DPR/CIR/25/2019 on the above review minimum paid.

However, Insurance Industry Reform Act which repealed and replaced several existing laws governing the sector:

The newly approved requirements peg the minimum capital for:

- Non-Life Insurance Business at ₦15 Billion
- Life Insurance Business at ₦10 Billion
- Reinsurance Business at ₦35 Billion

(c) Risk-based supervision (RBS) is not fully implemented or effective.

7. **Reinsurance and Foreign Participation**

(a) There are gaps in regulating cross-border reinsurance transactions and foreign-dominated firms.

(b) Lack of clarity on localization policies or the use of local reinsurance capacity before going offshore.

ADEBAYO ADELODUN & CO.,

5TH QUARTERLY ROUNDTABLE

TOPIC:
INSURANCE CLAIM: LACK OF AWARENESS ON INSURED RIGHT AND REGULATORY GAPS IN NIGERIA

HELD ON SATURDAY
21ST DAY OF JUNE, 2025.

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Adebayo Adelodun, SAN, FCIArb

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RESOURCE PERSONS

(1) HON. JUSTICE SALIU SAIDU (RTD) FCIArb

(2) ALH. BOLA RASAQ GOLD, SAN, ACIArb

5. **Inadequate Regulatory Response to Insurtech**
   (a) Current laws do not effectively regulate the growing use of digital platforms and technologies in insurance
   (b) No clear framework for data protection, digital claims processing or online underwriting.

6. **Capital Adequacy and Solvency Oversight**
   (a) The capital base requirement are outdated and under-enforced.
   (b) In Nigeria, the minimum paid-up share capital require an insurance company varies based on type of business.
   - Life Insurance : ₦8 Billion
   - General Insurance: ₦10 Billion
   - Composite Insurance: ₦18 Billion
   - Reinsurance: ₦20 Billion

The National Insurance Commission (NAICOM) on 20th May, 2019 published circular No: NAICOM

2. **Low Enforcement and Compliance**
   (a) Weak enforcement of existing rules by regulators, the **National Insurance Commission (NAICOM)**
   (b) Some insurers operate below minimum capital requirements or fail to meet claims obligations without timely penalties.

3. **Limited Consumer Protection**
   (a) In adequate provisions for the protection of policy holders rights.
   (b) Slow and often inaccessible dispute resolution mechanisms for insured parties.

4. **Weak Compulsory Insurance Enforcement**
   (a) Nigeria has several compulsory insurance policies (e.g. motor third party builders' liability) but enforcement is very poor.
   (b) Public awareness is also lacking and there are limited consequences for non-compliance

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PREFACE/EDITORIAL NOTE

The Fifth Edition of the Quarterly Publication of Adebayo Adelodun & Co. emerges from deliberations during the Fifth Quarterly Roundtable, convened on 21st June 2025 in Ilorin, Kwara State. These continuing series of engagements, now firmly established within the professional and academic landscape, serve as vehicles for rigorous examination of contemporary legal and socio-economic concerns, with a view to interrogating systemic deficiencies and advancing proposals for reform rooted in sound jurisprudence and policy.

The theme of this edition, *"Insurance Claims: Lack of Awareness on Insured Rights and Regulatory Gaps,"* was chosen with deliberateness, recognising the paradoxical state of Nigeria's Insurance Sector, which remains structurally and legislatively embedded yet operationally underdeveloped. Despite the existence of a comprehensive statutory framework and a range of compulsory insurance products, including third-party

- **Premium payment is essential –** Without it, there's **no valid insurance cover.**

9.0 THE REGULATORY GAPS IN NIGERIA INSURANCE LAW

Regulatory gaps in Nigeria insurance law refer to the areas where existing laws, regulations, or enforcement mechanism are inadequate or outdated leaving rooms for inefficiencies, malpractices or lack of protection for stakeholders. Here are some key gaps identified in the Nigerian Insurance regulatory framework.

1. **Outdated Legal Framework**
   (a) The principal law, **Insurance Act of 2003,** is now over two decades old.
   (b) It does not adequately reflect current realities such as digital insurance, insurtech or emerging risks like cyber threats/Crime.

people don’t use them because they’re unaware it’s free or covered

8.0 NOTE FURTHER ON AWARENESS

IN JUMBO UNITED CO, LTD V. LEADWAY ASSURANCE CO. LTD

1. **No Premium, No Cover:** “No Premium, No Cover is a strict condition precedent the Court held that payment of the premium is a **Condition precedent** to the validity and enforceability of a marine insurance contract. Until the premium is fully paid, the policy provides no cover. This aligned with Section 50 of the Insurance Act 1997 and NAICOM’s guidelines-and the Court gave the doctrine full judicial backing.

2. **Insurance Contract Unenforceable without Premium Payment:** Following the condition precedent principle, the Court ruled that **if the premium isn’t paid, the insurer has no contractual ability,** and any claim for indemnity must fail until the premium is redeemed.

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motor vehicle insurance, vast segments of the populace remain uninformed of their entitlements and obligations under such policies. The result is a dual crisis of underutilisation and mistrust, with individuals and businesses alike failing to access protections envisaged by law, thereby diminishing the potential of insurance as a stabilising mechanism in the national economy.

My opening address at the Roundtable underscored the critical nature of this dialogue. It emphasised the evident disconnect between the existence of regulatory and contractual mechanisms on the one hand and on the other, the practical realisation of insured entitlements by policyholders. The issue, as explored throughout the session, lies not solely in the domain of regulatory laxity but equally in the realm of public ignorance regarding insurance, its mechanics and the scope of rights and obligations therein. The discourse sought to determine whether the law itself requires strengthening, whether the dissemination of information must be intensified, or whether a combined approach is indispensable for meaningful change.

This edition draws its intellectual depth from the contributions of two eminent resource persons whose perspectives, drawn from the judiciary and legal practice, provided a comprehensive exploration of the subject. Hon. Justice Saliu Saidu FCIArb, (Rtd), drawing from his nineteen-year judicial career, examined the foundational principles of insurance within Nigerian law, as well as the institutional mandate of the National Insurance Commission (NAICOM). His analysis revealed the surprising paucity of insurance-related litigation before superior courts, not as a function of absence of disputes, but rather as a consequence of deficient awareness, the opacity of insurance contracts and procedural impediments to enforcement. His exposition traversed the conceptual nature of insurance, the classifications recognised under Nigerian statutes, the statutory obligations of NAICOM and the multifaceted benefits accruing from the proper application of insurance

4. Not Understanding Policy Terms

Terms like "deductible" "premium" "exclusive" or "co-payment" can be confusing which

(a) leads to misinterpretation of the policy

(b) Causes of disputes or dissatisfaction during claims.

