

## CHAPTER 17

### INSURANCE

The Insurance companies in Nigeria are classified into Life and General, and the industry is regulated by the National Insurance Commission. Insurance policy guidelines are issued annually as part of the regulatory and supervisory tools of the Commission.

The Nigerian insurance sector comprises

- Reinsurance Companies
- Insurance Companies
- Insurance Brokers
- Loss Adjusters
- Agents

The life and general insurance business is categorized as follows:

#### **LIFE INSURANCE BUSINESS**

- Individual life insurance business
- Group life insurance business
- Health insurance business

#### **GENERAL INSURANCE BUSINESS**

- Fire insurance
- General accident insurance
- Motor vehicle insurance
- Marine and aviation insurance
- Oil and gas insurance
- Engineering insurance
- Bonds, credit guarantee and suretyship insurance
- Miscellaneous insurance

**TABLE 430: GROSS CLAIMS PAID GENERAL BUSINESS, 2002 - 2006**

Year	Class Of Business						₦'Million
	Accident	Marine	Fire	W/Comp.	Misc.	Motor	Total
2002	1,092.85	900.88	1,857.87	110.8	1,058.66	2,818.65	7,839.71
2003	2,266.79	1,240.57	1,681.74	126.76	1,059.17	3,040.17	9,415.21
2004	2,852.92	1,361.42	2,724.43	189.46	1,479.57	3,476.24	12,084.04
2005	3,138.16	1,265.29	2,766.71	153.56	1,344.36	3,733.39	12,401.47
2006	15,239.75	10,493.41	6,662.98	912.73	22,232.26	20,734.98	76,276.11

Source: National Insurance Commission

Note: W/COMP = Workers Compensation

**TABLE 431: NET CLAIMS PAID (GENERAL BUSINESS) , 2002 - 2006**

Year	Class Of Business						₦' million
	Accident	Marine	Fire	W/Comp.	Misc.	Motor	Total
2002	738.78	284.92	835.98	51.07	839.91	2,064.07	4,814.73
2003	1,876.83	618.95	691.46	45.23	870.5	2,412.68	6,515.64
2004	2,419.00	752.52	1,080.20	102.95	1,157.91	2,895.58	8,173.35
2005	2,415.53	658.66	954.06	68.98	989.71	3,071.96	8,158.90
2006	3,610.40	1118.03	751.02	138.29	1,167.70	3,903.48	10,688.92

Source: National Insurance Commission

Note: W/COMP = Workers Compensation

**TABLE 432: COMMISSION PAID & PAYABLE ON GENERAL BUSINESS, 2002 - 2006**

Year	Class Of Business						₦'Million
	Accident	Marine	Fire	W/Comp.	Misc.	Motor	Total
2002	738.78	284.92	835.98	51.07	839.91	2,064.07	4,814.73
2003	1,876.83	618.95	691.46	45.23	870.5	2,412.68	6,515.64
2004	2,419.00	752.52	1,080.20	102.95	1,157.91	2,895.58	8,408.16
2005	2,415.53	658.66	954.06	68.98	989.71	3,071.96	8,158.90
2006	3,610.40	1118.03	751.02	138.29	1,167.70	3,903.48	10,688.92

Source: National Insurance Commission

Note: W/COMP = Workers Compensation

**TABLE 433: GROSS PREMIUM INCOME (GENERAL BUSINESS), 2002 - 2006**

₱Million

Year	Class Of Business						
	Fire	Accident	Motor	W/Comp.	Marine	Misc.	Total
2002	4,918.67	4,269.54	4,908.30	402.32	11,551.57	11,715.49	37,765.89
2003	5,812.68	7,219.71	5,940.65	512.57	11,084.58	12,871.62	43,441.81
2004	8,370.93	7,959.76	6,965.13	682.86	10,639.71	15,482.44	50,100.83
2005	11,050.14	10,951.51	12,252.55	758.47	16,098.39	16,322.63	67,433.69
2006	15,239.75	10,493.41	11,970.62	912.73	22,232.26	20,734.98	81,583.75

