

# INSURANCE TODAY

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## The State of Motor Third Party Insurance in Uganda



Motor Third Party (MTP) Insurance has long been a critical component of Uganda's insurance landscape, providing essential coverage for motorists. Its primary objective has always been to offer financial protection against liabilities arising from accidents, thereby ensuring that victims receive compensation for injuries or damages sustained. As we reflect on the performance for the year 2023 versus 2022, it is evident that MTP Insurance continues to not only maintain its foundational objectives but is also evolving to meet emerging and growing needs. This has manifested in the emergence of the Enhanced Motor Third Party Insurance option, which offers higher compensation limits and more benefits than the statutory MTP.

The fundamental objective of MTP Insurance is to provide a safety net for road users, securing compensation for road accident victims (passengers and pedestrians) who suffer injury or death. To drive compliance, the Traffic Police Force is enforcing mandatory insurance coverage among motorists. Looking at the performance from 2020 when the purchase of Motor Third Party Insurance was automated, there has been growth in MTP Sticker sales from 145,074 in 2020, 310,146 in 2021, 392,654 in 2022 to 406,686 in 2023.

Similarly statutory MTP premium performance grew from UGX. 10.74bn in 2020 to 22.79bn in 2021 to 29.23bn in 2022 to 30.17bn in 2023 based on unaudited figures from the Motor Third Party payment system. However, despite the observed trend over the last 4 years, the magnitude of growth in sales was least from 2022 to 2023 at only 3%.

This could be attributed to the decline in sales in the Western and Northern regions at 6% and 5% respectively despite the growth in sales in the Eastern and Central regions at 8% and 2% growth in stickers sold respectively.

In light of this trend, it was clear that there was a need to engage the insurers and their agents to understand the reasons behind the declining trends, especially the slow movement of commercial stickers in the market. It also meant there was a need for interventions in the Western and Northern regions to grow the MTP sales. This need culminated in the launch of the three-month "**Vuga Ku Sure**" campaign.



“Vuga Ku Sure” is a motoring-inclined campaign theme that directly alludes to driving with certainty. The campaign, which kicked off in June 2024, drives the message that having valid Motor Third Party Insurance enables a motorist to drive or ride with certainty, rest assured that their policy covers accident-related loss or damage to a passenger or pedestrian.

While the campaign is primarily targeting motorists, it is also inclined towards spreading awareness to other road users (passengers and pedestrians) so that they are cognizant of their rights in case they are involved in road accidents. Users of public transport are therefore advised to ensure that they choose insured vehicles.

**The campaign’s performance and progress so far have been marked by a number of initiatives:**

1. **Extensive Outreach through Mainstream Media, Outdoor Channels, and Workshops:** "Vuga Ku Sure" adverts are airing on various radio stations and billboards across the country. We have also successfully conducted numerous workshops across the country, educating motorists and enforcers on the importance of MTP insurance.
2. **Partnerships:** The campaign has fostered collaborations with Traffic Police aimed at empowering them in their MTP enforcement efforts. More synergies with local governments and transport associations are in the offing.
3. **Digital Media and Technology Utilization:** Using digital platforms for insurance education and policy management has made it easier for motorists to access and understand MTP better. The campaign’s online presence has significantly enhanced its reach.

The drop in Motor Third Party compliance in 2023 poses a general risk to all road users, necessitating concerted efforts to improve uptake and thereby enhance safety on the road. The promotion of Motor Third Party insurance in Uganda, particularly through the "Vuga Ku Sure" campaign, is a testament to UIA’s dedication to driving the mandatory acquisition of MTP, safeguarding road users, and enhancing the insurance sector’s impact. It is imperative to sustain these efforts, ensuring that every motorist drives with the confidence of having Motor Third Party Insurance while other road users are compensated in case of an accident.

## UIA takes 2024 AGM to Paraa Safari Lodge



The Uganda Insurers Association (UIA) held its 56<sup>th</sup> Annual General Meeting (AGM) on 13<sup>th</sup> June, 2024 at the scenic Paraa Safari Lodge in Murchison Falls National Park. The AGM attracted a confluence of Insurance Industry magnates, key stakeholders and seasoned experts from the sector. It featured high-level strategic discourse on pivotal topics such as industry transformation, regulatory evolutions, market trends & sustainability endeavours.

