

# **WAICA: 1973 To Date; Lessons To Learn**

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30<sup>TH</sup> WAICA Annual General Meeting and Educational Conference in  
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Distinguished Ladies and Gentlemen, I feel highly honoured to be invited and given the opportunity to deliver a paper on the above-mentioned topic on this occasion of WAICA Educational conference. The theme “The relevance and Role of WAICA in the Economic Development and Integration of West Africa” and the sub-theme “WAICA and the Emerging Trends in the African Insurance Market” presuppose that WAICA has some role to play in the economic development and integration of West Africa. It also implies that there are some emerging trends in the African Insurance Market for which WAICA would have to braze itself up to confront.

However, before I touch on the said pre-suppositions and the implications mentioned above, I want us to look at what the Insurance market in the English speaking West African countries looked like as at 1973 and what emerged after 1973. Then we shall determine the lessons to be learnt from the past roles WAICA played in confronting various phases in the history of the markets and see what the member countries of WAICA can do to enable the organization achieve the ideals of the founding fathers.

## **The state of the English speaking West African Insurance markets as at 1973.**

Up to the year 1973, one would say that the local insurance markets in the English speaking countries in West Africa, except Liberia, were dominated by overseas Branch Offices and agencies of British Insurance Companies while that of Liberia was dominated by American Insurance Companies. The practice of Insurance in West Africa

followed closely that of the United Kingdom market. Reinsurances were all therefore, placed at Lloyd's in London and with Reinsurance Companies in the U.K. through U.K. insurance brokers which sent down their staff occasionally to West Africa. This is due to the fact that there were few purely indigenous insurance broking firms and Underwriting Companies. This was because most of these countries had just freed themselves from the British Colonial rule. But were still economically heavily tied to the United Kingdom. These countries were Ghana, Nigeria, Sierra Leone, and The Gambia.

But with the encouragement of the United Nations Conference on Trade and Development (UNCTAD), these newly emerging politically Independent African Nations began to assert their economic independence by establishing State Insurance Corporations to compete with the local foreign owned Insurance Companies.

Thus, in Ghana, the Government established the State Insurance Corporation in 1962 and the Ghana Reinsurance Corporation in 1972.

Then, in Nigeria, the Federal Government established the National Insurance Corporation of Nigeria (NICON) in July, 1969 while Nigeria Reinsurance Corporation started operations in January, 1978.

Therefore, by 1973, a trend had been set for the remaining three English speaking West African countries namely, Sierra Leone, Liberia and The Gambia to establish State Insurance Corporations to ensure that some of the insurance premiums which were generated in these countries were retained to support development projects in the newly politically independent countries.

There was generally little co-operation between the foreign owned insurance companies and the locally registered insurance companies in these West African countries.

In June 1972, the first African Insurance conference had been held in Mauritius. And there, a resolution had been passed regarding the necessity for both regional and continental co-operation amongst Insurance Organisations in Africa.

Therefore, on the 4<sup>th</sup> of May, 1973, a resolution to form the West African Insurance

Companies Association (WAICA) was unanimously passed at a meeting between the delegates of the State Insurance Corporation of Ghana and insurance Executives from Ghana, Nigeria and Sierra Leone held at the offices of the State Insurance Corporation in Accra.

The resolution setting up the Association read as follows:

“In recognition of the very important role which the business of insurance plays in the economic and social development of Africa to-day and in accordance with resolution passed at the first African Insurance Conference in Mauritius in June, 1972 regarding the necessity for both regional and continental co-operation amongst insurance organisations in Africa and the realization of the value of this co-operation to both our various national and continental interest, we representing a cross section of our various insurance markets in West Africa, meeting in Accra, Ghana has this 4<sup>th</sup> day of May in the year of our Lord one thousand, nine hundred and seventy-three resolved to establish a West African Insurance Association hereinafter referred to as WAICA”.

