



Ghana Re

the Guarantor

HOUSE JOURNAL OF GHANA REINSURANCE CO. LTD

2019



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Professional Indemnity Insurance to be compulsory?

.....
Annual International Seminar

.....
Project Management In The Insurance Industry

The Advent of Enterprise Risk Management (ERM) and its impact on the Financial Sector



Ghana Re

GHANA REINSURANCE COMPANY LIMITED

Mission

"To deliver customer satisfaction and corporate profitability through continuous improvement in service delivery by maintaining a highly professional and motivated workforce"

Core Values

To help determine the right path in fulfilling our business goals our unwavering and unchanging principle is:

(Offering) Timely, Resourceful, and Unique Service (through) Teamwork



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Risk Accumulation

Losses from one particular event or peril could aggregate into huge claims. In accepting businesses, the (re)insurer must ensure that, irrespective of the class of business, risk accumulation is given due consideration.



umulation is the potential loss exposure of one event spreading to multiple lines of business in an insurer's portfolio.

Absorbing individual losses may be easy; however, in the event of a natural disaster or large losses, the effect could be devastating on the (re)insurer as well as the industry. Premiums that may have been accumulated for these risks may be inadequate to settle the claims that could arise. Thus, (re)insurers by accepting portions of particular risk from different cedants without effective risk management would likely result in accumulation.

Managing risk accumulation requires careful planning. Some risks can easily be assessed with limited information while, other complex businesses require in-depth data analysis and risk modelling to determine the appropriate mitigation or management. Risk Management should therefore be an integral part of the (re)insurer's operations to help mitigate the impact.

Recent developments such as natural disasters, catastrophes, technological advancement and stakeholders' concern for large liability has called for the need for (re)insurance to better understand accumulation and its management thereof.

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Ghana Re

9th CEDANTS' Awards *Night*

The Advent of Enterprise Risk Management (ERM) and its impact on the Financial Sector



Mr. George Yaw Mensah Managing Director, Ghana Re

Mr. Chairman, Commissioner of Insurance, Directors of Ghana Reinsurance Company, Managing Directors/CEOs of Insurance companies, Distinguished Guests, Ladies and Gentlemen. All too soon, it is time again for a major event on Ghana Re's calendar, the Ghana Re Cedants' Awards. On behalf of the Board of Directors and the entire Ghana Re staff, I once again, warmly welcome you to this year's event. As a reinsurer on the market, this awards ceremony affords the Company the opportunity to express its appreciation to you our cherished clients for your continuous support, share an evening of warmth, friendship and more importantly generate discussions on issues to help

grow our noble industry.
Mr. Chairman

Commissioner of Insurance, Directors of Ghana



Reinsurance Company, Managing Directors/CEOs of Insurance companies, Distinguished Guests, Ladies and Gentlemen, the focus for this year's discussions is on Enterprise Risk Management (ERM). ERM, as a practice, has captured the attention of governance experts, regulators, boards of directors, rating agencies and management over the last decade or more. Many CEOs have embraced the concept of "enterprise risk management," and have invested resources in its implementation to help identify their companies' significant risks and how best to mitigate or reduce losses. Despite the huge investment, many leaders wonder if the system is effectively positioned to be consistent with emerging best practices and secondly whether policies implemented are strategically directed towards impacting their company's profit and growth. It is in the light of these, the aftermath of the global financial crises and the essential role risk plays in the insurance industry that our theme for this night's event

The Advent of Enterprise Risk Management (ERM) and its impact on the financial sector

was selected. Our objective is to draw the industry's attention to the importance of Enterprise Risk Management to our businesses

and the need to have a robust system in place.

Interestingly, Enterprise Risk Management is not an entirely new concept as most companies through the centuries have managed risks. Modern businesses, however, face a more diverse collection of obstacles and potential dangers. A successful ERM process can help an organization manage many of these challenges and ensure the implementation of appropriate risk controls to limit risk to targeted levels. The widespread adoption of ERM has been embraced by both companies and external stakeholders as a means of averting business missteps and increasing confidence in attaining desired business outcomes. Indeed, there is a growing understanding that good risk management should be an integral part of the running of businesses. Credit rating agencies are now assessing enterprise risk management processes as part of their corporate credit ratings analysis. Regulatory bodies have instituted new regulatory requirements on boards regarding their risk oversight responsibilities. More importantly, while business leaders know organizations must regularly take risks to enhance stakeholder value, effective organizations recognize strategic advantages in managing risks. The challenge facing Boards and Management is how to effectively oversee the organization's enterprise-wide risk management in a way that balances managing risks while adding value to the organization.

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, with the advent of technology and its associated nouvelle business practices and realizing that ad hoc risk management is no longer tolerable, Ghana Re now uses Enterprise Risk Management framework as a path for determination of risks and their relative nature in its operations. This has resulted in a more proactive management of risks, informed decision making, improved risk management culture, institution of appropriate mitigations measures as well as ensuring an effective disaster recovery and business continuity management.

It is worth cautioning however, that having an Enterprise Risk Management framework or a Chief Risk Officer does not mean an organization would be entirely devoid of risk.

There is the risk of improper implementation of ERM which can prove highly detrimental. Success with ERM requires preparation, integration, cultural change and the right human resource in place, with the appropriate approach. To help companies achieve this competitive edge and as part of Ghana Re's support services to the industry, we have within the past one year organized three seminars on Enterprise Risk Management for cedants. The first was at the CEOs conference held in April 2017 to help Chief Executives assess the overall effectiveness of ERM processes implemented as well as identify new

ways to advance their organization's ERM efforts up the maturity curve. It was also to bring to the fore the importance of why CEOs should be seen as the driving force behind their company's risk culture. We are pleased to report that participants found the programme very useful and requested for similar training for their risk officers. In response, Ghana Re has since organized two seminars for risk officers in the General and Life companies to bring them up to speed on risk strategies, tools and techniques for the establishment of risk appetites, and mitigation measures. The aim, once again, was to update skill and knowledge levels of project managers and officers, who work with ERM, focus on assessing the risks relevant to their companies, prioritizing those risks, and making decisions on how to handle them.

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, in today's environment, the adoption of ERM may be the most effective and attractive way to meet ever increasing demands for effective board risk oversight. If positioned correctly within the organization to support the achievement of organizational objectives, including strategic objectives, effective ERM can be a value-added process that would improve long-term organizational performance. In a nutshell, a key point we would like highlighted this evening in our individual discussions is the need for institutions in the financial sector, especially insurance companies, to seek ways to improve risk management in their business operations. The methods to improve risk management, however, should depend on the size and sophistication of the organization.

