



NATIONAL INSURANCE COMMISSION

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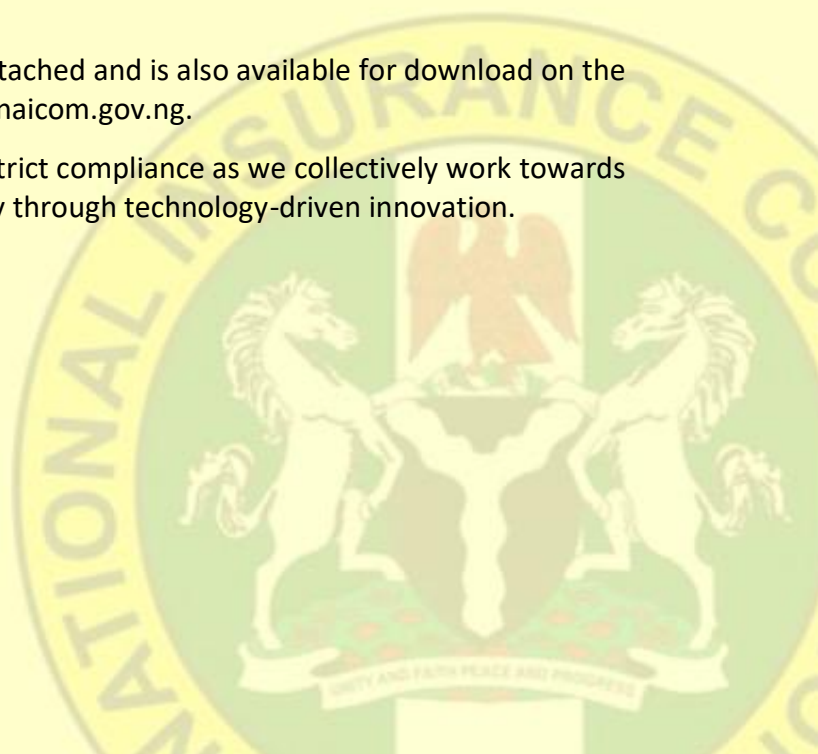
CIRCULAR

REF: NAICOM/DIR/CIR/67/2025
DATE: 30 July 2025
TO: All Insurance Institutions and Insurtech Firms
SUBJECT: **GUIDELINES FOR INSURTECH OPERATORS IN NIGERIA**

- 1.0 In conformity with extant insurance laws and regulations, and as part of its commitment to fostering innovation, inclusiveness, and the adoption of technology across the insurance value chain in Nigeria, the National Insurance Commission hereby issues the Guidelines for Insurtech Operations in Nigeria.
- 2.0 These Guidelines provide a comprehensive regulatory framework for the safe, responsible, and efficient deployment of Insurtech solutions by licensed insurance entities and technology-driven firms intending to operate in Nigeria. The primary objective is to promote innovation while safeguarding policyholder protection, market integrity, and public confidence in the Nigerian insurance sector.
- 3.0 All relevant insurance entities are required to comply with these Guidelines which takes effect from 1st August 2025. Please note all entities currently operating Insurtech solutions are expected to regularize their operations in accordance with the new requirements within thirty (30) days from the date of this circular.
- 4.0 Please be advised that non-compliance with the provisions of the Guidelines will attract appropriate administrative regulatory sanctions as may be determined by the Commission.
- 5.0 A copy of the Guidelines is herewith attached and is also available for download on the Commission's official website at www.naicom.gov.ng.

All affected entities are required to ensure strict compliance as we collectively work towards transforming the Nigerian insurance industry through technology-driven innovation.

A. I. Adamu
Director (Innovation & Regulations)
For: Commissioner for Insurance





NATIONAL INSURANCE COMMISSION

**GUIDELINES FOR
INSURTECH OPERATIONS IN NIGERIA**

1ST AUGUST 2025

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1.0 INTRODUCTION

- 1.1 In exercise of the powers conferred by the National Insurance Commission Act 1997 and the Insurance Act 2003, the National Insurance Commission (hereinafter referred to as the Commission) hereby issues these guidelines to establish uniform set of rules, regulations and standards for conduct of insurtech business in Nigeria.
- 1.2 No person shall commence or carry on any class of insurtech business without being registered or authorized by the Commission.
- 1.3 These guidelines shall take effect from 1st of August 2025.

2.0 DEFINITION OF TERMS AND ABBREVIATIONS

- 2.1 In this Guidelines, the following definitions shall subsist unless otherwise directed:

Term	Meaning
Act	The NAICOM Act 1997 and/or the Insurance Act 2003.
Claims Management	The efficient handling and processing of insurance claims using technology-driven solutions.
Class	Class of insurance under life or general insurance businesses.
Consumer Protection	Means protection of policyholders and beneficiaries.
Customer Service	The support and assistance provided to customers who are using insurance technology solutions.
Industry	The Nigerian insurance industry comprising the Insurers, Brokers, Reinsurers, Loss Adjusters, Agents and all other Operators recognized by the NAICOM Act 1997, and the Insurance Act 2003 and Guidelines issued by the Commission.
Insurance Aggregation	The process of gathering and consolidating insurance information from multiple sources into a single platform or application.
Insurance institution	Comprises of all licensed entities under the Insurance Act, 2003 and extant insurance Guidelines and Regulations.
Insurer	As defined in the Insurance Act 2003.
Insurtech	Insurtech is a combination of the words “insurance” and “technology”. Insurtech refers to an institution that uses technological innovations to provide insurance services efficiently and effectively.
Lead	Information pertaining to a client who has accessed the website/other channels of insurtech and has submitted contact information of any kind for obtaining information on prices or features/benefits of insurance products.

