

West African Insurance Companies Association

THE WAY FORWARD INTO THE FUTURE

GIVEN THE EMERGING TRENDS

By

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Being a Paper presented to the WAICA Educational Conference held between 30 March and 1 April, 2008 in Freetown, Sierra Leone

1. INTRODUCTION

I have this feeling of being trapped in some time warp with an intoxicating aura of déjà vu. Over a decade ago I had the privilege of addressing a very similar subject, in a very similar forum, in front of a very similar audience. It is this feeling that reminds one how life is so transient. We live life like a lit candle; burning slowly to the end. Some of us lived our professional lives like candles with a dynamite fuse, lit at both ends. Thank God for environmental campaigners, old scraps can now be recycled and by the grace of God we are back.

I appreciate the opportunity to share some thoughts with you on this topic. I am happy to be here but I have to admit, I am also scared. Scared, because I wondered why I was assigned this particular subject, **“The way forward into the future given the emerging trends”** it sounds like a subject that would require some trend analysis which entail the use of previous information, which is mostly unavailable to me or the use of a crystal ball which I don’t have. For these reasons the best option left to me is to look things in my perspective and ask questions. I’ll leave you to decide whether that will take us into the future or not. Or rather I’d ask you to choose what you want to be or do, then hopefully at the end give you the answers from perspective.

The first part of my dialogue after discussing a bit of the change phenomenon would look at the current trends in insurance and business environment generally; while the second part would suggest ways forward for us in WAICA as an Association.

2. THE CHANGE PHENOMENON

The trends that are emerging today, both in the African and the World are all wrapped around the common theme of **CHANGE**.

Of course this subject is not a new one. Change has always been with us. What makes the change of the present time unique and also frightening is its pace and tempo.

Change today occurs at an unprecedented rate. The best way to manage change is of course to anticipate it and consciously plan to profit from the process. This means that rather than just reacting to change, we must be change drivers; we must have change management strategies to be change motivators. But the best way to manage change is to anticipate or create it and move it to our desire. This requires the creation and maintenance of skilled resource management as well as informed trend analysis apparatus. Trend Analysis will enable us

anticipate change, and craft an appropriate response strategy, within our overall Strategic Change Management.

The pace of change today is such that we have to be up to the nanosecond in following and tracking changes that will affect us. This is the atmosphere in which we, as Managers, must track Change, analyze it, design appropriate responses to it as it affects our Companies, and manage to deliver value to all our stakeholders. Whatever else this period is, the trends on the ascendancy going forward are likely to include complex changes, unexpected events, new things, different and new ways of doing old and familiar things.

We can rest assured that things can never be static in view of the technological and environmental development of these times. While this scenario is frightening to some, it is seen as a challenge to others.

The question is, are we the frighten or the challenged?

2.1. FAST CHANGING ENVIRONMENTS

The dynamism in modern business environment has since become the norm. We work with the burden of planning, implementing and managing change parallel to the daily routine of marketing and administration, a fast-changing environment is increasingly the situation in which most organizations now work.

Dynamic environments such as these require dynamic processes, people, systems and culture, especially for successfully managing change, effectively optimising organizational response to market opportunities and threats.

Key elements for success:

- **Plan long-term broadly** - a sound strategic vision, not a specific detailed plan (the latter is impossible to predict reliably). We all know now that detailed five years plans are out of date two weeks after they are written. Focus on detail for establishing and measuring delivery of immediate actions, not medium-to-long-term plans.
- **Establish forums and communicating methods to enable immediate review and decision-making.** Participation of interested people is essential. This enables their input to be gained, their approval and commitment to be secured, and automatically takes care of communicating the actions and expectations.
- **Empower people to make decisions at a local operating level** - delegate responsibility and power as much as possible (or at least encourage people to make recommendations which can be quickly approved).

- **Remove** (as far as is possible) **from strategic change and approval processes and teams** (or circumvent) **any ultra-cautious, ultra-autocratic or compulsively-interfering executives.** Autocracy and interference are the biggest obstacles to establishing a successful and sustainable dynamic culture and capability.
- **Encourage, enable and develop capable people to be active in other areas of the organization** via 'virtual teams' and 'matrix management'.
- **Scrutinise and optimise Information and Communications Technology (ICT) systems to enable effective information management** and key activity team-working.
- **Use workshops as a vehicle to review priorities,** agree broad medium-to-long-term vision and aims, and to agree short term action plans and implementation method and accountabilities.
- **Adjust recruitment, training and development to accelerate the development of people who contribute positively to a culture of empowered dynamism.**

The question is, are we fast enough to keep up with change or not?

