2023 INTEGRATED REPORT

A year of Impactful Growth



Uganda Insurers Association

Promoting Insurance. Protecting Your Future

Uganda Insurers Association



Welcome



Welcome to our Intergrated Report 2023

Scope, Boundary and Purpose

This integrated report covers the performance of UIA, both from a financial and non- financial perspective, for the financial year ended 31st December 2023.

It primarily addresses how we create value over the short, medium and long term, with a demonstration of the effects our business operations have on the resources (human, financial, intellectual, manufactured, social and regulatory capitals) we use as inputs to yield outputs and outcomes, providing our stakeholders with a transparent and holistic view of our business operations.

It is a demonstration of our value creation story and our commitment to you, our members, as we build a sustainable future together. It aims to provide a balanced and accurate reflection of our strategy, performance, risks, opportunities and future outlook in relation to material financial, economic, social and governance issues.

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List of Acronyms

UIA	Uganda Insurers' Association
AGM	Annual General Meeting
PSFU	Private Sector Foundation Uganda
ICOGU	Insurance Consortium for Oil and Gas Uganda
AIC	Agro Consortium
UAIS	Uganda Agriculture Insurance Scheme
GWP	Gross Written Premium
Ushs	Uganda Shillings
CAR	Capital Adequacy Ratio
IFRS 17	International Financial Reporting Standard 17
IRA	Insurance Regulatory Authority
URA	Uganda Revenue Authority
MOU	Memorandum of Understanding
MTP	Motor Third Party
UPF	Uganda Police Force
EC	Executive Committee
NL	Non-Life
TC	Technical Committee
ABC	Agent Banking Company
TTC	Total Tax Contribution
ICPAU	Institute of Certified Public Accountants of Uganda
NCC	National Content commitments
MoFPED	Ministry of Finance, Planning and Economic Development
EMTP	Enhanced Motor Third Party
URSB	Uganda Registration Services Bureau
UATs	User Acceptance Tests
GDP	Gross Domestic Product
TIRA	Tanzania Insurance Regulatory Authority
ATI	Association of Tanzania Insurers
VAT	Value Added Tax
KACITA	Kampala City Traders Association
MACITA	Mbale City Traders Association
MBACITA	Mbarara City Traders Association
UBA	Uganda Bankers Association
UMA	Uganda Manufactures Association
ITC	Insurance Training College
UAEVLA	Uganda Association of Engineering Valuers & Loss Assessors
FITSPA	Financial Technologies Service Providers Association
FUE	Federation of Uganda Employers
IBAU	Insurance Brokers Association of Uganda
WIN	Women in Insurance
UFFA	Uganda Freight Forwarders Association
UIBFS	Uganda Institute of Banking & Financial Services
UCMP	Uganda Chamber of Mines and petroleum
PPP	Private Public Partnership Unit
FSDU	Financial Sector Deepening Uganda
DTB	Diamond Trust Bank
URBRA	Uganda Retirements Benefits Regulatory Authority
CSR	Corporate Social Responsibility
IT	Information Systems
MSME	Micro, Small and Medium Enterprises
BCP	Business Continuity Plan
IOC	International Oil company
KFDA	Kingfisher Development Area
CAR	Contractors All Risk
XTPL	Third Party Liability Policy
OEE	Operators Extra Expense
EACOP	East African Crude Oil Pipeline
PAU	Petroleum Authority of Uganda
TRS	Total Risk Solutions
UNOC	Uganda National Oil Company
VSLA	Village Savings and Loans Association
UMRA	Uganda Microfinance Regulatory Authority
SOME- KYU	School of Management & Entrepreneurship, Kyambogo University, Uganda
ILIA	Insurance Literacy and Inclusion Agenda
TAT	Tax Appeals Tribunal
NSSF	National Social Security Fund
SSP	Senior Superintendent of police
MOGLSD	Ministry of Gender, Labour and Social Development
UIAA	Uganda Insurance Agents Association
ESG	Environmental, Social and Governance
CLUB	Committee of Liaison for Underwriters and Brokers
URCS	Uganda Red Cross Society
CHAIN	Community Health & Information Network
UBTS	Uganda Blood Transfusion Services



The Association at a glance

Our Vision

To be the most respected and effective Insurer's Association in East Africa and beyond.

Our Mission

To promote best practices and the highest standards within the Ugandan Insurance sector whilst safeguarding the consumer's best interests.

Our Values

Integrity
Impact,
Collaboration and Partnership,
Innovation

Who We Are

We work to advance the interests of insurance and reinsurance companies by adopting a common strategy that encourages and promotes close cooperation, the exchange of business among members, builds on knowledge through research, influences the enactment of favourable legislation and represents the views of membership to Government, quasi – government and Private bodies.

The Association currently enjoys a thirty-eight (38) company-strong membership. Of these, twenty-one (21) are General (Non-Life) insurance companies, eight (08) are Life Insurance companies, five (05) micro insurance companies and four (04) are reinsurance companies.

MEMBERSHIP COMPOSITION

38 membership
21 Non-Life insurance
08 Life Insurance
05 Micro insurance
04 Reinsurance



The Association at a glance

Our Priorities



REVENUE GROWTH

Grow the current revenue sources of the Association and introduce new revenue streams.



AUTOMATION

Automation of the UIA and the industry through systems that promote collaboration and cost savings for members through enhancing customer service and user experience.



SENSITIZATION

Educate the public on the importance of insurance by positioning insurance as a product / service that works.



MARKET GROWTH

Grow the insurance market through the introduction of new products & the expansion of the current ones.



UNDERTAKE RESEARCH

Generate information that can be used by our members and the general public to make informed decisions about insurance.



STAKEHOLDER MANAGEMENT

Manage and engage stakeholders through win-win Partnerships.



LOBBYING AND ADVOCACY

To develop and implement a lobbying and advocacy agenda aligned to the challenges of the industry.

Key Performance Highlights

Financial Highlights

7%
Ugx 6.5 Bn
Collected in gross revenue

21%
Ugx. 879 M
Net surplus after tax

11%
Ugx. 19.8Bn
Balance sheet growth

33%
Ugx. 392M
Paid to Govt in Taxes

1.5Tn
in GWP Premiums collected as per 2023

753Bn
Claims paid out as per 2023

Non-Financial Highlights

14
Employees

38
Members strong

150
Stakeholder Engagements

3M
Social Media impressions

5
International & Regional Engagements

Our CEO Gallery



Mr. Allan Mafabi
Britam Insurance Company (U) Limited



Mr. Ambrose Kibuuka
ICEA Lion General Insurance Co.



Mr. Anthony Lubandi
NIC Life Assurance Co.



Mr. Bayo Folayan
NIC General Insurance Co.



Mr. Dan Musiime
Jubille Health Insurance Co. (U)



Mr. David Tumuhaise
Africa Reinsurance Corporation



Mr. Emmanuel Mwaka
ICEA Lion Life Assurance Co



Mr. Hamza Mutebi
Turaco Micro Insurance Co.



Mr. Jain Gulshan
Alliance Africa General Insurance



Mr. John Kawuma
GoldStar Insurance Co.



Mr. Joseph Ndiho
Edge Micro Insurance Co.



Mr. Joseph Nsubuga
First Insurance Co.



Mr. Latimer Mukasa
MUA Uganda



Mr. Manan Desai
APA Insurance (U)



Mr. Milton Asiimwe
ZEP-RE (PTA Reinsurance)



Mr. Patrick Kimathi
UAP Old Mutual Insurance Co. (U)



Mr. Paul Kavuma
Jubilee Allianz General Insurance Co.



Mr. Paul Muwanga
Excel General Insurance



Mr. Ronald Musoke
Uganda Reinsurance Co.



Mr. Ronald Zake
Grand Micro Insurance



Mr. Rudra Deva
Mayfair Insurance Co.



Mr. Sandeep Verma
TransAfrica Assurance Co.



Mr. Stephen Chikovore
UAP Old Mutual Insurance Co. (U)



Mr. Sumit Gaurav
Jubilee Life Insurance Co. (U)



Mr. Tetteh Ayitevie
Prudential Assurance Co. (U)



Mr. Tom Omiti
CIC Africa Life Assurance



Mrs. Evelyn Nkalubo-Muwemba
Statewide Insurance Co.



Mrs. Christine Kasoma
Padre Pio Micro Insurance Co.



Ms. Ruth Namuli
Sanlam General Insurance, (U)



Mr. Nicholas Lutakome
CIC General Insurance Co.



Mr. Peter Makhanu
Liberty General Insurance (U)



Mr. Tadeo Nsubuga
Kenya Reinsurance corporation (U)



Mr. Francis-Kamau
GA Insurance Uganda



Mr. Gary V. Corbit
Sanlam Life Insurance



Mr. John SSempeera
Pax Insurance Co.

Uganda Insurers Association

A snapshot of the Insurance Industry Performance

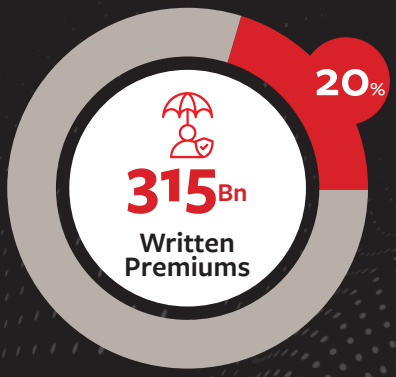
1.5 Tn
Total Gross written Premiums

463 Bn
Net Industry Claims

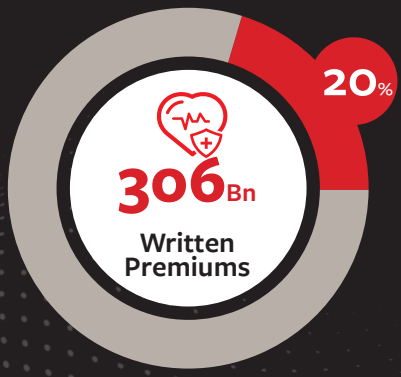
992 Bn
Total Net premiums

Top Five classes by premium written and market product share

Life Individual



Medical



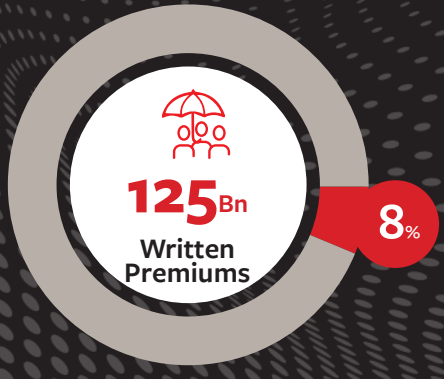
Motor



Fire

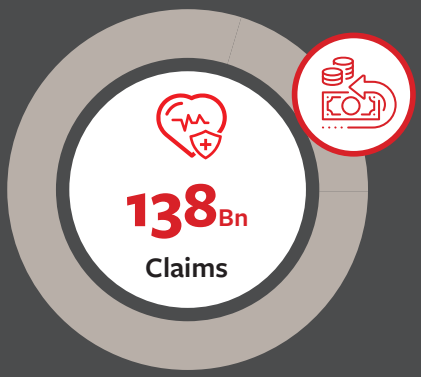


Life Group

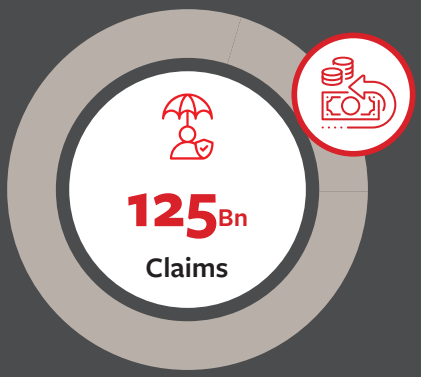


Top three classes by Net Claims paid

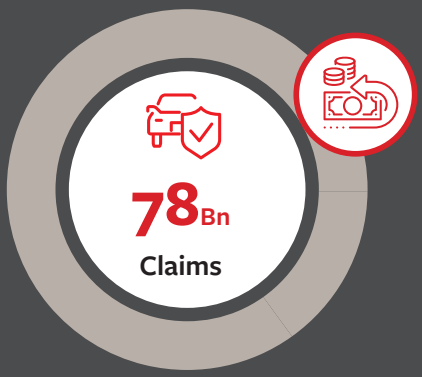
Medical



Life Individual

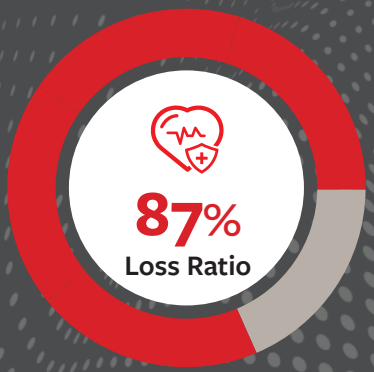


Motor

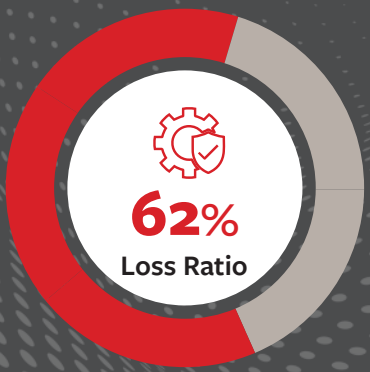


Top three classes by loss ratio (Net Premium)

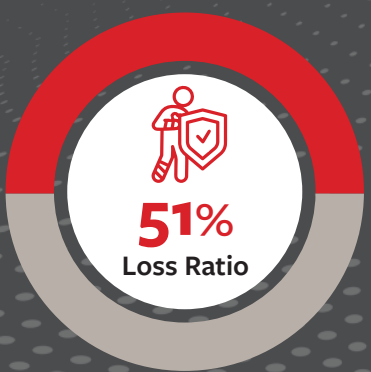
Medical



Engineering



Misc. Accident



Chairman's Statement



The year 2023 was significant for the UIA and the industry at large due to several reasons, for the first time in the history of the Association we held the AGM and Annual CEO retreat outside Uganda at Seacliff Resort in Zanzibar Tanzania.

Mr. Latimer Mukasa, Chairman

According to the unaudited figures collected by the UIA, the industry registered a growth of 10% with premiums reaching 1.544Tn up from Ushs. 1.402Tn in 2022. The life segment posted a growth rate of 21% from Ushs. 506Bn to Ushs. 611Bn with a total contribution of 40% to the industry GWP. The GWP for the Non-Life segment were Ushs. 932Bn up from Ushs. 895Bn, a growth of 4.1% and a market composition of 60%.

The industry continued to demonstrate resilience especially in Life and Medical Insurance. In 2023 we saw the announcement of the merger, though not yet finalized between Jubilee Allianz & Sanlam, this is set to change the insurance landscape and create a market leader in the industry.

While there has been a shortfall of investors in the industry in the recent past, the year 2023 saw some members have significant capital injections. There were major investments undertaken with significant capital injected in the insurance Industry. Medical Insurance has

been highly adopted in the urban areas especially the formal sector due to the improved appreciation of the importance of Medical and indeed other forms of Insurance at the work place and for personal protection reasons. However, the informal sector hasn't fully embraced insurance, in rural areas, insurance is most commonly adopted by the farmers through agriculture insurance. The Association is therefore channeling more efforts towards increasing the penetration of insurance into the informal sector and the rest of the populace.

The industry achieved better results in terms of Risk-based supervision with the Regulator setting a limit of 200% Capital Adequacy Ratio in a push to boost the strength of members & enable them to be well-capitalized to take on risks seamlessly.

In line with regulatory requirements and international practice, the industry adopted the New Accounting Standing (IFRS17) which recognizes the insurance businesses separately from investments thereby demonstrating the underwriting and financial strength of an insurance company purely based on its insurance business.

UIA continued to support its members in regulatory matters with IRA, tax matters with URA with whom we continue to have a Memorandum of Understanding (MOU) through which we support our members on tax-related matters by having regular engagements with the tax body.

In the year 2023, UIA adopted various trends to strengthen and support the members such as digitalization & automation of policies. These trends positively impacted the members and the industry at large and created an increase in the awareness and understanding of policies such as Motor Third Party Insurance.

In 2024, we shall seek to strengthen relationships with key stakeholders such as our members, regulators, URA, Uganda Police, Government & the Public, focus on driving increased penetration of Insurance in rural areas, the informal sector and the rest of the population.

The Executive Committee has done a tremendous job in providing guidance, direction and support to UIA over the last 6 years. Following the expiry of my two-term on the EC, I will be stepping down as Chairman although in line with our constitution, I will continue serving as an Ex- Official member of the Executive Committee for at least a year. As a result of this, we expect that during the AGM & CEO Forum for the year 2024, elections will be held and a new leadership team will take the reins.

I am privileged to have been chosen to lead the committee for the period 2018 - 2024. As a committee, we managed to foster team work and generated great support, and the team has been exceedingly supportive in achieving our goals.

I thank all our members for the trust, the secretariat for the support and my fellow EC members for the guidance and wish the new team success.



Latimer Mukasa
Chairperson
Uganda Insurers Association

Key Milestones
2020 - June 2024



Localisation of Marine in 2022



First policy issued under ICOGU



1st Non-life Agents Awards & Convention 2023



Medical Actuarial Study 2023



1st UIA AGM outside Uganda



MTP Mobile platform



400 million PSFU Grant



The UIA Executive Committee Members

Our careful selection of individual directors, to ensure the most appropriate combination of expertise & experience, underpins the effectiveness of the EC in fulfilling its role.



Mr. Latimer Mukasa,
C.E.O, MUA Insurance
Chairman



Mr. Paul Muwanga,
C.E.O, Excel Insurance
Vice Chairman



Mr. Emmanuel Mwaka,
C.E.O, ICEA Lion Life
Hon. Treasurer



Mr. Peter Makhanu,
C.E.O, Liberty General Insurance
Hon. Secretary



Mr. Milton Asiimwe,
CEO, ZEP- RE (PTA Reinsurance)
Executive Committee Member



Mr. Manan Desai,
CEO, APA Insurance
Executive Committee Member



Mr. Dan Musiime,
C.E.O, Jubilee Health Insurance
Executive Committee Member



Ms. Ruth Namuli,
C.E.O, Sanlam General Insurance
Executive Committee Member



Mr. Ashok Mishira,
C.E.O, Alliance Africa General
Executive Committee Member



Gabriel Kuria,
C.E.O, ICEA Lion General Insurance
Executive Committee Member

CEO's Statement



2023 Mandate & Achievements

In line with our mandate and budget priorities for the year 2023, we focused on revenue growth, automation of systems within the UIA and the industry, market growth through introduction of new products, market research, generating value through lobbying, stakeholder management and sensitization.

The Association has registered a number of milestones and overcome significant challenges along the way. We finalized the UIA Strategic Plan 2024 – 2028 to guide the Association over the next 5 years, kick-started the UIA automation process to improve service delivery and embarked on cost effective and collaborative initiatives such as the MTP project with the Agent Banking company. We were also able to embark on the digitization of the MTP stickers with the finalization of the terms of reference which were approved by the EC and submitted to the regulator.