Term	Meaning
Lead Management System (LMS)	Refers to the Software deployed by the entity for recording, filtering, validating, grading, distribution, follow up and closure of leads from the enquiries received on the website/other channels of the insurtech with an intention to buy insurance products.
Marketing	The strategies and activities used to promote and sell innovative insurance technology solutions.
Partnering Insurtech	This insurtech collaborates with insurance institutions to improve or complement existing operations.
Policy Administration	The management and maintenance of insurance policies using technology-driven solutions.
Product Management	The process of developing and overseeing insurance technology products and services.
Standalone Insurtech	This insurtech operates independently, offering insurance products or services directly to consumers.
Service Level Agreement (SLA)	This is a document containing the contractual relationship between an insurtech and an insurer which is an agency relationship. The insurer is the principal while the insurtech is the agent. Where the insurtech is the insurer, the insurtech is fully responsible for the entire insurtech operations.
Solicitation (Marketing/Prospecting)	This includes advertising, selling and delivery of products or services etc. to consumers or other businesses done by insurtech and or insurer.
The Commission	The National Insurance Commission

2.2 In this Guidelines, the following abbreviations shall subsist unless otherwise directed:

Abbreviation	Meaning
LMS	Lead Management System
MOU	Memorandum of Understanding
NAICOM Act 1997	National Insurance Commission Act 1997.
NCC	Nigerian Communications Commission
SLA	Service Level Agreement

3.0 OBJECTIVES

The main objectives of this Guidelines are to:

- i. Facilitate the development of insurtech operations in Nigeria.
- ii. Provide standards for the establishment and operations of insurtech in Nigeria.
- iii. Facilitate innovation while protecting consumers from potential risks.
- iv. Establish general features of insurtech products.
- v. Authorize and license insurtech firms in Nigeria.
- vi. Provide a clear framework for eligible insurtech operators to transit into standalone insurtech company.
- vii. Support Nigeria's digital ecosystem, business and economy.

4.0 SERVICES PERMITTED

4.1 PARTNERING INSURTECH

The following are services permitted by this Guidelines:

- a. Marketing and distribution of insurance products and services
- b. Customer services
- c. Policy administration
- d. Product management
- e. Claims management
- f. Insurance business aggregation
- g. Crop cutting, data collection and yield calculation
- h. Such other services as may be stipulated by the Commission from time to time.

4.2 STANDALONE INSURTECH

A standalone insurtech is permitted by this Guidelines to transact the categories of insurance as may be specified in its licence excluding special risk products such as Oil and Gas Insurance, Marine and Aviation Insurance, Retire Life Annuity, and Insurances of Government Assets and Liabilities for Ministries, Departments, and Agencies.

5.0 APPLICATION AND ELIGIBILITY CRITERIA FOR LICENSING

- i. An applicant seeking licence shall complete the application form as prescribed in **Schedule I** of these guidelines.
- ii. The application shall be made for an insurtech licence, along with the evidence of payment of requisite fees as may be specified by the Commission.

- iii. The applicant shall submit evidence of approval or no objection (where required) from the primary regulator.
- iv. The Commission may require an applicant to furnish any further information or clarification for the purpose of disposal of the application and thereafter.
- v. The applicant shall appear before the Commission for a pre-registration interview.
- vi. The applicant may be subjected to regulatory sandbox testing for a period as may be determined by the Commission prior to the grant of licence.

6.0 CATEGORY OF APPLICATION

6.1 STANDALONE INSURTECH

The applicant shall satisfy the following conditions:

- i. Letter of intent from the promoters.
- ii. Submission of completed application form.
- iii. Non-refundable application fee.
- iv. Certificate of incorporation as an Insurtech duly incorporated as a limited liability company.
- v. Memorandum of association of the company indicating insurtech as its only business objective.
- vi. Certified true copies of the memorandum and articles of association of the company.
- vii. Certified true copies of CAC registration documents.
- viii. Five years business plan and feasibility studies on the proposed class of business.
- ix. The minimum capital requirement as prescribed by the Commission from time to time.
- x. Evidence of minimum deposit with the Central Bank of Nigeria (i.e. 50% of the minimum capital requirement).
- xi. Name of the proposed insurance class/category to be underwritten.
- xii. Evidence of adequate reinsurance cover for the insurance class/category to be underwritten.
- xiii. Employ and designate a principal officer to manage the company on a full-time basis.
- xiv. The principal officer must satisfy the conditions of fit and proper persons criteria set out by the Commission.
- xv. Employ and designate senior officer(s) to head:
 - a. Technology operations
 - b. Insurance related operations.
- xvi. The senior officer shall possess a minimum qualification as already specified in these guidelines or as may be required by the Commission from time to time.

- xvii. Possess the necessary infrastructure, such as adequate and conducive office, adequate customer base and necessary technology equipment to effectively discharge its duties.

6.2 PARTNERING INSURTECH

The applicant shall satisfy the following conditions:

- i. Letter of intent from the promoters.
- ii. Submission of completed application form.
- iii. Evidence of payment of non-refundable application fee as may be prescribed by the Commission from time to time.
- iv. Partnership agreement with the insurance institution.
- v. Certificate of incorporation as an insurtech limited liability company.
- vi. Memorandum of association of the company indicating insurtech as its only business objective.
- vii. Certified true copies of the memorandum and articles of association of the company.
- viii. Certified true copies of CAC registration documents.
- ix. Five years business plan and feasibility studies on the proposed class/category of insurance business.
- x. Service Level Agreement (SLA) with an insurance institution, which it intends to partner with.
- xi. Mode of remuneration of the parties.
- xii. Employ and designate a principal officer to manage the company on a full-time basis.
- xiii. The principal officer must satisfy the conditions of fit and proper persons criteria set out by the Commission.
- xiv. Employ and designate senior officer(s) to head the technology operations and the insurance related operations.
- xv. The senior officer shall possess a minimum qualification as already specified in these guidelines or as may be provided by the Commission from time to time.
- xvi. Possess the necessary infrastructure, inclusive of a conducive office, necessary IT equipment and software to effectively discharge its duties.