Mr. Chairman, Commissioner of Insurance, Directors of Ghana Reinsurance Company, Managing Director/CEO's of Insurance companies, Distinguished Guests, Ladies and Gentlemen, very soon we will be presenting trophies and plaques to our award winners for the 2017 financial year. I would like to take the opportunity to remind all that one of the objectives for the setup of Ghana Re is for the Company to contribute towards the growth and development of local expertise in insurance and related fields. It is for this reason that Management has educational sponsorship/scholarship as prizes for the award winners to facilitate the enhancement of the knowledge and skill of underwriters in the industry. Additionally, it is also to help grow the insurance biased-institutions such as West African Insurance Institute (WAI) and Ghana Insurance College. To this end we would like to make a plea that all the awards should be used for the intended purpose to enhance the provision of professional services in the industry.

I take the opportunity, once again, to congratulate all the award winners for an excellent job done in the past year, "Ayekoo". I would also want to thank all CEOs present, and staff of various insurance companies, for honouring our invitation; without your presence this event would not have been a success. Finally, I would like to say a big thank you to the board and staff of Ghana Re for working tirelessly towards this event. Let us with one accord work towards ensuring that we propel our industry to greater heights. God bless us all and enjoy the rest of the evening.

Thank you very much



Ghana Re

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RATING: A.M. BEST - Financial Strength: B, Issuer Credit: bb

GHANA RE *Your Reinsurer of Choice*

The Insurance Industry in an Emerging Economy



Kwaku Appietu-Ankrah
(ACII, UK, ACIIG)
*Head of Domestic Operations,
Ghana Re.*

Global trends indicate that knowledge-based societies are developing faster than those who lack the opportunity to access relevant information on issues affecting their lives. Protection against the risks associated with everyday life is essential to everyone's wellbeing and peace of mind. Insurable risks surround you in all walks of life, in some ways that you may be aware of and others that you may not be, such as:

- Insuring your home and property against the risk of burglary;
- Being able to travel on the bus, safe in the knowledge that if the unexpected happens you will be looked after;
- Preparing for retirement by saving for a pension;
- Protecting employers and providing assurance for employees.

For the above reasons, Insurance is a useful intervention capable of

securing people against unforeseen risks. As a social device, it allows the individual to contractually transfer the potential financial consequences of a loss exposure to an insurer. An important benefit of insurance is the reduction of uncertainty and worry. It helps businesses to protect themselves from risk and provides a wide range of services to ordinary people from car and home insurance to pensions, among others. The insured, in buying insurance, transfers some of the losses he/she cannot avoid and which are too expensive to prevent and too large to be retained to an insurer.

The Insurance Industry contributes immensely to economic growth by converting savings made by individuals into portfolios of assets and smoothing investment returns, as well as allowing individuals to share in the prosperity of the economy. The funds raised by the industry are long-term in nature, especially that of the Life Insurance business, making it the most critical fund for economic development.

Insurance companies also assist economic growth by using the premium income they receive to provide long-term capital for investment, and by providing a large pool of investment funds, cuts the risk and cost of investing, allowing businesses to invest in a wider range of activities.

This indicates that with stable economic conditions in Ghana – low inflation, low interest rates and high income – the industry could fulfil its important role as the favourite savings vehicle in the economic development of a country by providing financial security for

businesses and individuals, since people would have more disposable income to start thinking positively about insurance. In view of this, the industry needs to be innovative in engineering products to attract the public's interest in areas such as Life and Health as well as to increase gross premium incomes.

There is enough evidence to suggest there is a high correlation between economic growth rates and the savings ratio of developing countries. There is therefore the need for government and the National Insurance Commission (NIC) to be more proactive in ensuring the financial viability of the industry while unleashing the Insurance Industry's tremendous potential through the liberalisation of the investment premium, so that the bulk of the funds are invested in longer-term productive instruments while maintaining the financial soundness of the insurance companies.

Insurance companies are the basic long-term financial institutions because they have access to a vast potential of long term funds, when properly managed could provide a formidable pool of long-term funds for industrial investment. Developed countries have seen significant improvements in their economies because the insurance industry which is a major source for mobilising funds, has made huge investments that have facilitated the development of such nations.

There is need for a change in perception and attitude of Ghanaians towards insurance. Although insurance is a useful tool for business risk management and social protection, the insurance culture of Ghanaians is still low.

The industry needs to create public awareness, not only through advertisement of products but also by providing education on the importance of insurance as well as trying to dispel people's mistrust of the industry.

For the public to have a culture of insurance and have confidence in the industry, it is important that the public know that insurance companies are not there to take advantage of them, but rather that they are established to fill an important gap in the socio-economic development of the nation.

Discrepancies in the payment of insurance claims arise due to the lack of understanding of insurance products by the insured. Bureaucracy is sometimes a problem in the industry because administrative approvals for instance, take longer than they should. This can be curbed through the collaborative effort of the companies and the insuring public to enhance transparency and efficiency. Often times, failure of majority of the insuring public to painstakingly read and understand the policies bought, contribute to the loss of confidence in the entire business of insurance when their expectations are not met at the time of claim.

To overcome the challenges facing the sector, there is need to educate the public on the importance of insurance. To be able to do this effectively, the industry needs a core of skilled manpower and continuous training to enhance professionalism, as well as investment in technology and procedures to improve on operational performance.

The NIC must also ensure Insurance Companies endeavour to make their products relevant to the time, in accordance with social changes and easily understandable to the public by the use of simple language. They



must also improve their marketing skills to encourage more people to take up insurance policies, especially in the area of Life Insurance. The public should also try to understand the products of the insurance companies and the policies they buy so that they do not get disappointed when it comes to payment of claims.

In spite of these challenges, there is still a place for insurance in each individual's financial plan. The insurance industry needs to take advantage of the current stable macroeconomic environment to develop their life business. This can act as a catalyst to attract further investment, employment and provide wealth-creation opportunities for the people of Ghana. It is important for companies to cooperate, develop, build the market and then compete to gain market shares. Insurance companies need to be aggressive and competent communicators so that the need for insurance and its critical role for national development can be delivered.

Public confidence in the industry should be enhanced with the presence of an effective regulatory body, the NIC, ensuring that

insurance companies transact business to the satisfaction of the public. Effective and efficient regulation of the insurance sector would ensure that there are stronger and financially sound companies to protect businesses, especially the entire financial sector, and the general public from losses.

