

# BANK OF GHANA



## **BANCASSURANCE DIRECTIVE**

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*FOR BANKS AND SPECIALISED DEPOSIT-TAKING  
INSTITUTIONS*

*Prepared by the Bank of Ghana*

*September 2025*



## **Preamble**

Bancassurance has notably grown in Africa and around the world since the 1980s by offering banks and other financial institutions (BOFIs) an opportunity to provide more diversified products to their customers, whilst earning additional income by providing their distribution channels and other platforms to insurance companies.

Insurance companies, on the other hand, can have an increased reach to a broader audience and achieve more sales by leveraging the BOFIs' distribution channels. For customers, there is convenience, as BOFIs provide a one-stop shop for all their financial needs, including insurance products. In the case of Ghana, insurance companies have resorted to entering into partnership agreements with banks for the provision of Bancassurance products through the distribution channels of the latter.

The Bank of Ghana's (BOG) approved model for Bancassurance, as emphasised in this Directive, is the Distribution Partnership Model. The model allows Regulated Financial Institutions (RFIs) to sell insurance products to their customers on behalf of an insurer using an RFI's distribution network. This model permits an RFI to contract one life and one general insurance company and allows individuals to choose their desired product and insurer. The model ensures that there is no sharing of risk between the RFI and the insurer. It also aligns with the Bancassurance model as adopted by the National Insurance Commission (NIC).

This Directive is therefore being issued to provide BOG's regulatory expectations in respect of the approved model, governance and risk management, prohibited activities and consumer protection requirements to the banking industry to ensure that inherent risks associated with the product are adequately managed by RFIs, as well as to further smooth and ensure a seamless implementation of the business of Bancassurance in Ghana between the banking and insurance sectors of the economy.

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## PART I – PRELIMINARY PROVISIONS

### Title

1. This Directive shall be cited as the **Bank of Ghana Bancassurance Directive, 2025**.

### Authorisation

2. This Directive is issued pursuant to sections 18 and 92(1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).
3. This Directive shall be read in conjunction with the Insurance Act, 2021 (Act 1061) and the National Insurance Commission Guidelines for Corporate Agents.

### Application

4. This Directive shall apply to all banks and Specialised Deposit-Taking Institutions (SDIs) collectively referred to in this document as "Regulated Financial Institutions (RFIs)".

### Interpretation

5. In this Directive, unless the context otherwise requires, words used have the same meaning as that assigned to them in the applicable law or as follows:

**"Act 930"** means the *Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)*.

**"Act 1061"** means the *Insurance Act, 2021 (Act 1061)*.

**"Bancassurance"** means an agency arrangement between an insurance company (as the principal) and an RFI (as the agent) by which the RFI distributes and sells the insurer's insurance product(s) to customers of the RFI.

**"Bancassurance Agreement"** means a contract duly executed between an RFI and an insurance company where the RFI shall act as a corporate agent to engage in the distribution and marketing of Bancassurance product(s) in accordance with the provisions of this Directive, Act 1061, the National Insurance Commission Guidelines for Corporate Agents, as well as other relevant laws and regulations.

**"Bancassurance Business"** means the provision of insurance products by an RFI that is licensed as a corporate agent on behalf of an insurance company.



**"Bancassurance Policy"** means the insurance policy underlying the agreement between the insurance company and the RFI's customer for the Bancassurance Product.

**"Bancassurance Product"** means an insurance product (General or Life) which is marketed and sold to RFIs' customers on behalf of an insurance company under a Bancassurance Agreement.

**"Bancassurance/Corporate Agent"** means an RFI who has been licensed by the NIC to be an agent of an insurance company and sell insurance products of the insurance company in line with the NIC Guidelines for Corporate Agents.

**"BOG"** means the Bank of Ghana.

**"Commission"** means the fee payable to an RFI by an insurance company in line with the commissions approved by the NIC.

**"Customer"** means a natural person and excludes artificial persons (corporate customers) of an RFI.

**"Distribution Partnership Model"** means a model where an RFI operates strictly as an intermediary by selling products of insurance companies to its customers. The product development is done by only the insurance company, and the insurer bears the underwriting risks associated with the product.