6.3 EXISTING INSURANCE INSTITUTION PARTNERING WITH INSURTECH

The applicant shall satisfy the following conditions (where applicable):

- i. Letter of intent from the insurance institution.
- ii. Submission of completed application form.
- iii. Evidence of payment of processing fee as prescribed by the Commission from time to time.
- iv. Partnership agreement between the parties.

- v. Mode of remuneration to the parties.
- vi. Board approval in support of the partnership.
- vii. Draft Service Level Agreement (SLA) with an insurtech, which it intends to partner withF.

7.0 REGISTRATION REQUIREMENT

7.1 APPLICATION FOR ISSUANCE OF LICENCE AS AN INSURTECH OPERATOR

- i. Any person who intends to carry on an insurtech business shall submit an application to the Commission in the prescribed manner in line with this Guidelines or as may be prescribed by the Commission.
- ii. The Commission may grant licence with such conditions as it may deem fit for an applicant that has fulfilled the requirements set out under extant laws and this Guidelines.

7.2 REGISTRATION AND APPROVAL PROCEDURES

Processing of registration as an insurtech operator shall be in three stages:

- i. Application Stage
- ii. Verification Stage
- iii. Licensing Stage

7.2.1 APPLICATION STAGE 1:

- i. Letter of intent.
- ii. Copy of No Objection/approval from primary regulator (where necessary).
- iii. Copy of SLAs with named insurance institution/insurtech (where applicable).
- iv. Copy of Certificate of Incorporation issued by Corporate Affairs Commission (CAC).
- v. Certified true copy of memorandum and articles of association of the applicant.
- vi. Board approval in support of the application.
- vii. Payment of non-refundable application or processing fee.

7.2.2 VERIFICATION STAGE 2:

- i. Evidence of compliance with the 50% minimum statutory deposit with CBN insurtech (where applicable).
- ii. Organizational chart showing functional responsibilities.
- iii. Curriculum Vitae (CV) and Credentials of Principal Officers and members of the Board of Directors.
- iv. Principal place of business of the insurtech.
- v. Details of the domain (website, etc.).
- vi. Details of infrastructure, including IT infrastructure available as stipulated in this Guidelines.
- vii. Details and experience of key authorized personnel as provided in this Guidelines.

- viii. Copy of the Risk Management Framework.
- ix. Details and roles of the domain administrators.
- x. Signed business plan with five years financial projection.
- xi. Sworn declaration of non-disqualification by the proposed directors/principal officers in line with Section 12(1) of the Insurance Act 2003 or extant law.
- xii. Copy of Letter of appointment and acceptance by the proposed Managing Director/Chief Executive Officer.
- xiii. Technology and Cybersecurity systems and policies in place.
- xiv. Data privacy policy and other policies in place to protect consumers.
- xv. Mechanisms to ensure transparency and disclosure, inclusive of whistleblowing policy.
- xvi. Submission of proposed products along with the following, where necessary:
 - a. Features of product(s).
 - b. Nature and the basis of premium rating and procedures.
 - c. Sample policy documents.
 - d. Specimen copies of proposal form.
 - e. Claims form.
 - f. Complaint management procedures.
 - g. Commission rates for each product.
 - h. Certificates.
- xvii. Letter of comfort from the reinsurer.
- xviii. Copy of draft Service Level Agreement (SLA) with an insurance institution where applicable.
- xix. Pre-registration interview.
- xx. Publication of the company's name and promoters/directors in National Newspapers for public notice.

7.2.3 LICENSING STAGE 3:

- i. Evidence of valid and adequate reinsurance in place.
- ii. Physical verification of the operational office address of the insurtech and the IT infrastructure to be deployed including other information as may be required by the Commission.
- iii. Executed Service Level Agreement (SLA) with an insurance institution, where applicable.
- iv. Payment of license fee.
- v. Issuance of license.

8.0 SERVICE LEVEL AGREEMENTS (SLAs)

The agreement shall contain, but not limited to, the following:

- i. Scope of operation of the partnership.
- ii. The Insurtech's operational model to be offered.

- iii. Duties and responsibilities of each of the parties under the agreement during and upon formation of the contract.
- iv. Time frame and mode of service(s) to be shared.
- v. Responsibility for complying with regulatory and other legal requirements by both parties to the agreement.
- vi. Data elements to be shared.
- vii. Duration of the contract and whether it is renewable.
- viii. Conditions for termination of the agreement.
- ix. Commission and fees to be charged.
- x. Dispute resolution mechanism.
- xi. Measures to safeguard confidential information/data privacy to protect consumers.
- xii. Scope of operation of the partnership.
- xiii. Business and professional conduct.
- xiv. Record keeping and confidentiality of information.
- xv. Prohibited actions and businesses (if applicable).
- xvi. A clause stating that 'An insurer or standalone insurtech shall be held responsible for disputes arising from product and claims management.'
- xvii. Any other relevant information, as may be required by the Commission from time to time.

9.0 GENERAL REQUIREMENTS

9.1 STANDARDS FOR COMPUTER NETWORKS & INTERNET

- i. An insurtech shall have and implement a secure technology framework with proper access controls, and evidence of same made known at the verification stage and upon request by the Commission.
- ii. An insurtech shall comply with Nigerian data privacy laws and regulations at all times, including but not limited to the Nigerian Data Protection Act, 2023, and the Cybercrimes (Prohibition, Prevention, Etc.) Act, 2015.