WAICA was established as an International association of insurance companies in West Africa with the primary objective of promoting co-operation in every aspect among all the insurers and reinsurers operating in the West African sub-region. However, presently the association embraces insurance broking firms and loss adjusting firms operating in the five English speaking West African countries as well.

Some of those persons who were present at the Accra meeting which gave birth to WAICA were:

1. Late Mr. Anthony Kobina – Woode - M. D., SIC Insurance Company Ltd.
2. Late Mr. Henry P. Nyemitei - G. M., SIC , Ghana
3. Mr. Edward Mensah - M. D., Ghana Reinsurance, Accra
4. Mr. Osei Kufour - SIC, Accra

5. Late Mr. Sammy F. Longdon - SIC, Accra
6. Mr. F. O. Ogunlana - National Insurance Corporation, Nigeria
7. Mr. J. O. Irukwu - M. D., Unity Life & Fire Insurance Co. Ltd. Nigeria
8. Mr. Olayinka Lijadu - National Insurance Corporation, Nigeria
9. Mr. M. A. C. Chukudima - M.D., National Insurance Corporation, Freetown, Sierra Leone
10. Mr. E. B. Onifade - M. D., Guinea Insurance Company Ltd. Nigeria

### **Membership**

A company becomes a member only after its application to the WAICA secretariat, permanently located in Ghana (because it was founded in Ghana with the strong influence of Ghana) has been duly vetted and approved at the Executive council meeting of the Association. Members of the Association pay annual subscription to the treasurer to retain membership.

### **Constitution**

The constitution of the Association has listed its aims and objectives as follows:

- (a) To encourage the development of the insurance market in each area on sound and technical basis.
- (b) To encourage the exchange of business among member countries.
- (c) To encourage the promotion of insurance education in each country and to encourage existing educational institutions such as the Universities, to initiate courses and training programmes on insurance and allied subjects as well as encourage the exchange of students and personnel from country to country and from company to company.
- (d) To encourage the writing of books and articles on insurance in the Region.
- (e) To work towards the establishment of a West African Reinsurance

Corporation.

- (f) To endeavour and to ensure that by the beginning of January 1974, member companies should have started to exchange business on a reciprocal basis and that by the end of 1978 each local market would have developed its own National Insurance Corporation or Company thereby leading to the creation of a West African Reinsurance Corporation.
- (g) To encourage and facilitate the exchange of information data experience amongst member companies.
- (h) To take steps aimed at reducing the outflow of foreign exchange from the Region as a whole and from each of the individual countries comprising the Region.
- (i) To take reasonable steps aimed at reducing or eliminating economic waste from fires, Accidents, and other elemental causes.
- (j) To take any other necessary steps which are in the interest of members and for promoting the objectives and aspirations of the Association.

### **Membership**

The Association has two classes of members, namely, the **ordinary members** and the **associate members**.

- (a) Ordinary Membership is open to any West African Insurance and reinsurance company or corporation registered in accordance with the laws of the country in which the company or corporation operates, provided the Head office of the company or corporation is situated in West Africa.
- (b) Associate Membership on the other hand is open to any person or organisation or institution whose objects and aspirations are considered to be in line with the objects of the Association.

The present membership comprises of only companies from the English speaking West

African countries, namely, Nigeria, Ghana, Liberia, Sierra Leone, and The Gambia.

### **The Executive Council**

The governing body of the Association is the Executive council made up of past Presidents, the current president, Vice president, and other officials including eight (8) elected members drawn from all the countries of the Region, namely, Nigeria, Ghana, Sierra Leone, Liberia, and The Gambia.

### **Standing Committees**

The business of the association is transacted through standing committees, namely

- (i) The Technical Committee
- (ii) The Legal Committee, and
- (iii) The Educational Committee.

In view of the importance of education and training of personnel, the Educational Committee has been a very active one, and plays an important role in the organisation of seminars, educational conferences, and educational training programmes.