5. Lack of Knowledge About the Right to Information

Many people don't realize they can request:

(a) A detailed explanation of benefits (EOB)

(b) A copy of their full insurance contract

(c) An itemized bill from providers

6. Failure to Shop around or Switch Providers

Without awareness, people may:

(a) Overpay for limited coverage

(b) Stick with inadequate or predatory insurers

7. Underutilization of Preventive Service

Especially in health insurance, many policies cover preventive care (e.g. Vaccinations, checkups), but terms of insurance policy, business and law awareness is zero leading to:

(a) Missed claims on covered services.

(b) Paying out of pocket for something the policy could have covered.

2. Lack of Awareness of Claim Procedures

People did not know how or when to file a claim, including:

(a) Claim deadlines

(b) Required documentation

(c) Notification procedures

3. Unfamiliarity with Legal Protections

Insured individuals often do not know that they are protected by laws in various ways, such as:

(a) The right to fair claims handling

(b) The right to appeal a denied claim

(c) Protection against arbitrary cancellation or denial of coverage

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mechanisms for individuals, enterprises and the economy at large.

Alhaji Bola Rasaq Gold, SAN, ACIArb, approached the discourse through the lens of practical legal experience. His presentation identified the substantive rights guaranteed to policyholders under extant legislation and exposed the mechanisms, often embedded within complex contractual language and fine-print exclusions, by which these rights are undermined in practice. Drawing from a case study within his professional career, he illuminated the procedural, contractual and institutional obstacles that routinely frustrate the claims process, as well as the pragmatic strategies sometimes necessary to secure entitlements outside the prolonged timeline of conventional litigation. His reflections further highlighted deficiencies in the regulatory and enforcement structures governing the insurance sector, from inadequate oversight of insurers to the limited accessibility of dispute resolution channels.

The ensuing plenary dialogue drew strength from the expertise and live experiences of participants across the legal, regulatory and consumer spheres. The exchanges served to enrich the preceding presentations by situating them within broader societal realities and underscoring the pressing need for a reconceptualisation of insurance not merely as a statutory obligation but as a central pillar of socio-economic security. The discourse revealed how ignorance, affecting both the lay public and legal practitioners, has perpetuated the marginalisation of insurance within Nigeria's risk management culture and demonstrated the consequences of this ignorance for individuals, businesses and the state.

This edition, therefore, functions as more than a mere record of proceedings. It represents a resource of value to the legal academy as a tool for scholarship and curricular enrichment in the fields of Insurance Law and consumer rights; to regulators and policymakers as a distillation of judicial, professional and consumer perspectives that may inform policy formulation and

property insurance or liability insurance help ensure continuity in operations in case of disruptions, damage or lawsuits, thereby safeguarding the company's financial health and reputation.

Overall, insurance policies provide a safety net, helping individuals and businesses manage risk, avoid financial strain and ensure a stable financial future.

7.0 LACK OF AWARENESS ON INSURED RIGHTS

Lack of awareness about insured rights can manifest in several ways, and it often leads to people not fully utilizing their insurance policies or being vulnerable to exploitation. Here are some common issues caused by a lack of awareness of insured rights:

1. **Ignorance of What is Covered**

   Many policy holders don't fully understand what their insurance covers. This could be interpreted as Nigerian's Lack of Education and Interest in Insurance Business. Necessary questions were never asked or

6. **Peace of Mind:** Knowing that you have coverage in place for emergencies or unexpected events can provide significant peace of mind, reducing stress and worry.

7. **Income Protection:** Policies like disability insurance can replace lost income in the event that you're unable to work due to illness or injury. This ensure you have financial stability during challenging times.

8. **Tax Benefits:** Cert insurance policies, such as life insurance and retirement insurance can offer tax advantage, such as tax deductions or tax-deferred growth of investments.

9. **Encouragement of Savings and Investment:** Some type of insurance, like whole life or endowment, policies can also function as a savings or investment vehicle, building cash value over time that can be accessed later.

10. **Business Continuity:** For businesses, insurance policies like business interruption insurance,

enforcement strategies; and to the legal profession and public as an instrument of awareness and advocacy, aimed at bridging the gap between the statutory protections afforded by Nigerian insurance law and their tangible, day-to-day application.

Through the continued convening of this Roundtable series and the publication of its findings, Adebayo Adelodun & Co. seeks to narrow the gulf between legal rights and live realities and to contribute meaningfully to the advancement of the law as a vehicle of stability, justice and economic development in Nigeria. It is anticipated that the insights compiled herein will serve as a catalyst for ongoing scholarship, policy engagement and professional practice in this vital sector of law and commerce.

Alhaji Adebayo Oba Adelodun, SAN
July 2025

INSURANCE CLAIM: LACK OF AWARENESS ON INSURED RIGHT AND REGULATORY GAPS IN NIGERIA

BY

SALIU SAIDU*

1.0 INTRODUCTION

1.1 WHAT IS INSURANCE?

Insurance is a financial product that provides protection against financial loss or risk. It involves an agreement between an individual or entity (the policy holder) and an insurance company (The insurer), where the policy holder pays regular premiums. In return, the insurance company agrees to cover certain types of financial losses or risk, such as damage to property, health issues, or accidents, depending on the terms of policy. See the Supreme Court case of **Jumbo United Co. Ltd vs Leadway Ass. Co. Ltd (2016) 15 NWLR (Pt. 1536) 439; Yadies**

* **Retired Justice of the Federal High Court, FCIArb**

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and risks of environmental damages such as Oil Spills and pollution.

P&I Clubs are Mutual Insurance Association. This type of insurance is essential for covering liabilities that are not typically included in standard hull and machinery (H&M) insurance. It operates on a mutual basis – ship owners contribute premiums and share the risks. Examples include the UK P & I Club, Gard, NorthStandard and Steamship Mutual.

4. **Assets Protection:** Insurance policies, such as homeowners, auto, or life insurance, help protect valuable assets (homes, cars. businesses e.t.c) by offering compensations in the event of loss or damage, reducing the financial impact of such events.
5. **Health and Medical Coverage:** Health Insurance policies help cover medical expenses, including doctors visit, hospital stays, medication, and surgeries. This can make health care more affordable and accessible, especially in emergencies or for long-term care.

This can prevent significant financial hardship.

2. **Risk Management:** Insurance helps manage and mitigate risks by transferring the financial burden of certain risks (e.g, health care costs, accidents, property loss) to the insurer. This provides peace of mind, knowing that you won't bear the full financial burden of unforeseen events.

3. **Legal Protection:** In some cases, Insurance policies provides legal coverage, such as liability insurance, which can protect you from legal expenses or lawsuit that might arise from accidents, negligence or other incidents. A good example is that of Marine Insurance, Protection and Indemnity Insurance (P & I) which the policy ship owner's purchase to protect themselves against liability claims from crew and other third parties such as passengers. A typical P & I covers includes a carrier's third party risks for damages caused to cargo during a voyage/carriage; war risks;

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Nigeria Ltd V Great Nigeria Insurance Co. Ltd No. Sc. 333/2001 (2007) NGSC 84.