**"Fit and Proper Person"** means a person who is suitable to hold the particular position which that person holds or is to hold as regards to:

- a. the probity, competence and soundness of judgment of the person for purposes of fulfilling the responsibilities of that person;
- b. the diligence with which that person fulfils or is likely to fulfil those responsibilities;
- c. whether the interest of depositors or potential depositors of the entity is threatened, or likely to be, in any way threatened by the person holding that position; and
- d. that the integrity of the person is established and the qualifications and experience of the person are appropriate for the position in the light of the business plan and activities of the entity which the person serves, or is likely to serve, taking into account the size, nature and complexity of the institution.

**"Insurance Company (Insurer)"** means a company licensed by the National



*Insurance Commission to undertake liability under an insurance contract in exchange for a premium.*

**"Key Management Personnel"** *means the chief executive officer or managing director, deputy chief executive officer, chief operating officer, chief finance officer, Board secretary, treasurer, chief internal auditor, the chief risk officer, the head of compliance, the anti-money laundering reporting officer, the head of internal control functions, the chief legal officer, the manager of a significant business unit of the Regulated Financial Institution.*

**"NIC"** *means National Insurance Commission.*

**"Regulated Financial Institution (RFI)"** *means a bank or specialised deposit-taking institution regulated under Act 930.*

**"Related Party"** *means:*

- a. the RFI's subsidiaries, affiliates (including their subsidiaries, affiliates and special purpose entities), and any other party that the RFI exerts control over or that exerts control over the RFI;*
- b. the RFI's significant shareholders, including ultimate beneficial owners;*
- c. directors, key management personnel, corresponding persons in affiliated companies and parties that can exert significant influence on the directors or key management personnel; and*
- d. related persons and related interests of natural persons identified in a, b, and c above.*

**"Senior Management"** *means members of the Executive Management Committee (EXCO) of a Regulated Financial Institution and any other Key Management Personnel as may be determined by the Regulated Financial Institution.*



## **Objectives**

6. The objectives of this Directive are to:

- a.* provide a framework for the regulation and supervision of Bancassurance business in the banking sector;
- b.* set out minimum prudential and information requirements that RFIs must satisfy regarding Bancassurance Business;
- c.* ensure that RFIs have in place a robust Governance and Risk Management framework/system to support their Bancassurance Business;
- d.* promote awareness and enhance transparency of BOG's expectations, requirements and considerations in relation to Bancassurance Business; and
- e.* enhance financial inclusion and consumer protection within a stable and sound financial system environment.

## **Transitional Arrangements and Effective Implementation**

7. These Guidelines shall be effective from 1<sup>st</sup> July 2026.

8. An RFI with an existing Bancassurance agreement/ arrangement in place that does not meet the requirements in this Directive shall review such an agreement/ arrangement and ensure compliance with this Directive on the earlier of either the renewal date of the agreement or by 30<sup>th</sup> June 2026.



## **PART II – GOVERNANCE FRAMEWORK FOR BANCASSURANCE ARRANGEMENTS**

9. The Board of an RFI shall have the ultimate responsibility in all matters regarding the Bancassurance business.
10. The Board shall ensure that the governance arrangements for the management of its Bancassurance business (including internal governance structures, policies, procedures, controls and risk management) are consistent with the provisions of this Directive, BOG Risk Management Directive and NIC regulations.
11. The Board shall approve the RFI's internal governance policies, procedures and controls with regard to:
  - a.* formulation of the Bancassurance arrangements;
  - b.* implementation, maintenance and monitoring of Bancassurance arrangements; and
  - c.* develop a scheme that would enable the distribution of Bancassurance products.
12. An RFI shall ensure internal policies, procedures and controls around their Bancassurance business include the following:
  - a.* Establishment of quantifiable parameters/thresholds and key performance indicators relevant to the specific risks presented by the introduction of the Bancassurance business.
  - b.* An outline of clear roles, responsibilities and accountabilities of the RFI and the insurance company, as well as persons designated within the RFI.
13. The Board of an RFI shall provide adequate oversight on the implementation of the internal policies, procedures and controls by the Senior Management in respect of Bancassurance business.
14. The Board and Senior Management of an RFI shall be accountable for ensuring that the Bancassurance products sold, and Bancassurance arrangements entered into, do not threaten the safety and soundness of the RFI, as well as ensure that the interests of customers of the RFI are adequately protected.
15. Senior Management of an RFI shall ensure that the assessment, management and control of risks associated with the Bancassurance business aligns with the requirements in their internal policies.





