

RE-EXAMINING INSURANCE FOR THE DEVELOPMENT OF NORTHERN NIGERIA

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ABSTRACT

Man constantly lives under the fear of uncertainty that one or more of the hazards of everyday living will sooner or later befall him and cause some financial losses. According to every one's position in the community, the loss may be small or very large. There is no doubt that majority of Nigerians are timid and lukewarm about taking insurance policies. Only policies which must be obtain as enshrine by government regulations are common. It is on view of trying to diagnose the northern perspective of insurance that give rise to these study. The basic methodology used is interview research method as well as person to person contacts met individuals belonging to various strata of the society. This study therefore, seeks to find out how to improve the relationship between the potential insuring community and the insurer, to better ways of improving the business and their relationship. The researcher discovered that a major restraint which also influences the people on the concept of insurance is the premium charged.

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INTRODUCTION

Insurance to the very ordinary man is seen and viewed as a very complex business and that it offers an avalanche of pitfalls. This is most often due to ignorance about the concept of insurance and how the particular individual perceives insurance. It is common to hear people saying only God can insure and nobody else can insure either life or property.

What insurance primarily does is to bear the risk of the insured which could be an individual, a group of an item, property and it could even be an event. This primary function of insurance is viewed from different angles depending on the individual, area, religious belief and conviction. It is on view of trying to diagnose the northern perspective of insurance that give rise to these study. By northern Nigeria, it is meant all area that forms the present 19 northern state. They include: Adamawa, Bauchi, Borno, Benue, Gombe, Kebbi, Kaduna, Kano, Kogi, Kastina, Kwara, Nassarawa, Niger, Sokoto, Taraba, Jigawa, Plateau, Yobe and Zamfara state.

This study is aimed at concentrating more on the core-north's perception by extracting the middle-belt state because the core-northern Nigeria has an inter- woven cultural and religious belief and an analysis of it perception could be carried out. That is not to say that there is no divergent cultural and religious belief in northern Nigerian.

The majority of the people are Muslims that give rise to why it is important to study the Islamic perception of insurance. If we look at the case of the commercial banks, some Muslim scholars are of the opinion that obtaining interest from commercial banks is prohibited. This has raised a lot of eye brows in the bank sector and gave birth to the idea of Islamic banking system which Ja'iz Bank tends to render to in Nigeria. I that with time the perception of the people of northern Nigeria could affect the practice of insurance because the world we live in is very dynamic and change has become an inevitable slogan in everyday living and business of which the insurance industry is not exonerated.

STATEMENT OF THE PROBLEM

The problems that inhibit the growth of insurance in northern Nigeria include the following;

- i. The timidity and lukewarmness of the people to the concept of insurance

- ii. It is viewed that insurance business is for the rich and the privileged.
- iii. There is a barrier placed by the income level as majority of the population are poor.
- iv. The influence of religious leaders and the influence of the religious belief itself.
- v. The high level of illiteracy.
- vi. For the insured, there is a level of insecurity felt about the insurance business concerning its ability to indemnify.

This study therefore, seeks to find out how to improve the relationship between the potential insuring community and the insurer, to better ways of improving the business and their relationship.

SCOPE OF THE STUDY

the study will cover only the view and perception of insurance in northern Nigeria by bringing out how the thoughts, way of life, belief of a particular people influence or pre-empt their understanding of the concept of insurance. This study will therefore, cover mostly the literature available on the practice of insurance in Nigeria as it reveals the concept of insurance to us better.

INSURANCE AND RISK MANGEMENT

Since the primary concern of insurance is risk bearing. It is important to look at insurance and efficient management of our day to day risks and hazards. Whenever the future is uncertain, it means risk exists and risk is viewed as the variations in possible future outcomes. This means that if at least two outcomes are possible, then a risk exist and the greater the risk, the less predictable the future outcome becomes (Dorfman, 2004).

A line of relationship thus exists between insurance and risk. While insurance is a device used for handling some of the risks which a man is subjected, risk is defined as the variation in the outcomes that could happen over a specified period in a given situation. If only one outcome is possible, the variations of the risk is zero. If many outcomes are possible, the greater the risk.

Robert Riegel (2006).

Risk may be classified into various ways for example; there are business risks and personal risks. Business risk includes possible loss of goods by fire or theft or loss as a result of bad trade. For personal risk, every individual faces a personal risk. Just like a bread

Winner whose source of income is destroyed or lost, his dependents may suffer from the adverse effect of the lost George, R (2003).

