

INSURANCE WEB AGGREGATORS OPERATIONAL GUIDELINES



NATIONAL INSURANCE COMMISSION

EFFECTIVE FEBRUARY, 2022.

Long

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1.0 INTRODUCTION

- i. This Operational Guidelines shall serve as a working document to register, supervise and monitor web aggregators as Insurance Intermediary who maintain a website for providing information on products of different Insurers. In exercise of the powers conferred by the National Insurance Commission Act 1997, the Commission hereby issues Insurance Web Aggregators Operational Guidelines.
- ii. This Guidelines comes into effect on the date of release to the insurance industry and the public
- iii. This Guidelines shall apply to all Web Aggregators and Insurers respectively carrying on insurance business in Nigeria.
- iv. This Guidelines shall be read in conjunction with other relevant Legislation, Guidelines and Circulars as determined to be applicable to the newly inclusive distribution channels approved by the Commission.
- v. It is the responsibility of Web Aggregators to obtain any clarification required on the applicability of this Guidelines, and any other Regulations from the Commission.



2.0. Definitions:

In this Guideline and for the purpose of this Guidelines, the following definitions shall subsist unless otherwise directed:

Act	means the NAICOM Act 1997 and/or Insurance Act 2003.
Agreement	means Contract/SLA entered into between a Web Aggregator and an Insurer.
FMCG	means Fast Moving Consumer Goods.
GPI	means Gross Premium Income.
Industry	means the Insurance industry of Nigeria comprising the Underwriters, Brokers, Reinsurers, Loss Adjusters, Agents and all other Operators captured by the NAICOM Act 1997 and the Insurance Act 2003.
Insurer	as defined in the Insurance Act 2003.
Lead	means information pertaining to a client who has accessed the Website of a Web Aggregator and has submitted contact information of any kind for obtaining information on prices or features/benefits of insurance products.
Lead Generation	means the process of collecting the details of the clients or prospects in any fashion or approaching the clients directly or in distant mode to ascertain their intent to purchase insurance before proceeding with solicitation of insurance products and includes all the activities leading to the solicitation.
Lead Management System (LMS)	refers to the Software deployed by the entity for recording, filtering, validating, grading, distribution, follow up and closure of leads from the enquiries received on the Website of the Web Aggregator with an intention to buy insurance products.
MOU	means Memorandum of Understanding.
NAICOM Act 1997	means National Insurance Commission Act 1997.
NCC	means Nigerian Communications Commission.
SLA	means Service Level Agreement.
Solicitation	means the approach of a prospect by an insurer or an intermediary with a view to convince the prospect to purchase an insurance policy.
The Commission	means the National Insurance Commission of Nigeria.

Web Aggregator

means a Company registered under the Companies and Allied Matters Act No 1 of 1991 "**CAMA**" approved by NAICOM under this Guideline, which maintains/owns a Website and avails information pertaining to insurance products and price/features comparisons of products of different insurers and offers leads to an Insurer.

All words and expressions used herein but not defined herein but defined in the Act as amended from time to time shall have the meanings respectively assigned to them in the Act.



3.0. AUTHORIZATION

The National Insurance Commission by the powers conferred on it by the provisions of section 49 (1B) of National Insurance Commission Act 1997 hereby issue the following Guidelines on licensing and operation of Web Aggregators.

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4.0. REGISTRATION AND APPROVAL PROCEDURES

- 4.1. Approval and/or No Objection are required in two phases/stages as follows:
- i. Application for issuance of No Objection by NAICOM to Insurance Operators (Insurers/Brokers);
 - ii. Application for issuance of Licence to Web Aggregator by NAICOM.

4.2. APPLICATION FOR ISSUANCE OF NO OBJECTION TO INSURANCE OPERATORS BY NAICOM

Any Insurer who intends to carry on a Web based Insurance business shall make an application to the Commission in the prescribed manner in line with NAICOM's Guidelines on Web Aggregator's model of business.

An applicant having satisfied the requirements set out under Extant Laws and this Guidelines, the Commission will grant No Objection with such conditions as it may deem fit.

The application shall be accompanied with the following:

- i. Application letter with Service Level Agreement (SLA) signed with a Web Aggregator, which it intends to partner with.
- ii. A copy of the Appointment letter issued by the insurer to the Web Aggregator.
- iii. Board approvals or resolutions in support of such partnership.
- iv. A copy of Risk Management framework on web aggregator operations.

4.3. APPLICATION FOR ISSUANCE OF LICENCE BY NAICOM TO WEB AGGREGATOR:

An applicant who intends to register as a web Aggregator shall make an application to the Commission in the prescribed manner in line with NAICOM Guidelines on Web Aggregator.

