the
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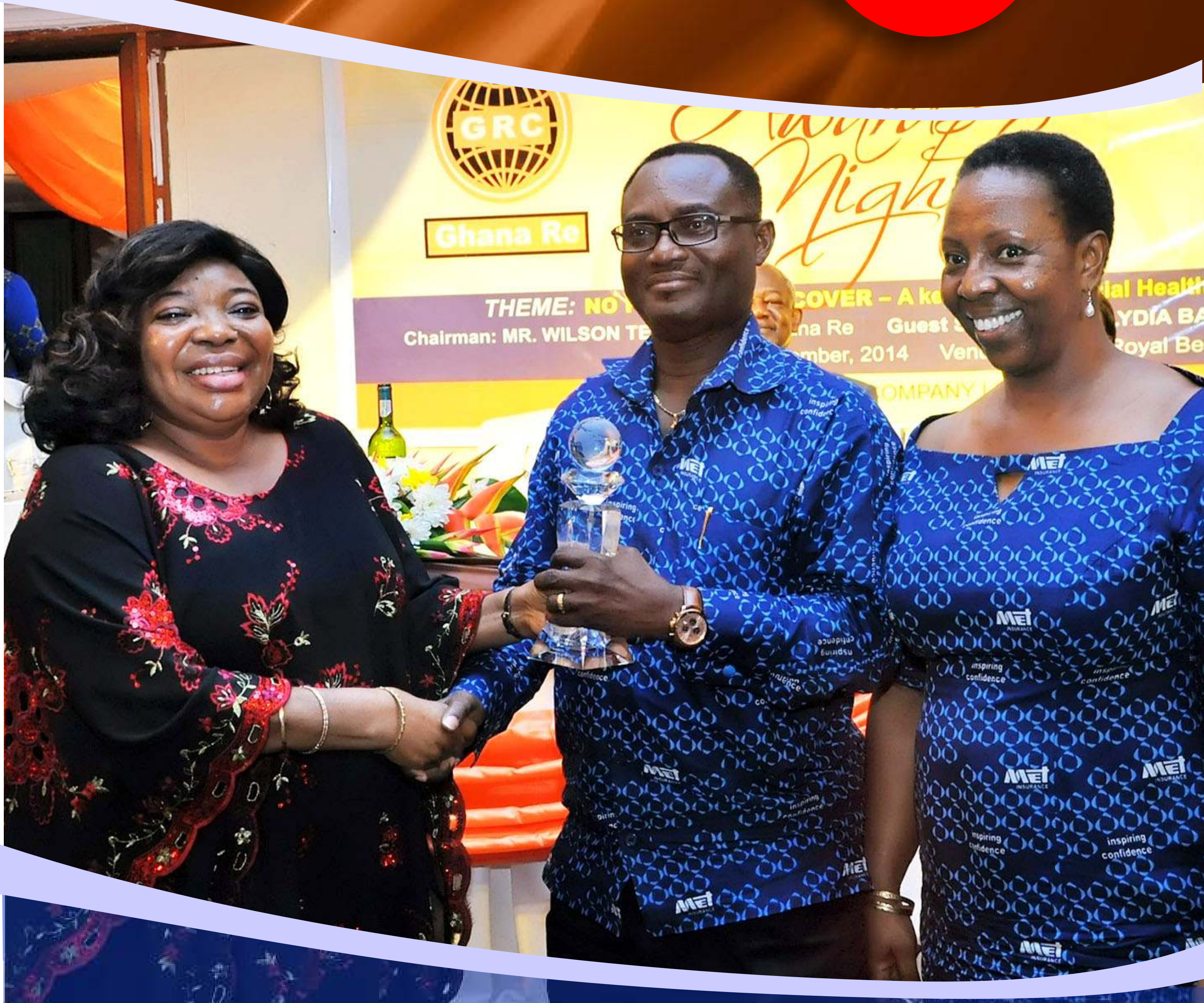

5th Cedants' Awards Night

Effective Utilisation of Local Capacity

Human Capital Development in Ghanaian Insurance Industry

GRC

Ghana Re

MISSION STATEMENT

To be the reinsurer of choice
in Ghana and chosen markets
in Africa through innovative
and capacity building applications
combined with commitment to
customer satisfaction and
Corporate profitability

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EDITORIAL

REWARD AND RECOGNITION OF BUSINESS PARTNERS

Ghana Re, like any successful business, deems it important to continuously recognize and support its business partners. While the concept of rewards and recognition is not new to the Company, Management views it as an indispensable tool to manage its relationship with its clients for our mutual growth. As reinsurer's, our success depends on the performance of our clients amongst other factors. This has resulted in the organisation of the Cedants' Awards night, established some five years ago, with the dual aim of rewarding clients and stimulating healthy competition within the industry.

Traditionally, the Company rewarded six cedants for the first, second and third positions for both Life and General business and two special awards whenever it deemed appropriate. With due regard and consideration of views and sentiments expressed by industry players, the number of awards was increased, in 2014, to fourteen to enable the Company recognise cedants who excelled in some specific areas but could not be part of the overall six in both life and general business.

Over the period, Ghana Re has applied very fair and objective techniques to analyse available data in the determination of cedants' performance within a particular year. Factors like amount of business ceded, volume of business generated, and credit worthiness have been used to measure cedants' performance for the specific period under review. The entire process is evaluated by an independent body made up of renowned insurance practitioners.

The prizes for these awards include educational packages such as sponsorship to courses and seminars organised by the West African Insurance Institute, Ghana Insurance College and any relevant educational institution in consultation with the award winner. Management of Ghana Re has deliberately chosen this area in order to help build the much needed capacity of underwriters in the industry. This, the Company hopes, will translate into prudent underwriting and the acquisition of requisite skill which will lead to fewer losses and enable the industry to become more profitable and contribute its quota towards the national economy.

Management of Ghana Re takes the opportunity to congratulate the 2013 award winners and impress upon them not to become complacent, but to let these awards inspire them to work harder for continuous improvement of the industry.

Highlights of the 5th Cedants' Awards Night

The fifth Ghana Re Awards ceremony dubbed " 5th Cedants' Awards Night" came off at La Palm Royal Beach Hotel on Friday, 5th September, 2014, under the theme "No Premium No Cover: A key to the Financial Health of the Insurance Industry". The Awards Night established five years ago is to show appreciation to the Company's local insurance companies for their diligent efforts, loyalty and support. The occasion is also used to recognise and reward clients who made notable contributions within a particular financial year towards the growth of the Company. The fifth award ceremony was in respect of the 2013 financial year.

The ceremony was chaired by an accomplished insurance practitioner, Mr. Wilson Tei, a Director of Ghana Re and former Managing Director of Provident Life Assurance Company Limited and the Guest Speaker was Ms. Lydia Lariba Bawa, Commissioner, National Insurance Commission (the Commission).

Speaking at the ceremony, the Guest Speaker, stated that the implementation of the "no premium, no cover" regime was as a result of the high indebtedness which had impacted negatively on most of the companies' liquidity and solvency positions. She continued that even though reports indicate that business had slowed because clients were faced with challenges of making full payment upfront, it was heartening to know that the new premium directive was changing the industry by gently enhancing the cash flow position of insurers.

In her speech, Ms. Bawa also touched on the need for insurers to consider prompt payment of claims in order to increase the public's confidence. She pointed out that the payment of genuine claims in a prompt and fair manner was key in the National Insurance Commission's efforts to help raise clients' confidence in the industry. She explained that the Commission, in view of this and along side the "no premium no cover" directive, had also introduced guidelines on claims management for non-life insurers.

She further asked insurers to find innovative ways of remaining competitive, adopting prudent capital and liquidity management for better operational results as well as training staff to remain technically proficient. In this regard, she applauded Ghana Re for the services it was providing to the industry especially in the area of training, to help build the capacity of underwriters in line with international best practices. She also commended the Company for instituting the Awards to stimulate healthy competition to help raise standards in the industry.

She ended by commending the award winners, impressing upon them to work even harder for continuous improvement and growth.

The Managing Director, Mr Gustav Siale, began his speech by stating the effects of the promulgation of the Insurance Law 2006 on the operations of Ghana Re and how the Company, supported by its loyal clients and partners, had been able to weather the storms especially the sudden reduction in its income. He explained that it was in recognition of this support and loyalty that the awards were instituted.

He also spoke about the worrying situation where insurers had allowed insurance to be procured on credit basis leading to serious cash flow problems for players in the industry pointing out that the

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Cedants' Awards Night

Speech by Ms Lydia Lariba Bawa, Commissioner of Insurance, as the Guest of Honour at The Ghana Re Cedants' Awards Night at La Palm Royal Beach Hotel, Accra on Friday 5th September, 2014

A section of the invited guests

Mr. Chairman,
The Board, Management and Staff of Ghana Reinsurance Company Limited, Chief Executive Officers of Ceding Companies, Distinguished Insurance Practitioners, Members of the Media, Ladies and Gentlemen.