The purpose of insurance is to help reduce the financial burden caused by unforeseen events by spreading the risk across a larger group of people.

1.2 WHO IS AN INSURER?

An insurer is a company or organization that provides insurance coverage to individuals or businesses. It assumes financial responsibility for certain risks in exchange for regular payments, called "**PREMIUMS**". If an insurer covered event or loss occurs (such as accidents, damages or illness), the insurer pays out a specified amount of money to the policy holder or a third party, according to the terms of the insurance policy.

2.0 INSURANCE LAW IN NIGERIA

The Insurance Act is the principal legislation governing insurance operations in Nigeria. The most recent comprehensive version is the **Insurance Act of 2023**, which repealed the Insurance Decree No 2 of 1997 and introduced several new provisions. The Act outlines the framework for the regulation and supervision of the insurance industry in Nigeria. See also the **Insurance Act of 2003.**

3.0 REGULATORY BODY

The National Insurance Commission (NAICOM) is the regulatory authority responsible for overseeing and developing the insurance industry in Nigeria. Established by the **National Insurance Commission Act No 1 of 1997,** NAICOM's primary objective is to ensure the effective administration, supervision, regulation, and control of insurance business in the country.

4.0 KEY FUNCTIONS OF NAICOM

1. **Licensing of Insurers:** Insurance companies operating in Nigeria must be licensed by NAICOM. The Insurance Act outlines the requirements for obtaining and maintaining such licenses, including

the revocation of the company's licence.

9. **Reinsurance:** The law also governs reinsurance arrangements, which involve the transfer of risk from one insurance company to another. This ensures that risks are adequately spread, and the financial stability of insurance companies is maintained.

10. **Insurance Brokerage:** The law also covers the role of insurance brokers who act as intermediaries between the insurance companies and the policy holders. Brokers must be licensed and comply with the relevant regulations set by NAICOM.

6.0 THE BENEFITS OF INSURANCE POLICY

An insurance policy offers several important benefits for both individuals and businesses. These include:

1. **Financial Protection:** The primary benefits of an insurance policy is financial protection. It helps cover costs related to unexpected events like accidents, illness, property, damages, or natural disasters.

specified period and ensures that companies maintain adequate reserve for claims.

6. **Insurance Contracts:** The Insurance Act specifies that insurance contracts must be in writing and contain clear terms, The Act also outlines how disputes between policy holders and insurer should be resolved, and it holds insurers accountable for non-performance of their obligation. See Supreme Court case of Jumbo United Co. Ltd vs Leadway Ass. Co. Ltd (2016) (Supra)

7. **Solvency Requirements:** Insurance companies are required to maintain a certain level of solvency to ensure they can meet their financial obligations. NAICOM monitors this by requiring insurance companies to submit regular financial reports an conduct regular audits.

8. **Penalties for Non-compliance:** Non-compliance with the provisions of the insurance Act can result in various penalties, including fines, suspension or even

the need for adequate capital, professionalism and good financial standing.

2. **Establishing Standards:** NAICOM sets and enforces ethical and operational standards to guide the conduct of insurance business in Nigeria.

3. **Approving Premium Rates and Commissions:** The Commission approves rates of insurance premiums and commission for all classes of insurance business, ensuring fairness and consistency across the industry.

4. **Safeguarding Assets:** NAICOM ensures the adequate protection and security of strategic government assets and other vital properties.

5. **Regulating Transactions:** The Commission regulates transactions between insurers and reinsurers within Nigeria and those outside the country, promoting transparency and stability in cross-border insurance dealings.

6. **Advising the Government:** NAICOM acts as an adviser to the Federal-Government on all

insurance-related matters, contributing to policy formulation and implementation.

7. **Protecting Policy Holders:** The Commission is dedicated to protecting insurance policy holders, beneficiaries and third parties to insurance contract, ensuring their interest are safeguarded.
8. **Supervising the Industry:** NAICOM monitors the operations of the insurance market to enforce compliance with relevant laws and regulations, maintaining the industry's integrity.

5.0 TYPES OF INSURANCE

1. **Life Insurance:** covers risks related to the life of an individual, including death, disability or critical illness.
2. **Non-Life Insurance (General Insurance):** Covers other risks such as motor, fire, health and liability insurance.
3. **Reinsurance:** Provides coverage to insurance companies against large losses.

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4. **Compulsory Insurance:** There are certain forms of insurance that are mandatory in Nigeria, including:

    i. **Third-Party Motor Insurance:** A compulsory insurance for all vehicles, which covers liability for injuries to third parties or damages to their property caused by the insured vehicle.

    ii. **Employers' Liability Insurance:** Compulsory for employers to protect employees from work-related or deaths.

    iii. **Group Life Insurance:** Required for employers to provide group life insurance for employees.

5. **Consumer Protection:** The law ensures that insurance companies uphold the rights of policy holders NAICOM plays a critical role in monitoring the behavior of insurance firms to ensure that they act in the best interest of consumers. For examples, it mandates the payment of claims by insurer within a

Insurance Commission Act, 1997 and the Insurance Act, 2003 to regulate and supervise the Insurance industry[17], enforcement of the provisions of the law remains practically insignificant. Insurers who delay or deny claims without just cause and/or within the statutory period of 90 days, are rarely sanctioned not to talk of implementing the penalty and interest sanctions provided for under the law[18].

Again, it is observed that, while NAICOM issues frequent circular and directions to Insurance industries, there is often inadequate or no follow up on these directions to ensure compliance. This leads to a situation where Insurers delay or even deny the payments of insurance claims without meaningful consequence.

The issue of enforcement gap and the need for proactive regulatory enforcement on insurance claims was considered in the case of **Leadway**

8. **Corporate Governance**

(a) Although NAICOM has released guidelines many insurance companies still lack transparency and good governance practice.

(b) Board independence and compliance oversight are weak in several firms

10.0 THE BENEFITS FOR LAWYER IN PRACTICING INSURANCE LAW

Practicing insurance law can offer several benefits for a lawyer including:

1. **Specialized Knowledge:** Insurance law is a highly specialized area that can provide lawyers with deep expertise in a complex and evolving field. This can enhance their professional standing and reputation.
2. **Diverse Practice Areas:** Lawyers in insurance law work with a wide range of clients, including individuals, insurance companies, businesses and

government entities. This diversity allows for varied and interesting legal work.