### **PART III – REGULATING BANCASSURANCE BUSINESS**

#### **Permissible Business**

16. An RFI shall not engage in any other model of Bancassurance other than the **"Distribution Partnership Model"**, as provided in this Directive.
17. An RFI that intends to engage in a Bancassurance business shall obtain a licence as a corporate agent of an insurer from the NIC and also adhere to the provisions stipulated in the NIC Guidelines for Corporate Agents.

#### **Prohibited Activities**

18. An RFI shall not be involved in the design, development and cost-related marketing of a Bancassurance product.
19. An RFI shall not, under any circumstance, co-brand an insurance product or promotional materials with its logo, name or any other information.
20. An RFI is not permitted to participate in the risk-taking aspect of a Bancassurance transaction.
21. An RFI shall not undertake or engage in the actual business of underwriting risks or give the impression of being the underwriter of the insurance products to its customers.
22. An RFI shall not provide the Bancassurance product to its customers in a manner that contravenes any law or regulation that applies to or affects the business of Bancassurance.
23. An RFI shall sell insurance products to only customers who are natural persons, for that customer's own benefit. An RFI is not permitted to sell commercial lines insurance to corporate customers.
24. An RFI shall ensure that only insurance products approved by the NIC are offered by their principal insurance companies to their customers.
25. An RFI shall not enter into a Bancassurance agreement with insurance companies that do not hold a valid operational licence from NIC.
26. An RFI shall ensure that no risk is transferred to it and shall not assume any fiduciary responsibility or liability for any consequences, financial or otherwise, arising from the purchase of Bancassurance products by its customers.
27. Notwithstanding paragraph 26 above, an RFI shall not act in a manner which constitutes intentional wrongful conduct or gross negligence resulting in undue liability on the insurer.
28. Where an RFI is a member of a Financial Holding Company or Group, the RFI shall not be the agent for its affiliate or subsidiary's insurance products.



29. An RFI shall not make the purchase of an insurance product a mandatory condition for accessing any banking service, including but not limited to loans, deposits, or account opening.

**Distribution Channels**

30. RFIs shall offer Bancassurance products to their customers through any of the following distribution channels:

- a.* Branches and Agencies;
- b.* Sales Networks; and
- c.* Digital Platforms.

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## PART IV – APPLICATION PROCESS

### Prior Approval Requirement

31. An RFI shall not engage in a Bancassurance business without the prior written approval of BOG and a corporate agent licence from the NIC in accordance with section 111 of the Insurance Act, 2021 (Act 1061).

### Supporting Documentation

32. Any RFI that applies to sell Bancassurance products shall submit the following minimum documentation to the BOG:

- a. An application letter co-signed by the Chief Executive Officer and any other Senior Management member.
- b. Extract of Board resolution approving the rolling-out of Bancassurance business and approval of the partnership with the named insurer(s).
- c. A copy of the Bancassurance Agreement between the RFI and the insurance company, which shall include the following and be in line with NIC Guidelines for Corporate Agents:
  - i. Types of Bancassurance products offered by the insurance company to be sold by the RFI under the agreement;
  - ii. Duties and responsibilities of each of the parties during and upon termination of the agreement;
  - iii. Conditions for termination of the agreement;
  - iv. Frequency of remittance of premiums collected by the RFI to the insurance company;
  - v. Commission to be charged for the service;
  - vi. Duration of the contract and whether it is renewable;
  - vii. Dispute resolution mechanism;
  - viii. Measures to safeguard confidential information;
  - ix. Indemnity and liability provision<sup>1</sup>;
  - x. Data Protection and Confidentiality obligations of the parties;
  - xi. Compliance with AML/CFT laws; and
  - xii. Any other relevant information.

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<sup>1</sup> Disclaimer that the products shall be underwritten by the insurance company with no recourse to the RFI in terms of claims or any legal proceedings between the insurance company and the RFI's customer.



