IMPACT ANALYSIS OF INFLATION AND NON-LIFE INSURANCE BUSINESS IN NIGERIA

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Abstract

This study investigated Inflation and its contribution to General Insurance Business in Nigeria from 1996-2018. The ex-post facto-experimental research design was adopted since we do not have control over the variables of interest. The secondary data used for the study were obtained from the Central Bank of Nigeria (CBN) statistical bulletin and the National Insurance Commission (NAICOM) statement of accounts for various years. The Ordinary Least Square (OLS) regression technique was employed to test hypotheses of the study. The findings of the study revealed that inflation rate did not significantly impact on total premium, total claims and total assets of the nonlife insurance sector in Nigeria. Based on the findings of the study it modified into conclusion that inflation rate did not significantly impact on nonlife insurance sector in Nigeria. It was recommended that since insurance organizations can't conquer some of its inflationary traumatic conditions in isolation. The assistance of various economic institutions which includes banks, pensions and capital market is needed to allow the business enterprise to achieve its entire potential.

Keywords: Inflation, Nonlife, Insurance, Premium, Claims, Asset.

1. Introduction

The function of the insurance industry as one of the key game enthusiasts within the economic development process cannot be overemphasized. The industry is also a vital part of the economy that offers risk management in the form of insurance contracts and as well as placement of economic intermediaries via sourcing of funds from the surplus units in form of premiums. The sector is accomplished within the confines of the insurance market which contains of the insurer and the insured together with the intermediaries that facilitate the placement of insurance products. In insurance contracts, one party, the insurer, will guarantee rate for an uncertain future event (Beers, 2019). More so, some other parties, the insured or the policyholder, can pay premiums to the insurer in exchange for that hedge in the direction of risk promised by the insurer in anticipation of uncertain future occurrence or loss. The premiums paid through the insured are pooled

together and channeled to several investment outlets, hence the financial intermediation role played by the insurance sector.
As a result of the importance of the insurance sector in any financial system, the industry wants to maintain reinventing itself and at a quicker pace to be in form with the dynamism of the economy in which it operates. Industry growth rate can be used as a yardstick for assessment for agencies searching out to gauge their average overall performance relative to their competitors.

Measuring the growth standard overall performance of the insurance industry has obtained momentum within the enterprise of finance literature because the roles carried out with the resources of insurance companies within the present-day business worldwide cannot be overemphasized. Also, volatile ventures rely on the capability of insurers to hold all sorts of risk within the speedy becoming/surprisingly uncertain business corporation environment. A large uncertainty is the exposure the industry faces because of the monetary environment in which they are characterized. This is because of the reality that insurance is subject to the vagaries of macroeconomic variables. Inflation is one of the macroeconomic variables that have constantly played out within the Nigerian economy (Ehiogu 2019). According to Oner (2010), inflation is the overall growth in prices or the boom within the rate of living in a country. It depicts how high-priced the relevant set of merchandise and/or services have turned out to be over an advantageous period usually a three hundred and sixty-five days. It is on literature that whilst immoderate inflation is terrible for a monetary system because of its detrimental effect on economic ordinary overall performance, zero inflation is as nicely risky because it's resulted in eventual stagnation of the economy. Zero inflation presence at a mild level is needed for monetary growth. Inflation lets in an awful impact on desired price level. This will possibly pose a hassle for the insurance industry as its ability to carry out its functions may be reduced. Hence, the possibility of rating premiums, setting aside reserves, making investments, reinsuring, settling claims and proudly owning assets might also decline. In such function the growth rate of these various areas of operation of the industry also can moreover undergo reduction.