3. **Job Stability:** The insurance industry is a multi-billion dollar industry that is critical to businesses and individuals. Because of this, insurance law tends to offer stable work opportunities and demand for legal expertise.
4. **Lucrative Careers Opportunities:** Lawyers who specialize in insurance law often deals with high-value cases involving complex issues like liability, claims, disputes and regulatory compliance. This can lead to high earning potential, especially in larger law firms or corporate settings.
5. **Litigation and Negotiation Experience:** Insurance law often involves litigation or settlement negotiations, providing lawyers with valuable experience in court room advocacy and negotiable skills.
6. **Ability to Work with Various Types of Laws:** Insurance law intersects with many other practice

reaffirmed the obligation of Insurance Companies to honor claims when liability has been established. The court further criticized the Insurer for attempting to avoid liability on technical grounds despite clear evidence of an insurable loss.

6.0 REGULATOTY GAPS AFFECTING INSURANCE CLAIMS

In addition to lack of awareness, there are gaps to be filled in the various legislations regulating the insurance market in Nigeria and with particular focus on NAICOM'S role under the law, I can identify the followings as some of the regulatory gaps undermining the effectiveness of insurance contracts in Nigeria. They are:

1- **Enforcement Gap:-** Flowing from our discussion under Insurance regulatory framework, there is no doubting the fact that there are Statutory provisions that are meant to safeguard the interest of policyholders in the Insurance market. However, and despite NAICOM'S mandate under the National

"On the settlement of Insurance claims, it is noted that, the payment of insurance claims constitutes the main important service of insurance to the community. Reputation for prompt and generous treatment and payment of claims is no doubt one of the most effective means of advertisement for any insurance company. Insurance companies unfortunately, have carried a very bad image for itself by their persistent failure or neglect to settle legitimate claims. The average Nigerian regards Insurers as legalized swindlers who receive premium but failed to discharge their own part of the contract if and when it becomes necessary to do so."

See also the recent case of **Majokwu vs Allco Insurance plc**[16] where the Court of Appeal

area, such as contract law, personal injury law, corporate law, and regulatory law. This can provide lawyers with a broader legal skill set an opportunities to collaborate across various fields.

7. **Helping Clients with Important Financial Protection:** Insurance law allows lawyers to work on issues that are crucial to their clients' financial security, such as helping policy holders secure compensation after a loss or advising insurance companies on compliance and rick management.

Overall, practicing insurance law can be rewarding both financially and professionally, offering a unique blend of legal expertise, business acumen and the opportunity to make a significant impact in the legal and financial world.

11.0 CONCLUSION

Insurance law in Nigeria is aimed at regulating the conduct of insurers, protect policy holders and ensure that the insurance industry remains financially stable and trustworthy.

Please note that there have been ongoing efforts to reform the insurance industry in Nigeria. The Nigeria Insurance Industry Reform Bill 2024 is one such initiative aimed at updating and improving the regulatory framework. This bill introduces new provisions and amendments to address current challenges in the industry.

Thank you all.

"The usual attitude of a good number of Insurance companies in the country in seeking to avoid liability, can at times be taken to ridiculous points. The effect of that, is to cause delay and frustration. Unfortunately, it destroys the confidence in the Insurance Industry. There is so much notoriety regarding this attitude. I do not deny that all insurance companies are entitled to resist a false claim or contest a genuine complaint just as any other party but, to stoop for an excuse to defeat a genuine claim is improper.

Another noteworthy judicial pronouncement which proclaimed the persistent failure or neglect of Insurance Companies to settle legitimate claims, as the major factor why the Insurance market is unpopular and unattractive to Nigerians, is the case of **Leadway Assurance Co. vs Zeco Nig Ltd**[15]. The court of Appeal also held as follows:

append their signatures without knowing or understanding the implications of the contract they have held themselves binded to via their signatures. Consequently, many Insured individuals do not understand the process to lay their claims and redeem them.

iii. **Attempt of Insurers to Avoid Liability:** - Despite the mandatory provisions of Section 50 of the Insurance Act, 2003 which mandated Insurers to settle claims within 90 days of establishing liability, most Insurance Companies create barriers against the redemption of claims and consequently, most claims are unpaid thereby leaving the insurance market very unpopular and unattractive for many Nigerians to patronize.

In the case of **Nigerian LNG Ltd. Vs African Development Insurance Co. LTD**[14], the Court of Appeal per UWAIFO JCA (of blessed memory and as he then was), gave a revealing observation of the attitude of Nigeria Insurance Companies as follows: -

REFERENCES

1. **BENEFITS OF INSURANCE POLICY**
   i. Insurance Company Websites: Mutualng.com, Leadway.com. allianz.com, aig.com, Licindia.in
   ii. Policy Documents (Brochure Prospective): allianz.com, aiicopic.com/products, leadway.com/our-products.
   iii. Regulatory Authorities:
   IRDIA (India): irdia.gov.in
   Naicom.gov.ng
   NAIC (USA): naic.org
   Nigeriainsurer.org
   FCA (UK):fca.org.uk
   ciinigeria.org
   iv. Consumer Forums and Reviews
   Reddit: reddit.com
   Trustpilot: trustpilot.com
   Quora: quora.com
   v. Government Websites
   usa.gov/insurance, gov.uk, naicom.gov.ng

2. LACK OF AWARENESS ON ISURED RIGHTS

1. Government Reports and Surveys
   - National Insurance Regulatory Authorities
     IRDIA in India: irdia.gov.in
     NAIC in the US: naic.org
     NAIC in Nigeria: Naicom.gov.ng
2. Academic Studies and research papers:
   SSrn.com
3. Consumer Advocacy Groups and NGO's
   - Consumer Reports: consumerreports.org
     Consumer Federation of America: consumerfed.org
     CUTS International (In India): cuts-international.org
     Fccpc.gov.ng: Consumer Protection Council (FCCPC)
     Yourbudgit.com: Budg IT CLEEN FOUNDATION: Cleen.org
4. Insurance Ombudsman Reports:
   Financial – Ombudsman.org.uk Naicom.gov.ng
   Coins.co.in Nigeriainsurers.org
5. Market Research Firms

delay in redeeming their claims while the policyholder is ultimately left with little or no recourse.

By my view and conceptions, factors which largely contribute to the low level or lack of awareness on the part of Nigerian policyholders include the following:-

i. **Low Level of Insurance Literacy-** The understanding of even the lay-man as to his/her right under a general contract is missing in the contract of insurance, especially in the rural and semi-urban area of Nigeria. Many policyholders in Nigeria are not aware of their rights under the law and even the extent of the coverage purchased by them.

ii. **The Use of Technical Jargons by Insurers-** Like a loan contract in Banks, the terms, conditions and warranties of an insurance policy are usually engrossed in document with technical terms and phrases that are primarily meant to confuse policyholders. What policyholders do is just to

5.0 INSURED RIGHTS AND AWARENESS OF POLICYHOLDERS

As demonstrated earlier while conceptualizing the situation of Nigerian policyholders as to their rights under the Insurance Law, it is safe to conclude as done by the caption of this roundtable discussion that, there is practically lack of awareness on the part of policyholders as to their insured rights in Nigeria and this is why it said that, one of the most pressing issues affecting insurance policyholders in Nigeria is their lack of awareness about their Insured rights or entitlements under the law and not the issue of regulatory gaps. This does not however rule out the existence of regulatory gaps as a vice in the insurance market.