9.1.2 SECURITY

An insurtech shall develop and implement a robust technology security policy duly approved by the Board in line with the Commission's Technology Guidelines. This shall be subject to the Commission's approval.

9.1.3 WEBSITE AND OTHER CHANNELS

9.1.3.1 An insurtech shall put in place policies and procedures for maintaining its website/other channels, this shall include:

- i. Only authorized staff shall be allowed to update or change information on the website or other channels, and details of such staff shall always be submitted to the Commission.

- ii. Updates of critical information shall be subject to dual verification and 2-step authentication.
- iii. Website information and links to other websites or channels shall be verified for accuracy and functionality.

9.1.3.2 An insurtech shall ensure that periodic maintenance of its websites is conducted to address evolving technologies, regulatory requirements, and business needs. This shall include:

- i. Regular updates of software and security protocols,
- ii. Performance optimization, and review of website content for accuracy and relevance.

9.1.3.3 An insurtech shall document and make available evidence of the maintenance activities in 9.1.3.1 and 9.1.3.2 above to the Commission on or before 31st January of the succeeding year.

9.1.4 USER IDENTIFICATION

- i. An insurtech shall ensure that all users of critical devices on its networks are uniquely identified to facilitate arrangements for authentication, access control, confidentiality, demarcations, and enforcement of security policies.
- ii. An insurtech shall have a customer registration process that ensures all users and critical devices are uniquely identified and linked with all authorized identification systems (i.e., NIN, International Passport, Driver's License, etc.). All identities must be valid at all times.
- iii. A minimum two-factor authentication process shall be required for all users to have access to the services provided by an insurtech.
- iv. An insurtech shall consider the use of Public Key Infrastructure (PKI) for authentication of Users for e-insurance services.

9.1.5 ACCESS CONTROL

- i. An insurtech shall introduce logical access controls in the technology infrastructure deployed.
- ii. Controls instituted by insurtech shall be tested using periodic penetration testing.

9.1.6 BACKUP, RECOVERY & BUSINESS CONTINUITY

An insurtech shall:

- i. Establish a resilient framework for periodic data backup and recovery, business continuity and data/software management.
- ii. Ensure the availability and integrity of critical information in the face of potential disruptions.

9.2 TRANSMISSION OF LEADS TO THE INSURANCE INSTITUTION

Where an insurtech distributes/markets insurance products, Terms on Leads to be shared shall include but not limited to the following, (where applicable):

- i. Disclose prominently on the home page that the client/visitor 's particulars could be shared with insurers or any other insurance operators.
- ii. Provide an option for consent to disseminate user information to selected insurance operator(s).
- iii. Not transmit the data of a client to any insurance operator other than the one(s) preferred by the client.
- iv. Transmit the data of client's KYC etc. to the insurance institution immediately, but not later than three (3) days of visit to the website, in a secure manner to prevent unauthorized access and misuse of information of clients, in compliance with generally accepted technology security procedures.
- v. Use Lead Management System (LMS) and the full details of the visitors to the website, and the Leads and preferences of the visitor should be recorded, where applicable.
- vi. Share LMS Data with only the insurance institution that has signed agreements with the insurtech and the Commission (where required).
- vii. Ensure transparency and accountability of the LMS.
- viii. Deploy an independent technology firm to audit the LMS, domain, and entire operations of the firm at least once a year.
- ix. Submit the audit report to the Commission not later than three (3) months from 31st December of every year.

10.0 EMPLOYEES OF AN INSURTECH

An insurtech shall have in its employment officers to head:

- i. Insurance related operations.
- ii. Technology operations.

10.1 INSURANCE RELATED OPERATIONS

- i. An insurtech shall employ/designate a senior officer not below the position of manager, on a full-time basis.
- ii. The officer shall, at a minimum, possess:
 - a. First degree or its equivalent in insurance or insurance related fields from a recognized institution, or
 - b. Certification in insurance from reputable academic/training institutions, or
 - c. Professional qualification in insurance from a recognized institution, and
 - d. Must demonstrate vast proficiency in insurance.
 - e. Five (5) years of experiences as the Commission may prescribe from time to time
- iii. The senior officer shall fulfil conditions of fit and proper persons set by the Commission.
- iv. The appointment of the senior officer shall be subject to the prior approval of the Commission.
- v. The proposed senior officer shall comply with the obligations of the insurtech as specified by

these guidelines and shall adopt an appropriate Code of Conduct.

- vi. An insurtech shall, upon commencement of operation, embark on at least sixty (60) hours of practical training of its senior officers on insurance and insurtech operations in NAICOM accredited training institutions within 6 months of operation, and yearly thereafter. Evidence of attendance shall be forwarded to the Commission.
- vii. An insurtech shall be responsible for all acts and omission of its employees.

10.2 TECHNOLOGY OPERATIONS

- i. An insurtech shall employ/designate a senior officer for its technology operations not below the position of manager, on a full-time basis.
- ii. The officer shall, at a minimum, possess:
 - a. First degree or its equivalent in Computer Science or other Technology related fields from a recognized institution, or
 - b. Certification from a reputable Academic/Training institution, and
 - c. Must demonstrate vast proficiency in technology.
- iii. The senior officer shall fulfil conditions of fit and proper Persons set by the Commission.
- iv. The appointment of the senior officer shall be subject to the prior approval of the Commission.
- v. The proposed senior officer shall comply with the obligations of the insurtech as specified by this Guidelines and shall adopt an appropriate Code of Conduct.
- vi. An insurtech shall, upon commencement of operation, embark on at least eighty (60) hours of practical training of its senior officers on insurance and insurtech operations in NAICOM accredited training institutions within 6 months of operation, and yearly thereafter. Evidence of attendance shall be forwarded to the Commission.
- vii. An insurtech shall be responsible for all acts and omission of its employee.