- d.* The RFI's assessment of risks that may arise from carrying on Bancassurance business and mitigants put in place;
- e.* A copy of the RFI's Corporate Agent licence issued by NIC;
- f.* A copy of a "No Objection" consideration from NIC regarding the suitability of the insurer;
- g.* The RFI's due diligence report on the insurance company;
- h.* Evidence of the establishment of adequate AML/CFT controls;
- i.* Samples of promotional materials of the Bancassurance product(s) description;
- j.* Bancassurance policy;
- k.* Consumer protection framework;
- l.* Copies of the sub-agent license for designated persons responsible for selling Bancassurance products on behalf of the RFI;
- m.* Training and competency plan for staff;
- n.* IT and Operational support details; and
- o.* Any other information/documents that the Bank of Ghana may require.

### **Amendment, Renewal and Termination of Bancassurance Agreement**

33. An RFI shall abide by the following on the expiration, renewal/extension, amendment and termination of any Bancassurance agreement:
- a.* An RFI shall notify the BOG in writing of the expiration, renewal/extension, or termination of any Bancassurance agreement not later than ten (10) days prior to the effective date of such expiration, renewal, or termination.
  - b.* An amendment of a Bancassurance agreement shall be subject to prior written approval by the BOG. The RFI shall request approval at least thirty (30) days before the proposed effective date of the amendment, together with relevant supporting documents.
34. An RFI shall not include any exclusivity clause (entry/exit barrier) in a Bancassurance agreement with any insurer.
35. On termination or discontinuation of the Bancassurance agreement, the RFI shall notify the BOG, stating reasons for the termination/discontinuation and shall communicate to all its concerned staff and appropriately to customers.
36. Termination or discontinuation clauses of the Bancassurance agreements shall include:



- a.* To maintain continuity of service to the existing policyholders by both parties (RFI and insurer), even if the RFI's contract with the insurance company is terminated, the concerned RFI shall provide all kinds of assistance to the insured for the remaining term of the policyholder's existing policies;
- b.* The RFI shall ensure that the insured can receive the amount due through the customer's account with the RFI at the maturity of the insurance policy;
- c.* Commissions on renewal for life policies shall continue to be paid to the RFI for the tenure of the policy, provided the premium payments continue. However, for non-life policies, payment of commission ceases when the policy expires; and
- d.* Any complaint of the customer shall be resolved by negotiation between the RFI and the insurer with mutual consent. If unsuccessful, the customer shall submit the complaint to the NIC, with a copy to the BOG, for redress.

### **Granting Approval for Bancassurance Business**

37. The BOG, in granting approval for an RFI to engage in a Bancassurance business, shall take the following into consideration:

- a.* The Capital Adequacy Ratio (CAR) shall not be less than the prescribed regulatory minimum of 13.0% for banks and 10.0% for SDIs;
- b.* RFIs shall meet minimum liquidity requirements as prescribed by the Bank of Ghana;
- c.* Level of Non-Performing Loans (NPLs) held by the RFI shall not be higher than the prudential threshold prescribed by BOG;
- d.* The adequacy and effectiveness of the RFI's assessment and management of risks posed by the Bancassurance business;
- e.* The RFI's due diligence report on the insurance company to confirm its viability, solvency, profitability, liquidity and compliance with regulations;
- f.* Ability of the RFI to conduct Bancassurance business in a prudent manner;
- g.* The availability of competent and suitable manpower to operate a dedicated Bancassurance unit;
- h.* Fitness and propriety of Key Management Personnel responsible for the Bancassurance business within the RFI;
- i.* Whether the approval will not prejudice public interest;
- j.* Whether the RFI has complied with all the regulations of NIC for the maintenance of the corporate agent licence; and
- k.* Any other issues BOG may consider necessary.