2.2. CHANGE MANAGERS AND “DREAMERS”

We have to accept that old methods will not be as effective as they use to be in delivering the results that we desire. The fast- paced change that unfolds sometime only flashes in our faces and that is the reason each organization needs Change Dreamers. Change dreamers see the future, imagine new possibilities, and can see the big picture. They see new solutions to old problems. They see a new possibility, a new way of providing a service, and new product idea. Dreamers are the first big step in bringing about a new change.

In the Change Management Process, success requires no explanation, and failure permits no excuses. We either manage change effectively or are consumed by the failure to. Change creates heroes and villains. Heroes when we capture it to our advantages, Villains when we fail.

So dear colleagues, it is realistic to expect that the next few years will witness a lot of successes, and a lot of failures, a few heroes and a few villains.

The difference will be how well we are able to craft our change architecture for maximum effectiveness.

The question is, would we rather be heroes or villains?

There was the time when the only preoccupation of our companies was survival. There was little motivation other than the self maintenance of the few owners. “No regulation” was there to ensure otherwise. Please note; no regulation does not mean no regulator or guidelines.

The question is, are we survivors or the survived?

This challenging time therefore calls for skilled management navigators to lead our companies into a more prosperous and beneficial period. In this role, we need to have dreamers of big and beautiful dreams, and also provide the leadership to navigate our people, our companies and all stakeholders to the successful realization of these dreams. Our change management skills will be of great assistance in this project.

2.3. CAPTURING THE FUTURE

If the past is about, "What should we do today?", then the future will be about, "Where are we going?" It is important to build a bridge from what we are doing this month to what we are planning for this year, or even later. You must manage not only what we are doing (in the present) but also what we are becoming (in the future).

In our bid to capture the future, we need conscious cultivation of great powers of observation, to enable us identify where the trends presently stand; first class analytical abilities, to enable us understand the nature and direction of the changes taking place; and the creative imagination of a visionary to be able to envisage where we need to be, to successfully leap-frog onto the moving train of development. Visioning process is a tool we cannot do without as we move forward.

The question is, are we visionaries or not?

We will now turn to identification of some of the trends and how we can navigate our Association into a glorious future amidst the trends.

3. EMERGING TRENDS

Some few areas of dynamism and change I'd consider include:

- International development and **Consolidation of Trade Blocs**
- Closer **Supervision and Monitoring.**
- **Utilisation of ICT Facilities** (Digitalisation of business) tools, equipment, plant, logistics and supply-chain development
- **Globalisation and Cross border investment** (Internationalisation of competition)

- Enhanced **Capitalisation**, acquisitions and disposals
- Emphasis on **Corporate Governance**
- **Human Capital Development**, people, management and communications (capabilities and training) development
- **New products development**
- Enhanced **Local Risk Retention** (Economic Nationalism).
- Emphasis on **Professionalism**
- More **demanding Customers**

3.1. COSOLIDATION OF TRADE BLOCS:

Groups of nations have seen the need to pull together in blocs to facilitate trade and other economic ties between themselves or to protect some common interest.

Virtually all parts and regions of the world have one trade bloc or the other, based on either geographical adjacency, sameness of language, shared history and experiences, or any combination of the above factors. In the past, common and mutual economic or security interests had been the overriding factors. But now fear and greed are believed to be the main reasons of some of these associations.

From Europe to Asia to Africa on to the Americas, most regions have an economic community or a free trade area that has the aim of creating greater economic unification among the members. West Africa is no exception as we have the ECOWAS. This has continued to have great impact on economic activities in the West African Sub-region. What are even of more importance are the plans that these blocs have for their future. While others around the world had consolidated to the point of becoming one political entity, our dear region is still grappling with the basics.

A unified monetary zone in the West African sub region being planned for the future, for instance, means we can now regard the sub region as a single economic entity. It will be easier to have cross border policies, and companies can operate across National borders with no monetary exchange problems. In future Insurance policies too can be issued across borders, beyond the present Ecowas Brown Card. What is more, local facultative reinsurance as well as co-insurance can now be transacted across borders without the encumbrance earlier presented by different exchange rates and regulatory restrictions.