Another classification of risk is into dynamic or speculative risks which are uninsurable and static or pure risk which are insurable because they are susceptible to the principle on which insurance is based. Dynamic risk may result in either a profit or a loss which may be either large or small. Examples of such risks opined by George, R (2003) include:

Risks in the marketing of new products; variation in trading profits; labour disputes which may mean loss of orders on a large scale both at home and overseas; political risk such as the consequences of outbreak of war. There is no way of measuring these risks and therefore, they are uninsurable by commercial insurance. Static risk on the other hand can result only in loss such as ship wreck, physical loss of or damage to goods by fire, theft or say riot; the incurring of legal liability to pay damage by negligently causing bodily injury to or damage to the property of others. These are all insurable because they are measurable statistically.

For instance, mortality tables extending over a period and covering hundreds of thousand of lives make it possible to calculate the average number of people who will die in a given year.

Due to the dynamic nature of insurance as in the other business, risk which may be insured have increased in number and extent owing to the growing complexity of the present day economic system. Insurance therefore occupies an important place in the modern world. It will be impossible to do without insurance. Dorfman, M.S. (1994)

The importance of proper risk management cannot be under estimated by any organization proper risk management enables a business to handle it's exposures to accidental losses in the most economy in an effective way. Risk management also enables a business to handle, better its ordinary business risk. Freed from the concern of accidental losses due to proper risk management, an organization or individual can pursue more aggressively and effectively it's regular activities. Dorfman M.S. (1994).

Risk management therefore, is identification, evaluation/measurement and treatment of exposures to potential accidental losses, in situations where the only possible outcomes are losses not changes in the status quo.

HYPOTHESIS:

The research intends to use the following hypothesis to build upon in order to justify the choice of the topic.

H_0 = concept of insurance is not perceived positively for the development of northern Nigeria.

H_1 = concept of insurance is perceived positively for the development of northern Nigeria.

CONCEPT OF INSURANCE AND THE NORTHERN PERSPECTIVE OF INSURANCE:

Man constantly lives under the fear of uncertainty that one or more of the hazards of every day living will sooner or later befall him and cause some financial losses. According to every one's position in the community, the loss may be small or very large. Some people may be fortunate to live all their lives without suffering any serious disaster or misfortune but even these few fortunate ones cannot say with certainty that misfortune will never befall them. Controllable and uncontrollable hazards like earthquake storms hurricane etc. are inherent in the life and they cause a lot of damages and destruction to life, property and events leading to both financial and other losses. The fear of the disastrous losses that would follow if any of these hazardous event takes place has been responsible for the development of insurance. Siddiqi (1985), Irukwu J.O. (1977).

The purpose of insurance therefore is to compensate or indemnify the victim of his financial losses. Insurance neither eliminates the loss, nor does it undertake to stop the misfortune of disaster from happening. All it does is to help soften the blow from a purely economic view point. Muhammad Najatullah (1985)

The theory of insurance on the other hand derives from the law of averages. The system

works on the assumption that only a small proportion of a large group will suffer losses from a given cause (the insured peril) within a specific period. On this assumption a common fund is created into which the small contributions (premiums) of each member of the group are pooled, and out of this fund, the few who suffer losses are compensated. Robert Riegel (2006).

Having understood the concept of insurance, it is thus important to see how the view of the northern people affects the insurance industry.

In looking at the northern perspective, it is important to first understand certain facts about the marketing of insurance. A policy which is a product of insurance is sold by the insurer to the potential customer (the insured). Unlike any other product in the market where the buyer comes into actually see the product, examine it and decides whether or not he is interested in the product, that of insurance is different because the buying and the selling of insurance is based on the principle of utmost good faith. The contract of insurance is based on utmost trust and most of the times; the insurer would have to convince a customer or potential customer on how and why his product should be bought. The insurer is involved in the selling of a product that is not generally accepted and it requires the extra-marketing abilities of the insurer to be able to sell his product to the customer. Alabi Stephen (1999).

This product of insurance equally affects the view of the northern people as a product that is not generally acceptable. This view of difficulty in acceptability does not however mean that policies are not obtained. The interesting thing about the perspective of insurance in northern Nigeria is that the views vary in different degrees depending on the following stated factors:-

- a. Income level.
- b. Religious belief.
- c. Literacy level.
- d. Idolized religious leaders.