As the economic and social conditions in Ghana improve, it is expected that insurance companies would restructure their operations by injecting additional capital, recruiting qualified staff, developing new products and improving on their service delivery.

This would have a positive impact on the Ghanaian economy as a whole and on the insurance industry in particular.

It is therefore the expectation that the industry would re-engineer its capacity to mobilise long-term savings for investment, to provide the much-needed missing link in the efforts towards the future growth and development of the industry in particular and Ghana as a whole.



Professional Indemnity

Insurance to be compulsory?

By Mawuli Zogbenu

Professional negligence on the rise

In recent times, medical professionals especially have had the bashing of sections of the public for some negligence at some medical facilities that have resulted in deaths and permanent total disability of some patients. In some of these instances, threats of legal suits among others reared their ugly heads. Indeed, medical practitioners like all other professionals, undertake to uphold the highest standards of professionalism in pursuant of their professional obligations. Most countries have medical negligence laws, also referred to as medical malpractice law, which provides compensation to patients in the event of any harm arising from sub-standard medical treatment. While a doctor, health care professional or hospital may not be directly liable for the harm a patient might suffer while in their care, they are, however, legally responsible for harm or injuries to patients that arise directly from their negligence or deviation from the standard care required of them.

Who is a Professional?

Apart from medical doctors, conventionally, people like lawyers, engineers and architects were regarded as the only 'professionals'. However, the increase in the demand for essential services like the provision of news over time, has broadened the scope of professionals to encompass persons who offer specialist advice or services in journalism, photography and

others. In line with their duties, professionals are often exposed to various perils, which may not only undermine their competences, but also cause them financial and other losses.

For instance, Dr. Conrad Murray, a Cardiologist, was accused of administering an overdose of propofol on the late Pop Star, Michael Jackson, in 2009 and consequently, convicted for manslaughter in 2011. Notwithstanding his release after having served two out of his four-year sentence, Dr. Murray's reputation has, undoubtedly, been badly bruised.

Until recently, it is pardonable to say that the one who goes for the water breaks the pot, sometimes – Author

It is quite disturbing to have professionals faulted in the course of carrying out their professional duties. For example, while a lawyer may be badmouthed for his / her poor handling of a suit, a journalist may be cited for libel and a doctor not spared the accusations of wrong diagnostics and surgeries. This even extends to musicians, who, after collecting part-payment, fail to turn up for scheduled

shows. Talk less of contractors who have either turned in substandard jobs or failed to deliver on time. Indeed a Ghanaian contractor friend of mine rejected an offer for civil works from a famous American-based Church, on the basis that the slightest negligence resulting in variations against agreed specifications, may demand that his firm rebuilds the whole structure at his (the contractor's) cost.

Customers' Expectations

Undoubtedly, organizations' reputation for professionalism engenders public trust. Very often, a professional's reputation is only as good as his/her last job delivered. Whilst true professionals always strive to deliver the best service, the human element, undoubtedly, has its own toll on this. This is, however, not a subtle endorsement of mediocrity, except to say, every professional is bound to make a mistake or two at some point. Thus, even the best surgeon may perform a bad surgery, if s/he was in a rather bad mood prior to the performance of the surgery.

This therefore brings to the fore, the need for legislation to make Professional Indemnity (PI) insurance compulsory in order to provide the necessary cover against such professional negligence.

Professional Indemnity (PI) Insurance

PI insurance provides cover for individual professionals and companies against a claim, usually a civil suit, arising from professional



negligence. The policy typically covers alleged failure of performance, financial loss, and service/product error or omission by a policyholder. The cover sometimes extends to the cost of defence and groundless lawsuit. In some jurisdictions, PI is by law required of, especially, medical and legal professionals.

Types of PI

Typically there are three types of Professional Indemnity Insurance:

i. Negligent act, error or omission

This is the narrowest form of cover which indemnifies the policyholder against loss/circumstances incurred only as a result of their negligent act, error or omission in carrying out their business.

ii. Breach of duty

Provides indemnity against loss arising from any claim or claims for breach of duty, that is, by reason of neglect, error or omissions committed in the conduct of the insured professional's business, depending on the policy wordings.

iii. Civil liability

Beyond the standard coverage, some PI policies extend the policy coverage to any 'civil liability' including breach of contract, libel and slander. When a PI claim is repudiated, for instance, the insurer is required to arrange for a legal representation and/or expert witnesses, on behalf of the client; hence legal and investigations costs are often covered.

Exclusions on PI Policies

Generally, a PI policy will not cover criminal prosecution and liabilities under civil law that are not enumerated in the policy. They may however be subject to other forms of insurance.

Contractual liability that is not caused by negligence

This occurs when a professional signs up to a contract which might impose a liability going beyond acceptable legal limits. This includes liquidated damages like late delivery penalties and unforeseeable economic loss (e.g. business interruption). Insurers must therefore ensure a great deal of flexibility and give cognizance to the demands of the different groups of professionals and their respective contractual liabilities.

PI may be High Risk

Lately, many Ghanaians have awakened to their rights to legal redress against negligent journalists, medical doctors, and other professionals. For instance, there has been an upsurge in libel suits against some 'errant' journalists, often resulting in huge fines. In this regard, many insurers in our part of the world appear uncomfortable underwriting PI policies,

since the risks involved are usually very high.

That notwithstanding, it is imperative for insurers to consider the track record of individual professionals before offering them PI cover. There is also the need for all qualified professionals to have in place Professional Indemnity Insurance before practising. While at this and in the bid to increase the insurance penetration rate, can our Legislature expedite action on the process of making Professional Indemnity Insurance compulsory as pertains in Togo, Rwanda, South Africa, Morocco and Nigeria?



ALLONS A PARIS

Réforme des assurances : le régulateur maintient l'ultimatum du 31 mai.

La date butoir du 31 mai fixée aux assureurs de la Cima pour atteindre un capital minimum de 3 milliards de F CFA (4,6 millions d'euros) ne sera pas reportée.

Fortement anticipé par les assureurs africains présents à Tunis, la 43e assemblée générale de la Fédération des sociétés d'assurances de droit national africaines (FANAF) a été l'occasion d'une mise au clair nette et précise d'Issofa Nchare, le secrétaire général de la Conférence interafricaine des marchés d'assurances (CIMA). Le régulateur non seulement écarté l'idée d'un report de la date limite, mais également annoncé le lancement prochain de missions de contrôle.