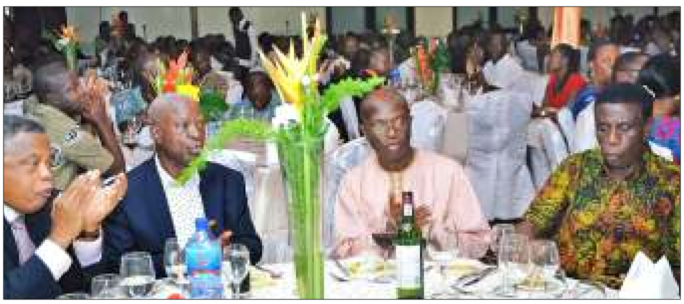
It is indeed a great honour to be a part of Ghana Re's 5th Cedants' Awards event under the theme 'No Premium, No Cover: A Key to the Financial Health of the Insurance Industry'.

Mr. Chairman, Ghana Re could not have chosen a better topic for this year's event as the implementation and success of the 'No Premium No Cover' directive is very dear to my heart. Ensuring the wellbeing and financial soundness of insurers continues to remain a key priority on the agenda of the National Insurance Commission. I dare say that the directive is the best thing that has happened to the Ghanaian Insurance Market in recent times.

Prior to this directive, a notable percentage of the total premiums written by insurance companies had not been recovered from the insureds. This state of affairs was perpetuated because credit terms were extended to clients and little effort was made to recover outstanding premium for fear of losing the client. Obviously, policyholders saw no need to pay premiums for expired risks, especially where there were no losses or claims made.

Mr. Chairman, in 2012, Insurance companies were owed approximately GH¢126million in premiums. In the year 2013, the Industry wrote GH¢1.052billion in premiums, out of which 40% was uncollected. This had a negative impact on the liquidity and solvency positions of most of the companies.

Mr. Chairman, Distinguished Ladies and Gentlemen, it is heartening to note that the new premium directives have changed the face of the insurance industry in Ghana, by



A section of the invited guests

greatly enhancing the cash flow positions of insurers.

Even though the inflow of businesses may have slowed a bit, insurers would be certain about the risks they carry in their books at any particular point in time. We have compared the current situation with the Nigerian market and noted that their market experienced similar decline in volumes at the beginning as clients had to review their budgets in order to pay premiums upfront. Equally, we expect our situation to improve over time as it happened in Nigeria.

Mr. Chairman, let me hasten to add that one of the objectives of the directive is to reduce the credit risk of insurers in particular and the Industry as a whole. There are reports, however, that some intermediaries have decided to introduce credit terms to their operations by paying premiums upfront for their clients. I would like to advice all those engaged in such practices not to resort to using credit as a competitive tool as they would inherit the same liquidity problems from the insurance companies.

Mr Chairman, Distinguished Guests, Ladies and Gentlemen, the payment of genuine claims in a prompt and fair manner is another key priority in the efforts by the Commission to raise public confidence in the Insurance Industry. In view of this and alongside the "No Premium No Cover" Directive, the Commission has come out with Guidelines on Claims Management for Non-life Insurers. The Guidelines spell out timelines for the payment of genuine claims.

A section of the invited guests

Insurers have a maximum period of four (4) weeks to pay claims upon the receipt of the required documents in support of the claim. Similarly guidelines for Life business will soon be issued.

With the implementation of the "No Premium No Cover" insurers will need to find other ways of remaining competitive. I would like to urge underwriters not to focus mainly on pricing as a competitive tool. They should devote their attention to innovative products to meet clients' needs and also offer better customer care.

I would also appeal to Executives and Directors to adopt prudent capital and liquidity management for better operational results. Insurance companies need to give attention to training and retraining of their staff to ensure that they remain technically proficient. In this regard, I take the opportunity to applaud Ghana Re for the services they are providing the industry especially in the area of training, to help build the capacity of underwriters in line with international best practices thereby improving professionalism in the industry.

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, there are good times ahead. The African Insurance and Reinsurance Markets are increasingly becoming competitive. In order for us to survive and thrive, we need to continue to build our technical and financial muscles by supporting each other. I wish to assure all gathered here that the Commission on its part will continue to do whatever it takes to expand the frontiers of the Insurance Industry in Ghana. The support of all stakeholders, especially major players such as Ghana Re, is required to achieve the desired results.

Before I take my seat, let me take this opportunity to commend Ghana Re for this annual event started some five years ago. I believe that these Awards will continue to stimulate healthy competition and thereby help raise standards in the industry. I would also like to congratulate the award winners and impress upon them to let these awards inspire them to work hard for continuous improvement and growth.

Long live Ghana Re, Long live our Industry, Long Live Ghana. Thank you for your attention.

SPEECH

By Mr. Gustav Siale,

Managing Director, GHANA RE at The 5th Cedants' Awards Night held at La Palm Royal Beach Hotel on Friday 5th September, 2014

Mr. Chairman, Madam Commissioner and Guest Speaker, Directors of Ghana Reinsurance Company, Managing Directors of Ceding Companies, Distinguished Guests, Ladies and Gentlemen. It is with much joy that I welcome all of you to the 5th Cedants' Awards Night. Being the 5th in the series, it will be necessary to briefly recapitulate the events that led to the institution of this special event.

The promulgation of the Insurance Act 2006, Act 724, brought with it two challenges to Ghana Re. Act 724 repealed the Ghana Reinsurance Organisation Law, PNDCL 79 which established the company and with it the special privilege of compulsory cession. The same Act also perpetuated in section 77(6) the granting of 90 days credit to the Policyholder which has created the huge outstanding premium balances on the books of the company. These two challenges have threatened the life blood and thus the very existence of our Company.

Mr. Chairman, just as the continuous flow of blood through the veins of a natural person keeps him alive, so it is with the cash flow of a company. Interrupt the cash flow of a company and it would be destined to extinction. The removal of the compulsory cession which gave our company over 60% of its premium income and non-collection of premiums written definitely interrupted the cash flow of the company.

With the support of you, our loyal friends and clients, Ghana Re as a company has been able to weather the storm created by the sudden loss of the main source of its income. It is in recognition of this support and our desire to celebrate our loyal clients that necessitated the institution of the Awards Night.

Allow me at this point on behalf of the Board, Management and Staff of the Company to express our sincere thanks and gratitude to you for your faith in our company evidenced by the businesses you continue to give us in spite of the removal of the compulsory cession.

In selecting the theme for this year's awards night, Mr Chairman, the second challenge, outstanding premium balances bedevilling our industry informed our choice "No Premium No Cover: A Key to the Financial Health of the Insurance Industry". It is important for us to support policy initiatives such as the "No Premium No Cover" from our regulator that will ensure our financial well-being as an industry.

Mr. Chairman, Madam Commissioner, Distinguished Guests, over the years and in conformity with the provisions of section 77(6) of Act 724 a carryover from Act 227, industry players have allowed insurance to be procured on credit basis. This phenomenon has increasingly led to serious cash flow problems that have weakened the financial health of many insurance companies and has adversely affected their credit worthiness.

Mr. Chairman, for us at Ghana Re and this ought to be true for all stakeholders in the industry, one of the best things to have happened to us in the recent past is the "No Premium No Cover" directive issued by the National Insurance Commission. The directive will definitely improve the cash flow of all stakeholders and hence the financial health of all participants in the insurance industry.

- Insurance companies will collect all premiums written,
- Intermediaries will receive their commissions timely,
- Policyholders will be paid claims promptly.

Aside from timely collection of premiums and thus being able to earn some investment income, there are other advantages conferred on insurance companies by the directive and these include the following:

- NIC levy will be on actual premium written and collected.
- Subscriptions fees to GIA will no longer be based on premium figures the chunk of which will remain uncollectible.
- Company tax will also be based on actual profits and not an inflated figure caused by huge balances that will later be written off as bad debt.
- Improved claims payment to policyholders which will lead to improved industry image and eventually to increased business.

Typical of most new initiatives, Mr. Chairman, the implementation of the "no premium no cover" directive from April 2014, cannot be without some challenges. One such challenge has been the decline in the uptake of non-mandatory insurance policies. It is however, anticipated that the numerous advantages of this policy would outweigh the temporary setbacks currently being experienced. A major objective for the "no premium no cover" directive is to foster confidence, growth and development of our industry and we are optimistic that this policy would in the long run improve the financial health of the industry. Our financial statements would be a more accurate reflection of our financial health and strength which will enable us compete more effectively on the international market.

Join me to commend the Commissioner and her team for this bold initiative they have taken to save the industry from imminent financial collapse.

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, while the Regulator is determined to enforce the "No Premium No Cover" policy, I entreat my fellow CEO'S not only to support her by ensuring strict adherence to the directive, but to consider this as the first step in sanitising our market, so that together we can work towards being a more profitable business oriented industry. To this end, Ghana Re in its capacity as a leading reinsurer in the market will assist our partners and the Commission to make the issue of outstanding premium a thing of the past.