Latimer Mukasa, the Outgoing Chairman, Executive Committee commended the Executive Committee's collaborative spirit and steadfast commitment to realizing UIA's vision. He highlighted the significant milestones achieved under his leadership and voiced his confidence in the incoming committee's capability to steer through the industry's challenges.

UIA CEO - Jonan Kisakye expounded on the retirement and election processes of the Executive Committee members for the 2024 - 2025 term as per the UIA Constitution while Hon Secretary of the Executive Committee - Peter Makhanu presented the 2024 Annual Report to the members that delved into UIA's financial performance in 2023, detailing budget allocations, key activities & strategic value delivery in line with its mission.

The members collectively pledged to uphold a standard of excellence and champion innovation within Uganda's rapidly evolving insurance sector and enjoyed a Game Drive through Murchison Falls National Park where they were treated to the diverse wild life in the National Park.



## ICOGU AGM 2024 at Paraa Safari Lodge

The Insurance Consortium for Oil and Gas Uganda (ICOGU) held its Annual General Meeting (AGM) on 13<sup>th</sup> June, 2024 at Paraa Safari Lodge - Murchison Falls National Park. This crucial assembly brought together the leadership & members of ICOGU to discuss progress, benchmark from similar successful pools, set future directions & reinforce stakeholder collaboration.

ICOGU's Chairman, Technical Committee - Paul Kavuma lauded the consortium's strides & growth trajectory noting ICOGU's dedication to self-regulation, pro-activeness in seeking regulatory advice from the Insurance Regulatory Authority (IRA) and its success in establishing comprehensive frameworks through stakeholder engagement with support from the UIA Secretariat.

Kavuma also recognised the Ghana Oil and Gas Insurance Pool (GOGIP) as a benchmark for ICOGU, showcasing the importance of local content and calling for a reassessment of current structures to boost operational efficiency in Oil & Gas ventures.

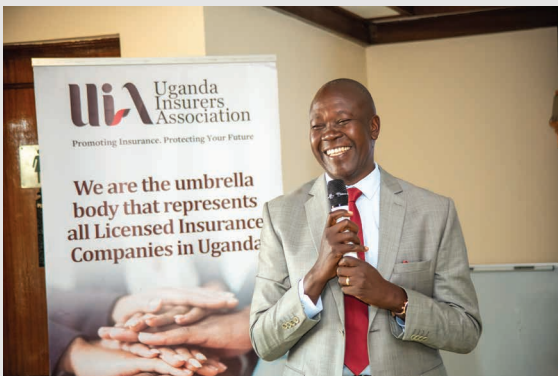
Participants delved into discussions on sustainability & technological progress that affect the Oil & Gas market. This sharing of insights and experiences reinforced ICOGU's position as a front runner in advocating for the oil & gas industry best practices & standards. The members then enjoyed a game ride through the magnificent landscapes of Murchison Falls National Park.



## UIA holds 2024 CEO Forum at Paraa Safari Lodge



Chief Executive Officers of members of the Uganda Insurers Association (UIA) convened for the 2024 edition of the CEO Forum on 14<sup>th</sup> June 2024 at Paraa Safari Lodge - Murchison Falls National Park. The CEO Forum focused on reinforcing UIA's foundations and cultivating unity among its members with the foresight of propelling the Association forward through meaningful dialogue and strategic planning.



UIA CEO - Jonan Kisakye highlighted the importance of the AGMs in shining a light on UIA's endeavours and the broader Insurance Industry matters while recognized the UIA Secretariat's efforts in organizing the engagements. Outgoing Executive Committee Chairman, Latimer Mukasa commended the CEOs for their steadfast commitment to UIA's cause & underscored the forum's essential role in tackling industry challenges head-on and fostering open dialogue with the regulator. He also issued a rallying call for CEOs to maintain the Association's strength & keep furthering its mission & vision.