« Dès la première quinzaine du mois de juin des missions de contrôle sur place seront organisées pour toutes les entités », a annoncé Alphonse Ouédraogo, chef de brigade de la Cima, chargé notamment de la supervision. De plus, « à la mi-juillet, une session extraordinaire de la Commission Régionale de Contrôle des Assurances (CRCA) sera organisée pour identifier les entités non conformes à la réglementation et prendre les décisions nécessaires », a ajouté Alphonse Ouédraogo.

« Plus de 50 % des sociétés sont déjà en règle »

Décidée en 2016, la réforme de la réglementation des fonds propres des assureurs

de la zone Cima a porté ce dernier de 1 milliard à 3 milliards de F CFA (sous trois ans), puis à 5 milliards avant 2021. Une réforme censée "renforcer le secteur et permettre l'émergence d'acteurs plus solides capables de réaliser les investissements en produits, innovations techniques et canaux de distributions jugés nécessaires à la croissance du secteur. Le coût de cette réforme a toutefois suscité de nombreuses inquiétudes d'acteurs locaux. Au dernier trimestre 2018, la CIMA recensait seulement 20 assureurs sur 180 avec des fonds propres conformes aux nouveaux minima.

Durant l'Assemblée Générale de Tunis, Issofa Nchare a cependant tenté de calmer ces inquiétudes, assurant qu'au cours des derniers mois, plusieurs assureurs avaient fait parvenir la documentation indiquant leur mise en conformité avec les nouveaux minima. « Plus de 50 % des sociétés sont déjà en règle » a affirmé Issofa Nchare. Ce dernier a ajouté que dans les jours précédant la réunion de Tunis, « une kyrielle de dossiers nous ont été transmis ». « C'est un appel à l'excellence, à aller vers un marché où les engagements seront plus importants et où il faudra être beaucoup plus solide. Nous ouvrons ensemble ce secteur et c'est ensemble que nous devons y aller », a exhorté le manager camerounais.



La réforme profite au leader Africa Re

Numéro un de la zone de la Conférence Interafricaine des Marchés d'Assurances (CIMA) avec 15 % de part de marché – avant la réforme –, le réassureur panafricain Africa Re, dont l'actionnariat est composé de 41 pays, d'institutions comme la BAD, d'AXA et de compagnies d'assurances locales, constate déjà les premiers effets positifs de l'article 308.

« Nous souscrivons beaucoup plus de primes dans les branches qui étaient jusque-là en grande partie réassurées à l'étranger, notamment dans le transport maritime des matières premières telles que le café, le cacao, le riz ainsi que les produits manufacturés », explique à Abidjan Olivier Nguessan-Amon, Directeur Régional pour l'Afrique de l'Ouest et l'Afrique centrale d' Africa Re.

On estime que l'entreprise pourrait augmenter son chiffre d'affaires de 10 % à 15 % par an. Bénéficiant d'un capital déjà solide de 300 millions de dollars (plus de 240 millions d'euros), Africa Re ne prévoit pas d'augmentation de ce dernier.

(Source Jeune Afrique)



Ghana Re

ANNUAL GENERAL MEETING

OF GHANA REINSURANCE
COMPANY LIMITED,
JUNE 27, 2019.



MR. GEORGE OTOO
Board Chairman,
Ghana Reinsurance Co. Ltd

At the Ghana Reinsurance Company Limited's Annual General Meeting held on June 27, 2019 the sole shareholder, Government of Ghana, commended the Board, Management and Staff on the performance of the Group for the 2018 financial year.

The composite gross premium income for 2018 was GH¢205.66m, up from GH¢193.01m recorded in 2017. General Business premium income increased from GH¢181.70 recorded in 2017 to GH¢187.16m for year 2018. Premium income for the Life Business also increased from GH¢11.31m in 2017 to GH¢18.50m for 2018.

Gross profit for 2018 was GH¢53.03m representing 7.30% growth over the amount of GH¢49.43m achieved in 2017. Net profit increased to GH¢38.63m in 2018 from GH¢34.03m in 2017.

Based on the performance for the year, Ghana Re paid dividend of GH¢9m to the Government of Ghana.

The Chairman, Mr. George Otoo, in his speech noted that the Board was committed to ensuring sustained growth and profitability to enable Ghana Re continue to contribute to the country's development.

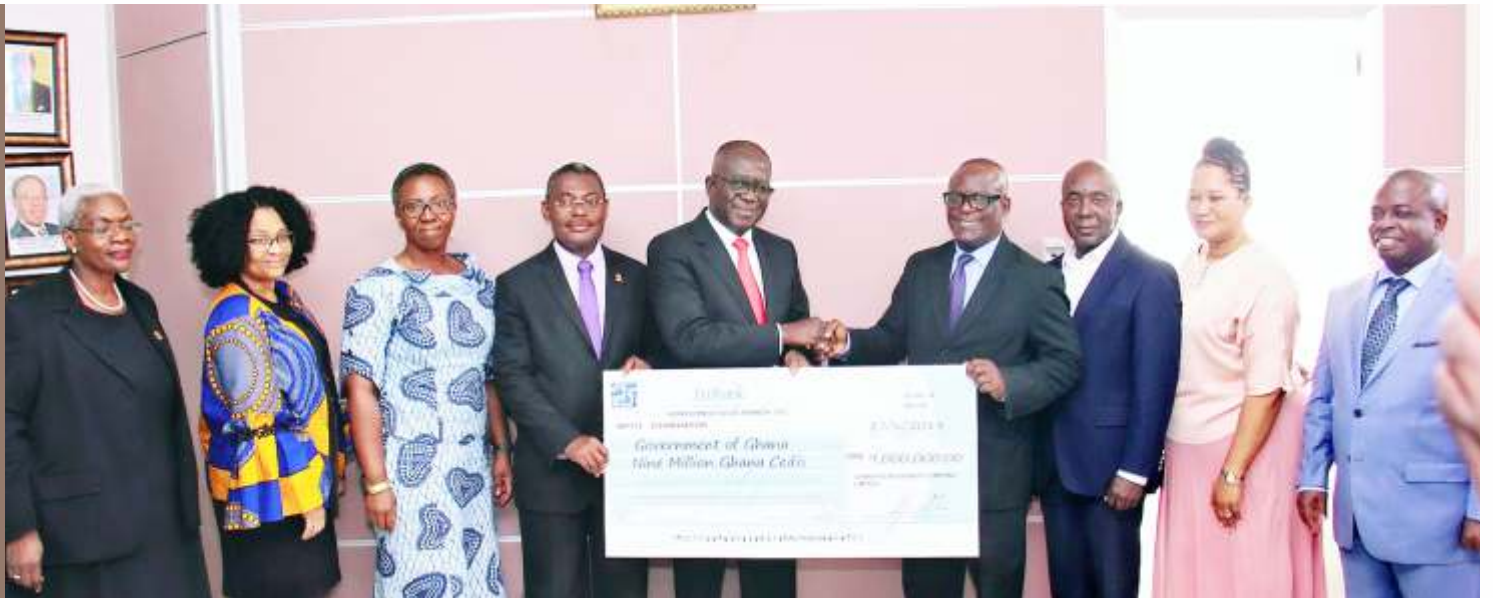
He added that, the Board will pursue its strategy of expansion of the Company's international operations in selected markets to position Ghana Re's brand among the top ten African Reinsurers.

