



UGANDA INSURERS ASSOCIATION



ANNUAL REPORT 2017

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About us

Who we are:

An association that was founded in 1965 by insurance companies to promote the development and expansion of sound insurance and reinsurance activities in Uganda.

How we do this:

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 presents the views of the membership to Government, quasi-government and private bodies.

Our Vision

To be the most respected and effective trade association in East Africa.

Our Mission

To promote best practices and the highest standards within the Ugandan insurance sector safeguarding the consumers' best interests.

Our Values

- » Integrity
- » Respect
- » Cooperation
- » Innovation.

Our members:

All licensed Insurance and Reinsurance companies in Uganda.

Membership in 2017:

Alliance Africa General Insurance Ltd, APA Insurance (U) Ltd, Britam Insurance Company (U) Ltd, CIC General Insurance Ltd, CIC Africa Life Assurance Ltd, Excel Insurance Company Ltd, First Insurance Company Ltd, Goldstar Insurance Co. Ltd, Prudential Uganda Ltd., ICEA Life Assurance Co. Ltd, ICEA General Insurance Co. Ltd, Liberty Life Assurance Uganda Ltd, Liberty General Insurance (U) Ltd, Lion Assurance Company Ltd, NIC Life Assurance Co. Ltd, NIC General Insurance Co Ltd, Metropolitan Life Uganda Ltd, NOVA Insurance Company Ltd, Pax Insurance Company Ltd, Phoenix of Uganda Assurance Company Ltd, Rio Insurance Company Ltd, Sanlam General Insurance (U) Ltd, Sanlam Life Insurance (U) Ltd, Statewide Insurance Company Ltd, The Jubilee Life Insurance Co. of Uganda, The Jubilee Insurance Company of Uganda Ltd, Transafrica Assurance Company Ltd, UAP Old Mutual Insurance Uganda Ltd, UAP Old Mutual Life Assurance Uganda Limited, African Reinsurance Corporation and Uganda Reinsurance Company Ltd.

Where you can find us:

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www.facebook.com/ugandainsurersassociation

Acronyms

AIC	Agro Insurance Consortium
AIO	Africa Insurance Organisation
AGM	Annual General Meeting
BOU	Bank of Uganda
EAC	East African Community
IIU	The Insurance Institute of Uganda
IRA	Insurance Regulatory Authority of Uganda
FIA	Financial Institutions Act
FIA	Financial Intelligence Authority
FSDU	Financial Sector Deepening Uganda
OESAI	Organisation of Eastern and Southern Africa Insurers
PSFU	Private Sector Foundation Uganda
UAEVLA	Uganda Association of Engineering Valuers and Loss Assessors
UAIB	Uganda Association of Insurance Brokers
UAIS	Uganda Agriculture Insurance Scheme
UBA	Uganda Bankers Association
UCMP	Uganda Chamber of Mines and Petroleum
UIA	Uganda Insurers Association
UIA	Uganda Investment Authority
UPF	Uganda Police Force
USC	Uganda Shippers Council
MGD	Market Growth and Development Plan
MOFPED	Ministry of Finance, Planning and Economic Development
MTP	Motor Third Party
URA	Uganda Revenue Authority
URBRA	Uganda Retirement Benefits Regulatory Authority
VAT	Value Added Tax
WHT	Withholding Tax

The Chairman's Statement



On behalf of the Executive Committee, I am pleased to present the Annual report of Uganda Insurers Association for the year ended 31st December, 2017.

The Economy

According to the Bank of Uganda (BOU), global economic activity continues to firm up, with global output now estimated at 3.7 per cent in 2017, which is 0.1 percentage point (PP) higher than had been projected in October 2017 and 0.5 PP higher than in 2016. The pickup in growth has been broad based, with upside surprises for both Advanced Economies - particularly in Europe and Asia and the Emerging Market and Developing Economies, broadly driven by monetary and fiscal policy stimulus, increased investment and productivity.

On the domestic scene, according to PWC, growth in all sectors of the economy slowed down during the financial year 2016/17. Agricultural output grew by only 1.3% compared to the growth of 2.8% in 2015/16; industrial sector growth slowed to 3.4% during 2016/17 which was below the 4.7% of the previous year, and growth in the services sector slowed to 5.1%, compared to the 5.9% growth in 2015/16.

Overall, the economy grew by 3.9% in financial year 2016/17 compared to growth of 4.7% in 2015/16. With annual population growth of about 3% per annum, this means that the per capital growth in the economy was only 0.5%. The slowdown in growth is mainly due to a combination of domestic factors. These include; the long drought of 2016 which affected agricultural output, tight financial conditions that culminated into low private sector credit growth and the slow implementation of government infrastructure projects which in return has delayed the realization of the economic benefits expected from these investments. The Government is very optimistic that the slowdown in the growth of the economy is temporary, and expects the decline in growth to be reversed this financial year 2017/18. It is on this basis that Government

is projecting the economy to grow by 5% this financial year. The growth will be driven mainly by improved efficiency and effectiveness in implementation of public investments, higher FDI particularly in the oil and gas sector, a recovery in private sector credit growth as lending rates continue falling and growth in the agricultural sector as normal weather conditions return.

Key industry developments

Regulation

The Insurance Act 2017 was passed in June, 2017 and finally signed by parliament on 30th March 2018. It will bring changes that extend to, among others, change from Compliance Based Supervision to Risk based Supervision, the introduction of perpetual licensing, the formalizing of cash and carry business as well as the provision for an ombudsman to resolve insurance related disputes.

Bancassurance: With the amendments to the Financial Institutions Act which, among others now allows for bancassurance (the selling of insurance products through the bank channel), the bancassurance regulations were passed on 14th July 2017. The IRA also provided guidelines with respect to the removal of the requirement for an agency agreement with 3 non-life and 2 Life insurers per bank. The guidelines also stressed the importance of the banks complying with the Bank of Uganda Consumer Protection Guidelines and ensuring that all insurance products are approved by the IRA. The guidelines are scheduled for review in September, 2018.