10.3 MANAGING DIRECTOR/CEO OF A STANDALONE INSURTECH

- i. A standalone insurtech shall have a Managing Director/CEO. The MD/CEO shall satisfy the following requirements:
 - a. First degree in insurance or Computer Science or related fields from a recognized academic institution, or
 - b. Proficiency certification in technology or related field from accredited training institutions, or
 - c. Professional qualification in insurance from a recognized institution, and
 - d. 5 years cognate work experience or as the Commission may prescribe from time to time
- ii. The MD/CEO shall satisfy the conditions of a fit and proper Persons set by the Commission.
- iii. The appointment of the MD/CEO shall be subject to the prior approval of the Commission.
- iv. The MD/CEO shall comply with the obligations of the insurtech as specified by these guidelines and shall adopt an appropriate Code of Conduct.

10.4 CHIEF TECHNICAL OFFICER/CHIEF OPERATING OFFICER/EXECUTIVE DIRECTOR TECHNICAL

- i. A standalone insurtech shall have a CTO/COO/EDTech. The CTO/COO/EDTech shall satisfy the following:
 - a. Has a recognized professional qualification in insurance with not less than 10 years post qualification experience in the insurance industry, 7 of which must be at a senior management level, or
 - b. Has a first degree or its equivalent from a recognized institution and with not less than 15 years post qualification experience, 10 of which must be at senior management level in the Technical Department of an insurance or reinsurance company.
- ii. The CTO/COO/EDTech shall fulfil conditions of a fit and proper Persons set by the Commission.
- iii. The appointment of the CTO/COO/EDTech shall be subject to the prior approval of the Commission.
- iv. The CTO/COO/EDTech shall comply with the obligations of the insurtech as specified by these guidelines and shall adopt an appropriate Code of Conduct.

11.0 PRUDENTIAL AND MARKET CONDUCT

11.1 PRUDENTIAL REQUIREMENTS

- i. A standalone insurtech shall comply with the regulatory requirements for risk management, reinsurance, investment, actuarial function, divestment, outsourcing and shared services, among others, stipulated in the Prudential Guidelines issued by the Commission.
- ii. A partnering insurtech shall comply with the requirements prescribed by the Commission in respect of annual returns and accounts, divestment and shared services, among others.

11.2 CODE OF CONDUCT OF AN INSURTECH

- a. **Conduct in matters relating to client's relationship** – Every insurtech shall:
 - i. Always conduct its dealings with clients with utmost good faith and integrity;
 - ii. Act with care and diligence;
 - iii. Treat all information supplied by prospective clients as confidential information;
 - iv. Take appropriate steps to maintain the security of confidential documents in their possession;
 - v. Treat the client fairly and avoid conflict of interest; and
 - vi. Comply with its internal Standard Operating Procedure (SOP) as approved by the Commission.
- b. **Conduct in relation to complaints handling** – An insurtech shall:
 - i. Have in place a mechanism for managing, recording and monitoring grievances;
 - ii. Accept complaints electronically and in writing, etc.;
 - iii. Ensure that the website/other channels contain details of complaints handling procedures and provides a facility for complaints to be logged online;

- iv. Ensure that communication from customers in any form, written /phone/fax/email/messaging etc., are acknowledged promptly and not beyond 24 hours from the date of receipt of such complaint;
- v. Ensure that the grievances are resolved within 2 weeks from the date of complaint with the intention of treating the customer fairly;
- vi. Ensure that response(s) are sent to the complainant on the resolution of the grievance not later than 2 working days, and inform him/her of other redress procedure available if not satisfied; and
- vii. Ensure that complaints are handled independent of the operational/underwriting staff, at a senior management level of the insurtech.

c. Conduct in matters relating to advertisement:

- i. An insurtech shall obtain prior approval from the Commission before placement of any advertisement on their website or other channels.
- ii. An insurtech shall notify the Commission of any changes to the approved advertisement not later than five (5) days before its coming into effect.

d. Conducts in matters relating to training – an insurtech shall:

- i. Ensure that its staff are aware of and adhere to the standards expected of them by this Guidelines;
- ii. Ensure that staff are competent, suitable and have been given requisite training(s);
- iii. Ensure that there is a mechanism in place to monitor the quality of training(s) given to the staff;
- iv. Ensure that members of staff are aware of legal requirements including extant laws, regulations and guidelines affecting the activities of the insurtech.

12.0 IMPERMISSIBLE ACTIVITIES

12.1 An insurtech shall not engage in non-permissible activities specified in this guideline. Non-permissible activities shall include the following:

- i. *Unlicensed insurance operations:* Offering insurance without obtaining license from the Commission.
- ii. *Ineligible Insurance Business:* Oil and Gas Insurance, Marine and Aviation Insurance, Retire Life Annuity, and Insurances of Government Assets and Liabilities for Ministries, Departments, and Agencies.
- iii. *Unapproved Products and Pricing Models:* Launching products or using dynamic pricing without actuarial support or prior approval from the Commission.
- iv. *Unsupervised automated claims rejections:* Complete reliance on Artificial Intelligence (AI) systems to decline claims without human intervention.

- v. *Misleading marketing and sales practices:* Use of deceptive marketing tactics on digital channels or cross-selling insurance products without disclosure or consent.
- vi. *Crypto-based transactions:* Acceptance of premiums or settlement of claims in cryptocurrency without prior approval of the Commission.
- vii. *Data Privacy Violations:* Sharing of personal data without explicit consent, in breach of NDPR or related frameworks.
- viii. *Manipulative Platform Design (Dark Patterns):* Interface design tactics that mislead users into purchasing or renewing of insurance policy.
- ix. *Cross-Border Digital Sales Without Approval:* Offering insurance to foreign jurisdictions without prior approval of the Commission.
- x. *Physical Marketing of Insurance Products:* Marketing or selling of insurance products using physical interactions or engagements as done by conventional insurance operators.
- xi. *Statutory and regulatory prohibitions:* Activities prohibited by extant laws and regulations including regulatory directives as may be prescribed by the Commission.