What this research realized in the course of interviews, is that views differ greatly as the interview was conducted to cover people belonging to different status and levels in northern Nigeria. The study was carried out to cover both the highly placed in the society and the lowly. It also distinguished between the highly literate and the illiterates so that a balance deduction can be arrived at.

What this impaired acceptance of insurance has done leaves no one in much doubt to

identify its effect on the insurance industry. It has adversely affected the marketing of insurance in northern Nigeria. Two headings (Islamic perspective of insurance and analysis of interviews data) will give us a better insight on the northern perspective of insurance which is well discussed in this research.

SIGNIFICANCE OF INSURANCE TO NORTHERN NIGERIA:

Insurance has come to stay as an integral part of every day living. No matter how much we try to divorce it from our day to day activities, we still practice a form of insurance either knowingly or unknowingly. For example, a family man who is ignorant of the concept of insurance but starts planning ahead for his children by way of their education is involved in some form of self insurance. It therefore implies that insurance signifies a lot of things or issues to any environment in particular northern Nigeria. By way of the functions and roles insurance performs, its significance is better highlighted.

The modern concept of insurance has been designed to promote the interests and well being of the individual and to enrich his life by indemnifying (compensating) him fully in accordance with the relevant insurance laws whenever he suffers an economic loss. Insurance by its function of risk bearing means that it is able to improve the life and well being of the northern people if its concept is properly exploited and the use optimized. Insurance as a promoter of industrial peace and economic development also ensures the survival and protection of business operating within northern Nigeria.

Chartered Insurance Institute (1999) identified Some of the significance as follows:

- a. It offers some form of job security and guarantee of quality life after working years by way of its insured pension scheme.
- b. Creation of job opportunities, by way of employment and even growing by opening new branches where more people can be employed. It also provides scare capital to investor from premium generated and invested. It equally provides money for the banks from the premium generated so that the banks can meet up with its service obligation to the people. Muhammad Najatullah (1985) & Chartered Insurance Institute (1999).
- c. It provides training opportunities as it makes sure executives are efficient via one of the

function it renders. It is able to develop the mind of a lot of workers and managers in various fields which bring about a lot of good production and out put leading to an overall increase in the gross domestic product (G. D. P.) of the country.

d. It promotes and enhance psychological stability as it makes one feel psychologically comfortable bearing in mind that issue that occur for which cover is obtained would be finally indemnified by insurance.

e. It reduce fire waste as insurance companies enlighten people on how to prevent fire hazards through their fire prevention techniques which include, sprinkler and fire alarm installation.

f. It Generate revenue for the government particularly the northern Nigeria government(s) because insurance companies pay tax in the form of (pay as you Earn). The insurance companies are also required to be incorporate and thus registration fees during incorporation. All these help as a source of fund raising for .the government. Muhammad Najatullah (1985).

g. It provides financial security for families against the misfortunes of life by way of life assurance cover.

All these pointers and indeed contributions of insurance leaves one in no doubt as to what insurance signifies to the northern people.

TYPE OF INSURANCE:

In practices, insurers themselves have divided up the business of insurance into four (4) departments namely, the fire department, marine department, the life and accident department. It is based on these heading that the type of insurance will be discussed and a fifth (5TH) heading that is aviation insurance will classify insurance into five (5) types, namely:

- i. Marine insurance
- ii. Fire insurance
- iii. Life Assurance
- iv. Accident insurance
- v. Aviation insurance

RESEARCH METHODOLOGY:

In conducting this research, the basic methodology used is interview research method as well as person to person contacts met individuals belonging to various strata of the society. The interview method was chosen by the researcher because, it is considered by the researcher to be the best method of obtaining immediate responses and or answers to questions on the information required by the researcher for the work. Again since the work involves basically knowing the perception or view point of majority of northerners with respect to the concept of insurance, not too much time was needed in dispersing questionnaires, since some might even not be returned and if at all not in good time. In several cases where certain individuals lacked adequate educational background to properly understand and respond to questionnaire, personal oral interview is preferable. All these factors explain the choice of the interview method.

PRIMARY AND SECONDARY SOURCES OF DATA:

In carrying out this research, the researcher made extensive use of both primary and secondary source of data.