The other challenge which threatens the financial health of our companies is rate undercutting. I believe the framers of Act 724 anticipated this problem hence the provision in section 77{1} that the Commission may determine minimum rates to be charged for certain classes of business. Where self-regulation fails then of course the Commission must step in.
While we celebrate our loyal partners, we need to draw attention to the enforcement of section 37 of Act 724. The section has been included to allow for self-regulation where companies based on their financial strength decide which amount of business to cede and the reinsurance company to deal with but with the caveat that domestic capacity must be exhausted. Certainly, that section of the Act is meant first of all to protect our industry and also support the economy. It appears that the intended self-regulation is not being adhered to.

Although I am an ardent apostle of free trade, where socio-cultural as well as socio-economic challenges exist, we may need to go the way of the others. Multi-national reinsurers such as, Africa Re, CICA Re and PTA Re, as well as national reinsurance companies of the likes of Kenya Re, Tanzania Re and Uganda Re, in Africa continue to enjoy compulsory cession with the exception of Ghana Re. I am convinced that self-regulation guided by patriotism will help us attain the good intentions of regulation and this should be the path to go.

Mr. Chairman, in conclusion, may I once again take the opportunity to say kudos to the Commissioner and her team for the changes being introduced. It is a refreshing beginning and we all need to support her succeed.

To those who will be receiving awards this evening, I say congratulations and to all others I say thanks for your custom.

Thank you.

Personality Profile

MS. ABIBA ZAKARIAH, DEPUTY MANAGING DIRECTOR OF GHANA REINSURANCE COMPANY LIMITED.

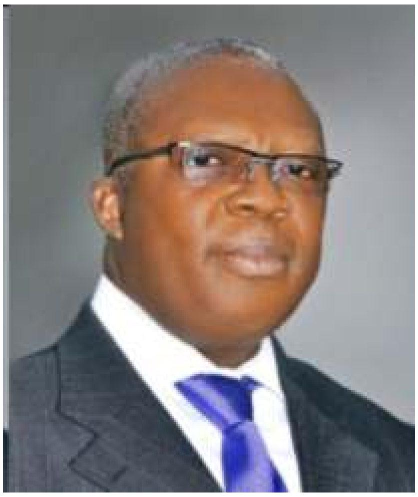
Ms. Abiba Zakariah is a product of the University of Ghana, Legon and holds a Master's Degree in Marketing. As a Chartered Insurer and Chartered Marketer, she has over nineteen years' experience in the insurance/reinsurance industry.

She is currently pursuing a Doctorate in Management programme with Swiss Management Centre, Geneva, Switzerland.

Ms. Abiba Zakariah joined Ghana Reinsurance Company in 2003 as a Marketing Manager having previously worked at SIC Insurance Company for eight years. Through hard work she rose steadily to the position of Ag. Head, Technical Operations. In February 2014, she was appointed Deputy Managing Director in recognition of her exemplary performance.

Ms. Abiba Zakariah has attended several courses both local and international and served on several committees in the industry. In 2012/2013 she acted as the Project Manager for the Ghana Agricultural Insurance Pool and served on the Executive Council of the Chartered Institute of Marketing Ghana in 2011.

Ms. Zakariah currently lectures at the Ghana Insurance College and is a Resource Person for Ghana Re's training programmes and seminars. She is also a member of the Agricultural Insurance Pool Steering and Technical Committees as well as the “No Premium No Cover” Committee set up by the National Insurance Commission to support the implementation of the regime.



PRESENTATION ON

EFFECTIVE UTILISATION OF LOCAL CAPACITY

A PAPER PRESENTED BY Mr. **M. ROGERS-AKPATAH**

AT THE FIRST ANNUAL CONFERENCE AND EXHIBITION OF GHANA INSURANCE BROKERS ASSOCIATION

Madam Chairperson, Ladies and Gentlemen, I believe that at the time when merchant 'underwriters' were sharing genial conversations and penning their signatures to slips to offer insurance protection at the coffee shops in Lloyds, little did they imagine that their commercial activities would expand to such great proportions to the extent of raking in substantial premium income for national development.

Currently, the contribution of insurance to Britain's Gross Domestic Product (GDP) is about 13%, and that of European Union (EU) countries hovers around 9% on average.

According to a report carried by Modern Ghana.com, the contribution of insurance to GDP in Ghana is about 2%. This does not sound good enough, taking cognisance of the fact that there is a huge potential within the industry to make a massive impact on our economy if we collaborate as practitioners with a purposeful agenda.

Madam Chairperson, Ladies and Gentlemen , the importance of the insurance industry in the development process of a country was acknowledged by UNCTAD in 1964 when it was emphasized that ''a sound national insurance sector represents an essential feature of a proper economic system, contributing to economic growth and fostering high employment''.

If insurance did not exist, a large proportion of the rest of the economy would not exist either. Without a reliable mechanism that encourages mutualisation, pooling and transferring of risk, a large proportion of economic activity would simply not take place.

There is substantive empirical literature seeking to assess the causal relationship between macroeconomic performance and the size of the insurance sector.

Francois Outreville (UNCTAD, 1990) pioneered the examination of the relationship between insurance development and economic growth for developing countries. His findings indicated that both non-life and life insurers generate significant economic growth.

Maurice Kugler and Reza Ofighi (University of Southampton, 2005) showed that an increase in the market size of the different property and liability lines of business has a positive and statistically significant effect on economic growth. The effect was found to be more significant in the direction going from insurance market size to economic growth than the reverse, thus indicating the prevalence of a long run positive effect over a cyclical one.

How the insurance sector promotes economic growth:

The insurance industry fosters economic growth and structural development through the following channels;

i. Providing broader insurance coverage directly to firms, thus improving their financial soundness.

ii. Fostering entrepreneurial attitudes, hence encouraging investment, innovation, market dynamism and competition.

iii. Offering social protection alongside the state, thus releasing pressure on public sector finance.

iv. Enhancing financial intermediation, creating liquidity and mobilizing savings. As major institutional investors, insurers gather dispersed financial resources and channel them towards investment opportunities, facilitating companies' access to capital.

v. Fostering stable consumption throughout life.

The role of UNCTAD in the development of insurance in Africa and other developing countries:

Madam Chairperson, it is quite clear that the indisputable evidence regarding the role of insurance in quickening economic growth of countries, was to a large extent the catalyst that inspired the United Nations Conference on Trade and Development (UNCTAD), to support developing countries in establishing national insurance and reinsurance companies.

UNCTAD, was established as an organ of the United Nations General Assembly in December, 1964. The need for the establishment of UNCTAD came as a result of the declaration of the UN General Assembly that the 1960's were to be the Development Decade with a target of a minimum annual growth rate of 5 per cent for each of the developing countries.

The Committee on Invisibles and Financing which was set up in 1967, within UNCTAD requested the UNCTAD Secretariat 'to carry out at least once every two years reviews of developments in insurance with special reference to developing countries'. This marked the beginning of UNCTAD's active involvement in the development of the insurance industry in the developing countries.

UNCTAD's activities in the field of insurance policy include:

I. Study on "insurance legislation and supervision in developing countries'.This study emphasises the importance of insurance supervision as a means of regulating insurance transactions and of the growth of national insurance markets in developing countries. Resolution 42/III, adopted by the Conference in Santiago in 1972, recommends the implementation of the conclusions of the study.

II. Study on the 'establishment of a unified international system of insurance statistics' This study, of which the title is self-explanatory was recommended by all member countries of UNCTAD in the same resolution 42/III.

III. Study on 'Reinsurance problems in developing countries' With Resolution 7/VI adopted in Geneva in 1973, the UNCTAD committee on Invisibles endorsed the findings of the study and recommended that developing countries adapt their outward reinsurance policies accordingly, both at national and regional levels.

IV. 'Study on Marine Cargo insurance; the UNCTAD committee on Invisibles thoroughly debated the contents of this study and decided by consensus, (resolution 10/VII of November 1975) that developing countries should implement the findings of the study with a view to increasing the participation of their insurance industries in providing insurance cover to their foreign trade.

In the light of the immense support by UNCTAD in the field of insurance, developing countries set into motion the establishment of national insurance and reinsurance companies with the view to stem the flight of premium income and also to conserve foreign exchange among others.

In Sub-Saharan Africa, Kenya Reinsurance Corporation (Kenya Re) was the first to be established in 1970 but began underwriting business in 1971. Under the Reinsurance Corporation Act, Kenya Cap 485, Kenya Re enjoyed 25% Legal cession on all policies and also 25% on both Life and Non-Life treaties. This was to be followed in 1972 with the establishment of Ghana Reinsurance Organisation (GRO) now Ghana Reinsurance Company Limited. The law establishing GRO granted it 20% compulsory cession on policies and a minimum of 5% on treaties.