Trade blocs may represent either a threat or an opportunity for us in WAICA. It is a threat if we fail to take advantage of its possibilities, and an opportunity if we do buy into the immense chances thereby offered to our industry. This nice sounding phrase is easily compromised by the reality on the ground.

ECOWAS has fifteen member countries. While five of these constitute the membership of WAICA, nine with another five from Central Africa region are signatories to ***Inter-Africa Conference on Insurance Markets aka CIMA code*** with its Association FANAF attracting membership from more than 40 African countries and beyond. This is a parallel or sister association albeit more successful. I don't know how many African countries we in WAICA attract membership from, but I can bet all the grey hair on my face it would not reach 40. While ECOWAS Brown card (which is a regional venture) is listed as an institution of the ECOWAS, Insurance is not on the list of activities of ECOWAS.

The question is, does ECOWAS have any integration plan on Insurance?

3.2. CLOSER SUPERVISION AND MONITORING.

In the world today, the tendency is for the Regulatory Authorities to be stricter with the various sectors they supervise, especially the finance industry. This cannot but spill over into our region. Greater supervisory attention is not unconnected with the various spectacular high profile implosions of several long standing and apparently responsible blue chip companies in the advanced economies. Before our eyes, we all heard of the collapse of such companies as Barings Bank of UK, ethical challenges in Arthur Anderson, and the insider abuses in Enron. This has led to greater government scrutiny of the activities of the participants in the economy.

In our part of the world, we see governments paying more attention to supervision. In Nigeria, for instance, the supervisory body National Insurance Commission (NAICOM) is being repositioned; from what we understand; to perform its statutory functions more effectively.

The way forward for us as members of our Association (WAICA) as far as this is concerned is to endeavour to perform our duties, and offer our services in strict accordance with the relevant laws of our respective countries (or region, if or when we finally integrate). Self regulation is very good, so that whenever the regulatory body chooses to come for investigation, we shall not be found wanting. Apart from the apprehension of the Regulator however, we should always be aware that we have a better chance of running successful operations when we conform to all the relevant laws. When we cut corners, we are merely courting disaster which can only be postponed, but not avoided.

Once more comparing with the success of our sister/brother association in the CIMA region, we cannot rule out a single regulator in West African region in the near future.

The question is, are we getting ready for this eventuality?

3.3. ASCENDANCY OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The computer and its associated technologies have become an omnipresent tool of modern business. It has made product and service management faster and more efficient. It is in our interest to take advantage of this trend.

Computer-assisted underwriting, e-marketing, and cashless payment solutions are all ICT enhancements of modern business transactions which we must embrace to remain competitive. We must utilize the capabilities of ICT for interfaces with our regulators and other stakeholders. The future of commerce is tending inevitably towards less and less physical materials and more and more into the electronic (soft) format. It is part of our duty to nudge our Research Departments to begin from now to examine how we can incorporate e-solutions into our business.

The Banks have proven to be more dynamic. They have fully imbibed e-solutions to their operations. Insurers must key into this trend, and take advantage of the possibilities so that we can develop the future of commerce together with the banks and governments as participants and not as onlookers who will, later have to plead for inclusion.

If lack of capital was our excuse, it is common knowledge that operators in our region have been forced; against their wish and desire; to recapitalize or are about to recapitalize their operations. From what I see and hear in my market, Nigeria, companies are the better for it.

The question is, are we going to utilise this capital to enhance our technological infrastructures or not?

3.4. GLOBALIZATION AND CROSS-BORDER INVESTMENTS.

There are many transnational corporations today who are global players in all areas of business. Our former local finance institutions have moved into the region and the world. It is heart-warming to see even insurance companies venturing out of their hitherto "comfort of home" location into other countries and regions.

There is great optimism in Nigeria, among the newly recapitalised insurance companies on the potentials for expansion beyond national and even regional borders. While a Nigerian

Underwriting House is already in the East African market, many others have or are moving to open shop in the West Africa region.

The way forward is for us to start thinking global in our planning. If other companies can come from their own environment to achieve business success in Africa, we must begin to think seriously in cross border terms, and I believe that we can also achieve cross border success as well. The whole world is becoming a global neighbourhood and we must stake our claims for our portion of it.

