

Insurance Regulation in Nigeria: A Review of Differences in Provisions between the 1997 Insurance Decree and the 2003 Insurance Act

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Abstract: This paper reviews the insurance decree of 1997 and Insurance Act 2003. The insurance act 2003 which repealed the Insurance Decree No. 2 of 1997 while retaining some of the provisions of repealed act. The new act which presently governs insurance industry activity in Nigeria has new provisions. This paper therefore highlights some of the areas of differences between the former law and the new law. The main differences between the two laws are highlighted under the main headings in which review were undertaken.

Keywords: Insurance, Regulation, Insurance Decree, Insurance Act.

1. INTRODUCTION:

1.1 Classification of Insurance Business

Under the 1997 Insurance act, Insurance business was classified into two major groups. Thus the decree stipulates that for the purposes of this Decree, insurance business shall be divided into two main classes, that is life insurance business; and general insurance business. While, life insurance was divided into individual life insurance business; and group life insurance business, general insurance was divided into fire insurance business; accident insurance business; motor vehicle insurance business; workmen's compensation insurance business; goods-in-transit insurance by road, water, air or rail; marine and aviation insurance business other than that specified in paragraph (e) of this subsection; oil and gas insurance business; contractors "all risks" and engineering risk insurance business; credit Insurance, bond and suretyship; railway rolling stock insurance business; and miscellaneous insurance business (see section 2 and 3, insurance decree of 1997). However, the 2003 act, section 2 subsection 2 includes group life and pension business as part of life insurance. **Thus, while the former act exempted in Section 2b Pensions Funds and Provident Funds from Insurance control law. Pension businesses are now included under Section 2 (2) (b) as a category of life business.**

Also, under section 2b of the 2003 act life business now health insurance business (Section 2(c). General business was reduced from 11 to 8 categories in Sections 2(3a-h). The Act has reclassified Insurance business in Section 2 (1) (a and b) into the traditional two major categories i.e. life insurance business and General insurance business and **has removed the special risks business introduced by the Insurance Decree 1997.**

1.2 Authorization to do Insurance Business

Under section 5 of the 1997 decree, which provides that subject to the provisions of this Decree, an insurer may be authorized to transact any new category of miscellaneous insurance business if he shows evidence of adequate reinsurance arrangement in respect of that category of miscellaneous insurance business, possesses, relevant expertise in that category of insurance business; and requisite capital where necessary. However, section 5 of the 2003 provides that subject to this Act, an insurer may be authorized to transact any new category of miscellaneous insurance business if he shows evidence of adequate reinsurance arrangement in respect of that category of insurance business and requisite capital where necessary and other conditions as may be required from time to time. Thus, the new act **removed the clause possess and relevant expertise in that category of insurance business and provides that other conditions which may be required must be meet from time to time if the insurer is to authorized to do that particular business.**

Under Part II, Section 3sub 1 (a, b, and d) in the 1997 insurance act, it provides that No person shall carry any class of insurance business in Nigeria except; a company duly incorporated as a limited liability company under or pursuant to the Companies and Allied Matters Decree 1990; or a co-operative insurance society registered under any enactment or law relating to co-operative societies; or a mutual insurance company; or a body duly established by or pursuant to an enactment to transact the business of insurance or reinsurance. The provisions of a **co-operative insurance society registered under any enactment or law relating to co-operative societies and or a mutual insurance company to practice the business of insurance was expunge** in the 2003 act from persons that can be registered to practice insurance business in Nigeria. Specifically the act provides that in the Insurance act 2003, Part

11, sub 3, (a and b) that no persons shall commence or carry on any class of insurance business in Nigeria, except; a company duly incorporated as a limited liability company under the Companies and Allied Matters Act, 1990; or a body duly established by or pursuant to any other enactment to transact the business of insurance or reinsurance.

In the 1997 Insurance decree on Insurance to be registered, Section 4, sub 1, 2 and 3 provides that subject to the provisions of this Decree, no insurer shall commence or carry on insurance business in Nigeria unless the insurer is registered by the Commission under or pursuant to this Decree. The Commission may in granting an approval under section 3 of this Decree impose such conditions as it may deem fit; and shall not grant approval if it is satisfied that it is not in the public interest or the interests of policy holders or persons who may become policy holders, for it to be given. However, where an insurer is not satisfied with the decision of the Commission under the foregoing provisions of this section, he may appeal to the Minister within 30 days of the refusal. On insurance to be registered the 2003 act however provides that under Section 4, sub 1, 2 and 3 that Subject to the provisions of this Act, no insurer shall commence insurance business in Nigeria unless the insurer is registered by the Commission under this Act. The Commission shall not grant approval if it is satisfied that it is not in the public interest or the interest of policy holders or persons who may become policy-holders for it to be granted. However where an insurer is not satisfied with the decision of the Commission under the provisions of this section, he may appeal to the Minister for Finance within 30 days of the refusal and the Minister shall within 60 days after the receipt of an appeal give his decision.