(a) **The Primary Source of Data:** As afore mentioned, this consists of information gathered through interviews the researcher had with various individuals belonging to each strata of the society, leaders of religious and cultural thoughts of the northern people. Without this data or fact, records merely end up as speculative or judgmental. Primary data is that collected from the “field”, and as stated above through the use of questionnaires and interviews.

(b). **The Secondary Source of Data:** On the other hand, some information have already been generated and stored in texts, files, encyclopedia, dictionaries, newspapers, periodicals (such as journals, magazines and newsletters), seminar papers and lecture notes. The field of the researcher in this case is different unlike the primary sources of data. The researcher visits the libraries, government and private offices for these types of materials. Also of tremendous value and assistance to the researcher were educative and informative television and radio programs. This method of data collection is often referred to as the use of existing materials.

The sample for the study had been made up of northerners resident in Kano and Zaria towns.

The samples size for the study is one hundred (100) persons and the analysis of the research is based on the responses of these people. The researcher wishes to state also that all the respondents are Islamic adherents which further points out another level of the limitation of this study. The analysis of the research centers mainly on the interview questions and responses received from the respondents. Two leading questions. headed the analysis of this research. They are:-

- a. Have you heard about insurance?
- b. Have you ever taken a policy?

It is on the basis of these questions that further questions are asked as provided in the appendix I and II of this research work.

ISLAMIC CONCEPT OF INSURANCE:

The greater majority of the northern people especially the specific areas covered in this research are Islamic adherents and it is important to look at the Islamic position and ruling concerning insurance as this wields some influence on its adherents.

The question we want to answer here is what is the Islamic position and ruling on companies which issue life assurance and other insurance against hazards and accidents?

Before answering this question we must first inquire into the nature of such companies and the nature of the relationship between insured and insurance firm, in other words, is the insured individual a partner of the firm's owner? If this is the case, every individual insured by the firm should have a share of profits or losses since this is the meaning of a partnership in Islam.

With regard to insurance against hazards, the insured pays a specified premium during the year. If no accident of the type specified in the policy occurs to the property during the year, the company keeps the premiums received and nothing is returned to the insured. If on the other hand, some calamity occurs, the insured individual is paid the sum insured. This kind of transaction is far removed from either trade or partnership.

In relation to life insurance, supposing a person takes out a life policy and dies soon after

paying the first premium, his beneficiaries are entitled to the sum assured. If this had been a business of partnership, such beneficiaries would be entitled to only the premium paid by the decease and profit generated. Again if the insured person fails to pay his premium after having paid few of them, he will lose all and a great part of what has already been paid depending on he terms of contract. The least one can say about this is that, it is in the context of Islamic legal system, an invalid condition.

The argument that the two parties, the insured and the insurance firm, enter into a contract willingly in accordance with their respective self interest carries no weight. The mutual agreement of the two parties has no validity in a transaction which is not based on justice and equity, and which is not devoid of any trace of ambiguity or exploitation. Moreover, since justice with no harm either to oneself or others, is the ultimate criterion here, a transaction is invalid if it stipulates that in certain situation one party is to take all, with no benefits guaranteed to the other.

Being objectionable to the modern form of insurance and their current practices does not however mean that Islam is against the concept of insurance itself; it only opposes the means and methods. If other insurance practices are employed which do not conflict with Islamic forms of business transactions, Islam will welcome them.

In Islamic Shari'ah we find insurance for individuals against hazards and provision for assisting them to overcome disasters which may befall them. We also find the concept of insurance for the heirs of a deceased person in the Prophet's saying and I quote; "I am nearer to each Muslim than his very self. If he leaves behind some properties it is for his heirs, and if he leaves behind a debt or a family with young children, he leaves them to me and they are my responsibility", meaning here that any liability of the deceased Muslim is the responsibility of the Islamic government.

The greatest form of insurance which Islam has legislated for its followers among those deserving to receive Zakat funds relates to the category of Gharimeen (those in debt). Some of the early interpreters of the word Gharim say, it denotes one whose house has burned down or whose property or trade has been destroyed by flood or other disasters (relating very much to fire insurance) (Maiturare 2001). Some Islamic jurists hold that such a person may be given from Zakat fund, an amount which would restore his previous financial position, even though the

amount may run into thousands of Naira.