2. Problem

Inflation can distort shopping power over time for recipients and payers of regular interest prices. The insurance industry isn't always exempted from these traumatic conditions of inflation. This is for the cause that insurance business is extensively stimulated with the useful resource of the usage of the monetary power of the economy. (Ehiogu, 2018). Insurance like every other special business vicinity follows a business calendar year. At the surrender of every business enterprise yearly the general overall performance of the industry is weighed. The general overall performance of any organization not only plays the characteristics to boom the market charge of that specific firm

but moreover leads closer to the growth of the entire corporation which in the long run triggers a fashionable prosperity of the economy. However, in an economy in which inflation has been on the rise such possibilities for the industry won't be easy. Given this scenario, this study seeks to determine to what extent inflation in truth impacts on the growth of insurance industry in Nigeria.

3. Review of Literature

Premium

Insurance premium is an amount stipulated by the insurer, which individual or organization must periodically pay to hold the actual coverage of insurance. According to Nzotta (2014), insurance firms attain their funds essentially from premium paid via the insured, against which defined risks are blanketed through them. That is to say insurance corporations assumed the risk of the insured, usually via pooling the risks together in interest for a premium charge. These costs are the pinnacle manner with the resource of the use of which the insured's expectation of indemnity or reimbursement within the event of loss are met (Utomi, 2001).

Claims

Berry (2011) defines insurance claims as all sports activities geared within the route of monitoring insured's compensation, restitution, repayment or any other remedy for loss of damage or in recognize of doing their obligations. According to Williams (2009), claims are all about insurance and insurance is about the liability or risk of the insured against a loss and when this is done, the insured would in return get claim as compensation for the loss.

Asset

The International Financial Reporting Standards (IFRS) framework defined an Asset as a useful resource controlled with the resource of the use of the enterprise based mostly on past events and from that, future benefits are expected to emerge to the enterprise. Assets are stated on a company's assertion of financial position and are brought or made to enhance a group price or benefit the organizations operations.

Inflation Rate

As opined by Hakeem, Rasaki, & Bolade (2015) the word inflation hoops a bell within the market economies worldwide; it is a 'monster' that threatens all economies because of its undesirable efforts. Its hassle virtually is not a cutting-edge phenomenon: it has a number of troubles within the country over the years. To gain sustainable financial goals coupled with price stability remains the essential goals of macroeconomic suggestions worldwide today. Among others the emphasis given to charge stability in conduct of monetary insurance is a great manner to Promoting sustainable economic dreams as w

LL as strengthening the buying power of the domestic currency (Umaru and Zubairu, 2012)

4. Theoretical Framework

The theoretical basis for this study is Arbitrage Pricing Theory (APT). This idea became proposed through Stephen Ross in 1976. It is an asset pricing idea that states that the predicted return of an investment or a financial asset can be model as a linear dating of numerous macroeconomic variables or in which degree of correlation to changes in each variable is represented via a beta coefficient. The model derived rate of move again will then be used to advantage the fee or price cash of the asset efficiently. The asset price have to be the same as expected period of asset rate or future cash flows discounted at the charge implied by the model. If the asset fee changes, arbitrage need to bring it once more to line. According Ross (1976a) a heuristic argument for the precept is based absolutely on the preclusion of arbitrage. Ross formal proof suggests that linear pricing relation is a crucial state of affairs for equilibrium in a market wherein sellers maximize positive varieties of utility. There is the perception of the preclusion arbitrage or the equilibrium of utility-maximization. A linear relation of the expected returns and the betas is tantamount to an identification of the stochastic discount (SDF).

5. Empirical Review

Ehiogu (2018) investigated the effect of inflation rate in insurance penetration of Nigeria insurance industry. Regression analysis was applied in analyzing the records amassed from secondary source, the findings from the study located out an amazing but insignificant effect of inflation rate on insurance penetration within the Nigerian insurance business industry. The implication is that insurance penetration in Nigeria had a corresponding growth because of the effect of inflation but however the boom was insignificant. The study endorsed for drastic measures implementation to reduce the charge of inflation in Nigeria as a manner to have a large effect on insurance penetration in Nigerian insurance industry.

