

NICO GENERAL INSURANCE COMPANY 2007 HIGHLIGHTS IN REVIEW

Insofar as insurance business is concerned, the year 2007 has been an eventful year for NICO General Insurance Company.

The year started on a high note in January when for the first time ever, the Malawi insurance industry saw the introduction of accredited garages in claim service. In a bid to improve repair services on accident damaged motor vehicles, NICO General Insurance Company introduced a list of “designated or preferred garages”. Designated or preferred garages form a panel of garages to repair accident damaged vehicles insured by NICO General. What this means is that in the event of a motor claim, requiring repairs, the claimant is required to obtain a quotation from any of the two garages in the panel. This has mutual benefit. The claimant is provided with quality service and we are able to deal with garages in an orderly manner since terms are agreed in advance.

In the same month of January, NICO General bade farewell to Chris Kapanga who moved to NICO Holdings Limited as Chief Operating Officer. He had been the Company’s general manager since 2000. Eric Chapola moved in to replace Chris as the Company’s new general manager. Before taking up this post, Eric was general manager for NICO Insurance Uganda, and was the brain behind its establishment.

The month of February is termed as a lean month in terms of insurance business activity in the industry. This is no exception for NICO General. However, February 1 shall go a long way in the Company’s business records as the date the Company switched on Premia Insurance Software Solution Suite that was acquired from 3i Infotech to run parallel with the then Microlink General Insurance System (MGIS). February 2007 was thus a busy month for NICO General. After five months of successful parallel run, MGIS was permanently switched off on July 1 and Premia picked up as the sole commercial operating system. Since its inception, Premia has transformed the Company’s operations. The system, which has three integrated modules viz; underwriting, claims and accounting, allows our staff to process clients’ information and transactions faster than before.

March 3 is not just a martyr’s day in Malawi. It is a historical day for NICO General in particular and the insurance fraternity in general. On the afternoon of Saturday, March 3, the NICO General as an insurer registered the largest insurance claim that ever happened in Malawi’s insurance history. Fire occurred at the ground floor of Celtel House in Limbe damaging Celtel Malawi’s main switch and other property. Celtel Malawi is rated as one of the country’s heavy risks vis-à-vis equipment and business operations. The whole claim is estimated at K1.5 billion. As both parties await other vital information from loss adjusters to conclude the claim, NICO General deemed it proper to make an interim payment for increased cost of working that Celtel Malawi incurred in its effort to restore network, to the tune of K200, 410,000.00. The cheque handover ceremony took place at the material house on August 8, a function that was attended by reporters from various media houses.

The second quarter started with the Company, which is the industry’s leading insurer, launching its new product called Homesure Personal Insurance Policy. The product’s launch, which attracted a diversity of the country’s high profile individuals and top business captains, took place on April 13 at Mount Soche Hotel in the commercial city of Blantyre. The Reserve

Bank of Malawi (RBM) governor unveiled the product. The governor of the RBM is the registrar of insurance in Malawi.

Homesure is a package policy comprising covers for private dwelling house and contents therein, personal effects, golfer's equipment, personal accident, personal liability, motor vehicle, pet insurance and many more. This is the widest insurance cover ever known to the industry insofar as personal insurance requirements are concerned. As commented by one of the invited guests; "Insurance policies that follow Homesure are, by any stretch of imagination, imitations. Since its launch, Homesure Personal Insurance Policy has been a household name in the industry. The product was also unveiled to Lilongwe and Mzuzu clientele in May.

In August, the Insurance Association of Malawi flighted a series of press releases warning the fraternity and the insuring public about the existence of a perilous syndicate of fraudsters that were milking insurance companies of millions of Kwacha. The press releases went on to list down some of professions that were involved in the malpractice. The syndicate included some lawyers, medical practitioners and traffic law enforcers. The Association's warning was vindicated by a High Court of Malawi Civil Case Number 1021 of 2007, in which Messrs Golden and Law (legal firm) in their collective wisdom deemed it fit and proper to commence an action to claim from NICO General without any instructions, written or verbal, from the plaintiff.

The court observed that since the legal firm's conduct amounted to gross professional misconduct, the Company was at liberty to take the matter to the Malawi Law Society, a regulatory function of lawyers.

NICO General, through its general manager, Eric Chapola, chairs the Anti-Fraud Committee of the Insurance Association of Malawi. We are making every effort to detect and dismantle the syndicate. As at close of the year, we had closed two cases involving fraudulent claims. Our staff both in the underwriting and claims departments has been drilled in fraud-deciphering techniques and is on the look-out for such incidents.

August 18, was yet another big day for NICO General. The Company held its Golf Day at Illovo Sugar's Nchalo Sports Club in Chikwawa district. This prestigious function that attracted golfers from Lilongwe, Mulanje, Zomba, Thyolo, Blantyre and Nchalo was won by Patrick Kambwiri, who capitalized on home advantage to post 40 points ahead of Collin Mpofu (managing director of Unilever) who scored 35 points. Brian Coombes, Lilongwe based golfer and managing director of Corporate Insurance Brokers came third with 33 points.

The Company utilizes the golf tournaments as an interface of interacting with its existing and potential customers and commenced sponsoring golf at Nchalo in 2005. Golf tournament is an annual event for NICO General.

September saw another milestone being hit; the Company re-introduced Livestock Insurance. The re-introduction of Livestock Insurance attracted a lot of interest from across the industry and has since been termed by the public as a beckon of innovativeness in a "timid" market like ours that is characterized by unfriendly socio-economical vagaries. The

product is selling like hot cakes. This made the fourth quarter to be the busiest for the marketing team, as they had to hit the public roads cross the country, invited to make presentations to various proposers.

Livestock insurance covers loss, death and bodily injury to the insured animal occasioned through theft, accident and/or disease. Cover is available to commercial farmers and any organized individuals. It is a product to reckon with in 2008!

The 2007 NICO General International Squash tourney took place in Lilongwe from November 9th to 11th. Five countries namely Kenya, Zambia, Zimbabwe, Tanzania and Malawi participated in the tournament that was won by Kelvin Ndlovuh, a Zambian but based in South Africa. The finals and prize presentation took place at Capital Hotel and was graced by Deputy Minister of Youth Development and Sports, Hon. Charles Mchacha and several dignitaries from the Malawi National Sports Council of Malawi and Malawi Olympics Committee.

The Company closed the year in style. Out of the seven candidates that qualified in the year, four are from NICO General. The new qualified professionals are Anthony Ngalika, Bernadette Ligomba, Pizzaro Lukhanda and Madalitso Chiumia. This brings the number of ACII qualified professionals at NICO General to nine, the highest in the industry. What a small wonder we are!

All in all, 2008 is here. To you our dear customer (existing and prospective), we say a Happy and Prosperous New Year. Let us do business together in 2008 and watch out for new initiatives. We at NICO General do not believe in the “one size fits all principle”. We believe in treating every customer according to his or her particular requirements. So stay with us!