Thus, while there was no time limitation to reply in the 1997 act, the 2003 act provides that the Minister must make his decision within 60 days of the receipt of the appeal (see, Section 4, sub 4, 2003 Insurance act)

Under Section 6(1) of the 2003 act, it provides that the Commission shall before registering an insurer be satisfied that; the class or category of insurance business shall be conducted in accordance with sound insurance principles; the applicant being one of the persons referred to under section 3 of this Act is duly established under the applicable law and has a paid up share capital and statutory deposit as specified in section 9 of this Act for the relevant class of insurance business; the arrangements relating to reinsurance treaties in respect of the class or category of insurance business to be transacted are adequate and valid; the proposal forms, terms and conditions of policies are in order and acceptable; there shall be competent and professionally qualified persons as may be determined from time to time by the Commission to manage the company; the applicant does not have in its employment a person disqualified from being appointed by an insurer under section 12 of this Act; the directors have attended the promoters' interview and are persons who have not been involved in or been found guilty of fraud; the name of the applicant is not likely to be mistaken for the name of any other insurer who is or has been an insurer or so nearly resembling that name, as to be calculated to deceive; the applicant has paid the fee prescribed for registration; it is in the interest of public policy that the applicant be registered; where the class of insurance is other than life insurance business, the applicant is for the purposes of transacting not less than 3 classes of insurance business; the applicant has a satisfactory business plan and feasibility study of the insurance business to be transacted within the next succeeding 5 years from the date of the application; and in the case of reinsurance business, that in addition to the matters referred to in this section, it has complied with section 10 (i) (d) of this Act and any other conditions which may be specified from time to time by the Commission.

The provisions of this section empowers the National Insurance Commission (NAICOM) to act during registration unlike under the 1997 insurance act which empowered the Minister to in regards to registration of insurance business in Nigeria. Also, there was an additional requirement aimed at ensuring that only credible people are by law authorized to control insurance and financial institutions.

1.3 Cancellation of Registration

Under the 1997 Insurance decree, Section 6, Subsection 2, 3 and 4 provides that the Commission shall, if satisfied as the matters referred to in subsection (1) of this section, register the applicant provisionally as an insurer and issue to the applicant a provisional certificate of registration which shall be valued for a period of 3 years. Notice of the registration of an applicant as an insurer (including registration pursuant to subsection (4) of this section and subsection (6) of section 7 of this Decree, shall be published in the *Gazette* and an insurer registered provisionally under subsection (2) of this section shall have its registration cancelled if it does not commence business within 3 months of registration; before the expiry date of the provisional registration, if it desires to continue in business, apply to the Commission for full registration.

However, under the Insurance act 2003, Section 6, Subsections 2 and 3, the act provides that the Commission shall if satisfied register the applicant as an insurer and issue to the applicant a certificate of registration. Notice of the registration of an applicant as an insurer and under Section 7(6) of this Act be published in the *Gazette* or in such other

manner and where the Commission is not satisfied, it shall give notice in writing to the applicant within 60 days of the submission of the application of the Commission's intention to reject the application.

The provision of provincial approval was expunge from the 2003 act unlike the 1997 Decree which provided for a provincial approval for registration which can be cancelled if it does not commence business within 3 months of registration; before the expiry date of the provisional registration. Also under the 2003, the commission shall give notice within 60 days of the submission of the application of the Commission's intention to reject the application unlike the 1997 Decree, where 90days was provided for such the appeal.

2. APPEAL FOR REJECTION OF REGISTRATION

Under the 1997 Decree, Section 7, Subsections 2,3, 4 and 5 an applicant aggrieved by the intention of the Commission to reject an application for registration as an insurer may, within 30 days after the date of the notice of the Commission's intention to reject the application, lodge with the Director-General of the Ministry a notice of appeal to the Minister. The notice of appeal under subsection (2) of this section shall be in writing setting out the grounds on which it is made, and the Director-General shall transmit the notice with any other relevant documents to the Minister within 14 days after the date of its receipt by the Director-General. The Minister shall give a decision on any appeal lodged in accordance with this section not later than 30 days after the date of its receipt by him. The Director-General shall, unless the appeal is withdrawn, give notice in writing to the applicant of the decision of the Minister (which shall not be subject to appeal) if the appeal is allowed, the Director-General shall cause the Commission to register the person as an insurer and notify him in writing accordingly.