A few years ago this region was sceptical of being swarmed by foreign underwriters and Reinsurers (from Europe and South Africa) we should study and remedy well in advance whether this fears are still not existing as the new “foreign investor” (from Nigeria) consolidate and expand. We can learn from the uncertainties of our past fear of assimilation and convert that to the certainty of cooperation. We don’t have to displace each other in our region. The new “foreign investors” have more to gain by tapping into the local knowledge and expertise of the companies on the ground. It is in this spirit that I call on any company with plans for an organised regional expansion or interested of working with a “foreign company” to speak to me after this session so that we can explore the possibilities of working harmoniously together. This is our only hope of succeeding together. As our various governments are discussing integration in earnest, we should not wait for directives before we make our moves.

The question is, would we cooperate with each other or fight over pittance?

3.5. ENHANCED CAPITALIZATION

Some Insurance markets in our region have just come out of recapitalisation exercise that saw to the enhancement of the companies’ shareholder’s fund to an appreciable level. Coming as it did, just after a similar exercise in the other financial sectors; it had proven to be an impetus for growth. Methods adopted for survival included mergers and acquisitions. But the end result was bigger and stronger companies for those that were able to scale the hurdle. They now have at their disposal, greater financial muscle to transact their businesses. This also means greater pressure from investors for greater performance and so makes it a burden.

We can easily project that this trend for shoring up of capital will continue, and spread to other parts of our sub region.

The way forward for us in such scenario is for us to work smarter (not just harder) think better to be able to justify the increased working capital now available.

Long term success of our companies and our industry in the face of increased capitalization, dictates that we shun practices that are inimical to good returns on investment. Excessively

high business acquisition costs have to be looked at a second or even third time, to see areas where improvements can be achieved.

The question is, are we still beclouded by old habits to fail to appreciate the dangers of our old ways?

3.6. EMPHASIS ON CORPORATE GOVERNANCE.

Shareholders the world over have become more emphatic about corporate governance issues. This has arisen as a result of the astonishing developments in the business environment in recent years. Apart from the sleazy examples earlier mentioned, which happened abroad, closer to home, in Nigeria that is, there had been a few well publicised accounting irregularities in some public liability quoted companies and Banks of recent. What we can pick from these is that as of today, no matter the reputation we have built for our companies in this region, we must pay closer attention to proper corporate governance practices.

For Corporate Governance Principles to work there must be rules. Rules are typically thought to be simpler to follow than principles, demarcating a clear line between acceptable and unacceptable behaviour. Rules also reduce discretion on the part of individual managers or auditors. They should go beyond what may be contained in some statute book or legislations.

Key elements of good corporate governance principles include **honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization.**

Of importance is how directors and management develop a model of governance that aligns the values of the corporate participants and then evaluate this model periodically for its effectiveness. In particular, senior executives should conduct themselves honestly and ethically, especially concerning actual or apparent conflicts of interest, and disclosure in financial reports.

Commonly accepted principles of corporate governance include:

- **Rights and equitable treatment of shareholders:** Organizations should respect the rights of shareholders and help shareholders to exercise those rights. They can help shareholders exercise their rights by effectively communicating information that is understandable and accessible and encouraging shareholders to participate in general meetings.
- **Interests of other stakeholders:** Organizations should recognize that they have legal and other obligations to all legitimate stakeholders.

- **Role and responsibilities of the Board of Directors:** The board needs a range of skills and understanding to be able to deal with various business issues and have the ability to review and challenge management performance. It needs to be of sufficient size and have an appropriate level of commitment to fulfill its responsibilities and duties. There are issues about the appropriate mix of Executive and non-executive directors. The key roles of Chairperson and CEO should not be held by the same person.
- **Integrity and ethical behaviour:** Organizations should develop a code of conduct for their Directors and Executives that promotes ethical and responsible decision making. It is important to understand, though, that systemic reliance on integrity and ethics is bound to eventual failure. Because of this, many organizations establish Compliance and Ethics Programs to minimize the risk that the firm steps outside of ethical and legal boundaries.
- **Disclosure and transparency:** Organizations should clarify and make publicly known the roles and responsibilities of board and management to provide shareholders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of the company's financial reporting. Disclosure of material matters concerning the organization should be timely and balanced to ensure that all investors have access to clear, factual information.

The question is, are we as Manager honest enough, trustful enough, upright enough, open enough, performance oriented enough, responsible enough, accountable enough to embrace the corporate governance principles?