13.0 BUSINESS OBLIGATIONS

13.1 OBLIGATIONS OF AN INSURTECH

- i. An insurtech shall display the licence obtained from the Commission and details of validity of license on its website and other electronic platforms used by the insurtech.
- ii. An insurtech shall state clearly that insurance is the subject matter of solicitation or its operation.
- iii. An insurtech shall maintain at all times the minimum capital requirement and Risk Based Capital as may be prescribed by the Commission from time to time.
- iv. An insurtech shall at no point in time operate beyond the purview of the licence issued to it by the Commission.
- v. An insurtech shall always avail its client of the opportunity to choose from different Companies' products that meet their needs (where applicable).
- vi. An insurtech shall maintain a register of all persons engaged for the purpose of lead generation/solicitation of insurance business and or any other services rendered and submit same to the Commission. The submission shall be updated regularly such that the Commission's records are up to date.
- vii. An insurtech shall ensure that all persons engaged in (vi) above must have undergone basic training on the features of the insurance products, procedures for onboarding customers and complaints procedures.
- viii. The register in sub-paragraph (vi) above shall contain the name and address of such persons, valid proof of identification, and other relevant credentials.
- ix. An insurtech shall maintain a record of business transacted, which shall at a minimum include:

- a. Name of insured
 - b. Premium income generated
 - c. KYC
 - d. Details of claims reported, and amount paid
 - e. Outstanding claims with reasons
 - f. Proportion of risk ceded, if any
 - g. Commission paid, if any
- x. An insurtech shall maintain an effective Lead Management System (LMS) and ensure that Leads are recorded and monitored through the LMS (where required).
 - xi. An insurtech shall maintain a record and reports of its activities under the agreement with the insurance institution, in the manner specified in the agreement.
 - xii. An insurtech shall comply with relevant provisions of the extant laws and other regulations issued by the Commission from time to time.
 - xiii. An insurtech shall not accept any payment from an insurance institution other than the remuneration specified in the Guidelines (where applicable).
 - xiv. An insurtech shall put in place a robust mechanism that transmits leads at no extra cost to the insurer (where applicable).
 - xv. An insurtech shall keep adequate records of remuneration received from an insurance institution.

13.2 SITE SPECIMEN & DISPLAY OF PRODUCT COMPARISONS ON THE WEBSITE/OTHER CHANNELS

Display of Product Comparisons on the website/other channels

- i. An insurtech shall disclose prominently on the home page a notice that the client/visitor's information could be shared with insurance institutions.
- ii. Product information displayed shall be authentic and solely based on information received from insurance institutions.
- iii. An insurtech shall not display ratings, rankings, endorsements or bestsellers of insurance products on their website. The content of the website shall, at all times, be unbiased and factual; they shall not comment on insurers or their products in their editorial or at any location on their website/other channels.
- iv. Products shall be categorized as contained in the Insurance Act and in other Guidelines as may be approved by the Commission, such as:

Life:

- a. Term Assurance products
- b. Endowment products
- c. Health insurance products
- d. Life Microinsurance products
- e. Family Takaful insurance products
- f. Other associated life products

General:

- a. Motor insurance products
 - b. Personal accident insurance products
 - c. Property & pecuniary insurance products
 - d. Non-life Microinsurance products
 - e. General Takaful insurance products
 - f. Agric insurance products
 - g. Other associated non-life insurance products
- v. Products under any of the category as mentioned above can be compared in respect to basic product features such as:
- a. Eligibility criteria
 - b. Plan, Policy Term, Premium Payable, Minimum and Maximum Sum Assured, Minimum and Maximum age of entry or exit, Maturity etc.
 - c. Benefits such as Survival/Maturity Benefits, Death Benefits, Surrender Benefits, Loans, etc.
 - d. Interest rate on Investment linked products.
 - e. Any other additional information or special product features relating to the products under comparison.
- vi. Template can be mutually worked out between the insurtech and insurance institutions whose products are compared, where necessary.
- vii. Product comparisons that are displayed should be up to date and reflect a true picture of the products of the insurance institution, where necessary.
- viii. An insurtech shall display product information purely on the basis of the information furnished to them by the insurance institution.
- ix. An insurtech may use published data for additional information to customers such as data provided by the Commission.
- x. An insurtech may integrate their websites/other channels with the insurance institution's website/other channels.

13.3 OBLIGATIONS OF INSURANCE INSTITUTION

- i. An insurer shall not pay any fee or remuneration, by whatever name called, to an insurtech other than what is approved by the Commission from time to time.
- ii. An insurer shall not pay commission on any type of renewal premium or premium payable from the second year and the subsequent years, to an insurtech except where such renewal is conducted through the insurtech's platform.
- iii. An insurance institution shall not engage with an insurtech that is not licensed by the Commission.

- iv. An insurance institution shall obtain a 'No Objection' from the Commission prior to engaging with an insurtech.
- v. An insurance institution shall not pay any remuneration after termination of the agreement with Insurtech, except outstanding payments due before the termination of the agreement.
- vi. An insurer shall not pay any remuneration after the lapse of the insurtech licence, except outstanding payments due prior to the lapse of the licence.
- vii. An insurer shall obtain and maintain records of leads/data obtained from each insurtech through the Lead Management System (LMS) or Client Management System (CMS) of the insurtech, the details of the policies sold out of the leads/data thus obtained and the information regarding the premium payments.
- viii. A partnering insurer shall share product information and premium rates with an insurtech and the information so shared shall match with the product approved by the Commission.
- ix. A partnering insurer shall specifically identify the policies procured through insurtech and obtain all relevant records pertaining to such policies and such records sent to the Commission quarterly.

