

Over the years, the insurance market has seen a steady increase in the number of players.

Between 2013 and 2018, the National Reinsurance Company licensed over five Health Membership Organisations (HMOs), with the number of agents licensed annually averaging 1,540 within this period.

As of January 2019, twenty-one non-life insurance companies, nine life insurance companies, one specialist micro insurer and 17 bancassurance agents had been licensed by the Insurance Regulatory Authority of Uganda (IRA). This demonstrates a good and ideal investment climate for insurance companies to thrive.

Product development

The steady increase in the number of players on the market has also had a ripple effect in the product development space, with 42 products being produced between 2014 and 2017.

These products signify the endless effort by Ugandan insurers to meet the ever-changing needs of their clientele.

We have seen a significant shift from the traditional insurance products to those that provide answers to clients' needs around healthcare extending to

Uganda's insurance industry at a glance

managing outpatient costs and hospital cash back for the entire family, including teens' school emergency plans, funeral cover, motor, education, freight forwarder risk covers, carriers and warehouse keepers' liability.

Others are cyber edge data protection, business owner's life risks, insurance saver/ investment plans, U-mobile insurance, credit replacement indemnity and crop as well as livestock insurance.

Market conduct

In order to ensure the development of a sound regulatory and business environment, IRA and Uganda Insurers Association (UIA) continue to implement policies to ensure that clients' interests are always protected.

Between 2014 and 2017, 539 complaints were registered with IRA's complaints bureau. Of these, 55% (296) were settled and the rest were either pending or were referred for alternative dispute resolution.

The constant monitoring of players' conduct has



Healthcare insurance for outpatients is now available

contributed towards building public confidence in the industry.

2019 performance

According to provisional figures, the industry wrote sh263b in the first quarter of 2019 compared to the sh241b over the same period last

year. Of these, sh197.9b was written in non-life insurance and the rest in life insurance.

In terms of gross claims paid in the first quarter of 2019, sh53b was paid in non-life claims compared to sh48b in the first quarter of 2018.

Meanwhile, sh19b was paid

in life gross claims in the first quarter of 2019 as compared to sh13b in 2018.

Agriculture insurance

The Uganda Agriculture Insurance Scheme (UAIS), which is managed by UIA, provides an insurance subsidy for both small-scale and large-scale farmers.

This makes agriculture insurance affordable and increases farmers' access to credit by protecting agriculture loans disbursed by financial institutions from the effects of specified agriculture risks.

Now in its third year, the scheme has increased the number of insured farmers from 5,800 to 69,559.

It has also grown insurance agriculture loans to over sh325b and increased agriculture insurance premiums from sh360m to over sh10b.

The scheme paid an estimated sh4b in claims in the FY2018/19.

Bancassurance

The Insurance Consortium

for Oil and Gas Uganda (ICOGU) continues to position itself to support the above sector by ensuring that oil and gas risks are insured locally.

In March 2019, IRA approved the oil and gas Insurance consortium guidelines.

These are considered a prerequisite by Petroleum Authority of Uganda (PAU) in order to gazette local insurance services under the Local Content Bill 2017.

The guidelines have been presented to PAU for review and ratification.

Bancassurance

According to IRA, bancassurance generated sh26b of the industry's total production for 2018, of which sh6.4b was written in non-life insurance and 19.7b in life insurance.

Over sh3b was paid in claims and 8,913 policies were written through this channel.

Insurance fraud

To curb the vice, the Anti-Fraud Desk has been established at IRA to ensure that only genuine claims are paid and fraudsters decisively dealt with.

As at October 2019, the team had investigated fraud cases worth sh2.8b

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STATEWIDE INSURANCE COMPANY LIMITED

INSURANCE AND YOU!



Mr. Geoffrey Musisi
PRO-SWICO

Insurance is something that all of us have heard about and quite often when one talks of insurance what comes to an ordinary person's mind is Motor insurance or Life insurance for these two are the most common classes of insurance the world over.

However, I would like to discuss insurance from a broader perspective and also address the various ways it benefits all of us either individually or collectively as circumstances may dictate.

Insurance gives protection to an individual or firm against monetary losses arising from accidental or unforeseen circumstances. It therefore facilitates the continuity of business in the aftermath of an unfortunate event like a fire, accident, damage or liability cost, thus all those engaged in businesses across the spectrum of commerce and trade plus professionals are all subjects of insurance protection against all those insurable risks they may encounter in their respective fields.

Quite often when people are asked who in their opinion needs insurance, some of the sample answers would be "The rich, for they have lots of assets to protect". While others would say: "Those who have businesses and property" Well, both those answers are not wrong for property and businesses are always exposed to risks which if not protected could cause serious financial setback to the owner.

However, the broader picture is best captured in the following example: Let us assume your business is in the manufacturing of consumer products, this implies that you have machinery and stock of products and raw material plus your employees and large sums of money invested in the enterprise. Your factory would probably have agents or distributors all of whom depend on the continued operation of the factory, you would probably have loyal customers or consumers who would be inconvenienced in

the event that their favorite product becomes unavailable. Your employees and by extension their families are all dependants on the existence of the factory.

With an enterprise like this, you begin to realize that it is no longer about the owner alone should any accident like fire damage befall the factory. This example illustrates a chain of losses that would occur, but with insurance in place all the above losses would be addressed to restore that factory within the shortest possible time and without the owners having to run around raising money to rebuild the factory, a task that might prove impossible. The employees too, would not be out of job indefinitely and the economy would not suffer closure of a significant tax payer and contributor to national development.

So while you may think that insurance has nothing to do with you because you neither have property nor business to insure, it still remains a fact that you may someday be a beneficiary.

In many developed economies insurance plays a major role in that one would not for example be licensed to run or operate a hotel, school, commercial building, factory, etc, without evidence of an insurance cover for they realize that risks and accidents that these enterprises suffer would also affect the economy if not insured. Professionals too

are in many cases required to have liability insurance in place before being licensed and as such, Doctors, Engineers, Architects, Lawyers, Surveyors, Auditors, Consultants are all expected to be insured.

There are several windows of opportunities for you to take advantage of our services and to experience the peace of mind that comes with it for SWICO, having been around for 37 years is now a household brand and through our countrywide branch network, we are well positioned to serve our clients all over Uganda.

With the Buy Uganda Build Uganda campaign coupled with our well established presence in all major towns in the country, we pride ourselves in being your insurer of choice should you need our services.

With this in mind, SWICO has well-tailored insurance packages to cater for the needs of the Small and Medium Enterprises [SME] who form the largest percentage of indigenous businesses.

Our cardinal call to you is to take advantage of our services for protection and continuity in the event of any of those insurable risks.

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