Source: National Insurance Commission

Note: W/COMP = Workers Compensation

**TABLE 434: NET PREMIUM INCOME (GENERAL BUSINESS) , 2002 - 2006**

₱Million

Year	Class Of Business						
	Fire	Accident	Motor	W/Comp.	Marine	Misc.	Total
2002	3,873.09	2,540.53	2,799.37	209.99	2,817.78	9,686.86	21,927.62
2003	4,637.79	5,954.43	3,474.62	384.31	10,861.63	11,494.89	36,807.67
2004	6,997.33	5,892.00	4,076.19	533.36	9,989.51	13,942.76	41,431.15
2005	9,502.60	8,127.31	8,860.27	602.73	8,041.51	15,214.21	50,348.63
2006	12,339.51	8,111.56	7,795.07	659.23	7,477.37	19,241.57	55,624.31

Source: National Insurance Commission

Note: W/COMP = Workers Compensation

**TABLE 435: REINSURANCES CEDED (GENERAL BUSINESS) , 2002 - 2006**

₱Million

Year	Class Of Business						
	Fire	Accident	Motor	W/Com`P.	Marine	Misc.	Total
2002	152.66	80.02	177.9	3.94	85.65	230.28	730.45
2003	102.95	205.14	399.52	-	-	121.93	829.54
2004	42.74	382.21	701.15	-	73.72	251.86	1,451.68
2005	21.48	934.24	643.11	-	6084.17	365.34	8,048.34
2006	116.76	893.06	748.12	-	14754.89	146.43	16,659.26

Source: National Insurance Commission

Note: W/COMP = Workers Compensation

**TABLE 436: REINSURANCES ACCEPTED (GENERAL BUSINESS) , 2002 - 2006**

Year	Class Of Business						₹ Million
	Fire	Accident	Motor	W/Comp.	Marine	Misc.	Total
	2002	1,729.06	2,108.94	192.32	8,733.79	2,028.64	14,792.75
2003	1,060.14	2,066.52	128.26	2,229.44	1,376.61	6,860.97	10,540.59
2004	1,627.08	2,186.66	149.31	3,007.69	1,475.50	8,446.24	15,838.33
2005	1,921.83	2,749.18	155.74	4,973.06	1,108.06	10,907.87	8,025.57
2006	2,381.85	3,515.08	7.33	44.31	553.88	6,502.45	9,753.56

Source: National Insurance Commission  
 Note: W/COMP = Workers Compensation

**TABLE 437: TOTAL INSURANCE BUSINESS INVESTMENTS, 2002 - 2006**

Type Of Investment	₹ million				
	2002	2003	2004	2005	2006
Govt. Securities	3,752.08	4,489.21	4,169.09	4,178.06	4,858.10
Stocks & Bonds	8,350.85	11,490.31	20,071.86	61,800.82	121,813.13
Real Estate & Mortgage	960.31	14,272.79	21,832.18	33,788.15	45,186.77
Policy & Other Loans	7,901.01	3,766.97	6,769.11	5,590.70	7,884.73
Cash Deposits & Hand	4,095.40	6,722.32	5,461.44	10,185.35	30,314.17
Bills Of Exchange	11,881.22	13,901.24	16,287.07	6,301.14	6,303.01
Total Investments	36,940.87	54,642.84	74,590.75	121,844.22	216,359.91