14.0 CAPITAL, FEES, COMMISSION, PREMIUM, ETC.

14.1 MINIMUM CAPITAL REQUIREMENT

- i. **For standalone Insurtech, the higher of:**
 - a. N1,500,000,000 per category of general or non-life insurance business or risk-based capital determined from time to time by the Commission
 - b. N1,000,000,000 per category of life insurance business or risk-based capital determined from time to time by the Commission; or
 - c. Such other amount as may be prescribed by the Commission from time to time.
- ii. **For insurtech partnering with insurance institutions:**
 - a. The applicant shall have a minimum capital requirement of N10,000,000 as at the date of application and shall continue to maintain the same throughout the license period and
 - b. Professional Indemnity of not less than N100,000,000 or as may be prescribed by the Commission from time to time.
- iii. The Commission may increase from time to time the minimum capital requirement specified above.
- iv. The insurtech shall submit to the Commission annual audited financial statements not later than the 1st quarter of the subsequent year, in the format as may be prescribed by the Commission from time to time.

14.2 ISS LEVY PAYABLE BY AN INSURTECH

- i. A standalone insurtech shall pay a minimum levy of 1% of gross premium income annually or N5,000, 000 whichever is higher.
- ii. A partnering insurtech shall pay a minimum levy of 1% of gross commission income and remuneration fee annually or N500, 000 whichever is higher.

14.3 COMMISSION/FEE PAYABLE TO INSURTECH

- i. The commission/fee to be paid by an insurer to an insurtech shall not exceed the stipulated rate of commission payable to insurance intermediaries as specified by extant laws, regulations and guidelines.
- ii. Any other fees payable to the insurtech for other additional services rendered shall be stated in the partnership agreement/SLA with the insurance institution and approved by the Commission.

14.4 PAYMENT AND REMITTANCE OF PREMIUM

- i. Payment of premium for an insurtech operation shall be guided by Section 50(1) of the Insurance Act 2003 or extant insurance laws, regulations and guidelines, which provides for receipt of an insurance premium as condition precedent to a valid contract of insurance, and that there shall be no cover in respect of an insurance risk, unless the premium is paid in advance i.e., “No premium, no cover”.
- ii. Where premium is paid through an insurtech for a policy, the insurtech shall instantly credit the account of the insurer.

15.0 VALIDITY OF LICENCE/RENEWAL (PARTNERING INSURTECH)

- i. A licence shall be valid for a period of four (4) calendar years unless where suspended or cancelled by the Commission.
- ii. Application for renewal of licence shall be in such a form as may be prescribed by the Commission from time to time.
- iii. A renewal application and documentation shall be submitted at least 45 days prior to the date of expiration of licence.
- iv. The Commission may grant a 30-day grace period from the date of expiry of the licence of the Insurtech. An Insurtech shall not transact any business during the grace period.
- v. An Insurer that transacts insurance business with a Partner Insurtech after expiration of its licence shall attract a minimum penalty of N2 Million or 10 times the premium received on each of such transaction(s), whichever is higher.

16.0 DISPUTE RESOLUTION AND COMPLAINTS REDRESS MECHANISM

16.1 DISPUTE RESOLUTION AMONG THE INSURTECH/INSURANCE INSTITUTION AND THE PUBLIC

- i. For dispute arising between an insurtech and insurance institution, the provisions of the arbitration clause in the partnership agreement/SLA shall be exhausted before referring the matter to the Commission.
- ii. In any dispute arising out of insurance transactions, the person(s) so affected may refer the matter to the Commission.

16.2 CUSTOMER COMPLAINTS REDRESS MECHANISM

- i. An insurtech and the insurance institution shall put in place an appropriate complaints redress mechanism to ensure that clients' issues or complaints are appropriately addressed in line with extant laws, regulations and guidelines.
- ii. The mechanism for complaints redressed shall ensure that complaints are treated and resolved independently and at a Senior Management level within 2 weeks.
- iii. All complaints shall be reviewed and resolved fairly and promptly.

17.0 FINANCIAL REPORTING REQUIREMENTS AND DISCLOSURES

17.1 ANNUAL REPORTS

An insurtech shall prepare the following:

- i. Balance sheet or statement of affairs as at the end of each accounting year.
- ii. Profit and loss account annually.
- iii. Statement of Cash/Fund flow.
- iv. Any additional statements on insurtech's business which may be required by the Commission.
- v. Every insurtech shall submit to the Commission a copy of the audited financial statements along with the certificate of oath from the auditor within 3 months after 31st December every year.
- vi. For these guidelines, the accounting year shall be from 1st of January to 31st of December and the accounts shall be in line with the International Financial Reporting Standard (IFRS).

17.2 RETURNS & PRUDENTIAL RECORDS

- i. An insurtech shall maintain all documents relating to business conducted at its head office or such other branch office as may be designated with the approval of the Commission.
- ii. An insurtech shall maintain all the electronic records, books and documents, statements, contract notes etc referred to in these guidelines for a period of not less than 10 years from the end of the year to which they relate.
- iii. Notwithstanding sub-paragraph (ii) above, the digital records/documents pertaining to the cases of legal dispute reported shall be maintained till the cases are determined by the Court.

- iv. An insurtech shall submit executed partnership/SLA to the Commission one week before the partnership/SLA comes into effect.
- v. An insurtech shall notify the Commission of any changes in the partnership/SLA agreement before it comes into effect.