Accordingly, Ghana Re will seek to increase its participation in special and emerging risks as well as restructure its investment portfolio to align it with the Company's investment vision and strategy.

Additionally, Ghana Re's subsidiary in Kenya will deepen efforts in the East African market while its Cameroon branch will enhance business relationships and seek out new prospects in Francophone Africa to further boost the business performance of the Company.

The Chairman concluded that in accordance with Ghana Re's expansion and growth objective, the Company will continue to strengthen beneficial strategic alliances and form new partnerships to enable it take advantage of reinsurance opportunities in both local and international markets.

A G M





Ghana Re

9th CEDANTS' Awards *Night*



The ninth in the series of Ghana Re's flagship programme, Cedants' Awards Night, was held on Friday October 4, 2018. As a reinsurer on the market, the awards ceremony affords Ghana Re the opportunity to express its appreciation to cherished clients for their continuous support, share an evening of friendship and more importantly generate discussions on issues to help grow the insurance industry. The company accordingly rolled out a simple but beautiful ceremony to award its cedants on that Friday night at the plush Marriot Hotel, Airport City, in Accra. In attendance was the Buoyant Band which interspersed the programme with some highlife tunes and folklore to complement the occasion.

The ceremony was attended by Managing Directors and Senior Management staff of the ceding companies, both Life and General, and Chief Executives of industry bodies. It was chaired by the Board Chairman of Ghana Re, Mr. George Otoo. The Guest Speaker was Mr. Alhassan Andani, Managing Director of Stanbic Bank. The Commissioner of Insurance, Mr. Justice

Yaw Ofori also graced the occasion with his presence.

Fourteen insurance companies and one broker received various awards and were rewarded with prizes worth a total amount of US\$52,000 in educational packages.

The sponsorship packages are meant to cover staff training in insurance educational programmes organized by industry training bodies such as the West African Insurance Institute, The Gambia and the Ghana Insurance College. These institutions have been carefully selected for two major reasons - for quality insurance programmes offered and in support of their growth.

The theme for this year's event centred on Enterprise Risk Management (ERM). ERM, as a practice, has captured the attention of governance experts, regulators, rating agencies and management over the last decade or more. Despite the huge investment, many CEOs continuously question the system's effectiveness towards impacting their company's profit and growth. In the light of these, Ghana Re initiated a discussion for the night themed **"The Advent of Enterprise Risk Management (ERM) and its impact on the financial sector"**.

The Chairman for the night, Mr. George Otoo, who doubles as Board Chairman of Ghana Re, in his opening remarks indicated that the awards ceremony was taking place at a time insurers were challenged in keeping pace with the rapid changes in customer expectation. He continued that insurers may look back with satisfaction on what we had achieved as an industry. But it was essential that, in the coming years, insurers identify new ways to fully restore customers/clients' confidence in the

industry's ability to provide essential service that would meet their needs and retain them for future growth of our individual companies. "We as insurers are well placed to meet these challenges and this is only possible if the relationship between insurers and reinsurers is stronger". He therefore urged all to use the opportunity to interact or deliberate on the points raised by the speakers and grow our companies to enable insurance play its critical role in the economy.

Welcoming our distinguished guests to the award ceremony, the Deputy Managing Director, Technical, Mrs. Monica Amissah, stressed on Ghana Re's preparedness to work as a team to partner cedants for the growth of our respective businesses and industry as whole. She further explained that Ghana Re having experienced the usefulness of ERM as a tool for risk assessment believe it's time to generate discussions to help companies manage risks in business operations and to make them more competitive. She also used the opportunity to thank the guests, but for whose presence we would have

nothing to celebrate, for responding to our invitation.

In his speech the Managing Director of Ghana Re, Mr. George Y. Mensah, stated that many CEOs have embraced the concept of ERM and have invested resources in its implementation to identify significant risks facing their companies and their respective mitigation plans. He continued that ERM was not an entirely new concept, but modern businesses face a diverse collection of risks which a successful ERM process could help companies manage and ensure the application of appropriate control measures. He, however, cautioned that the presence of risk officers do not mean the entire organization is devoid of risk. ERM requires preparation, integration, cultural change, and the right human resource with the proper approach. He ended that as a support service to assist companies achieve this competitive edge, Ghana Re had provided three training seminars on ERM in the past year for cedants.

Whilst congratulating the award winners, Mr. Mensah thanked and urged all industry players to work together as a team towards ensuring that our industry is propelled to greater heights. He also expressed his appreciation to the Board and staff of Ghana Re for working tirelessly towards organization of a successful event.

The Guest speaker for the occasion, Mr. Alhassan Andani, Managing Director of Stanbic Bank delivering his address, urged industry players to enforce proper data management to secure the insurance industry. According to him, for a resilient and robust insurance industry, every loophole and mystery must be resolved and accounted for to prevent a repeat of what is currently being experienced by the banking sector. He continued that risk may be a driver of strategic decisions, the cause of uncertainty in the organization or simply be embedded in the activities of the organization. In some cases, firms may be practising good risk management on individual exposures,



industry's ability to provide essential service that would meet their needs and retain them for future growth of our individual companies. "We as insurers are well placed to meet these challenges and this is only possible if the relationship between insurers and reinsurers is stronger". He therefore urged all to use the opportunity to interact or deliberate on the points raised by the speakers and grow our companies to enable insurance play its critical role in the economy.