## **PART V – CONSUMER PROTECTION AND REGULATORY REQUIREMENTS**

### **Regulatory Requirements**

38. An RFI engaged in a Bancassurance business shall:

- a.* establish a robust risk management framework to assess and manage the risks inherent in the Bancassurance agreement(s);
- b.* ensure that it has adequately trained staff, licensed by the NIC as sub-agents, capable of explaining the key attributes of the insurance products to customers;
- c.* ensure that its members of staff selling insurance products do not make any misrepresentation or misleading statements to the prospective customer on policy benefits and returns available under the policy;
- d.* institute appropriate systems to constantly monitor Bancassurance-related transactions in order to report transactions in a timely manner;
- e.* ensure full disclosure of terms and conditions to customers as well as information on their principal insurance companies prior to selling Bancassurance products;
- f.* ensure that the customer is informed that the product is underwritten by the insurer and that the insurer shall solely be liable for settlement and payment of claims that may arise from the risk covered;
- g.* indicate the premium to be charged by the insurer for the insurance product offered for sale;
- h.* ensure premium payments from customers are made into a designated account of the insurance company held with the RFI on a real-time basis. Claim payments shall be made to deserving customers from the same designated account;
- i.* render such assistance to the policyholder, claimant or nominee, as may be required in complying with the requirements for settlement of claims by the insurer;
- j.* put in place Operational Guidelines to guide the conduct of Bancassurance business;
- k.* not offer Bancassurance products to walk-in customers (customers who do not have accounts with the RFI); and
- l.* not enter into agreements with more than one (1) life insurance and one (1) non-life insurance company at the same time.

**Consumer Protection**

39. An RFI is prohibited from inducing or compelling customers in any way to take up Bancassurance products from insurance companies with which it has Bancassurance agreements.
40. Purchase of an insurance product must be voluntary and not linked to any other facility, product or service offered by the RFI.
41. An RFI shall not debit the customer's account for premium without prior written authority or consent of the customer.
42. An RFI shall not offer different rates, benefits, terms and conditions other than those provided or agreed by the insurer.
43. An RFI shall ensure the confidentiality of customer data and information under the Data Protection laws of Ghana.
44. An RFI shall ensure that the insurance company has in place an appropriate complaints redress mechanism to support its Bancassurance business.
45. An RFI shall ensure that no other person, except designated persons (trained Bancassurance officers/managers), solicits and /or sells insurance products to customers of the RFI.



## **PART VI – GENERAL PROVISIONS**

### **Claim Processing**

46. The settlement of the claim shall be the responsibility of the insurance company and shall be obligated under the following arrangements:

- a.* The RFI shall assist the insured customer as a facilitator in processing the claim as applicable and provide adequate information to the claimant on processes for the submission of claims.
- b.* An RFI at the behest of the insurer shall provide all necessary assistance in collecting the required documentation/information regarding the settlement of a claim by a customer.

### **Service Monitoring**

47. The Risk Management function of the RFI shall ensure adequate control for monitoring service levels related to the Bancassurance product and submit reports to senior management.

### **Reporting Requirements**

48. An RFI engaged in Bancassurance business shall submit to the BOG, semi-annual returns on the performance of the Bancassurance business containing the following information not later than 31<sup>st</sup> March and 30<sup>th</sup> September of every ensuing year:

- a.* Number of policies sold during the year by product type and premiums generated;
- b.* Number of claim requests received during the year;
- c.* Number of claims settled by the insurance company;
- d.* Income and expenses associated with the sale of Bancassurance products;
- e.* Number of unsettled claims and reasons for the unsettled claims;
- f.* The number of complaints and details of those complaints;
- g.* The number of complaints resolved with customer details; and
- h.* Any other information that the BOG may require.

49. An RFI engaged in Bancassurance business shall promptly inform the BOG of pertinent issues and concerns that could have a material impact on it.

### **Disclosure Requirements**

50. An RFI engaged in Bancassurance business shall disclose in its Annual Audited Financial Statements, as part of its notes, income and expenses associated with the Bancassurance business.





## **PART VII – SANCTIONS AND REMEDIAL MEASURES**

51. An RFI that fails to comply with the requirements of this Directive shall be liable to pay to the Bank of Ghana an administrative penalty of not less than two thousand penalty units and not more than ten thousand penalty units (as per section 92(8) of Act 930) as well as impose any other penalty or take any remedial action that BOG considers appropriate as set out in Act 930.
52. Without prejudice to the other penalties and remedial measures prescribed by Act 930, BOG may impose one or more of the following sanctions where any of the provisions herein are contravened:
- a.* Suspension from engaging in Bancassurance business;
  - b.* Prohibit the RFI from further lending or taking further financial exposures, including investments, or capital expenditure;
  - c.* Restricting payment of bonuses to the defaulting key management personnel or director; and
  - d.* Suspension of the defaulting person from office or declare that the relevant person is no longer fit and proper.

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