Asinya and Uche (2018) investigated the impact of Inflation on Insurance Claims in Nigeria: An Ardl Bounds F-Test Approach over the period 1981-2016 with information sourced from Central Bank of Nigeria (CBN) Statistical Bulletin. The predicted stop end result shows that there is a long run relationship amongst insurance claims and inflation in Nigeria and a rise in inflation will propel an upward push in price at the short run but a decrease within the long run. Thus, immoderate rate of Inflation has a terrible effect on returns of insurance claims within the quick run but has a developing non-enormous effect within the long-run in Nigeria. Also, exchange rate has a proportionate and statistically significant effect on insurance claims. Thus,

this study concludes that there is therefore need for insurers to evaluate the opportunity distribution of future negative inflation sports and their correlation with unique macroeconomic variable and there is need for installation of a higher level of coverage based absolutely on the true face value of an insurance policy and a maximum facts adjustment.

6. Gap in Literature

Several empirical studies have been examined and their findings numerous in particular as some found inflation to have high-quality while others had horrific directional. Also, in magnitude some found inflation as significant while others were not. However, they left a gap in their studies particularly in the Nigerian context. There was no consideration given to the impact of Inflation on the sectors of the insurance industry in the country. With the non-life insurance sector as the major earner in the insurance industry in Nigeria this study focused on that sector in other to fill in the gap.

7. Methods

The research employed *ex-post* facto approach. It is a form of study in which records used is already gathered and organized in advance. Secondary data were sourced from National Insurance Commission and Central Bank of Nigeria Statistical Bulletins.

The unit root check was carried out using Phillips Perron method to determine the stationarity of the facts. Thereafter, the hypotheses were tested using Ordinary Least Squares statistical approach. This method involves estimating unknown parameters in a linear regression model, with the purpose of minimizing the versions some of the located responses in some arbitrary statistics set and the responses anticipated with the resource of the use of the linear approximation of the records. These assessments are completed at 5 % level of significance. Statistical significance is measured using p-value. The rule holds that if p-value is greater than significance level of (0.05%) there is no statistical significance. On the alternative hand, if p-value is less than 0.05% there is statistical significance.

The decision rule holds that if t-calculated is higher than t-tabulated the null hypothesis is rejected and its alternative accepted. On the other hand, wherein t-calculated is lower than t-tabulated the null hypothesis isn't rejected.

Model specification

The following were models of the study:

Model I

Hypothesis one states that inflation rate do not significantly impact on total premium generated by the nonlife insurance sector in Nigeria. The functional relation of the model is given as:

TPRE = f(INF)

The linear function is stated as:

$TPRE = \beta_0 + \beta_1 INF + \mu$

Where TPRE = Total premium generated by the nonlife insurance sector in Nigeria

INF = Inflation rate,

β_0 = constant parameter,

β_1 = coefficient parameter of INF,

μ = error term

Model II

Hypothesis two states that inflation rate do not significantly impact on total claims settlement made by the nonlife insurance sector in Nigeria. The functional relation of the model is given as:

TCLS = f(INF)

The linear function is stated as:

$TCLS = \beta_0 + \beta_1 INF + \mu$

Where TCLS = Total claims settlement made by the nonlife insurance sector in Nigeria

INF = Inflation rate,

β_0 = constant parameter,

β_1 = coefficient parameter of INF,

μ = error term

Model III

Hypothesis three states that inflation rate did not significantly impact on total assets owned by the nonlife insurance sector in Nigeria. The functional relation of the model is given as:

TASS = f(INF)

The linear function is stated as:

$TASS = \beta_0 + \beta_1 INF + \mu$

Where TASS = Total assets owned by the nonlife insurance sector in Nigeria

INF = Inflation rate,

β_0 = constant parameter,

β_1 = coefficient parameter of INF,

μ = error term

7. Analysis

Table 1 shows data at source for Inflation, Premium, Claims and Assets from 1996-2018.