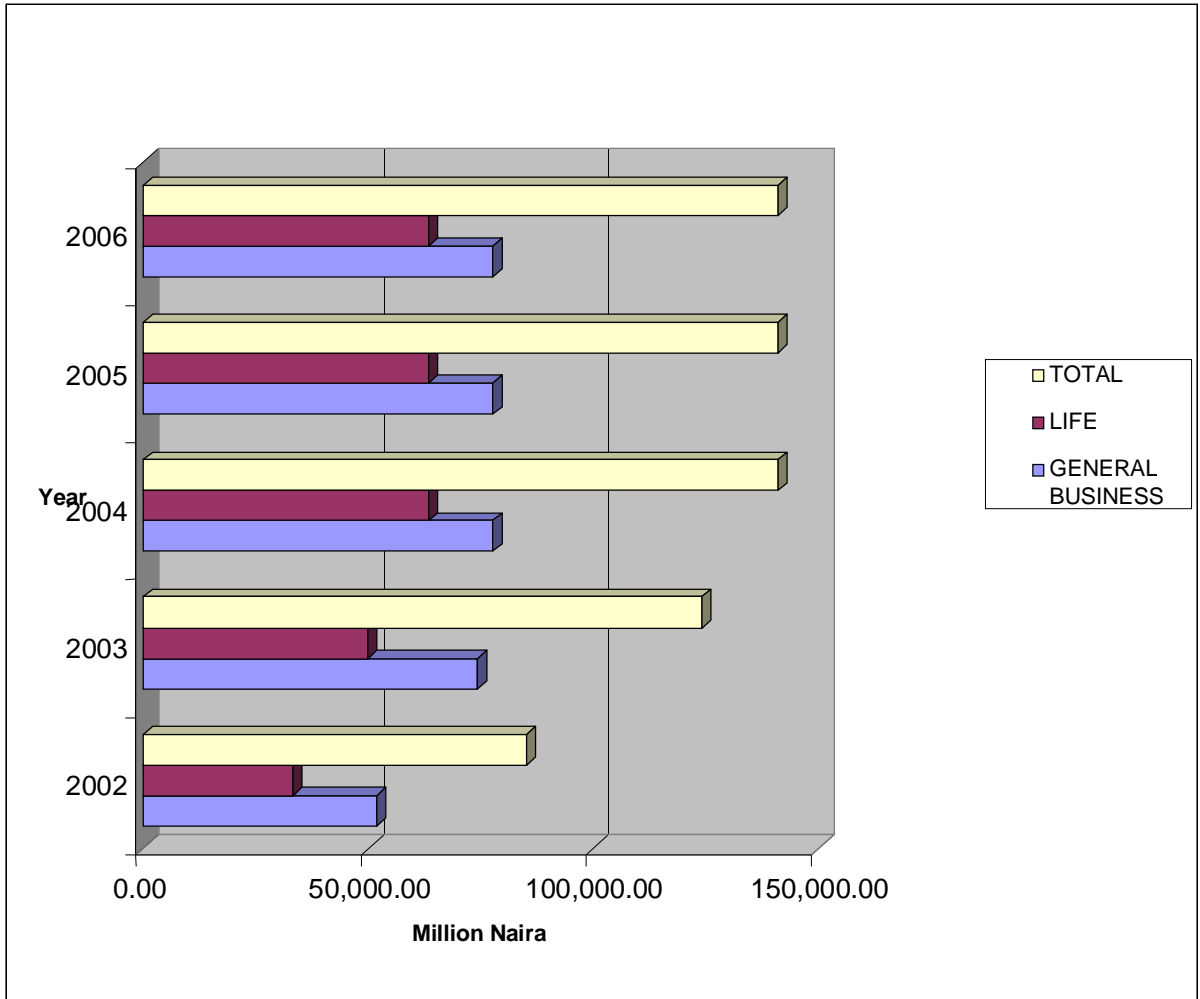
Source: National Insurance Commission

**TABLE 438: TOTAL ASSETS OF INSURANCE COMPANIES, 2002 - 2006**

	₹ million				
	2002	2003	2004	2005	2006
General Business	51,933.72	74,386.41	77,730.14	77,730.14	77,730.14
Life	33,322.01	49,880.96	63,491.89	63,491.89	63,491.89
Total	85,255.73	124,267.36	141,222.03	141,222.03	141,222.03