The Association has been publishing a journal, called WAICA Journal over the years, which enjoys very high reputation in both business and academic circles all the world over. The journal is published once a year from Lagos, Nigeria. For many years, its Editor-in-chief and chairman of the Editorial Board has been Mr. J. O. Irukwu.

The journal was however, last published in 1996 and has since then become moribund.

When we look back at the achievements of the founding fathers of WAICA by way of realisation of the ideals and objects which were listed in the constitution of the Association, one can easily come to the conclusion that the founding fathers achieved a lot during the period from 1974 to the late 1980s which need to be built upon by the present generation of the members of the Association.

Let us, therefore, look at some of the achievements, one by one.

- (a) With regard to the objective of encouraging the development of the insurance

market in each area on sound and technical basis, this has been achieved by way of exchange of personnel on periodic attachment with State Insurance Companies in the member countries. For example, members of staff of the National Insurance Corporation of Nigeria (NICON) had been sent on attachment in the late 1960s and 1970s to the State Insurance Corporation of Ghana in Accra. And some members of staff of the Gambia National Insurance Company had also been sent to State Insurance Corporation of Ghana for similar attachments during the early years of the Gambian Company. Some senior members of staff of State Insurance Corporation of Ghana had also been seconded to the Gambia National Insurance Company under the sponsorship of Commonwealth Secretariat to assist in the setting up of their fire and marine Departments. Other insurance personnel from Ghana have worked with the Senegambia Insurance Co. of Gambia. On the other hand, members of staff of State Insurance Corporation of Ghana, have on occasions, been sent on attachment with the National Insurance Corporation of Nigeria in Lagos, Nigeria and at the Nigeria Reinsurance Corporation.

- (b) In the matter of encouragement of exchange of insurance business among member countries, the creation of WAICA pool has given effect to the achievement of that aim among the English speaking countries in West Africa. It has become a policy that a fixed percentage of each risk being insured overseas must be ceded to the WAICA pool which is being managed by the Nigeria Reinsurance Corporation. The establishment of a West African Reinsurance Corporation per se is, however, yet to be attained because it has been beset with various difficulties.

- (c) Concerning encouragement of promotion of insurance education in each country and to encourage educational Institutions such as Universities to initiate courses and training programmes on insurance and allied subjects as well as encouraging the exchange of students and personnel from country to country and from company to company, their achievement has more than succeeded.

Examples abound in many Nigeria Universities such as Lagos University and the University of Nsuka among others having departments which run degree courses in insurance while in Ghana, the University of Ghana Business School is running a degree course in insurance subjects in co-operation with stake holders in the Ghana Insurance market.

The important role which WAICA played in 1978 to obtain the support of the Governments of the five English speaking West African countries and UNCTAD for the establishment of the West African Insurance Institute cannot be over emphasised. The Institute has produced a lot of one year diplomates to fill the middle management positions of the Insurance Companies operating in the sub-region. WAI has also been running tailor – made short courses for the individual member countries of WAICA. The alumni of the Institute are presently occupying influential positions in the various Insurance and Reinsurance companies in the West African Insurance markets.

For example, in Ghana, the position is as follows:

<b><u>Name of Insurance Co.</u></b>	<b><u>Chief Executive Officer</u></b>
1. Mainstream Reinsurance	Mr. Benjamin Acolatse
2. Donewell Insurance	Mr. Victor Larbi
3. Ghana Reinsurance Co.	Mr. William Abgenyega



