YOUR RIGHTS AS AN INSURANCE POLICYHOLDER

What Every Nigerian Must Know Under the NIIRA Act 2025

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Nigeria finally has a single, consolidated insurance law, the Nigerian Insurance Industry Reform Act (NIIRA) 2025, replacing five outdated statutes that governed the sector since 2003/2004.

For policyholders, this is the most significant legal upgrade in over two decades. Below is everything you need to know, in plain language.

RIGHT 1 — YOUR CLAIM MUST BE SETTLED WITHIN 60 DAYS

This is arguably the most powerful right the law gives you. Once you submit a valid, fully documented claim, your insurer is legally required to settle it within 60 calendar days.

What this means for you:

- The 60-day clock starts when your insurer receives ALL required supporting documents, not when the incident occurred.
- If payment is delayed beyond 60 days, your insurer must pay monthly compound interest on the outstanding amount at the prevailing Central Bank of Nigeria (CBN) lending rate.
- Non-compliance exposes the insurer to a ₦500,000 penalty and potential licence sanctions by NAICOM.

> **⚠ Critical Detail**
> The 60-day window does not start until your insurer has received your complete document package. Submit everything at once and obtain written acknowledgement of receipt. Do not rely on verbal confirmation.

What counts as 'fully documented'?

Your policy schedule, completed claims form, proof of loss/incident, identification documents, and any supporting evidence required under your specific product. Ask your insurer for their official claims checklist at the time of policy purchase; you are entitled to this.

RIGHT 2 — YOU ARE PROTECTED EVEN IF YOUR INSURER FAILS

The NIIRA 2025 establishes the Insurance Policyholders' Protection Fund (IPPF), a legally mandated, ring-fenced financial safety net. This Fund is activated when a licensed insurer becomes insolvent or enters regulatory distress, ensuring you receive compensation even if your insurance company collapses.

How the Fund works:

- Every licensed insurer contributes 0.25% of its net premium income annually into the IPPF.
- An independent professional Fund Manager manages the Fund with a minimum capital base of ₦5 billion.
- Investments are restricted to low-risk, government-backed instruments to preserve liquidity.
- NAICOM inaugurated the IPPF Committee on 15 May 2026; the Fund is active.

> Before NIIRA 2025: If your insurer went bankrupt, you had virtually no guaranteed recourse. Under NIIRA 2025, the IPPF exists specifically to compensate you. This is a historic shift in consumer protection.

Capital adequacy protection — what it means for you:

Insurers must now always maintain a 100% capital adequacy ratio. New minimum capital thresholds apply: Life Insurance (₦10bn), Non-Life (₦15bn), Reinsurance (₦35bn). A well-capitalised insurer is less likely to be unable to pay your claim.

RIGHT 3 — STRONGER DISCLOSURE & FAIR TREATMENT RIGHTS

NIIRA 2025 places binding obligations on insurers to act fairly, transparently, and honestly in every interaction with you.

Your disclosure rights:

- Insurers and brokers must provide clear, complete information about what your policy covers and what it excludes before you sign.
- NAICOM has elevated expectations for disclosure, fair pricing, and claims transparency with stricter standards for how policies are sold and serviced.
- Unverifiable or fake insurance certificates are a specific enforcement target; your policy must be traceable on the National Insurance Industry Database (NIID).

Your verification rights:

- You can verify your insurance policy at any time on the NIID portal (www.niid.com.ng) using your vehicle plate number or policy number.
- If your policy cannot be found on the NIID, report it immediately to NAICOM — it may be fraudulent.

RIGHT 4 — ACCESS TO FORMAL COMPLAINT & ESCALATION CHANNELS

NIIRA 2025 backs policyholder complaints with clearer escalation paths, shortened resolution windows, and NAICOM's zero-tolerance stance on delayed or denied genuine claims.

Your 3-step escalation ladder:

STEP	WHERE TO GO	HOW TO REACH THEM
First	Your Insurance Company's Complaints Unit	Written complaint to the company's designated complaints officer. Request acknowledgement within 5 working days.
Second	NAICOM Consumer Complaints Bureau	Email: complaints@naicom.gov.ng | Web: naicom.gov.ng | Call: 09055577750. Include your policy number and the insurer's written response (or proof they ignored you).
Final	Federal High Court / Arbitration	Engage a licensed insurance broker or legal counsel. Disputes may also be referred to arbitration under the Arbitration and Conciliation Act.

Under NIIRA 2025, NAICOM can impose fines, revoke licences, and mandate claims payment. When you escalate to NAICOM, you have the full weight of the law behind you.

RIGHT 5 — NEW CATEGORIES OF INSURANCE YOU CAN ACCESS

NIIRA 2025 formally recognises microinsurance, takaful (Islamic insurance), and agricultural insurance as regulated product categories. This means more Nigerians, including low-income earners, farmers, and those in the informal economy, can access products specifically designed for them, under full NAICOM regulation.

- Microinsurance products must comply with specific consumer protection rules under the Act.
- Digital and fintech-distributed insurance is formally recognised and regulated.
- If you were previously sold an informal 'insurance' product outside this framework, it may not be legally enforceable.

What insurance is now compulsory for you?

The following categories are legally mandatory under NIIRA 2025. Operating without them exposes you to significant fines:

Compulsory Insurance	Penalty for Non-Compliance
Third-Party Motor Vehicle Insurance	Legal liability and roadside enforcement
Group Life Insurance for Employees	Employer's obligation — must be in place from the commencement of employment.
Buildings Under Construction (2+ floors)	₦5,000,000 fine or up to 12 months imprisonment, or both
Public Buildings Insurance	₦1,000,000 fine
Healthcare Providers' Professional Liability	Regulated under the sector-specific provisions
Cyber Liability (designated sectors)	New under NIIRA — enforcement framework forthcoming from NAICOM

RIGHT 6 — WHISTLEBLOWER PROTECTION

If you or someone at your insurance company becomes aware of malpractice or breaches of the IPPF guidelines, NIIRA 2025 provides explicit legal protection for whistleblowers.

- No whistleblower shall be subjected to retaliation, intimidation, or any form of adverse action.
- Insurance institutions must always maintain and implement written whistleblower protection policies.
- Disclosures must be reported to NAICOM within 5 business days of becoming aware.
- NAICOM and the Commission ensure whistleblower identities are fully protected.

NAICOM CONTACT DETAILS

Website: naicom.gov.ng | Email: complaints@naicom.gov.ng | Hotline: 09055577750

Policy Verification: niid.com.ng | NAICOM HQ: Plot 1239, Ladoke Akintola Boulevard, Garki II, Abuja

This guide is for general awareness only and does not constitute legal advice. Always consult a licensed insurance professional.