The Local content Bill 2017: whereas the Insurance sector agrees with the spirit and objective of the Bill, the definition of Ugandan and Resident company as well as sections prioritizing a Ugandan company and restricting a Resident company to sub- contracts (Ugandan companies are also given first priority and subcontracts are limited to 30% and 15% for works under bundled contracts) automatically exclude the industry from participating in projects and works covered by the Bill. We are lobbying for the inclusion of insurance given that locally licensed insurance companies are in position to provide to the projects/works/activities covered by the Bill.

The Public Procurement and Disposal of Public Assets Authority (PPDA) guidelines on reservation schemes: The guidelines allow for reservations to apply to procurements for services by threshold and to benefit national and resident providers which is to the advantage of insurance companies, the majority of whom the resident company's category.

The Retirement Benefits Reform Bill : we continue to lobby to ensure that the provision recognizing the role of insurance companies in fund management remains in the Bill as well as for this Bill to be passed.

In the spirit of East African Community integration, an EAC Insurance Bill is under development by the Partner states. It envisions to be a framework law on which the national laws will consequently be aligned to. The Bill is based on the EAC Insurance Policy which was adopted by the partner states.

Other bills currently under discussion: Motor Third Party Insurance Law Cap.214 and the Workers Compensation Act 2000.

Market Development and performance

In 2017, the insurance industry wrote 635 Bn in gross premiums with 516 Bn (75.4%) being written by Non-Life Insurance Companies and 168.5 Bn (24.5%) by the Life Insurance companies. Together, the insurers paid 238Bn in gross claims with 78% being paid by the Non- Life Insurers and 22% by the Life Insurers. (These figures only consider Life and Non-Life Insurance company performance).

The African Insurance Conference (AIO) 2017

Uganda is proud to have hosted the AIO Conference this year which was themed “Furthering the Financial Inclusion Agenda in African Nations through insurance”- a theme which is a true reflection of where we are as nation and as a continent. We are confident that as we work to increase the understanding and appreciation of insurance by closing awareness gaps, increased access to our services by heavily relying on technology while developing relevant products will be critical to transforming both Uganda and Africa as a whole.

In terms of other developments,

It is now a requirement to check for Motor Third Party Insurance as part of the mandatory vehicle inspection checks being carried out by SGS Automotive Uganda (SGS) which should see compliance with this insurance rise in turn boosting both premium and tax revenue collection for the country.

The government has also committed to continue with the pilot Uganda Agriculture Insurance Scheme (UAIS) program to further subsidize agriculture insurance premiums for both

small and large scale farm so as to guarantee the returns expected from crop and livestock farming in 2017. As at December 2017, 68% of the subsidy (US\$ 3.1bn) had been utilised by 45,704 farmers.

With respect to Marine Insurance, the IRA was mandated to administratively enforce and implement the provisions in the Insurance Act that makes it mandatory that insurance policies on ships, aircraft or other vehicles registered in Uganda and on goods imported from other countries, except personal effects and donations, be issued by Insurance Companies licensed under the Act. We believe that once implemented, this will be a game changer for insurance in general.

The IRA also approved the Oil and Gas Co-Insurance syndicate in 2016 allowing the local industry to actively seek avenues to provide insurance support to our nascent Oil and Gas sector. The engagement with the Oil and Gas sector is on-going.

As an Association, we will continue to implement programs to meet the core priorities of our membership and support the orderly growth of the insurance sector.

Looking to 2018

It is our expectation that insurance penetration will increase as we make use of new distribution channels, such as bancassurance; innovate in product development and design through leveraging on technology and further develop both micro insurance and agriculture insurance products.

As an Association, we will continue to implement programs to meet the core priorities of our membership and support the orderly growth of the insurance sector. To this end, in line with our 10 year Market Growth and Development plan, we will mainly focus on growing the knowledge, understanding and appreciation of Insurance, developing products suitable for this market through research, furthering the reach of Agriculture Insurance, further entrenching local Marine Insurance and better positioning ourselves to support the Oil and Gas industry. We will also focus our attention on ensuring that we have the required skills sets through training to ensure the further penetration of insurance.

We remain committed to our role of developing industry priorities and working closely with the IRA and other stakeholders, including Insurance Institute of Uganda (IIU), Uganda Association of Insurance Brokers, Uganda Association of Insurance Agents, Uganda Association of Engineering Valuers and Loss Assessors and Uganda Bankers Association to promote and maintain a sound insurance market that can meet consumer and business needs into the future.

We will continue to be an unapologetic advocate to the Government and all stakeholders that insurance is beneficial to the individuals, businesses and society as a whole and that the insurance industry should be regarded as an important sub-sector of the financial services industry.

Note of acknowledgement

I wish to extend my sincere appreciation to the Executive Committee, Technical Committees, Members and staff of the Association for their contributions to our successes in 2017.

As we look forward to the next year, I encourage our members to ensure fair and ethical competition, develop innovative products and improve service standards to respond to the ever changing regulatory and consumer demands.

