

CHAPTER 184

INSURANCE SPECIAL SUPERVISION FUND ACT

ARRANGEMENT OF SECTIONS

SECTION

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## CHAPTER 184

## INSURANCE SPECIAL SUPERVISION FUND ACT

1989 No. 20

**An Act to establish an Insurance Special Supervision Fund for the purpose of strengthening the supervision of insurance business in Nigeria.**

[16th August, 1989]

Commence-  
ment.Establish-  
ment of the  
Insurance  
Special  
Supervision  
Fund and  
sources of  
the Fund.

1. (1) There is hereby established a fund which under this Act shall be known as the Insurance Special Supervision Fund (hereafter in this Act referred to as "the Fund").

(2) The sources of the fund shall consist of such moneys as the Federal Military Government may provide to the Fund annually and—

- (a) premium income of every registered insurer or reinsurer;
- (b) commission of insurance brokers;
- (c) fees of loss adjusters.

(3) The Minister may, by regulations published in the *Federal Gazette*, prescribe the percentage of contribution to be paid into the Fund by every registered insurer and reinsurer, insurance brokers and loss adjusters.

Liability to  
contribute to  
the Fund.

2. (1) Every registered—

- (a) insurer;
- (b) reinsurer;
- (c) insurance broker; or
- (d) loss adjuster,

shall pay into the Fund established by subsection (1) of section 1 of this Act such sum as may be prescribed by the Minister under subsection (3) of section 1 of this Act.

(2) The sum to be prescribed by the Minister shall be based on—

- (a) the gross premium income in the case of an insurer or a reinsurer;
- (b) the gross commission in the case of an insurance broker;
- (c) the gross fees in the case of a loss adjuster.

(3) The moneys provided by the Federal Government and payable by the insurer, reinsurer, insurance broker or loss adjuster shall be deposited with the Central Bank of Nigeria for the purposes of the Fund.

(4) Every sum payable by an insurer, reinsurer, insurance broker or loss adjuster under this Act shall be payable on or before the 31st July of each year except as provided in section 4 of this Act.

3. (1) The Fund established under this Act shall be under the control and supervision of the Federal Ministry of Finance and Economic Development and shall be administered by a Committee comprising—

Administra-  
tion of the  
Fund.

- (a) the Director of Insurance as Chairman;
- (b) the Director of Home Finance of the Federal Ministry of Finance and Economic Development;
- (c) two representatives of the Federal Ministry of Finance and Economic Development;
- (d) a representative of the Accountant-General of the Federation; and
- (e) two other persons knowledgeable in insurance and insurance administration to be appointed by the Minister.

(2) The Fund established by this Act shall be used for the purposes of strengthening insurance supervision in Nigeria and for such other insurance development purposes as may be determined by the Minister, from time to time.

Extension of  
time for  
payment.

4. (1) The Minister may, in such cases as he thinks fit—
- (a) extend the time for payment of any sum due under this Act for such period or periods as the circumstances warrant; or
  - (b) permit payment of any sum due under this Act to be made by instalments within such time as may be specified within the circumstances.

(2) Where the Minister extends the time for payment of any sum due under this Act for a period, the sum is due and payable at the expiration of that period.

(3) Where the Minister permits payment of any sum due under this Act to be made by instalments, each instalment is due and payable on the date specified by the Minister.

Returns.

5. Any person or body liable to pay any sum under this Act shall furnish to the Director not later than 15th January of each year a return in a form approved by the Minister and continuing such particulars as are specified therein.

Further  
returns, etc.

6. (1) In addition to any return that is required under section 5 of this Act, the Director may, with the approval of the Minister, by notice in writing, call upon any person or body to furnish to him within a time specified in the notice, such return or further returns as the Director may require.

(2) For the purpose of inquiring into, or ascertaining the liability of a person under any of the provisions of this Act, the Director may, by notice in writing, require any person or body to which the provisions of section 2 of this Act relate to—

- (a) furnish him with such information as he may require;
- (b) attend and give evidence before him or before an officer authorised by him for that purpose;
- (c) produce any book of account, documents and other papers relating thereto in the custody or under the control of that person or any person under his supervision or control.

7. (1) The Director shall at the beginning of each year assess and furnish to any person or body liable to pay any sum under this Act, the sum payable as contribution to the Fund for the year. Assessment by the Director.