However, in the 2003 act, Section7, Subsection 2, 3, 4, 5 and 6 provides that any applicant aggrieved by the intention of the Commission to reject an application for registration as an insurer may within 30 days after the notice of the Commission's intention to reject application, appeal to the Minister of Finance. Notwithstanding the provisions of subsections (1) and (2) of this section, the applicant on satisfying the condition stipulated in the noticemay reapply to the Commission within or before the expiration of 30 days fromdate of receipt of the notice.The appeal under subsection (2) of this section shall be in writing,setting out the grounds on which it is made.The Minister shall, within 60 days after the receipt of an appeal lodgedin accordance with this section, give his decision.The Commission shall, unless the appeal is withdrawn,give notice in writing to the applicant of the decision of the Board andwhere the appeal is allowed, the Commission shall register the person as aninsurer and notify him in writing accordingly.

The 2003 Insurance act thus extends the number of days the Minister shall make a decision for appeal for registration from 30days under the 1997 Decree to 60 days after the receipt of an appeal.

3. REQUIREMENTS AS TO MINIMUM PAID-UP SHARE CAPITAL:

Under Section 10, Subsection 1, 2, 3 and 4 of the 1997 Insurance Decree, the Decree prides that No insurer shall carry on insurance business in Nigeria unless the insurer has and maintains, while carrying on that business, a paid-up share capital of the following amounts as the case may require, that is in the case of life insurance business, not less than 20,000,000; in the case of general insurance business, not less than 20,000,000; where the general insurance business includes any of the following, that is oil and gas insurance business, credit insurance business, bonds and suretyship, contractors' all risk and engineering risk insurance business, marine and aviation insurance business, other than goods-in-transit insurance business by road, water, air and rail, an additional paid-up capital of not less than 50,000,000; in the case of reinsurance business, not less than 150,000,000.

The paid-up share capital stipulated in subsection (1) of this section in the case of existing insurers, shall come into force on the expiration of the period of 1 year from the date of the commencement of this Decree shall be subscribed to by shareholders without recourse to the insurance funds and the statutory reserves of the body corporate; may be subscribed to by the capitalization of part of undistributed profits. Failure to satisfy the paid-up share capital as stipulated in subsection (1) of this section shall constitute a ground for the cancellation of the certificate of registration of an insurer under section 8 of this Decree. The Minister may, from time to time, on the recommendation of the Commission with the approval of the Head of State, Commander-in-Chief of the Armed Forces by an order published in the *Gazette*, vary the amount of minimum paid-up share capital.

Under the 2003 Insurance Act, Section 9, Subsections 1, 2,3 and 4 on the requirements as to minimum paid-up share capital, the act provides thatNo insurer shall carry on insurance business in Nigeria unless the insurer has and maintained, while carrying on that business, a paid-up sharecapital of the following amounts as the case may require, in the case of life insurance business, not less than N150,000,000; general insurance, not less than N200,000,000; composite insurance business, not less than N350,000,000 ; or reinsurance business, not less than N350,000,000. The paid-up share capital stipulated in subsection (1) of this section in the case of existing insurers shall come into force on the expiration of a period of 9 months from the date of commencement of this Act; and may be subscribed to by the capitalization of undistributed profitsas approved by the Commission. The Commission shall cancel the registration of

any insurer or reinsurer that fails to satisfy the provisions of subsections (1) of this section as it relates to the category of Operation of such insurer or reinsurer; and not later than 30 days after expiry of the period specified in subsection (2) of this section publish a list of all insurers and reinsure that have complied with the provisions of this section. The Commission may increase from time to time the amount of minimum paid - up share capital stated in subsection (1).

The provisions of the 2003 Insurance act radically changed the minimal paid-up share capital of the insurance industry in Nigeria. While life insurance business was not less than N20, 000,000.00 in 1997, in 2003, it rose to not less than N150, 000,000. General insurance business was not less than N20, 000,000, in 1997; it was not less than N200, 000,000.00 in 2003.