The registration of a web aggregator shall be in Three (3) stages:

Stage 1:


- i. Copy of No Objection/approval issued by Nigerian Communications Commission (NCC)
- ii. Copy of letter of appointment issued to the Web Aggregator from named Insurer(s)/Broker(s)
- iii. Copy of SLAs with named Insurers/Brokers
- iv. Copy of Certificate of incorporation issued by Corporate Affairs Commission (CAC)
- v. Certified True Copy of Memorandum and Articles of Association of the Applicant
- vi. Copy of Board resolution in support of partnership with named Insurers/Brokers
- vii. Payment of non-refundable application fee



Stage 2:

- i. Organisational chart showing functional responsibilities.
- ii. Board Resolution to commence a Web Aggregator operation
- iii. Curriculum Vitae (CV) and Credentials of Principal Officers and Directors.
- iv. Principal place of business of the Web Aggregator and confirmation of place of hosting the website.
- v. Snapshots of contents of proposed website along with proof of domain name registration.
- vi. Details of infrastructure including IT infrastructures available.
- vii. Details and experience of the platform authorised Verifiers
- viii. Copy of the Risk Management Framework.
- ix. List of persons who have control over or responsibility for the website contents in relation to insurance web aggregation.
- x. A user I.D. and temporary password (with only view permission) to verify the aggregator's website.
- xi. Business plan with five years financials projection
- xii. Sworn declaration of non-disqualification by the proposed directors in line with Section 12(1) of the Insurance Act 2003.
- xiii. Professional Indemnity Cover of not less than ₦20 Million limit of liability
- xiv. Copy of Letter of appointment and acceptance of same of the proposed MD/CEO.

Stage 3

- i. Physical verification of web aggregator head office address and IT infrastructure to be deployed.
- ii. Payment of Licence fee.
- iii. Issuance of licence. 

5.0. SERVICE LEVEL AGREEMENTS (SLAs)

5.1. WEB AGGREGATORS' AGREEMENTS WITH INSURER/BROKER

A Web Aggregator shall enter into an 'agreement' with the insurer and a copy of such agreement shall be filed with the Commission within 30 Days for ratification.

The agreement shall contain but not limited to the following:

- i. The Web Aggregator's website model to be offered.
- ii. Duties and responsibilities of each of the parties under the agreement during and upon formation of the contract
- iii. Time frame and mode of transmission of leads to be shared
- iv. Responsibility of complying with regulatory and other legal requirements by both parties to the agreement
- v. Data elements to be shared i.e. name of prospect/client/visitors to the website, contact details etc
- vi. Duration of the contract and whether it is renewable
- vii. Conditions for termination of the agreement
- viii. Commission and fees to be charged
- ix. Dispute resolution mechanism
- x. Measures to safeguard confidential information
- xi. Scope of operation of the partnership
- xii. Business and professional conducts.
- xiii. Disclaimer Clause – that the risks shall be underwritten by the Insurance Company with no recourse to the Web Aggregator in terms of claims or any legal proceedings between the Insurance company and the Web Aggregator's Clienteles.
- xiv. Record keeping and confidentiality of information.
- xv. Prohibited businesses (if applicable).
- xvi. Any other relevant information.

5.2. TRANSMISSION OF LEADS TO THE INSURER

Terms on Leads to be shared shall include but not limited to the following:

- i. Web Aggregator shall disclose prominently on the home page that the client/visitor's particulars could be shared with insurers.
- ii. Web Aggregator shall provide an option to select a minimum of three (3) Insurers to whom the lead can be communicated.



- iii. Web Aggregator shall not transmit the data of a client to Insurer(s) other than the one(s) preferred by the Client.
- iv. Web Aggregator shall transmit the data of clients to the insurer:
 - a. Immediately but not later than three (3) days of visit to the website.
 - b. In a secure manner to prevent unauthorised access and misuse of information of Clients
 - c. in compliance with generally accepted I.T. security procedures
- v. Web Aggregator shall use Lead Management System (LMS) and the full details of the visitors to the website and the Leads and preference of the visitor should be recorded.
- vi. LMS Data should be shared only with the Insurance Companies that have signed agreements with the Web Aggregator and with the Commission (if required)
- vii. LMS should ensure transparency and accountability.
- viii. Web Aggregators should deploy an IT Firm to audit the LMS systems at least once in a year.
- ix. The Audit Report of the IT Firm should be submitted to the Commission and the partner Insurers who has a contract with the Web Aggregators.
- x. Web Aggregator shall develop a Website portal or search utility to enable a Client to gain several quotes via an electronic e-quote form.
- xi. A Web Aggregator shall have agreements with a number of Insurers to provide a comparative quote based on pre-determined list of specified needs as disclosed by potential Clients.
- xii. A Web Aggregator shall transmit the details of the potential Client to the Insurer who will then contact the potential Client to conclude the transaction and issuance of policy