Welcoming our distinguished guests to the award ceremony, the Deputy Managing Director, Technical, Mrs. Monica Amissah, stressed on Ghana Re's preparedness to work as a team to partner cedants for the growth of our respective businesses and industry as whole. She further explained that Ghana Re having experienced the usefulness of ERM as a tool for risk assessment believe it's time to generate discussions to help companies manage risks in business operations and to make them more competitive. She also used the opportunity to thank the guests, but for whose presence we would have nothing to celebrate, for responding to our invitation.

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Project Management in the insurance industry

1.0 INTRODUCTION

Project management has become a part of the operations of many industries who have readily accepted it as a powerful measure to control and improve their project outcomes. The methods and strategies involved in project management help to diminish the risks involved, cutting enormous costs and enhancing the chances of a project's success.

Project Management is dominant in organizing the turmoil and managing the risks, quality of the project and applying changes at any given point while keeping the project on time and within budget.

2.0 PROJECT MANAGEMENT IN INSURANCE

Project management in the insurance industry has matured a lot in the last few years and has already shown success: fewer project failures and performance improvements.

This is not an indication for insurers to lay back, because there is still room for improvement as seen by the high number of costly project failures in the industry. It is therefore important to stay focused on continually improving the project management processes. Here are a few examples of some project management mistakes insurers make and how they can be avoided.

2.1 Formal Project Management structures and processes are missing .

Project management cannot be done half-heartedly. It takes commitment from everyone in the organization - with upper management at the



Mr Charles E. Fabin

forefront - and there has to be formal project management structures and processes. Informal processes or a lack of clear structures are a recipe for chaos and project failure, as nobody knows what they are supposed to do.

The bigger your organization and projects are, the greater the need for formal structures. It is best to adopt traditional project management best practices and adapt them to your individual needs. Just like a product, every project runs through a life cycle.

2.2 Unproductive Task Silos

Silos are often heavily guarded fortresses, which are protected by impenetrable vines of bureaucracy, entrenched interests and established ways of doing things.

Scheduling and managing tasks is one of the key aspects of project management. One mistake insurers often make is to let team members fall

into the trap of just focusing on tasks that are within their responsibilities. This inflexibility creates inefficient silos and neglected tasks.

The foremost approach to effective task management is to break the project down into manageable tasks. This must be as specific as possible without going into too much unnecessary detail. For example, introducing a new insurance policy involves much more tasks than just the selling of the policy: Underwriting software has to be configured and communicated to all stakeholders.

The next step is to allocate the tasks to the right resources and create a schedule. Effective scheduling is only possible when constraints, dependencies and assumptions are properly taken into account.

2.3 Lack of Proper Mode of Communication

Since Insurers work with a multitude of stakeholders, from clients to underwriters to government officials, communication is therefore key in managing the requirements and expectations of all stakeholders. It is also important to communicate to all team members what their responsibilities are and what outcomes are expected of them.

Effective communication can only be possible when the right communication channels and processes are well defined and in place. i.e. email, telephone, Skype and many more. Having clear communication processes in place ensures that everyone is in the loop and gets all the necessary

information. E.g. if there is a new policy to be introduced into the Company's product portfolio, all agents and underwriters must have the necessary information to effectively introduce the policy to their clients.

2.4 Inadequate Risk and Change Management

Risk management is an essential part of insurance management and insurers are very good at evaluating the risk of policyholders. What they often neglect is to evaluate the risks of project management, particularly the costs of project failure.

With the right risk and change management processes in place, insurers can increase their return on investment, productivity and competitive edge. There must always be ready contingency plans to address changes or unforeseen events, such as changing client demand or demographic change.

2.5 Not Using the Right Tools

Existing IT tools can help organizations increase efficiency and effectiveness, but only when the right tools are used. One of the biggest mistakes that organizations make is the use of different tools for different tasks.

The best practice is to have one centralized project tool for planning and project scheduling in addition to allowing team members to collaborate and communicate with each other.

The right project management tool can enable insurers to work smarter and more efficiently. It can also reduce the risk of project failure due to regular monitoring of project status. Resource capacities can be tracked and tasks allocated based on free capacity and skills of employees and underwriters.

3.0 CONCLUSION

High competition, shrinking margins and tightened laws and restrictions

make it especially important for insurance companies to make a good return on investment, more efficiently and more effectively. Implementing project management best practices helps insurers improve their performance, sell more products and retain customers.

Insurance carriers are becoming smarter at utilizing project management practices effectively while remaining flexible to adapt those practices to demand. While there has been improvement in the area, it's essential for companies to continue to improve and stay focused on how best to execute project management methodologies. Some of the best practices for successful project management implementation for the insurance industry are as follows:

3.1 Keeping Project Management as Dynamic as the Processes

There is the need to be flexible to be able to meet market and customer demands. Always have a Plan B (or even Plan C) ready. Keep in mind that it is not about making constant changes to the plan as necessary, but it is about anticipating changes and risks, reacting in a timely manner and adapting the plan accordingly.

3.2 Keep Project on Track

Data is extremely important to measure in the Insurance industry. Executive use technology to track metrics, such as the number of policies per client and analyze relevant data to improve product portfolio and to create new products. Analyzing data also helps track whether actual progress is in line with planned progress, and provides a comparison of actual costs with estimated costs. In short, all these metrics will help in determining whether the project is successful or unsuccessful.

In addition, schedule and task management are key components for employees and underwriting agents and are used to maximize the efficiency of client management.

3.3 Keep the Project Management Simple

It is important to have clear project objectives, realistic deadlines, and to balance time, cost, and scope. These factors should be aligned to the overall business strategy and that they are economically and/or technically viable.

3.4 Keep the knowledge transfer transparent

Have a clear documentation system in place so that it is easy to identify and track which products work for each client. This documentation system can also serve as a knowledge base for underwriters to review old contracts and learn the 'best practices' from both past successes and failures.

Project Managers also need to make sure that there is a clear communication system in place to avoid misunderstandings and confusions, which can be costly to the organization.

3.5 Keep improving processes and product

Staying flexible is essential to remain on top of industry trends and that is particularly necessary for processes and products. In a highly competitive Insurance industry, it is therefore vital to have and retain a competitive edge with efficient processes and innovative products.

Charles Ebo Fabin

Head, IT Department
Member, Project Management
Institute (Ghana Chapter)



International Seminar



at the Aqua Safari Resort, Big Ada Ghana

Ghana Re organized its annual five (5) day International seminar on **Political Violence and Terrorism (PVT)/Directors' & Officers Liability (D&O)/Bankers Blanket Bond (BBB) Insurance Underwriting"** at the Aqua Safari Resort, Big Ada Ghana from February 17 to 23, 2019. The seminar was the 13th to be held in Ghana.