The 1997 Decree also provides that, if the insurer is to participate in oil and gas insurance business, credit insurance business, bonds and suretyship, contractors' all risk and engineering risk insurance business, marine and aviation insurance business, other than goods-in-transit insurance business by road, water, air and rail, an additional paid-up capital of not less than 50,000,000. However, the 2003 act introduced the term Composite insurance and minimal paid-up was to be not less than N350.000.000.00.

Under the 1997 Insurance Decree, the minimum paid-up share capital for Reinsurance business was not to be less than N150, 000,000.00; However, the 2003 act increased the minimum paid capital to not less than N350, 000,000.00.

The Act increased the minimum paid up share capital significantly. NAICOM published the list as required in Section 9 (3) (b) titled "List of Approved Insurers/Reinsurers in various dailies on March 24, 2004. The total number of reinsurance companies was (4), for Life business (5), for General business (50), for composite companies (48). The enhanced capital has increased the retentions of underwriting companies and claims settling ability. Section 9 (4) gives the Commission powers to increase the minimum paid up share capital without the need for an amendment of the law.

Again, while the 1997 Decree provided for 1year for insurance firms to comply with the new minimum share-capital requirement, the 2003 act provided nine (9) months for compliance.

4. STATUTORY DEPOSIT FOR INSURERS INTENDING TO COMMENCE BUSINESS:

Under Sections 12 (a & b) and 13 (1&2) the Commission shall after the registration of an insurer pursuant to section 6 of this Decree, cause to be released to the insurer a sum not exceeding 50 *per centum* of the statutory deposit paid by the insurer in respect of each class or category of insurance business but where registration is refused or is subsequently cancelled the whole of the statutory deposit shall, subject to the other provisions of this Decree, be released to the insurer concerned; in the case of an insurer who has been in business for a period of not less than five years and has continuously conformed with the solvency requirement for each year of business, in accordance with subsection (2) of section 25 of this Decree, cause to be released a further 35 *per centum* of the statutory deposit. Where an insurer suffers a substantial loss, that is, such loss as it cannot reasonably meet from its own resources, the Commission may, upon application therefore by the insurer, approve the withdrawal from the statutory deposit of an amount of not more than 25 *per centum* of the deposit and any amount so withdrawn shall be replaced by the insurer not later than 30 days after the date of such withdrawal. The statutory deposit shall be regarded as assets of the insurer and shall be available, if a certificate of insurance is cancelled, for the discharge of the liabilities arising out of policies of the insurance business transacted by the insurer and remaining undischarged at the time of the cancellation of the certificate or winding-up.

Under the 2003 Insurance act, Section 10, Subsections 2, 3, 4 and 6. Upon registration as an insurer, 80 per cent of the statutory deposit shall be returned with interest not later than 60 days after registration. In the case of existing companies an equivalent of 10 per centum of the minimum paid-up share capital stipulated in section 9 shall be deposited with the Central Bank. Any statutory deposit made under subsection (1) of this section shall attract interest at the minimum lending rate by the Central Bank on every 1st of January of each year. Any withdrawal from the statutory deposit shall be made good within 30 days, failure of which shall constitute a ground for suspension from business and such suspension shall be published in the newspapers. Failure to deposit the statutory deposit shall constitute a ground for cancellation of the certificate of registration.

The above requirement differs for an insurer intending to commence insurance business. In this case the insurer will pay 50% with the Central Bank – Section 10 (1) and after registration 80% of the statutory deposit shall be returned with interest not later than 60 days after registration with interest – Section 10 (2). In the case of existing

companies an equivalent of 10% of the minimum paid up share capital shall be deposited with the CBN – Section 10 (3).

5. APPOINTMENT OF CHIEF EXECUTIVE SUBJECT TO THE APPROVAL OF THE COMMISSION:

Under Section 16, Subsection 1 of the 1997 act, no insurer shall appoint a person as a chief executive whether designated as the managing director, executive chairman or otherwise howsoever unless the person has a recognised professional qualification in insurance or related course, or been registered by the Institute and has satisfied the requirements of the Institute, or not less than 10 years post-qualification experience in the insurance industry, or spent the last 7 years of the 10 years referred to in sub-paragraph (iii) of this paragraph at senior management level.

Under Section 13, Subsection 1, of the 2003 act, no insurer shall appoint a person as a Chief Executive whether designated as the Managing Director, Executive Chairman or otherwise if the appointment contravenes the provisions of section 12 of this Act unless the insurer has served on the Commission a written notice that it proposes to appoint that person to the position and containing such particulars as may from time to time be prescribed by the Commission; and such an appointment is approved by the Commission.