6.0. APPLICATION AND ELIGIBILITY CRITERIAL FOR GRANT OF LICENCE

- i. An Applicant seeking a grant of License as Web Aggregator shall complete the Application form as prescribed in Schedule I of the Guideline
- ii. The Application shall be made for a Web Aggregator licence, along with the requisite fees as specified in the Guidelines.
- iii. The Applicant shall submit the evidence of approval/No Objection Letter from NCC before securing the licence to operate as Web Aggregator from the Commission.
- iv. The Commission may require an applicant to furnish any further information or clarification for the purpose of disposal of the application and thereafter, in regard to any other matter as may be deemed necessary by the Commission.
- v. The Applicant shall appear before the Commission for personal representation in connection with an application.
- vi. In the event of change of the name of any Insurer, the Web Aggregator partnering with such Insurer shall be apprised of the development.
- vii. Validity of Licence – A Licence issued shall be valid for a period of two years, unless same is suspended or cancelled pursuant to this Guidelines

6.1. Eligibility Criteria for Grant of Licence as Web Aggregator:

For the Grant/Renewal of Licence of the Web Aggregator, the Applicant shall ensure the fulfilment at minimum the following conditions;

- i. The Applicant must be registered with the Corporate Affairs Commission (CAC)
- ii. The Memorandum of Association of the Company shall have the business of Web Aggregation as its main objective.
- iii. The Applicant is not engaged in any other business other than the main objects of the Memorandum of Association.
- iv. The Applicant shall have minimum share capital of ₦5Million registered with CAC
- v. The Applicant shall employ/designate a Principal Officer to manage the Company on full time
- vi. The Principal Officer shall possess a minimum qualification and must have relevant University first degree qualification or its equivalent and IT related qualification and/or relevant training experience
- vii. The Principal Officer must satisfy the conditions of FIT and PROPER Persons criteria set out by the Commission



- viii. The Applicant must have the necessary infrastructure, such as, adequate and conducive office, adequate customer base and necessary IT equipments to effectively discharge its duties.

7.0. MODE OF OPERATIONS, CODE OF CONDUCT, OBLIGATIONS AND RESTRICTIONS

7.1. Mode of Operations

Professional Indemnity Insurance:

- a. Every Web Aggregator shall possess and continue to maintain a Professional Indemnity Insurance Cover with a minimum limit of liability of ₦20Million or 50% of its annual gross commission income (whichever is higher) throughout the validity period of the Licence granted by the Commission.
- b. The Indemnity Cover shall be on a yearly basis for the entire period of its licence.

7.2. Code of Conduct of Web Aggregator

- a. Conduct in matters relating to Clients relationship –

Every Web aggregator shall:

- i. conduct its dealings with Clients with utmost good faith and integrity at all times;
- ii. act with care and diligence;
- iii. ensure that the Client understands his/her relationship with the Web Aggregator and on whose behalf the Web Aggregator is acting;
- iv. treat all information supplied by the prospective Clients as completely confidential to themselves and to the Insurer(s) to whom the business is being offered;
- v. take appropriate steps to maintain the security of confidential documents in their possession;
- vi. understand the type of Client it is dealing with and the extent of the client's awareness of risk and insurance;
- vii. treat the client fairly and avoid conflict of interest; and
- viii. draw the attention of the client to Section 76 of the Insurance Act 2003, which prohibits rebating and sharing of commission

- b. Conduct in relation to complaints handling –

A Web Aggregator shall:

- i. have in place a system for recording and monitoring complaints;
- ii. accept complaints electronically and in writing etc.;

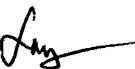


- iii. ensure that the website contains details of complaints handling procedures and provides a facility for complaints to be logged online;
 - iv. ensure that communication of customers in any form, written/phone/fax/email /messaging etc are acknowledged promptly and in no case beyond three (3) days from the date of receipt of such complaint;
 - v. ensure that the grievance is resolved to the satisfaction of the customer;
 - vi. ensure that response letters are sent to the Complainant on the resolution of the grievance, and inform him/her of other redress procedure available if not satisfied; and
 - vii. ensure that complaints are dealt with at a suitably senior level cadre of the Web Aggregator.
- c. Conduct in matters relating to advertising
- Every Web Aggregator shall ensure that website contains no advertisement or any information prohibited in 7.5 below
- d. Conducts in matters relating to training –
- Every Web Aggregator shall:
- i. Ensure that its staff are aware of and adhere to the standards expected of them by this Guideline;
 - ii. Ensure that staff are competent, suitable and have been given adequate training;
 - iii. Ensure that there is a system in place to monitor the quality of training given to the staff;
 - iv. Ensure that members of staff are aware of legal requirements including the law of agency affecting their activities; and only handle classes of business in which they are competent;

7.3 Business Obligations

7.3.1. Obligations of Web Aggregators

- i. A Web Aggregator shall display License obtained from the Commission and details of validity of license on its website.
- ii. A Web Aggregator shall prominently display the names of Insurers with whom it has an agreement to refer leads in the Home page of the website.
- iii. A Web Aggregator shall state clearly that insurance is the subject matter of solicitation.
- iv. A Web Aggregator shall continue to maintain the minimum share capital at all times.



