SEGMENTATION OF MINIMUM PAID UP SHARE CAPITAL REQUIREMENT FOR INSURANCE COMPANIES IN NIGERIA

1. We refer to earlier Circulars referenced NAICOM/DPR/CIR/25/2019 dated May 20, 2019 which introduced the new capital requirement for Insurance Companies in Nigeria, and NAICOM/DPR/CIR/25–03/2019 dated December 30, 2019 which extended the deadline for recapitalization.

2. The incidences of COVID-19 Pandemic has made it difficult to proceed with the 31st December, 2020 recapitalization deadline. A review of the recapitalization deadline therefore became imperative in order to mitigate likely negative consequences of the pandemic on the exercise.

3. The Commission hereby extend and segment the recapitalization process into two phases as follows:
   a. 50% of the Minimum Paid-Up Capital for Insurance and 60% for Reinsurance shall be met by 31st December, 2020;
   b. Insurance Companies are required to fully comply with the approved Minimum Paid-Up Capital not later than 30th September, 2021;
   c. The segmentation is as indicated in the table below:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>i.</td>
<td>Life</td>
<td>₦2 billion</td>
<td>₦4 billion</td>
</tr>
<tr>
<td>ii.</td>
<td>General</td>
<td>₦3 billion</td>
<td>₦5 billion</td>
</tr>
<tr>
<td>iii.</td>
<td>Composite</td>
<td>₦5 billion</td>
<td>₦9 billion</td>
</tr>
<tr>
<td>iv.</td>
<td>Reinsurance</td>
<td>₦10 billion</td>
<td>₦12 billion</td>
</tr>
</tbody>
</table>

4. Insurance Companies that failed to satisfy the required minimum paid-up capital by the end of 31st December, 2020 may be restricted on the scope of businesses they will transact.

5. Insurance Companies must fully comply with the required minimum paid-up capital at the end of the Recapitalization Exercise on 30th September, 2021.

6. All other provisions in the previous Circulars are sustained.
7. All Insurance Companies are advised to comply with the provisions of this circular.

8. References to Insurance Company in this Circular include Reinsurance Company except where the difference is specifically stated.

Pius Agboola
Director (Policy & Regulation)
For: Commissioner for Insurance