The seminar which was fully sponsored by Ghana Reinsurance Company Ltd attracted sixty-six (66) participants. As evidence of the seminar's growing stature internationally, this year's edition had participants from fifteen (15) countries with the breakdown as follows; Sudan (8), Liberia (5), Ethiopia (4), Kenya (4), Zambia (3), Togo (3), Nigeria (2), Cote D'Ivoire (2), Uganda Mozambique Gabon Sierra Leone Senegal and Tanzania all had (1) and the host country Ghana (28). The participants were from all the various sections of the insurance industry - regulatory, insurers, brokers and reinsurers.

The opening ceremony for the International seminar was chaired by Mrs. Monica Amissah, Deputy Managing Director, Ghana Reinsurance Company Ltd. The Guest Speaker for the opening ceremony was Mr. Justice Ofori, Commissioner of Insurance, Ghana.

To enable participants gain greater understanding and become more knowledgeable in the subject area, an experienced Resource Person with vast knowledge of the principles and practice of PVT/DO/BBB insurance was invited to facilitate the programme. The Resource person was, Mr. Harold Mbatia, Executive Director, Reinsurance Solutions Brokers, Kenya.

This subject area was selected because of the growing demand for innovative products that best address the needs of the insuring public. The participants were generally satisfied and very appreciative of the opportunity accorded them by Ghana Re to learn and upgrade their skills and knowledge in this our ever growing industry.

The closing ceremony was chaired by Mr. Daniel Saforo, Head of Finance, Ghana Reinsurance Company Ltd.



International Seminar



9th CEDANTS' Awards *Night*

in pictures



Board Chairman and Chairman for the occasion (L), conferring with MD of Ghana Re (R)



Guest Speaker (L) in a discussion with Board Chairman/Chairman for the night (R)



Commissioner of Insurance giving his remarks



Some distinguish guests / CEO's stand up for the opening prayer



Guests from Ghana Union Assurance



MD of SIC Insurance and former DMD (F&A) Ghana Re



Board Chairman who doubled as Chairman for the occasion delivering his opening remarks



DMD Technical, Ghana Re presenting Special Award to Glico Life



Guest from KEK and WAICA RE



Former DMD Ghana Re and MD GN RE



Guests from Phoenix Insurance



Guest Speaker presenting Special Award to SUNU Assurance



MD of Ghana Re presenting "Cedant of the Year Award" (Life Business) to MET Life



Guests from Star Assurance



DMD Technical, delivering her welcome address



Guests from Provident Insurance



Ghana Re Board Member, presenting Special Award to MD of SIC Insurance



Board Chairman, presenting "Cedant of the year Award" (Non Life Business) to Hollard Insurance



Staff of miLife, proud recipients of a Special Award



Special Award presented to SIC Life by wife of Ghana Re's MD



Chairman presenting the Cedant of the year Award, 1st Runner-Up to Ghana Union Assurance



Special Award to KEK RE, presented by Commissioner of Insurance



Award Recipients



A member of Ghana Re Board presenting a Special Award to Enterprise Insurance



MD presenting Award to Old Mutual



Award Recipients and Distinguished Guests



miLife Insurance receiving their Special Award



Ghana Re Staff with DMD, Technical.

FIRST RESPONDERS

The latest edition of the WEF's *Global Risks Report* makes for sobering reading so what can the risk transfer industry do to tackle these threats?

Such is the relentlessness of negative headlines in today's media, it would be easy to view the world as a dangerous, depressing and complex place.

On the other hand, as we now live in an age when the veracity of the information we consume is increasingly challenged, it can also be tempting to dismiss the doomsayers and convince ourselves that it is not as disastrous as it first looks.

However, when 1,000 of the world's top academics, business leaders and policymakers agree that the world is facing some extreme, pressing and in some cases inevitable disasters, it probably makes sense to pay attention.

Delivering the views of that rarefied group of people is exactly what the latest edition of the World Economic Forum's (WEF) *Global Risks Report* does,

“WITH ENVIRONMENTAL, CYBER AND MENTAL HEALTH RISKS MUCH MORE IN THE COMFORT ZONE OF THE INSURANCE PROFESSION THAN ANY OTHER, INSURANCE IS BETTER PLACED TO BECOME PART OF A REAL SOLUTION”

GROWING THREATS

At a high level, the report tells us that environmental risks are the most pressing and not for the first time either. This is the third year in a row that weather related risks have come to the fore.

Hot on the heels of those environmental threats are the risks posed by cyberattacks, in terms of theft of data and money as well as cyberattacks resulting in disruption of operations and infrastructure. Perhaps there will be no surprise at these results within the insurance profession, as a key part of its role is to help clients with exactly these kinds of risks. But what is being done about it? And perhaps more importantly, what can be? Aengus Collins, head of global risks and the geopolitical agenda at the WEF, is the person whose job it is to spend all day thinking about these

risks and he does have hope that something meaningful can and will be done.

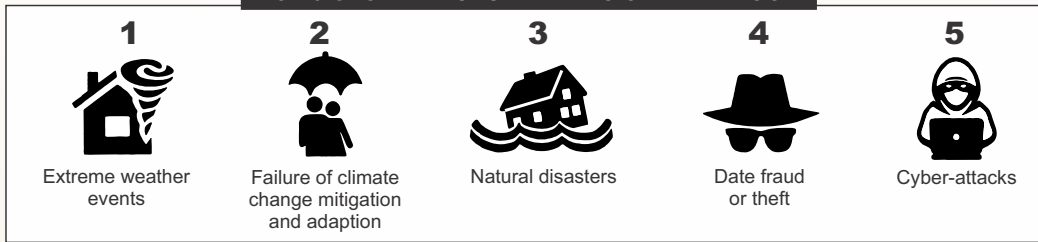
"We are a very positive action oriented organization - we have teams working on most, if not all, of these issues and we always try to bring the public and private sectors together to tackle them," says Mr. Collins.

He believes that the world's decision-makers are starting to shift towards action. "My hunch is that people's awareness is shifting from long term to short term," he says. The challenge is to jump from awareness to action and it's interesting that for the last three years, the top three risks by likelihood were extreme weather events."