- v. A Web Aggregator shall at no point of time of its functioning, have referral arrangement with any Insurer, act as Corporate Agent, Micro Insurance Agent, Surveyor or Loss Assessor.
- vi. A Web Aggregator shall not exclusively promote the products of any particular Insurer and shall suggest the best available product in the market that fits the need of Clients
- vii. A Web Aggregator shall maintain register of all persons engaged for the purpose of lead generation/solicitation of insurance business. The register shall, apart from name and address of such persons contain valid proof of identification and other relevant credentials
- viii. A Web Aggregator shall maintain an effective Lead Management System (LMS) and ensure that Leads are recorded and monitored through the LMS
- ix. A Web Aggregator shall maintain the records and the reports of its activities under the agreement with the Insurer, in the manner specified in the agreement entered into between the Insurer and the web aggregator.
- x. A Web aggregator shall along with its employees (whatever their designation may be) comply with all the provisions of the Insurance Act 2003 and the rules and regulations framed therein and other regulations issued by the Commission from time to time.
- xi. A Web Aggregator, it's Employees or Promoters shall not accept any payment from Insurers/Brokers other than the remuneration specified in the guidelines.

7.3.2. Web Aggregator's Site Specimen & Display of Product Comparisons on the website

Display of Product Comparisons on the Website

- i. Web Aggregators shall disclose prominently on the home page, a notice that the Client/Visitor's information could be shared with Insurers.
- ii. Product information displayed shall be authentic and solely on information received from Insurers.
- iii. Web Aggregators shall not display ratings, rankings, endorsements or bestsellers of insurance products on their website. The content of the Website shall, at all times, be unbiased and factual; they shall not comment on insurers or their products in their editorial or at any location in their Website.
- iv. Products shall be categorized as follows:
 - Life:**
 - a. Term Assurance Products
 - b. Endowment Products
 - c. Other associated life products
 - Non-life:**
 - a. Motor Insurance
 - b. Personal Accident Insurance
 - c. Micro-Insurance

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- d. Takaful Insurance
- e. Other classes

- v. Products under a category as mentioned above can be compared in respect to basic product features such as:
 - a. Eligibility criteria
 - b. Plan, Policy Term, Premium Payable, Minimum and Maximum Sum Assured, Minimum and Maximum age of entry or exist, Maturity etc.
 - c. Benefits such as Survival/Maturity Benefits, Death Benefits, Surrender benefits, loans etc.
 - d. Interest rate on Investment linked products.
 - e. Any other additional information or special product features relating to the products under comparison
- vi. Template can be mutually worked out between the Web Aggregators and Insurers whose products are compared
- vii. Product comparisons that are displayed shall be up to date and reflect a true picture of the products
- viii. Web aggregators shall display product information purely on the basis of the information furnished to them by Insurers
- ix. Web Aggregators can use published data for additional information to customers such as data provided by the Commission
- x. Web Aggregators can integrate their Websites with the Insurers Website for:
 - a. Online Sale.
 - b. Registration of Customers Data or Proposal Form.
 - c. Online underwriting decision.
- xi. Web Aggregator shall not carry any advertisement or sponsored content on their Website
- xii. Web Aggregator shall integrate their website with the Commission's Portal.

7.3.3. **Obligations of Insurers**

- i. An Insurer shall not pay any fee or remuneration, by whatever name called, to Web Aggregators other than what is prescribed in the Guidelines
- ii. An Insurer shall not pay commission, on any type of renewal premium or premium payable from the second year and the subsequent years, to web aggregators, except where such renewal is conducted through the Web Aggregators platform.
- iii. An Insurer shall not engage any person/entity who owns/maintains a website not licensed by the Commission under this Guideline



- iv. An Insurer shall not make any payment, by whatever name called, in the form of advance to a Web Aggregator
- v. An Insurer shall not pay any remuneration after termination of agreement with Web Aggregator.
- vi. An Insurer shall not pay any remuneration after the lapse of validity of License given by the Commission to the Web Aggregator.
- vii. An Insurer shall obtain and maintain records of leads / data obtained from each Web Aggregator through the lead management System of the Web Aggregator, the details of the policies sold out of the leads / data thus obtained and the information regarding the premium payments.
- viii. Insurers shall share product information and premium rates with Web Aggregators and the information so shared shall match with the product approved by the Commission.
- ix. Insurers shall make no payment by any name to Web Aggregators or related parties towards infrastructure or on any account other than payment on the policies solicited or procured on the Web Aggregator's website
- x. Insurers shall specifically identify the policies procured through Web Aggregators and obtain all relevant records pertaining to such policies. The Insurer shall produce such records before the Commission in case of dispute involving alleged violation or breach of conduct by the Web Aggregator/

7.4 Requirements and Scope of Outsourcing Activities

Outsourcing of the activities shall be at the discretion of the Insurers. However, it is reiterated that execution of core activities are to be carried out by the Insurers as provided in the Prudential Guidelines for Insurers and Reinsurers in Nigeria.