3.6. HUMAN CAPITAL DEVELOPMENT

It has been established beyond any doubt that one of the most critical component of any organisation is its Human Capital. The quality of the human resources available to any organisation is central to the long term success and growth of that organisation.

As practitioners that want to successfully pilot our companies into sustained future success, we cannot afford not to buy into this trend. Our attention should be on, first, recruiting the right calibre of staff, and then embarking on a planned, career long programme of capacity building for our human capital. A company is only as successful as the quality of its staff, and the staff can only be as good as the training they get.

It can no longer be assumed, as before, that the degree a staff earned from his University is enough to see him through his working career. We must determine what we want from our Staff, and go out to deliberately give them the kind of training required to build their capacity to be able to deliver what we want from them, on the job and through their working careers.

The new performance benchmarks will be international ones. The staff that will help us compete with international best practices must be properly empowered for this, to ensure they are as good as their peers all over the world. Training, internationally if necessary, is what can ensure that our staff, and therefore our Companies, acquire and retain international competitiveness.

The question is, do we think by sending a few of our staff to conferences like this qualify as international training?

3.7. NEW PRODUCTS DEVELOPMENT

As service providers, we can't expect the services and product we offer today will continue to be relevant to our consumers of tomorrow. What we have in our markets today are mostly products of yesterday being offered to the consumer of tomorrow. Our products have to be improved not only in their contents but in their relevance.

The fact that new products, especially ones with indigenous content are scarce and far between is proof that we need to do better in this regard. There is no doubt that as we go forward, there would be increase in the demand for insurance.

In this regard, the way forward is clear; we must intensify and strengthen our Research and Development and come up with new products. We have to take a hard look at the products we presently have on offer and analyse them for redevelopment and improvement into better and more attractive products. This is necessary for us to improve the Revenue base for our companies, and also provide more alternatives for the people. New products and services can only materialise as an outcome of intentional investment in their production.

The question is, do we believe we can develop products without the proportionate investment in Research?

3.8. ENHANCED LOCAL RISK RETENTION (ECONOMIC NATIONALISM)

The low level of local retention has contributed greatly to capital flight over the years. The expectation is for the regional insurance industry to demand for increased level of retention of the businesses that are generated within our countries. How practical that is will depend on the ability of the underwriters to create capacity.

We can only justify our demand for enhanced retention if we can succeed in the following:

- We have to **pool our risks** to reduce the premium cost to the reinsurers. The pooling concept makes the overall risk more stable and therefore more attractive to the reinsurance market.

- We have to create and **maintain adequate reserves**. With sufficient reserves, we will be able to dedicate a decreasing share of the premium collected towards the purchase of reinsurance and allocate in increasing share towards growing our reserves, thereby reducing our dependence on the reinsurance.
- We have to **lower acquisition costs** and **charge appropriate premium** for our risks.
- We have to ensure **stability of premium** so that we can achieve a high level of survivability while maximizing long-term sustainability.

It is in our strategic interest to take this issue beyond rhetoric and prepare to position ourselves for the potential benefits to be derived from this added retention limits when they come. The preparation would include among other things, the ability to utilise the additional capital we have, and the training of the required manpower. We may add the right government policies of support to our industry as an added encouragement to achieve this. Policies on insurance on liability, importation, building under construction and local contents can be given as examples.

The question is, are we willing to development sound and strong companies that can support our demands for higher retention?

3.9. EMPHASIS ON PROFESSIONALISM

With the trend tending towards increased capitalisation and the consequent increased and cross border competition envisaged for the industry; and with greater emphasis on Corporate Governance issues, it is clear that there will be demand for increased professionalism to meet with the envisaged challenges. Fly-by-night practitioners are likely to find the environment tougher to operate in.

This is the era that we would need more than ever, professionalism and competence from all arms of the industry. All Reinsurers, Underwriters, Intermediaries, Loss and Risk assessors etc, have to work together to protect what is ours; our dear profession. These are times when only the best will be good enough. I personally believe our Regulators hold most of the aces in cleaning our profession of bad practice. I didn't say all of the aces because we have cases where some regulators can do with some cleaning themselves. Cases are abound where the regulators and/or their staff were found to be corrupt and actively condone bad practice. God saves us all.

We can prepare for this by intensifying training, enforce self regulation in a stricter manner, and keep ourselves up to date with international best practices.