Many policyholders do not fully understand the terms of their insurance policies, including the coverage limit of their policy and the procedure to redeem their claims under the policy. The lack of awareness attitude of the policyholders often leads to the wrongful denial of or

Mckinsey: mckinsey.com

Proshareng.com Fdcng.com

PwC: pwc.com

Nairametrics.com

IN YADIS NIGERIA LTD V. GREAT NIGERIA INSURANCE CO. LTD (2007)

The Supreme Court held that when goods insured under a fire insurance policy are relocated to a different premises **without obtaining the insurer's consent and endorsement,** the policy is **vitiated** and the insurer is **not liable** for loss at the new location.

In essence, the Court affirmed the long-standing rule that **non-endorsement of a change in insured location voids the policy,** even if the insurer was informed but did not formally approve and endorse it.

All the above cases are incidents of lack of awareness or lack of education on insurance policy.

Lastly on this awareness is that an insurance contract is a contract of upmost good faith.

An insurance policy holder must disclose all that insurer must know, for example an health or life insurance policy must disclose all about his health without any holding back before he can benefit from the policy.

3. REGULATORY GAPS IN NIGERIA INSURANCE LAW

1. National Insurance Commission (NAICOM)
    - naicom.gov.ng
2. Legislation and legal text
    - Insurance Act 2003 – lawyard.ing, nass.gov.ng
3. Academic Journals and Legal Publications:
    - ajol.info, scholar.google.com, Legalpediaonline.com. Nigerianbar.org.ng, Nou.edu.ng
4. Books by Nigerian Legal Scholars amazon.com
5. Reports from International Organizations
    - worldbank.org, Imf.org, afdb.org

6. **General Right to Non- Discriminatory Treatment and Oversight Function Over Insurance Companies**: - Because the major regulatory goals of Insurance Laws includes; protection of policyholders' interest, market stability and fair competition in the insurance market[12], every policyholder is entitled as of right, to be treated fairly by the Insurer and without any bias of gender, age, or social-economic status.

The policyholder also has the right for his interest to be protected via the oversight functions or duties of the Insurance Regulatory Body or Commission. The NAICOM Act, 1997 empowers the Commission to regulate and supervise insurance operations in Nigeria through licensing, inspection, sanctions and periodic policy issuance[13]. This oversight functions of NAICOM ensures the financial soundness of the insurance companies and their compliance with laws which ultimately safeguards the integrity of the insurance market and protects the interest of policyholders in Nigeria.

policyholders and it also protects them against misuse of their data or unauthorized disclosure of their data to a third-party.

5. **Right of Complaint and Right to Redress**: - The NAICOM Consumer Protection Framework (2021) provides for a consumer complaint mechanism where aggrieved policy holder seeks redress, by mandating every Insurance Company operating within soils of Nigeria, to establish an internal complaint resolution system and it allows for the escalation of the complaints to NAICOM where necessary. NAICOM, itself, also operates a complaints Bureau that entertain escalation of complaints from the internal complaint resolution table of the Insurers so that, the policyholders receive redress for their Insurance grievances and complaints.

INSURANCE CLAIM: LACK OF AWARENESS ON INSURED RIGHT AND REGULATORY GAPS IN NIGERIA

BY

BOLA RASAQ GOLD*

1.0 INTRODUCTION

Let me confess from the onset that I am here with utmost delight because on one hand, choosing me as a speaker on this topic has opened my eyes to a gray area of law where, as a lawyer, resources can be well tapped and on the other hand, I am speaking under the umbrella of a father – figure in the law profession.

Permit me to say that, every organization takes on the character of its *"head"* is a well-known aphorism and this is no less true of Adebayo Adelodun & Co. under the able leadership of *Adebayo O. Adelodun, SAN* whose

* **Senior Advocate of Nigeria and ACIArb**

irrepressible dynamism and magnetic personal mantra of genuine interest in building human bridges, has inspired many of us to continue to grow in diverse fields. This roundtable program is another demonstration of his unquenched appetite for development of law and the growth of the practitioners. Kudos to you sir, and may your wealth of visions continue to be enriched by divine grace.

Our focus today is on "insurance" and that brings me to the point that a discourse on contemporary subject like this requires a proper understanding of the basic terminologies on the subject of discussion so as to ensure that the audience has a common understanding of where and through which path, I am driving them.

Therefore, let us examine the general concept of the contract of insurance; insured rights, level of awareness of the insured rights, insurance claims, and the regulatory framework for insurance contract. This will lead us to

payment of interest on the amount claimed. These provisions of the law ensure that, policyholders are protected from being subjected to undue hardship upon their loss.

3. **Right to Opt-Out of the Policy**: - Every policyholder have the statutorily protected right to cancel Insurance Policies and consequently receive a refund for the unexpired portion of the premium, subject however, to the terms of the policy. This right is guided under Section 61 of the Insurance Act, 2003, which outlined the procedure for such cancellation. The Section protects the policy holder from being locked into an unfavorable agreement as may be occasioned from unforeseen circumstances.

4. **Right to Confidentiality**: - Insurers are under statutory duties to safeguard the personal and financial information of policyholders[11]. The provision of the law ensures data confidentiality of

1. **Right to Information and Transparency**: - As earlier stated, this right is reinforced under Sections 50 and 51 of the Insurance Act, 2003 to the effect that, all Insurers are required to explain the scope of coverage of a policy, exclusions, premium obligations, and the procedures for lodging and processing claims under a policy. This is a primary right that helps a prospective policyholder to make an informed decision on the contract and it also promotes contractual fairness.

   The law is settled on the facts that, failure to provide these informations renders the Policy voidable at the instance of the Insured.

2. **Right to Settlement of Claim**: - According to Sections 68, 69 and 70 of the Insurance Act, 2003, Insurers are obliged to promptly honor policy-claims and to settle valid claim within 90 days of submission of the claims. Delays beyond this statutory period, attracts penalties, including the

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examine the Regulatory gaps on insurance claims and recommendations thereto.

2.0 AN OVERVIEW OF WHAT A CONTRACT OF INSURANCE ENTAILS

Insurance is a financial arrangement that provides protection against potential future losses or risks and in simple terms, it is a contract between an individual or entity called the *"Insured"* and an Insurance Company called the *"Insurer"* where the Insured pays a fee called *"Premium"* in exchange for financial compensation or coverage in the event of certain specified losses, damages, or events such as; accident, illness, theft or death[1].