The UIA successfully undertook the Medical Actuarial study to inform improvements in the profitability of Medical Insurance and maximize its growth potential. This was through proposals for the introduction of new revenue streams and products amongst other recommendations.

To bolster the UIA image, we were able to secure the selection of our Chairman as the representative of the Financial Sector on the PSFU Board. The CEO UIA was also selected as the Chairman of the African Network of Insurers' Associations (ANIA) a body of the AIO which brings together all CEOs of National Insurance Associations in Africa.

To bolster the UIA lobbying initiatives, we successfully undertook the UIA Total

Tax Contribution (TTC) study together with PWC with a final report due for presentation at the 2024 UIA AGM and CEO forum. We also aligned research and data analytics to inform decision making, mainly through member surveys which majorly informed the 2024 budget.

Our Annual reports which have been enhanced and improved for ease of reference and use led to recognition and winning of 2 awards at the ICPAU Annual FIRE Awards namely: Most Improved Report and the First Runners Up in the category of the Regulatory Bodies & Associations, these have helped and guided the secretariat and members in decision making.

In line with the oil and gas activities, ICOGU National Content Commitments were approved and premiums for the various policies received.

The secretariat was able to hold impactful tax engagements with URA where the treatment of endorsements was aligned and the industry Tax proposals presented to the MoFPED.

We managed to make amendments to the UIA constitution to inform better engagements and functioning of the secretariat and received approval of the Enhanced MTP product (EMTP) by the NL TC and the board which will be aligned with the proposed amendments to the MTP Act.

However, the year has not been without challenges.

We continued to witness the poor performance of the medical class of business characterized by high loss ratios, resignation of staff at the secretariat for various reasons, increased regulatory scrutiny and interface which have wrongly positioned the UIA as a licensed entity, delayed feedback and submission of returns and information from members which has made it difficult for the secretariat to provide timely responses to stakeholders, the status of the UIA which impacts on its operations and compliance requirements with entities such as URSB, URA and other statutory bodies that has caused delays in submissions in line with compliance requirements.

We continue to grapple with the delayed deployment of the marine platform despite the URA October 2023 deadline and the successful UAT's conducted on the system. This has impacted the planned premium revenue to the industry and the UIA.

> "The Association has registered a number of milestones and overcame significant challenges along the way, we managed to finalize the Uganda Insurers Association Strategic Plan 2024 – 2028 to guide the association over the next 5 years."

In the year 2024 which is the first year of the new strategic plan, we are looking at prioritizing the automation process, the digitization of the MTP stickers and to enhance our collaboration with IRA in order to streamline the approval of various regulations that continue to impact our members.

Additionally, we are committed to implementing the recommendations outlined in the Medical Actuarial Study and realigning our Human Resource needs in order to strengthen the institutional capacity of the Association.

For the FY 2023/24, Uganda's GDP is projected to grow up to UGX 207.22 trillion from UGX 184.3 trillion, which is a growth of 12.4%. In the same vein, the revenue outlook for the insurance

sector is forecast to improve mainly driven by growth in the agriculture and manufacturing sectors.

The Motor Third Party adherence is expected to grow as enforcement improves. Additionally, other revenue sources like grants are being negotiated with various partners to supplement the UIA revenue lines.

The Association remains committed to advocating for the industry and to ensuring that we remain true to our mandate that calls for collaboration and close coo-operation amongst members. In line with this requirement in the year 2024, the UIA will embark on an industry collaborative insurance literacy and inclusion agenda together with other partners and with the support of Africa Re foundation. We therefore call upon you our members to support this initiative and participate in this and any other activities whenever called upon.



Mr. Jonan Kisakye
CEO, Uganda Insurers Association



Areas of Focus

- Automation of MTP system
- Collaboration with stakeholders
- Implement the Recommendations of the Medical Actuarial study
- Implementation of the Localization of Marine Insurance



Uganda Insurers Association

The UIA Membership

Non life insurers



Re insurers



Life insurers



Micro insurers



The UIA Staff Members

As at December 31st 2023



Jonan Kisakye
C.E.O, Uganda Insurers Association



Badru Bengo
Senior Technical Officer
Life, Pensions & Medical



Ruth Namirembe
Accounts Officer



Aggrey Tumwine
Information & Technology Officer



Jane Kawuki
Executive Assistant to the CEO



Philip Higiro
PR & Membership officer



Angella Eryenyu
Projects Administrator



Gilbert Emojong
Technical Assistant
Non-life



Annet Katusiime
Market Development Manager



Joshua Makuyi
Finance Consultant



Nekas Dreg
Technical Assistant
Life, Pensions & Medical



Patience Mbabazi
Administrative Assistant



Patrick Nkoligo
Technical Assistant, Finance



Angella Kemigisa
Research Officer



Juliet Igonu
Technical Officer Non-life



Grace Naluyikira
Manager Finance, HR & Admin

2023 Activity Highlights

Quarter 1

- UIA URA Tax proposals engagement
- UIA CEO Forum
- African Network of Insurers' Associations (ANIA) AGM & Conference
- Reinsurers Engagement
- MoFPED TWC for AIC
- HRMAU Engagements on Medical Insurance
- IRA Kenya Benchmarking visit to UIA
- Annual sales Convention partnership with Daniel Choudry
- Wewanilile Life Campaign
- Car Free Day initiatives with KCCA
- Rotaract Ladies Support
- Annual Insurance Week
- Marine Cargo Insurance Workshop with URA

Jan - March

Quarter 2

- Inaugural Insurance School quiz
- Savings Challenge
- Insurance Managers' Forum
- Club cocktail
- The inaugural Insurance Walk
- Raxio data Centre visit
- Blood donation drive
- Insurance Agents awards and Convention
- Simbula with MTP Campaign launched
- The Inaugural Women in Insurance Breakfast
- 5th Annual IBAU Conference
- PSFU Regional Workshop
- 49th Annual AIO Conference
- Annual AGM and CEO forum Zanzibar
- OESAI Conference & AGM
- MTP Insurance tour in Eastern Region
- Insurance Coverage and Needs study for traders
- Industry Sports Gala

April - June

Quarter 3

- Insurance Coverage and Needs among KACITA AND Affiliates MBACITA, MACITA- Report Dissemination Mbarara
- UIA Engagement with the Insurance Appeals Tribunal
- 4th annual banking & financial services awareness month & savings Challenge
- Anti-money Laundering & Risk Management re- thinking meeting
- Inaugural UIA life camp in Elgon region
- UIA and UPF Uganda Police Force Discussion on MTP enforcement
- UMA-UIA Partnership- Post Budget Breakfast meeting
- Management Forum on Insurance for Fintechs- FITSPA partnership
- UIA club cocktail
- UIA Workers Compensation Survey-launch & training of enumerators
- UIA & URA collaboration- Tax issues Meeting
- User Acceptance test on Integration between IRA and URA on Marine Policy
- Dissemination of The Medical Industry Actuarial Report
- Safe boda Training on MTP
- Insurance CEOs Breakfast
- UIA participates in the 28th ICPAU
- Rotary Cancer Run
- UMA Trade fair Sponsorship
- Mabira Forest Conservation Campaign
- Engagements with Kampala Metropolitan Traffic Police

July - Sept

Quarter 4

- 29th UMA International Fair and participation in policy dialogues
- Annual ITC International Insurance Conference
- UCMP 12th Annual Mineral Wealth Conference
- Workers Compensation Workshop
- 5th Annual National Health Financing Conference
- UIA Presentation of Tax proposals to the Ministry of Finance, Planning and Economic development
- Dissemination of Insurance Coverage & Needs
- Survey Findings to MACITA
- Medical Insurance Industry Actuarial Report Dissemination to Insurance Brokers
- The 2023 Insurance Innovations Awards Launched
- UIA & UMA pen MoU to formalize partnership
- Uganda Redcross Society partnership
- CLUB cocktail
- UIA EC and CEO IRA meeting
- KACITA Annual networking dinner
- Insurance Institute of Kenya (IIK) engagement
- Manufacturing sector budget dialogue FY 2023/24
- FITSPA 5th annual Fintech conference
- Uganda Construction & Infrastructure Forum & Exhibition.
- Banking and Financial Services awareness month.

Oct - Dec

A Focus on the UIA 2023 AGM
Island of Zanzibar



The Uganda Insurers Association (UIA) held a successful 2-day Annual General Meeting (AGM) & Chief Executive Officers' Retreat from 15th to 16th June, 2023 at Sea Cliff Resort in Zanzibar, marking the first time for the AGM & CEO Retreat to be held outside Uganda.

It was attended by Insurance Industry & Finance Sector heavyweights from Uganda & Tanzania attracting participation of top officials from the Ministry of Finance, Planning & Economic Development & Uganda Revenue Authority.

The gathering took stock of the industry's operations, reviewed performance of the financial year and strategized on how to improve operations in the next financial year. Top on the agenda was benchmarking on Tanzania's evolved insurance industry to improve operations in Uganda specifically in the Oil & Gas sector, a relatively novel market in the country.

On the side-lines of the AGM & CEO Retreat, the Insurance Consortium for Oil & Gas Uganda (ICOGU) also held its Annual General Meeting. Members also benchmarked on their Tanzanian counterparts on how to mitigate high loss ratios in Medical Insurance & grow Uganda's Microinsurance segment.



Uganda's Insurance players led by the Chief Executive Officer of Uganda's Insurance Regulatory Authority (IRA) - Alhaj Kaddunabbi Ibrahim Lubega interfaced with the Tanzania Insurance Regulatory Authority (TIRA) to understand the legal and regulatory environment that has overseen a seamless implementation of mandatory insurance of public assets, commercial buildings & markets. The Commissioner of Insurance, Tanzania Insurance Regulatory Authority (TIRA) – Dr. Baghayo Saqware, Chairman of Association of Tanzania Insurers (ATI) - Mr. Khamis Suleiman & CEO of ATI - Elia Kajiba, were in attendance.

Top Ministry of Finance Planning and Economic Development & URA officials attended the AGM & CEO Retreat.

The ministry's Director Economic Affairs - Moses Kaggwa addressed the members on Taxation in relation to insurance, pledging to work closely with UIA. He was joined by other ministry officials: Commissioner, Financial Services Department - Moses Ogwapus & Principal Economist - Musa Lukwago. URA's Assistant Commissioner Customs - Asadu Kisitu Kigozi updated members on the treatment of VAT on Travel Insurance and the impending implementation of the mandatory Marine Cargo Insurance.

The AGM & CEO Retreat also ushered in new board members: Country Manager, Zep-Re - Milton Asiimwe and CEO APA Insurance - Manan Desai and officially unveiled Turaco Microinsurance Company Limited & Core Microinsurance Company Limited as new members of UIA under the Microinsurance category and the UIA new 5 year strategic plan was presented and adopted by the AGM. The meeting also resolved to increase the UIA stake in Uganda Re, diversification of revenue by the UIA through considering Training, approved the constitutional amendments which changed the UIA governance structures, agreed to embark on the building project, undertake initiatives to ensure government insurers its assets & introduce standard Service Level agreements in Medical & the Accreditation of service providers by the IRA.

On a lighter note, the members were treated to a farewell and closing dinner sponsored by ATI and toured Zanzibar's Historical sites such as Stone Town.




Uganda Insurers Association
We are the umbrella body that represents all Licensed Insurance Companies in Uganda.
CHAIRMAN


Uganda Insurers Association
APA



















A Path to Value Creation

In this section;

34	Insurance Market Growth & Development Initiatives
36	Leveraging Business, the Key Industry Drivers
40	Our operating model
42	Our Stakeholder Evolving needs
44	Impacting Communities
45	Looking ahead - 2024



Insurance Market Growth and Development Initiatives

2023 Budget Priorities

- Revenue Growth
- Automation
- Market Growth
- Advocacy & Sensitization
- Information Generation & dissemination
- Stakeholder Management

The Secretariat is committed and dedicated to empowering and supporting members in achieving their business goals through activities that support the growth, expansion and development of the insurance market.

We focussed on working closely with industry stakeholders, development partners, government agencies, and other similar organizations to identify promising initiatives and develop effective projects and programs for market growth.

We provided relevant and valuable market insights and information, as well as creation of platforms for business planning, product development, innovation, and market expansion opportunities.

To achieve our goals we focused on the Budget priorities for year 2023 as follows;

In line with Revenue Growth; we purposed to develop initiatives for alternative incomes for revenue growth while also focusing on Grants and Funding from Partners. As a result of this we were able to get a grant from Africa Re-Foundation towards the development of an insurance Literacy and Inclusion agenda that will help in guiding on Product development, sensitization, communication and implementation of insurance in Uganda.

To drive Automation; we embarked on an initiative to integrate with the Agent Banking company (ABC) in order to utilize their platform for the distribution of insurance. The aim was to have two main points of service:

1. Premium Collections with a focus on premiums for MTP through the ABC agency points and;
2. Sale of pre-underwritten Insurance products including the onboarding of new clients for various products as agreed upon by UIA and members. The initial focus currently is on Micro Insurance Products, followed by any other members' conventional policies such as Travel Insurance and Personal Accident Insurance.

In a bid to Grow the Market; Throughout the year, we engaged with various stakeholders, development partners, government agencies, and similar organizations to identify

promising initiatives. Our goal was to develop effective projects and programs to provide valuable market insights and information on gaps and needs to enable members provide innovative products.

To meet the Advocacy and sensitization requirements; We have been involved in various dialogues, forums, exhibitions, and networking events throughout the year, all of which focused on disseminating information about insurance services.

Additionally, we have partnered with the Africa Re Foundation on a project aimed at creating a robust strategy for providing accurate, complete, and simplified information about insurance services to the general public and stakeholders.

Through Information Generation and dissemination; We undertook several comprehensive research studies to gather and analyze vital information, including members' tax contributions, a study on insurance coverage and needs among KACITA and its affiliate groups, a survey on UIA members' expectations among others.

These studies were instrumental in informing decision-making at various levels and providing robust, evidence-based statistics and information to support our lobbying efforts. A detailed section on research has been provided in the next sections of the report to further demonstrate these efforts.

In order to Manage our Stakeholders; we forged and maintained several new partnerships to create business opportunities for our members. Some of the key collaborations included working with similar associations such as UBA, UMA, FITSPA, and FUE; engaging in joint industry activities with the ITC, IRA, UAEVLA, WIN, and IBAU; partnering with other stakeholders like UFFA, Uganda National Logistics Platform, UIBFS, KACITA, MACITA, and MBACITA; and interacting with government agencies and ministries such as URA, UMCP, Ministry of Finance, Planning and Economic Development, and the Private Public Partnership Unit. We have also collaborated with development partners such as the Private Sector Foundation, aBi Finance, and FSD Uganda, among others.

In 2023, we solidified our partnership with the Uganda Manufacturers Association (UMA) and the Financial Technologies Service Providers Association (FITSPA) by signing memorandums of understanding (MOUs).

Our collaboration with both associations includes conducting joint research surveys to identify members' needs and gaps, engaging in coordinated efforts with government ministries, departments, and agencies on policies affecting our members, providing regular updates to members on industry trends, relevant studies, and publications, and offering capacity-building through workshops and dialogues.

The primary goal of these partnerships is to provide industry-specific solutions and enhance their members' knowledge and understanding of insurance products while opening up the untapped market for our members.

We strongly believe in the power of collaboration as a catalyst for growth and we shall continue to undertake initiatives and engagements that foster collaboration and partnerships in line with the new UIA values.

The Key Industry Drivers For 2023

This section highlights the two leading industry products namely Medical and Life Insurance, and the initiatives undertaken by the UIA in line with some of the products offered through collaborative efforts of the industry, specifically MTP and Marine Cargo Insurance.

Medical Insurance



400,000
Lives Covered

150,000
Principal members

In 2023, the medical insurance sector continued to be the leading insurance line in contributing slightly above 20% to the total industry GWP. Specifically, the class grew from 274bn in 2022 to 306bn in 2023, which indicates its increased uptake among Ugandans. This growth can be attributed to various factors, including heightened public awareness and improved product offerings. It also points to the appreciation of medical insurance and its benefits which has gained appeal for most corporate organizations over the years, as it is offered by the employers as a benefit to staff and a form of staff motivation. However, there is very little in terms of enrolment from individual policyholders.

The number of individuals with access to medical insurance policies were about 400,000 lives with about 150,000 being principals. Corporate health insurance policies constituted about 98% of the market with 2% being individual and out of the pocket payments, this underscores the role of employers in providing healthcare benefits to their employees.

Despite its growth, medical continued to exhibit the highest industry gross loss ratios at over 80%. Unfortunately, this has been consistent over the past years culminating in 117.8 billion in 2021 and 170.6 billion in 2022 and over 200bn for 2023 as claims paid out.

In a drive to improve the performance of the Class, the UIA dedicated a greater part of the year on efforts that would support its sustainable growth. The aim was to counter the many challenges which pose an existential threat to the business especially the high loss ratios as a result of unethical practices, fraud, delayed claims payments and abuse of insurance policies by clients and service providers.

On that basis, the UIA constituted a medical sub-committee to scrutinize pricing, clinical practices and tiering of hospitals into different categories, undertook a research study into medical consumption to inform the extent of cover, benefits, claims and uptake among other issues. This pointed to good industry indicators in terms of consumption, uptake, composition and initiatives as provided in the Medical actuarial report. The recommendations from the report which pointed towards enhanced automation and digitization, retail product development, introduction of co-pay, regional based benefits and many others will continue to set the agenda for the secretariat in the year 2024.

Life Insurance



The life industry grew to 606bn compared to 501bn in the year 2022, this increment of over 100bn represents about 20% increase from the 2022 figures. Life insurance has continued to exhibit its strategic importance to the industry by constituting close to 40% of the total industry premiums. Of the 606bn, Individual life posted 313bn followed by group Life at 124bn making it the second biggest class after Medical which posted close to 362bn in GWP.

On the life front we engaged KPMG to provide guidance through a report on the implication of taxation under the IFRS17 especially addressing profits and deferred taxes treatment, but also the agreed position on the treatment of earlier years. IFRS17 as well informed the UIA presentations to the MoFPED on the Taxation of Life Companies together with a detailed presentation and request to the Ministry to provide an income Tax waiver to those that purchase Life Insurance in a bid to grow its uptake pointing to the overall benefits that would accrue to government in relation to the waived taxes.

On the issue of Guaranteed Funds members reviewed guidelines that were meant to anchor them under the life business and to demonstrate to URBRA that they can still remain healthy funds.

It also worth noting that 2023 marked the first-year members were supposed to start reporting IFRS17 numbers following the testing of the new regulatory templates. The implementation of the standard in effect has not been smooth as members are still grappling with implementation challenges and even beyond the members, the public perception and a move away from reporting GWP to insurance revenue.

606
Bn in GWP

20%
Growth Rate

40%
Market Composition

Motor Third Party (MTP)



The UIA continues its strategic role of administering the MTP product through the MTP payment platform, an initiative of the Insurance Regulatory Authority (IRA) of Uganda. The trend and performance of this class of business continues to demonstrate it is importance premised on the social protection aspect, the foundation upon which the MTP law is based.

