

THE GAME CHANGER – MOTOR INSURANCE DATABASE (MID)

People drive on our roads with no insurance on their vehicles. Others drive with fake motor insurance stickers. We cannot count the number of people who have suffered for being victims of motor crash with fake motor insurance or uninsured vehicles. It is possible every family in Ghana have experienced this in one way or the other. People have lost parents, children, siblings and other relatives through motor crash. Where will these people receive compensation from?

The motor third party insurance cover will pay on behalf of the insured or the driver, in respect of legal liability to third parties resulting from an accident caused by his/her vehicle. In simple terms, the third party is any other person except the owner or the driver of the vehicle and the insurer will indemnify:

- Owner or any other person driving, using or in charge of the vehicle with the consent of the owner, or any authorised passenger getting in, on or out of the vehicle for:
 - death of or bodily injury to any person, and/or
 - damage to property belonging to someone other than the insured
 - death of or bodily injury to member of the insured household or any other occupants
- the policy also pays compensation for the driver for bodily injury or death

Motor Insurance Database

Motor Insurance is the largest non-life Insurance class of business, accounting for almost 40% of the non-life Insurance premium in 2018. This insurance class of business is however, beset with the challenges of fake motor insurance and premium undercutting. This is an account where most insurance companies are making underwriting losses. There are a lot of factors accounting for the underwriting losses but the three main factors

could be linked to quality of underwriting, claims handling processes and uninsured vehicles resulting from the predominance of fake motor insurance stickers.

To help address these challenges, the National Insurance Commission (NIC) have introduced the Motor Insurance Database (MID). Technology and innovation is the way to go. Being Innovative is a key fundamental tool and growth strategy. Innovation helps to improve upon features and procedures. (Drucker, 1985; Hitt et al., 2001; Kuratko et al., 2005).

In the Insurance Governance Leadership Network Summit, November, 2015 in New York, most of the members supported and said, "Insurance has not been able to come out with new ideas and being innovative historically. The industry has not consider innovation as their main competitive edge." Furthermore, the industry has to consider innovation in order to avoid disruptive forces.

The Motor Insurance Database is the **GAME CHANGER** to stop the disruptive forces of fake motor insurance stickers and undercutting or underpricing of insurance premiums.

The National Insurance Commission (NIC) is the Regulatory and Supervisory Body of the Insurance services sector with a broad consumer and prudential regulatory mandate under Section 2(3) of the Insurance Act 2006, (Act 724) brought to the attention of the general public that it has commenced the implementation of the Motor Insurance Database (MID), effective 1st January 2020. In the same communique, they highlighted the features of the Motor Insurance Database (MID) and these include:

1. Confirmation texts upon the purchase of a valid Motor Insurance Policy - the insured will receive a text message confirming that the Motor Insurance policy is authentic. The following is a sample of the confirmation text message:

Status:	Insured
Class:	Comprehensive
Period:	01/01/2020 – 31/12/2020
Company:	Jusbel Insurance Co. Ltd.
Reg:	GE 145 - 20
Premium:	GHS 00,000.00
From:	National Insurance Commission

One can also check the authenticity of a Motor Insurance Policy Using a Mobile Phone. Members of the general public can verify the authenticity of a Motor Insurance Policy by dialing a USSD code as follows: Dial ***920*57#** and follow the instructions. The following is a sample of the output of the USSD check:

Active Policy -	GE 145 – 20
Make:	Honda HRV
color:	White
Period:	01/01/2020 – 31/12/2020
Insurer:	GHS 00,000.00
From:	National Insurance Commission

The general public should also note that, the short code also allows an individual to verify whether a vehicle has a valid insurance before boarding it. I initially said, we the general public are the “third party” and the basic compulsory motor insurance cover is to our benefit. The policy is there to compensate us against injuries, death and damages to our properties. This means we have to be more concern about this.

The Police can also use this short code to verify the authenticity of a Motor Insurance Sticker. Again, the Motor Insurance Database (MID) comes with electronic Motor Insurance Stickers with QR Codes which are generated from the MID Portal. The QR code can be scanned with a QR Code Reader to verify the authenticity of the sticker and for that matter the insurance policy.

Electronic Motor Insurance Sticker below is a specimen of the enhanced ‘look and feel’ of the new Motor Insurance Sticker for the attention of Members of the general public:



It is very important for the public to note that, the old Insurance Stickers no longer valid for all motor insurance policies issued from the 20th of January, 2020. In other words, any

old motor insurance sticker issued after Monday 20th January, 2020 is illegal and must be rejected by members of the insuring public. The NIC have authorised all Insurance Companies to upload all motor insurance policies issued prior to 20th January, 2020 on to the database. This will enable the Police and the general public to verify with accuracy the authenticity of such Motor Insurance Policies.

The NIC have also indicated to collaboration with the Motor Traffic & Transport Division (MTTD) of the Ghana Police Service to conduct random checks across the country to ensure effective implementation.

Trust and confidence is very important in the insurance business and obtaining public confidence and trust calls for full disclosure of product features, being honest on the terms and conditions of the policy, especially at the initial stage or at the point of sale.

Conclusion

New technology do impacts innovation (Roberts, 1988). New technology has the potential to change industry structure (Porter, 1998) thereby changing the marketplace and hence influencing consumer needs. Exploitation and recognition of the competitive importance of technological change is important, as this can also change the parameters and rules and under which organizations operate (Dooley and O'Sullivan, 2001; Means and Faulkner, 2000; Porter, 1998; Roberts, 1988).

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