



Insurance Regulatory Authority of Uganda

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IRA/CIR/10/16/297

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TO ALL INSURERS

Dear Sir/Madam

INVESTMENTS OF YOUR FUNDS

1. We have examined the nature of investments of your funds as prescribed by section 48 of the Insurance Act (Cap 213), Laws of Uganda, 2000 (the Act). In view of the intention for which these investments are made, it has been decided that:
 - (i) The Authority shall place liens on all investments made in compliance with section 48(2)(a) and (b) of the Act including shares in the stock exchange.
 - (ii) Categorize your fixed deposits into those meant for capital requirements and those for operational needs.
 - (iii) The fixed deposits meant for capital requirements should be invested for a period not less than one (01) calendar year. The Authority shall place liens on these fixed deposits that are meant for capital needs.
2. Please therefore let us have:
 - (i) Copies of your letters to Bank of Uganda authorizing the Authority to place liens on the investments in Government Securities.
 - (ii) Letters from the various commercial banks recognizing the Authority's lien on your fixed deposits.
 - (iii) Letters from the Securities Exchange recognizing the Authority's lien on your investments in shares.
3. Reporting requirements:

Please note that the schedules for investments in respect of Section 6(3) (a) and 48 of the Act mentioned under Regulation 11 shall be submitted to

the Authority on a quarterly basis. The format of the schedule is as attached hereto. We therefore await submission of the first set of returns by the 31st of January 2017.

3. Please note that the above requirements take effect from **1st January 2017**.
4. Let us have your response to the issues raised in paragraph 2 hereinabove within four (4) weeks from the date of this letter.

Yours faithfully,

INSURANCE REGULATORY AUTHORITY OF UGANDA



Alhaj Kaddunabbi Ibrahim Lubega
CHIEF EXECUTIVE OFFICER


GSO/BDO/fnk