However, the prognosis is not positive. Quoting figures from the Intergovernmental Panel on Climate Change, the report states that the rate of sea levels rising is increasing rapidly and an increase in global temperatures of two degrees will cause sea levels to increase by between 30cm and 93cm by 2100. To put that in context, between 1901 and 2010, sea levels increased by 18.5cm.



TOP 5 GLOBAL RISKS IN TERMS OF LIKELIHOOD



INSURANCE SECTOR RESPONSE

So what can or should the insurance profession be doing about all this? The threats are so macro, where would your average insurance business start?

Eugenie Molyneux, chief risk officer of commercial insurance at Zurich Insurance Group, says the report should act as a guide for companies to start accessing their own risk landscape. In a way, it should act as an aid as to where they should be looking for trouble.

"If this report articulates the risks the world faces," she says, "it gives us a sense of the support our customers require in terms of prevention or recovery. The report makes it very clear that prevention still remains more economically effective than recovery".

She says we should be in no doubt that this is the world of risk that customers face and as such, the insurance industry must be aware of them and be thinking about how to manage them on the customer's behalf.

And those risks are not purely structural or economic in their nature. An intriguing addition to this year's report is the 'Heads and Hearts' section, which looks at the impact these political and economic dynamics have upon the wellbeing of individuals and society as a whole.

The report notes that ours is an "increasingly" anxious, unhappy and lonely world", and continues: "Anger is increasing and empathy appears to be in decline." "To underline the point, the report points to statistics from the World Health Organisation, which suggest that depression and anxiety disorders increased by 54% and 42% respectively between 1990 and 2013.

Why does this matter? Put simply, all of the issues and risks highlighted by this report are interconnected and mutually influencing. None of them exist in isolation and the material health of individuals and societies are acting as a strong influencer on - and are a result of - the key threats highlighted by the report.

As Mr. Collins says: There is an assumption that if we look after the structural and economic stuff, everything will be OK. But we need to look at all of these issues in the round and how they interact with each other.

"What is driving the multiple societal changes that are underway? There is a huge temptation to find a simple explanation that will make everything fit together and normality will return. But nostalgia

isn't really an option here." And although these issues are not something that the insurance industry on its own can seek to tackle, it is an industry that facilitates. It facilitates the movement and operation of much of the economy and society and can, in turn, contribute to the solution to these looming risks.

Of course, nobody can wave a magic wand and solve the world's current and future problems but as Ms Molyneux says: "It's not about tackling one threat [from the report] - it's about tackling all of them a little bit."

With environmental, cyber and mental health risks much more in the comfort zone of the insurance profession than any other, insurance is better placed to become part of a real solution.

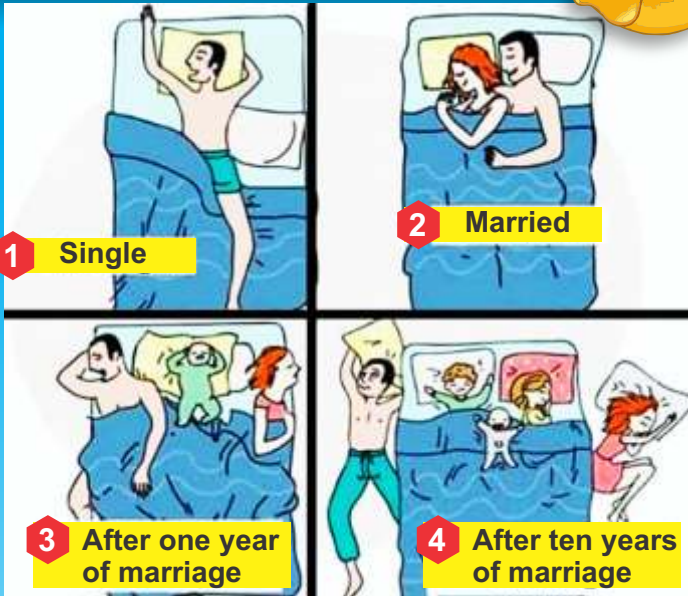
For anyone in the profession, this report should be compulsory reading - not only will it signpost the threats to your own organisation, it can help the wider industry understand just where the existential threats to their customers really lie.

Culled from: The Journal CII, UK February - March 2019 Edition.





JOKES

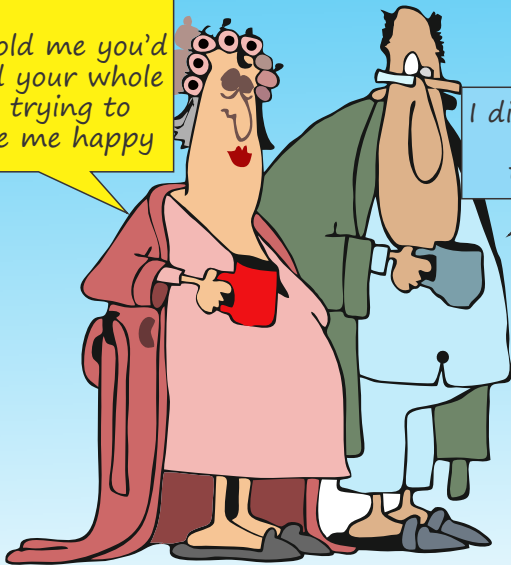


Aunty Esi

Marriage
is like a
WORKSHOP
Where the
husband
WORKS
and the wife
SHOPS

You told me you'd spend your whole life trying to make me happy

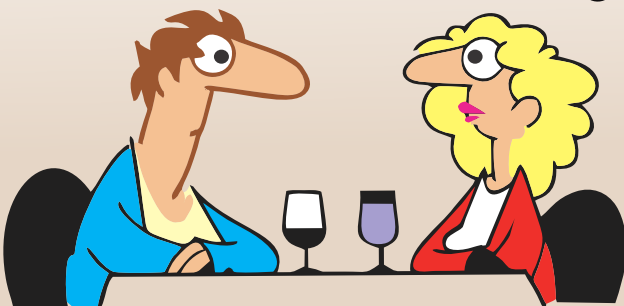
I didn't expect to live this long



Hold Your Wife's Hand in the Mall because if you let go she'll start shopping. It looks Romantic but it's actually Economical.

I CAN'T THINK OF ANYTHING INTERESTING TO TALK ABOUT. I'M SO BORING! SHE MUST HATE ME

A MAN WHO ACTUALLY LISTENS TO ME! I THINK I'M IN LOVE!



If hard work were such a wonderful thing, surely the rich would have kept it all to themselves



-LANE KIRKLAND



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