FREE GUIDE · 2026



Nigeria

Employer guide: NSITF, group life & business insurance

4 chapters · every source listed



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Employer guide: NSITF, group life & business insurance 2026

For employers in Nigeria: registering with NSITF and paying 1% of payroll, the group life cover the Pension Reform Act requires, and the other covers a business must hold.

This guide puts together 4 pages of Tulinde Nigeria (tulinde.africa), word for word. Each chapter states the date it was last reviewed; the 12 sources are listed at the end. Compiled on 28 October 2026. Laws, prices and rules change: check the online version of each chapter (its address is under its title) before you rely on it.

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Chapter 1

Business insurance in Nigeria: the covers the law requires

Reviewed 31 October 2026 · online: https://tulinde.africa/ng/business-insurance/

Short answer Checked 31 October 2026

A business with employees in Nigeria has four main obligations: pay **1% of total monthly payroll** to the **NSITF** Employees' Compensation Scheme (Employee's Compensation Act 2010, s.33(1)); keep **group life cover** of at least **three times** each employee's annual pay (Pension Reform Act 2014, s.4(5)); insure every vehicle for at least **third-party** risks; and, with **five staff or more**, provide **health insurance** (NHIA Act 2022, s.14). Property, stock and liability covers come from NAICOM-licensed non-life insurers.

The employer checklist

Obligation	Rule	Read
Employees' Compensation Scheme	1% of total monthly payroll to NSITF; certificate of compliance	NSITF
Group life	At least 3× annual total emolument per employee, premium before cover starts	Group life
Company vehicles	Third-party at NAICOM's rates (₦20,000 to ₦100,000 for commercial classes)	Motor insurance
Health insurance	Employers and employees with five staff and above (NHIA Act, s.14)	NHIA registration

Figures: employer calculator.

Builders' and occupiers' liability

Besides motor policies, the NIID verification platform checks **builders' liability**, **occupiers' liability**, marine and marine hull policies (askNIID). NAICOM describes the Reform Act 2025 as a new push to enforce compulsory insurance and to insure government assets (NAICOM). Ask a licensed insurer or broker which compulsory covers apply to your premises and projects.

Buying cover for the business

Non-life and composite insurers sell property, fire, burglary, goods-in-transit, liability and engineering covers; the Q2 2026 market split shows oil and gas (27.7%), fire (20.0%) and motor (19.1%) as the largest non-life classes (NAICOM bulletin). Brokers must be licensed by NAICOM: check an insurer or broker.

Frequently asked questions

What insurance is compulsory for businesses in Nigeria?

The Employees' Compensation Scheme contribution to NSITF (1% of payroll), group life for employees (3× annual pay), third-party cover for every vehicle, and health insurance for employers with five staff and above. Ask a licensed insurer about liability covers for buildings and premises.

How much is NSITF contribution?

At least 1% of total monthly payroll, paid every month by the employer (Employee's Compensation Act 2010, s.33(1)).

Chapter 2

NSITF registration and the Employees' Compensation Scheme

Reviewed 31 October 2026 · online: https://tulinde.africa/ng/nsitf-employee-compensation/

Short answer Checked 31 October 2026

The **Nigeria Social Insurance Trust Fund (NSITF)** runs the **Employees' Compensation Scheme** under the **Employee's Compensation Act 2010**: employers register online on **ecsonline.nsitf.gov.ng**, pay at least **1% of total monthly payroll** every month (section 33(1)), and obtain a **certificate of compliance**, which anyone can verify online. Workers pay nothing and are covered for injury, occupational disease, disability and death **regardless of fault**. Toll-free line: **0800 223 0400**.

Employers: register and pay

1. Create an employer account on the NSITF employer self-service portal. NSITF lists a one-time onboarding fee for the scheme.
2. Declare your payroll and pay **1% of total monthly payroll** each month through the portal (NSITF services).
3. Apply for or renew the **NSITF certificate of compliance** on the same portal; clients and tenders often ask for it.

The National Industrial Court held in May 2025 that an employer "is under a statutory obligation to comply with the provisions of Section 33 (1) of the ECA which require every employer to make monthly contribution of 1% of its total monthly payroll" (NICN, NSITF v NECO Staff School).

Workers: what the scheme pays and how to claim

- Medical, surgical, nursing and other required healthcare after a work injury.
- Cash compensation, paid periodically, for permanent or temporary, total or partial disability (NSITF cites 90% of remuneration for temporary disability).
- Benefits in fatal cases, occupational diseases, mental stress, hearing impairment and injuries outside the normal workplace.
- Vocational and medical rehabilitation, including prosthetics and return-to-work support.

Report the injury and file the claim through NSITF's online services or an NSITF office; employees can also check their registration status, benefits and claim history online. NSITF says it processes claims within **7 working days** (NSITF services).

Contact NSITF

Head office: Plot 794, Muhammadu Buhari Way, Central Business District, Abuja. Toll-free 0800 223 0400, 0700 312 2400, customersupportcentre@nsitf.gov.ng; offices in all 36 states and the FCT (NSITF). Verify a certificate: ecsonline.nsitf.gov.ng/verify-certificate.

