



# THE NIGERIAN COUNCIL OF REGISTERED INSURANCE BROKERS

NCRIB SECRETARIAT: 58, MOLEYE STREET, ALAGOMEJI, YABA, LAGOS, NIGERIA  
P.M.B. 1100, SABO, YABA, LAGOS, TEL: 01-2902868  
E-mail: brokerscouncil@yahoo.co.uk, info@ncrib.net, www.ncrib.net

MR. SHOLA TINUBU, FCIB  
PRESIDENT, CHAIRMAN, GOVERNING BOARD  
FATAI ADEGBENRO  
EXECUTIVE SECRETARY/CEO

NCRIB ACT No. 21 of 2003

(for Professionalism, Service & Integrity)

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## STATEMENT OF SUBSCRIPTION REVIEW

### INTRODUCTION:

The Governing Board of the Council being the organ charged with the administration and general management of the Council as provided in Section 3(1) of the Nigerian Council of Registered Insurance Brokers Act, ratified the appointment of members of the Subscription Review Ad-Hoc Committee. The Ad-Hoc Committee's terms of reference included:

- i. To undertake an overview of the current subscription patterns of members.
- ii. To undertake a comparative view of subscription regimes in other professional bodies in Nigeria and beyond.
- iii. To recommend the approach in determining the equitable subscriptions payable by members for the smooth running of the Council.

### OBSERVATIONS OF THE AD-HOC COMMITTEE:

The Committee had several meetings and consulted widely with other comparative associations in Nigeria and beyond and the following observations were made:

- a. The last review of the Subscription regime of the Council was in 2011, where the payment method was changed from what became the unworkable percentage of brokerage commission to number of staff for the Council's corporate members.

The details of the payment of subscription based on the number of staff had six different categories as follows:

- 1-5 staff – 100,000
- 6-9 staff – 150,000
- 10-19 staff - 250,000
- 20 – 29 staff- 350,000
- 30 – 39 staff - 450,000
- 40 and above staff – 500,000.

- b. The Council has Associate members (ACIB) who currently pay the sum of N15,000 annual subscription. The Council has Fellow members (FCIB) and they currently pay the sum of N25,000 per annum each for subscription. Admission of members into the Ordinary and Student membership categories as provided by the NCRIB Act was yet to take effect based on the fact that the regulatory framework for administering these categories of membership was yet to be presented to and passed by the General Meeting after approval of the subscription in 2011.

- c. It was also discovered that a total of 91 members were exempted from payment of individual (ACIB or FCIB) subscription upon the attainment of age 60 by female and age 65 by male members.

The committee conducted a research on the applicability of such policy in CIIN and it was found out that exemption from payment of subscription were given to both male and female members upon the





attainment of 65 years, but members who had attained such age but still in active service were excluded from the exemption.

- d. The Committee further made enquiries into the subscription policy of other professional associations in Nigeria, such as, the Nigerian Bar Association, the Institute of Chartered Accountants of Nigeria, Chartered Institute of Personnel Management, the CIIN, etc. have increased their members' subscriptions in the recent time.
- e. The Committee acknowledged the harsh economy and difficulties faced by members in their operations especially the small players but identified that there was the clear and urgent need to increase the bottom line of the Council through the increase of subscriptions based on reasons which include:
  - i. To enable the Council meet its obligations in the light of inflation in the past years
  - ii. The need to make the Secretariat a vibrant and active one in order to be more empowered and equipped to continuously add value to members
  - iii. To enable the Council employ and retain good employees to deliver on the councils objectives.

#### **GOVERNING BOARD APPROVED RECOMMENDATIONS OF THE AD-HOC COMMITTEE:**

The Committee after several meetings and deliberations presented its report to the Governing Board at its meeting of August 27, 2019 and the following recommendations of the Committee were approved by the Board for presentation at the Annual General Meeting for further ratification.

##### **1. Individual Members Subscription:**

The legal framework for the admission of members (i.e. non-Associates) into the Ordinary and Student membership categories should be concluded by the Legal Committee as soon as possible and that all technical staff in every registered member company of the Council and all heads of all other functions such as HR and Accounts should be registered as an ordinary member of the council and be issued a certificate renewable annually.