Insurance is therefore, a form of, or an example of a specific contract. It is thus, governed by the prerequisites of ordinary common law on contract. The only exception lies in the fact that, the doctrine of frustration in contract under the common law is inapplicable to a contract of insurance [1(a)]. Also, unlike a wagering contract, insurance contract is an aleatory one which depends on contingencies. Although, while it is true that, both contracts are bets against uncertain events, the essential difference lies in the fact that, a proprietary interest exists in the subject matter of an insurance which is absent in a wagering contract.

The contract of insurance arises from a contract between an insurer and an insured whereby, the Insurer undertakes to provide against a risk apprehended by the Insured[2]. The Insurer also undertakes to bear such risk at a price called *"premium"* and when the Insured pays such premium to the Insurer as agreed, the Insured is said to have purchased a security for the future[3] which is always embodied in a normal and duly stamped[4] document called *"policy"*[5]. Therefore, the fundamental purpose of every insurance contract, is to give cover for an insured risk(s).

The subject matter of insurance varies considerably from life insurance to anything capable of being insured, like-

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Let us therefore, examine the rights associated with insurance policies.

4.0 INSURED RIGHTS AND THEIR PROTECTION UNDER NIGERIA LAWS.

Generally, the rights of the Insured include: the right to clear and comprehensive information about the policy held by every policyholder. They also includes the timely processing and payment of claims, fair treatment of policy holders by the Insurers and unhindered access to dispute resolution mechanism. Most of these rights are now codified in relevant Statutes such as; **NAICOM Act[8], 1997,** the **Insurance Act, 2003[9]**, the **Investments and Security Act[10]** and the **Nigerian Consumer Protection Framework issued by NAICOM.**

Below are key insured rights under the law which are designed to ensure the protection of policyholders as well as ensuring the transparency, fairness and accountability in insurance transactions:-

Please indulge me to conceptualize the situation of insured Nigerians in relation to lack of, or inadequate awareness as to their rights and the laws made to protect these rights. In the year 2020, several policy holders of the defunct insurance firms such as: Niger Insurance Plc and Standard Alliance Insurance Plc, publicly lamented the non-payment of their claims for several years. These policy holders were only harboring regrets for taking the insurance policies and suffering in silence without any recourse to redeeming their claims under the relevant laws and regulations made to safeguard their claims.

The huge and several public complaints and outcry consequently led the National Insurance Commission (NAICOM) established under the NAICOM Act of 1997 as the Nigerian Regulatory Body for Insurance Companies, to revoke the licenses of the Insurance Companies but not before considerable damages had been done not only to the public trust in the insurance market but to the lives of the policyholders out of the lack of awareness as to their rights under the law.

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real and personal properties, educational, marine, aviation, motor, fire, personal accident and industrial insurances. The rate of payable premium is generally calculated in proportion of the sum or worth assured and that, just as it is applicable in the ordinary law of contract, the requirements of unconditional offer and acceptance in respect of the principal terms of; subject matter of the insurance, the apprehended risk(s) and the premium must be clearly agreed upon by both the Insurer and the Insured.

The first step in effecting an insurance contract is by making application or a proposal to be made by the Insured to the Insurer. The application is usually made through registered agents of the Insurer, called Insurance Brokers. Once the application of the Insured is accepted by the Insurer, a cover notes or a slip is issued to the Insured which serves as an assurance for the Insured pending the insurance of a formal Policy[6]. The tying of the knot of every insurance Policy is underlined by three basic principle of: - insurable interest, indemnity and subrogation, as well as utmost good faith or uberrime fidei.

Insurance is therefore, a vital management mechanism, designed to manage risks, provide financial security and peace of mind to individual and their running business by pooling resources to mitigate the financial impact of unforeseen events. However, the efficacy of insurance depends grately on the process of redeeming the pooled resources or claims, which serves as the mechanism through with Policyholders derives value from their premium.

3.0 WHAT IS AN INSURANCE CLAIM

Every Insurance Policy comes with its corresponding rights and duties. This paper is focused on the rights associated with insurance policies and the major one of which is the right to claim an agreed sum as at when due. That is why I want us to have a clear understanding of what an insurance claim is all about.

The Supreme courts in the case of **Jombo United Company Ltd vs Leadway Assurance & co. Ltd**[7] defined an insurance claim to be a formal request made by the Insured to the Insurer for compensation as may be stipulated in the insurance Policy. The court went further to state at page 2143 of the report that;

> ***A contract of insurance should always contain the terms and conditions of such contract including the rights and liabilities of parties to the said contract. For a plaintiff to succeed in an insurance claim, he/she must tie him/herself within the terms and conditions of the policy or contract.***

In Nigeria, many Insured individuals are unaware of their right(s) under insurance contracts and that the regulatory systems meant to protect these rights are often riddled with gaps.

Assurance Co. Ltd vs Zeco Nigeria Ltd.[19] and while emphasizing on the need for proactive enforcement regulation in respect of insurance claims, the Supreme Court held that unjustified delay in settling of Insurance claims could amount to a breach of insurance contract.

2. **Processing Gap**:- Insurance Companies in Nigeria operate with significant autonomy in designing their claim processes. This creates confusion and prolonged settlement. It is also an open gate for unfair practice by the Insurers. In the case of **Law Union & Rock Insurance Plc vs Alhaji Ahmed**[20]**,** the court was emphatic when it condemned the Insurer's inconsistent approach in assessing insurance claims while underscoring the need for a uniform procedure regulated by law. There is therefore, the need for NAICOM to establish a standardized claims handling framework that mandates uniform documentation,

timelines, and investigation protocols for all Insurance Companies.

3. **Access to Dispute Resolution Mechanism**:- Although the NAICOM Consumer Protection Framework of 2021 makes provision for a Consumer Complaint Mechanism where aggrieved policyholder can seek redress, many policyholders are unaware of this avenue, and the process is often not transparent and without time bound. Consequently, most aggrieved policyholders are left with the slow option of litigation as deeply expressed by the court of Appeal in the case of **FBN Insurance Ltd vs Onukogu[21].** The court illustrated the hardship faced by policyholders who must go through lengthy court proceedings and appeals for redress on issues relating to insurance policies.

4. **Poor Oversight Over Insurance Agents and Brokers:** - Insurance Brokers are instrumental in

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the distribution and servicing of insurance policies, yet there is little or no regulatory oversight over their conducts and as such, there is no enforcement of ethical standard or disciplinary measures for them. Consequently, the Brokers are usually caught in the webs of misrepresentation, failure to remit premiums and inadequate disclosure of insurance terms and benefits.