Frequently asked questions

How do I register my company with NSITF?

Online, on the employer self-service portal at ecsonline.nsitf.gov.ng: create the account, declare the payroll, pay the onboarding fee and the monthly contributions.

What is the NSITF contribution rate?

At least 1% of the total monthly payroll, paid by the employer every month (Employee's Compensation Act 2010, s.33(1)). Employees contribute nothing.

How do I verify an NSITF certificate?

On ecsonline.nsitf.gov.ng/verify-certificate, NSITF's online verification of the documents it issues.

Does NSITF pay if the accident was my fault?

Yes. NSITF describes the Employees' Compensation Scheme as covering workplace injury, occupational disease, disability and death regardless of fault.

Chapter 3

Group life insurance in Nigeria: what every employer must buy

Reviewed 31 October 2026 · online: https://tulinde.africa/ng/group-life-insurance/

Short answer Checked 31 October 2026

Every employer in Nigeria must keep a **group life insurance policy** for each employee for at least **three times the employee's annual total emolument** (gross pay before deductions), paid by the employer **before the cover starts** and on top of pension contributions (Pension Reform Act 2014, section 4(5); NAICOM-PenCom guidelines). The insurer must accept or reject a death claim within **90 days** and pay within **90 days** of the discharge voucher. An employer that did not insure must pay the **300%** itself.

The rules, point by point

Rule	Guidelines paragraph
Minimum sum insured: 300% of the employee's gross annual emolument	4.6, 6.1
The employer bears the whole cost, separate from pension contributions	2.1
Bought from a life insurer licensed by NAICOM; a life insurer may not insure its own staff	2.2, 2.5
Cover for 12 months, renewable; premium paid before the cover starts	4.2, 5.7
The employer gets a certificate within a month and displays a copy in its premises	5.4, 5.5
Renewal talks start in writing two months before expiry	5.6

Source: Revised Guidelines on Group Life Insurance Policy for Employees, issued jointly by NAICOM and the National Pension Commission on 1 September 2020. Work out the minimum cover with the employer calculator.

When an employee dies

1. The employer notifies the insurer at once and processes the claim for the family, in all cases within 365 days of the death (§7.1). If it fails to notify, it pays the claim itself (§7.2).
2. The insurer accepts or rejects liability within 90 days of receiving the claim (§9.1) and pays within 90 days of the executed discharge voucher (§9.2), directly to the named beneficiaries, with no deductions (§9.5, §2.6).
3. Disputes go to the insurer first, then to NAICOM, copying PenCom (§9.3–9.4).

If the employer had no group life policy, or insured less than 300%, it pays the beneficiaries the 300% or the difference (§7.3–7.4).

Frequently asked questions

Is group life insurance compulsory in Nigeria?
Yes. Section 4(5) of the Pension Reform Act 2014 requires every employer to maintain a group life policy for each employee of at least three times the annual total emolument.

Who pays for group life insurance?
The employer, in full, in addition to its pension contributions; no deduction may be made from the benefit.

What if my employer did not buy group life insurance?
If an employee dies in active service without cover, the employer must pay the beneficiaries 300% of the gross emolument itself, and the employee or family can report the employer to PenCom.

Chapter 4

NSITF contribution and group life minimum calculator (Nigeria)

Reviewed 31 October 2026 · online: https://tulinde.africa/ng/employer-insurance-calculator/

Short answer Checked 31 October 2026

Every employer in Nigeria pays at least **1% of its total monthly payroll** into the **Employees' Compensation Fund** run by **NSITF** (Employee's Compensation Act 2010, section 33(1)). Separately, the **Pension Reform Act 2014, section 4(5)** requires every employer to keep a **group life insurance policy** for each employee for at least **three times the employee's annual total emolument**, with the premium paid before the cover starts.

The rules the calculator uses

Obligation	Rule	Source
Employees' Compensation Scheme	At least 1% of total monthly payroll, every month	Employee's Compensation Act 2010, s.33(1); NSITF
Group life insurance	Sum insured at least 3 times the annual total emolument (300% of gross emolument)	Pension Reform Act 2014, s.4(5); NAICOM-PenCom guidelines, §4.6 and §6.1
Group life premium	Paid by the employer, before the cover starts, on top of pension contributions	Guidelines §2.1 and §5.7

NSITF states the rate as "1% of total monthly payroll, remitted by every registered employer" (NSITF services), and the National Industrial Court applied section 33(1) in the same terms in May 2025 (NICN). The group life rules are in the Revised Guidelines on Group Life Insurance Policy for Employees.

Frequently asked questions

How much does an employer pay to NSITF?

At least 1% of the total monthly payroll every month (Employee's Compensation Act 2010, s.33(1)). Employees pay nothing.

How much group life cover must an employer buy?

At least three times each employee's annual total emolument, meaning the gross annual pay before deductions (Pension Reform Act 2014, s.4(5) and the NAICOM-PenCom guidelines).

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Chapter 3: Group life insurance in Nigeria: what every employer must buy

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About this guide

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