Source: National Insurance Commission

CHART 34: TOTAL ASSETS OF INSURANCE COMPANIES, 2002 - 2006



**TABLE 439.1: BALANCE SHEET FOR GENERAL BUSINESS - ASSETS, 2002 - 2006**

	₦ Million				
	2002	2003	2004	2005	2006
<b>Fixed Assets</b>					
Real Estate	6,438,929,856.00	6,621,534,375.00	9,536,134,334.00	19,169,866,704.00	25,731,020,373.00
Equipment	2,037,951,167.00	1,697,611,621.00	1,975,019,899.00	3,155,722,338.00	2,580,066,249.00
Other Assets	2,862,916,524.00	3,716,469,785.00	6,687,001,451.00	8,354,467,747.00	8,966,496,546.00
Good Will	60,116,807.00	16,006,533.00	16,006,533.00	124,684,728.00	56,395,000.00
Prelim Expenses	21,146,941.00	28,477,539.00	137,882,283.00	34,747,766.00	132,800,709.00
Others	23,611,344.00	787,266,775.00	132,171,910.00	129,462,201.00	1,544,135,457.00
<b>Sub -Total</b>	<b>11,444,672,639.00</b>	<b>12,867,366,628.00</b>	<b>18,484,216,410.00</b>	<b>30,968,951,484.00</b>	<b>39,010,914,334.00</b>
<b>Other Assets</b>					
Loan To Directors	86,643,591.00	19,753,392.00	2,425,770,386.00	92,982,219.00	14,973,684.00
Mortgage Loan On Real Estate	341,564,199.00	490,182,494.00	762,767,240.00	893,389,565.00	562,557,718.00
Loan To Policy Holders	44,093,000.00	30,011,413.00	93,934,323.00	5,002,200.00	1,132,229,663.00
Others	305,602,935.00	452,374,627.00	473,346,217.00	996,800,288.00	1,180,329,663.00
<b>Sub -Total</b>	<b>777,903,725.00</b>	<b>992,321,926.00</b>	<b>3,755,818,166.00</b>	<b>1,988,174,272.00</b>	<b>2,890,090,728.00</b>
<b>Deposit Retained By Ceding Companies</b>					
Statutory Deposits	1,195,888,906.00	1,604,287,406.00	1,923,989,266.00	2,121,089,406.00	2,591,719,266.00
Government Bonds	1,660,571,517.00	2,789,899,231.00	1,793,435,569.00	1,039,612,844.00	2,387,964,765.00
Listed Ordinary Shares	2,198,757,481.00	3,061,129,706.00	8,874,353,794.00	12,969,330,687.00	19,883,394,629.00
Unlisted Ordinary Shares	1,820,764,564.00	2,412,787,818.00	2,941,120,286.00	4,925,534,822.00	7,737,211,585.00
Listed Debentures	24,298,469.00	169,324,883.00	40,893,002.00	55,545,425.00	32,701,210.00
Unlisted Debentures	29,135,794.00	26,253,823.00	112,214,264.00	420,847,617.00	877,417,364.00
Short -Term Investments	5,733,541,414.00	9,911,179,928.00	14,104,310,866.00	19,748,469,002.00	50,885,845,121.00
<b>Sub -Total</b>	<b>12,662,958,145.00</b>	<b>19,974,862,795.00</b>	<b>29,790,317,047.00</b>	<b>41,280,429,803.00</b>	<b>84,396,253,940.00</b>