During the year under review, basic premiums were almost UGX 18Bn up from UGX 14Bn from 2022, members paid sticker fee amounting to UGX 3Bn and contributing more than 70% towards the financing of the UIA, a key revenue source. In terms of support to government, UGX 88M was paid to the college (ITC) as Training Levy, UGX 3.7 Bn and UGX 15Bn collected as VAT and Stamp Duty Taxes respectively totalling to almost UGX 18.7Bn in addition to other statutory levies to the IRA. This again points to the fundamental importance of Insurance in sustaining and supporting government through Taxes.

Region wise, the Central region continued to dominate in terms of MTP sales followed by the western and Eastern regions with the Northern region having the least sales.

In order to drive the uptake of the product, the UIA initiated awareness campaigns in taxi parks in the Eastern region, radio Interviews and Talk shows to create awareness of the MTP policy. We also engaged the Police in Kampala city on some of the challenges they face as they enforce the law and to guide the UIA efforts in curbing fraud and forged stickers. We as well launched a nationwide PR and marketing campaign dubbed Simbula with MTP to create more awareness of the policy. Additionally, we embarked on a partnership with the safeboda Academy through the Training of Trainers workshop in order for the academy to reach out to the over 50,000 registered safeboda riders. We as well continued with the Hospital initiatives to cater for accident victims and partnered with the Uganda Redcross to provide Ambulances and beef up their fleet which are the first line of responders for accident victims.

Looking ahead, in the year 2024, we shall cover other regions in terms of sensitization and Awareness, engage police in all other regions to make awareness easier more radio talk shows to increase the sensitization. In addition, we shall focus on the implementation of the Enhanced Motor Third Party Project (EMTP) as approved by the NL Technical Committee and UIA EC, the amendments to the MTP Act spearheaded by the Regulator and the MoFPED and the Digitization of MTP stickers will take center stage following the development of the TORs and their subsequent

Marine Insurance



Marine Cargo and Goods in Transit Insurance

Despite the pronouncement by the URA and IRA for the compulsory consumption of Marine Cargo insurance, the industry is yet to see the full implementation of the platform that is spearheaded by the IRA through a dedicated portal administered by the UIA. Marine insurance due to the fact that it impacts and touches on intertnationl trade with localization affecting the way business is done especially for imports into the country, required a detailed analysis and preparation for purposes of ensuring that the implementation is successful.

During the year several engagements were held with the Tax body especially the IT department to undertake UATs and ensure that the system was fit for purpose. The customs department who are the direct enforcers were also engaged and the Customs Department of the URA was invited as part of the strategic partners at the UIA AGM and Ceo retreat, they were represented by the Assistant Commissioner Customs. The legal department as well offered support especially in the interpretation and implication of the East African Customs Management Act and its direct linkage with the efforts to implement compulsory marine cargo insurance in Uganda.

We were able to engage other external stakeholders in a bid to prepare them in view of the implementation of the Ministerial directive, collaborating with key partner associations amongst the clearing and forwarding agents, the manufacturers through UMA, the Traders through KACITA, MACITA and MBACITA. This was in addition to the individual key importers, training of customs officers, undertaking UATs with members amongst other initiatives.

In 2024 we shall focus on working with other key stakeholders like IRA and the URA to complete the system integration and relevant UATs, undertake system alignment of premiums to the Common External Tarriff arrangement for ease of reference to the public and in line with URA systems and also embark on a detailed Change management document together with all stakes to form a basis of the sensitization and trainings in readiness for implementation during the 2024/2025 Financial year.

Our Operating Model

Our business model shows how the association creates long-term value for all stakeholders. It offers a detailed overview of our multi-capital approach to value creation, covering both financial and non-financial aspects of the business.

Our Key Resources

Resources and relationships that UIA draws upon for its business activities.

Financial Capital

The pool of funds available to UIA to meet it's obligations as a going concern. We generate our own financial capital through the sale of MTP stickers, member subscriptions, grants as well as income from our investments.

Social Capital

UIA relies on strong relationships with key stakeholder groups, in order to operate responsibly. We pride in undertaking initiatives that add value to communities and create positive social impact which supports in building trust for insurance and our members.

Regulatory Capital

The Association as the voice of the licensed insurers is dependent on an efficient regulatory environment that promotes responsible and fair competition between participants in the industry. We are self-regulatory organisation / body and we do set standards for our members in order to compliment on the existing laws and regulations set by government and industry regulators.

Manufactured Capital

The Association is head quartered in Kololo, Kampala. UIA also currently makes use of specialized IT systems, perforating equipment and other existing infrastructure for the day-to-day running of its affairs. In line with our priorities for the year 2023, we embarked on the automation process for all activities of the Association in order to offer our members a better service.

Human & Intellectual Capital

The Association depends on the individual competencies, capabilities, talents and experiences of our employees and to manage the secretariats affairs efficiently as well as understand member and Stakeholder needs and develop appropriate initiatives to effectively drive the association's ambitions forward

What We Do

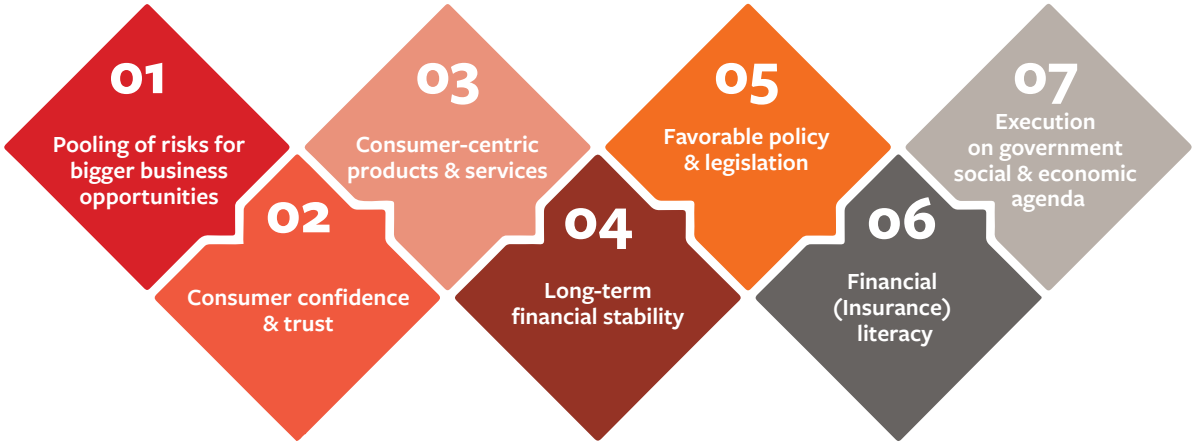
Our purpose is to drive the progress of insurance and reinsurance companies by fostering collaboration, facilitating business exchange, expanding knowledge through research, advocating for favourable legislation, and representing our members' interests to government, quasi- government, and private entities.



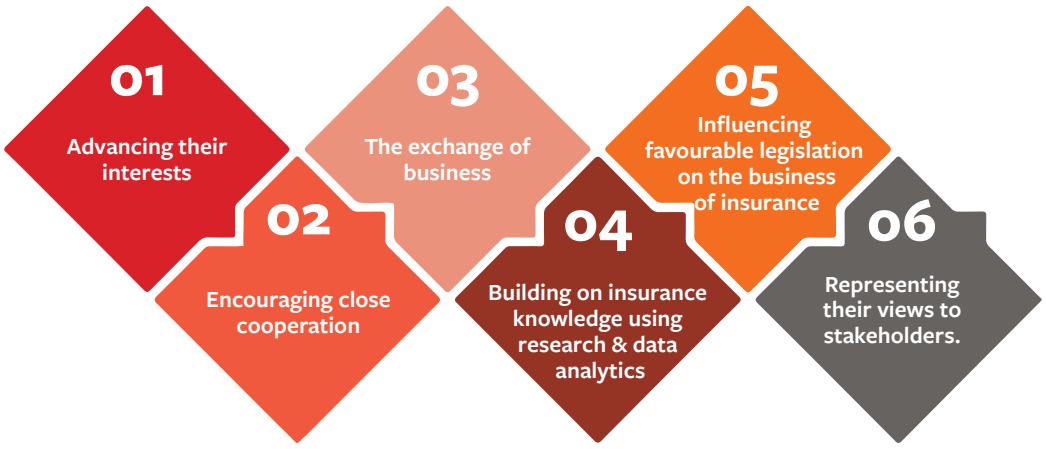
Association Activities

Our core business activities optimally utilize available resources, under the stewardship of our staff, guided by our strategic objectives.

The Value we add to our stakeholders through;



In line with our mandate, we add value to our members through;



Our Stakeholders' Evolving Needs

Members	Insuring Public	Employees
Our members are at the heart of everything we do. We are committed to their best interests and endeavor to serve them better by engaging with them regularly.	The final end-users of our members products and services to achieve their wealth creation and wealth protection goals	Our people are our most important stakeholders as they are the ones who execute the work, deliver the value, and interact with other stakeholders.
Key Areas of Interest	**Key Areas of Interest**	**Key Areas of Interest**
Forums, Workshops and Dialogues and capacity building	Training and sensitization on the concept of insurance and Insurance services	Good working environment
Development of a strategic plan for the next 5 years	Awareness Campaigns	Career growth, capacity building and trainings
Representing their interests	Corporate Social Responsibility	Career growth
Business Development Initiatives and collaboration opportunities;	Timely payment of claims by our members	Leadership and recognition
How we engaged them in 2023	**How we engaged them in 2023**	**How we engaged them in 2023**
Developed and approved the new UIA SP 2024 - 2028	Public surveys and research initiatives to understand their needs. The information derived assists members in product design and development.	Employee reward and motivation
Technical Committee meetings and Managers forums	Wewanilile Campaign (Life insurance)	Promotion and recognition of performance
Annual AGM and CEO forums	Simbula with MTP campaign	Alignment of the remuneration of staff
12th Insurance Agents Convention and Awards Dinner	Blood Donation Drive with Red Cross- New taxi park	Sponsored staff towards attainment of professional insurance qualifications
Joint industry events i.e 2023 ITC International conference, 5th IBAU conference, Insurance week, and Innovation Awards.	Donations (Medicines and essentials) to Road accident victims at Mulago emergency ward & Reburshed the emergency ward at Nkumba University hospital together with Nicole Foundation	Review of the HR Manual
participation in themed workshops and exhibitions; AMLCFT, IFRS 17, International Trade fair, mineral wealth Conference, oil and Gas convention	Road Safety Run organised by Legacy road Safety Initiative, cancer Run, Kabaka Run	Carried out a Team building session
Provision of Sector-specific products under the COVID–19 Economic Recovery and Resilience Response program project with PSFU and Mastercard Foundation.	Dissemination of research findings to the public for purposes of providing feedback on needs and available insurance products.	

Regulators	Affinity Partners	Government
Regulators are our major stakeholders since they are responsible for monitoring sector performance, addressing members concerns and implementing government policies while creating an enabling environment for business growth.	These partners enable market access to a variety of economic sectors to support our member's market growth and success ambitions.	Government is an important stakeholder because it controls, among other things, the regulatory framework which defines how our members are able operate, which is critical to the long term success of the sector.
Key Areas of Interest	**Key Areas of Interest**	**Key Areas of Interest**
Amendment of the Motor Vehicle Insurance (Third Party Risks) Act,1989	Insurance education and awareness	Tax policy
Review of Guidelines of Minimum & Maximum commission rate, Security deposits for Insurers and Insurance brokers, Claims processes etc and Guidance notes	Business advisory	Systems and structures
Lobbying and Advocacy - Compliance and regulation requirements	Joint Activities and networking events	Lobbying and Advocacy
MTP Platform & Localization of Marine cargo Insurance	Business Exchange	Regulatory Enforcement
How we engaged them in 2023	**How we engaged them in 2023**	**How we engaged them in 2023**
UIA EC and IRA management quarterly engagements	Conducted Research and disseminated research findings on Medical Insurance, Insurance uptake and needs among partner members and on the gaps on the uptake of Workers' Compensation in Uganda.	Engagement with URA on Tax issues
Submission of Comments, reviews on various aspects affecting members	Joint networking and themed events- Exhibitions, Conferences, and workshops	Submission and Presentation of Tax proposals to MoFPED
Joint Industry Activity sponsorships	Dialogue and stakeholder engagements on the role of Insurance	Engagement with MOWT
collaboration of themed workshops and capacity building events	New partnerships with FITSPA, KYU among others	Engagement with MOGLSD on Workers compensation Guidelines
Joint engagements with Government Ministries and agencies	Capacity building- skilling and training on Insurance services	Carried out a Total Tax Contribution(TTC) Study on the sector to determine the overall contibution of insurance to the economy
Provided input in the various laws and regulations for better sector performance	Executed new MOUs and renewed existing ones to guide the different partnerships	Timely collection and tax payment
	Executed new MOUs and renewed existing ones to guide the different partnerships	



Impacting Communities

UGX **100**M donation to the Red Cross

Supported the fight against HIV/AIDS

KCCA Car Free Day initiative

Teamed up for Blood Donation Drive

Supported Mabira Forest Conservation

Supported the fight against Child Cancer

Our charity efforts were headlined by the UGX 100M donation to the Uganda Red Cross Society (URCS) for the purchase of a new ambulance. This is part of the overall UGX 200M that will be provided by the UIA over a course of 2 years. The CEO Kisakye handed over the donation to URCS Secretary General – Robert Kwesiga at UIA Offices in Kololo. Jonan said that UIA's donation was in appreciation & support for URCS' commendable charity work. He emphasized UIA's commitment to road safety and thanked URCS for being at the fore front of saving lives, a key reason for the partnership.

The UIA supported the Kabaka Birthday Run organized by Buganda Kingdom to raise awareness and strengthen efforts to fight the HIV/AIDS epidemic in Buganda and Uganda at large under the theme: "The fight to end HIV/AIDS by 2030", this was in addition to the support rendered at the 2023 Rotary Cancer Run under the theme "Run for Hope".

The Kampala Capital City Authority (KCCA) organized the inaugural Kampala Car Free Day an initiative that promotes sustainable transportation while also reducing pollution in the city. The event was supported by the UIA as sponsors and participants in collaboration with the Institute for Transport and Development Policy (ITDP), the International Climate Initiative (IKI), and the World Resources Institute (WRIafrica).

During the year, we also partnered with the Community Health and Information Network (CHAIN), Rotary Club Kiwenda and Rotary Club Ntinda to commemorate World Patient Safety Day in Namulonge Busukuma Health Center under the theme "Engaging patients with the focus on elevating the voice of patients."

The Association teamed up with Uganda Blood Transfusion Services (UBTS) in a Blood Donation Drive at the New Taxi Park & Mukwano Arcade from 12th to 13th October, 2023.

The Uganda Insurers Association (UIA) together with Umoja Conservation Trust and other partners launched the Mabira Forest conservation campaign with the aim of restoring the depleted forest. The event took place on 2nd September, 2023 at Mother Kevin College Schools in Mabira.

UIA also supported road accident victims in partnership with the Nicole Foundation & Mulago Hospital in a charity drive for the Mulago Hospital Accident & Emergency Unit.

The UIA made a generous donation to the joint Corporate Social Responsibility (CSR) activity conducted by the Rotaract Ladies Initiative (ROLI) and Uganda Child Cancer Foundation (UCCF) at the Mulago Cancer Institute. The event focused on providing service to women and improving the livelihoods of communities in need.

And last but not least, we offered financial support to Teresa Ministries Uganda, a non-profit organization that runs childcare homes for homeless children.

Looking Ahead – 2024



As we set sail into the next chapter of our journey, the Uganda Insurers Association (UIA) stands tall in presenting our refreshed priorities. These guiding principles will illuminate our path over the coming five years, providing a blueprint for continual enhancement across crucial domains.

2024 areas of Focus

Innovations & Automation

Institutional Capacity development

Strengthening relationships with key stakeholders

Aligned with our core mission, our focus remains steadfast on several pivotal fronts. Firstly, we aim to catalyse revenue growth and leveraging innovative strategies to bolster financial resilience. Concurrently, a concerted effort towards the automation of UIA systems and those within the broader industry underscores our commitment to operational efficiency. Moreover, we shall endeavour to expand market horizons through the introduction of cutting-edge products, underpinned by meticulous market research. Additionally, we recognize the pivotal role of advocacy, stakeholder management, and awareness campaigns in fostering value creation within the insurance landscape.

In 2024, our efforts will be channelled towards key areas poised to stimulate growth, reflecting our unwavering dedication to making a tangible impact. We hope to augment our staffing requirements such that we bolster key departments that are pivotal to the delivering of our mandate. We expect a surge in our expenditure which will be propelled by heightened activity levels, necessitated by our proactive engagement with stakeholders to propel the insurance sector towards sustained growth.

During the year 2024, the Association will focus on the following areas to trigger growth;

1. **Innovations & Automation**
2. **Institutional Capacity development**
3. **Strengthening relationships with key stakeholders**
4. **Promoting & Fostering Business Development Amongst Members**





Executing against our mandate: Performance in 2023

In this section;

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Promoting Collaboration
Amongst Members



What we do

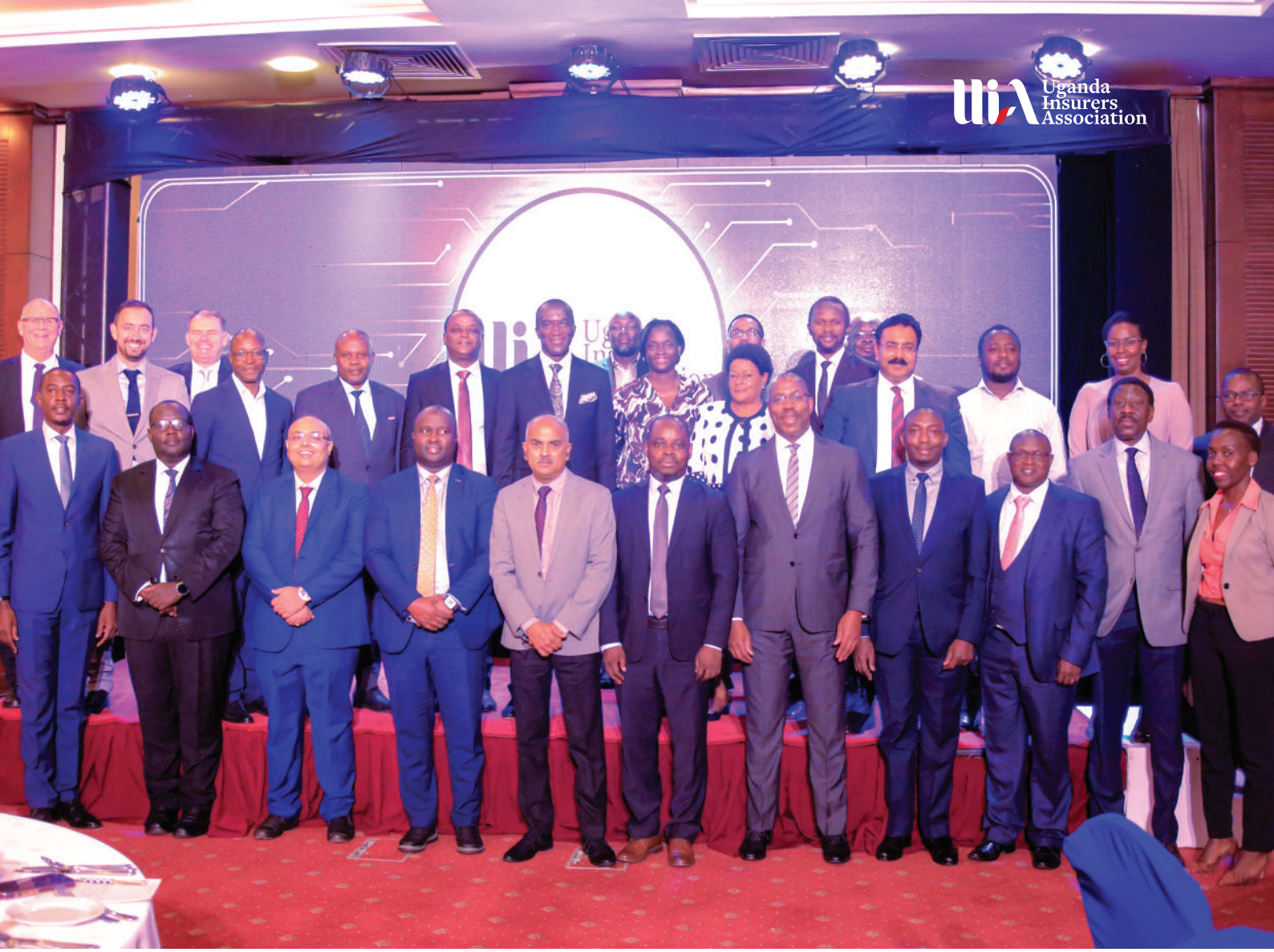
In line with our mandate, the Association strongly believes in the power of co-operation and collaboration among members to foster business growth. We connected members and facilitated mutually beneficial opportunities for purposes of driving innovation and expanding the market. We actively encouraged partnerships and facilitated platforms for meaningful engagements



What we delivered FY 2023?

