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# NATIONAL INSURANCE COMMISSION

HEAD OFFICE: Plot 1239 Ladoke Akintola Boulevard Garki II, Abuja. P.M.B 457, Garki, Abuja. Nigeria ☎:09-8756021.  
E-mail: info@naicom.gov.ng. website: www.naicom.gov.ng

NAICOM/SUP/CIRCULAR/01-6

2<sup>nd</sup> February, 2015

To: ALL CEOs OF INSURANCE AND REINSURANCE COMPANIES

Dear Sir/Madam,

## ANNUITY BUSINESS

We refer to the guideline co-issued by National Insurance Commission, (NAICOM) and the National Pension Commission (PENCOM) which gave clear directives on the sale of Life Annuity product in Nigeria.

Section 4 of the said guideline detailed allowable investments as well as limits per sector; while Section 5 relates to accounting returns to be filed periodically with the Commission.

This Circular is to reiterate the following;

- i. That Annuity Bank Accounts, Investments and records must be kept separate from other funds of the Insurance Company.
- ii. That the Annuity funds must be audited annually and the financial Statements should disclose the Fund's Assets and Liabilities separately

The Commission is currently reviewing the requirement of Section 3.5 of the guideline "**that Annuity Fund must record a solvency margin of not less than 30%**". Notification of the revised solvency margin requirement would be communicated thereafter as appropriate.

Internal Auditors, Compliance Officers and External Auditors are hereby reminded of the above requirements.

**Oremeyi Longe (Ms)**

Deputy Director (Supervision)

For: Commissioner for Insurance