YEAR	INFLATION RATE (%)	PREMIUM (Millions)	CLAIMS (Millions)	ASSETS (Millions)
1996	14.3	11,091,300,000	1,654,070,000	28,934,930,000
1997	10.2	10,941,600,000	1,677,280,000	37,928,180,000
1998	11.9	11,688,300,000	1,956,210,000	41,451,220,000
1999	0.2	14,597,300,000	5,923,180,000	50,131,650,000
2000	14.5	22,531,500,000	5,629,520,000	61,600,000,000
2001	16.5	28,981,300,000	6,110,520,000	78,060,480,000
2002	12.2	37,765,900,000	6,856,150,000	85,255,730,000
2003	23.8	43,441,800,000	9,415,200,000	124,267,370,000
2004	10	50,100,800,000	12,084,040,000	141,222,030,000
2005	11.6	67,465,600,000	12,402,400,000	203,113,120,000
2006	8.5	81,583,800,000	76,276,110,000	307,542,610,000
2007	6.6	105,379,280,000	25,133,240,000	427,497,160,000
2008	15.1	157,206,020,000	37,412,550,000	573,154,460,000
2009	13.9	189,960,450,000	61,969,150,000	586,459,540,000
2010	11.8	200,375,980,000	53,815,350,000	585,015,790,000
2011	10.3	233,752,880,000	60,204,760,000	621,095,140,000
2012	12	193,493,255,218	55,494,866,721	710,627,239,002
2013	7.96	195,864,528,323	65,690,703,682	793,879,732,804
2014	7.98	120,693,688,039	34,939,746,634	416,849,096,938
2015	9.55	198,389,155,038	65,986,350,284	917,252,112,568
2016	18.55	201,547,678,384	78,574,557,754	1,016,875,916,630
2017	15.37	219,798,615,679	113,941,919,015	1,128,472,861,356
2018	11.4	219,798,615,679	113,941,919,015	1,128,472,861,356

Source(s): National Insurance Commission and Central Bank of Nigeria Statistical Bulletin, 2018

From table 1 in 1996 inflation modified into 14.3% and rose to 14.5% in 2000. Five years later it became 11.6% and 11.8% by the end of the decade. The next year it fell to 10.3%, become 9.55% in 2015 and 11.4% in 2018. The insurance industry generated ₦11,091,300,000 as premium charge in 1996, ₦22,531,500,000 in 2000, ₦67,465,600,000 in 2005 and ₦200,375,980,000 in 2010. ₦198,389,155,038 2015 and ₦219,798,615,679 in 2018. Claims settled by the insurance companies was ₦1,654,070,000 in 1996, rose to ₦5,629,520,000 in 2000, continued to ₦12,402,400,000 in 2005 and ₦53,815,400,000 in 2010. In 2015 claims rose to ₦65,986,350,284 and now at ₦113,941,919,015 in 2018. The assets of the insurance industry in 1996 was ₦28,934,930,000, ₦61,600,000,000 in 2000, ₦203,113,120,000 in 2005 and ₦585,015,790,000 in 2010. By 2015 it had grown to ₦917,252,112,568 and ₦1,128,472,861,356 in 2018.

Descriptive Statistics

Table 2: Descriptive Statistics

	ASSETS	CLAIMS	INFLATION	PREMIUM
Mean	10.48647	9.491044	1.030762	10.00268
Median	11.30774	10.09351	1.079181	10.82908
Maximum	12.05249	11.05668	1.376577	11.36876
Minimum	1.255273	1.255273	-0.698970	1.255273
Std. Dev.	2.955641	2.661052	0.397514	2.795897
Skewness	-2.768529	-2.678926	-3.762368	-2.786042
Kurtosis	9.022667	8.704250	17.09177	9.079944
Jarque-Bera	64.14271	58.69316	244.5662	65.17993
Probability	0.000000	0.000000	0.000000	0.000000
Sum	241.1888	218.2940	23.70753	230.0616
Sum Sq. Dev.	192.1879	155.7863	3.476390	171.9749
Observations	23	23	23	23

Source: Researcher's calculation using Eviews 10 and data in Appendix two

The mean values of the respective variables are low showing that they do aggregate easily. The median values of the respective variables are also low showing that they are not spread widely. The dispersion of the respective variables surrounding the mean is low for the motive that difference amongst each variables minimum and maximum price is low. The standard deviation of each variable in relation to its mean was lower. The propose values are also much less than their respective median values showing that all variables are skewed to the left. All kurtosis values are higher than 3. It shows that the tails of the variables distribution do intently vary from the tails of a regular distribution.