To promote collaboration among members, UIA took proactive measures and various initiatives;

- Encouraged collaboration through the development of Forums to promote growth in the industry.
- Recognized members' successes through awards and participated in industry-related awards.
- Fostered engagements on medical insurance through carrying out a scientific study to examine the pricing and costing dynamics of medical insurance. Which involved a comprehensive 5-year review of medical data from members that guided strategies aimed at enhancing pricing accuracy and refining benefit provisions. The main objective was to bolster the profitability and sustainability of the



medical insurance sector.

- Facilitated training sessions on the ICOGU consortium to strengthen the project.
- Facilitated a training session on Motor Third party with Safeboda Academy on how to increase awareness of the insurance policy.

2024 Focus Areas

- Revenue growth through alternative revenue sources.
- Fast tracking the execution of the automation process of the UIA to serve members better and to improve the Motor third party platform.
- Enhance engagements & partnerships to increase awareness of insurance.
- Digitization of the MTP stickers.
- Implementation of the Insurance Literacy and Inclusion Agenda with industry partners and other stakeholders.

PSFU- Project

The Private Sector Foundation Uganda (PSFU), Uganda's apex body for the private sector collaborated with the Mastercard Foundation to co-implement immediate relief, recovery, and resilience interventions under the COVID-19 PSFU Response Project. The intervention's ultimate goal was to contribute towards national efforts on business recovery and resilience in the face of the COVID-19 Pandemic. The intervention would support the government in developing a Post COVID-19 Economic Recovery and Growth Strategy. It would further augment the survival, recovery, and resilience of enterprises impacted by the adverse economic effects of COVID-19.

The Mastercard Foundation together with PSFU collaborated with UIA members and developed the COVID-19 Recovery and Resilience Program.

Objective

The main objective of this intervention was to build a system that helps MSMEs manage the insurable risks they face in their businesses as a group or single businesses. This would be through an eco-system that collects information, provides, and equips MSMEs with relevant risk mitigation and capacity support, builds resilience through disaster/crisis mitigation mechanisms, develops MSME need-based insurance solutions, and provides continuous awareness, risk advisory, and coordination services to the public.

Specifically, the activity had the following objectives;

- Conduct a desk review survey on MSMEs to identify the risks and potential disasters faced by MSMEs, current coping mechanisms, skills gap, and potential risk mitigation products and disseminate findings.
- Develop sector-specific insurance products.
- Develop MSME sector-specific business continuity and disaster preparedness policies and plans.
- Conduct an MSME insurance awareness campaign to address myths and misconceptions about insurance.
- Establish an MSME risk and insurance coordination center.

All members were invited to participate in this project alongside UIA by submitting a detailed profile of products offered for MSMEs for the selected sectors of Agriculture, Manufacturing, ICT, Construction, Tourism, Trade, and Allied Services clearly indicating the description, benefit structure, and premium structure. 9 companies expressed interest, which are Goldstar, Sanlam life, ICEA general, CIC general, CIC life, UAP-OM, UAP-OM Life and Jubilee Allianz

The target audience was the MSMEs under the PSFU membership in the Trade and Allied Services, Tourism, Construction, Manufacturing, ICT, and Agriculture sectors.Construction, Manufacturing, ICT, and Agriculture sectors.





Participating insurance companies and the sectors they are crafting products for.

Non-Life Insurers	Life Insurers	Sector	Sector players
CIC	**CIC Life**	Agriculture	308
Goldstar	**CIC Life**	Construction	71
ICEA	**Sanlam Life**	ICT	116
Jubilee	**Sanlam Life**	Manufacturing	192
UAP -OM	**UAP Life**	Tourism	30
UAP -OM	**UAP Life**	Trade and Allied services	163
			880

Milestones

- A research report documenting the barriers to the uptake of insurance products among MSMEs was completed.
- Six sector-specific insurance products were developed for the Trade and Allied Services, Tourism, Agriculture, Manufacturing, ICT, and Construction sectors.
- Six sector disaster preparedness policies and plans were developed.
- 75 BCPs were customized for the members in the Trade and Allied Services, Tourism, Agriculture, Manufacturing, ICT, and Construction sectors. Risk management through insurance was a key component of these BCPs.
- An insurance and risk coordination center has been established at the UIA to support MSMEs with a toll-free number 0800 317 137.

Future Outlook

As per our agreement and upon receipt of the remaining balance equivalent to 50% of the grant from PSFU/ Mastercard Foundation, we shall focus on concluding and implementing the project through execution of a starter pack that has tailored products for the 6 sectors, subsidizing of premiums for about 50 businesses and undertaking sensitization of the MSMEs across the country.

ICOGU Progress report





With policies issued last year, 2023 marked the first year of policy administration with the consortium focussing on aspects and matters that would ensure the smooth running of the consortium operations and servicing the requirements of the IOCs in line with the policies issued.

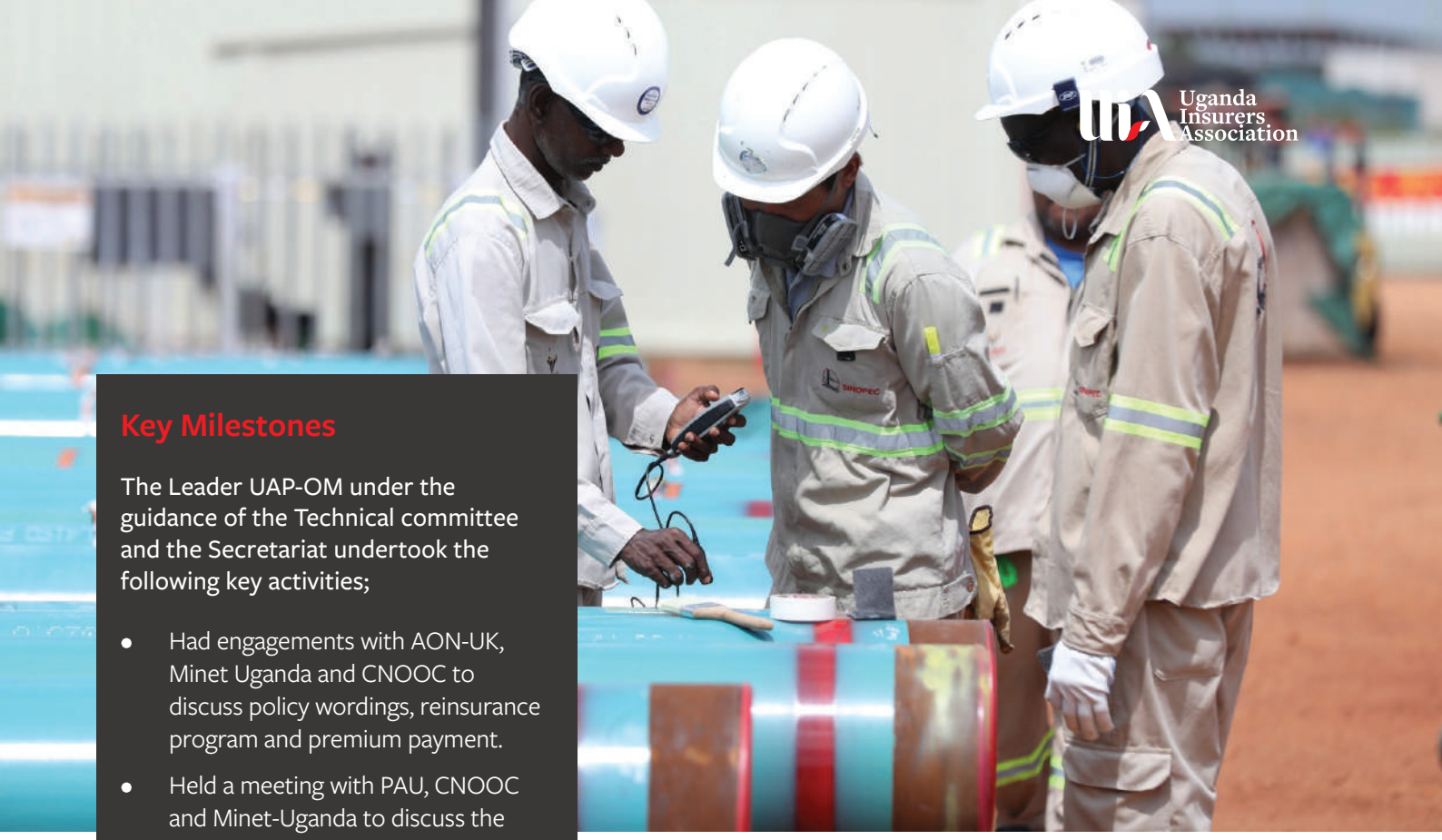
During the year under review, the consortium's main focus was finalizing the policies under the Kingfisher development area (KFDA). We prioritised ensuring that the policy documents for the various classes of insurance that is CAR, XTPL, and OEE are issued and premium collected. This was achieved in liaison with the regulator, the Reinsurance broker and the Tax authorities, all relevant documentation and payments including those aligned to compliance were successfully issued.

Regarding the Tilenga and EACOP projects, ICOGU's focus was to ensure premium for the second instalment was remitted as per the agreed terms that were stipulated in the policy documents for CAR and OEE insurance covers.

The relevant payments for the different Reinsurers were as well remitted, together with the consultancy fees and the member premium payments.

The National Content Commitments (NCCs) for TILENGA were as well finalized following extensive engagements with TOTALENERGIES and their Brokers. The NCC included plans for an industry wide oil and gas capacity building for the 19 members of ICOGU, a benchmark to a developed African oil and gas industry for the Technical committee and the management team of ICOGU and internship placements for students from the Albertine region. It is important to note that in building the future retention capacity of the consortium and in line with the NCC, USD 500,000 was set aside for this purpose.





Key Milestones

The Leader UAP-OM under the guidance of the Technical committee and the Secretariat undertook the following key activities;

- Had engagements with AON-UK, Minet Uganda and CNOOC to discuss policy wordings, reinsurance program and premium payment.
- Held a meeting with PAU, CNOOC and Minet-Uganda to discuss the premium computations.
- CAR, XTPL and OEE policies were issued.
- Tilenga and EACOP premium for the second instalment was collected.
- Had engagements with Total Risk solutions to support in responding to some technicalities.
- Conducted training for members.
- had benchmarking engagements related to Oil and gas in Tanzania.
- Had deliberations with the IOCs on a range of other matters.

Challenges

In line with the increased attention and negative messages from environmentalists that put the oil and gas projects in bad light, ICOGU liaised with the IOCs, government agencies and the Chamber of Mines to address these concerns and share positive stories for Uganda arising from Uganda's oil and gas projects.

Other challenges included;

- Delays that impacted the issuance of some of the policies including the legal and regulatory regime around some of the projects.
- Tax complexities that required interpretation and the intervention of the IOCs.
- Some project delays and a lack of access to some crucial information that was required in addressing the insurance needs aligned to the different projects.
- Tilenga and EACOP projects-Policy documents were issued with IRA sanction / dispute clauses. We await feedback from the regulator on whether to maintain the same or amend as per client's choice of law.
- Kingfisher Project-Policy documents that were issued to the client had preferred sanction clauses. Reinsurers are not comfortable with the clause, with the issue currently being handled by ICOGU / Direct Broker.

Outlook

The focus for the year 2024 on ensuring that ICOGU implements the NCC for TILENGA and also finalizes the requirements under the KFDA project. We shall also continue to pursue other opportunities for the consortium especially those offered under the localization of Marine Insurance and other licenses issued such as Kasurubun oil and gas block acquired by the Uganda National oil Company (UNOC).

Uganda Insurers Association

AIC Progress report

Agro Consortium

The Association is pleased to present a comprehensive progress report for the Agriculture Consortium for the year 2023. This report highlights the consortium's achievements, challenges encountered, policy outcomes, and outlook.

The consortium remains committed to its core objective of promoting resilience and mitigating risks for farmers through comprehensive agricultural insurance coverage.



Ugx. 30.4Bn

in claims in FY23/24

Initiatives and Milestones:

Special Agents in Agriculture Insurance

The growth of agriculture insurance within the Uganda Agriculture Insurance Scheme (UAIS) has been significantly facilitated by the active involvement of mobilizers, community leaders, and farmer group leaders who directly engage with farmers at the grassroots level.

Recognizing the unique and essential roles played by these individuals in promoting and educating farmers about agriculture insurance, the Insurance Regulatory Authority (IRA), in partnership with AIC, has taken an innovative step. They have extended special consideration by allowing those actively involved in the promotion and sale of agriculture insurance to operate as individual micro-agents, referred to as "Special Agents in Agriculture Insurance." This initiative empowers these agents to provide valuable agriculture insurance solutions to their respective communities, further enhancing the accessibility and reach of agriculture insurance, making it more inclusive and responsive to the needs of farmers at the grassroots level.

Introduction of Special Training Course in Agriculture Insurance- Award for Agriculture Insurance

Following the need to learn and better understand agriculture insurance in Uganda, the Insurance Training College (ITC) together with the Agro Consortium collaborated to develop a special program in Agriculture Insurance, the Award in Agriculture Insurance, to fill the knowledge gap in the industry. This program will enable learners to have a better understanding of the unique attributes of agriculture insurance, while further supporting a greater understanding of the benefit of the structure of the National Scheme and its contribution to the growth of agriculture insurance in Uganda

Claims

The Agricultural Insurance Consortium made significant progress and continues to play a crucial role in building trust and credibility for insurance products among beneficiaries nationwide. In the second phase of the scheme which started on 1st July 2021, a total of Ugx. 30Bn was disbursed in claims by Quarter 2 of Financial Year 2023/2024 (31st December 2023). The nature and distribution of these claims during this period provide



valuable insights into the perils covered, highlighting the relative severity among different risks. Notably, drought remains the primary cause of significant losses in farmers' yields.

Challenges

Despite the achievements, the consortium encountered certain challenges in 2023, which shaped our strategies for future improvement. These challenges included limited funding for awareness campaigns, technical complexities in developing insurance products, and ensuring the long-term sustainability of the subsidy program. These obstacles highlighted the need for resource mobilization, innovation, limited specialist intermediary-services providers, subsidy over-utilization thereby offering limited benefit and increased unpredictability of climatic conditions.

These challenges continue to drive us to innovate and develop solutions that are pertinent to farmers, while also ensuring the Scheme builds lasting systems for future generations of farmers.

Outlook

Looking ahead, the Consortium remains dedicated to advancing agriculture insurance in the country and while there have been some challenges, we remain committed in our focus and determination to pursue our objectives with renewed focus. We will continue to innovate for our farmers, and deliver a superior agriculture insurance experience, while accelerating our reach and impact.

Premiums written per region as at 31st December 2023

Region	No of Farmers	Sum Insured(Ugx)	Premium(Ugx)
Central	23,416	247,455,001,708	3,721,866,320
East	19,665	70,398,515,019	1,348,253,199
North	24,384	60,667,065,343	3,718,791,136
West	39,479	486,599,816,412	8,251,619,612
Grand Total	**106,944**	**865,120,398,482**	**17,040,530,267**

Source: AIC Monthly reports

We continue to navigate solutions, lobby with the assistance of the Insurance Regulatory Authority and the UIA have the subsidy allocation increased. This would go a long way in optimizing the benefit of the subsidy to all intended beneficiaries, and increasing the utilization within the farmer communities. Consequently, this goes far in improving productivity as well as improving appreciation of government support in agriculture adaptability and productivity amidst the current prevailing environmental and market conditions.

Research and Data Analytics



In order to support our members with relevant information and data, a Research and Data Analytics unit was set up in line with the approved priorities for the year 2023. The UIA now utilizes research to help expand markets for the membership, provide insights for the Association's initiatives, and employ data analytics to support decision-making at the Secretariat and among its members.

The 2023 research initiatives were centred on opening markets for members, Lobbying and advocacy, fostering collaboration with universities to build on the body of knowledge of insurance and using data analytics to inform decision-making

Research Projects undertaken in 2023

A study on **insurance uptake and needs among the members of the Kampala City Traders Association (KACITA), Mbarara City Traders Association (MBACITA) and Mbale City Traders Association (MACITA)** was undertaken in July 2023. The research aimed to provide a clear understanding of the nature of challenges and risks faced by the membership of the trade associations and their risk mitigation strategies to inform market adjustments through the creation of insurance solutions that meet the identified risks and challenges.

- It was found that theft (76%), fire (47%) and unstable prices of commodities (36%) were the major risks traders were exposed to. Other risks included failure to pay loans, illness, accidents while on the job, machine breakdown, floods, death, and inability to pay school fees. Over, nine out of ten traders were subject to losses due to the risks their businesses were exposed to. Other effects included frustrations, reduced productivity, business capital diversion, longer turnaround time and increased debt.
- It was also noted that most of the traders relied on personal savings at 34% to mitigate the risks their businesses were exposed to, followed by borrowed money at 32%, tightened security at 31%, and relied on their informal group i.e. VSLA, merry-go-round, or a burial society at 19%. Other mitigation measures were selling an asset, cutting down on expenses and taking up insurance.
- Whereas only 4% of the traders had an insurance cover for their business, about 4 out of 10 traders were willing to insure against the risks their businesses were exposed to. The major barrier to uptake was the lack of information about formal insurance.
- To bridge the information gap, the UIA is in the process of developing a Traders Insurance Solutions Booklet





that will provide information about some of the available insurance solutions and products tailored to the needs of micro, small, and medium enterprises in Uganda. The booklet includes details about the product names, the specific risks or perils covered, eligibility criteria, and where to obtain these products. It will contain the contact details of our members. The booklet will be launched in 2024.