7.5 Restrictions

The Web Aggregator shall conduct the business in a fair manner and shall not:

- i. Display any information pertaining to products or services of other Financial/Fast Moving Goods Company(FMGC) or any other product or service in the Website;
- ii. Display advertising of any sort, either pertaining to any product or service including insurance product or service, other financial products or service/or any other product or service in the Web Aggregator's website;
- iii. Operate multiple websites or tie up with other approved/unapproved/unlicensed entities/websites for lead generation/comparison of product etc;
- iv. Operate the websites of other financial/commercial/marketing or sales or service entities or use other social media sites for comparison of products etc; and



- v. Operate in any other manner for the purpose of transmitting leads to any entity engaged in insurance business excepts as provided under this guidelines.

8.0. INFORMATION TECHNOLOGY (IT) INFRASTRUCTURAL REQUIREMENTS FOR OPERATIONS OF A WEB AGGREGATOR


8.1. Standards for Computer Networks & Internet

- i. Networks used for transmission of data must be demonstrated to meet the requirements specified for data confidentiality and integrity.
- ii. Web Aggregators are required to deploy a proxy type firewall to prevent a direct connection between the Aggregators backend systems and the Internet.
- iii. Aggregators are required to ensure that the implementation of the firewalls addresses the security concerns for which they are deployed.
- iv. External devices such as tablets, smart phones, personal computers, (PC"s) at remote branches, kiosks, etc. Permanently connected to the company's network and passing through the firewall must at the minimum address issues relating to non-repudiation, data integrity and confidentiality. Aggregators may consider authentication via Media Access Control (MAC) address in addition to other methods.
- v. Aggregators are required to implement proper physical access controls over all network infrastructures both internal and external.

8.2. Standard on Protocols

- i. Web Aggregators must take additional steps to ensure that whilst the web ensures global access to data enabling real time connectivity to the company's back-end systems, adequate measures must be in place to identify and authenticate authorized users while limiting access to data as defined by the Access Control List.
- ii. Web Aggregators are required to ensure that their ports are disabled to control the use of external devices.

8.3. Transacting Insurance

Aggregators shall put in place procedures for maintaining the company's website which should ensure the following: 

- i. Only authorized staff shall be allowed to update or change information on the website.
- ii. Updates of critical information should be subjected to dual verification.
- iii. Website information & links to other websites should be verified for accuracy and functionality.
- iv. Management should implement procedures to verify the accuracy & content of any financial planning software, calculators, and other interactive programs available to customers on an internet website or other electronic insurance services.
- v. Links to external websites should include a disclaimer that the Customer is leaving the Insurance Company's site and provide appropriate disclosures, such as noting the extent, if any, of the Insurance Company's liability for transactions or information provided at other sites.
- vi. Web Aggregators must ensure that the Internet Service Provider (ISP) implement a firewall to protect the company's website.

8.4. **Backup, Recovery & Business Continuity**

Web Aggregators should ensure adequate back up of data as may be required by their operations. Web Aggregators should also have, well documented and tested business continuity plans that address all aspects of the insurance business.

- i. Both data and software should be backed up periodically, the frequency of backup depending on the recovery needs of the application. Online/real time systems require frequent backups within a day. The backup may be incremental or complete. Automating the backup procedures is preferred to obviate Operator's errors and missed backups.
- ii. Recovery and business continuity measures, based on criticality of the systems, should be in place and a documented plan with the organization and assignment of responsibilities of the key decision making personnel should exist.
- iii. An off-site back up is necessary for recovery from major failures/disasters to ensure business continuity. Depending on criticality, different technologies based on backup, hot sites, warm sites or cold sites should be available for business continuity. The business continuity plan should be frequently tested. *Lms*

8.5. IT Security Policy and Privacy

Web Aggregators shall have in place a security policy duly approved by their Board and the policy should address the following issues:

- i. Basic approach to information security measures.
- ii. The IT assets that must be protected and the reasons for such protection.
- iii. Priorities of information and information systems that must be protected.
- iv. Involvement of Management and the establishment of an Information Security Coordination Division (ISCD).
- v. Checks for compliance with Laws/Regulations.
- vi. The use of consultants (where necessary).
- vii. Identification of information security risks and their mitigation plan.
- viii. Disabling an account after three (3) unsuccessful logins may result in denial of service when it is done by somebody else mischievously or when restoration takes unduly long time.
- ix. Decision making process of carrying out information security measures.
- x. Procedures for revising information security measures.
- xi. Responsibilities of each officer and employee and the rules (i.e. disciplinary action) to be strictly applied as needs be.
- xii. Quarterly IT Audit to determine effectiveness and compliance to the security policy.
- xiii. User awareness and training regarding information security.
- xiv. Business Continuity Plans.
- xv. Procedures for periodic review of the policy and security measures.
- xvi. Procedures for change and configuration management covering facilities.