Apart from the national reinsurance companies, regional reinsurance companies were formed with the aim of providing reinsurance capacities through the underwriting of reinsurance business and thereby retaining within the region part of the business which hitherto were reinsured outside the region. This saw the establishment of Africa Re (1976) CICA Re (1981) and others.

Changing dynamics; regulatory reforms:

In the face of a changing global market place, with its accompanying liberalised trade policies championed by the World Trade Organization (WTO), some developing countries have also had to review their insurance laws to pave the way for a 'level playing field' devoid of compulsory cessions.

Although Kenya Re was expected to phase out its legal cession over a 5-year period (2007-2011),this has not been complete. The 25% cession on policies has been withdrawn but the 25% cession on treaties has been truncated to 18% and is still in force.

Sudan still grants 50% legal cession to its national reinsurance company.

In conformity with relaxed international trade policies, Ghana's parliament passed the Insurance Law, Insurance Act, 2006, ACT 724 to replace the previous one. The new law among others, caused the discontinuation of the compulsory cession that was hitherto enjoyed by Ghana Re (this became effective in January 2009) and in its place endorsed the exhaustion of local capacity before recourse to external reinsurers.

This is captured in Section 53, of the Insurance ACT 2006 sub section 2, which reads; 'An insurer or reinsurer shall utilise the local capacity available in insurance business originating from the local market before recourse to any overseas reinsurance'.

To add the much needed fillip to achieving increased national capacity, the National Insurance Commission (NIC) issued reinsurance guidelines which became effective from July 1, 2010. The objectives of the guidelines inter alia are:

I. 'To ensure that all reinsurance arrangements entered into by insurers meet the approval of the NIC and such arrangements are in the best interest of the country.'

II. 'To ensure local capacity is utilized by lead insurers through participatory offer to other insurers with appropriate security before recourse to overseas reinsurance placement.'

III. 'To avoid the flight of premiums overseas on risks which the Ghana market has the capacity to retain'.

Madam Chairperson, the key highlights of the guidelines include:

I. 'An insurer shall ensure that before reinsuring any business overseas available local capacity (treaty and facultative) is exhausted. Local capacity shall be interpreted to include the mandatory 5% participation in regional agreements such as Africa Re, WAICA Pool etc.'

II. 'Having due regard to market retention capacity, it is recommended that - NO overseas reinsurance placement should be made in respect of the following classes of insurance:
Motor
Workmen's Compensation
Personal Accident
Goods-in-transit
Fidelity Guarantee and
Life

Where there is not enough local capacity for any of the above, the NIC's approval must be sought before recourse to overseas reinsurers'.

III 'there shall be no fronting arrangement for any risk located in Ghana. Where there are no cover available for any particular risk in Ghana, the NIC's approval must be sought before recourse to overseas insurance'.

What constitutes local capacity?

Although we have been given some guidance by the NIC regarding the interpretation of local capacity, the picture appears unclear when it comes to implementation. For this reason I would suggest two approaches to the subject.

a. Local capacity could be interpreted to mean the cumulative net retentions of the local insurers plus the treaty capacity of the two main reinsurers (Ghana Re and Mainstream Re) plus the mandatory 5% cession to Africa Re.

This interpretation could be inferred from the guidelines on reinsurance issued by the NIC.

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Donations

To Selected Institutions

Ghana Re, as part of its Corporate Social Responsibility (CSR), made donations to selected institutions and departments on Friday 27th September 2013. The company considers the human capital of a country key to the creation of a vibrant economy. This has been the major motivating factor in selecting the recipients. The recipients for year 2013 were College of Health Sciences - Legon, School of Medical Sciences - KNUST, Students Financial Aid Office - Legon, Department of Child Health, Urology (GU) Department, Ghana Heart Foundation, Ghana National Trust Fund.

The annual donation towards the graduate programs of the College of Health Sciences-Legon and School of Medical Sciences-KNUST is to ensure that these institutions continue to contribute towards a better healthcare delivery system in Ghana.

The National Trust Fund, the Students' Aid fund and the Ghana Heart Foundation were also selected because of the assistance they provide to the disadvantaged in society.

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b. Another interpretation could be that at the designing stage of their treaty programmes for a particular year, insurers would factor the limits of acceptance of the local reinsurers for each class of business before making cessions to any overseas reinsurers.

Effective utilisation of local capacity:

Madam Chairperson, Ladies and Gentlemen, whichever of the above interpretations is accepted by the market, we definitely should see a greater retention of market premium. There is the added benefit of making savings on foreign exchange transfers to external reinsurers in respect of reinsurance protection.

Although domestic reinsurance capacity has been growing over the years relative to the market size, risk retention for the market could at best be described as low. A compilation of market statistics extracted from the records of NIC, showed that out of a total premium income of a little over GH¢ 850 million that was written for the two-year period 2011 and 2012, in respect of non-life business, 32% of that amount was ceded to local reinsurers while 68% went to overseas reinsurers.

Certainly, the market can achieve a far greater retention capacity if insurance practitioners would work together as a united front for the common good of the nation by complying with regulatory requirements.

The way forward:

Madam Chairperson, Ladies and Gentlemen, I am certain in my mind that the subject we are discussing has become topical because all is not well with our experience regarding the exhaustion of local capacity.

I am however of the opinion that if due consideration is given to the under-noted points with zeal and undiluted commitment, much would be achieved in our yearning to effectively utilize local capacity:

1) Fronting
2) Global policies and Captives
3) Capital requirements
4) Manpower development
5) Enhancing regulatory framework
6) Role of brokers

Fronting:

Fronting as we may all be aware, involves an insurance company who issues a policy for a particular risk and then passes on the entire risk to an external reinsurer for a commission. By this practice almost 100% of the premium on a risk is transferred outside the country. This practice, goes contrary to our regulatory regime and yet is gleefully undertaken by some practitioners, all in the pursuit of achieving a favourable Balance Sheet for their companies. Quite a number of these practices escape the radar of the regulator hence the motivation to continue.

Global Policies and Captives:

The concept of global village has become so pervasive to the point of influencing every aspect of our lives and the insurance industry is no exception. In recent times, it is a common practice for most multinationals to arrange common insurance policies that encompass their activities in territories within which they operate with the view to primarily minimizing the cost of insurance. The other dimension of these arrangements is that the multinational have captives who lead their treaties and therefore design reinsurance programme very often to the detriment of markets in which they operate.
The programmes are such that they include standard exclusions that indirectly discourage local participation, hence a greater part of the premiums are transferred overseas.
Further, the reinsurance pricing tend to be inappropriate thereby making it uneconomic to reinsure locally.

Capital Requirements:

Undoubtedly, strong insurers lead to stable insurance markets and for that matter increased national retention capacity. It is therefore commendable that the NIC has taken steps to review upwards the capital requirement of insurance companies which would not only make them stronger but would also enhance their ability to retain more business. It would be necessary to periodically review capital requirement levels to encourage solid market players who have the financial muscle to retain more business.

Manpower development:

The Ghana market has to a large extent taken insurance

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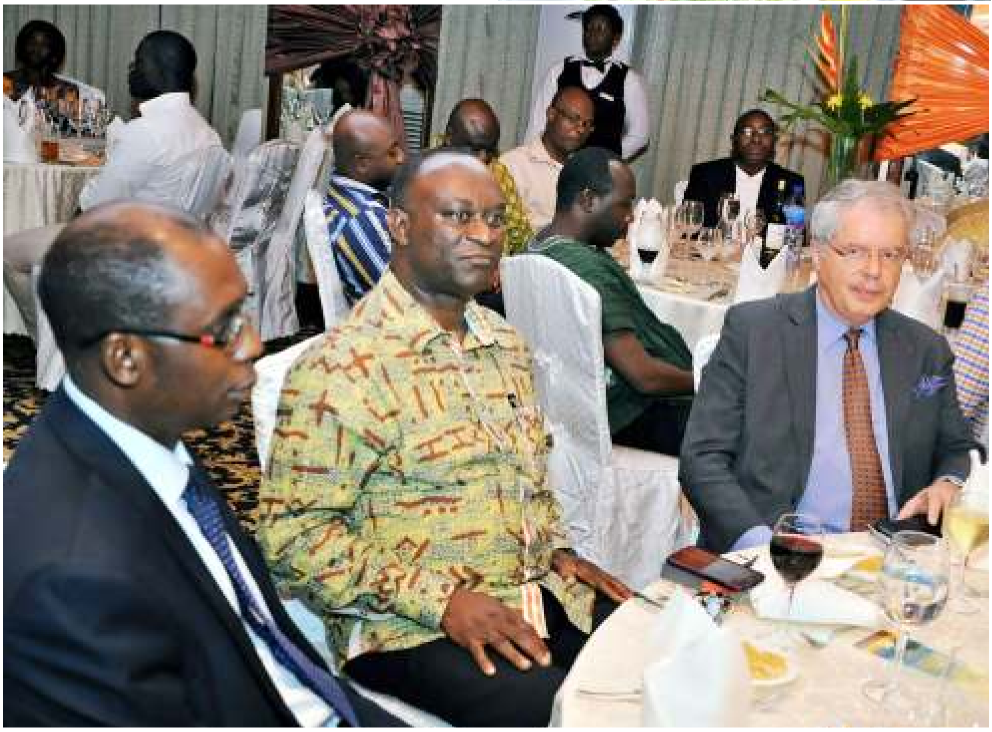
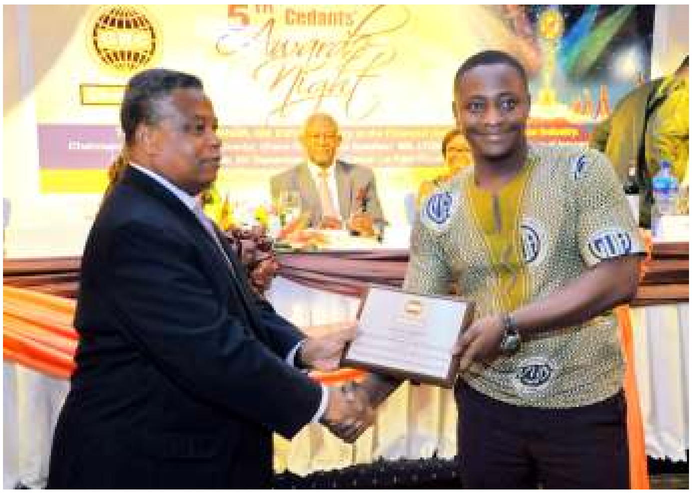
5th Cedants' Awards in pictures