I dare not ask a question here.

3.10. MORE DEMANDING CUSTOMERS

We service an educated and enlightened customer base that is very aware of their rights these days. Consumer protection campaigns and Government legislations has contributed positively towards this. We must keep in mind that more and more of our customers now have access to formal and informal education. Coupled with the high level of public participation in our stock some of our markets, stakeholders generally have come to believe in our products and services. While this has it's positives it also breed more choosy and fastidious customers.

We must upgrade our performance to be able to meet and exceed the expectations of our clients in our service delivery. We must redefine in its entirety, our concept of Customer service and after sales services, imbibe the principle of modern Customer Relationship Management (CRM).

We must now consider a full fledged Customer Relations Department that will be seamlessly incorporated into our work flow as a priority. Since we are in a service industry, our risk management services, and after sales services must be what defines our performance and quality.

4. THE ESSENCE OF OUR ASSOCIATION

The importance of the emerging trends is that it will help us focus our minds and assist us in our strategic planning for the future of our Association. Regardless of emerging trends, we have to have our strategic intent; we have to decide what type of industry we want for the future, why we want it and how we can achieve it. In this context then, we must endeavour to look beyond the emerging trends in our immediate industry and look towards emerging trends the world over. If our aim; for example; is competitiveness, then it should be global and not regional competitiveness.

To be able to gauge the journey so far we would briefly look at why our Association was formed.

Below are the aims and objectives as contained in the WAICA Constitution:

Article II provides:

The aims and objectives of the WAICA are to promote and foster co-operation and collaboration amongst Insurers, Reinsurers and other Insurance related professional in West Africa. In pursuance of the foregoing, WAICA shall take necessary steps to pursue the following:

- a. To develop the Insurance market in each area on sound and technical basis.

- b. To promote the exchange of business among member companies.
- c. To promote Insurance Education in each country and to encourage existing educational institutions such as Universities to initiate courses and training programs on Insurance and allied subjects country to country and from company to company.
- d. Shall encourage the writing and publication of books and articles on Insurance in the Region.
- e. Shall take all necessary steps to establish the West African Reinsurance Corporation and ensure that it is managed in the best manner possible.
- f. Shall establish a verifiable procedure to facilitate the exchange of Information, data, and experience among member companies.
- g. Shall take necessary steps aimed at reducing the out-flow of foreign exchange from the Region as a whole and from each of the individual countries comprising the Region.
- h. Shall take any necessary steps aimed at reducing or eliminating economic waste arising from the Region as a whole
- i. Shall take any other necessary steps which are in the interest of members and promotion of the objectives and aspirations of the Association.

The question is, how much of these have been achieved so far?

5. THE WAY FORWARD

The overall and most important role into the future for WAICA will be that of a facilitator, a guarantor that all the things we have chronicled above as goals can be achieved. Not only achieved, but achieved at record time.

The bottom line is that WAICA at this point in time needs to be proactive, think harder, work harder and smarter, and look for ways and means by which we can leapfrog into the future. The past which we knew, had been challenging, the present, still uncertain, but the future can be ours to mould if only we can get our act together.

To continue to be relevant, our Association must simply rededicate itself to achieving its aims and objectives. These objectives are as relevant today as they were when the association was formed.

Let us consider the following:

- Unity of purpose
- Facilitator: Lobby governments in the region and beyond.
- Education
- Assist with Statistics
- Research into our Culture, our needs
- Lead a return to Integrity

The question is, do we have to achieve these objectives in isolation to realities around us?

5.1. STRENGTH IN UNITY

We live in a world where the big are getting bigger and as they get bigger they constitute themselves into blocs, so we cannot afford to do otherwise.

The Association should spearhead the effort to extend the reach for membership. I made reference to CIMA and its membership earlier in the discussion (3.1 Consolidation of Trade Bloc). Let us find out what FANAF and CIMA have done right which we have not. Let us not be proud to learn from them. It is sad that companies from countries of the same region, united in ECOWAS, cannot come together united in Insurance. Language has always been peddled as an excuse. It has not been for our common mother body ECOWAS, why should it be for us. We should study the CIMA code and the FANAF constitution and adopt from theirs what makes them strong and expunge from ours what makes us weak.

