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THE INSURANCE ADVERTISEMENT GUIDELINE, 2016

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The Insurance Advertisement Guideline, 2016.

1. CITATION

These Guidelines may be cited as The Insurance Advertisement Guideline, 2016.

2. INTERPRETATION

(1) In this Guideline, unless the context otherwise requires –

“Advert” means any material be it printed, published, audio or visual, designed to create public interest in a licensee or an insurance product; or to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy.

“Authority” means the Insurance Regulatory Authority of Uganda.

“key information” means any information which is likely to influence a consumer’s action with regard to a product or service.

“licensee” means a person who holds any licence issued under the Insurance Act Cap 213 as Amended;

(2) Terms and expressions used in this Guideline and not defined shall have the same meaning ascribed to them in the Act.

3. PREAMBLE

Section 40 of the Insurance Act prohibits misleading Advertisements by any of the licensees. Specifically, any person who advertises, makes a statement, promise or forecast which he or she knows to be misleading, false or deceptive or conceals facts relating to insurance business commits an offence.

Licensees shall be honest, fair and avoid practices that may impair the confidence of the public who are influenced by advertisements for products and services.

Advertisements which do not represent the product, its key features and risks or the nature and scope of the service and create unrealistic expectations that lead to poor insurance decisions shall be considered misleading.

4. PURPOSE OF THE GUIDELINE

To guide licensees or any other person in shaping the content and form of their advertisements in a manner that is not misleading to the public.

5. APPLICATION OF THE GUIDELINE

This guideline shall apply to the advertisement of any approved insurance product.

6. SCOPE OF THE GUIDELINES

(1) This guideline will apply to:

- (a) all advertisements made by licensees (including insurers, re-insurers, HMO's and insurance intermediaries), and also insurance products;
- (b) all insurance related advertisements; communicated through any medium in any form, including but not limited to:
 - i. Newspapers and magazines;
 - ii. Radio and television;
 - iii. Outdoor advertising (including billboards, signs at public venues, and transit advertising);
 - iv. The internet (including web pages, banner advertisements, video streaming – like on YouTube), and any other recognized social media platform e.g. blogging, Twitter);
 - v. Social media and internet discussion sites;
 - vi. Mobile phone messages (e.g. SMS, MMS, and text messages);
 - vii. Product brochures and promotional materials;
 - viii. Direct mail (e.g. by post or email);
 - ix. Telemarketing activities and audio messages for telephone callers on hold;
 - x. Presentations to groups of people, seminars and advertorials.

(2) Advertisements must be made in the name(s) by which the licensee(s) was licensed.

(3) This shall apply to insurers, intermediaries and partnerships among the licensees.

(4) In the case of partnerships with non licenses, the advert shall state the name of the licensee and emphasize that it is an insurance product of the named licensee, approved by the Insurance Regulatory Authority of Uganda.

7. USE OF REGULATORY DISCLOSURE STATEMENT

(1) In order to build confidence amongst the consumers, it is important that the consumers know the legal status of the entity advertising and with whom they will be dealing.

(2) In this regard therefore;

- (a) A licensee shall use a regulatory disclosure statement in all its advertising in either of the following format: “(Full legal name of the licensee, license number) and indicate that it is regulated by the Insurance Regulatory Authority of Uganda.)”

- (b) For print, TV and Website advertisements, the regulatory disclosure statement should be placed in a position where it can be clearly seen as a standalone, but prominent and legible;
- (c) For radio advertisements, the regulatory disclosure statement should be delivered at a speed clear and audible.

8. COSTS AND FEES

- (1) Where a fee or cost is referred to in an advertisement, it should give a true and realistic impression of the overall level of fees and costs a consumer is likely to pay.
- (2) When an advert is about a fee or cost, any exclusions or qualifications should be contained within, and prominently noted in, the advertisement.

9. RATING / RANKING / AWARDS

- (1) Any rating /award to the licensee should be based on the individual entity and not its group.
- (2) The source of such rating /award should be disclosed noticeably and legibly in any such advert.

10. USE OF TERMS SUCH AS 'LEADING', 'BEST' ETC

To ensure that an advertisement is not misleading the consumer, any statement by a licensee that makes reference to or uses words like 'Leading', 'Best' etc, shall be factually accurate and the source and period of such an award must be disclosed.

11. REFERENCE TO 'TERMS AND CONDITIONS APPLY'

- (1) While it is not an Authority requirement that an advertisement states that, 'Terms and Conditions apply';
 - (a) the licensee must ensure that key information and qualifying criteria are not included as just part of these terms and conditions but rather as part of the main document should an advertisement refer that 'Terms and Conditions apply';
 - (b) It shall remain the responsibility of the licensee to identify the key information regarding a product and service and communicate it clearly as such.

12. NATURE OF ADVERTS AND RECORD KEEPING

Having observed that some advertisement messages are false and / or misleading and therefore may not serve the purpose they are intended for;

- (1) An advert should not make false or misleading or unverifiable comparisons with competing companies or products.
- (2) The message should bring out key attributes of the organization or product.
- (3) A company should avoid taking any improper advantage of any characteristic or circumstances that may make policyholders or prospective policyholders vulnerable (e.g. by exploiting their lack of experience or knowledge).
- (4) Terms and phrases should not be used in a particular way by the industry where these are not consistent with the ordinary meaning commonly recognised by consumers (e.g. 'free', 'secure' and 'guaranteed').
- (5) The licensee concerned should keep a separate record of all advertisements issued.
- (6) All advertisements should be approved by the Chief Executive Officer of the licensee.
- (7) A licensee should keep a record of any evidence to support any statement made in any advertisement which purports to be a statement of fact or opinion.

13. REMEDIAL MEASURES IN CASE OF CONTRAVENTION

- (1) The following remedial measures will apply to an advert that is found misleading;
 - (a) For the case of fixed adverts such as billboards, the Authority may direct that the advert is immediately changed or removed.
 - (b) If it is in the press, the Authority shall direct that clarifications and / or corrections be provided by the same media used.
 - (c) A licensee may be asked/required to write to the customers who may have been misled and to compensate them for justifiable losses.
 - (d) such other remedies as the Authority considers appropriate in the circumstance.
 - (e) A licensee(s) who contravene this guideline shall be penalized as provided for under S.97 (4) and 97(5) of the Insurance Act.