The Subscription fee of N7, 500 per annum was approved for ordinary members.

The Council should ensure that all Honorary Fellows of the Council pay the applicable subscription, default of which the award should be withdrawn after giving appropriate notice.

##### **2. The Age for Exemption from Payment of all Individual Subscription:**

The age limit for exemption of payment of individual subscription should be reviewed from 60 for women to 65 and from 65 for male to 70 years and that waiver should not be automatic but should be applied for by members upon the attainment of the exemption age. Provided that such member to be granted exemption must have paid subscription for at least ten (10) years prior on the category of membership.

##### **3. Corporate Members subscription Review:**

The corporate members' subscription is increased with a base subscription for all members and additional payment based on the number of staff. The Application subscription payable is as contained in the table below



s/n	Category of Subscription (Number of Staff)	Existing Subscription paid by Members	Base Subscription for registered insurance broking company	Additional Subscription Based on Number of Staff	Total Subscription Payable
1.	Category 1 ( 1 – 5 staff)	N100,000	N120,000.00	0	N120,000.00
2.	Category 2 ( 6 – 9 staff)	N150,000	N120,000.00	N105,000.00	N225,000.00
3.	Category 3 ( 10 – 19 staff)	N250,000	N120,000.00	N255,000.00	N375,000.00
4.	Category 4 (20 – 29 staff)	N350,000	N120,000.00	N405,000.00	N525,000.00
5.	Category 5 ( 30 – 39 staff)	N450,000	N120,000.00	N555,000.00	N675,000.00
6.	Category 6 (40 and above staff)	N500,000	N120,000.00	N1,480,000.00	N1,600,000.00

#### 4. Effective Date of the Review:

The increase in subscription is to take effect from January 01, 2020.

#### 5. Ways to Avoid False Declaration of Number of Staff:

Ways of preventing false declaration of number of staff is to be implemented by the Council. The number of staff should be stated in the financial Statements, (as required by the Corporate and Allied Matter Act, 2004), PENCOM Certificate as well as the Group Life Certificate to be submitted by members annually to the Council. Where there are differences in the number on documents submitted, the document (correlating to the right period) with the highest number of staff declared would be used by the Council, while a query that could be escalated as a disciplinary matter for reconciliation of the variances may be issued.

#### 6. Frequency of Subscription Regime Review:

The subscription regime of the Council should be automatically reviewed upward annually by a modest maximum figure of 2% while not later than five (5) years to check the adequacy of subscriptions with a view to approaching a General meeting for review where deemed necessary, to cater for increased cost and possible inflation, as well as be in line with best practices

#### CONCLUSION

The recommendations once passed by the Annual General Meeting of the Council scheduled to hold on October 30, 2019 would enable the Council drive and ensure that more value are provided for the benefit of all members (both individual and corporate members). Some of such value addition being considered include:

- More strategic engagement with the government and other relevant stakeholders to make insurance brokers a household name in Nigeria through the implementation of “consult your RIB policy”.




- b. Implementation of strategies for insurance penetration and enforcement of compulsory insurances through the Council being the voice of the sub-sector by proffering advise and support to members, regulators, consumers and other stakeholders on key insurance issues.
- c. Structured Help-Desk for members' enquiries for compliance, regulation and technical support.
- d. Provide support to members both collectively and individually through series of facilities and support services to be made available by the Council.
- e. Discount at Hotels and resorts for registered members upon the presentation of their membership cards;
- f. Discount at Restaurants for registered members upon the presentation of their membership cards;
- g. Airfare Discount for registered members upon the presentation of their membership cards;
- h. Discount on Insurance related international conferences and seminars and support services on international trips as well as various business summits;
- i. Discount on local trainings, workshops, seminars and conferences.

The General aim of the Subscription review is to enable the Council to create an environment where members can deliver first class insurance solutions to their clients.

Dated this 2nd of October, 2019.

Thank you,

  
Fatai Adegbenro  
Executive Secretary