ECOWAS has taken the integration of West African States project to heart, so we should as insurers create an integration platform and approach ECOWAS secretariat for support and guidance. We should not presuppose such a move would not attract opposition, it definitely would. We should also appreciate that the common feature of the CIMA setup is not French alone. It targets all companies in all countries doing business with the insurance industry in the former African French colonies. These include all reinsurers worldwide, whether based in China, Belgium, Nigeria or South Africa.

ECOWAS has to date, set at least 10 specialist agencies, with the Brown Card featuring as one. While most of the rest e.g., West African Monetary Agency (WAMA), The West African Power Pool (WAPP), West Africa Health Organisation (WAHO), West African Monetary Institute

(WAMI) have development to the point of fully integrating their immediate constituency, insurers are yet to agree on a single vehicle insurance card across the region.

While we are contemplating what to do, you may wish to know that**“the General Secretariat is currently engaged in a process of reflection on the gradual introduction of a single insurance market, which is the ultimate goal of CIMA.”** (CIMA code) CIMA’s dateline for a single market is the year 2010 and single market here mean French speaking West and Central African countries.

The question is, what is the status of the ECOWAS protocol for which majority of the CIMA code signatories have signed to 17 years earlier?

5.2. FACILITATION –HELPING TO OPEN DOORS AT THE CORRIDORS OF POWER

Today’s world is one in which every sector tries to influence government policies to its advantage. With the relative political stability that we now have in the region, we in WAICA should not be idle in this aspect.

We should take advantage of this peace and democracy to nudge our governments towards policies that will be friendly to our industry and at the same time ensure the governments around the sub region themselves understand insurance, make laws that will strengthen our industry.

While we can leave it to the very able members of the WAICA Council to determine the best way to lobby and influence our governments, I’d dare suggest we challenge our Chief Regulators, who themselves are part of our governments with specific assignments towards the actualisation of any resolution we adopt here.

Official visits by the WAICA council to governments in the region could also complement this effort of reaching out to educate and influence decision makers. I suggest we start from our Chief Host, His Excellency Ernest Bai Koroma, who in his previous life was not only an insurer but a WAICA chieftain who is a proud Alumnus of the West African Insurance Institute (WAI). I remember the role he played in the last attempt to design a road map for the future of the Association. I remember how His Excellency had always complaint for the lack of attention our industry gets from our local and Region Governments. Your Excellency, your time has come. Make us proud.

I suggest we request His Excellency to advise the ECOWS Commission to sponsor a joint Ministerial and Professional convention of all Ministers of Finance and Economic Planning and their Insurance practitioners of ECOWAS member states, to discuss integration of Insurance Laws and Practice in the Sub region.

To do or not do, that is the question?

5.3. EDUCATION - THE KEY TO EVERY DOOR IN THE FUTURE.

WAICA already has the WAll as its educational arm. We need to strengthen this. In every aspect of life these days, education is key. I must confess my pride at the current position of our Institution. Not only in the qualitative professionals it had graduated over the years, but the dynamic way it is being managed today. Kudos to the Board of Studies, and Kudos to the Director General. We should continue to support the institution and continue pushing until we achieve the international recognition we deserve.

The quality of the education available from the institute will surely impact the quality of human capital we deploy for our growth agenda in the sub region. Consequently, continuous improvement should be the watchword.

The WAll is our ivory tower and we must solidify it for peak and competitive performance. Sometimes ago fluctuating exchange rates cause a downturn on the number of students sent for training from members states. Most of us have recapitalised and have all used "Development of Human Capital" as an avenue we would invest in and a common currency is in the offing in our region.

The question is, what new excuse would we invent to justify lack of patronage to the WAll?

5.4. STATISTICS GENERATION AND DISSEMINATION

All the things we have chronicled above as desirable goals cannot be achieved without accurate statistics. All our countries in the sub region, to varying degrees, are faced with the same challenge, lack of appropriate information. This makes planning of any type quite difficult. WAICA should strengthen its data gathering capabilities and access any available assistance from international multilateral agencies for gathering of information on relevant areas for our sector.

WAICA should, going forward, search for, arrange, and disseminate information. Information that should go well beyond the traditional gathering of facts merely on premium income and claims paid from Companies.

5.5. RESEARCH AND (PRODUCTS) DEVELOPMENT.

Formal insurance, as we have it today was handed to us by our colonial masters. But it is a concept that has always been with us for centuries through the various self help associations that remain extant in our villages even today.