Source: National Insurance Commission

**TABLE 439.2: BALANCE SHEET FOR GENERAL BUSINESS – ASSETS, 2002 - 2006**

	=₦= Million				
	2002	2003	2004	2005	2006
<b>Other Investments</b>					
Shares In Related Companies	252,505,753	577,872,348	481,829,439	1,762,931,042	6,007,680,020
Loans To Related Companies	73,353,727	50,816,069	163,721,233	61,330,847	720,263,644
Others	1,320,868,841	1,698,935,073	2,160,815,463	2,050,295,380	5,226,365,954
<b>Sub -Total</b>	<b>1,646,728,321</b>	<b>2,327,623,490</b>	<b>2,806,366,135</b>	<b>3,874,557,269</b>	<b>11,954,309,618</b>
<b>Current Assets</b>					
Outstanding Premium Due From					
Related Companies	1,680,984,746	2,416,583,508	74,415,148	475,955,397	14,387,519,765
Directors	61,532,666	63,032,666	116,966,000	401,594,061	108,646,405
Company Staff	285,063,704	315,366,219	397,374,157	773,569,564	1,602,396,488
Agent & Broker	6,287,051,917	8,957,927,081	10,657,109,615	13,129,038,128	18,197,417,906
Individuals	134,059,161	265,854,004	457,431,741	383,206,551	1,206,238,649
Others	456,505,804	910,311,753	1,532,460,824	725,321,892	1,277,878,140
<b>Sub -Total</b>	<b>8,905,197,998</b>	<b>12,929,075,231</b>	<b>13,235,757,485</b>	<b>15,888,685,593</b>	<b>36,780,097,353</b>
Amount Due From Insurers	9,572,499,862	10,363,229,199	480,660,657	8,446,813,456	6,033,924,086
Amount Due To Insurers Interest, Dividends & Rents Receivables	4,761,027,961	4,684,807,653	1,387,166,988	14,342,975,298	3,655,924,113
	316,419,681	502,874,141	395,084,566	280,752,695	778,139,548
Sundry Debtors	2,572,591,052	3,141,473,469	3,286,140,780	4,775,717,714	9,778,601,538
<b>Sub -Total</b>	<b>17,222,538,556</b>	<b>18,692,384,462</b>	<b>5,549,052,991</b>	<b>27,846,259,163</b>	<b>20,246,589,285</b>
Cash In Hand	62,331,517	95,591,769	93,610,730	682,023,770	894,423,989
Bank Balances	3,152,263,034	5,409,605,904	4,015,000,815	7,873,447,425	22,913,992,442
Other Balances	2,872,236,892	1,097,574,256	-	0	0
<b>Sub -Total</b>	<b>6,086,831,443</b>	<b>6,602,771,929</b>	<b>4,108,611,545</b>	<b>8,555,471,195</b>	<b>23,808,416,431</b>
<b>Assets (Total)</b>	<b>58,746,830,827</b>	<b>74,386,406,461</b>	<b>77,730,139,779</b>	<b>130,402,528,779</b>	<b>219,086,671,689</b>