The new act dispenses with the requirement of recognized professional qualification for Chief Executive officers.

6. DELIVERY OF POLICY DOCUMENTS:

Under the 1997 Insurance Decree, Section 19, Subsections (1, 2 & 3), an advance copy of the draft (unstamped) policy document evidencing the contract of insurance shall be delivered to the insured not later than 30 days after payment of the first premium. The policy document duly stamped shall be delivered to the insured not later than 3 months after payment of the first premium. An insurer who contravenes the provisions of this section is guilty of an offence and liable on conviction to a fine of N10, 000.

Under the 2003 Insurance Act Section 15, Subsection (1 & 2), the policy document evidencing the contract of insurance shall be delivered to the insured not later than 60 days after payment of the first premium. An insurer who contravenes the provisions of this section commits an offence and is liable on conviction to a fine of N5, 000.

Policy documents must be delivered to the insured not later than 60 days under the 2003 act while under the 1997 act it was 30day after the payment of the first premium. Thus, it was extended. Again, the fine for defaulting was reduced from N10, 000 under the 1997 Decree to N5, 000 under the 2003 act.

7. APPROVAL OF NEW PRODUCTS:

Under Section 20, Subsections 4 and 5 of the insurance decree 1997, no new product shall be introduced into any class or category of insurance business without the prior approval of the Commission. An insurer who contravenes the provisions of subsection (2) or (4) of this section is guilty of an offence and liable on conviction to a fine of N25,000.

Under Section 16, Subsections (1, 2, 3 and 4), of the 2003 act, no new product shall be introduced into any class or category of insurance business without the prior approval of the Commission. The approval or otherwise of the Commission shall be communicated within 30 days of the receipt of the application. The approval or otherwise of the Commission shall be communicated within 30 days of the receipt of the application. An insurer who contravenes the provisions of subsection (1) of this section commits an offence and is liable on conviction to a fine of N 10,000.

Thus, while, the 1997 decree stipulates a fine of N25, 000 for non compliance, the 2003 act stipulates that the Commission shall be communicated within 30 days of the receipt of the application and such approval or otherwise of the Commission shall be communicated within 30 days of the receipt of the application. A fine of N10, 000.00 was stipulated for non compliance under the 2003 act.

8. LIST OF STATEMENT OF ACCOUNTS:

Under Section 27 of the 1997 Decree, Subsections 1 (a, b and c), an insurer shall, not later than 30th September of each year submit in writing to the Commission the following a balance sheet, duly audited, showing the financial position of the insurance business of the insurer at the close of that year, together with a copy of the relevant profit and loss account which the insurer is to present to its shareholders at its annual general meeting; a revenue account applicable to each class of insurance business for which the insurer is required to keep a separate account of receipts and payments; and a statement of investments representing the insurance funds.

Under Section 26 of the 2003 act, Subsection 1, an insurer shall not later than 30th June of each year submit in writing to the Commission the following a balance sheet duly audited showing the financial position of the Insurance business of the insurer and its subsidiaries at the close of that year together with a copy of the relevant profit and loss account which the insurer is to present to its shareholders at its annual general meeting; a revenue account applicable to each class of insurance business for which the insurer is required to keep separate account of receipts and payment; and (C) a statement of investments representing the insurance funds.

The requirement for date of submission was changes from 30th September under the 1997 Decree of that year to 30th June under the 2003 act. Thus, Section 26 states and list statement of Accounts which must be submitted in writing to the Commission not later than 30th June each year.

9. LIFE INSURANCE BUSINESS:

Under Section 27, Subsections 4 and 5, the Commission may require an insurer transacting life insurance business to cause the person who is for the time being the actuary of the insurer to make an investigation into its financial condition (including evaluation of its liabilities) in respect of that business as at a specified date; cause an abstract of that person's report of the investigation to be made and submitted to it; prepare and submit to it a statement of its life insurance business or part thereof as at the date of the request; show it sufficient evidence that no more than 10 *per centum* of the actuarial surplus declared is appropriated for shareholders. An insurer transacting life insurance business shall, at the expiration of each year prepare with reference to that year, in the prescribed form, a statement and exhibit of the life policies; and submit the statement and exhibit together with such other documents and information relating to the relevant accounts and balance sheet (including copies of reports on the affairs of the insurer for the year as submitted to the policy-holders of the insurer) as the Commission may, from time to time, require.