8.6. Standards on Identification

All users of critical devices on networks used by Web Aggregators shall be uniquely identified to facilitate arrangements for authentication, access control, confidentiality, demarcations and enforcement of security policies.

A customer registration process should ensure that all users and critical devices are uniquely identified and linked with all authorized identification systems (i.e. International Passport, Driver's License, etc.). All identities must be aged and renewed on expiry.

Authentication: A minimum of two-factor authentication process is required for all User to access to the services provided. Web Aggregators may need to consider

the use of Public Key Infrastructure (PKI) for authentication of Users for e-insurance services.

8.7. **ACCESS CONTROL**

Web Aggregators shall introduce logical access controls in the IT infrastructure deployed. Controls instituted by Web Aggregators shall be tested using periodic penetration testing, which should include but not limited to the followings:

- i. Password guessing and cracking.
- ii. Search for back door traps in programs.
- iii. Attempts to overload the system using Ddos (Distributed Denial of Service) & Dos (Denial of Service) attacks.
- iv. Check if commonly known vulnerabilities in the software still exist.
- v. Web Aggregators may for the purpose of penetration testing engage external Experts (Consultant).

8.8. **SECURITY LOG (AUDIT TRAIL)**

Computer access, including messages received, shall be logged and security violations (suspected or attempted) shall be reported for follow-up actions in line with the Organization's escalation policy.

- i. Log of Messages: The insurance applications run by the Web Aggregators shall have proper record keeping facilities for legal purposes.
- ii. All received and sent messages must be kept in both encrypted and decrypted form. When stored in encrypted form, it should be possible to decrypt the information for legal purpose by obtaining keys with owners' consent



9.0. CAPITAL, FEES, COMMISSION, PREMIUM ETC

9.1. Capital

- i. The Applicant shall have a minimum share capital not less than ₦5Million as at the date of application and shall continue to maintain same throughout the license period.
- ii. The Web Aggregator shall submit to the Commission a financial position duly certified by an External Auditor every year after finalisation of books of Accounts.

9.2. Fees Payable for Registration/Renewal

- | | |
|-----------------------------------|---------------|
| i. Non-Refundable Application fee | ₦ 500,000.00 |
| ii. Licensing fee | ₦2,500,000.00 |
| iii. Renewal fee | ₦1,000,000.00 |

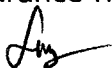
9.3. Iss Levy Payable by Web Aggregator

Insurance levy payable by Web Aggregator shall be 1% of the gross commission income or minimum of ₦200, 000, whichever is higher.

9.4. Commission Payable to Web Aggregator

- i. The commission to be paid by the Insurer Partner to Web Aggregator shall not exceed 30% of Brokers Commission as stated in Section 53 of the Insurance Act, 2003.
- ii. A Web Aggregators shall put in place a robust LMS and transmit leads at no extra cost to the Insurers.
- iii. The Insurer shall keep adequate records of commission paid to a Web Aggregator.

9.5. PAYMENT OF PREMIUM

- i. Payment of premium under web Aggregation operation shall be guided by Section 50(1) of the Insurance Act 2003 which provides for receipt of an insurance premium as condition precedent to a valid contract of insurance and highlighted further that there shall be no cover in respect of an insurance risk, unless the premium is paid in advance i.e. "No premium, No cover". 

- ii. Where Client made a payment for premium on a policy and account debited, the Insurer partner Account must be credited simultaneously with the full value amount paid as premium.

10.0 VALIDITY OF LICENSE/RENEWAL

- i. A licence once issued shall be valid for a period of two calendar years unless same is suspended or cancelled pursuant to this Guideline.
- ii. A renewal application and documentation shall be submitted at least 45 days prior to the date of expiration of license.
- iii. Thirty (30) days of grace from the date of expiry may be allowed for renewal of licence only and any business transacted after the grace period shall attract a minimum penalty of ₦1Million or 10 times the commission received on such transaction(s), whichever that is higher.
- iv. Licence issued to Web Aggregator that is not submitted for renewal after expiration of the thirty (30) days of grace, is deemed as lapsed and re-registration may be considered after three (3) years of cool-off period.
- v. Application for renewal of licence shall be in such a form as may be prescribed by the Commission from time to time.