Another aspect of the Islamic system of insurance that affects present day insurance practice is the view or opinion of reknown Islamic scholars. Most followers tend to adhere to the practice of their leaders and even hold unto the opinion and views of their leaders. Islam as a religion is comprised of different sects which include the shii'es, the sunnis just to mention but a few and each of these sect has its own doctrinal teachings which is held in high esteem by followers depending on the sect belonged to. A very good example of this situation s the opinion of a very reknown Islamic scholar, judge and fatherly figure in northern Nigeria. He is Late Sheik Abubakar Mahmud Gumi.

In a publication of the New Nigeria Newspaper (NNN) of 11th October 1976 under the title – Islam Abhors life policy, and I quote the article “Life insurance by Muslims is against Islamic practice because it is a form of gambling which can pollute the Islamic principles, the former chairman of the National Pilgrims commission, Sheik Abubakar Mahmud Gumi, has said in Kaduna.

Sheik Abubakar Mahmud Gumi said that “the soul of a Muslim is in the hands of Allah when he dies. Moreover the beneficiaries of the money will become lazy and take to alcohol and other irreligious acts because they have not worked heard for the wealth”, he added. He however said that taking other forms of insurance has been allowed by Islam.

Gumi is late now (May his soul rest in peace) but the researcher believes his legacy still lingers. The deduction that can be made from the above article is that other forms of insurance outside the obtaining of life policies is acceptable to Islam and the researcher believes the teachings of this late jurist must have centered on this concerning his view about the concept of insurance. Another deduction that can be made from the article is that insurance promotes laziness.

There are other scholars with different opinions but what the researcher has done in this section is to try as much as possible to highlight the major views that affects a greater majority of Muslims.

The analysis of interview data would treat more of this topic and enlighten adherents of Islam on this important subject of insurance.

FUNDAMENTAL PRINCIPLES OF INSURANCE LAW AND PRACTICE:

The principles to be discussed under this heading are the principles that guide operations of insurance.

1. Insurable Interest.
2. Utmost good faith.
3. Indemnity.
4. Subrogation.
5. Contribution.
6. Proximate cause.

ANANLYSIS OF INETRVIEW DATA:

There are also some very pertinent questions concerning this research that would be analysed first. Questions like have you ever taken a policy?, have you heard about insurance.

These two questions will form the form the foundation of this analysis.

1. Have you heard about insurance?

The table below better answers this question.

Table 1

RESPONSE	NUMBER	PERCENTAGE
YES	70	70%
NO	30	30%
TOTAL	100	100%

SOURCE: Interview held (2008)

All the responses indicate that we have more people who have heard about insurance but next question would baffle us.

2. Have you ever taken a policy?

Table 2

RESPONSE	NUMBER	PERCENTAGE
YES	10	10%
NO	90	90%
TOTAL	100	100%

SOURCE: Interview held (2008).

All the responses indicate that we have few people who have taken a policy but more people that haven't taking a policy.

TEST OF HYPOTHESIS:

The chi-square (X^2) distribution method will be applied here to test the hypothesis, which has been formulated. It is expected to either reject or accept the null hypothesis (H_0) or the alternative hypothesis (H_1).

Chi-square is a simple statistic formular which is computed as follows:

$$X^2 = \frac{(f_o - f_e)^2}{f_e}$$

Where f_o = Observed frequency

f_e = Expected frequency.

The number of X^2 values in the expression is the number of degree of freedom (d_f), the required value of hi-square test statistics to reject the null hypothesis depends on the level of significance the degree of freedom.

Using chi-square, the degree of freedom is equal to the number of categories, minus the number of parameter estimate based on the minus

(-) 1.

$$\text{Therefore, } d_f = (C - 1) (R - I)$$

Where C = Number of categories of data,

R = Number of parameter value on the basis of the sample.

If the calculated chi-square is higher than the one in the table, it means you reject the hypothesis and accept the alternative hypothesis and vice versa.

The table value of chi-square will be found using level of significance (95%) and comparing it with the degree of freedom.

Null hypothesis (H_0): Concept of insurance is not perceived positively to the development of Northern Nigeria.

Alternatively hypothesis (H_1): Concept of insurance is perceived positively to the development of Northern Nigeria.

The researcher will use the question which state that: How do you view insurance business in Northern Nigeria?

The responses are as tabulated below.

Table 3

CATEGORIES OF RESPONDENT	MALE	FEMALE	TOTAL
Lawful	55	15	70
Unlawful	21	9	30
TOTAL	76	24	100 (%)

Using the figures in table 3 as the observed frequencies (F_o), the expected frequencies (F_e) will be calculated using the formular.

$$F_e = \frac{RC}{T}$$

T

Where F_e = expected frequencies

R = Row (Total).