Under Section 27 of the 2003 act, subsection 1, An insurer transacting life insurance business shall submit to the Commission every three years in the prescribed form, the following; an abstract of the report if an actuary and valuation report of the life insurance business ; a summary and valuation of the life policies ; a table showing premium, policy reserve values and guaranteed surrender values together with the relationship between premium paid and such guaranteed surrender values ; and a certificate of solvency signed by an actuary stating that the value of the assets representing the funds maintained by the insurer in respect of the life insurance business exceeds the value of the liabilities. The Commission may require an insurer transacting business to-cause the person who is for the time being the actuary of the insurer to make an investigation into its financial condition (including evaluation of its liabilities) in respect of that business as at a specified date; cause an abstract of that persons' report of the investigation to be made and submitted to it; prepare and submit to it a statement of its life insurance business or part thereof as at the date of the request ; and show sufficient evidence that not more than 40 per centum of the actuarial surplus declared is appropriated for shareholders.

For life insurance business under the 2003 act, a period of ever three (3) years was stipulated for the submission of an abstract of the report if an actuary and valuation report of the life insurance business unlike the 1997 Decree where no such was provided.

10. APPOINTMENT OF AD-HOC COMMITTEE:

Under the 1997 Insurance Decree, Section 52 (1 and 2) provides that the Commission may, from time to time, appoint an *ad hoc* committee to deal with matters relating to tariff insurance business in Nigeria. The committee appointed under subsection (1) of this section shall consist of such number of persons and perform such functions as the Commission may, from time to time, prescribe. While Section 52 of the Insurance act 2003 empowers NAICOM to appoint an ad hoc committee to deal with matters relating to any class of insurance business made compulsory by law.

The ad-hoc committee was for matters relating to tariff insurance business in Nigeria under the 1997 Decree while under the 2003 act the committee was for matters relating to any class of insurance business made compulsory by law.

11. FIRE SERVICES MAINTENANCE FUND:

Under the 2003 Insurance Act, Section 65 (4) specifies that 0.25% of the premium collected is to be paid into a Fire Services Maintenance Fund to be administered and disbursed by NAICOM for the purpose of providing grants or procurement of equipment to institutions engaged in fire fighting services in the country.

There was no provision of such nature under the 1997 Decree unlike the 2003 act which provided for the establishment of the fire services maintenance fund to be managed by NAICOM

12. NIGERIAN BASED RISK ASSETS:

Under 65 of the Insurance Act 2003, Subsection 7, the act stipulates that, a person who intends to insure any other property located in Nigeria, whether movable or immovable, or any insurable interest or liability in relation thereto, shall place such an insurance with all insurer registered in accordance with this Act who may, subject to the provision of this Act, reinsure such property or liability overseas where the Nigerian insurance industry lacks the capacity to retain the risk.

Section 65 (7) of the Act stipulates that a person who intends to insure a Nigeria based asset has to place the risk with a Nigerian registered insurer. Any reinsurance of such risks is to be placed within the country and can only be ceded where the local capacity is inadequate. This provision was lacking under the 1997 Insurance Decree.

13. REPEALED LAWS:

Under Section 91 of the 1997 Decree, it states that this provisions of this Decree shall be read in conformity with that of the National Insurance Commission Decree 1997 and if any provision of that Decree is inconsistent with those of this Decree, the provision of this Decree shall prevail and that other provision shall to the extent of its inconsistency be void while Section 94 of the same decree repealed the Insurance Decree. Under the 2003 Insurance Act, Section 99 repealed Section 4 of the NICON Act 1969 and also terminated legal cession hitherto collected by Nigeria Reinsurance Corporation.

Thus while the 1997 repealed the 1991 Decree, the 2003 repealed section 4 of NICON Act of 1969.

14. CONCLUSION:

This seminar paper highlights some of differences in provisions of the 1997 Decree and the 2003 Insurance Act in Nigeria. This attempt was to spot-out the flaws in the 1997 Decree which promulgated by the Military Government of General Abacha and was condemned for the lack of consultation of major players in the insurance industry in Nigeria. The 2003 Act which presently governs insurance business is therefore an attempt to bringing human face to the insurance sector of Nigeria. However, it should be noted here that insurance business in Nigeria is growing and the country has the capacity to become one of the major market for insurance business. Therefore, it is recommended that Nigerian authorities should see the process of regulation as a continuous exercise and as such, the laws should be constantly reformed in line with the present realities of the market.

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