Deepak Pandey
Chairman
Executive Committee
July, 2108

The Executive Committee



Mr. Deepak Pandey
Chairman



Mr. Allan Mafabi
Vice Chairman



Mr. Ronald Musoke
Hon. Treasurer



Mr. Joseph W. Kiwanuka
Member



Mr. Azim Tharani
Member



Mr. Bayo Folayan
Member
(until 13.07.17)



Mr. Newton Jazire

Hon. Secretary
(until 13.07.17)



Mr. David Kuria

Deputy Secretary
(w.e.f 22.08.17)



Dr. S. K Jain

Hon. Deputy Secretary
(w.e.f 22.08.17)



Mr. Gary Corbit

Member



Mr. Arjun Mallik

Member
(w.e.f 22.08.17)



Mr. Joseph Almeida

Member

The CEO's Statement



2017 was an exacting year for the Association as we entered the 2nd year of implementing the 10 year Market Growth and Development Plan. We particularly focused on

- a. Continued consumer awareness,
- b. Research and publications,
- c. Harnessing of Technology with a view to enhance service delivery and
- d. Lobbying and advocacy for a viable business environment

We were granted immeasurable support from the Government with;

- » The continuation, for the 2nd pilot year, of the National Agriculture Scheme which is subsidized by Government and, which allowed us to cover an estimated 50,000 farmers by the end of 2017;
- » The approval of a Motor Third party check as part of the SGS annual vehicle inspection requirements, which enabled us to engage the Ministry of Works and the National Road Safety Council on how we can ensure the enforcement of this;
- » The requirement for Local Marine Insurance for importers/exporters who do opt to insure their cargo; this allowed us the opportunity to benchmark against Kenya who begun a similar program in early 2017. We have been able to take those learnings- extending to engagements with all the local players, development of a centralized portal to ensure smooth service delivery to streamlining rates in order to ensure that the risks are written locally and claims are managed in the same manner.

We continue to lobby with the Government to;

- » Insure her assets;
- » Ensure that Public and commercial buildings have Fire and Public Liability insurance;
- » Ensure a reduction and/or removal of taxes to ensure that insurance remains accessible especially to the lower income earners. We particularly wish to reduce the stamp duty on Motor Third Party from Ugx 35,000 to Ugx 5,000 for individual buyers, reduce the stamp duty on Micro Insurance products from Ugx 15,000 to Ugx 5,000, zero VAT rating on agriculture Insurance and a reduction of Withholding Tax on reinsurance services.


In 2018, we shall continue consolidating our wins and working to ensure the particular protection and compensation for the everyday Ugandan.

Noting that this will be the last report I am involved in, I take the opportunity to thank the member companies, IRA, the Government agencies that have supported the Association in the implementation of its mandate to grow the sector as well as to ensure the presence of a viable business environment. It has been nine (09) years of learning as well as industry and personal growth.

I extend particular appreciation to the Staff of the Association for the effort rendered over the years in ensuring that we implement what was required of us. I trust that the Association will grow to greater heights under the new leadership of Mr. Paul Kavuma.

Thank you.

Miriam Magala
Chief Executive Officer
May, 2018



In 2018, we shall continue consolidating our wins and working to ensure the particular protection and compensation for the everyday Ugandan.

The Staff



Ms. Miriam Magala
Chief Executive Officer



Ms. Faith Ekudu
Public Relations and
Advocacy



Ms. Martha Aheebwa
Life and Pensions



Mrs. Jane kawuki
Executive Assistant to
the CEO



Mrs. Ruth Munyirwa
Accounts Assistant



Mr. Christopher Bakesiga
Technical Assistant



Mr. Allan Katwere
Research and Market
Development



Mr. Abbey Luwano
Accountant



Mr. Jude Kafeero
IT/Office Assistant



Ms. Ruth Namirembe
Administrative
Assistant

The Governance Report

The Association is committed to upholding the highest standards of professionalism as we work towards establishing a sound insurance and reinsurance environment in Uganda.

The Executive Committee

The affairs of the Association are overseen by an Executive Committee (EC) which is elected into office in accordance with Article 10 of UIA's Memorandum and Articles of Association. The EC is comprised of a Chairman, Vice Chairman, Secretary, Deputy Secretary, Treasurer and 5 members.

Members to the EC are elected every year at the Annual General Meeting and are representatives from member companies.

Delegation of the EC

The EC works through different Committees to achieve the objectives of the Association. The EC has therefore delegated certain functions to sub-committees all of which have their own Terms of Reference and feed their reports into the overall management of the Association. Whereas these Committees have the authority to examine particular issues and report back to the EC, the ultimate responsibility for decisions made lies with the EC.

The Association's sub-committees are listed below

- | | |
|-----|---------------------------------------------------------------|
| 1. | The Non-Life Technical Committee |
| 2. | The Life and Pensions Committee |
| 3. | The Consumer Awareness Committee |
| 4. | The Market Growth and Development Committee (MGD) |
| 5. | The Finance and Investment Committee (F&I) |
| 6. | The Medical Insurers Committee |
| 7. | The Legal Affairs Committee |
| 8. | The Oil and Energy Committee |
| 9. | The Disciplinary Committee |
| 10. | The Special Rating Committee |
| 11. | The Committee for Liaison for Underwriters and Brokers (CLUB) |
| 12. | The Performance Evaluation Committee (PEC) |
| 13. | The Financial Intelligence Committee (Ad hoc Committee) |

The current members of the EC and their membership on other committees is as follows;

Name	EC appointments	Non-Life	Life and Pensions	Medical	MGD	Oil and Energy	PEC	F&I	Legal affairs
Mr. Deepak Pandey	Chairman	-	-	-	-	-	-	-	-
Mr. Allan Mafabi	Vice Chairman	-	-	-	-	-	-	-	-
Mr. Ronald Musoke	Hon. Treasurer	-	-	-	-	-	Member	Chairman	-
Mr. Newton Jazire	Hon. Secretary (until 13.07.17)	Chairman (until 13.07.17)	-	-	Chairman (until 13.07.17)	Member (until 13.07.17)	Member (until 13.07.17)	-	-
Mr. David Kuria	Hon. Secretary (w.e.f 22.08.17)	-	-	-	-	-	-	-	-
Mr. Joseph Almeida	Member	-	Chairman	Chairman	-	-	Member	-	-
Mr. Joseph Kiwanuka	Member	-	-	-	-	-	-	-	-
Mr. Azim Tharani	Member	-	-	-	-	Chairman	-	-	-
Mr. Bayo Folayan	Member (until 13.07.17)	-	-	-	-	Member (until 13.07.17)	-	-	Chairman (until 13.07.17)
Mr. Gary Corbit	Member	-	-	-	-	-	Member	-	-
Mr. Arjun Mallik (w.e.f 22.08.17)	Member	-	-	-	Chairman (w.e.f 22.08.17)	-	-	-	-
Dr. S. K Jain	Hon. Deputy Secretary	Chairman (w.e.f 22.08.17)	-	-	-	-	Member	-	-