We engaged the Uganda Manufacturers Association with the intent of undertaking a survey among their members to understand their risks, the existing mitigation measures and the current uptake of formal insurance. During the interactions, we agreed to leverage the UMA Industrial nationwide survey. To formalize the exercise, an MOU was signed between the two entities and one of the deliverables for the UIA will be mobilising funding as a co-sponsor while UMA is to implement the industrial survey.

A survey on the Uptake of Workers' Compensation Insurance and the gaps therein in Uganda was undertaken in October 2023. The research aimed to determine the extent of work-related injuries that are not compensated, even though workers' compensation insurance is compulsory and within the law. The survey targeted randomly sampled employers and their workers in 5 regions of Uganda namely West Nile, northern, eastern, western, southwestern and Central.

- It was found out that whereas over 6 out of ten (62%) employers were aware of the Workers' Compensation Law, only 42% had a workers' compensation policy. Comparison by sectors revealed that there was a slight mismatch between awareness of the WC law and uptake especially in the professional services sector



(awareness-77%: Uptake-22%), Manufacturing (awarerness-79%: uptake 49%), mining & quarrying (awareness – 50%: uptake- 43%), and construction (awareness of law- 52%: uptake- 48%) among others. The main driver was that it is mandated by law at 47% while the main barrier to uptake of the WC policy was little information about it at 56%.

- Furthermore, of the 42% of the employers who had a WC policy, 78% confirmed that their employees had experienced a work-related injury. Of these about eight out of ten (85%) were compensated. Of those workers who were working for employers who had no WC policy, 20% experienced a worker-related injury which could not be compensated in line with the WC Act.
- To report is to be launched in 2024.

During the year 2023, we also conducted a survey on credit life insurance with the aim of informing our lobbying efforts with Uganda Microfinance Regulatory Authority. The main objective of the research was to establish the credit life claims paid out in 2020, 2021 and 2022, this will be completed in 2024.

We also undertook a survey on the consumption of life insurance products in Uganda. Data for 2020, 2021, and 2022 was collected from all 8 life insurance companies to get an understanding of the consumption trends of life insurance products in Uganda and the challenges faced with the bank premium collection method. The findings will be used to inform the Secretariat's life desk sensitization initiatives and the discussion with the Uganda Bankers Association on the reduction of charges on direct debit transactions.

- The findings revealed that there has been growth in consumption of life insurance since 2020. Life policies were mostly sold in the Central/ Kampala region and least in the Northern region. Whereas other regions recorded growth in policies sold from 2020 to 2022, the western region registered a 1% decline in 2022.
- A sensitisation initiative is planned for the western region in 2024 with the intent of creating awareness and increasing the uptake of life insurance in the region.

In order to foster collaboration with universities for purposes of building on the body of insurance knowledge, we held two engagements with the Department of Accounting and Finance at the School of Management and Entrepreneurship-Kyambogo University

(SOME-KYU) with the aim of sponsoring university students that will see the generation of data that will be used to bridge the knowledge gap in the insurance sector; create a platform for university students to appreciate insurance and research, and also keep up with latest market trends. We agreed to formalize the collaboration by signing a Memorandum of Understanding.

We also undertook a survey on members' expectations from the UIA with the purpose of testing our adherence to the UIA mandate.

- The survey revealed that 89% of the members believed that we delivered on our mandate, 81% felt that their membership category was well represented, 69% felt that UIA met their expectations, and 73% were aware of the UIA initiatives.
- The findings guided the 2024 budgeting process as attention was paid to those concerns and needs raised by the members during the survey.

In line with using data to inform decision-making,

- In 2023, we embarked on the production of monthly Motor Third Party Performance reports that are shared with insurers who deal in Motor Third Party every month. The reports share insights on sticker order performance from the Secretariat, number of stickers sold by the insurers, comparison against the competition, and insight into what can be done to grow uptake.
- We also collected production data from the insurance companies every quarter, from which a report was derived to guide the insurers on their performance in a given quarter against their competitors, industry performance on the various indicators like industry loss ratios, product market share, Gross claim percentage share, and performance by product line. The output is used by the insurers to draw strategies on how to improve performance.






Promoting Insurance. Protecting

Research Focus for 2024

Lobbying for increased uptake of insurance among education institutions with the expected outcome of the inclusion of a fire insurance cover for schools in indicator 12 of the 2009 Basic Requirements and Minimum Standard Indicators for Education Institutions.

Advocacy to inform awareness initiatives of the association and the industry at large with initiatives towards undertaking a public insurance survey among the general public on knowledge and attitudes towards insurance. The expected outcome is to inform the development of the Insurance Literacy and Inclusion Agenda and to generate data and perform data analytics to inform members.

We shall undertake an **insurance coverage and needs survey** among the members of the Uganda Manufacturers Association (UMA). This started with the signing of an MOU with UMA. The expected outcome is the development of an insurance solutions booklet for the manufacturers.

We shall actualize the sponsorship of university students to undertake research in insurance-related topics to add to the body of knowledge in the insurance sector. The expected outcome is improved knowledge of insurance concepts among students and contribution to the body of knowledge in the insurance sector.

In order to improve our analysis of the data we hold at the secretariat and as an industry, we shall source for support such that this information can be harnessed and also support in building the internal capacity of the UIA.

Research will continue to play a critical role in the delivery of our mandate through continuous analysis of existing industry and member data and research to get meaningful insights that can inform members in business decisions, and product development, as well as inform the UIA's lobbying and advocacy initiatives with government and other stakeholders.

Sensitization of the Public on the Concept of Insurance

What we do

UIA understands the importance of creating value beyond financial metrics. We have undertaken sensitization campaigns to raise awareness and educate the public about the benefits of insurance. By promoting a culture of risk management and financial protection, we contribute to the overall resilience of individuals, businesses and communities. Additionally, our commitment to corporate social responsibility has solidified our reputation as a good corporate citizen, positively influencing the communities we serve through various initiatives.

What we do

To raise awareness and educate the public about insurance, the Uganda Insurers Association (UIA) implemented various activities:

UIA understands the importance of creating value beyond financial metrics. We have undertaken sensitization campaigns to raise awareness and educate the public about the benefits of insurance. By promoting a culture of insurance, we contribute to the overall resilience of individuals, businesses & communities. Additionally, our commitment to corporate social responsibility has solidified our reputation as a good corporate citizen, positively influencing the communities we serve through various initiatives.

What we delivered in FY 2023

To raise awareness and educate the public about insurance, the Uganda Insurers Association (UIA) implemented various activities.

The Association implemented extensive publicity and communication campaigns to raise awareness among the public about Life Insurance and the Statutory Motor Third Party Insurance.

Leveraging media platforms and other publicity channels, these initiatives aimed to educate individuals about the significance of insurance while also promoting the UIA brand. By enhancing visibility and understanding of insurance products, the Association sought to empower individuals to make informed decisions regarding their insurance needs, ultimately contributing to greater financial security and risk management within the community.

The UIA spearheaded an extensive awareness campaign for Life and Micro insurance products in the broader Eastern region covering Bugisu, Bukedi, and Teso. This initiative comprised media outreach, medical camps, bringing claims assistance closer to the public, and fostering closer collaboration among stakeholders. By promoting understanding and accessibility of insurance products and facilitating partnerships within the community, UIA aimed to fulfil its commitment to



effectively serve stakeholders' needs.

Owing to the ever-growing importance & popularity of digital media, Uganda Insurers Association leveraged its various social media platforms in a big way by disseminating daily informative content on the various lines of insurance & the respective members, consistently featuring campaign-based content, offering timely response to insurance queries to giving real-time updates on the Association's activities & partnerships.

In addition, the Association's website saw a revamp in both its look & feel and information dynamism. With regular updates of the Association's activities & industry news, the website has effectively become a major source of insurance-related content for our membership, the insurance industry at large & the general public. Notably, "Insurance Today", a digital publication highlighting the Association's activities & member activities has grown in prominence and effectively evolved from a quarterly publication to a monthly publication.

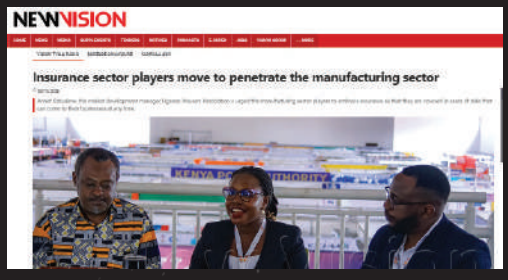


Our 2023 Media & Publicity Efforts

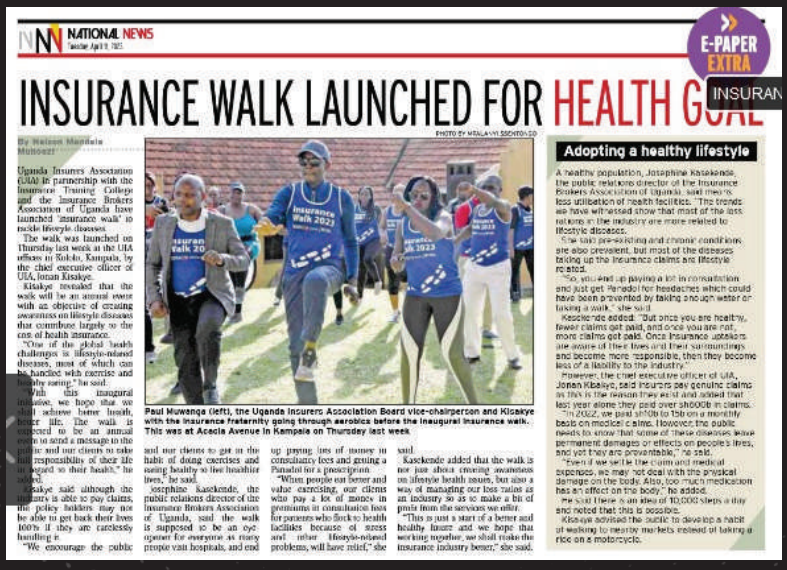


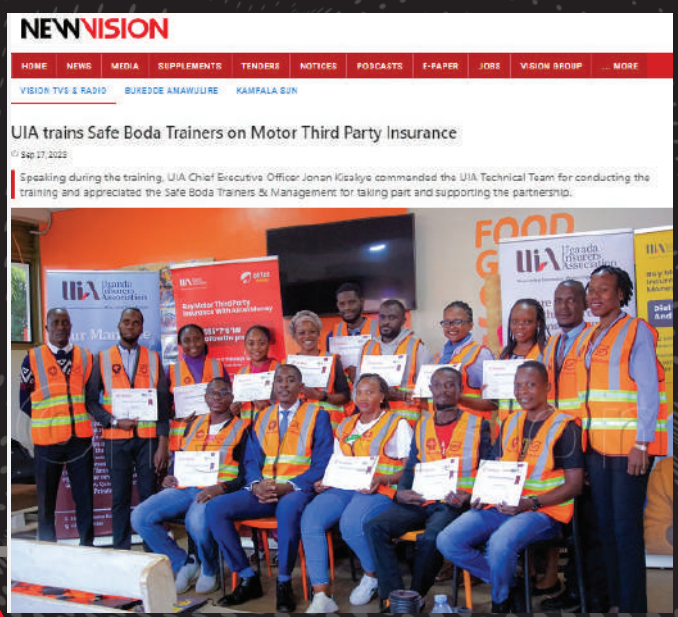




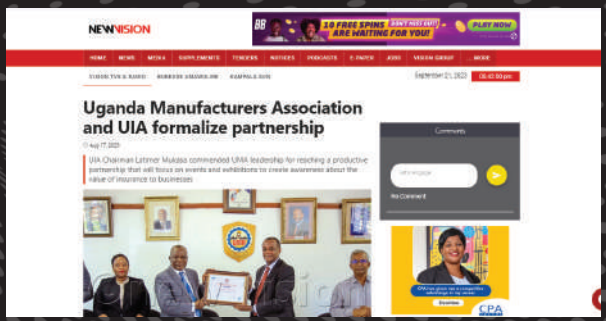


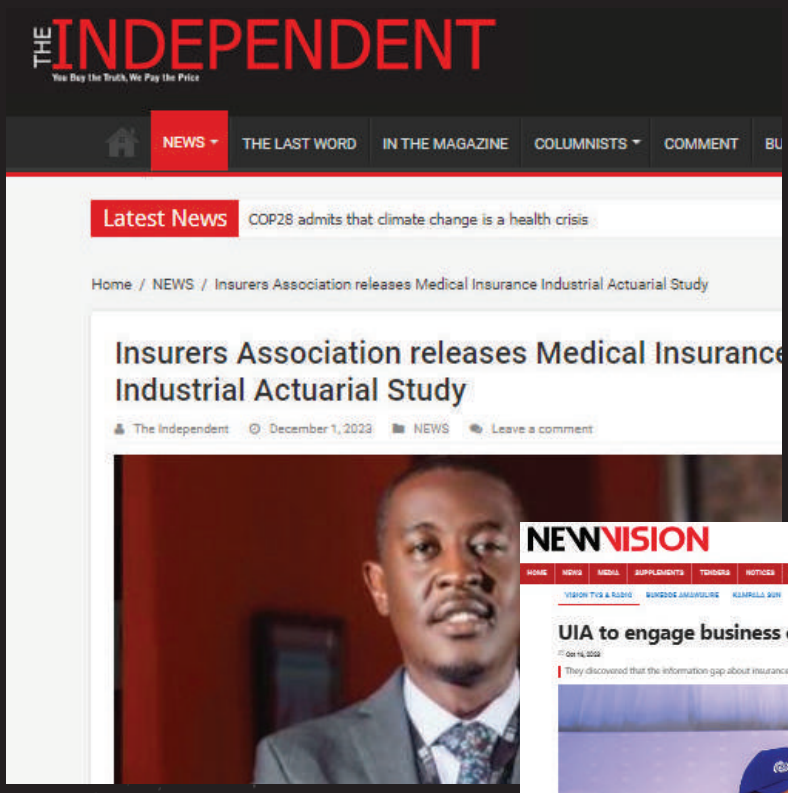




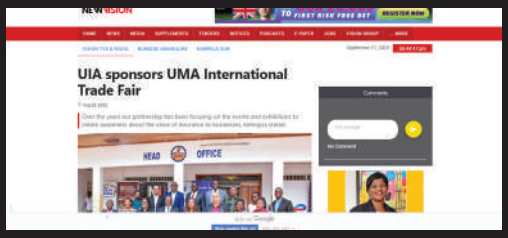


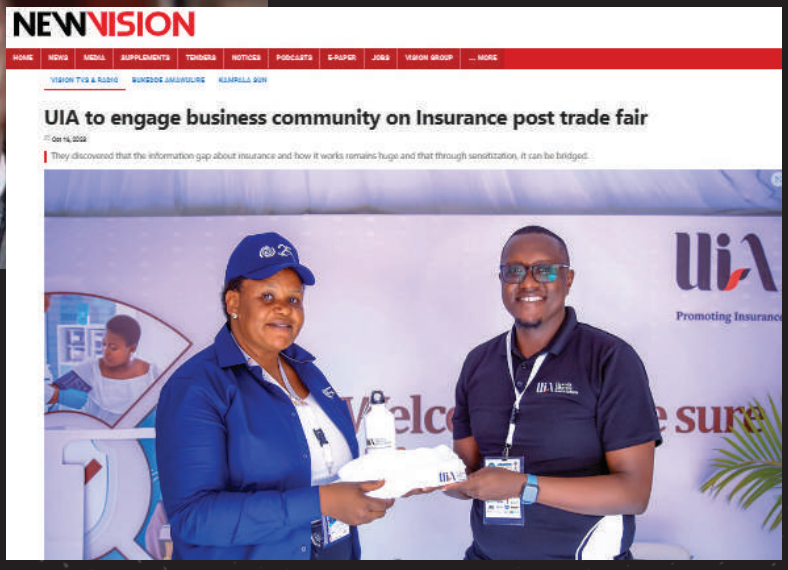





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BENGO BADRU - LIFE, MEDICAL & PENSION OFFICER, UIA
EXTRA
SAVING THROUGH INSURANCE
EMBRACING THE CULTURE OF SAVING THROUGH INSURANCE
UBC
LIVE

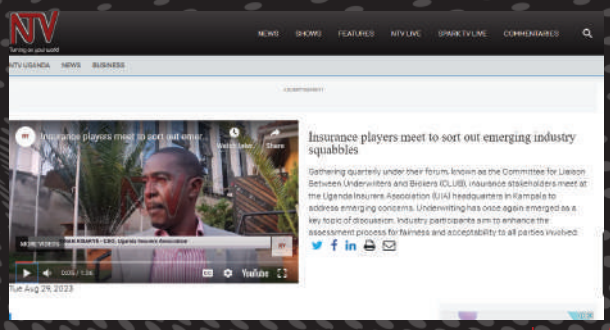

UIA sponsors UMA International Trade Fair
HEAD OFFICE


NEWVISION
UIA to engage business community on Insurance post trade fair
They discovered that the information gap about insurance and how it works remains huge and that through sensitization, it can be bridged.
Promoting Insurance


UIA and partners launch Mabira forest conservation campaign


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Promoting Insurance, Protecting Your Future
Our Mandate


UIA COMMENDS KACITA, UCIFA FOR EMBRACING MARINE CARGO INSURANCE


NTV
Insurance players meet to sort out emerging industry squabbles
Gathering quarterly under their forum, known as the Committee for Liaison Between Underwriters and Brokers (CLUB), insurance stakeholders meet at the Uganda Insurers Association (UIA) headquarters in Kampala to address emerging concerns. Underwriting has once again emerged as a key topic of discussion. Industry participants aim to enhance the assessment process for fairness and acceptability to all parties involved.

Lobbying & Advocacy for favorable Policy and Legislation

What we do

Advocacy remains a base of our efforts to support the growth of the insurance industry. We have consistently engaged with regulators and Government partners at all levels, presenting well- research arguments for favorable legislation & policies.

Our aim is to create an enabling and favorable legislation, policies & environment that nurtures sustainable growth and promotes the well- being of our industry.

What we do

Advocacy remains a base of our efforts to support the growth of the insurance industry. We have consistently engaged with regulators and Government partners at all levels, presenting well-researched arguments for favorable legislation and policies. Our aim is to create an enabling and favorable legislation, policies and environment that nurtures sustainable growth and promotes the well- being of our industry.

What we delivered in 2023

One of UIA's major responsibilities is lobbying through which we seek to influence the enactment of favourable legislation by representing the views of our membership to government, quasi – government & private bodies. Therefore, the Association was involved in a number of lobbying efforts with various institutions.

URA Engagements

In January, 2023, the UIA Executive Committee (EC) led by Board Chairman – Latimer Mukasa met with the Commissioner General of Uganda Revenue Authority (URA) - John Musinguzi Rujoki & his team to discuss a number of issues including: Travel Insurance & VAT Payment following the Tax Appeals Tribunal (TAT) of Uganda's ruling to the effect that Travel Insurance is exempt from VAT payment. The two parties also discussed Marine Cargo Insurance whose implementation was facing delay due to system integration & legal challenges. Other areas of focus were: Endorsements & refunds for Stamp Duty & Income Tax Payment by Insurance Agents. A working MOU between UIA & URA was also renewed for 2 more years at the engagement.