(2) Any assessment made pursuant to subsection (1) of this section may, subject to the approval of the Minister, be confirmed, varied or modified by the Director, upon being shown a balance sheet duly audited showing the financial position of the person or body for the close of the previous year.

8. (1) Any person or body aggrieved by any assessment or decision made by the Director pursuant to section 7 of this Act may appeal to the Minister within 28 days of his receiving the notification of assessment. Appeal to the Minister.

(2) The decision of the Minister on an appeal under subsection (1) of this section shall be final and binding and shall not be the subject of any action or proceeding in any court or tribunal.

9. (1) Any sum payable under this Act or any instalment thereof unpaid, including any additional sum, may be sued for and recovered in a court by the Director or by any other officer authorised in that behalf by the Minister or Director. Failure to pay sum due or any instalment thereof and recovery.

(2) Where any person or body liable to pay any sum or instalment under this Act, fails to pay the sum payable on or before the date on which the sum is due and payable such person or body shall, in addition to the liability to pay such sum or instalment, be liable to pay additional sum at the rate of  $2\frac{1}{2}$  per centum above the Central Bank of Nigeria minimum discount rate.

(3) The additional sum or instalment payable under subsection (2) of this section shall be computed from the date on which the sum became due and payable.

(4) Any sum or additional sum payable under this Act shall be deemed to become due and payable as a debt due to the Government of the Federal Republic of Nigeria and may be recovered pursuant to this section.

Director's  
power to  
cancel or  
refuse  
renewal  
certificate.  
Cap. 183.

10. Notwithstanding the provisions of the Insurance Act or any other enactment relating to the cancellation of any certificate of registration, where any person or body, liable to pay any sum or any additional sum under this Act has failed to pay such sum or additional sum, the Director, with the approval of the Minister, may, in respect of—

- (a) an insurer or a reinsurer, cancel its registration; or
- (b) an insurance broker or a loss adjuster, cancel its registration or refuse the renewal of its certificate of registration.

Power of  
entry and  
search.

11. For the purposes of this Act, a person authorised in that behalf in writing by the Minister or the Director to exercise powers under this Act may, at all reasonable times and on production of that authority, enter or search any building or place in which that person has reason to believe there are any book of account, documents or other papers relating thereto of any person or body liable to pay any sum under this Act and may inspect or take any such book of account, documents or other papers as may be necessary for the correct assessment of such person or body or assist in the prosecution or recovery of any sum due and payable under this Act.

(2) Any person who without reasonable excuse obstructs or hinders a person acting in pursuance of an authority under subsection (1) of this section shall be guilty of an offence under this section and shall be liable on conviction to a fine of ₦50,000.

Offences.

12. (1) Notwithstanding any other provisions of this Act or any other enactment, any person or body who—

- (a) for the purpose of avoiding payment of any sum due under this Act knowingly, makes any false statement, declaration, representation, or produces or furnishes or causes to be produced or furnished any returns, documents or information which is false in any material particular;

- (b) fails to pay the Fund within such period as may be prescribed any sum due under this Act; or

(c) fails to make any returns or additional returns, as the case may be, shall be guilty of an offence under this Act and shall be liable on conviction to a fine not exceeding ₦50,000. Offence.

(2) The Court before which any person or body is convicted of an offence under this Act may, without prejudice to any civil remedy, order such person to pay to the Fund any sum together with any interest or penalty thereon certified to be due from such person or body to the Fund at the date of conviction and such amount may be recovered in the same manner as a fine and paid into the fund.

13. The Minister may make such regulations as may, in his opinion, be required for the purpose of giving full effect to the objectives of this Act. Regulations.

14. In this Act, unless the context otherwise requires— Interpre-  
tation.  
Cap. 47.  
“Central Bank” means the Central Bank of Nigeria established pursuant to the Central Bank of Nigeria Act;  
“Court” means the Federal High Court;  
“Director” means the Director of Insurance in the Federal Ministry of Finance and Economic Development; and  
“Minister” means the Minister charged with responsibility for matters relating to finance.

15. This Act may be cited as the Insurance Special Supervision Fund Act. Short title.

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**INSURANCE SPECIAL SUPERVISION FUND ACT**

**CHAPTER 184**

**SUBSIDIARY LEGISLATION**

*No Subsidiary Legislation*