

NIGERIA'S INSURANCE INDUSTRY REFORM ACT: WHAT IT MEANS FOR THE FUTURE

A big shift is happening in Nigeria's insurance landscape, and the Nigerian Insurance Industry Reform Act (NIIRA) 2025 is at the center of it. For years, insurance has been overlooked in public discourse, overshadowed by conversations around savings, investments, loans, fintech, real estate, etc. The new Act changes that completely. It brings insurance into everyday life in a way Nigerians can finally see, feel, and understand.

Signed into law in August 2025, NIIRA replaces the Insurance Act 2003, creating a modern and wider regulatory structure for the sector. Early government and NAICOM briefings emphasize the reform twin goals: strengthening consumer protection and deepening insurance penetration across the economy.

Research and legal reviews show that this isn't just cosmetic. NIIRA 2025 re-emphasized the compulsory classes of insurance with additional clarification: builders' liability, occupiers' (public building) cover, group life, credit life, petroleum station cover, healthcare professional indemnity, aviation liabilities, and more effectively hardwiring insurance into construction, real estate, transport, healthcare, and lending.

The law also introduces enforcement and funding mechanisms. Insurers must remit 0.25% of certain net premiums received, quarterly, to the Fire Services Maintenance Fund. Regulators can seal risky buildings without insurance, and significant fines and jail terms are set for non-compliance.

What this really means is that insurance becomes part of mainstream business management, not an afterthought. With the new Insurance Acts, obligations are placed on owners of buildings to ensure third parties' safety, and consequences for not complying. Building owners and facility managers have obligations to occupants and third parties that come to the premises, and insurers would need to scale up their digital capacity to serve a larger and more diverse market.

WHAT NIIRA 2025 MEANS FOR INSURERS AND THE PUBLIC

1. Insurance moves from optional to essential

For the first time, the law puts clear responsibilities on property owners, builders, employers, healthcare providers, aviation operators, fuel stations, and even borrowers. If you own or occupy a house, run a business, manage a public building, or employ people, insurance is no longer something to postpone or procrastinate.

This shift is important. It signals that protection is now a core part of how Nigeria plans to reduce avoidable loss, protect citizens, and build a more resilient economy.

2. Safer buildings, safer cities

One of the biggest problems Nigeria faces is the routine collapse of buildings and catastrophic fire outbreaks. NIIRA responds directly to this: Buildings under construction must be insured. Public buildings must be insured. Multi-tenant and commercial properties must be insured.

The law isn't just pushing compliance, it's setting up a new safety culture. For cities to be safer, the people who build and manage properties must take responsibility.

3. Citizens gain stronger protection

From hospitals to airlines to fuel stations, the Act demands higher standards of safety and compensation. If a healthcare provider makes a costly error, they must have professional indemnity insurance.

If airlines or fuel stations expose consumers to danger, they must carry insurance that covers third-party losses. This will help build consumer confidence, reassuring them of their protection long before anything goes wrong.

4. Businesses become more future-proof

Many Nigerian businesses don't fail because of strategy. They fail because one major incident wipes out capital, for example: fire, flood, lawsuit, collapsed building, workplace accident, etc.

The Reform Act pushes companies to think ahead. Group life insurance becomes non-negotiable. Public liability becomes standard. Compliance becomes part of corporate culture. In an economy where shocks are common, this mindset shift is priceless.

5. Technology and efficiency will accelerate growth

The new Act sets the stage for digital verification, automated policy tracking, and stronger enforcement. Insurers will invest more in technology because the market is about to widen. There will be more data, transparency, faster claims processing, and smarter underwriting.

Beyond this, digital platforms will enable easier access for households and businesses to compare, purchase, and manage policies online. Analytics and AI will help insurers predict risks, price products appropriately and accurately, and design innovative covers. Mobile integration will expand to reach underserved communities and satisfy unmet insurance needs, while seamless claims processing will improve customer trust.

This ecosystem shift positions Nigeria as a more attractive market for global investment and innovation.

6. A more responsible society emerges

When people insure their homes, businesses, and assets, they behave differently. They maintain buildings better. They drive more carefully. They follow safety rules. They demand accountability from service providers. Insurance quietly shapes behavior. That's how it builds a more responsible society without needing loud campaigns.

7. The future looks more protected

NIIRA 2025 is more than legislation. It's a signal that the country is ready for a new era where protection, safety, and financial security go hand in hand.

As adoption grows, we will see fewer preventable losses, faster recovery from disasters, stronger businesses, and a more confident economy. This is not just the future of insurance, it's the future of how Nigeria manages risk, protects people, and builds long-term stability.



HOW CORONATION INSURANCE CAN HELP YOU NAVIGATE THE FUTURE

Navigating the new landscape of NIIRA 2025 may feel daunting, but it's also full of opportunities. At Coronation Insurance, we see this as an opportunity to provide services to Nigerians: tenants, landlords, businesses, and public institutions to adapt seamlessly while enjoying the protection and peace of mind the law intends.

We go beyond simply offering policies. We guide, inform, advise, and support our clients every step of the way. We will help you understand how the new Act affects your homes, businesses, employees, and investments, showing how compliance now can protect you from future losses, the appropriate class of insurance to purchase, and guide you through claims administration.

With our expertise and tailored solutions, we enable clients to make smart choices, strengthen the safety of their properties, and safeguard their families and organizations against unexpected risks.

Ultimately, embracing NIIRA 2025 isn't just about meeting legal requirements; it's about creating a safer, more resilient future. Talk to Coronation Insurance today to review your compliance needs and secure tailored solutions for your business.