5th Cedants' Award Night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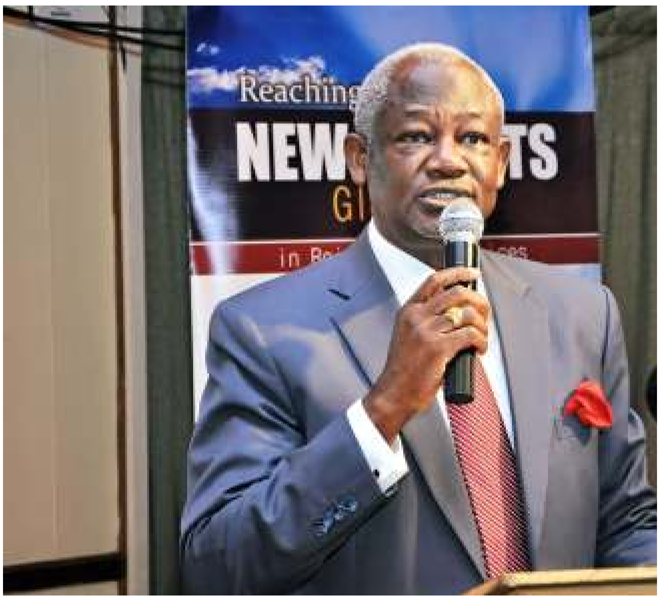
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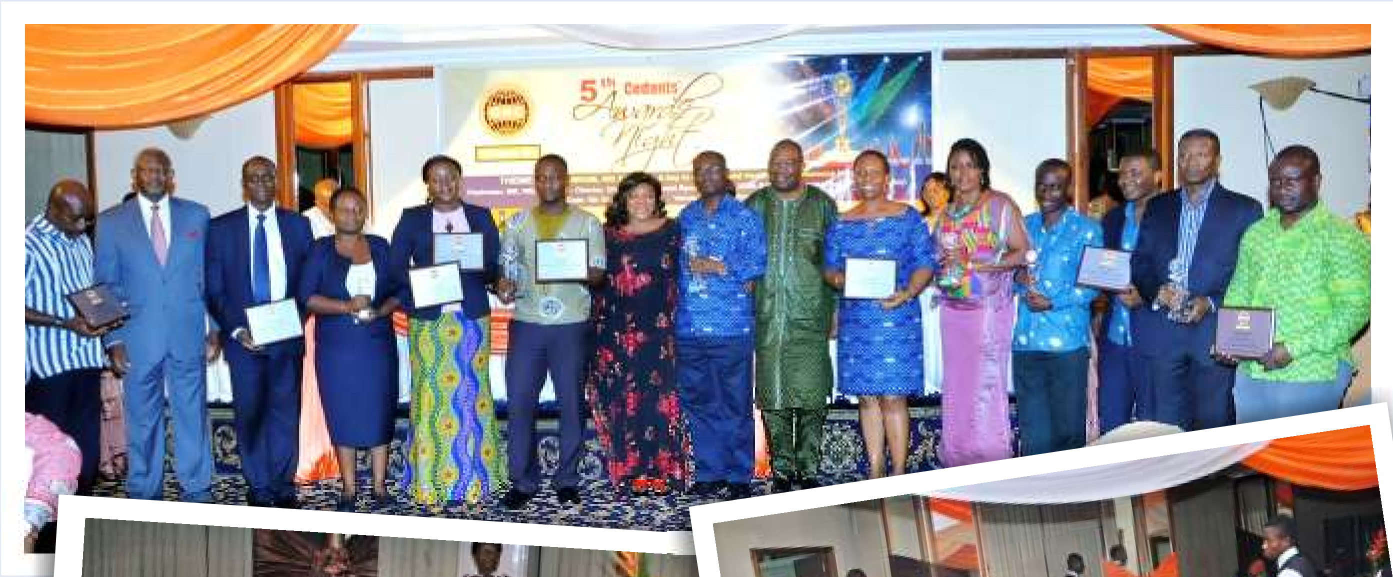
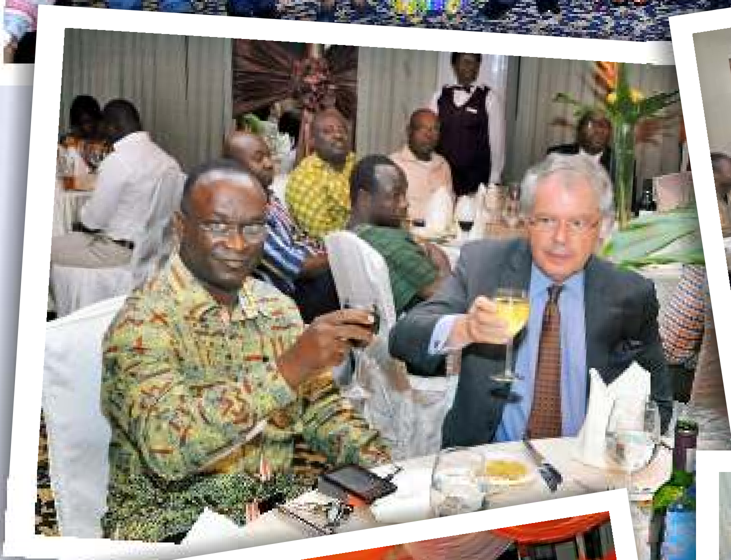
5th Cedants' Awards in pictures





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education seriously both at company and industry level, but a lot still remains to be achieved.
Capacity development in areas like engineering, risk survey, loss adjustment and Oil and Gas underwriting, would have to be treated with utmost seriousness.

The dearth of knowledge in complex engineering risks has been the defense for placing these risks with the mega reinsurance companies with its accompanying premium flight to international markets.

As we develop the needed expertise in some of the specialised areas in insurance, we would be paving the way to achieving better premium retention.

Enhancing Regulatory Framework:

Without a doubt, it has become important to put in place efficient regulatory structures in the light of insurance liberalization and the evolving global insurance sector. Although the current insurance Law Act 2006, ACT 724 is under review, there are enough requirements which when fully implemented would greatly improve the national retention capacity.
As of now, there are six classes of business that have been domesticated, but the fact of the matter is that strict observance of existing guidelines are not being carried out to the letter, thus it is essential to enhance the performance of the insurance regulatory authority.

Role of Brokers:

With the vigorous efforts by the regulator to improve our industry's overall capacity, brokers have assumed a central role. As retail businesses continue to account for a small part of premiums, the number of brokers in the market (currently 63) has grown to control the commercial segment of insurance which is majority government-linked businesses and those emanating from multi-nationals.

In this regard, brokers have a critical role to play in ensuring that the right price for insurance products are charged.

It is true that insurance brokers do not directly determine the pricing of insurance products, but in their desire to obtain competitive terms for insureds, there is the tendency to push rates downwards to uneconomic levels, as has been the experience in the Ghana market in recent times.

It is, therefore, crucial for insurance brokers to realise that they have a duty towards underwriters, by ensuring that all parameters of rating a risk, has been rightly applied thus maintaining that fine balance of obtaining good terms for their clients at the right price.

