



MATERIAL DISCLOSURE ON COVID-19





INTRODUCTION

The recent outbreak of the new coronavirus (COVID-19) has introduced new challenges to the business environment which calls for a measured, practical and informed approach from all stakeholders. The outbreak's impact is multifaceted causing widespread concern and increasing economic hardship for consumers, businesses and communities.

With a company – wide business continuity plan in place which was activated at the inception of the lockdown, there is need to develop a bespoke business impact assessment of the new, fast-moving and unknown variables of this outbreak on SUNU Assurances Nigeria Plc business activities.

OBJECTIVE OF THIS DISCLOSURE

This disclosure is to keep investors abreast of SUNU Assurances Nigeria Plc's operational activities during this pandemic period in order for them to be able to make informed decision if need be.

ASSESSING AND DISCLOSING THE EVOLVING IMPACT OF COVID – 19

Assessing the evolving impact of COVID-19 and related risks will be on facts and circumstances analysis of SUNU Assurances Nigeria Plc. Disclosure about these risks and effects, including how SUNU Assurances Nigeria Plc is responding to them are stated here under:

Operations

SUNU Assurances Nigeria Plc. activated the Business Continuity Plan in response to COVID-19 which has impacted and will continue to impact its operations, revenues and profits, and the risks and uncertainties affecting its operations going forward. Most of the company's clients have business focus on what the government has classified as non-essential services, and they have been required to shut down operations entirely. While other businesses have been required to limit their operations to protect employees, customers and others.

However, SUNU Assurances Nigeria Plc has leveraged on technology to ease sales and achieve improved customer service delivery which has been yielding tremendous positive result since the lockdown.

Sales Channels

The positive results in our sales would not have been possible but for the partnership with Brokers, Agents, and Online Sales. They are exposed to similar risk management and logistical challenges as experienced by SUNU Assurances Nigeria Plc., especially since many may also have to work from home. Meanwhile, face-to-face meetings with brokers, prospects and clients may have to be avoided until the risk of exposure passes.

However, we had invested in advanced digital capabilities which has better positioned us in the short term to maintain a connection to all distribution channels, which in turn, have been able to offer faster and more comprehensive services to clients. This is yielding anticipated result.





Liquidity and Capital Resources

Due to sharp slow down in the economy, we experienced a slight decline in our cash collection when compared to the same period last year. This has a slight effect for the period on our investment income coupled with interest rates decline in the money market. We will continue to leverage on our technology towards improvement on our cash collection in order to meet our projected investment income for the year.

We are also addressing credit quality deterioration throughout the economy, asset impairment and expected high influx of short-term insurance policy patronage due to liquidity challenges faced by clients.

Workforce Utilization

The health and safety of staff is germane to SUNU Assurances Nigeria Plc. Hence the need to immediately comply with the “stay at home” order to prevent infection of the virus by any staff. Due to the lockdown, the company has not able to fully utilize the existing back-office staffs by running 80% of operations virtually. However, plan are being put in place to on-board more staff members into the virtual office without due cyber exposure.

Strategy and Branding

SUNU Assurances Nigeria Plc has adopted the strategy of reviewing and where necessary cutting down on discretionary spending, non-essential projects, and both short and mid-term projects due to the company’s revised liquidity plans. Also we are reviewing all the cost levers in our control without impairing brand visibility. We are also doing the following:

- Review major business transactions to model various what-if or stress-test scenarios.
- Review communications to stockholders as event changes.

Cyber Security

With the increasing use of technology for virtual operation, we have amplified cyber security in our Business Continuity Plan. Since the worldwide outbreak of Corona virus, there has been increased malware attacks using the pandemic as bait. SUNU Assurance Nigeria Plc has put in place a robust security measures to protect our system from such attacks.





Thank you for your attention

