



INSURANCE: The Lifeline for Entrepreneurs

Ventures Day Keynote Presentation
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ABOUT

Enterprise Hubs owned by Pedestal Africa Limited is an integrated network of online and physical resource centers for emerging enterprises in Nigeria and beyond. A platform for promotion of businesses across Africa, offering shared, virtual offices, contemporary business hubs, online B2B marketplace, business support workspaces services and a complete suite of enterprise development services. A system that's redefining the way we live, work and learn.

Our private offices, dedicated desks, virtual offices and co-working spaces provide flexible solutions for passionate people, entrepreneurs and companies who are looking to grow and take advantage of what shared office space delivers especially as relating to office accommodation, ease of doing business, convenience and availability of facilities.



The 6 Solutions System

>Cool Co-working Spaces

>Enterprise Development
Resources

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INSURANCE: THE LIFELINE OF SMEs

Insurance as a risk transfer mechanism where one party (policyholder or insured), after paying a specified amount (premium), transfers his liability to another (insurance company).

Insurance is a financial pool put together by an insurance company from where contributors (policyholders), who suffer losses, are paid (indemnified) subject to the terms of the contract of insurance they entered into with the insurance company.

Types Of Insurance Policies

- FIRE AND SPECIAL PERILS POLICY
- BUSINESS INTERRUPTION INSURANCE
- BURGLARY INSURANCE
- FIDELITY GUARANTEE
- PROFESSIONAL INDEMNITY
- AGRIC INSURANCE
- MOTOR INSURANCE
- GOODS-IN-TRANSIT
- GROUP LIFE INSURANCE
- PENCOM CONTRIBUTION
- EMPLOYERS LIABILITY INSURANCE
- LIFE INSURANCE

FIRE AND SPECIAL PERILS POLICY

- A fire and special perils insurance typically covers your business against damage and losses resulting from fire, lightning, explosion, storm, flood and landslides, impact damage by vehicles / animals / aircraft; riots and strikes, and bursting of pipes/water tanks, sprinkler leakage.

BUSINESS INTERRUPTION INSURANCE

- Profits that would have been earned had business operations not been disrupted.
- Operating costs and other costs still being incurred by the business based on previous statements of costs.
- Employee wages.
- Training of new staff.
- Training of new staff to operate new machines
- Cost of relocating to a temporary location while the damaged premises is being renovated.

BURGLARY INSURANCE

- Combined with Fire and special perils insurance.
- Burglary insurance covers the contents of your business against loss or damage caused by theft accompanied by forcible and violent entry into or exit from the premises.
- Money or money-related items like cheques or rare books or works of art are excluded unless they are listed and specially insured under the burglary policy.

FIDELITY GUARANTEE

- Ideal for an SME which deals in a sector where employees regularly come in contact with or handle cash, for instance, a petrol station.
- An SME can also just take the policy for its sales or accounting staff only if their act of dishonesty can cripple the business.
- Fidelity Guarantee Insurance is designed to provide cover for the policyholder against any financial loss sustained as a result of fraud, dishonest acts, theft and forgery, among others, committed by the employees in the course of their occupation

PROFESSIONAL INDEMNITY

- Professionals such as lawyers, doctors, accountants, insurance brokers, etc., are either required by law or advised to take professional indemnity cover.
- The policy indemnifies the insured against all legal liabilities in respect of acts of negligence, error or omission, committed in the conduct of the insured's profession during the period of insurance.



AGRIC INSURANCE

- If you play in the agric sector, agric insurance is a must for you with the volatile nature of the business.
- There are poultry, fish farm, livestock and other forms of insurance to take care of all players in the agric sector.



MOTOR INSURANCE

- If you are in transportation business or your business involves putting vehicles on the road, you need more than the compulsory motor (third party) insurance. What you need is comprehensive insurance.
- A comprehensive policy is better



GOODS-IN-TRANSIT

- Ideal for SMEs that are into haulage
- Goods-in-Transit policy (GIT) covers the goods of the insured against fire, theft or accidental damage while the goods are being loaded or unloaded, as well as, while the goods are in transit or whilst temporarily housed within the general course of transit.
- There are two types of cover: restricted cover and all-risk cover.

GROUP LIFE INSURANCE

- Compulsory for all employers with three or more employees
- The group life policy goes with a benefit of three years emolument of the employee in the event of death.

PENCOM CONTRIBUTION

- Requirements for enrolling with PENCOM.
- The company remits at least 18 per cent of the equivalent of monthly salary
- Ten per cent of the money is from the company, while the remaining eight per cent is deduction from the salary of the employee
- The pension account of an employee is like his bank account. He has an account number
- Can be moved to another employer



EMPLOYERS LIABILITY INSURANCE

- This policy is important for companies involved in production and manufacturing, especially.
- The policy covers injuries, illness and death that occurs in the course of employment.
- Temporary totally disability: full salary for the first six months, half of his salary for another three months and finally a quarter of his salary for another 15 months.
- Permanent disability: three times his annual emolument
- Death: three times his annual emolument to next of kin or family.
- Difference Employers liability and Group Life

LIFE INSURANCE

- Life and non-life Insurance
- Life insurance: permanent assurance and term assurance.
- Permanent life: insurance is a term sometimes used for life insurance, such as whole life or endowment, where the sum assured is due to be paid out at the end of the policy and the policy accrues a cash value.
- Term life insurance: insurance is purchased for a specified period and a benefit is only paid out if the insured dies during this period.
- Difference: term is for protection only, while permanent life insurance act both as a protection and investment tool.

DECISION MAKING TIME

OPTION 1: You can pay a premium, which is a fraction of the value of your assets, and insure them with an insurance company.

OPTION2: You can keep the equivalent money of the value of your assets in the bank and use the money to replace your assets if there is a loss or damage. That is self-insurance.

OPTION 3: No insurance policy with an insurance company and no funds anywhere to use for self-insurance. That means you have no form of insurance. It is also known as penny wise and pound foolish. You accumulate assets without protecting them



PROFESSIONALS IN THE INSURANCE INDUSTRY

- Insurers or insurance companies
- Registered insurance Brokers
- Reinsurance Company
- Loss Adjusters



WHY YOU SHOULD USE A BROKER

- Insurance brokers are trained insurance professionals
- Act as intermediaries between the insuring public and insurance companies.
- Insurance brokers provide a wide range of professional advisory services to the insuring public.
- They help potential policy holders to reduce cost by shopping around insurance companies and getting competitive rates before placing the business.
- They also help policy holders to reorganize their insurance portfolio and in the process reduce cost and at the same time get the appropriate cover.
- Insurance brokers also advise clients on risk improvement and reduction in risk exposure and in the process get lower rates for clients.



WHY YOU SHOULD USE A BROKER (CONTD)

- An insurance broker will guide you through your insurance policy. He will show you the extent of cover, conditions you must fulfill, warranties you must observe and policy exceptions to keep your eyes on.
- An insurance broker helps policyholders to process their claims. Insurance is an international business and insurance brokers
- Provide strategic advisory services for their clients in international trade and exchanges.
- Insurance services are free

So there is no logical reason why a policy holder should not avail himself of a registered insurance broker. Talk to us today, let us help you secure your business.

Thank you





Thanks for coming!

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