Our challenge is to look at various aspects of our culture and see how we can evolve new products to drive forward our People's aspirations while remaining faithful to the principles of formal insurance as we know it.

Apart from research for products development, another area of inquiry we may look at is the clarification of the reasons responsibly for the apathy of majority of our people towards insurance. All practitioners of insurance are acutely aware of the critical importance of insurance to personal, corporate and societal progress. Though insurance assists the society as much as the banking industry, yet our people are not availing themselves of the existing insurance services from which they only stand to greatly benefit.

This conundrum deserves our research attention which WAICA can take a lead in. Our cultures in West Africa have enough similarities to make it possible to conduct valid scientific research that will be applicable to our sub region as a whole.

5.6. INTEGRITY COUNTS

I have left this to the last because of its importance, and it's all embracing nature. Without **truthfulness, trustworthiness, uprightness, genuineness, veracity, consistency, reliability, credibility, honesty, sincerity, dependability**, in other words **integrity**, all other efforts are likely to come to naught. Without integrity there cannot be legitimacy. We have earlier mentioned the issue of corporate governance, and compliance with rule and regulations. The issue of corporate governance today has become an international best practice issue. If we are hoping to make our Association as good as the best in the world, we must not neglect it.

We hate regulations because we despise penalties and sanctions, but why should we let ourselves be penalised. We should respect the regulations and see the penalties and sanctions as deterrence.

A lot of unwholesome practices have crept into insurance which must be stopped for the sake of the future of the industry. We expect our Association to take the lead in efforts to stamp out unethical practices by providing all the support the regulators would require. To this end it would be important for the regional body of Regulators (I assume we have one) to not only read the riot act but to declare a collective war across the region against bad practice.

The question is where to do they start from?

6. CONCLUSION

What I have discussed in the first part of this presentation are the emerging trends and what we need to do to emerge as successful players within the new environment.

The second part has looked at what our Association may consider doing in view of emerging trends, especially those actions that will assist Association to survive and the member companies to grow, and uplift insurance in our sub region. The critical role of our illustrious Association, to serve as an umbrella and driver to move our industry forward, was the reason it was formed.

At the end of the day, the whole matter boils down to leadership. Our Association must position itself as a region leader that can guide, steer, direct and lead us into the glorious future that beckons.

Our Association must position itself to assist the member Companies to become globally competitive. National, sub-regional, and even continental competitiveness must be seen as no more than interim, medium term goals. The long term target should be global competitiveness.

If the Association can do this, it would have vindicated the vision of its founding fathers, and at the same ensured its own long term survival.

The main trends taking place in the business environment in the world today can be encapsulated in a familiar word: Change. In the same manner, the Way Forward can also be captured in a familiar phrase: **Change Management**.

We can therefore correctly summarize thus: the **emerging trends** is constant change, and **the way forward into the future** is effective change management.

To be effective change managers, we must track changes, analyze them and develop a strategic vision and plan to predict and adapt to change so that it will work for us and not against our Association and Companies.

In this endeavour, tactical tools to employ will include increased cooperation across board, leading to more of a win-win strategy (non zero sum) scenario. The progress and success of one practitioner should not necessarily lead to failure and loss for another.

Our Association must be ready to shape the exciting new future opening up before our eyes.

Ladies and Gentlemen, dear colleagues, the above are just some of my thoughts on the way forward into the future, given the emerging trends. My observations are not necessarily exhaustive. I have just put down these points to help stimulate your thinking, and guide our discussions as fellow professionals to enable us all chart a bright future not only for our individual Companies, but for our Association, as a part of African and world Insurance, and financial services industry.

I do wish we will take all the results of our discussions here back home, analyze them and use them. Otherwise, the expenses we have incurred and the efforts of the organizers would not have been properly appreciated.

Finally ... I never liked prophets of doom. As much as I will therefore not like to be one, I feel it is my duty as we collectively look over the horizon of our terrain, to report faithfully, what I see. And what I see in the future is that stakeholders- governments, staff, shareholders, customers and our Directors will become more demanding, and they will apply the stringent of standards to us. Our Directors and Investors will expect greater returns on Investment, Regulatory authorities will expect total compliance, and clients will expect world class services, without compromise.

The final question is what would be the outcome of these demands?

Now for the answers of all the question asked

I thank the Secretariat for the giving me the opportunity to bore you, but most importantly I thank you the few of the audience still awake.

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