Notably, in June, URA was represented at UIA's AGM & CEO Retreat in Zanzibar where Assistant Commissioner Customs - Asadu Kisitu Kigozi updated members on the treatment of VAT on Travel Insurance and the impending implementation of the mandatory Marine Cargo Insurance.

In August, 2023, we had our follow-up meeting with the URA to discuss issues pertinent to both bodies at the URA Headquarters in Nakawa. The meeting sought to explore areas of collaboration, benchmarking and relay challenges of our membership & discuss possible solutions.

URA was represented by several officials including: Assistant Commissioner Public & Corporate Affairs – Ibrahim K. Bbosa,



Acting Manager for Tax Education – Michael Masembe, Applications Support – Sheilla Kobusoro, Business Analyst – Claire Asasira & Hafusah Ssegirinya from the Tax Literacy Unit. The UIA Team comprised Board Vice Chairman – Paul Muwanga, CEO – Jonan Kisakye, EC Member and CEO Jubilee Health Insurance – Dan Musiime, General Manager, UAP Old Mutual - James Maguru, Life & Pensions Manager - Badru Bengo, Manager Non-Life - Juliet Igonu and Market Development Manager - Annet Katusiime.

Ministry of Finance, Planning & Economic Development Engagement

In September, 2023, UIA engaged the Ministry of Finance, Planning & Economic Development (MOFPED) on a number of Tax Proposals at the Ministry's Head Office in Kampala. Discussions revolved around the Income Tax Act, the Tax Procedures Code, Tax Relief on Life Insurance Products, the NSSF Act, the Oil & Gas Law, Local Content laws & the impending implementation of mandatory Workers' Compensation and more.

Led by CEO Jonan Kisakye, UIA called for collective lobbying for the implementation of mandatory Workers' Compensation suggesting that the Insurance Regulatory Authority (IRA) be empowered to enforce adherence to the law. The Association offered to come up with a platform that can help the Government to check compliance & validity of the policies issued. Leading the discussions was Gerald Namona, a Senior Economist at the MOFPED who affirmed that they would look at the submissions together with the concerned Ministry & handle them accordingly.

The UIA CEO chaired the agricultural technical working group committee engagements under the MoFPED which focused on the brief from Parliament and resolving queries raised by the auditor general regarding the marketing strategy for uganda agricultural insurance scheme and the developement of the national insurance policy led by IRA. Through progress reports availed by the AIC, the committee kept abreast with the developments under agriculture insurance. With the scheme established in 2021, the committee devised means of sustaining the initiative beyond the current pilot phase.





Uganda Police Force Engagements

The Association also had a series of engagements with the Uganda Police Force. The collaboration geared towards the smooth implementation of Motor Third Party Insurance across the country commenced with a meeting between UIA & a team from the Kampala Metropolitan Police at Protea Hotel in Kampala. We are also currently working with the Ministry of Works and Transport to generate updated data of how many motorists are on the road to facilitate more accurate enforcement.

Led by then Kampala Metropolitan Traffic Police Commander, Senior Superintendent of Police (SSP), Rogers Nsereko Kavuma, Traffic Police Officers asked UIA to help them ease the checking of genuine stickers by equipping them with relevant reference material and technology. This collaboration has paved the way for subsequent engagements & trainings with Traffic Police Force in various regions including Western Uganda & Northern Uganda.



Ministry of Gender, Labour & Social Development Engagements

In a bid to facilitate the smooth implementation of mandatory Worker's Compensation, UIA is collaborating with the Ministry of Gender, Labour & Social Development. In November 2023, we held a workshop with the Northern Region Labour Officers on Worker's Compensation at Acholi Inn Hotel in Gulu where the Labour Support Officer of the Ministry of Gender, Labor & Social Development - Ms. Martha Irankunda presented the computation & guidelines for worker's compensation.

How we Collaborated with other industry players and bodies

As we work to advance the interests of insurance and reinsurance companies, we are intentional about encouraging and promoting close cooperation within the Insurance industry.



Annual Insurance Week & Innovation Awards

We took part in the Annual Insurance Week dedicated to sensitizing and educating the public on matters of insurance. The Insurance Week brought together all licensed insurance players to interact with the public on insurance matters. It took place from 6th to 9th March, 2023 at Railway Grounds followed by the Insurance Innovation Awards on 10th March at Kampala Serena Hotel. These were to recognize innovation & dynamism in the insurance industry. The Annual Insurance Week & Innovation Awards were organized by the Insurance Regulatory Authority of Uganda (IRA) in partnership with the Uganda Insurers Association (UIA), The Insurance Training College (ITC) and The Insurance Brokers Association of Uganda (IBAU).

The Inaugural Insurance Walk

Uganda Insurers Association, Insurance Training College & Insurance Brokers Association of Uganda jointly organised the Inaugural Insurance Walk that took place on 6th April, 2023 with the aim of urging the public to embrace insurance



under the theme "A worry-free life awaits you with insurance". The starting point of the walk was the UIA Offices in Kololo.

Insurance Agents Awards & Convention '22

In partnership with the Uganda Insurance Agents Association (UIAA), we held the 2023 Insurance Agents Convention at Hotel Africana under the theme "Celebrating the role of an Agent in the Insurance cycle" with CEO of Agent Banking Company - Richard Jabel as the Keynote Speaker & UIA CEO - Jonan Kisakye as the Moderator. The panellists included: Ivan Turyamusiima (Chairman, UIAA), Obel Bernard (Director Supervision, IRA) & Sylvia Mwebesa Kajubi (Deputy Principal, ITC).



Thereafter, the outstanding Insurance Agents were awarded at the Insurance Agents Awards. The different categories under life insurance included: best new agent, persistency award, agent with the highest premium written, new business-policies written and agent of the year award. Under Non-Life, agents were awarded under categories: best MTP Agent- Central, best MTP Agent- West, best MTP Agent- East, best MTP Agent- North and MTP industry Winner (Agent of the Year). The overall UIA Insurance Agent of the year was Namwanje Hasifah from Jubilee Life Assurance.

5th Annual Insurance Brokers' Conference

UIA was a Sapphire Sponsor for the 5th Annual IBAU Conference that took place at Nile Resort in Jinja City. The conference's focus revolved around innovation & creativity as a catalyst for the growth of the insurance penetration in Uganda. Rt. Hon. Rebecca Kadaga, the First Deputy Prime Minister of Uganda and Minister for East African Community Affairs was the Guest of Honour.

4th Annual ITC International Insurance Conference

UIA joined ITC as key sponsors for the 4th Annual ITC International Insurance Conference that took place from 26th to 27th October, 2023 at Las Vegas Hotel in Mbarara under the theme: "ESG & Sustainability Trends for today's Organization". We took great honour in sponsoring the Conference Closing Cocktail themed: "Sunset soiree celebrating connections" at Emburara Farm Lodge & Conference Center.

CLUB Engagements

To further boost the relationship between Underwriters & Insurance Brokers, we hosted a series of "CLUB meetings and Cocktails". CLUB is a committee that brings together underwriters who consist of Insurers under the Uganda Insurers Association (UIA) & Insurance Brokers under the Insurance Brokers Association of Uganda (IBAU). These further fostered the spirit of collaboration and partnership in the insurance industry. The Quarterly CLUB Cocktail events took place on 5th April, 2023, 18th August, 2023, 24th November, 2023 at the UIA Office Gardens.

Going forward, the UIA will invite other key industry stakeholders including the IRA, ibau, ITC, UIAA, UAEVLA and other key partners outside the industry to constitute a Technical Working Committee (TWC) for the formulation of the Insurance Literacy and Inclusion Agenda. This will be in addition to creating an industry Think Tank, aspects that are aligned with the new UIA SP 2024 – 2025.


Uganda Insurers Association
INSURANCE AGENTS CONVENTION 2023
Hotel Africana Ltd






Week 2023




Sanlam
Insurance Brokers Association of Uganda
5TH ANNUAL
IBAU CONFERENCE


Uganda Insurers Association





Stewardship of the Association

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Hon Secretary's Statement



The corporate governance landscape today presents several challenges and opportunities for the Association. The secretariat in the year 2023 focused on implementing modern governance principles in line with the mandate and the non-profit nature of the UIA to ensure EC effectiveness, mitigate the risks the Association may face in view of the evolving landscape, all in an effort to ensure better decision making.

Peter Makhanu – Hon. Secretary UIA

The corporate governance landscape today presents several challenges and opportunities for the Association. The secretariat in the year 2023 focused on implementing modern governance principles in line with the mandate and the non-profit nature of the UIA to ensure EC effectiveness, mitigate the risks the Association may face in view of the evolving landscape, all in an effort to ensure better decision making.

The EC is accountable to the members for the performance of the secretariat, it oversees the safe and sustainable operations of the Association in accordance with the UIA values. The EC understands the importance of a strong and healthy working relationship with management, and seeks to ensure that management implements sound strategies consistent with the overall organizational and industry objectives.

In line with the governance structure of the UIA, the EC approved changes to the UIA constitution which it presented at the AGM in Zanzibar for adoption and ratification. As you will be able to see later in this section of the report a number of governance amendments were approved notably introducing new categories of membership, that is the



Affiliate and the Associate membership, while the naming of the regulator was aligned to the insurance Act.

Of importance are the changes introduced in the election processes of the nominees for the position of member of the EC requiring simple member nominations as opposed to the previous structure where members had to engage their boards. Serving the UIA is a sacrifice and it was important to ensure that those ready and willing to serve did not have to go through the tedious process of receiving approvals beyond the fellow Principals within the industry.

In order to achieve participation of all members, the AGM approved the introduction of different councils aligned to the membership of the Association. Going forward the different principals of member companies will be able to participate in decision making at the secretariat through the Life, General insurance, Medical, Reinsurance and Microinsurance councils.

While the EC is responsible for the overall corporate governance of the UIA, including approving the strategic direction and financial objectives, oversight of the performance and operations of the secretariat, establishing goals for management and monitoring the attainment of these goals. Each EC member is required to ensure they are able to devote sufficient time to discharge their duties, and are prepared accordingly. This calls for a method of evaluation and keeping track on the performance of the members. Effective 2023, the EC approved a board charter and evaluation form that is to be used to assess the performance of the EC and to provide feedback to members on how well they are doing.

As we embark on the new year, I must appreciate the EC members for their support and the AGM for always adopting the initiatives of the EC. Looking ahead, the insurance industry is evolving and this calls for a dynamic and innovative UIA through effective governance structures and frameworks to ensure impact on our industry and guarantee our continued success.

I thank you

Peter Makhanu – Secretary UIA

The UIA Constitutional Amendments - Governance Structure

At the 55th Annual General Meeting held on 15th June 2023 at Sea Cliff resort-Zanzibar, the Registered Members of Uganda Insurers Association by unanimous decision, resolved to amend Article 2, Article 10c (iii) of her Memorandum and Articles of Association as provided for under the Memorandum of Association and Article 22 to read as hereunder;

MEMBERSHIP

ARTICLE 2

Categories of Membership

- **Ordinary Members** will be those who will join the membership of the Association by applying for membership and who are duly qualified as specified here under. Ordinary Membership is open to companies incorporated in Uganda and are registered in accordance with the laws of Uganda **"All members of Life, Non-life, Micro and Re-Insurance Companies"** and their membership shall be a condition precedent to such applicants being issued with an operating license by the Insurance Regulatory Authority of Uganda or such regulatory body that shall be in existence from time to time.
- **Affiliate Membership** is open to any Company, Association, Institution, Organization or corporation not qualifying for ordinary membership but engaged in Insurance and Reinsurance or ancillary services such as Brokers, Agents, Surveyors, Loss- Adjustors, Arbitrators, **HMO's Banc assurance** or Claim settling Agents etc. registered and certified by any three of the Ordinary members. Such membership is not open to individuals.
- **Associate Members:** The EC (board) may, on such terms and conditions as the EC may determine, accord associate membership to a company, Person or body of persons not authorized by the regulatory authority to transact insurance business in Uganda.
- An associate member shall not be eligible for appointment as a member of the council or EC(Board) and shall not be entitled to vote at any meeting of the Association.

ARTICLE 10 (C) iii

A person wishing to be elected to the Executive Committee shall be:

- Nominated by a Senior Officer of any paid up member company, not being a company, the person works for and Seconded by **"Chief Executive Officer/Managing Director of any other paid up member company."**



Uganda Insurers Association

Change The Naming Of The Regulator

To change the name of the regulatory body from **"Uganda Insurance Commission" to "Insurance Regulatory Authority (IRA) of Uganda."**

Resolved To Introduce The Following Councils

1. Life Insurance Council

The members transacting Life Insurance business shall constitute Life Insurance Council which shall comprise of the following;

(a) A chairman elected by EC (Board) from among the members of the EC.

(b) All life Insurance CEO's.

2. General Insurance Council

The members transacting General Insurance business shall constitute the General Insurance Council which shall comprise of the following:

(a) A chairman elected by the EC from Among the members of the E.

(b) All General Insurance companies' CEOs

3. Medical Insurance Council

The members transacting Medical Insurance business shall constitute the Medical Insurance Council which shall compromise the following:

(a) A chairman elected by EC from among the members of the EC.

(b) All medical Insurance Companies CEOs.

4. Reinsurance Council

The members transacting Reinsurance business shall constitute the Reinsurance Council which shall compromise of the following:

(a) A chairman elected by the EC from among the members of the EC.

(b) All reinsurance Companies CEOs.

5. Micro Insurance Council

The members transacting Micro Insurance business shall constitute the Micro Insurance Council which shall comprise of the following.

(a) A chairman elected by the EC from among the members of the EC.

NEW INSURANCE COUNCILS

Life Insurance council

General Insurance council

Medical Insurance council

Re-Insurance council

Micro Insurance council

The new UIA Governance Structure (Continued)

(b) All Micro Insurance Companies' CEOs.

- The councils shall always act in the name of and under the auspices of the EC and shall always discharge the duties conferred upon them by the constitution, or such other duties as may be delegated by the EC's direction and control.
- The councils shall have powers to establish technical committees, appoint and delegate powers to committees to review and advise on technical matters.
- The councils shall directly or through committees appointed address, deliberate on and deal with matters of common interest and in accordance with the powers delegated to the councils by the EC.