C = column (Total).

T = Total (%).

$$\text{Cell 1.1} = \frac{70 \times 76}{100} = 53.2$$

100

$$\text{Cell 1.2} = \frac{70 \times 24}{100} = 16.8$$

100

$$\text{Cell 2.1} = \frac{30 \times 76}{100} = 22.8$$

100

$$\text{Cell 2.2} = \frac{30 \times 24}{100} = 7.2$$

100

F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(F_o - F_e)^2}{F_o}$
55	53.2	1.8	3.24	0.06
21	16.8	4.2	17.64	0.84
15	22.8	- 7.8	60.84	4.06
9	7.2	1.8	3.24	0.36

The calculated value $X^2 = 5.32$.

Finding the value of chi-square (X^2)

Degree of freedom (df) = (C - 1) (R - 1)

Where R = Row

C = Column

$$df = (2 - 1) (2 - 1)$$

$$= 1 \times 1 = 1$$

Level of significance = 95% = 0.95.

Therefore, value of $X^2 = 5.32$ and 3.84.

Decision rule: The chi-square (X^2) value of 95% of level of significance for (C - 1) (R - 1) = 1, degree of freedom is 3.84 and the calculated value of chi-square (X^2) is 5.32 which is greater than the table value. We accept the alternative hypothesis which states "How do you view insurance business in Northern Nigeria".

SUMMARY OF FINDINGS:

With respect to the tales 1 and 2 above, it was discovered that four factors are responsible for this variance. They influence the view of people concerning insurance. They are:-

- (a). Income level.
- (b). Religious belief.
- (c). Literacy level.
- (d). Idolized or influence of religious leaders.

Findings made from this research include:

That insurance belongs to the wealthy in the society:

That concept of insurance is not generally acceptable to the people because of the four factors listed above. There is a degree of acceptance of insurance varying from person to person. A greater majority of the people barely understand the essence of insurance.

For those privileged to obtain policies, and those intending to, the fear is always centered on whether claims would be settled if the unexpected happens. Some people see insurance as gambling. Some people don't understand why they have to pay premium and not receive the money back if nothing happens.

To the factor of income level, the most common response usually is centered on complains about the inadequacy of their income to take care of themselves and their families and this inadequacy can not warrant any consideration of insurance but it was discovered that most of the people were willing to obtain one form of insurance policy if their financial status improved.

Religion is one very sensitive factor and only very few of the (female) respondents were willing to actually open up concerning how their religious beliefs had influenced their perception of insurance.

The two main religions, to which the proponent majority of Nigerians subscribe, namely Islam and Christianity, were developed and therefore imported here by other races and the current practice of those states is therefore relevant to any objective interpretation of the tenets of these religions. It will therefore, be of interest to those who perhaps are unaware that a number of staunch Muslim states practice and effect modern individual life policies transacted in varying degrees of life assurance and protected by the laws of those states. The countries include Algeria, Bahrain, Bangladesh, Egypt, Indonesia, Iran, Iraq, Jordan, Kuwait, Libya, Morocco, Pakistan, Sudan, Syria, Southern Yemen, Tunisia, Turkey and United Arab Emirate. What these countries have done is to relate the teachings of their great religion to the realities of changing times.

Surely, it is equally not difficult to distinguish between gambling and a risk pooling arrangement which attempts to spread the burden of financial loss inevitably resulting from the death of one person to a group of persons jointly contributing. As for inheritance and the beneficiaries of a policy, they are related and thus restricting the issue of promoting laziness to insurance is thus unfair judgment, since Islam guarantees the accumulation of wealth by individuals through honest efforts.

Finally, it is glaring to observe that our hypothesis based on the data gathered would accept the alternative hypothesis since a greater majority of the respondents (i. e. male) are on the opinion that the concept of insurance is lawful, and it is perceived positively to the development of Northern Nigeria.

CONCLUSIONS

It must be said that insurance has ignored a large market that can be tapped to its fullest

in northern Nigeria. The recommendations will highlight more on this issue and how to improve the business of insurance in northern Nigeria.

The greater part of the conclusion will centre on the issue of rate making and the premium charged by the insurance companies because the researcher discovered that a major restraint which also influences the people on the concept of insurance is the premium charged. This means highlighting more on the theory and purpose of insurance as well as differentiating the concept of insurance from gambling.