Unit root test

Table 3: Result of Unit root test

Variable	Phillips-Perron test statistic	Critical value	Order of Integration	P-value
Assets	-7.501073	-3.012363	1(1)	0.0000
Claims	-7.433587	-3.012363	1(1)	0.0000
Inflation	-21.23989	-3.012363	1(1)	0.0000
Premium	-7.471105	-3.012363	1(1)	0.0000

Source: Researcher's calculation using Eviews 10

This test was conducted at a level of significance of 5 percent. It was found that all variables were stationary at order one.

Table 4: Result of Hypothesis one test

Dependent Variable: TPRE
Method: Least Squares
Date: 03/04/21 Time: 01:21
Sample (adjusted): 2 23
Included observations: 22 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.388677	0.463694	-0.838220	0.4118
DINF	-0.506356	0.807549	-0.627028	0.5377

R-squared	0.019279	Mean dependent var	-0.393853
Adjusted R-squared	-0.029757	S.D. dependent var	2.142923
S.E. of regression	2.174573	Akaike info criterion	4.478050
Sum squared resid	94.57534	Schwarz criterion	4.577235
Log likelihood	-47.25855	Hannan-Quinn criter.	4.501415
F-statistic	0.393164	Durbin-Watson stat	2.048207
Prob(F-statistic)	0.537734		

Source: Researcher's calculation using Eviews 10

From Table 4 it is seen that p-value of inflation turn out to be 0.4236. P-value of inflation is higher than level of significance of 0.05 hence, the null hypothesis isn't always rejected. Therefore, it is concluded that inflation did not significantly impact on universal claims settlement made through manner of way of the nonlife insurance sector in Nigeria.

Table 5: Result of Hypothesis two test

Dependent Variable: TCLS
Method: Least Squares
Date: 03/04/21 Time: 01:27
Sample (adjusted): 2 23
Included observations: 22 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.350032	0.430149	-0.813746	0.4254
DINF	-0.612044	0.749130	-0.817007	0.4236

R-squared	0.032297	Mean dependent var	-0.356288
Adjusted R-squared	-0.016088	S.D. dependent var	2.001227
S.E. of regression	2.017260	Akaike info criterion	4.327866
Sum squared resid	81.38678	Schwarz criterion	4.427051
Log likelihood	-45.60652	Hannan-Quinn criter.	4.351231
F-statistic	0.667501	Durbin-Watson stat	2.000811
Prob(F-statistic)	0.423550		

Source: Researcher's calculation using Eviews 10

From Table 5 it is seen that p-value of inflation was 0.4236. On the other hand the test was at level of significance of 0.05. With p-value of inflation higher than level of significance the null hypothesis is not rejected. Therefore, it is concluded that inflation rate did not significantly impact on total claims settlement made by the nonlife insurance sector in Nigeria.

Table 6: Result of Hypothesis three test

Dependent Variable: TASS

Method: Least Squares

Date: 03/04/21 Time: 01:36

Sample (adjusted): 2 23

Included observations: 22 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.406997	0.491910	-0.827381	0.4178
DINF	-0.566025	0.856688	-0.660713	0.5163
R-squared	0.021361	Mean dependent var		-0.412782
Adjusted R-squared	-0.027571	S.D. dependent var		2.275736
S.E. of regression	2.306895	Akaike info criterion		4.596190
Sum squared resid	106.4353	Schwarz criterion		4.695376
Log likelihood	-48.55809	Hannan-Quinn criter.		4.619555
F-statistic	0.436541	Durbin-Watson stat		2.083737
Prob(F-statistic)	0.516335			

Source: Researcher's calculation using Eviews 10

From Table 6 it is seen that p-value of inflation was 0.5163. On the other hand the test was at level of significance of 0.05. With p-value of inflation higher than level of significance the null hypothesis is not rejected. Therefore, it is concluded that inflation rate did not significantly impact on total assets owned by the nonlife insurance sector in Nigeria.