Key features of the EC process

The EC meets at least 8 times a year with the option to increase the frequency of meetings as situations warrant. To assist the EC in planning their attendance, the dates are circulated at the beginning of the year and the agreed dates entered into the yearly calendar. Ad hoc meetings are also convened to deliberate on substantive matters. The details of the number of EC meetings and Committee meetings held this year as well as the attendance of each EC member at these meetings are disclosed below;

	Name	EC	NL	Life & Pensions	Medical	MGD	Oil and Energy	PEC	F&I	Legal affairs
	Sitting	12	3	4	4	3	2	1	15	5
1	Mr. Deepak Pandey	11								
2	Mr. Allan Mafabi	11								
3	Mr. Ronald Musoke	11						1	13	
4	Mr. Newton Jazire (until 13.07.17)	7	1			2	1			
5	Mr. Joseph Almeida	7		2	4					
6	Mr. J. W. Kiwanuka	12								
7	Mr. Azim Tharani	6					4			
8	Mr. Bayo Folayan (until 13.07.17)	8					1			2
9	Mr. Gary Corbit	7					1			
10	Mr. David Kuria	11						1		
11	Mr. Arjun Malik	2								
12	Dr. S. K Jain (w.e.f 22.08.17)	5	1							

Access to information

All EC members have access to the Association's records and information and regularly receive information on Secretariat activities and initiatives.

Further, a manager from the Secretariat serves as Secretary to Committees to ensure the smooth running of all the Association's activities.

The Sub-Committees

1. The Non-Life Technical Committee

The Non-Life Technical Committee works to develop and promote professional technical underwriting standards in non-life insurance, reviews, studies and evaluates all matters pertaining to non-life business and advises the Secretariat on the issues that need to be addressed in the overall interest of market growth and development.

The Committee is also responsible for harmonizing the insurance claims procedures and settlement, advising on required areas of technical training, assist in the gathering of industry statistics and undertaking any other assignments as may be required by the EC.

The details of the number of Committee meetings held this year as well as the attendance of each member at these meetings are as follows

No	Name	3 Sitzings
1	Mr. Newton Jazire (until 13.07.2017)	1
2	Dr. SK Jain (w.e.f 22.08.2017)	1
3	Mr. Geoffrey Buyondo	3
4	Mr. Tadeo Nsubuga	3
5	Mr. Andrew Kawuzi	2
6	Mr. S Garikipati	3
7	Mr. Jay Sakaria	-

All EC members have access to the Association's records and information and regularly receive information on Secretariat activities and initiatives

2. The Life and Pensions Committee

Works towards the development, growth and promotion of the life insurance business in Uganda, reviews, studies, evaluates and gives input to all matters pertaining to life and pension business in Uganda and plays an active role suggesting changes to current legislation pertaining to life and pension business and in influencing and lobbying for necessary industry positions with relevant stakeholders.

The Committee also identifies needs and gaps in the industry and makes the necessary recommendations on how to deal with these, assists the Secretariat in gathering life and pension statistical information and undertakes any technical assignments as may be required by the Executive Committee.

The details of the number of Committee meetings held this year as well as the attendance of each member at these meetings are disclosed below;

No	Name	4 Sitzings
1.	Mr. Joseph Almeida	2
2.	Mr. Kennedy Gichuhi	1
3.	Mr. Patrick Kimathi	3
4.	Mr. John Lintari	1
5.	Ms. Miriam Ndozireho	1
6.	Mr. Anthony Githuka	3
7.	Mr. Omar Nadduli	1
8.	Mr. Zephania Dube	3
9.	Ms. Martha Aheebwa	Secretary

3. The Medical Insurers Committee

The Medical Insurance Committee enables the development of a platform for all stakeholders in the medical insurance market to develop basic standards and contractual agreements on the basis of which, service providers are evaluated, areas of co-operation are agreed on and enforcement mechanisms on agreed standards in order to raise the quality of healthcare to be provided to insured members are devised.

The details of the number of Committee meetings held this year as well as the attendance of each member at these meetings are disclosed below;

No	Name	4 Sitzings
1	Mr. Joseph Almeida	4
2	Liberty Life Insurance	3
3	Sanlam Life Insurance	4
4	UAP Old Mutual Life	2
5	Jubilee Insurance	4
6	ICEA Life	2
7	Ms. Martha Aheebwa	Secretary

4. The Legal Affairs Committee

The Legal Affairs Committee is responsible for interpreting, examining and reviewing all provisions of insurance legislation from time to time, advises the EC on legal matters and recommends appropriate action and reviews the Memorandum and Articles of Association and Code of Conduct of Uganda Insurers Association from time to time and recommends changes to the EC as may be necessary. The Committee also initiates reports to the Executive Committee on relevant legal matters as it deems necessary.

The details of the number of Committee meetings held this year as well as the attendance of each member at these meetings are disclosed below;

No	Name	5 Sittings
1	Mr. Bayo Folayan (until 13.07.2017)	2
2	Mr. Ross Field (until 30.06.2017)	1
3	Mrs. Solome Luwaga	2
4	Mr. Gabriel Kuria (w.e.f 22.08.17)	3
5	Ms. Tiba Sanyu	3
6	Ms. Doreen Amiyo	5
7	Mr. Erastus Ayuko	2
8	Mrs. Sheila Sabune	2
9	Ms. Miriam Magala	Secretary

5. The Finance and Investment Committee

This Committee assists the EC in the formulation of a financial policy direction for the Association, reviews the Financial Management and Procedures Manual of the Association from time to time and provides guidance in the application of the funds of the Association in furtherance to the objectives of the Association.