In the case of **Allianz Nigeria insurance Ltd. Vs Aluko**[22]he court, while highlighting the regulatory failure to monitor the practices of insurance Brokers, held that the Insurer was liable for the misconduct of its Brokers.

5. **Lack of Independent Gap**: - In practice, the actions and decisions of regulatory bodies are influenced by some of these powerful Insurance Industries and Government pressure leading to compromised oversight. This non-independent gap of insurance regulatory bodies undermines

accountability of Insurers and it is capable of preventing real reforms or deter proactive enforcement against large or well-connected insurance companies.

6. **Transparent Reporting Gap: -** Under the current Insurance Regulations, Insurers are not required to publicly disclose detail data on their claim performance, such as settlement ratio, average processing time for claims and/or volume of complaints of policyholders. This regulatory gap inhibits insurance consumer's choice of Insurers and it also weakens NAICOM ability to enforce accountability through public scrutiny.

The decision of the appeal Court in the case of **NICON Insurance corporation vs Power and Industrial Engineering Co. Ltd[23],** indirectly reflects on this regulatory gap when lack of evidence from the Insurer regarding claim

5.0 CONCLUSION

The Fifth Quarterly Roundtable reaffirmed the indispensable role of Insurance as both a private safeguard and a public good in mitigating the economic and social impact of unforeseen losses. It revealed, however, a deeply entrenched culture of ignorance and mistrust, affecting the public, the legal profession and even regulatory actors, that undermines the effectiveness of Nigeria's insurance framework.

Through the insights of distinguished jurists, seasoned practitioners and engaged stakeholders, the Roundtable provided a multifaceted examination of the legal, institutional and cultural dimensions of the issue. It laid the foundation for sustained advocacy, scholarship and regulatory reform aimed at repositioning insurance as a functional and reliable mechanism of economic justice and stability.

platforms, educating the populace on the benefits, mechanisms and procedures of insurance.

iii. Mandating insurers to simplify policy documentation, eliminating obscure fine-print terms and technical jargon that frustrate comprehension and enforcement.

iv. Robust enforcement by NAICOM of statutory obligations, including penalties for insurers who unjustly deny or delay claims.

v. The convening of a dedicated future Roundtable with representatives of law enforcement, the National Union of Road Transport Workers (NURTW), tricycle and motorcycle associations and major insurers to address operational and enforcement issues relating to third-party motor vehicle insurance.

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assessment, led to the decision of the court in favour of the policyholder.

7. **Public Awareness Gap**: - As earlier discussed, lack of awareness of Insured rights contributes more to the problem bedeviling the insurance market. The low public awareness of Insurance Policies has become a recurring theme in insurance litigations, where many policyholders testify to the fact of having limited knowledge of their Insurance rights. NAICOM has not invested sufficiently in public awareness campaign to educate policyholders on their insured rights and the various complaint mechanism available to them. Many policyholders in Nigeria are unaware that they can escalate issues to NAICOM or seek redress for claim denials. It is noted with concern that the existing initiatives by NAICOM are limited in reach, language diversity, and grass root penetration.

8. **Regulation of Digital Insurance Gap**: - Digital Insurance process is vast growing in Nigeria and as the platform grows, the regulatory framework is lagging behind. Issue of on-line claims filing, use of Artificial Intelligence in underwritings and fraud detection as well as protecting insurance consumer data are inadequately addressed in our existing laws. Again, NAICOM is yet to issue comprehensive guidelines to address the growing digital insurance, thereby creating a regulatory vacuum in this area.

9. **Inadequate Penalty Gap:** - Sanctions under the Insurance Act are outdated and they generally lack any deterrent value. For instance, fine for non-compliance with claim regulations, are very nominal compared to the financial advantage gained from delaying the payment of claims. Without robust penalties and consistent enforcement, Insurers are unlikely to alter their non-compliance behavior. In the case of **IGI Insurance Plc vs UBA Plc**[24]**,** it was emphasized

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the protracted timelines and procedural complexities of litigation in Nigeria. The resource persons further emphasised the urgent need for structural reform, sustained public education and professional training as central to repositioning insurance as a reliable mechanism of economic and social protection.

4.0 RECOMMENDATIONS

The discussions yielded several consensus recommendations for advancing insurance awareness, enhancing policyholder protections and strengthening institutional accountability. Chief among these were the calls for:

i. The inclusion of Insurance Law as a distinct and compulsory component of legal education in Nigerian universities to cultivate early professional expertise.
ii. A nationwide public awareness campaign, via radio, television, community forums and digital

The discussions also extended to health insurance, where it was noted that the majority of the population remains unaware of available schemes, including those administered by the National Health Insurance Scheme and state-backed programs. Participants emphasised that this ignorance is not attributable to illiteracy but rather to a general lack of understanding of the benefits and procedures associated with enrolment and utilisation. Calls were made for heightened publicity, including through radio, television, roadside campaigns and other mass outreach channels, to ensure broader participation in these schemes and to reduce the financial vulnerability of individuals and households.

In their responses, the resource persons reaffirmed that no tenet of Islamic law precludes the protection of assets, property, or health through insurance. They explained the necessity of pragmatic, non-litigious strategies in resolving certain disputes, given

by the court that regulatory complacency emboldens Insurance Companies to act arbitrarily.

7.0 RECOMMENDATIONS

Before highlighting my recommendations, there is the need to summarized the problems facing insurance claims in Nigeria which lies in the twin issues of lack of awareness and regulatory gaps. These two devils have several negative consequences on the practice of insurance in Nigeria, some of which are:

(i) Increase number of litigation as policyholders continuously resort to the court to seek redress, often at great cost and delay;

(ii) Errosion of public trust;

(iii) Insurance industries creating financial hardship for policyholders who are unjustly denied of their rightful claims; and

(iv) Weakening of the institution of insurance as a tool for economic development, especially for Small and Medium Scale Enterprises.

To address the regulatory gaps highlighted in this paper, a holistic reform of the insurance regulatory framework in Nigeria is required. NAICOM must enhance its enforcement capacity, introduce centric reforms and modernize regulations to keep pace with digital innovations. Public confidence in insurance sector can only be restored through transparency, accountability, proactive protection of policyholder's rights.

Furthermore, these two major problems of lack of awareness and regulatory gaps within the Nigeria Insurance market context, maybe addressed through the following recommended measures:

1. Adopting nationwide public awareness campaigns –NAICOM may adopt this strategy in partnership with NGOs and community leaders to educate the

responsible for regulating vehicular compliance, such as the Vehicle Inspection Officers, the police and road safety authorities. It was argued that the lack of harmonisation in their functions often results in duplicative enforcement actions and harassment of compliant motorists. A consensus emerged on the need for a dedicated forum to address this institutional misalignment and to ensure fairness to insured parties.