8. Discussion of Findings

In hypothesis one the p-value was 0.5377. The level of significance of 0.05 became lower than p-value. This shows the test is modified into statistically being insignificant. It indicates there wasn't sufficient evidence to counter the null hypothesis. The stop end result of the test set up that premium generated through non-life insurance businesses in Nigeria is to a large amount not caused with the resource of the usage of level of inflation within the economy. This finding is consistent with a priori expectation (see appendix three) which had encouraged that inflation extensively reduces the premium generated via non-life insurance corporations in Nigeria. The coefficient of inflation level at -0.506356 showed that any decrease in inflation rate will effect same proportional change in premium generated through non-life insurance business enterprise in Nigeria. The result of hypothesis one checked disagreed

with the findings of Ehiogu (2018) in direction but agreed on magnitude. Ehiogu (2018) determined that inflation rate had a fantastic but insignificant effect on insurance penetration of the Nigerian insurance industry.

In hypothesis two the P-value 0.4236 is greater than 0.05 level of significance. This suggests the study have become statistically insignificant. It shows there wasn't sufficient evidence to counter the null hypothesis. The quit end result of the check installed that settlement of claims through manner of non-life insurance corporations in Nigeria is to a huge amount no longer caused through manner of way of level of inflation in Nigeria's monetary system. This finding is consistent with a priori expectation (see appendix three) which had recommended that inflation substantially will boom the amount spent on claims settlement through non-life insurance groups in Nigeria. The terrible rate of coefficient of inflation value at -0.612044 showed that any unit boom in inflation price will bring about decrease in price of claims settlement made with the resource of the use of non-life insurance companies in Nigeria. The quit end result of hypothesis two disagreed with the findings of Asinya and Uche (2018) discovered that inflation and insurance claims in Nigeria has a long run relationship and that within the quick run an increase in inflation will boom the value of claims settlement but will decrease within the long term.

In hypothesis three test the p-value changed into 0.5163. The level of significance of 0.05 changed into lower than p-value. This suggests the check become statistically insignificant. It shows there wasn't sufficient evidence to counter the null hypothesis. The cease end result of the check established that asset owned through non-life insurance groups in Nigeria is to a big amount not stimulated with the resource of the level of inflation within the country. This finding is not in step with a priori expectation (see appendix three) which had endorsed that inflation drastically influences the acquisition of belongings through non-life insurance firms in Nigeria. The terrible rate of coefficient of inflation at -0.566025 showed that any unit boom in inflation rate will bring about decrease in total assets of non-life insurance corporations in Nigeria. The quit end result of hypothesis three checked agreed with the findings of Nyamu (2016 in magnitude but not in direction. Nyamu (2016) located that inflation had no significant relationship with the economic usual overall performance of insurance companies, despite the fact that the coefficient end up fine.

9. Conclusion and Recommendations

Inflation lets in a horrific impact on well-known price level. This will probably pose a problem for the insurance corporations as its capacity to feature may be reduced. It has become based definitely on this declaration that this study investigated the impact of inflation on nonlife insurance company in Nigeria. Based on the findings of the study it modified into conclusion that

inflation rate did not significantly impact on total premium, total claims and total assets of the nonlife insurance sector in Nigeria.