The Committee also reviews quarterly financial reports (income and expenditure statements), advises on matters of investment and on how the Association can mobilize revenue/resources for its activities. It also reviews the Annual budget proposals and/or supplementary budgets and make recommendations to the EC.

The details of the number of Committee meetings held this year as well as the attendance of each member at these meetings are disclosed below;

No	Name	15 Sittings
1	Mr. Ronald Musoke	13
2	Ms. Joan Mwendha	5
3	Mr. Anthony Kibe	9
4	Mr. S. Srikant	12
5	Mr. Remmy Ssebukera	3
6	Mr. Abbey Luwano	Secretary

6. The Market Growth & Development Committee

The Committee identifies gaps in the industry in order to develop key short, medium and long term strategic interventions to cause the holistic development of the industry. This Committee also monitors and evaluates the industry's Market Growth and Development Plan and carries out any other duties as may be assigned by the EC.

The details of the number of Committee meetings held this year as well as the attendance of each member at these meetings are disclosed below;

No	Name	3 Sittings
1	Mr. Newton Jazire	2
2	Mr. Edward Nambafu	3
3	Mr. Puneet Chawla	1
5	Mr. Paul Kavuma	2
6	Mr. Kennedy Gichuhi	1
7	Mr. Nicholas Lutakome	1
8	Mr. Allan Katwere	Secretary

7. The Committee for Liaison of Underwriters and Brokers

Deliberates and resolves mutual issues as between Underwriters and Brokers, with the objective of streamlining market practices for the overall benefit of the industry and puts in place professional standards to ensure that business ethics are respected by the insurance companies and insurance brokers, and cordial relationships are built and maintained in the ultimate interest of the consumer.

The Committee works towards the development of technical underwriting standards in the insurance industry, and liaise and/or recommends necessary technical trainings to IIU, lobbies Government and related entities for suitable regulation and a sustainable business environment. The Committee also gathers and shares statistical and other relevant information (as agreed), through the Secretariats of both Associations and undertakes and makes recommendations on insurance-related assignments as may be required by the Executive Committees of UIA and Uganda Association of Insurance Brokers (UAIB).

The details of the number of Committee meetings held this year as well as the attendance of each member at these meetings are as follows

CLUB Committee

	Members	4 Sittings	
1	Mr. Deepak Pandey	3	Underwriter
2	Mr. Azim Tharani	2	Underwriter
3	Mr. Bayo Folayan	-	Underwriter
4	Mr. Newton Jazire	-	Underwriter
5	Mr. Joseph Almeida	1	Underwriter
6	Mr. Ronald Musoke	4	Underwriter
7	Mr. David Kuria	2	Underwriter
8	Mr. Gary Corbit	-	Underwriter
9	Mr. Maurice Amagola	2	Broker/Chairman
10	Mr. Latimer Mukasa	-	Broker
11	Mr. Solomon Rubondo	1	Broker
12	Mr. James Osumo	1	Broker
13	Mr. Grace Sekakomo	2	Broker
14	Mr. Paul Muhame	3	Broker
15	Mr. Alex Makata	3	Broker
16	Mrs. Irene Kego	1	Broker
17	Ms. Miriam Magala	4	UIA
18	Mr. Dorcus Maclean	3	UAIB/Secretary

8. The Disciplinary Committee

The Disciplinary Committee is responsible for the implementation of all provisions of the Articles of Association (Constitution), for ensuring compliance with all provisions in the Constitution and the Code of Conduct and for the establishment, promotion and maintenance of professional standards.

The Committee also protects and promotes the reputation of the Uganda Insurers Association and individual member insurance companies, receives and resolves complaints from the general public and member companies and enforces sanctions against offending members of the Association.

The Committee is constituted as below;

No	Name	0 Sittings
1	Mr. James Muwawu	-
2	Mr. John Magezi	-
3	Mr. Twaha Kaawaase	-
4	Ms. Miriam Magala	Secretary

As no cases were reported to the Committee, the Committee did not convene in 2017.

9. Oil and Energy Committee

The Oil and Energy Committee is responsible for overseeing the duties of the industry Oil and Energy Consultant who shall support the development of the Oil and Gas Co-Insurance Syndicate and ensure the participation of the local industry in the Oil and Gas sector. The Committee also oversees the duties of the manager of the Syndicate (Uganda Reinsurance Company Ltd).

No	Name	2 Sittings
1	Mr. Azim Tharani	2
2	Mr. Bayo Folayan (until 13.07.2017)	1
4	Mr. Newton Jazire (until 13.07.2017)	1
5	Mr. Gary Corbit (w.e.f 22.08.2017)	1
6	Mr. Elias Edu (w.e.f 22.08.2017)	1
7	Ms. Miriam Magala	Secretary

10. Consumer Awareness Committee

The Consumer Awareness Committee is responsible for overseeing the Association's Consumer Awareness program extending to the strategies to increase the understanding and appreciation of insurance, the execution of these programs and the monitoring and evaluation of agreed upon strategies.

No	Name	2 Sittings
1	Mr. Newton Jazire (until 13.07.2017)	1
2	Mr. Gary Cobit (w.e.f 22.08.2017)	1
3	Ms. Faith Ekudu	Secretary

11. Financial Intelligence Authority Committee

This Financial Intelligence Authority Committee was created to review and participate in sectorial and National Risk Assessments. The objective of the assessments was to determine the level of exposure of financial services to risks due to money laundering and measures in place to counter such exposures.