Members of the legal profession acknowledged that insurance law remains an underexplored field, despite its economic and professional potential, particularly in areas such as marine insurance, which is statutorily compulsory. There was a collective call for lawyers to cultivate deeper expertise in insurance law and to treat the field as a viable and profitable area of specialisation.

functioning of compulsory insurance regimes. Calls were made for regulatory authorities and enforcement agencies to collaborate in educating the motoring public and reducing the perception of insurance as a perfunctory obligation.

Further observations drew attention to the opacity and technical complexity of insurance contracts, which remain inaccessible even to literate individuals and, in many cases, members of the legal profession. The widespread use of fine-print clauses and technical jargon was identified as a factor undermining public confidence and obstructing the enforceability of insurance rights. Participants stressed the importance of legal and regulatory reforms to ensure transparency and consumer comprehension.

Concerns were raised regarding overlapping enforcement mandates among the various agencies

public on insurance, insured right and the process available to redeem Insurance claims.

2. NAICOM should mandate all insurance industries to simplify their policy documents in plain English and local languages. The key terms and policy coverage of Insurance Policies should be highlighted and must be explained to the understanding of every prospective policyholder.

3. The independence of NAICOM should be strengthened through increase funding and provision of digital infrastructures. The concept of autonomy of NAICOM is also advised.

4. Enforcement of penalties and sanctions under the Insurance Act against Insurers for breaching the Consumer protection standard set by Law and Regulation should move with the trend of global best practices and should be deterrent enough to deter Insurers from their arbitral attitude and act of deliberate frustration of claims.

5. NAICOM should establish a standardized claim handling framework which mandates uniform documentation and timelines for all insurance industries.

6. Insurance laws and Regulations should be amended or reformed to accommodate or address growing trends of Digital insurance.

7. The Insurance industry should be mandated to utilize digital tools to create centralized claim tracking system which is accessible to Regulators, Insurers and the policyholders.

8. Establishment of functional dispute resolution mechanism as provided for under the Insurance Act should be mandated for all the insurance industries and the access to such mechanism must be made transparent and time bound. Policyholders should be well educated and informed of their options under the law to address

road accidents and burglaries, noting that many such losses, which ideally ought to be mitigated through insurance, often result in uncompensated hardships. It was observed that government authorities are frequently compelled to assume financial burdens that insurance providers should ordinarily bear, owing to widespread ignorance of insurance benefits and rights. The need for proactive public enlightenment, including clarity on the permissibility of insurance under Islamic law, was emphasised as critical for deepening adoption in Northern Nigeria and other regions with similar concerns.

It was highlighted that many Nigerians continue to perceive third-party motor insurance merely as a compulsory statutory fee rather than as a policy conferring enforceable benefits. The gap between the rights afforded by such policies and the awareness of motorists regarding those rights was described as one of the principal impediments to the effective

4. Facilitate cross-sector dialogue between the legal profession, regulatory actors, insurers and affected stakeholders to chart strategies for deepening insurance literacy and enhancing institutional accountability.
5. Generate a compendium of insights and perspectives to be disseminated as a scholarly and policy-oriented publication, intended to inform curriculum development, regulatory reform and broader public enlightenment.

3.0 CONTRIBUTIONS FROM PARTICIPANTS

The plenary session elicited diverse contributions reflecting personal experiences, institutional perspectives and professional observations on the state of insurance awareness and regulation in Nigeria.

Participants underscored the significant economic consequences suffered by victims of fire outbreaks,

their grievances including escalating same to NAICOM.

9. The conduct of affairs of Insurance Brokers must be well regulated under an informed rules or directives of NAICOM.

10. The insurance industries must by law, be made to publicly disclose details of their data on claim performance, including ratios of claim settled, average processing time for claims and record of complaints. This is expected to create clean competitive market for the industry and to give insurance consumers, the right to choose Insurers of high benefits or value to them.

8.0 CONCLUSION

Insurance remains a powerful tool for financial protection in Nigeria, but its value is greatly undermined when policyholders are unaware of their Insured rights and when Regulatory oversights are ineffective.

Addressing these challenges requires a multifaceted approach involving legal reforms, public enlightenment/education, strengthening of the regulatory mechanism and technological innovations. By bridging these awareness and regulatory gaps, trust in the insurance system will be restored which will ultimately enhance the increase in the number of policyholders as well as economic resilience in Nigeria.

I am ending this discussion with a heart full of appreciation to the gigantic law firm of Adebayo Adelodun, SAN & Co. for affording me this rare privilege of sharing my thoughts and views on this dry area of law practice.

I thank you most sincerely, sir and I also thank you all for the rapt attention throughout this discussion. May God bless you all, abundantly.

institutional, contractual, and practical barriers undermining effective claims realisation.

2.0 OBJECTIVES

The Roundtable sought to:

1. Examine the underlying causes of the low level of litigation and judicial precedents on insurance disputes in Nigeria despite widespread occurrences of insurable incidents.
2. Illuminate the substantive rights of policyholders under the Insurance Act, subsidiary legislation and common law principles, particularly the doctrines of *uberimae fidei* and contractual enforceability.
3. Identify the regulatory, contractual and awareness-related impediments hindering access to insurance claims, particularly regarding third-party motor vehicle insurance, health schemes and property coverage.

schemes, such as third-party motor vehicle insurance, are legislatively entrenched, the Nigerian public, spanning individuals, corporate entities and even professionals, remains largely uninformed of the substantive entitlements available to them. The roundtable underscored how this knowledge deficit perpetuates public mistrust, enables insurer malpractices and relegates Insurance to a mere statutory imposition rather than a vehicle for economic security and justice.

Two distinguished resource persons, Hon. Justice Saliu Saidu FCIArb, (Rtd) and Alhaji Bola Rasaq Gold, SAN, ACIArb, delivered comprehensive presentations on the legal architecture of insurance in Nigeria, the obligations and powers of the National Insurance Commission (NAICOM), the entrenched benefits of insurance for individuals and the economy and the

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HIGHLIGHTS OF THE FIFTH ADEBAYO ADELODUN & CO. QUARTERLY ROUNDTABLE HELD ON SATURDAY, 21ST JUNE, 2025

1.0 INTRODUCTION

The Fifth Quarterly Roundtable of Adebayo Adelodun & Co., held on Saturday, 21st June 2025, brought together a cross-section of legal practitioners, judicial officers, regulatory representatives and stakeholders from the Insurance and Transport sectors to interrogate the pervasive lack of awareness surrounding insured rights in Nigeria and the structural gaps within the regulatory framework.

The session opened with a keynote address emphasising the pivotal role of insurance as a mechanism of financial protection against unforeseen losses, including accidents, fire, theft and health-related contingencies. While compulsory insurance