Fear is a psychic epidemic that haunts man daily. The fear of the past, the present and worst of all future which is unknown. The fear of the disastrous financial losses that would occur in the event of the occurrence of any hazard or misfortune is responsible for the development of insurance. The purpose of insurance thus, is to compensate or indemnify victims for their financial losses. Insurance neither eliminates the loss nor undertake to stop the misfortune or disaster from happening. It only softens the effect from purely economic view point. The theory upon which insurance is built is the theory of averages which works on the assumption that only a small proportion of people of a large group will suffer losses from a given cause within a specific period. Meaning therefore, that insurance is the only business that guarantees the survival of all other businesses and if insurance is viewed from this perspective it's importance cannot be under-estimated especially in a fast developing community like northern Nigeria.

This therefore, leads us to the issue of premium. Premiums are never charged indiscriminately. There are specialists in the area of premium calculations referred to as actuaries who would determine the actual premium required from a policy holder depending on the terms and conditions of the contract. The researcher wishes to state also that insurance like any other business must guarantee it's own survival hence the premium is built up to include loading (which is the operational expenses and profits desired) by the insurance company to equally guarantee it's own survival.

Unlike gambling insurance is granted only where an insurable interest exists. An insurance effect without an insurable interest would be gambling or mere wager and such an "insurance contract" would be illegal, void or unenforceable. Insurance reduces risk while gambling increase risk.

Bearing all the above in mind, the insuring community of northern Nigeria is better

equipped with the concept of insurance and its practice and thus stands to benefit a lot from the insurance industry.

RECOMMENDATIONS

The following recommendations are made to improve the marketing of insurance in northern Nigeria as well as improving the relationship between the insurer and the insuring community.

1. The insurance industry as a whole should embark on wide campaign about educating the people on the concept and practice of insurance so that views can be improved upon about insurance.
2. Insurance companies operating within northern Nigeria should intensify efforts to improve on its social responsibility to the community as this affords a medium for reaching the people and making them appreciate the concept of insurance.
3. Still on the issue of education, it has been observed that in the whole of northern Nigeria. Only Ahmadu Bello University offer insurance related courses-one institution in an environment comprising nineteen (19) northern states with all of these states having institutions of higher learning. The researcher is of the opinion that increasing the number of institutions offering insurance related courses would improve the marketing of insurance and its view in northern Nigeria.
4. Insurance companies can go ahead to make some modifications in insurance policies issued or presented for marketing to accommodate people with divergent or hard line views on the concept of insurance.
5. Insurance companies should put in place efficient and effective structure that would enhance guide and prompt claims procedure and finally settlement. This will go down in enhancing the image of insurance and it is an advertisement strategy that all insurance companies can exploit in the operations of its business.
6. This Recommendation is made to government. Government on its part has to protect the insurance companies by making laws that are favourable and guarantee the survival of insurance

business. Accessibility to a large pool of resources to improve the business of insurance.

7. It is also in the interest of the insuring community to note the following recommendations; it is expected that all insurers should encourage the insured or assured to always read their policies very well to ascertain the terms and conditions of the contract well in advance of claims.

8. The insured should observe to always notify the insurer immediately a loss has occurred.

9. Parties to all insurance contracts should endeavour to always disclose all information relating to the contract to enhance trust and credibility which goes down to improve the relationship between the insurer and the insured.

10. Procedure for claims settlement requires investigation hence, it is in the interest of the insured to always exercise some patience with the insurer and not help in disseminating wrong and false information about insurance because insurance has come to stay as an integral part of every day living.

The next line of recommendation is centered on the marketing of insurance because of the peculiar nature of the insurance product. Insurance is a product that is not generally acceptable in northern Nigeria hence a lot of efforts have to be concentrated in the marketing of insurance.

The following marketing tools are therefore recommended for use in the marketing of insurance in northern Nigeria as it would go down in a long way to improve the view and concept of insurance in northern Nigeria.

- a) Positive and mental attitude of the market vendor of the insurance company.
- b) Self-discipline
- c) Enthusiasm: - Even the mood of a client can be changed by being enthusiastic about what insurance can do. The marketer cannot expect a client to be enthusiastic when he is not (mood can be contagious).
- d) Integrity.
- e) Persuasive.
- f) Intelligence.