No	Name	4 Sittings
1	Mr. S. Srikant	1
2	Mr. Jatin Ghugh	1
3	Ms. Racheal Naggayi	1
4	Mr. Anthony Kibe	4
5	Mr. Abbey Luwano	Secretary



Market Overview

Uganda Economic Outlook

Economic performance generally remained strong despite the recent slowdown in real GDP growth, which is projected to reach 5.9% in 2018, up from 4.8% in 2017 and 2.3% in 2016.

The increase in economic growth is expected to be driven mainly by public infrastructure investment; recovery in manufacturing and construction and improvements in the services sector, particularly financial and banking, trade, transport, and information and communication technology services.

Macroeconomic evolution

According to the African Economic Outlook (AEO) 2018, Uganda pursued a cautious expansionary fiscal policy stance to support key infrastructure projects in transport and energy, while keeping recurrent expenditure under control. The overall budget deficit was slightly high in 2016, improved in 2017, and is projected to increase in 2018 and 2019.

The balance of payments deteriorated, mainly as the result of external economic headwinds, including low commodity prices due to slow growth in Europe and China and tightening global financial and monetary conditions.

The macroeconomic policy stance remains focused on containing inflationary pressures, enhancing exchange rate stability, and stepping up domestic resource mobilization growth by 0.5 percentage point of GDP.

Uganda's GDP indicator performance

	2017/18	2016/17
GDP (Billion)	101.8	88.7
GDP Growth (%)	5.8	3.9
GDP per Capita (USD)	776	697

Source of graph: KPMG



THE INSURANCE INDUSTRY

Gross Written Premium (GWP)

GWP income increased by 16.13% from US\$ 634.8 billion (US\$ 634,841,939,706) in 2016 to US\$ 737.2 billion (US\$ 737,222,073,324) in 2017.

Out of the total industry GWP income of US\$ 737.2 billion, non-life insurance constituted 70.01% (US\$ 516 bn), life premiums was 22.86% (US\$ 168 bn) while HMOs constituted 7.13% (US\$ 52.5 bn).

Non-life business continues to dominate the insurance industry in terms of composition, though the relative share is decreasing (70.01% down from 70.9% in 2016).

Growth rates

Non-life insurance grew by 14.65% (compared to -3.06% in 2016, & 21%, in 2015), Life insurance by 27.19% (compared to 32.7% in 2016 and 35% in 2015) and HMOs by 0.74% (compared to 11.24% in 2016 and 0.26% in 2015)

Insurance Penetration

Based on the estimated GDP for 2017, Insurance penetration stands at 0.81% (compared to 0.73% in 2016, and 0.76% in 2015)

Gross claims paid

Non-life insurers paid 186 bn (compared to 167.2 bn in 2016 and 152.8 bn in 2015), Life insurers 52.5 bn (compared to 47.5 bn in 2016 and 25.1 bn in 2015) while HMOs paid 53.2 bn (compared to 45.3 bn in 2016 & 36 bn in 2015) in claims.



Market Share

Non-Life Insurance

No	Name of the Company	2017 GWP	market share
1	Jubilee Insurance Company	133,474,237,000	25.9%
2	UAP General Insurance Company	103,403,042,000	20.0%
3	Britam Insurance Company	44,024,746,000	8.5%
4	Sanlam General Insurance	37,735,068,000	7.3%
5	Lion Assurance Company	34,410,367,000	6.7%
6	Goldstar Insurance Company	20,808,684,000	4.0%
7	ICEA General Insurance Company	19,831,765,000	3.8%
8	Phoenix of Uganda	16,342,148,000	3.2%
9	NIC General	15,781,023,000	3.1%
10	APA Insurance Ltd	15,073,190,000	2.9%
11	Statewide Insurance Company	13,513,286,471	2.6%
12	Liberty General Insurance	12,771,102,000	2.5%
13	CIC General	10,820,080,000	2.1%
14	Alliance Africa General Ins Ltd	10,184,409,000	2.0%
15	Excel Insurance Company	8,089,543,000	1.6%
16	Transafrica Assurance	7,322,910,000	1.4%
17	Pax Insurance	5,311,604,000	1.0%
18	First Insurance Company Ltd	3,836,562,000	0.7%
19	Nova Insurance	1,770,204,000	0.3%
20	Rio Insurance	1,157,794,850	0.2%
21	AIG Uganda Ltd	482,672,000	0.1%
TOTAL		516,144,437,321	

Source: IRA

Market share is the share taken by each company of the industry's gross written premium

Life Insurance

No	Name of the Company	GWP	market share
1	UAP Old Mutual Life	44,133,097,000	26.2%
2	Liberty Life	37,568,103,000	22.3%
3	ICEA Life	27,595,189,000	16.4%
4	Sanlam Life	24,803,785,000	14.7%
5	Jubilee Life Insurance	21,662,905,000	12.9%
6	Prudential	6,968,482,000	4.1%
7	CIC Life	3,347,473,000	2.0%
8	NIC Life	1,632,681,000	1.0%
9	Metropolitan	818,590,000	0.5%
	TOTAL	168,530,305,000	

Source: IRA

ON THE WORLD FRONT

ON THE WORLD FRONT

Non-Life

According to Swiss Re, global non-life insurance industry profitability declined in 2017, with return on equity (ROE) down to 3% from 6% in 2016. The decline was driven by three main factors: soft underwriting conditions, low investment yields and catastrophe losses.

Insurers' investment income continued to weaken given the ultra-low interest rate environment over recent years, and is not expected to recover soon. As interest rates gradually rise, investment income will grow only slowly, with a lag to rising rates.

As such, while profitability in non-life insurance is expected to strengthen in 2018 and 2019 as underwriting conditions turn more favorable, the improvement will be modest with industry ROE at around 7-8%.

Non-Life Reinsurance

Global premiums are estimated to have grown by 3% in 2017 in real terms, based on rapidly increasing cessions from emerging markets. In 2018 and 2019, premium growth in emerging markets is expected to remain steady, driven by stronger sales of primary insurance in all regions. In the advanced markets, premium growth will reflect a moderate hardening of rates and stronger primary market growth.