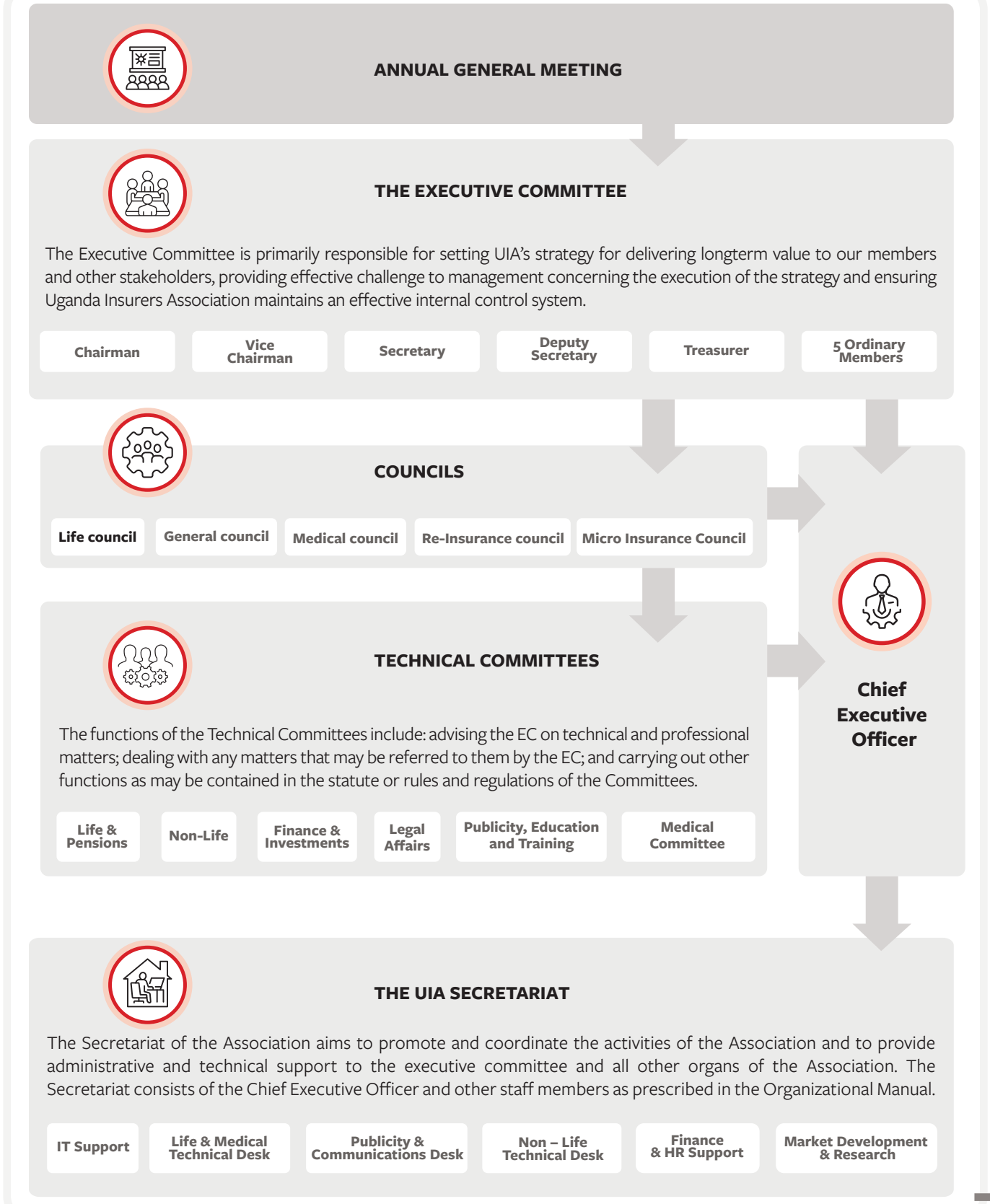
The UIA Governance Framework



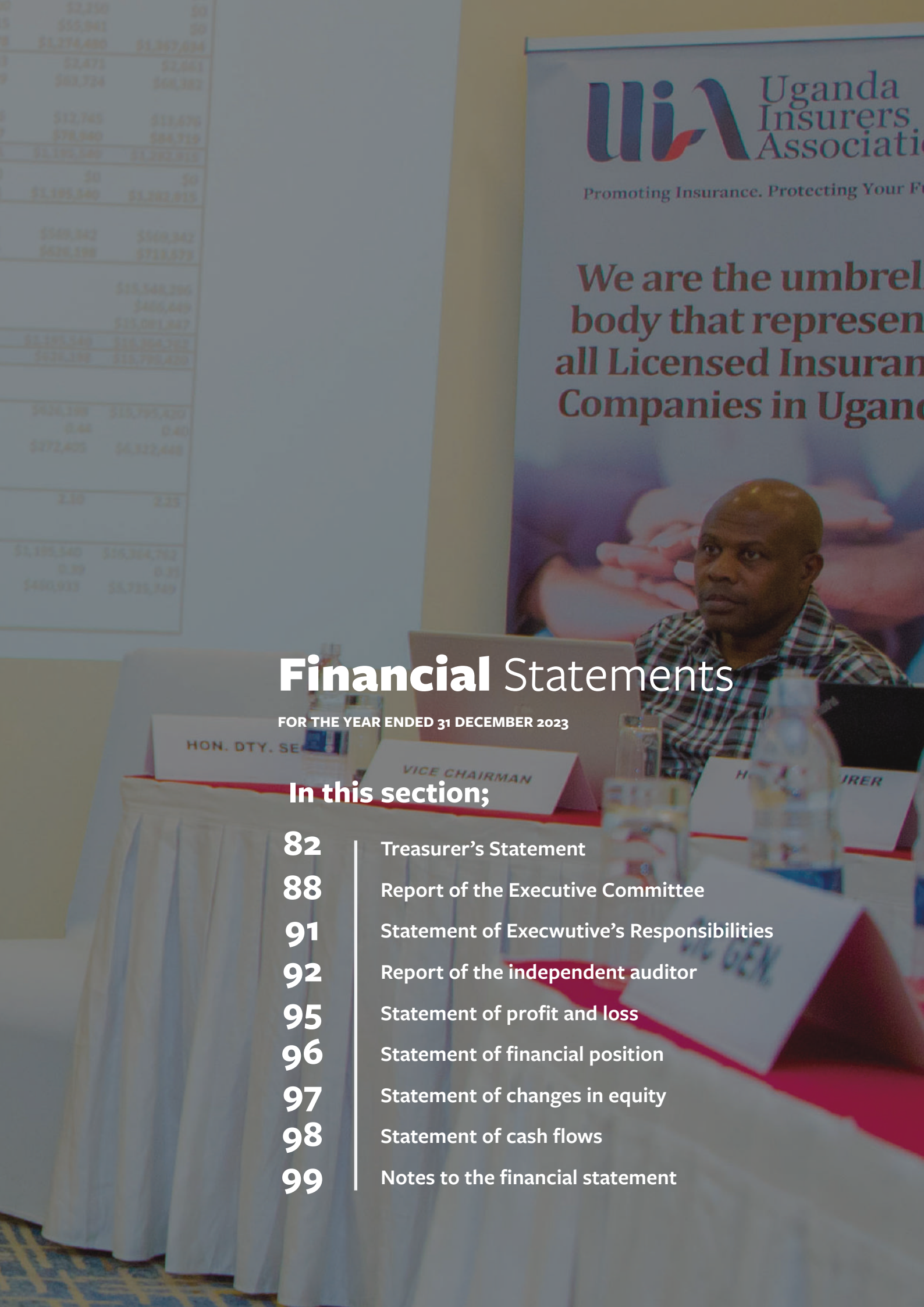
The purpose of our corporate governance framework is to assist our people to make good decisions that promote the longer-term success of the UIA. Our corporate governance framework and its link to the Company's values and culture is shown in the diagram on the next page.

The Executive Committee is committed to UIA's being a good corporate citizen with a culture that values high standards of ethical and socially responsible conduct. It also oversees the UIA's compliance with its legal obligations in all operations in accordance with our values. The EC, including through its various Councils and Technical Committees, is responsible for setting, assessing and reinforcing the UIA's culture.

The UIA Amended Governance Framework







Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

In this section;

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Hon Treasurer' statement



2023 was a year of impactful growth for the Association. This is evidenced by great financial performance, as well as unwavering focus on achieving set goals and objectives which will enable our industry to continue to adapt, improve and grow

Mr. Emmanuel Mwaka - Hon. Treasurer UIA

In the year to December 2023, our Association performed steadily, with total comprehensive income rising by 6% year on year to UGX 2 billion. This resulted into a net income of UGX 869 million, excluding fair value gains on shares with Uganda Reinsurance.

Total income grew from UGX 6.1 billion to UGX 6.5 billion, despite our major income line – Motor third party Insurance, remaining flat at UGX 4 billion, albeit several initiatives undertaken to boost sales. The increase of UGX 400 million was due to improvements in other income categories, mainly investment interest.

Our strategic intentions have evolved over time to reflect key focus areas in the medium term. These intentions reflect the areas identified as priority-focus for the period, including core activities such as publicity, corporate social responsibility, research and member-related events, among others. As these were implemented, expenditure for the period rose by 23% to UGX 1.3 billion mainly due to a 7% increase in administrative expenses arising from two additional human resource positions, 9% increase in core activity costs as more activities were undertaken and



a 9% increase in other operating expenses, all geared towards giving our members value.

Our statement of financial position indicates growth as the Association's net assets increased by 11% to UGX. 19.8 billion. This was primarily driven by Non-Current Assets, particularly financial assets that registered a 14% increase because of our improved cost management strategies as well as re-alignment of investments from short term to medium term, Inventory costs also dropped as the supplier contract was renegotiated to avoid a stock pileup.

For the coming year, the Association plans to explore other areas of revenue outside the traditional Motor third party, to more diverse streams to mitigate the concentration risk and adopt a broader sustainable funding model. This is in a bid to ensure that the Association's activities are not hindered in the medium and long term and that members continue to receive value.

Finally, as my term comes to an end, I would like to acknowledge and thank all our members who put their trust and confidence in me for the past 5 years to steer this important treasury function of our Association. This has been another significant year, but as we look to the future, we know that we have set ourselves up for success as the Association is on the right track with changes to the strategy, systems and processes, all geared towards achieving its objectives.

The changes to our Executive Committee build on our strong foundations, allowing for re-focus to make it easier for the Association to carry out its mandate

I look forward to our Association continuing working collaboratively with our members and all stakeholders.



Emmanuel Mwaka
Treasurer

Uganda Insurers Association (Limited by Guarantee)
Annual report and financial statements
For the year ended 31 December 2023

UGANDA INSURERS ASSOCIATION (LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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Company Information

Members of the Executive Committee

Mr. Latimer Kagimu Mukasa	Chairman
Mr. Paul Muwanga	Vice Chairman
Mr. Emmanuel Mwaka Lubwa	Hon. Treasurer
Mr. Peter Makhanu C.M	Hon. Secretary
Ms. Ruth Namuli Okech	Deputy Hon. Secretary
Mr. Ronald Musoke	Executive Committee Member (Retired in June 2023)
Mr. Gabriel Kuria Mbugua	Executive Committee Member (Retired in November 2023)
Mr. Ashok Mishra Kumar	Executive Committee Member (Retired in November 2023)
Mr. Dan Musiime	Executive Committee Member
Mr. Milton Asiimwe	Executive Committee Member.
Mr. Manan Desai	Executive Committee Member.
Mr. Stephen Chikovore	Executive Committee Member (Appointed in December 2023)
Mr. Patrick Kimathi	Executive Committee Member (Appointed in December 2023)

REGISTERED OFFICE

Plot 24a, Acacia Avenue,Kololo
P.O.BOX 8ww912

Kampala

INDEPENDENT AUDITOR

PKF Uganda
Certified Public Accountants
Plot 1B, Kira Road
P.O. Box 24544

Kampala, Uganda

PRINCIPAL BANKER

DFCU Bank Ltd
Acacia Branch
P.O.Box 70, Kampala

DTB Centre, Kampala
Plot 17/19, Kampala Road
P.O. Box 7155,
Kampala, Uganda

Centenary Bank,
Head Office: Mapeera House,
Plot 44-46 Kampala Road & Plot 2 Burton Street.
P. O. Box 1892 Kampala
Kampala, Uganda

LEGAL ADVISOR

Birungyi, Barata & Co Advocates

P.O.Box 21086, Kampala

Report of the Executive Committee

The members submit their report and the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of the Company.

Vision : To be the most respected and effective Insurer's association in East Africa and beyond.

Mission : To promote best practices and the highest standards within the Ugandan Insurance sector, whilst safeguarding the consumer's best interests

Principal Activities

The Company's mandate is to advance the interests of insurance and reinsurance companies by adopting a common strategy that encourages and promotes close cooperation, the exchange of business among members, builds on knowledge through research, influences the enactment of favorable legislation and represents the views of membership to Government, quasi - government and Private bodies.

Results	2023 Shs '000	2022 Shs '000
Surplus before tax	1,270,748	1,019,129
Tax	(391,595)	(293,860)
Surplus for the year	**879,153**	**725,269**

During the year, the Association was actively involved in the following activities;

(i) The Executive Committee formalized a partnership by signing a Memorandum of Understanding (MOU) with the Uganda Manufacturers Association (UMA). This MOU aims to establish a structured relationship between the two associations and their respective memberships. Through this collaboration, the goal is to foster increased cooperation on various activities that will mutually benefit the members of both associations. By aligning efforts and resources, the partnership seeks to enhance the relevance of both associations to their respective memberships, ultimately contributing to the growth and success of the manufacturing sector and insurance industry.

(ii) The Association, carried out a scientific study to examine the pricing and costing dynamics of medical insurance. The initiative was informed by concerns over high loss ratios and claims experienced by members. The study involved a comprehensive 5-year review of medical data from members, serving as a crucial guide for devising strategies aimed at enhancing pricing accuracy and refining benefit provisions. The overarching objective was to bolster the profitability and sustainability of the medical insurance sector. This proactive approach underscores a commitment to effectively address challenges and ensuring the continued viability and effectiveness of medical insurance for members.

(iii) The UIA spearheaded an extensive awareness campaign for Life and Micro insurance products in the broader Eastern region covering Bugishu, Bukedi, and Teso. This initiative comprised media outreach, medical camps, bringing claims assistance closer to the public, and fostering closer collaboration among stakeholders. These efforts were in line with UIA's strategic objective of enhancing stakeholder engagement and management as outlined in its 5-year strategic plan. By promoting understanding and accessibility of insurance products and facilitating partnerships within the community, UIA aimed to fulfill

its commitment to effectively serve stakeholders' needs.

(iv) UIA conducted an in-depth Insurance coverage and needs assessment within the Kampala City Traders' Association (KACITA), Mbarara City Traders' Association (MBACITA), and Mbale City Traders' Association (MACITA). The primary goal was to gain insight into the specific risks encountered by the informal sector and the strategies they employ to mitigate these risks. This research aimed to inform market adjustments by developing insurance solutions tailored to address the identified risks effectively. By leveraging data to strengthen its understanding of market dynamics, UIA sought to enhance its capacity to expand market opportunities for members within these associations.

(v) The Association initiated discussions with the Ministry of Finance, Planning, and Economic Development regarding tax proposals. During these engagements, a wide range of tax matters were deliberated upon, encompassing the Income Tax Act, the Tax Procedures Code, Tax Relief on Life Insurance Products, the NSSF Act, the Oil & Gas Law, Local Content laws, and the implementation of mandatory Workers' Compensation. These discussions aimed to address and provide insights into various tax-related issues, with the ultimate goal of contributing to informed decision-making processes and ensuring alignment with industry needs and regulatory frameworks

(vi) Through the year, the Association implemented extensive publicity and communication campaigns to raise awareness among the public about Life Insurance and the Statutory Motor Third Party Insurance. Leveraging media platforms and other publicity channels, these initiatives aimed to educate individuals about the significance of insurance policies while also promoting the UIA brand. By enhancing visibility and understanding of insurance products, the Association sought to empower individuals to make informed decisions regarding their insurance needs, ultimately contributing to greater financial security and risk management within the community.

Principal Risks and Uncertainties

The overall business environment continues to remain challenging and this has a resultant effect on overall demand of the Company's services.The Company's goal is to promote consumer awareness and uptake of insurance in the country.

Members Of The Executive Committee

The members of the executive committee who held office during the year and to the date of this report are shown on page 1. In accordance with the Company's Articles of Association, no member was due for retirement by rotation.

Statement As To Disclosure To The Company's Auditor

With respect to each member at the time this report was approved:

(a) There is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and

(b) The person has taken all the steps that the person ought to have taken as a committe so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Terms Of Appointment Of The Auditor

The Company's auditor, PKF Uganda, being ineligible for reappointment, having served for the regulatory period of three years will retire at the annual general meeting in accordance with the Uganda Companies Act, 2012.

BY ORDER OF THE BOARD



Chairman
Kampala, 2024

Statement Of Executive Committees' Responsibilities

The Uganda Companies Act, 2012 requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the members to ensure that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; and that disclose, with reasonable accuracy, the financial position of the Company and that enables them to prepare financial statements of the Company that comply with International Financial Reporting Standards and the requirements of the Uganda Companies Act, 2012. The members are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The executive committee accepts responsibility for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Uganda Companies Act, 2012. They also accept responsibility for;

(i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

(ii) Selecting and applying appropriate accounting policies;

(iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The executive committee are of the opinion that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Uganda Companies Act, 2012.

In preparing these financial statements the executive committee have assessed the Company's ability to continue as a going concern as set out in Note 2(a) to the financial statements. The executive committee members are of the opinion that the Company will remain as going concern for at least the next twelve months from the date of this statement based on the factors described in Note 2(a).

The members acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the executive committee on 10 June 2024 signed on its behalf by:



Treasurer



Chairman

Report of the independent auditor
to the members of Uganda Insurers Association (Limited by Guarantee) Opinion

We have audited the financial statements of Uganda Insurers Association (Limited by Guarantee) set out on pages 8 to 26 which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Uganda Companies Act, 2012.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter Tax exemption

According to the Income Tax Act, Cap 340, Uganda Insurers Association (Limited by Guarantee) previously qualified as an exempt organization for tax purposes. The company's tax exemption certificate expired as at 31 December 2022 and is actively seeking for a renewal from Uganda Revenue Authority (URA). No corporation tax charge and liability has been included in the financial statements for the year ended 31 December 2023

Other information

The members are responsible for the other information. The other information comprises the members' report, the schedule of direct costs and other operating expenditure but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of members of the executive committee for the financial statements

The members of the executive committee are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs and the requirements of the Uganda Companies Act, 2012, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report of the independent auditor to the members of Uganda Insurers Association (Limited by Guarantee)
In preparing the financial statements, the executive committee is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the executive committee.
- Conclude on the appropriateness of commitee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

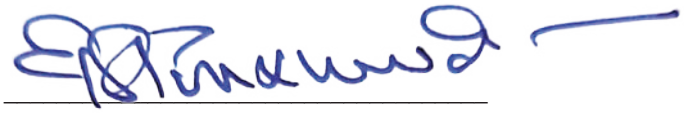
Report of the independent auditor to the members of Uganda Insurers Association (Limited by Guarantee)
Report on other legal and regulatory requirements as required by the Uganda Companies Act, 2012 we report to you, based on our audit, that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

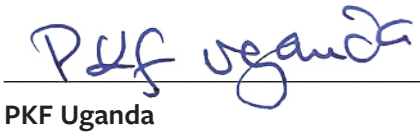
(ii) In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and

(iii) The Company's statement of financial position and statement of profit or loss are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Frederick Kibbedi - P0242.



CPA Frederick Kibbedi [P0242]
Engagement Partner



PKF Uganda
Certified Public Accountants
Kampala

12 June **2024**
REF: FK/U063/--/2024

Statement of Profit or Loss & Other Comprehensive Income

	Notes	2023 Shs'000	2022 Shs'000
Income			
Motor third party sticker sales.	2	3,993,705	4,089,725
Annual subscription	2	400,000	400,000
Other income	3	2,114,198	1,589,805
		6,507,903	**6,079,530**
Expenditure			
Impairment provisions		-33,196	-613
Cost of motor third party stickers		-1,184,338	-1,344,026
Administrative expenses		-1,701,002	-1,592,555
Core activities		-2,076,655	-1,907,508
		-241,964	-215,700
Surplus before tax		1,270,748	1,019,129
Tax		-391,595	-293,860
Surplus after tax		879,153	725,269
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain on shares with Uganda Reinsurance	8	1,140,853	250,083
Total comprehensive income for the year		**2,020,006**	**975,351**

The notes on pages 12 to 26 form an integral part of these financial statements. Report of the independent auditor - pages 5 to 7.

Statement Of Financial Position

	Notes	As at 31 December 2023 (Shs'000)	2022 (Shs'000)
CAPITAL EMPLOYED			
Reserves		19,835,211	17,815,205
Equity attributed to owners of the company		19,835,211	17,815,205
REPRESENTED BY			
Non-current assets			
Property and equipment	7	603,351	650,624
Right of use assets	6	689,150	721,967
Financial assets	8	17,012,294	14,892,794
		18,304,795	16,265,384
Current assets			
Inventories	9	596,759	787,197
Other financial assets	8	533,900	1,314,250
Other receivables	10	114,784	95,956
Cash and bank	11	1,777,088	1,145,658
		3022531	3343061
Current liabilities			
Other payables and accruals	12	1,492,115	1,793,241
Net current assets		1,530,416	1,549,820
		19,835,211	**17,815,205**

Statement Of Changes In Reserves

	Fair value reserve Shs'000	Accumulated funds Shs'000	Total Shs'000
Year ended 31 December 2023			
At start of year	2,205,862	15,609,344	17,815,206
Total comprehensive income			
Surplus for the year	-	879,153	879,153
Other comprehensive income			
- fair value gain in shares with Uganda Reinsurance	1,140,853	-	1,140,853
At end of year	**3,346,715**	**16,478,497**	**19,825,211**

	Fair value reserve Shs'000	Accumulated funds Shs'000	Total Shs'000
Year ended 31 December 2022			
At start of year	1,955,779	14,884,075	16,839,854
Total comprehensive income			
Surplus for the year	-	725,269	725,269
Other comprehensive income			
- fair value gain on shares with Uganda Reinsurance	250,083	-	250,083
At end of year	**2,205,862**	**15,609,344**	**17,815,205**

The notes on pages 12 to 26 form an integral part of these financial statements. Report of the independent auditor - pages 5 to 7.

Statement Of Cash Flows

	Notes	2023 Shs'000	2022 Shs'000
Cash from operating activities			
Cash generated from operations	13	1,456,084	1,393,160
Tax paid		(391,595)	-293,860
Net cash from operating activities		1,064,489	1,099,300
Cash flows from investing activities			
Cash paid for purchase of property and equipment	7	(59,490)	(251,417)
Cash paid for purchase of government securities		(3,460,380)	(2,776,914)
Cash paid for purchase of un-quoted shares		(34,507)	(97,279)
Cash paid for purchase of fixed deposits		(500,000)	(1,300,000)
Proceeds from disposal of property and equipment		1,090	14,831
Proceeds from reedemed treasury bills		-	2,462,123
Proceeds from redeemed government securities		2,300,000	-
Proceeds from reedemed fixed deposits		1,320,230	1,112,077
Net cash used in investing activities		(433,058)	(836,580)
Increase in cash and cash equivalents		**631,431**	**262,720**
Movement in cash and cash equivalents			
At start of year		1,145,658	882,939
Increase in cash and cash equivalents		631,431	262,720
At end of year	11	**1,777,088**	**1,145,658**

The notes on pages 12 to 26 form an integral part of these financial statements. Report of the independent auditor - pages 5 to 7.