Again, since brokers are the conduit through whom external reinsurance placements are effected, they need to act as vanguards of our terrain by ensuring that local capacity is exhausted before recourse to overseas markets.

Conclusion:

Madam Chairperson, ladies and gentlemen, there is no doubt that insurance plays a vital role in the economy. Certainly, a world without insurance would be far less developed economically and much less stable.
Having regard to the recognition that insurance can quicken the economic development of emerging economies, UNCTAD led the crusade to make this vision a reality.

Some level of success has been achieved in this regard, but much remains outstanding. It is incumbent on us as practitioners to be heard singing the same song from the same hymn book with a chorus echoing the concern ' how do we effectively utilise local capacity'.

Thank you.

MOTIVATIONAL QUOTE

"Would you like me to give you a formula for success? It's quite simple, really. Double your rate of failure. You are thinking of failure as the enemy of success. But it isn't at all. You can be discouraged by failure or you can learn from it, so go ahead and make mistakes. Make all you can. Because remember that's where you will find success. On the far side." -

By Thomas J. Watson (Former president of IBM)

ASSESSMENT OF

HUMAN CAPITAL DEVELOPMENT

IN GHANAIAN INSURANCE INDUSTRY

BY PETER KWARTENG,
Assistant Manager, (Domestic Operations Department) GHANA RE

GHANAIAN INSURANCE HUMAN CAPITAL DEVELOPMENT (HCD) AND TRAINING ORGANISATIONS

What is it that makes insurance education such an important priority for the emerging insurance market in Ghana? To address this question, it is necessary to understand the forces that historically condition training and development in insurance industry in Ghana.

The establishment of the West African Insurance Institute (WAII) in 1979 and Ghana Insurance College (GIC) in 2006 contributed to the reinforcement of formal insurance education, training, and orientation. Modeled after the Chartered Insurance Institute in UK, these institutes were intended to develop capacity for players in the insurance industry, persons with professional competence to administer insurance business by promoting a structured system for equipping students with professional competencies.

For nearly 5 years, WAII and GIC have predominantly implemented a variety of both short and long-term training programs aimed at building the capacity of practitioners, impart knowledge, develop new attitudes, and upgrade skills among insurance professionals. The goals of these institutional training programs are consistent with both bureaucratic and market perspectives: (1) educating insurance professionals in the best ways of maintaining organizational vitality and reliability; and (2) championing the advancement of ethical insurance practice and professional competence.

INSURANCE FIRMS' HUMAN RESOURCE (HR) STRATEGIES AND POLICIES

Every insurance firm has a HR policy. Thus, HCD policies are incorporated in the overall HR policies. Most of the training policies have training principles and procedures. The guidelines are to ensure that training is distributed wisely and equitably. In one firm, the policy recommends adherence to three principles: (1) that all training be deemed useful to the employer, (2) that training be directly related to an individual's job, and (3) that training not be taken too far in advance of the time when it is likely to be used. Most policies recommend that both staff and management share in the development, planning, conduct, and evaluation of training strategies.

For instance, the policy of SIC recommends that:
'Quarterly training reports on all training and conference activities be produced'.

Ghana Re policy states that:
'Annual report on local training, overseas training and conferences be produced.

These summaries allow management to determine where they are in terms of staff training that may be required, relative to others and to generate ideas on the types of training. They keep information “out in the open,” thus assuring staff that training resources and opportunities are being allocated equitably.

As suggested by the HR manager of an insurance Company, since the training policy was put into effect, the underwriting skills of the company's staff have improved. This is encouraging, and its largest impact is on lower level employees.

It may be necessary for firms to consider conducting Focus Groups Interview with different sub populations of employees in order to explore their awareness of training (where and how they get their information), what kind of training they want more or less and why they may fail to take advantage of opportunities available). Such information would enable companies to determine whether their staff are adequately informed on the company's training development issues. These simple exercises can help expose weaknesses in the communication chain between those who plan and provide for training and those for whom it is intended.

Having examined the training policies of firms, it was observed that they have an objective of equipping staff with the needed skills, knowledge and core competences required for effective performance of current jobs and for career development of staff. The policies also make provisions for:

- Responsibility for training and development
- Training need identification
- Training procedure
- Training evaluation system etc

A careful study of firms' training and development policies indicates that the policies capture essential elements of best practices regarding claims handling, underwriting, pre and post inspection of risk/loss, risk management. That is, the policies are not different from what is the norm as it has the major requirements the training and development policy should have. This makes their policies adequate for attainment of organizational objectives.

An interview with one HR manager revealed that the policy seeks to develop capacity of officers especially in the core operational areas (underwriting, claims processing etc), to develop the capacity of senior officers to manage the affairs of the institution, to equip officers with skills that they may require to do their work and to prepare officers for higher responsibilities.

In response to whether the training and development policy was related to the organizational objectives, one HR manager answered positively and added that 'Officers were trained to be efficient in what they do, a core theme reflected in the mission and policy statement of the institution.

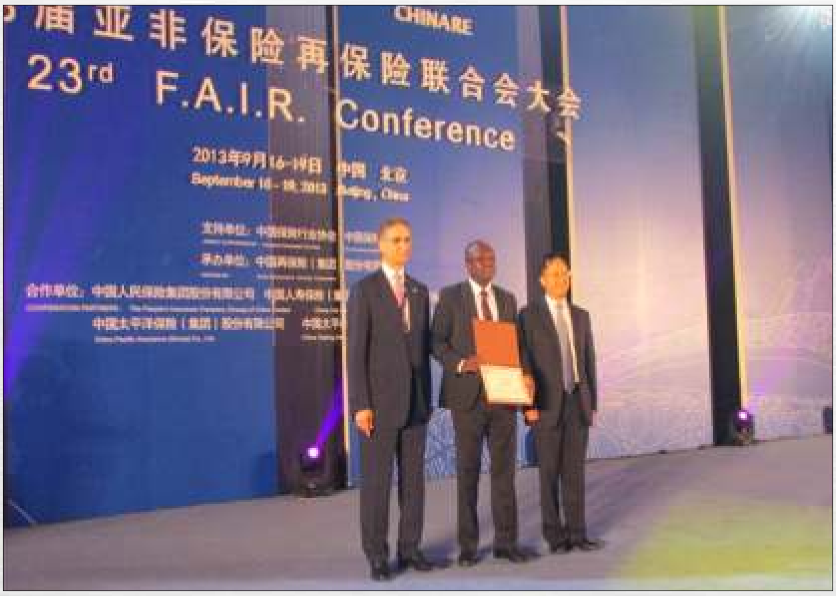
The HR Manager of Quality Insurance Company also emphasized that 'Training programs were geared towards meeting certain objectives’. Training programs are normally planned to enhance the capacity of staff to deliver in areas where there is short fall.
Explaining the focus of their policy, the HR Manager of Unique

Assurance explained that. Their policy aims at providing a continuous functional training and development to broaden the knowledge and skills of officers in the core and non-core business units. The policy involves the planning and improvement of a systematic training and development of all categories of staff to ensure that the institution has adequate and well qualified staff at any time'.

Policy documents examined outline recruitment and career prospects, rewards and means of advancement of staff. However, these are yet to be finalized and approved for implementation in some organisations.

The interview with HR managers revealed that training strategies are not integrated with the overall organisation strategies, while most of them agreed that training plans and polices are integrated with the overall organization plans and policies. For most of them, there is no clear determined training strategy. It was observed that training plans and policies are formally documented. However, training plans are not flexible and adaptable to changing circumstances. Most firms' plans and policies are in harmony with HR department plans and policies.

HR managers stated that policies and guidelines are communicated to staff when they are first recruited. Sometimes, an HR bulletin is published or circulated as a means of soliciting staff input.



The writer, Peter Kwarteng, in a picture with officials after receiving his Award at the 23rd F.A.I.R. Conference in China

It was observed that encouragement in most firms were committed to staff training and provide support to facilitate training activities. The reason is that, they believe training function is essential to the firm's overall performance.

Few interviewees believed in the importance of training for their organisation but beliefs without real commitment and support, are useless. There are many indicators that reflect how much commitment and support is available for training, such as the allocated budget which can be available or not.

A study revealed that some firms policy on sponsorship and day release for academic and professional courses provide a suitable means of training for employees to enable them secure competency for the performance of their duties and prepare them for advancement within the establishment. In this vein staff may be granted study leave with or without pay or sponsorship to enable them pursue self-initiated courses with the intention of equipping them with the requisite knowledge and skills, in order to enhance their performance on the job. The aim of the policy is to create an avenue by which staff may satisfy their training and development needs while at the same time directing them to achieve the development needs of their firms. Some firms' policies on HR also outline eligibility criteria, courses acceptable for the firms' support, terms of study leave, service bond and procedure.