Life

Global life premiums are estimated to have grown by about 3% in 2017 (up from 2% in 2016), supported by robust performance of savings products in emerging markets, particularly in Asia.

Premiums are forecast to increase by close to 4% annually over the next two years. The major driver will remain the emerging markets, where premiums are expected to grow by around 10% in 2018 and 2019.



China will continue to dominate, supported by a favorable policy environment. The Chinese government has a target to grow total insurance (life and non-life) penetration to 5% by 2020 from around 3% in 2014. Supportive policies include tax incentives, and a drive to promote protection, health and pension products, which could result in a changing portfolio mix for insurers. Chinese insurers are also making increased use of digital technology to improve efficiency and customer experience.

Profitability in the life sector, however, remains challenging due to low interest rates. In this environment, insurers continue to reconfigure their investment portfolios in search of higher returns, as demonstrated by an increased appetite for less liquid asset classes.

Several life insurers have sought to restructure their insurance portfolios to focus on more attractive and/or less capital intensive business lines.

In-force management is also increasingly recognized as an effective tool to improve profitability.

Life Reinsurance

Global life reinsurance cessions are expected to grow by just over 1% in the following two years, dragged down by weakness in North America and Europe. Strength in advanced and emerging Asia will offset some of that weakness. Emerging market life cessions are forecast to grow by more than 10% annually in 2018 and 2019.

The reinsurance sector is likely to benefit from the adoption of risk-based regulatory regimes in many emerging markets.

But in certain regions, such as sub-Saharan Africa, some governments have made protectionist moves in favour of local reinsurers or enacted additional collateral requirements for foreign reinsurers, which could dampen both primary insurance and reinsurance premium growth.



Goals For 2017



1. Consumer Education

With insurance penetration standing at less than 1%, one of our key challenges remains increasing the understanding and appreciation of insurance. With this in mind, our goals in 2017 were to;

- » Continuously provide information on insurance to our already segmented market in order to promote higher retention of information on insurance;
- » Further segment the country to add to the areas we are already concentrating on to grow awareness coverage and;
- » Continue and add to the channels we have adopted to educate the general public about insurance.

2. Lobbying and Advocacy

In order to ensure that a positive regulatory and business environment is established to encourage the growth of the industry, we set out to;

- » Ensure that the Ministry of Finance continues to support the Agriculture sector through the provision of the Uganda Agriculture Insurance Scheme;
- » Ensure that the government appreciates the role of the insurance sector in economic development particularly through our involvement in major infrastructure projects such as the Standard Railway Gauge, in the Oil and Gas sectors and that the Local Content Bill supports our industry and;
- » Advocate for the further enforcement of compulsory insurances- that is Workers Compensation and Motor Third Party Insurance.

3. Research and Market Development

We believe that a critical tool in ensuring that our goal to achieve 3% penetration over the next 9 years is research and Market development. With this in mind, we set out to;

- » Launch and operationalize our 10-year Market Growth and Development plan;
- » Continue the development of our Industry databases and;
- » Build our industry's capacity by creating platforms for learning from other markets.

4. Partner Cultivation

In order to achieve the sustainable development of our industry, we set out to;

- » Strengthen relationships with our current partners and to;
- » Identify new partnerships with whom we share mutual goals.

5. Corporate Social Responsibility

We believe that our work as the Association impacts on the quality of life of the communities around us and that without the support of these communities, we would not thrive. In 2017, we therefore set out to;

- » Continue reducing the impact of road accidents on families through policy and financial support and to;
- » Continue providing support to children with cancer to reduce the impact of cancer on families



2017 Highlights & Achievements

1. CONSUMER AWARENESS

We launched the 2nd of our 3-year consumer awareness campaign whose major objectives are to educate the general public on the basics of insurance, the available products, the claims process as well as addresses dispute resolution as between the clients and the insurance companies.

We therefore used;

1. Mass media- mainly radio and television- across the country to reach the general public primarily through talk shows which allow for discussions to be had and clarification offered to the public. We were hosted on NTV, Urban Tv, CBS, Radio One, KFM and Capital FM. We also run general insurance information adverts on NTV, Bukedde, Radio One, KFM, Capital, CBS, NBS Kodheyo, Mega Fm, Voice of Kigezi, Arua One, and Radio West.
2. Social media- mainly Facebook and Twitter to interactively present insurance. We therefore made use of video, meme's, jokes, quiz's as well as Facebook Live sessions to involve the public in some of our events and encourage conversations on insurance.
3. One-on-One engagement sessions so as to give more of a face to the insurance industry. A. Our Education teams were able to reach out to more than 40,000 customers through the activations in offices, markets, arcades, supermarkets and universities in Kampala, Jinja, Arua, Mbarara and Mbale,.
4. Through our entrepreneurship program, we educated an estimated 200 SME's in Mbarara, Soroti and Mbale under our partnership with Uganda Investment Authority about the insurance options for both their businesses and their lives. We also partnered with Bank of Africa and were able to speak with an estimated 400 SME clientele about insurance.
5. In partnership with Career Path Uganda and the Insurance Institute of Uganda, we specifically targeted Schools (both Primary and Secondary) as well as Universities and were able to educate over 20 schools in Mbale, 11 universities under our Inter-University Insurance Quiz and a cross section of 60 primary and secondary students during a Career Holiday Clinic.
6. We also took advantage of the platforms created by the Harvest Money Expo to reach particularly agriculturalists with information on the Uganda Agriculture Insurance Scheme.
7. The Inter-University Insurance Quiz 2017 was organised by the Uganda Insurers Association and the Insurance Institute of Uganda to, among others, raise the profile of insurance and the industry, bridge knowledge gaps and provide information on the career opportunities within this age group. Makerere University Business School (MUBS) emerged winner of the quiz with Bugema University coming second and Makerere University third.