Source: National Insurance Commission

**TABLE 440: BALANCE SHEET FOR GENERAL BUSINESS - LIABILITIES, 2002 - 2006**

	₦'Million				
	2002	2003	2004	2005	2006
Issued And Paid Up	12,345,642,182	15,738,546,896	22,668,158,818	31,513,414,461	59,757,332,321
Share Premium Acct	677,245,042	1,857,943,610	1,496,056,488	1,795,312,660	15,911,811,363
<b>Reserves</b>					
Contingency Reserves	4,812,029,969	5,378,593,319	5,337,668,208	10,299,921,377	14,061,225,371
Capital Reserves	2,397,057,656	3,694,943,205	5,339,978,816	12,592,832,190	8,504,331,346
Other Reserves	3,277,593,805	4,086,664,324	9,023,770,008	16,177,363,803	37,987,101,578
<b>Sub -Total</b>	<b>23,509,568,654</b>	<b>30,756,691,354</b>	<b>43,865,627,338</b>	<b>72,358,844,491</b>	<b>136,221,801,979</b>
Current Liabilities					
Amount Due To Insurers	2,431,352,073	3,457,581,292	535,269,091	2,236,008,194	1,379,593,682
Amount Due To Reinsures	2,091,991,874	3,522,412,253	1,671,866,534	6,616,661,235	7,863,524,139
Amount Due To Agents & Brokers	995,020,457	1,347,990,325	208,618,873	196,922,190	1,142,994,255
Amount Due To Policy Holders	93,419,996	295,545,787	94,430,686	218,651,318	227,737,360
Amount Due To Related Companies	212,023,646	849,966,853	804,218,008	7,287,353,754	2,356,570,405
Other Creditors	4,968,328,645	7,702,334,968	4,125,619,793	5,925,897,575	9,110,356,993
Insurance Fund Outstanding Claims Reserves	10,308,705,908	10,235,939,350	10,365,453,708	12,217,507,945	16,127,157,974
	3,745,902,557	4,928,038,799	4,019,143,177	6,885,558,070	8,428,034,019
<b>Sub -Total</b>	<b>24,846,745,156</b>	<b>32,339,809,627</b>	<b>21,824,619,870</b>	<b>41,584,560,281</b>	<b>46,635,968,827</b>
Short -Term Borrowing					
Secured	553,110,239	364,931,788	655,008,913	1,434,014,671	668,351,016
Unsecured	130,662,486	169,670,184	50,794,895	431,256,925	4,779,942,126
Long -Term Borrowing					
Secured	115,889,624	11,047,626	3,335,678	786,202,140	5,893,703
Unsecured	7,165,159	4,516,308	30,999,701	1,005,983,000	996,625,240
Taxation	1,173,464,153	1,478,727,887	4,341,632,194	2,869,661,191	4,544,686,868
Other Liabilities	7,333,225,560	8,897,688,271	5,997,574,466	12,454,725,425	19,895,620,480
<b>Sub -Total</b>	<b>9,313,517,221</b>	<b>10,926,582,064</b>	<b>11,079,345,847</b>	<b>18,981,843,352</b>	<b>30,891,119,433</b>
Bal Of Profit & Loss Approp Acct.	1,076,999,796	363,323,416	960,546,724	2,560,438,632	5,337,781,450
<b>Total Liabilities</b>	<b>58,746,830,827</b>	<b>74,386,406,461</b>	<b>77,730,139,779</b>	<b>130,364,809,492</b>	<b>219,086,671,689</b>

Source: National Insurance Commission

**TABLE 441.1: BALANCE SHEET FOR LIFE BUSINESS - ASSETS, 2002 - 2006**

	=N=Million				
	2002	2003	2004	2005	2006
<b>Fixed Asset:</b>					
Real Estate	5,576,837,796	6,627,785,086	9,993,421,483	14,618,285,893	18,395,707,439
Equipment	451,570,548	468,737,227	434,457,653	288,754,628	498,645,830
Other Assets	1,206,169,753	765,316,742	2,318,839,634	3,077,067,569	3,079,975,152
Good Will	-	-	-	131,930,064	-
Prelim Expenses	34,009,537	179,667,132	38,111,106	242,881,145	61,206,723
Others	748,178	764,798,606	157,700,127	14,353,669	-
<b>Sub Total</b>	<b>7,269,335,812</b>	<b>8,806,304,793</b>	<b>12,942,530,003</b>	<b>18,373,272,968</b>	<b>22,035,535,144</b>
<b>Other Assets:</b>					
Loan To Directors	52,582,719	68,153,473	12,471,420	1,803,204,762	-
Mortgage Loan On Real Estate	374,706,043	533,290,360	1,539,857,356	718,888,356	497,479,628
Loan To Policy Holders	253,117,388	59,719,378	412,468,704	190,343,831	833,324,095
Others	167,748,164	810,550,532	139,866,866	890,085,511	618,317,610
<b>Sub Total</b>	<b>848,154,314</b>	<b>1,471,713,743</b>	<b>2,104,664,346</b>	<b>3,602,522,460</b>	<b>1,949,121,333</b>
<b>Deposit Retained:</b>					
By Ceding Companies					
Statutory Deposits	246,050,000	415,300,000	639,874,000	661,750,000	1,045,290,000
Government Bonds	546,208,006	1,699,306,662	2,375,657,566	1,395,222,736	1,424,845,250
Listed Ordinary Shares	2,540,683,643	3,285,473,458	5,496,798,323	8,179,583,283	11,716,263,550
Unlisted Ordinary Shares	1,277,160,778	2,730,922,181	2,759,590,054	3,285,963,922	7,369,373,298
Listed Debentures	45,608,436	37,213,191	77,826,954	47,985,679	13,882,698
Unlisted Debentures	462,299,895	419,448,123	847,913,144	1,155,267,873	1,019,868,826
Short Term Investments	6,048,513,551	9,916,665,188	9,938,075,037	11,012,289,494	12,430,993,674
<b>Sub Total</b>	<b>11,166,524,309</b>	<b>18,504,328,803</b>	<b>22,135,735,078</b>	<b>25,076,312,987</b>	<b>35,020,517,296</b>

