



**INSURANCE REGULATORY AUTHORITY
OF UGANDA**



FACTS AND FIGURES

FACTS AND FIGURES ON INSURANCE IN UGANDA

DRIVING GROWTH



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Insurance Regulatory Authority of Uganda

Driving Growth

Who we Are

The Insurance Regulatory Authority of Uganda whose establishment was a consequence of Government's adoption of the Liberalization policy which ended its role of directly engaging in the provision of goods and services and taking on the role of Supervision and Regulation.

The Authority is the Supervisor and Regulator of the insurance industry in Uganda. It was established under the Insurance Act, No.6 of 2017, with the main objective of "ensuring Effective Administration, Supervision, Regulation and Control of the insurance business in Uganda".

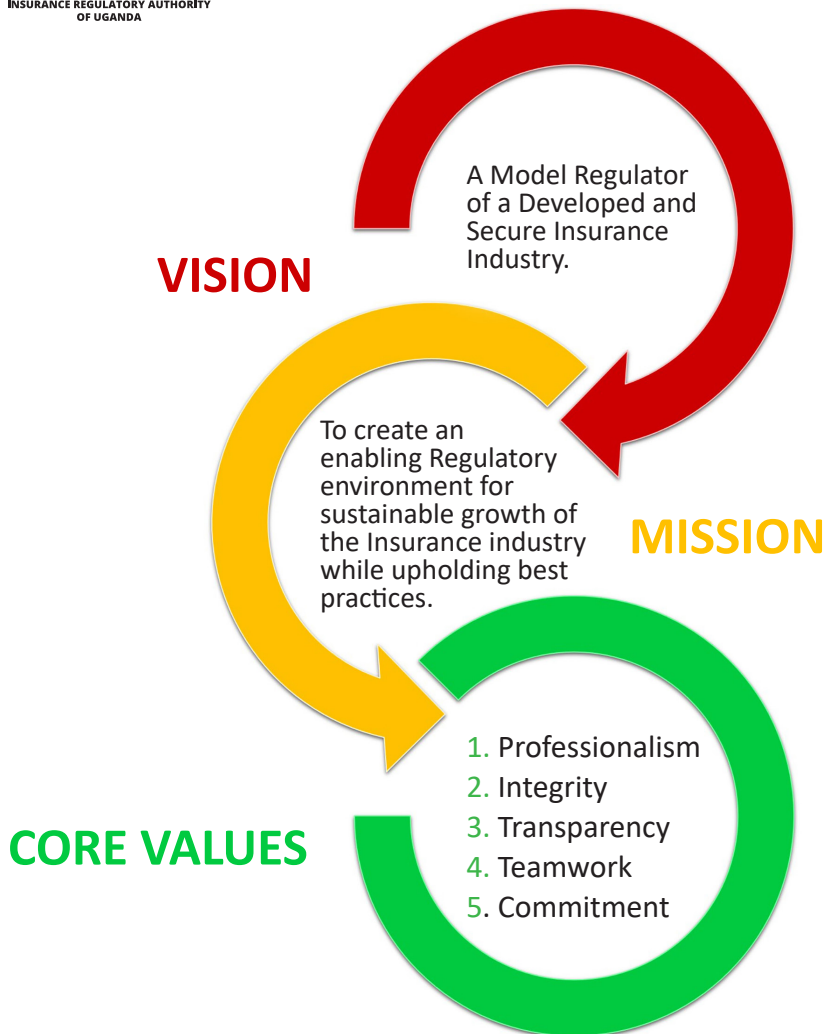
In addition, the Authority is mandated to maintain the safety and sound operation of insurance players, protect the interests of insured and insurance beneficiaries and ensuring the supply of high quality and transparent insurance services and products.

The Authority commits significant efforts and resources to facilitating the development of the insurance market.





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INSURANCE IN UGANDA THROUGH HISTORY: HIGHLIGHTS OF KEY DEVELOPMENTS

REFERENCE PERIOD	DEVELOPMENT
Late 19th century	Insurance was originally written in Uganda by branches of foreign companies, mainly British, American and Indian.
1948	The first local insurance company, East Africa General, was formed.
1964	The National Insurance Corporation (NIC) was formed by Act of parliament and was 100% owned by the state.
1978	The insurance decree came into force.
1991	Jubilee was established.
1996	The Insurance Statute, 1996 replaced the previous decree.
2002	The Insurance Regulations, 2002 were made effective from October 2002.
2005	The government divested a 60% shareholding in National Insurance Company (NIC) to IGI.
2008	The Insurance (Investment of Paid-Up Capital and Insurance Funds) Regulations, 2008 were enacted.
2010	The government divested its remaining 40% stake in NIC to the public by way of a share issue.
2011	<ul style="list-style-type: none"> ✓ The Insurance (Amendment) Act, 2011 was passed. ✓ The Uganda Insurance Commission (UIC) was renamed the Insurance Regulatory Authority of Uganda (IRA).
2013	The first ever local Re-insurance Company (Uganda Reinsurance Company Limited) was licensed.
2014	<ul style="list-style-type: none"> ✓ The hitherto Composite companies separated their life and non-life business as required by the law. ✓ Capital requirements for life and non-life companies were substantially increased. ✓ VAT became payable on all insurance contracts except life and health. ✓ Reinsurance premium withholding tax of 15% became payable to all non-Uganda based reinsurers, with the exceptions of Africa Re and ZEP Re (not applicable to Uganda Re being Uganda based).
2015	✓ 2015 Reinsurance premium withholding tax was reduced to 10%.
2016	✓ Government started supporting Agricultural insurance through provision of Agricultural Insurance Premium Subsidy.
2017	<ul style="list-style-type: none"> ✓ New Insurance Act, (Insurance Act, 2017) enacted ✓ The Authority started licensing Banks as Bancassurance Agents following the amendment of the Financial Institutions Act.