The forum was further enriched by insightful presentations from Onapito Ekomolioit, Chairman, Nile Breweries who shared about transforming UIA into a formidable lobbying force with impactful influence in his presentation that was aptly titled "turning the UIA into a formidable lobbying & impactful Association." Notably, it laid out concrete strategies for bolstering advocacy efforts.



It was also graced by Trevor Lukanga, Tax Manager at PriceWaterHouseCoopers (PwC) who presented findings from the UIA-commissioned Total Tax Contribution (TTC) Study of the Insurance Sector in Uganda shedding light on the sector's significant economic contributions.

The CEO Forum seeks to serve as a catalyst for growth by igniting a collective ambition to elevate the insurance industry to new heights. It is also a major force in UIA's journey towards becoming an even more effective & influential Association.

## Africa Reinsurance Corporation AGM 2024

Leaders from the insurance industry and the financial sector at large converged at Speke Resort Munyonyo for the 46<sup>th</sup> Africa Re Annual General Meeting (AGM). This pivotal event provided a platform for reflection, strategic discussions & celebration of achievements within the insurance sector & Africa Re in particular. Some of the dignitaries at the event included Security Minister – Hon. Jim Muhwezi, Minister of State for Finance, Planning and Economic Development - Hon. Amos Lugolobi among others.



Our CEO - Jonan Kisakye reaffirmed UIA's unwavering commitment to partnership and collaboration with Africa Re. Jonan recognized Africa Re's crucial role as providers of underwriting capacity, a cornerstone for comprehensive insurance solutions and robust risk coverage across in the country & the continent.

He expressed profound pride in Africa Re's operational achievements, acknowledging their continuous efforts in advancing insurance services in Africa which is a significant contribution to industry's stability & growth.



On behalf of UIA, Jonan extended an invitation to Africa Re for a strategic partnership in constructing the Insurers House. This collaborative effort aims to enhance industry infrastructure and capacity thereby fostering growth and innovation.



The UIA CEO also commended Africa Re's humanitarian initiatives through the Africa Re Foundation which demonstrates its commitment to corporate social responsibility and community development.





## Insurance Industry Sports Gala 2024



The Insurance Industry Sports Gala 2024 took place at Kampala International School of Uganda (KISU) in Bukoto on June 29, 2024. It was organized by the Insurance Training College (ITC) & the Insurance Regulatory Authority (IRA) with the Uganda Insurers Association (UIA) taking part as sponsors & participants underscoring our commitment to community engagement and industry cohesion. The gala brought together different industry players including our members (insurers & reinsurers), insurance brokers, bancassurance agents to mention but a few.

ITC CEO - Saul Sseremba expressed gratitude to the partners for their unwavering support, recognizing the CEOs as foundational pillars of the insurance industry and applauded the participants for their commitment and sportsmanship.

IRA CEO - Alhaj Ibrahim Kaddunabbi Lubega thanked the organizing committee for their dedication and highlighted the pivotal role of such events in fostering unity within the insurance industry. He commended all participants for their enthusiastic involvement and congratulated the winners across the various categories.

UAEVLA emerged as the gala's Overall Champions, A Plus Group were the 1<sup>st</sup> Runner-up & Prudential Assurance, the 2<sup>nd</sup> runner-up.

# Industry Activity Highlights



*Britam Uganda officially launched its Sustainability Report for 2023.*



*ICEA Lion Uganda held its Retirement Benefits Umbrella Scheme Annual General Meeting at Four Points by Sheraton Kampala.*



*Liberty Uganda delivered 400 bags of cement to support the redevelopment of St Andrew's Church of Uganda, Gayaza.*



*Prudential Uganda hosted its second Prudent Kyoto masterclass, with Grace Munjirwa, the founder of Vine Pharmaceutical, as the guest speaker.*



*Jubilee Insurance Uganda launched their new insurance product, named Jubilee Smart Save Plan, at Serena Hotel Kampala.*



*Sanlam Uganda signed on as the official Travel Insurance Partner for Team Uganda, offering comprehensive coverage for 65 participants.*



*Mayfair Insurance Uganda handed over a newly refurbished Antenatal Ward at Butoolo Health Center III.*