18.3 DISCLOSURES TO THE COMMISSION

- i. An insurtech shall disclose to the Commission, as at when required, any information in respect of its operation required by the Commission.
- ii. An insurtech shall disclose to the Commission on its own any material changes in the insurtech operations within five (5) days of such change.
- iii. An insurtech shall seek the prior approval of the Commission on the following:
 - a. Change of Principal Officer(s)
 - b. Change of Director(s)
 - c. Change of name of the Company
 - d. Change of address of registered office/Corporate Office
 - e. Opening/closing of branch office
 - f. Engaging the services of service providers or third-party vendors
 - g. Change of location of the server(s) hosting its domain.
 - h. Capital injection, merger/acquisition.
 - i. Such other issues/actions that are material to the insurtech.
- iv. An insurtech shall submit to the Commission the following information from time to time:
 - a. List of qualified personnel.
 - b. Acquisition of any property
 - c. Schedule of services rendered (See Schedule II)
 - d. Any other information as may be required by the Commission.

18.0 REMEDIAL MEASURES & SANCTIONS

18.1 REMEDIAL MEASURES

- i. The Commission shall take any intervention measures, remedies or steps prescribed by extant insurance laws, regulations and guidelines, on the observation of any infraction or non-compliance with these guidelines.
- ii. Where the Commission determines that the insurtech's non-compliance with the provisions of this Guidelines impacts on the insurance institution's ability to identify, assess, manage and mitigate its risks in a systematic manner, the Commission may issue such orders which it considers necessary to protect policyholders' interest.
- iii. The Commission may inspect or appoint other persons to undertake an inspection of the insurtech to ascertain how activities are carried on, and review the books of account, records, and documents of the insurtech for compliance purpose under the following and such other reason(s) as the Commission may deem fit:
 - a. Ensure that the provisions of the Act, rules and regulations are being complied with.

- b. Ensure that the Lead Management System is managed effectively and appropriately and as per the provisions of these guidelines.
- c. Investigate the affairs of the insurtech to ensure proper and orderly development of insurance business in the interest of policyholders.

18.2 SANCTIONS

18.2.1 Actions against an insurtech:

- i. The Commission may cancel the licence granted to an insurtech or take any other action as deemed appropriate on the observation of any infraction or non-compliance with these guidelines.
- ii. The Commission shall impose administrative sanctions on an Insurtech for identified inappropriate actions/inactions or corporate misconduct.
- iii. In cases of violation of the provisions of the NAICOM Act 1997 and the Insurance Act 2003 and other extant laws, the Commission may impose appropriate administrative penalty depending on the nature and gravity of the infraction as well as the need to disgorge the insurtech of the benefits derived from the contravention.

18.2.2 Actions against an insurtech without approval or valid licence:

- i. From the date of commencement of this Guidelines no person shall function as an insurtech unless the person is licensed by the Commission under these guidelines.
- ii. Without prejudice to initiation and continuance of criminal proceedings against any person, who acts as an insurtech without holding a valid licence issued pursuant to this Guideline, the Commission may compound the offence by accepting such sums of money as it deems fit.

18.2.3 Actions against an insurance institution partnering with an insurtech without approval or valid licence:

- i. From the date of commencement of this Guidelines no insurance institution shall partner with an insurtech without the Commission's prior approval or valid licence.
- ii. Without prejudice to initiation and continuance of criminal proceedings against any insurance institution who partners with an insurtech without a valid licence issued pursuant to this Guidelines, the Commission may compound the offence by accepting such sums of money as deemed fit.

19.0 EFFECTIVE DATE

These guidelines shall be effective from 1st August 2025. All insurance institutions and insurtech firms operating under any agreement whether called insurtech business or otherwise, shall comply with the provisions of this Guidelines within thirty (30) days of it coming into effect.

20.0 ENQUIRY

Enquiries on any aspect of this Guideline should be referred to:

Address: National Insurance Commission, Plot 1239, Ladoke Akintola Boulevard, Garki 2, Abuja

Email: ihub@naicom.gov.ng

Website: www.naicom.gov.ng

SCHEDULE I: APPLICATION FORM



APPLICATION FOR REGISTRATION/RENEWAL OF LICENCE AS INSURTECH

Under the Insurance Act 2003

PARTICULARS OF APPLICANT

1. **Name of the Applicant:** _____

2. **Contact Address:** _____
3. **Telephone No:** _____
4. **E-Mail:** _____
5. **The licensing/renewal fee of N..... payable in respect of this application has been paid to the Commission via receipt No..... of20.....**

APPENDIX I: TRANSITION PROCESS TO A STANDALONE INSURTECH

Transition Process:

- i) Notification: Eligible insurtech shall notify the Commission of their intention to transition.
- ii) Assessment: The Commission shall assess the insurtech's business model, financial stability, and consumer protection measures.
- iii) Transition Plan: The insurtech shall submit a transition plan, including timelines, milestones, products, and consumer communication strategies.
- iv) Regulatory Approval: The Commission shall review and approve the transition plan.
- v) Phased Transition: The insurtech shall transition in phases as contained in the approved transition plan, ensuring minimal disruption to consumers.
- vi) Monitoring: The Commission shall monitor the transition process and ensure compliance.
- vii) Licensing: Upon completion of the transition process, the insurtech shall be issued a standalone insurtech license by the Commission.

Eligibility Requirements/Duration:

- i) Separate Legal Entity: A standalone insurtech shall be a separate legal entity.
- ii) Capital Adequacy: An insurtech shall meet the minimum capital requirement as may be determined from time to time by the Commission.
- iii) Risk Management: An insurtech shall have a robust risk management framework as may be prescribed by the Commission.
- iv) Consumer Protection: An insurtech shall have adequate consumer protection measures and comply with the Market Conduct and Business Practice Guidelines as issued by the Commission.
- v) Duration of operation: A partner insurtech must have operated for at least 24 months before applying for transition to standalone.