However, some employees especially those pursuing courses that require day releases, have expressed frustration and disappointment at the lack of support particularly from their immediate supervisors/managers. Some have even complained of deliberate efforts to frustrate their ambitions by not being granted day release to attend classes. Whilst these employees appreciate the fact that their supervisors would be more interested in their output at work than in their career programs, they feel that their supervisors ought to be more understanding and provide encouragement. Some of the supervisors on the other hand have observed that some employees tend to concentrate more on their academic pursuits at the expense of the work for which they were employed. This situation seems to suggest that there is a gap between the policy and its implementation.

HCD PRACTICES IN INSURANCE FIRMS

Employees must be trained, and where possible developed to meet their own career needs and the need of the organization. Training should aim at developing individuals to enable them perform the job better.

The goal of training is for employees to master the knowledge, skill, and behaviours emphasized in training programs and to apply them in their day-to-day activities. Some of the reasons for emphasizing the growth and development of personnel include:

- Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization.
- Enhancing the company's ability to adopt and use advances in new knowledge in the insurance business.
- Building more efficient, effective and highly motivated teams, which will enhance the company's competitive position and improve employee morale.
- Ensuring adequate human resources for expansion into new service or products.

A systematic approach to HCD practices should begin with training needs assessment. Training needs assessment is considered the critical stage by which employee training needs are identified. Assessing training needs play a very important role in identifying individuals who need to be trained, designing the program that relates to the needs of both individuals and the organization, allocating the required time, determining the program objectives and the required skills and determining the required resources for implementing the program (Bee, R. and Bee F. (2003), Learning Needs Analysis & Evaluation, Chartered Institute of Personnel and Development). HR managers were asked about the TNA process in their organizations.

It was observed that few firms conduct training needs assessment on a regular basis. Even these firms do so annually and few quarterly. In addition, training needs should not be assessed once a year, they should be assessed at a variety of times depending on the organization's needs and conditions.

Few staff revealed that they use appraisal performance information. Training needs assessment was described by many staff as subjective. It depends on what managers or supervisors think that employees need. Even the appraisals that are supposed to be filled in by employees are submitted to the employees' supervisors to make the decision about the employees' needs, based on their observation. Sometimes, direct managers discuss employees' needs with them. However, mostly, they do not. Thus, it is direct managers who decide whether or not employees need training. As a result, trainees are nominated not because they need training but because their direct managers demand it.

Most staff indicated that the types of training they have experienced include in-house training, formal training from GIC, WAII and Chartered Institute of Insurance-UK, and other forms such as seminars, conferences. On the implementation of the training programs, HR managers also indicated that the training takes the form of in-house, orientation and on-the job training and the methods used included lectures, presentations, group discussions and also from GIC and WAII. They also added that the resource persons for the training programs come from both within and outside the industry.

For a training program to be effective, it must be perceived as useful and available by employees who seek it. There was a fair amount of variation among some insurance companies, but, overall, nearly half of the respondents perceive that employees are receiving the training necessary to do their jobs and keep up with new technologies. Similarly, over half view their company as being supportive of external training opportunities offered through conferences and professional associations. However, less than half of those surveyed perceive training to be a high priority at their organization.

The results indicated that most of the respondents were of the view that in general improving employees' skills and knowledge, learning new work methods, improving employees behaviors, performance, commitment and satisfaction. The results also showed that some staff were not sure about HCD impact on improving employees' attitudes, encouraging team work, increasing employees' creativity and productivity. That could be explained by the fact that HCD could not work without employees' enthusiasm to make it work, to change their attitude, to improve their work, to apply what they learned into their workplaces. In this context, Yeo R. in the Journal of Workplace Learning, 2002, Learning within organisations stated linking the theoretical and empirical perspectives, advocates that changing employees' behaviour and attitudes should not be the final objective of HCD; the end results should include things such as improved productivity, better quality, lower costs, more speed, more competition, fewer accidents, improved morale, lower turnover and, ultimately, more profit and better service.

PROBLEMS WITH HCD

Generally speaking, the study found that the HCD challenges facing Ghanaian insurance firms are multi-faceted and or integrated in character. Accordingly, they could be conveniently categorized as three-dimensional policy-induced challenges; skill, task and organization induced challenges; and performance motivation induced challenges. The organisations' policy-induced challenges are essentially due to the design and implementation of the present training and development programs and the associated problems that come with it. Whilst the other two broad challenges are a synthesis of the concerns and needs of the respondents (employees) and key person's interviewed.

The most important problems and challenges confronting HCD activities and programs in insurance companies were: lack of motivation among employees; inaccurate training need analysis; lack of on-the-job training.

Focusing on problems facing staff development, most staff did affirm that all is not well. To understand the nature of the problems in the context of HCD the respondents stated three major problems that affect the development of human resources in their organization - namely cost for training and development, sponsorship and firms' policies on study leave.

It was found that all the insurance firms permit HCD programs after work or weekends. However, employees who attend HCD programs after work are often exhausted and tired. It could be argued that HCD time in most insurance firms is not appropriate for a successful learning process. This notwithstanding, it was revealed through the study that those who pass through the learning stage are able to bring on board effectiveness in the discharge of their duties, hence contributing to organizational success.

It was also observed that staff are not granted study leave to enable them pursue courses for study intended to equip them with the requisite knowledge and skills, in order to enhance their performance on the job. Moreover, most insurance firms' policies are silent on study leave for insurance professional courses. Thus, they do not provide study leave for employees who want to participate in training to enable them secure competency in the performance of their duties and prepare them for advancement within their establishments.

Another strong revelation from the study was that there is no uniform grade in the industry for staff who qualified as professional insurers. Whiles in some companies, after the attainment of the ACII -UK, you are automatically promoted to the managerial position; others see promotion for such qualification as normal which discourages the HCD in the industry.

Another important reason why some staff are not interested in or attending HCD programs is the lack of encouragement,

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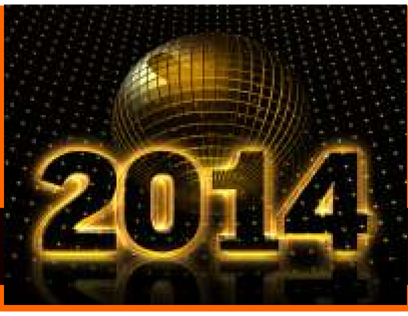

Ghana Re Training Programmes / Seminars

As part of its services and support for the industry, Ghana Re has been organizing training programmes for its business partners on both the local and international market. The aim of these training programmes is to upgrade the knowledge and skills of the insurance practitioners in a manner that will contribute significantly to the growth of insurance business in Ghana. In line with the above and within a period of nine (9) months, January to September 2014, Ghana Re has organized several seminars in Ghana, Sudan, Liberia, Kenya, and .

Ghana

The Company began the series of seminars in Ghana with its Annual International seminar in February, 2014. The programme for this year, eighth (8th) in a series of international seminars organized in Ghana, was held at the Elmina Beach Resort from February 16 to 22, 2014 on "Bonds Insurance and Risk Management" .

In all, there were a total of 58 participants, 31 from Ghana and 27 foreigners from Zambia 8, - Ethiopia 4, Sudan 4, South Sudan 1, Liberia 5, Nigeria 1, Kenya 2, Mozambique 1 and The Gambia 1. This represents the highest number of participants since the start of the international seminars.

The opening ceremony held on Monday, February 17, 2014 was chaired by the Managing Director, Mr Gustav Siale. Opening the seminar, the Managing Director requested participants to learn something new, share ideas and get to know the history of the area. He also told participants to feel at home and enjoy their stay, but more importantly ensure that they take some valuable lessons from the seminar to improve their underwriting skills back at work.

In attendance was the Deputy Managing Director and Chairperson, Training Committee Ms Abiba Zakariah, Mr. M. Rogers-Akpatah, Consultant Ghana Re, and other members of the Training Committee.

The lectures began immediately after the opening ceremony and run through to Thursday, February 20, 2014. On Friday, February 21, participants embarked on a field trip to Kakum Forest Reserve and the Cape Coast Castle.

The resource persons for the programme, Messrs Gustav Siale (Managing Director, Ghana Re), Mathias Rogers-Akpatah (former DMD, Ghana Re), Alfred Ofori-Kuragu (Managing Director, GLICO General Insurance Company) covered the three areas - Bonds Reinsurance, Risk Management and Bonds Insurance respectively. All three performed very knowledgeably as expected, each employing his own unique style. Mr. Gustav Siale, challenged participants to have a deeper appreciation of reinsurance so they could select the appropriate reinsurance programme for Bonds. Mr. M. Rogers-Akpatah, in his lecture on Risk Insurance encouraged participants to apply the risk management process in their underwriting practices, whiles Mr. Ofori-Kuragu, touched on how to manage some challenges insurers faced in the practice of Bonds Insurance.

Mr. Wilson Tei, a member of the Board of Directors, Ghana Re, was the Guest Speaker at the closing ceremony. In his speech, Mr. Tei advised participants to share business, exhaust the local capacity of their markets and that of the continent before sending businesses outside Africa in an effort to build the African insurance market.