Notes to the financial statements

1. General Information

Uganda Insurers Association is incorporated and domiciled in Uganda under the Ugandan Companies Act, 2012 as a private company. The address of its registered office is Plot 24a Acacia Avenue, P. O. Box 8912, Kampala, Uganda. The Company's mandate is to promote the development and expansion of insurance and reinsurance activities in Uganda.

2. Material Accounting Policy Information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These financial statements comply with the requirements of the Ugandan Companies Act, 2012.The statement of profit or loss and other comprehensive income represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

2 a) Basis of preparation

The financial statements of Uganda Insurers Association have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS).The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 - Inventories or value in use in IAS 36 - Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity
- can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or
- liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Transfer between levels of the fair value hierarchy are recognised by the commitee at the end of the reporting period during which the change occurred.

Going concern

The financial performance of the entity is set out in the executive commitee's report and in the statement of profit or loss and other comprehensive income. The financial position of the Company is set out in the statement of financial position. Disclosures in respect of risk management are set out in note 14.

Based on the financial performance and position of the entity and its risk management policies, the executive commitee are of the opinion that the entity is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

New standards, amendments and interpretations adopted by the Company.

The Company applied for the first time certain standards and amendments, which are effective

Notes (Continued)

2. Material Accounting Policy Information (Continued)

for annual periods beginning on or after 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policy information and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments had no impact on the financial statements of the company as there were no sales of such items produced by property and equipment the earliest period presented.

Amendments to IAS 8 'Definition of Accounting Estimates'

The amendments introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no impact on the financial statements of the company as there were no sales of such items produced by property and equipment the earliest period presented.

Amendments to IAS 12 'Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the company's consolidated financial statements.

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current' and 'Non-current Liabilities with Covenants' (issued in January 2020 and October 2022), effective for annual periods beginning or after 1 January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date. In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
- Amendment to IFRS 16 'Lease Liability in a Sale and Leaseback' (issued in September 2022),effective for annual periods beginning on or after 1 January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.
- Except where indicated above, the executive committee does not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The Company plans to apply the changes above, if applicable, from their effective dates.

b) Significant accounting judgements, estimates and assumptions

In the application of the accounting policies, the members of the executive committee are required to

Notes (Continued)

2. Material Accounting Policy Information (Continued)

make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The members of the executive committee have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of expected credit losses (ECL):

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behavior.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

Determining criteria for significant increase in credit risk; Choosing appropriate models and assumptions for the measurement of ECL;

Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and associated ECL.

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

The ECL model applied for financial assets other than trade receivables and contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

- **Stage 1** - If, at the reporting date, the credit risk of non-impaired financial instruments classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.

- **Stage 2** - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.

- **Stage 3** - When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk: The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at The reporting date and The credit or PD at The date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The Company uses these guidelines in determining the staging of its assets unless there is persuasive evidence available to rebut these presumptions.

Notes (Continued)

2. Material Accounting Policy Information (Continued)

b) Significant accounting judgements, estimates and assumptions (continued)

Measurement of expected credit losses (ECL) (continued)

The carrying amounts of the Company's financial assets that are subject to impairment assessment are disclosed in note 8.

Useful lives, depreciation methods and residual values of property and equipment.

Management reviews the useful lives, depreciation methods and residual values of the items of property and equipment on a regular basis. During the financial year, the members of the executive committee determined a reduction in the useful lives and residual values. The carrying amounts of property and equipment are disclosed in note 7.

Accounting for leases under IFRS 16

Management has made various judgements and estimates under IFRS 16 as detailed below:

Incremental borrowing rate: To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third party financing; and
- Makes adjustments specific to the lease, e.g. Term, country, currency and security.

Lease term/year: In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or years after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The carrying amounts of lease liabilities and right-of-use assets are disclosed in notes 10 and 12, respectively.

Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The carrying amounts of property and equipment, right-of-use assets are disclosed in notes 7 and 6 respectively.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Notes (Continued)

2. Material Accounting Policy Information (Continued)

c) Revenue recognition

The company recognises revenue from sale of motor third party stickers to insurance companies and membership fees from members of the association. The Company recognises revenue as and when it satisfies a performance obligation by transferring control of a service to a customer. The amount of revenue recognised is the amount the Company expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as withholding tax.

Revenue comprises the fair value of the consideration received or receivable for the sale of stickers and/or performance of services, in the ordinary course of business and is stated net of rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Other income

Interest income is recognised on a time proportion basis using the effective interest method.Once a financial asset is identified as credit-impaired, the effective interest rate is applied to the amortised cost (net of impairment losses) in subsequent reporting periods.

Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Uganda Shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.The resulting differences from settlement and translation of monetary items are dealt with in profit or 'loss in the year in which they arise.

e) Property and equipment

All property and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on straight line method to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Years
Building	49
Furniture, fittings and equipment	8
Office equipment	5
Motor vehicles	4
Computer equipment	3

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount

Notes (Continued)

2. Material Accounting Policy Information (Continued)

and are taken into account in determining operating profit/loss.On disposal of revalued assets, amounts in the revaluation reserve relating to the particular assets being disposed of are transferred to retained earnings in the statement of changes in equity.

f) Financial instruments

Financial instruments are recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Company commits itself to the purchase or sale.

Financial assets

The Company classifies its financial assets into the following categories:

i) Amortised cost;

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost; The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

ii) Fair Value Through Other Comprehensive Income (FVTOCI):

Financial assets that are held for collection of contractual cash flows where these cash flows comprise SPPI and also for liquidating the assets depending on liquidity needs and that are not designated at FVTPL, are classified and measured at value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gain or losses, interest revenue and foreign exchange gains and losses. Gains and losses previously recognised in OCI are reclassified from equity to profit or loss on disposal of such instruments. Gains and losses related to equity instruments are not reclassified.

iii) Fair Value Through Profit or Loss (FVTPL):

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit or loss and other comprehensive income.

Notwithstanding the above, the company may:

- On initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income
- On initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

At initial recognition of a financial asset, the company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the company has not identified a change in its business models.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Company has transferred substantially all risks and rewards of ownership, or when the Company has no reasonable expectations of recovering the asset.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously

Notes (Continued)

2. Material Accounting Policy Information (Continued)

recognised in OCI is reclassified from equity to profit or loss. In contrast, for an 'equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Financial instruments that are subsequently measured at amortized cost or at FVTOCI are subject to impairment.

Impairment

Debt instruments that are subsequently measured at amortised cost or at impairment assessment. No impairment loss is recognised on investments measured at FVTPL. The Company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI):

- Cash and cash equivalents
- Trade and other receivables
- Other financial assets

No impairment loss is recognised on investments measured at FVTPL.

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- The credit risk has increased significantly since initial recognition; or
- There is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument.12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss,loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include trade and other payables, and loans

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Notes (Continued)

2. Material Accounting Policy Information (Continued)

Presentation

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in 'the group's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the group does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

All other financial liabilities are classified and measured at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the Company's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the expected to be paid within 12 months of the balance sheet date and those which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or 'cancelled or expires. When an existing financial liability is replaced by another from the 'same lender on substantially different terms, or the terms of an existing liability are 'substantially modified, such an exchange or modification is treated as the derecognition of 'the original liability and the recognition of a new liability. The difference in the respective 'carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a currently enforceable legal right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost for inventories is determined by the weighted average method using a specific individual item cost and the weighted average method. Net realisable value is the estimate of the selling price in the ordinary course of business less selling expenses.

h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 91 days, net of bank overdrafts.

i) Taxation

The tax expense for the period comprises withholding tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

Withholding tax relates to income receivable on fixed deposits and government securities.

Current tax

Current tax is adjusted in accordance with tax legislation.

j) Retirement benefit obligations

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

k) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes (Continued)

		2023 Shs'000	2022 Shs'000
2	**Income**		
	Motor third party sticker sales .	3,993,705	4,089,725
	Annual subscription	400,000	400,000
		4,393,705	4,489,725
3	**Other income**		
	Rental income	19,154	15,600
	Sundry income	310,915	64,716
	Dividend income	33,813	96,687
	Interest received income	1,697,070	1,397,167
	Reimbursement research	40,000	
	Development fund	20,000	
	Realised exchange differences	-8,018	15,636
	UIA admin fees -marine platform	1,264	
		2,114,198	**1,589,805**
4	**Operating surplus before tax**		
	The following items have been charged in arriving at operating surplus :		
	Depreciation on property and equipment (Note 7)	106,764	70,399
	Auditor's remuneration	12,000	12,000
	Staff costs (Note 5)	1,343,644	1,138,236
5	**Staff costs**		
	Salaries and wages	964.429	822,605
	Staff bonuses	86,547	88,499
	NSSF contribution	96,443	79,011
	Pension fund contribution	57,559	65,309
	Staff welfare	48,617	23,330
	Medical insurance	56,290	32,177
	Recruitment costs	15,798	
	Group life and personal accident	17,961	27,305
		1,343,644	**1,138,236**
6	**Right -of use assets**		
	At start and end of year	**787,601**	**787,601**
	Accumulated depreciation		
	At start of year	65,634	32,817
	Charge of the year	32,817	32,817
	At end of year	98,451	65,634
	Net book value	**689,150**	**721,967**

The Right of Use asset relates to prepaid lease hold land acquired on 13th April 1995 for 49 years.

Notes (Continued)

	Buildings Shs'000	Furniture, Fittings & equipment Shs'000	Office equipment Shs'000	Computer equipment Shs'000	Motor vehicles Shs'000	Total Shs'000
Cost						
At start of year	679,490	52,289	308,653	145,763	164,723	1,350,918
Additions	4,150	15,307	12,410	21,700	5,923	59,490
Disposal	-	-	(700) -	-51,708	-4,088	-56,496
At end of year	683,640 -	67,596	320,363	115,755	166,558	1,353,912
Accumulated depreciation						
At start of year	301,930	41,242	221,968	106,202	28,954	700,295
Charge for the year	13,489	3,191	25,330	19,216	45,537	106,764
Disposal	-	-	(700) -	(51,708) -	-4,088	-56,496
At end of year	315,419 -	44,433	246,597	73,703	70,403	750,561
Net book value	368,221	23,163	73,766	42,043	96,155	603,351

Year ended 31 December 2022

	Buildings Shs'000	Furniture, Fittings & Shs'000	Office equipment Shs'000	Computer equipment Shs'000	Motor vehicles Shs'000	Total Shs'000
Cost						
Cost						
At start of year	679,490	41,338	271,326	107,658	46,462	1,146,274
Additions	-	10,951	37,327	42,505	160,634	251,417
Disposal	-	-	-	-4,400	-42,373	-46,773
At end of year	679,490 -	52,289	308,653	145,763	164,723	1,350,918
Accumulated depreciation						
At start of year	284,477	39,677	209,134	100,579	46,462	680,328
Charge for the year	17,453	1,565	12,834	10,023	24,865	66,740
Disposal	-	-	-	-4,400	-42,373	-46,773
At end of year	301,930 -	41,242	221,968	106,202	28,954	700,295
Net book value	377,560	11,048	86,685	39,561	135,769	650,624

8 **Other financial assets**

Financial assets comprise of the following:	2023 Shs '000	2022 Shs '000
a) Fair value through other comprehensive income		
Investment in non - quoted shares		
At start of year	3,657,461	3,310,099
Additions	34,507	97,279
Fair value gain	1,140,853	250,083
At end of year	**4,832,821**	**3,657,461**

Uganda Insurers Association has 1,173 shares (2022: 1,162 shares) in Uganda Re insurance Limited whose intention is not to trade but to be liquidated anytime for use of cash flows. The entity has elected to recognize the fair value changes through other comprehensive income.

Notes (Continued)

8 Financial assets (Continued)

		2023 Shs '000	2022 Shs '000
(b)	**Amortised Cost**		
(i)	**Treasury Bonds**		
	At start of year	11,235,333	8,458,679
	Purchases during the year	3,460,639	2,792,995
	Maturities	-2,300,000	-
	Amortization	-177,401	-16,082
	Less: impairment allowance	-39,099	-259
	At end of year	**12,179,473**	**11,235,333**
	Total Non-Current Financial Assets	17,012,294	14,892,794
(ii)	**Fixed Deposits**		
	DFCU Bank Limited	500,000	500,000
	Diamond Trust Bank (U) Limited	-	800,000
	Accrued interest	34,236	20,240
	Less: impairment allowance	-336	-5,980
		533,900	1,314,260
	Reconciliation of Fixed Deposits		
	At start of year	1,314,250	1,106,799
	Purchases during the year	500,000	1,300,000
	Maturities	-1,314,250	-1,106,799
	Accrued interest	34,236	20,230
	Less: impairment allowance	-336	-5,980
		533,900	**1,314,250**
(iii)	**Treasury Bills**		
	At start of year	**-**	**2,461,941**
	Maturities	-	-2,461,941
	Total Current Financial Assets	533,900	1,314,250

Notes (Continued)

		2023 Shs '000	2022 Shs '000
9	**Inventories**		
	Stickers for resale	596,759	787,197
10	**Other Receivables**		
	Other receivables	74,549	94,960
	Prepayments	40,235	996
		114,784	**95,956**
11	**Cash and Cash Equivalents**		
	Cash at bank	1,772,879	1,143,522
	Cash at hand	4,209	2,136
		1,777,088	**1,145,658**

For the purpose of the statement of cash flow, the year end cash and cash equivalents comprise the above.
The Company's cash and bank balances are held with a major Ugandan financial institution and, in so far as the Members of the executive committee are able to measure any credit risk to these assets, it is deemed to be limited.
The carrying amounts of the Company's cash and cash equivalents are denominated in Uganda Shillings.

		2023 Shs '000	2022 Shs '000
12	**Other Payables**		
	Members' prepaid subscriptions	390,000	385,000
	MTP - platform payable	428,552	570,208
	Accruals	298,124	98,844
	Deferred income	42,896	206,218
	Other payables	332,543	532,971
	Total Other Payables	**1,492,115**	**1,793,241**

The carrying amounts of the Company's trade and other payables are denominated in Uganda Shillings. The maturity analysis of the Company's trade and other payables is as follows:

Year ended 31 December 2023

	0 to 1 month Shs'000	2 to 3 months Shs'000	4 to 12 months Shs'000"	Total Shs'000
Accruals	298,124	-	-	298,124
Other payables	1,193,991	-	-	1,203,991
	1,492,115	**-**	**-**	**1,502,115**

Year ended 31 December 2022

	0 to 1 month Shs'000	2 to 3 months Shs'000	4 to 12 months Shs'000	Total Shs'000
Accruals	98,844	-	-	98,844
Other payables	1,694,397	-	-	1,694,397
	1,793,241	**-**	**-**	**1,793,241**

Notes (Continued)

13	Cash from operations	Notes	2023 Shs'000	2022 Shs'000
	Surplus before tax		1,260,748	1,019,129
	Adjustments for:			
	Depreciation on property and equipment	7	106,764	66,740
	Depreciation on right of use asset	6	32,817	32,817
	Impairment allowance		33,196	613
	Bond amortization		177,401	-
	Interest on investments		-34,236	-20,230
	Gain on disposal		-1,090	-14,831
	Changes in working capital:			
	inventories		190,438	-76,718
	other receivables		-18,828	-9,605
	other payables		-291,126	395,245
	Cash (used in)/generated from operations		1,456,084	1,393,160

14. Risk management objectives and policies

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the management under policies approved by the members of the executive Committee. Management identifies, evaluates and hedges financial risks in close co-operation with various departmental heads. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non derivative financial instruments, and investment of excess liquidity.

a) Market Risk

Foreign exchange risk

The Company are exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The risk arises from future transactions, assets and liabilities in the statement of financial position date.

b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Financial assets that potentially expose the Company to credit risk consist principally of cash and cash equivalents and trade and other receivables. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying value

Notes (Continued)

14. Risk management objectives and policies (continued)

as at reporting date. The carrying amount of financial assets represents the maximum credit exposure.

c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow forecasting is performed by the finance department of the Company by monitoring the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

15. Contingent liabilities

There were no material contingent liabilities as at 31 December 2023.

16. Commitments

There were no capital commitments as at 31 December 2023.

17. Presentation currency

The financial statements are presented in Uganda Shilling (Shs), rounded off to the nearest thousand.

Notes (Continued)

Schedule of Direct Costs and Other Operating Expenditure

		2023 Shs'000	2022 Shs'000
1	**Direct Costs**		
	Cost of motor third party stickers		
	Opening stock	787,197	710,479
	Purchases	993,900	1,260,894
	Other direct costs	-	159,850
	Closing stock	-596,759	-787,197
		1,184,338	1,344,026
2	**Administrative Expenses**		
	Employment:		
	Salaries and wages	964,429	822,605
	Staff bonuses	86,547	88,499
	NSSF contribution	96,443	79,011
	Pension fund contribution	57,559	65,309
	Staff welfare	48,617	23,330
	Medical insurance	56,290	32,177
	Recruitment costs	15,798	-
	Group life and personal accident	17,961	27,305
	Total employment costs	**1,343,644**	**1,138,236**
	Other adminstrative expenses		
	Auditor's renumeration	12,000	12,000
	Fuel	17,170	16,677
	Repair and servicing	1,439	3,997
	Insurance premiums	15,999	12,751
	Internet and IT subscriptions	13,406	43,141
	IT accessories and consultancy	14,493	10,958
	Postage and telephone	15,537	13,748
	Professional fees	66,955	2,945
	Stationary and printing	16,535	15,611
	Internal audit fees	-	9,153
	Bank charges	6,423	6,302
	Bond amortization expense	177,401	141,736
	Prior year adjustment	-	165,299
	Total other administration expenses	**357,358**	**454,319**
	Total administrative expenses	**1,701,002**	**1,592,555**

Notes (Continued)

Schedule of Direct Costs and Other Operating Expenditure (Continued)

3	OTHER OPERATING EXPENSES	2023 Shs'000	2022 Shs'000
	Core activities		
	Publicity	409,276	728,294
	Corporate social responsibility	146,224	13,755
	Committee meeting expenses	79,830	125,267
	Member's related events	46,448	135,450
	Oil and gas / marine expenses	47,054	146,344
	Patnerships	13,283	76,318
	Subscriptions fees	13,088	21,495
	Market development	310,597	164,736
	Luncheons & retreats	200,846	87,756
	Secretariat training	28,175	41,641
	Travel and per diem expenses	77,283	51,596
	Life and pension activities	122,250	70,399
	Lobbying and Advocacy	56,189	-
	Social functions	305	9,234
	Medical activities	79,673	13,098
	Entertainment	2,837	1,512
	PSFU project expenses	203,592	14,100
	Non life activities	98,760	121,837
	Research	140,945	84,676 -
		2,076,655	**1,907,508**
	Establishment		
	Ground rent and property rates	9,473	16,330
	Depreciation	106,764	66,739
	Depreciation on right of use asset	32,817	32,817
	Security expenses	19,852	22,609
	Office equipment and generator maintenance	9,841	17,615
	Utilities	14,518	13,209
	Office expenses, repairs and maintenance	48,699	46,382 -
	Total other operating expenses	**241,964**	**215,700**

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