- |                                   |                                       |
|-----------------------------------|---------------------------------------|
| 4. Ghana Reinsurance Co.          | Mr. Gustav Siale (Deputy CEO)         |
| 5. Metropolitan Insurance Co.     | Mr. Kwame – Gazo Agbenyadzie          |
| 6. Metropolitan Insurance Co.     | Mrs. Lynda Odro (Chief Ops. Officer)  |
| 7. MET Life Insurance Co.         | Mr. Diop L. Frimpong                  |
| 8. CDH Insurance Co. Ltd.         | Mr. Larry Jiagge                      |
| 9. Star Life Assurance Co.        | Mr. Frank Oppong                      |
| 10. SIC Insurance Co. Ltd.        | Mr. Daniel Soadzidey (D.M.D. – Tech.) |
| 11. Enterprise Insurance Co. Ltd. | Mr. George Otoo                       |
| 12. Ghana Insurers Association    | Mr. Gabriel Glover (Ex. Secretary)    |

The WAll Training Record from April 1979 to July 2007 is as indicated below

	<b>Diploma in Insurance</b>	<b>Short Courses</b>	<b>IFC</b>	<b>Advanced and Ordinary Diploma</b>	<b>Total</b>
<b>1. Ghana</b>	<b>273</b>	<b>367</b>	<b>21</b>	<b>0</b>	<b>661</b>
<b>2. The Gambia</b>	<b>82</b>	<b>113</b>	<b>52</b>	<b>79</b>	<b>326</b>
<b>3. Liberia</b>	<b>73</b>	<b>145</b>	<b>40</b>	<b>0</b>	<b>258</b>
<b>4. Nigeria</b>	<b>460</b>	<b>297</b>	<b>55</b>	<b>0</b>	<b>812</b>
<b>5. Sierra Leone</b>	<b>83</b>	<b>70</b>	<b>31</b>	<b>0</b>	<b>184</b>
<b>6. Others</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Total</b>	<b>976</b>	<b>996</b>	<b>199</b>	<b>79</b>	<b>2250</b>

(Culled from the brochure of the 28<sup>th</sup>. One year diploma graduation ceremony)

- (d) With regard to the encouragement of writing of books, WAICA has been doing this by way of provision of grants to persons who are prepared to write insurance books. WAICA sponsors an annual WAICA writer Award which is open to every citizen of West Africa interested in insurance and it also maintains a special award which is offered to encourage the writing of high quality books on insurance and related subjects.
- (e) The idea to encourage the exchange of business among member companies

by January 1974 has been achieved by way of the operation of the WAICA pool. And the resolve that by the end of 1978 each member country would have developed its own National Insurance Corporation or company was duly achieved by all the member countries except Liberia. But eventually, the same objective was achieved by Liberia as well, with the establishment of the Liberia National Insurance Corporation. Member companies are also required to cede a specified percentage of their insurance business to African Reinsurance Corporation.

- (f) The encouragement of exchange of information data among member countries has been achieved through the WAICA educational conferences where papers are presented by knowledgeable individuals on various important topics which are usually full of important data on the West African insurance markets. These conferences are held in the member countries every two years at which selected individuals present papers on topics decided upon at WAICA annual meetings.
- (g) Some of the steps taken to reduce outflow of foreign exchange from the West African sub-region was to encourage the development of marine cargo insurance in the member countries to ensure that all imports into the West African countries are insured locally instead of overseas.

With the above aim in view, the West African Insurance Institute (in collaboration with UNCTAD) paid special attention to the teaching of marine and Aviation Insurance at the Institute by allocating to the subject five weeks of teaching period while between two weeks and three weeks were allocated to the teaching of the other classes of insurance and the related subjects.

Eventually, all the member countries passed Laws which made it compulsory

to insure imports with locally registered insurance companies.

It may be noted that in Ghana, compulsory insurance of imports locally started in 1964. But it was in 1972 that the Insurance Amendment Decree, 1972 was promulgated which provided that all imports, except personal effects, must be insured in Ghana with companies registered in Ghana.

- (h) The object of taking reasonable steps aimed at reducing or eliminating economic waste arising from fires, accidents and other elemental causes is, however, yet to be attained. In Ghana, the Ghana Insurers Association has, from time to time, released grants to the National Road safety committee to undertake road safety campaigns during festive occasions such as x'mas and Easter celebrations. Similar grants are made to the Ghana National Fire service towards the purchase of Fire Tenders. But such grants are considered inadequate by the beneficiary organisations.