11.0 EMPLOYEES OF WEB AGGREGATOR

11.1. Web Aggregator's Principal Officer

- i. A Web Aggregator shall employ/designate a senior officer from the position of Assistant General Manager (AGM) and above to manage the affairs of the company on full time basis.
- ii. At minimum, the officer must possess first degree or its equivalent in Insurance from relevant University/Polytechnics and must demonstrate vast proficient in IT backed by certification from reputable Academic/Training Institutions.
- iii. The Principal Officer shall fulfil conditions of FIT and PROPER Persons set by the Commission.
- iv. The Principal Officer of a Web Aggregator shall be subject to the approval of the Commission.
- v. The Proposed Principal Officer shall not violate the obligations of Web Aggregator as specified by this Guideline and shall adopt appropriate Code of Good Conduct.
- vi. The Principal Officer on commencement of operations as a Web Aggregator shall embark on at least eighty (80) hours of practical training in Insurance and Web Aggregation in NAICOM accredited Training Institutions within 6 months of operation. Evidence of attendance to be forwarded to Commission for appropriate action.
- vii. Web Aggregators shall be responsible for all acts of commission and omission of the Employees including the Principal Officer in their employment

11.2 Other Employees of Web Aggregator

Other employees of a Web Aggregator are also required to have certification in Insurance and IT and their functions shall include but not limited to the following:

- i. The employee of a Web Aggregator shall complete minimum of seventy-two (72) hours practical training in Insurance and Web Aggregation in NAICOM accredited training institution.
- ii. Obtaining detailed information about the Customer and his/her business.
- iii. Maintaining detailed knowledge of available insurance Products from insurers' partner.

- iv. Providing requisite lead information to the Partner Insurer in assessing the risk to decide pricing terms and conditions for cover.
- v. Maintaining proper records of Leads and businesses generated

12.0 DISPUTE RESOLUTION AND COMPLAINTS REDRESS MECHANISM.

12.1 Dispute Resolution among the Web Aggregator/Insurers partners and the Public.

- i. For any disputes arising between a Web Aggregator and the Partner Insurer, the provisions of SLA in respect to Arbitration Clause must be exhausted before referring the matter to the Commission.
- ii. In any dispute arising out of Insurance transactions, the person so affected may refer the matter to the Commission.

12.2. Customer Complaints Redress Mechanism.

A Web Aggregator and the Partner Insurer shall put in place an appropriate complaints redress mechanism to ensure that client's issues are appropriately addressed.



13.0 FINANCIAL REPORTING REQUIREMENTS AND DISCLOSURES

13.1 Annual Reports

A Web Aggregator shall prepare the following:

- i. Balance Sheet or Statement of Affairs as at the end of each accounting year.
- ii. Profit and Loss Account annually
- iii. Statement of Cash/Fund flow.
- iv. Any additional statements on Web Aggregator's business which may be required by the Commission.
- v. Every Web Aggregator shall submit to the Commission, a copy of the audited financial statements along with the certificate of oath from the auditor within 6 months from the close of the accounting year in line with the provision of the Insurance Act 2003.
- vi. For the purpose of this Guideline, the accounting year shall be a period of 12 months (1st January- 31st December) and the accounts shall be in compliance with International Financial Reporting Standard (IFRS).

13.2. Returns & Prudential Records

- i. All documents relating to business conducted through a Web Aggregator shall be maintained at the Head office of the Web Aggregator or such other branch office as may be designated.
- ii. All the electronic Records, books and documents, statements, contract notes etc. referred to in this Guideline and maintained by the Web Aggregator shall be retained for a period of not less than 10 years from the end of the year to which they relate. However, the Digital Records/documents pertaining to the cases of legal disputes reported and the disposal of same is pending ,such Records are required to be maintained till the cases are disposed off by the Court.

13.3 Disclosures to the Commission

- i. A Web Aggregator shall disclose to the Commission, as at when required, any information in line with the provision of the Act.
- ii. A Web Aggregator shall disclose to the Commission on his own any material change in the composition of the Web Aggregator's within thirty (30) days of such change.
- iii. A Web Aggregator shall seek the prior approval of the Commission on the following:



- a. Change of Principal Officer.
- b. Change of Director(s).
- c. Change in name of the Company.
- d. Change of address of registered office/Corporate Office.
- e. Opening/closing of branch office.
- f. Engaging the services of service providers or third party vendors.
- g. Change of location of the servers hosting the comparison website.
- iv. A Web Aggregator shall submit to the Commission the following information:
 - a. List of qualified personnel.
 - b. Outstanding claims in respect of Professional Indemnity Policy.
 - c. Acquisition of any property.
 - d. Any other information as will be required from the commission from time to time



