



Insurance Regulatory Authority of Uganda

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IRA/CIR/10/13/50

October 3, 2013

ALL INSURANCE COMPANIES
ALL INSURANCE BROKERS

Dear Sir/Madam,

PAYMENT OF PREMIUMS DUE TO INSURERS

1. We have reviewed the reconciliations that insurance brokers made with the Insurance Companies as of 30th June 2013 and note that the outstanding balances are on the increase. We have also received information that some of the premiums have been collected, but not yet remitted.
2. We draw your attention to the CCA guidelines No. 4 which states that; ***“Premiums shall be collectible by an Insurance Broker within thirty (30) days of date of inception or renewal of the policy, failing which the Broker shall be required to disclose details of the Client, from whom premium is collectible, to the Insurer. Premiums shall be paid in form of cheques written out to the Insurance Broker Clients Collection Account (e.g. XXX Insurance Brokers Clients Collection Account)”***. Brokers are therefore required at all times to agree with the insurers on any outstanding balances.
3. Accordingly, we have decided to require each broker to submit a letter of Clearance from all insurers you placed business with as at 30th June 2013 as per schedule attached.
4. In instances where the insurer cannot give a broker a letter of Clearance, the insurer **MUST** write to IRA, with a copy to the concerned brokers, stating the reasons of refusal upon which IRA will make a final decision.

1

A handwritten signature in black ink, appearing to be 'V. M.', is located at the bottom left of the page.

5. Please note that each insurance broker MUST submit a letter of Clearance from all insurers they have placed business with by 30th November 2013, to qualify for licensing.
6. Each insurance company MUST issue a letter of Clearance or letter of No Clearance with a copy to IRA on each broker they dealt with as per schedule attached by 30th November 2013 for insurers to qualify for licensing.
7. Please accord this the urgency it deserves.

Yours faithfully,

INSURANCE REGULATORY AUTHORITY OF UGANDA



Alhaj Kaddunabbi Ibrahim Lubega
CHIEF EXECUTIVE OFFICER

Copy: Chief Executive Officer,
Uganda Insurers Association

The Chairman,
Uganda Association of Insurance Brokers


GSO/m