At the ceremony Mr. Elsadig Galak, a participant from the Sudanese market, was recognized for his participation in seven out of the eight seminars organized so far. He was presented with a plaque for his sustained interest in our international seminars. In his response, Mr. Galak expressed his profound appreciation and stated how he has benefited immensely from our seminars. He urged all to ensure that their companies continue to send participants to attend these seminars.

Also in July 2014, a seminar on

The Deputy Managing Director, Ms. Abiba Zakariah, and other resource persons in a group photograph with the participants.

"Reinsurance Accounting and Statistics" was organized

At the end of the programme, participants admitted to the fact that they had learnt a lot and looked forward to translating their new found knowledge into their work.

Sudan

A three (3) day seminar on "Principles of Reinsurance" was organised in Khartoum, Sudan from March 24- 26, 2014, for the Sudanese Market.

The Seminar, fully sponsored by Ghana Reinsurance Company Limited, targeted 25 participants. However, the seminar attracted 38 participants drawn from 14 insurance companies, 2 reinsurance companies, the Regulatory Authority, Neelain University in Sudan and Savannah Insurance Company in Southern Sudan.

The Resource persons from Ghana Re were Mr. M. Rogers-Akpatah, Consultant and Mr. Jonathan Kwame Kwakye, of the Domestic Operations Department.

Kenya

In Kenya, a seminar was organized for the market from 25th to 26th August, 2014. The seminar which was the first to be organised in that country attracted 42 participants from 22 insurance companies, 3 Reinsurance broker and 2 reinsurance companies from the East African market.

It was formally opened by the Managing Director, Mr. Gustav Siale. The Guest of Honour was the Commissioner of the Insurance Regulatory Authority in Kenya, Mr. Samuel Makove.

The Resource persons for the three-day programme were once again Mr. M. Rogers-Akpatah, Consultant Ghana Re and Mr. Jonathan Kwame Kwakye of the Domestic Operations Department.

Mr. Rogers Akpatah (Resource person) and participants of the seminar

Mr. Gustav Siale, MD of Ghana Re and other resource persons in a group photograph with the participants at the seminar.

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GHANA RE

INTERNATIONAL OFFICES

KENYA REGIONAL OFFICE

In order to bring its services closer to the doorsteps of its business partners and in response to growing competition, the Board of Directors of Ghana Reinsurance took a decision to establish a contact office in Eastern Africa. An international branch in Kenya was feasible since it will also address the issue of time zone differences between Ghana Re and its East African business partners. Management decided to site the office in Nairobi, Kenya due to its strategic location within the region. The office commenced operations in December 2011.

The regional office currently has a director, an underwriting manager, an underwriting officer, an administrative officer and an office assistant.

From a relatively small office in Nairobi, the regional office can now boast of a well - planned and furnished modern office in the TRV office plaza on Muthithi Road, Westlands, Nairobi.

Premium income written by the office has been growing continually. According to Mr. Erastus Muchiri, the Regional Head, this is due to good customer relations and impressive claim settlement record.

The regional office has a very promising future and hopefully will serve as hub for Ghana Re's East African market.

Erastus Muchiri
- Head of Kenya Regional Office

Staff of Kenya Regional Office

GHANA RE


MR. ROGER SIEWE, GENERAL MANAGER

GHANA REINSURANCE CAMEROUN PLC

CAMEROUN

Ghana Re's expansion drive started with an office in Douala, Cameroun. The office was strategically sited because hitherto Cameroun was a member of the Ecowas sub-region and the company had an expansion strategy starting with the sub-region. Cameroun has French as its main language. It was anticipated, therefore that the office will promote business among the francophone countries especially.

The office currently has a General Manager, an underwriter, a finance officer and an office assistant.

The Ghana Re Cameroun office is on Rue Drouot Akwa, in Douala, Cameroun.

Notwithstanding stiff competition, the office has managed to improve on its performance over the years.


Godwin Kabiebayor (Underwriter)

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LIBERIA

Ghana Re organised a seminar for the Liberian market in Monrovia from 28th April to 2nd May 2014. The seminar attracted 48 participants from the insurance industry. The Managing Director of Ghana Re, Mr. Gustav Siale and his deputy Ms. Abiba Zakariah were the resource persons for the programme

A group photograph of participants at the Seminar with MD and DMD of Ghana Re. Also in the photograph is Mr. William Coker, Secretary General, WAICA

Programme for 2015
In 2015, the Company will continue with the organization of these training programmes. As has become the norm, we will begin the year with the 9th Annual International Seminar to be held at Elmina Beach Resort from February 22 - 28, 2015. The focus for the 2015 seminar is on "General Liability Insurance"

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which could be achieved through linking attending HCD programs and perhaps transferring the new learned knowledge and skills into work places with an incentive reward or promotion system.

In this context, Yeo R. in the Journal of Workplace Learning, 2002, Learning within organisations: linking the theoretical and empirical perspectives, notes that with a combination of reward and recognition systems, employees' satisfaction can be enhanced to handle greater responsibilities and challenges.

This will guarantee better resource management to produce creative and innovative products and services and to face external challenges. In addition, with highly motivated employees, productivity and customer services will be greatly enhanced.

RECOMMENDATIONS

To insurance firms:

- Establish adequate training policies and plan human development programmes to efficiently use available training resources.

- Training needs to be considered as an important investment rather than a cost which needs to be minimized. Training should be a systematic continuous function, rather than a stand-alone process held occasionally.

- Promote employees after attending training programs. With recognition system, employees' satisfaction can be enhanced to handle greater responsibilities and challenges. This will guarantee better resource management to produce creative and innovative products and services.

- Conduct proper training needs assessment to identify employees who really demand training. This will save firms' money, time and make training activities more useful.

- Revise the timings of training for employees in order to achieve the objectives of training. Employees should be granted study leave to attend training programs.

- Address the gap between the policy and its implementation in order to check abuse of the training policies.

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best thing that could happen to the industry was the "no premium, no cover" directive issued by the Commission. He was hopeful that the timely collections of all written premiums would improve the cash flow of stakeholders, leading to timely payments of commissions to intermediaries and prompt claims payment. Mr. Siale in his speech also mentioned other advantages of the directive as the collection of NIC Levy based on actual premium written and collected, payment of GIA subscription fees based on actual premiums collected, calculation of tax rates based on actual profits and not on inflated figures caused by huge balances that may be later written off as bad debts.

He commended the Commissioner and her team for this bold initiative taken to save the industry from imminent financial collapse and called on his fellow Chief Executives to support the policy and ensure strict adherence as it will ensure the financial well-being of the industry.

The Managing Director concluded by congratulating the award winners and thanking all for their contribution to the growth of the Company.

The 2013 Award recipients are:

GENERAL BUSINESS

a) Overall

Cedant of the Year (2013)	-	Metropolitan Insurance Company Ltd
First Runner up (2013)	-	Enterprise Insurance Company Ltd
Second Runner up (2013)	-	NSIA Insurance Company Ltd

b) Special Awards

Prompt premium payment (2013)	-	NSIA Insurance Company Ltd
Contribution to Ghana Re's premium income (2013)	-	Metropolitan Insurance Company Ltd
Prudent underwriting (2013)	-	SIC Insurance Company Ltd
Contribution to the growth of Ghana Re (2013)	-	Provident Insurance Company Ltd

LIFE BUSINESS

a) Overall

Cedant of the Year (2013)	-	Ghana Union Assurance Life Company Ltd
First runner up (2013)	-	Enterprise Life Assurance Company Ltd
Second runner up (2013)	-	Metropolitan Life Insurance Company Ltd

b) Special Awards

Prompt premium payment (2013)	-	SIC Life Company Ltd
Contribution to Ghana Re's premium income (2013)	-	Ghana Union Assurance Life Company Ltd
Prudent underwriting (2013)	-	Ghana Union Assurance Life Company Ltd
Contribution to the growth of Ghana Re (2013)	-	Ghana Union Assurance Life Company Ltd

Joke

A stockbroker was cold calling about a penny stock and found a taker.
"I think this one will really move said the broker, it's only $1 a share."
"Buy me 1,000 shares." said the client.
The next day the stock was at $2.
The client called the broker and said, "You were right, give me 5,000 more shares."
The next day the client looked in the paper and the stock was at $4.
The client ran to the phone and called the broker, "Get me 10,000 more shares said the client."
"Great!" said the broker.
The next day the client looked in the paper and the stock was at $9.
Seeing what a great profit he had in just a few days, the client ran to the phone and told the broker, "Sell all my shares!"

The broker said, "To whom? You were the only one buying that stock."

Ghana Re

A
NEW FACE
WITH
RENEWED
STRENGTH
READY
TO SUPPORT
AND DEVELOP
OUR CLIENTS
FOR
THE FUTURE

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RATING: AM BEST – Financial Strength: B, Issuer Credit: bb

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