- g) Courage.
- h) Confidence.
- i) Initiative.
- j) Diligence.
- k) Self-control.
- l) Creative vision.
- m) Reliability.
- n) Learning from defeat: - Every failure or defeat sows a seed of equal or higher value for those with positive mental attitude.

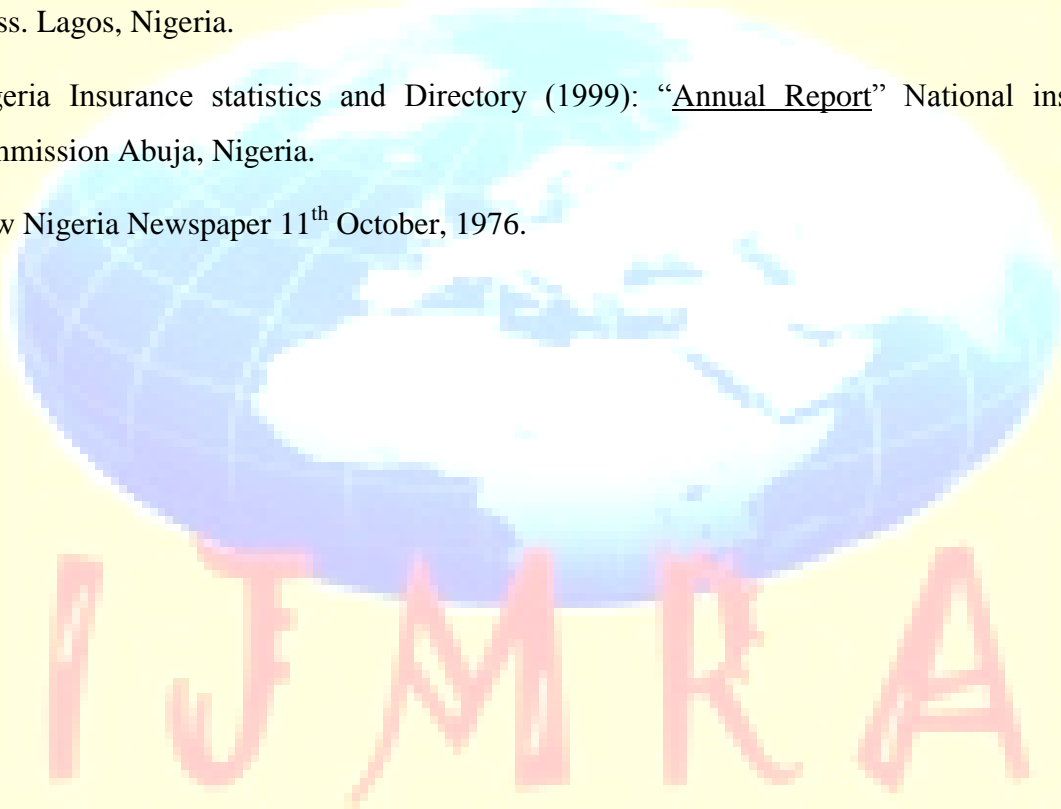
Finally, insurance business is generally dependent on the level of economic activities for various reasons which include among others: The demand for marine insurance depends on the level of foreign trade, demand for fire insurance and motor insurance is influenced by the growth in rate of capital acquisition; The willingness and ability of the insured to pay premium is influenced by the level of income. Others include: only a vibrant secured middle class shows concern for the protection of its assets.

The onerous task of the success of insurance thus still rests on the government of the nation towards improving the economy and the standard of living of the Nigeria people.

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APPENDIX i

Format of interview guided questions for those who had taken a policy?

1. How do you view insurance biz northern Nigeria?
2. Have you ever taken a policy?
3. What type of policy?
4. How do you rate insurance in terms of credibility?
5. Do you still maintain any policy?
6. Does your religious belief affect or influence your relationship with insurance?
7. How and to what extent?
8. Do you believe in the sincerity and ability of your insurer to indemnify you?
9. Have you ever had cause to make claims on your insurer?
10. How do you access the management of claims?
11. How do you view the payment of premium (high, low, moderate) compared to your sum insured?

APPENDIX ii

Format of interview guided questions for those who have never had a policy?

1. Why haven't you ever taken a policy?
2. If your reasons improved, would you consider taking a policy?
3. What type of policy would you prefer?
4. What is your view of insurance biz in northern Nigeria?
5. To what extent does income affect your view of insurance?
6. If your financial status improved, would you obtain a policy?