In line with the findings of the study the following recommendations were made:

1. Growth rare for insurance industry premium can be done through pushing compulsory insurance deeper to grass root. The extra enforced compulsory insurance is the greater income that entails the insurance industry.
2. The costs of insurance guidelines need to be charged with expected inflation adjustment interest. By so doing even as inflation rises within the economy it's going to no longer adversely have an impact at the claims settlement for the motive that base cost at the start of the insurance policies is probably used to calculate what will be paid at the time of loss. This will allow the insurance corporations to reduce the boom in claims spending.
3. The insurance organizations can't conquer some of its inflation traumatic conditions in isolation. The assistance of various economic institutions which includes banks, pensions and capital market is needed to allow the business enterprise to achieve its entire potential.

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APPENDIX ONE

YEAR	INFLATION RATE (%)	PREMIUM (Millions)	CLAIMS (Millions)	ASSETS (Millions)
1996	14.3	11,091,300,000	1,654,070,000	28,934,930,000
1997	10.2	10,941,600,000	1,677,280,000	37,928,180,000
1998	11.9	11,688,300,000	1,956,210,000	41,451,220,000
1999	0.2	14,597,300,000	5,923,180,000	50,131,650,000
2000	14.5	22,531,500,000	5,629,520,000	61,600,000,000
2001	16.5	28,981,300,000	6,110,520,000	78,060,480,000
2002	12.2	37,765,900,000	6,856,150,000	85,255,730,000
2003	23.8	43,441,800,000	9,415,200,000	124,267,370,000
2004	10	50,100,800,000	12,084,040,000	141,222,030,000
2005	11.6	67,465,600,000	12,402,400,000	203,113,120,000
2006	8.5	81,583,800,000	76,276,110,000	307,542,610,000
2007	6.6	105,379,280,000	25,133,240,000	427,497,160,000
2008	15.1	157,206,020,000	37,412,550,000	573,154,460,000
2009	13.9	189,960,450,000	61,969,150,000	586,459,540,000
2010	11.8	200,375,980,000	53,815,350,000	585,015,790,000
2011	10.3	233,752,880,000	60,204,760,000	621,095,140,000
2012	12	193,493,255,218	55,494,866,721	710,627,239,002
2013	7.96	195,864,528,323	65,690,703,682	793,879,732,804
2014	7.98	120,693,688,039	34,939,746,634	416,849,096,938
2015	9.55	198,389,155,038	65,986,350,284	917,252,112,568
2016	18.55	201,547,678,384	78,574,557,754	1,016,875,916,630
2017	15.37	219,798,615,679	113,941,919,015	1,128,472,861,356
2018	11.4	219,798,615,679	113,941,919,015	1,128,472,861,356

Source(s): National Insurance Commission and Central Bank of Nigeria Statistical Bulletin, 2018.

APPENDIX TWO: ALL DATA IN LOGARITHM

YEAR	INFLATION	PREMIUM	CLAIMS	ASSETS
1996	1.155336	10.04498	9.218554	10.46142
1997	1.0086	10.03908	9.224606	10.57896
1998	1.075547	10.06775	9.291415	10.61754
1999	-0.69897	10.16427	9.772555	10.70011
2000	1.161368	10.35279	9.750471	10.78958
2001	1.217484	10.46212	9.786078	10.89243
2002	1.08636	10.5771	9.83608	10.93072
2003	1.376577	10.63791	9.97383	11.09436
2004	1	10.69984	10.08221	11.1499
2005	1.064458	10.82908	10.09351	11.30774
2006	0.929419	10.9116	10.88239	11.48791
2007	0.819544	11.02276	10.40025	11.63093
2008	1.178977	11.19647	10.57302	11.75827
2009	1.143015	11.27866	10.79218	11.76824
2010	1.071882	11.30185	10.73091	11.76717
2011	1.012837	11.36876	10.77963	11.79316
2012	1.079181	11.41481	10.91621	11.85164
2013	0.900913	11.28453	10.54933	11.89975
2014	1.30103	1.30103	1.30103	1.30103
2015	1.322219	1.322219	1.322219	1.322219
2016	1.342423	1.342423	1.342423	1.342423
2017	1.361728	1.361728	1.361728	1.361728
2018	1.380211	1.380211	1.380211	1.380211

Source: Author's Computation.