14.0 REMEDIAL MEASURES & SANCTIONS

14.1. Remedial Measures

- i. Where the Commission determines non-compliance with provisions of this Guidelines, it may take any intervention measures, remedies or steps prescribed in the Insurance Act 2003
- ii. Where the Commission determines that the Web Aggregators' non-compliance with the provisions of this Guidelines impacts on the Company's ability to identify, assess, manage and mitigate its risks in a systematic manner, the Commission may issue such orders which it considers necessary to protect Policyholders' interest in accordance with the NAICOM Act 1997
- iii. Power of Authority to Inspect:-In addition to the above, the Commission may appoint one or more of its Officers or Information Technology Experts as inspecting authority to undertake inspection of the premises of the Web Aggregator to ascertain and see how activities are carried on and also to inspect the books of account, records, and documents of the Web Aggregator for compliance purpose under the following conditions:
 - i. To ensure that the provisions of the Act, rules and regulations are being complied with;
 - ii. To ensure that the Lead Management System is managed as per the provisions of this Guidelines;
 - iii. To investigate the affairs of the Web Aggregator to ensure proper development of insurance business in the interest of policyholders.


14.2. Sanctions

14.2.1. Action against the Web Aggregator:-

- i. The Commission may cancel the licence granted to a Web Aggregator or take any other action as deemed appropriate under the Act in case of failure to exercise due diligence or comply with its obligations in this Guidelines or such other directives issued by the Commission
- ii. The Commission will also impose any or all of the available administrative sanctions in accordance with the powers under the NAICOM Act 1997 and the Insurance Act 2003
- iii. Penal Provision:- in case of violation of the provisions of the NAICOM Act 1997 and the Insurance Act 2003 or any Rules, Regulation, Circular/ Guidelines issued by the Commission from time to time,

the Commission may impose appropriate penalty depending on the nature/gravity of infractions.

14.2.2. Action Against a Web Aggregator without Approval or Valid Licence:-

- i. From the date of commencement of this Guideline no person shall function as a Web Aggregator unless he/she is licensed by the Commission under this Guideline.
- ii. Notwithstanding and without prejudice to initiation of criminal proceedings against any person, who acts as a Web Aggregator without holding a valid Licence issued by the Commission, the Commission may in addition to ongoing prosecution impose against such person penal action under the Act. 

15.0 EFFECTIVE DATE

This Guideline shall be effective from 1st February 2022. All Insurance Companies and Web Aggregators operating under any agreement of a business relation whether called Web Aggregation business or otherwise shall comply with the provisions of this Guideline within sixty (60) days of its coming into effect.



16.0 ENQUIRY

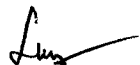
Enquiries on any aspect of this Guideline should be referred to:

Address: National Insurance Commission,
Plot 1239, LadokeAkintola Boulevard Garki II,
Abuja.

Telephone: 09-8756021

E-mail: PolReg@naicom.gov.ng / authpolicy@naicom.gov.ng

Website: www.naicom.gov.ng



Insert NAICOM's Logo
APPLICATION FOR REGISTRATION/RENEWAL OF LICENCE AS WEB AGGREGATOR

Under the Insurance Act 2003

:

PARTICULARS OF APPLICANT

1. NAME OF THE APPLICANT: _____
: _____

2. CONTACT ADDRESS : _____

3. TELEPHONE NO : _____

: _____

4. E-mail : _____

5. The licensing / renewal fee of N..... payable in respect of this application has been paid to the Commission via receipt No..... of20.....



Position	Company	companies

increase the table to seven

2.5 Name and activities of associate companies/concerns

Name of Company	Address	Type of activity	Nature of Interest of Promoters (if any)	Nature and interest of associate company(ies)
/Firm				

2.6 Name and Address of the Principal bankers of the applicant

2.7

3. BUSINESS INFORMATION

- 3.1 Business plan with five years financials projection to be attached to the application.
- 3.2 Organisation Chart separately showing functional responsibilities to be enclosed
- 3.3 Particulars of Key Management Personnel



Name	Position/Designation	Qualification	Working Experience	Date of Appointment	Functional Areas

3.4 Any other information considered relevant to the nature of services rendered by the applicant.

4. FINANCIAL INFORMATION

Authorised share capital -----

Issued share capital -----

Paid-up share capital -----



DECLARATION

THIS DECLARATION IS TO BE SIGNED BY TWO OF THE DIRECTORS

1. We hereby apply for license as a web aggregator to transact Insurance business.
2. We have gone through the Insurance Act 2003 and the web aggregator guidelines and are satisfied that we are eligible to apply for the Web Aggregator's licence.
3. We state that we have truthfully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of our Licence.
4. We declare that the information supplied in the application form is complete and correct.
5. We undertake that we shall not allow or offer to allow, either directly or indirectly, as an inducement to any person, any rebate of the whole or part of the commission earned by us during the Licence period.
6. We undertake to service the run-off business on the books at the time of cancellation or non renewal of Licence.
7. We declare that we do not possess an insurance agent Licence under section 34 of the Insurance Act.

For and on behalf of

(Signature and Name of Director)

{Block Letters}

(Signature & Name of Director)

{Block Letters}