DOING INSURANCE BUSINESS IN UGANDA AN INVESTOR'S GUIDE

- Minimum Paid-up Capital Requirements:
 - Reinsurance Company-Ushs10 Billion.
 - Non-life Insurance company- Ushs 4 Billion
 - Life Insurance company – Ushs 3 Billion
 - Insurance Broker- Ushs 75 Million
 - Health Membership Organisation – Ushs 500Million
 - Microinsurance Company – Ushs 100Million
- 0.5% (training levy) of direct Gross Written Premium must be remitted to the Insurance Institute (College) of Uganda for purposes of training and certification.
- Investors have to buy all insurance covers from Companies licensed under the Insurance Act. Approvals for exceptions (if any) are only granted by the Insurance Regulatory Authority of Uganda.
- Mandatory Minimum Reinsurance Cessions:
 - Africa Re- 5%
 - Zep-Re (PTA Re)- 10%
 - Uganda Re – 15%
- Laws and regulations, Licensing Requirements and Publications can be accessed from www.ira.go.ug



LICENSED INSURANCE PLAYERS OVER THE YEARS

	2014	2015	2016	2017	2018	2019
Re-insurers	1	1	1	1	1	1
Non Life Insurers	20	21	20	19	20	21
Life Insurers	8	8	9	9	9	9
Health Membership Organizations	13	10	6	6	6	5
Insurance Brokers	26	30	35	34	35	35
Reinsurance Brokers	1	1	1	1	2	2
Loss Assessors/Adjuster/surveyors	17	21	21	22	22	24
Bancassurance Agents	-	-	-	2	13	16

INSURANCE INDUSTRY PERFORMANCE OVER THE YEARS

YEAR	2013	2014	2015	2016	2017
Gross Insurance Premium (Ugx. Billions)	463	504.8	612.1	634.8	737
Gross Insurance Premium Growth rate (%)	31	9	21.8	3.71	16.13
Non-life Gross Premium (Ugx. Billions)	351.4	384	464.4	450.1	516
Non-life Gross Premium Growth Rate (%)	12.3	9.3	20.94	-3.08	14.65
Life Gross Premium (Ugx. Billions)	55.4	74	99.8	132.5	168
Life Gross Premium Growth Rate (%)	42.05	33.6	34.8	32.77	27.19
Health Membership Organisations Gross Premium (Ushs. Billions)	56	46.8	46.9	52.1	52.5
HMO Income Growth Rate (%)		(16.4)	0.21	11.09	0.74
GDP at Market prices (Ugx Billions)	66,764	72,660	81,688	86,555	91,315 (est.)
GDP Growth rates (%)	4.7	4.6	5.7	2.3	4.5 (est.)
Gross Claims paid (Ugx Billions)		184	213	261	291
INSURANCE PENETRATION (%)	0.85	0.86	0.76 ¹	0.73	0.81 ²
INSURANCE DENSITY (US \$)	5.2	5.3	5.4	5.1	5.34 ³



INSURANCE CONSUMER PROTECTION

The safety of the Policyholders and Policy beneficiaries lies at the heart of the Authority's regulatory mandate. Besides the regular supervisory oversight, the Authority commits effort and time on the following:

- i) Review and approval of all insurance products before they are launched for sale on the market;
- ii) Ensuring prompt settlement of payable claims by enforcing compliance with the established Claims settlement guidelines;
- iii) Review and approval of minimum premium rates and maximum commission rates to ensure that the price charged is not too low for the risk and commission expenses do not constrain the capacity of the risk careers to adequately handle liabilities;
- iv) Provide a Complaints Management platform with clear guidelines on Insurance complaints resolutions. Whilst the underlying rationale of establishing the Complaints Bureau is to safeguard the rights of insurance policyholders and insurance beneficiaries, the principle of fairness is upheld at all times and to all parties concerned. A copy of these guidelines is available on our website www.ira.gou.ug



Toll Free: 0800 124 124

Contact Person

The Chief Executive Officer, Insurance Regulatory Authority of Uganda
Plot 5 Kyadondo Road | Legacy Towers | Block B, 2nd Floor
P.O. Box 22855, Kampala Uganda

Tel : +256 417 425 500 / +256 393 266 364

Email: ira@ira.go.ug | **website:** www.ira.go.ug