The Ghana market has set up a motor Insurance compensation Fund to cater for victims of "hit and run" motor accidents so that the injured members of the public who do not receive compensation from any insurance company might benefit from the motor compensation Fund being managed by the National Insurance Commission.

The insurance companies in the other WAICA member countries might be providing similar financial assistance to public bodies in their communities.

But there is no doubt that there is the need to provide more finances for such laudable services in these countries in order to wipe off some of the negatives notions members of the public harbour against insurance companies.

## **Conclusion**

In my opinion the early successes chalked by the founding fathers of the

West African Insurance Companies Association (WAICA) was made possible by the fact that the period immediately following the achievement of political independence from colonial rule by the four English speaking countries in West Africa had fired the patriotism of many citizens in the African continent and especially those in the West African sub-region. The common factor of patriotism also stirred the African leaders in the insurance industry to unite to attain their common objectives for WAICA.

Another factor that made the achievements of WAICA possible was the dedication with which some individuals performed the functions attached to the positions they were appointed to in the Executive council and its committees. For example, the late Anthony Kobina – Woode who played a leading role in the formation of both the African Insurance Organisation and the WAICA was a leading Trade Unionist who played an active role in the struggle for Independence for Ghana and later became a member of the Ghana's first Parliament before he subsequently became the first Ghanaian Managing Director of the State Insurance Corporation of Ghana in 1964.

Another example of an individual who served WAICA with dedication is Mr. J. O. Irukwu of Nigeria who is a prolific writer of books and was the Editor-in-Chief of the WAICA Journal for many years. His departure from the educational committee has left a deep vacuum which needs to be filled. The publication and sale of the WAICA Journal served as a regular source of income for WAICA Secretariat apart from the Annual membership dues. The information available to me indicates that as at now, only the Executive Council membership is in place. The committees namely, the Technical committee and the legal committee members are yet to be appointed. And

without these committees in place, WAICA cannot function fully. Mr. Olayinka Lijadu formerly of NICON served as the Treasurer for many years. Furthermore, since the chairmen of the various committees are members of the Executive Council, it implies that without the appointment of members of the committees, the membership of the Executive Council is incomplete.

The inability of WAICA to attain fully some of its objects, could also be attributed to the civil wars which broke out in some of the member countries, namely, Liberia and Sierra Leone which disrupted the smooth running of the economies of those countries, which in turn, disrupted the running of the Insurance markets and the West African Insurance Institute whose Library books were totally destroyed in Monrovia, Liberia. The war situation also necessitated the relocation of the Institute in Banjul, The Gambia.

The holding of WAICA meetings in the two countries has also not been possible for some years now. It is a great relief therefore that this confab is now taking place in Sierra Leone.

During the past few years, the World Bank has compelled the WAICA member countries to privatize the State Insurance Corporations with the excuse that it is not the responsibility of Governments to engage in business ventures. Governments should rather provide congenial environments for businesses to operate. This development has no doubt adversely affected the operations of WAICA because the strong financial resources of the State Corporations were occasionally used to lend financial support to the Institutions of WAICA whenever it becomes, necessary.

The State Insurance Corporations also sponsored a large number of their

staff for training at the West African Insurance Institute, which went a long way to feed the insurance markets in the member countries with the needed technical insurance manpower, especially in the middle management sector.

I hope I have succeeded by the information provided so far, in spelling out the lessons to learn from what WAICA has been able to achieve since its inception in 1973 to date that should guide the present generation to continue to build on the good foundation laid by the older generation, to ensure that WAICA played its relevant role in the economic development and integration of West Africa side by side ECOWAS. However the best lesson we should learn is that it takes the dedication and selflessness of only a few persons in every Association to propel it to achieve the unattainable.

**Thank you, Ladies and Gentlemen, for your patience.**