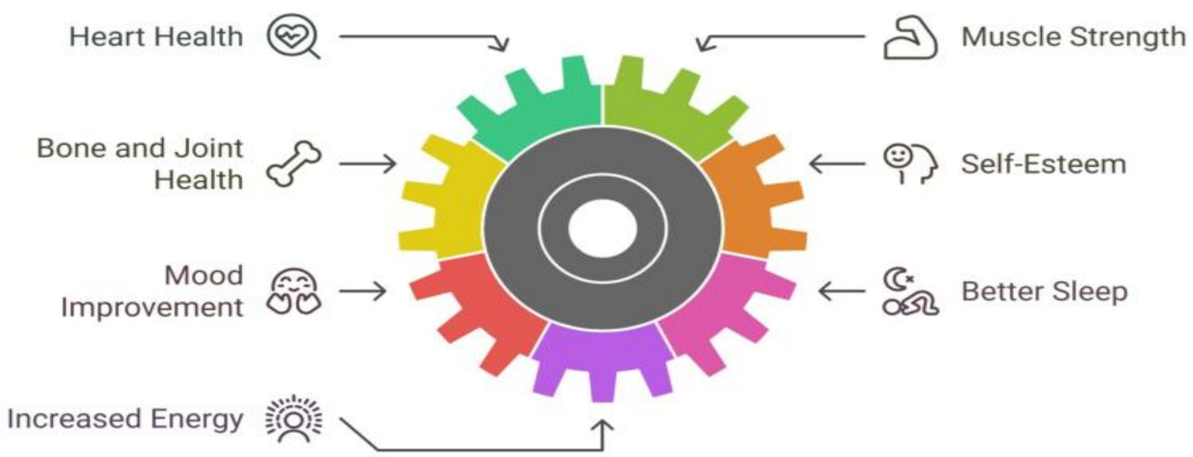
2. Maintain a healthy weight

A person is considered **overweight or obese** when they have more body fat than is considered healthy.

Being overweight or obese can be dangerous for your health and it can increase your risk of serious health problems like diabetes, heart disease, high blood pressure, asthma or other breathing problems and even some types of cancer.


BODY MASS INDEX
UNDERWEIGHT
<18,5
NORMAL
18,5
24,9
OVERWEIGHT
25,0
29,9
OBESE
30,0
34,9
EXTREMLY OBESE
35<
MEDICAL INFOGRAPHIC

3. Be physically active every day



Regular physical activity helps keep your heart, muscles, bones, and joints healthy and strong.

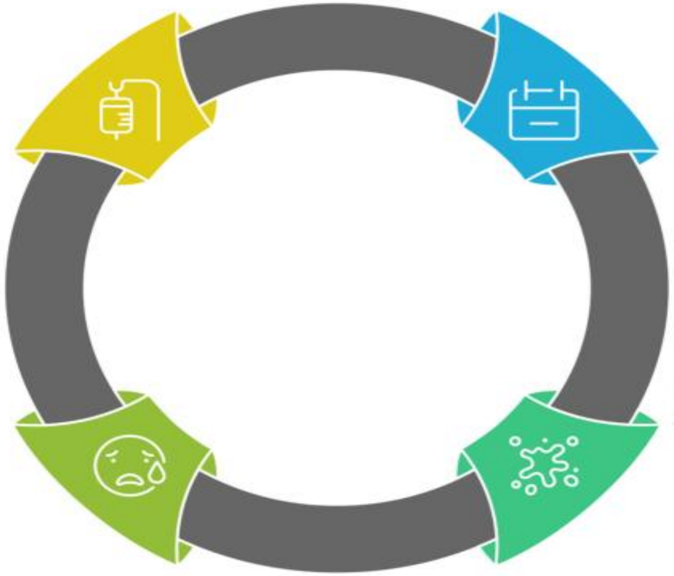
The recommendation for sustaining a productive outcome is to have **30 minutes every day** of rhythmic and consistent physical activity.

4. Pay Attention to Ergonomics

We must also pay close attention to **our posture** and in so doing ensuring we practice proper ergonomics and limit the possibilities of musculoskeletal disorders.

Poor ergonomics is the leading cause of chronic back aches, and other musculoskeletal disorders that may arise as we work.

5. Get Better at Sleeping



The conversations surrounding sleeping better cannot stay limited to getting adequate sleep but must extend to the **regularity of sleep**.

We must equally begin to see sleep not as a luxury but as a critical necessary step to optimize our health and wellbeing.

In Conclusion

Every choice today, what you eat, how you move, when you rest, is a vote for the version of yourself you'll meet in decades.

Future-proofing your health isn't about predicting the future, **it's about preparing for it**. Because tomorrow's wellbeing begins with today's discipline. And the healthiest version of you is not a distant goal, **it's a daily decision**.

Thank You. Do we have questions?

Thank you