Source: National Insurance Commission

**TABLE 441.2: BALANCE SHEET FOR LIFE BUSINESS - ASSETS, 2002 - 2006**

	=N=Million				
	2002	2003	2004	2005	2006
<b>Other Investments</b>					
Shares In Related Companies	2,448,580,959	2,957,684,282	3,302,854,986	5,293,098,000	5,369,981,349
Loans To Related Companies	1,065,380,823	322,434,997	2,294,166,950	1,691,873,845	1,664,844,915
Others	2,886,158,955	3,687,293,200	4,560,751,318	4,250,847,027	2,900,773,907
<b>Sub -Total</b>	<b>6,400,120,737</b>	<b>6,967,412,479</b>	<b>10,157,773,254</b>	<b>11,235,818,872</b>	<b>9,935,600,171</b>
<b>Current Assets</b>					
Outstanding Premium Due From Related Companies	185,000	777,865,071	157,748,324	479,548,449	470,696,466
Directors	13,305,046	-	34,733,071	178,964,161	75,054,326
Company Staff	1,545,617	-	236,818,280	23,517,536	181,542,111
Agent & Brokers	471,583,503	534,072,920	823,525,352	1,444,683,236	2,170,636,710
Individuals	-38,674,438	-	-	3,792,208	33,813
Others	1,858,140,102	2,626,450,433	3,543,205,113	424,041,636	1,076,641,641
<b>Sub -Total</b>			<b>4,796,030,140</b>	<b>2,554,547,226</b>	<b>3,974,605,040</b>
Amount Due From Insurers	-1,682,129	-	443,365,441	2,554,547,226	1,278,316,821
Amount Due To Insurers	357,821,196	798,179,037	18,287,100	657,002,133	517,058,643
Interest , Dividends, & Rents Receivables	188,322,778	286,162,445	259,484,755	24,145,239	289,408,048
Sundry Debtors	3,557,715,415	5,930,664,408	6,525,308,477	263,608,569	6,950,019,199
<b>Sub -Total</b>	<b>4,102,177,260</b>	<b>7,015,005,890</b>	<b>7,246,445,773</b>	<b>8,568,601,491</b>	<b>9,034,802,711</b>
Cash In Hand	5,196,851	14,585,577	95,080,203	9,513,357,432	62,741,253
Bank Balances	1,026,689,661	1,202,531,825	1,257,747,182	544,273,157	6,443,012,157
Other Balances	644,929,459	2,738,548,564	2,755,882,662	1,085,603,483	0
<b>Sub-Total</b>	<b>1,676,815,971</b>	<b>3,955,665,966</b>	<b>4,108,710,047</b>	<b>1,629,876,640</b>	<b>6,505,753,410</b>
<b>Assets (Total)</b>	<b>33,769,213,233</b>	<b>49,880,955,027</b>	<b>63,491,888,641</b>	<b>71,985,708,585</b>	<b>88,455,935,105</b>

Source: National Insurance Commission