2. LOBBYING AND ADVOCACY

1. The Uganda Agriculture Insurance Scheme (UAIS)

The Government of Uganda, through the Ministry of Finance first approved the UAIS as a mechanism to alleviate pressure on agriculture which is the backbone and considered an inexhaustible resource of Uganda and allocated UGX 5BN towards the first year of the project and appointed the Association to manage this scheme in 2016/17.

Status as at December 2017

Through the Background to the Budget Fiscal year 2017/18 paper, the Government of Uganda further committed to continue the implementation of the Scheme as a pilot, to further subsidize agriculture insurance premiums for both small and large-scale farms so as to guarantee the returns expected from crop and livestock farming

The management of the Scheme remains with UIA.



2. The Local Content Bill

The local content Bill is currently under discussion and will have long term implications for the insurance industry. This, coupled with the fact that a private member's bill on local content was introduced mid-year with an objective to ensure maximum participation of local Uganda companies in Public procurements, made it necessary to engage the relevant stakeholders to ensure the drafting of an appropriate and all-sector inclusive Bill.

Status as at December 2017

Presentations on the implication of the local content bill 2017 and the local content requirements (that are in place for our industry) were made and discussions on the same held.

In order to ensure an all-inclusive Bill, we shall continue engaging the Ministry of Finance, the Public Procurement and Disposal of Public Assets Authority (PPDA), FMDC and attain the new draft bill to make further input.

3. Insurance Fraud

An IRA-UIA adhoc Committee was formed to develop an industry fraud management strategy to curb this malpractice in the medium to long term. In its first stages, the Committee seeks to establish a fraud desk at the IRA at which two specialized officers will be assigned from the Uganda Police Force, prosecution cases will be referred to the Director of Public Prosecution/CID and a whistle-blower function will be operated and publicized by the IRA. The IRA Market Report should also include a report of Fraud (including

cases reported, cases under investigation, cases determined by court and outcomes), training on fraud will be a requirement for all staff in insurance companies and insurance companies should share information on cases of fraud on a periodic basis and will need to improve their internal control policies.

Status

The Committee is developing the fraud strategy particularly paying attention to the role that the IRA, UIA, UPF and the insurance companies will play in curbing fraud. They are also considering the role that the Insurance Institute of Uganda will play in ensuring that the effective skilling against insurance fraud is carried out. It is expected that the strategy will be concluded in 2018.

4. The Oil and Gas Co-Insurance Syndicate

Following the approval of the Syndicate in 2016, the industry has continued engaging with the different stakeholders including the Petroleum Authority and the Joint Venture (JV) partners to understand the particular needs of the sector as well as to provide technical support as the sector makes risk management related decisions.

Status

The industry continues to advocate for the ringfencing and gazetting of insurance services to ensure the participation of the local insurance companies in this sector. Further, we continue to educate the players as to the advantages of writing Oil and Gas related risks under the auspices of the Syndicate which pools together both the technical and financial capacity of the

industry. The Syndicate currently has 14 members and is expected to grow its capacity/retention over the years.

5. Tax treatment concerns raised by the Uganda Revenue Authority

The URA raised queries as related to the disparity in Value Added Tax (VAT) documentation, VAT on co-insurance business and the treatment of Agents and PAYE. It was agreed that;

- » Save for insurance business, tax invoices for insurance premium will be issued by the insurance company,
- » For any other services (except insurance premium), the tax invoice will be issued by the service provider e.g brokers
- » All debit/demand notes/similar documents must contain a clear disclaimer stating that it is not a tax invoice and that an invoice will be issued upon receipt of premium(s).
- » With respect to co-insurance, tax invoices will be issued by the Brokers to the client to enable the matching off invoices and VAT refunds to the client.
- » With respect to the treatment of Agents, a legal opinion addressing why agents should not be treated as employees.

Status

The matter as relates to the treatment of Agents is currently before the Tax Appeals Tribunal. The

re-characterization of Agents would go against the principle of Agency, the allowance for this as a distribution channel as regulated by the IRA and would considerably drive up the costs of operations.

6. Standard Gauge Railway Project

Engagements as between the Standard Gauge Railway (SGR) team and the Insurance Industry have been held throughout the year to discuss and agree on the incorporation of insurance services within the operations of the SGR in light of the local content provisions.

In principle, it was agreed that the risks attendant to the SGR Project will be JOINTLY underwritten by the local insurance companies (to the maximum extent possible) through a consortium coordinated by UIA.

Status

As SGR is committed to only working through Associations and UIA was commended for taking the initiative to meet with SGR earlier this year and acknowledged as the most organised Association, SGR advised that our engagement should be with the selected contractor. Engagement to ensure that the risks are insured locally will continue in 2018

3. RESEARCH AND MARKET DEVELOPMENTS

The 10-year Market Growth and Development Plan

The Association officially launched the sector's 10-year MGDG which intends to see insurance penetration grow from less than 1% to 3% by 2025. The Plan is based on one primary objective to increase the ordinary Ugandan's appreciation of insurance and holistically looks at how we can increase the knowledge and understanding of insurance, provide products suited to the market through effective distribution channels and how we can continue building our capacity as the industry in order to meet the ever-changing needs of the public. It therefore streamlines a series of actions and activities under four key intervention areas; increased understanding and appreciation of insurance, lobbying and advocacy, leveraging on technology and capacity building to bring about increased penetration.

We will work with players who include our members, the IIU and the IRA to implement this plan. The MGP will be monitored and reviewed periodically to ensure that our objectives and interventions are in sync with the changing needs of the market.

The Motor Third Party Insurance claims process

To ensure the better understanding of the above process which had been further streamlined, the Association run notifications on the same in the Vision Group Newspapers in English, Luganda, the 4 R's and Atesot. Our efforts were further boosted through a guest appearance on NTV's morning show where we spoke about the claims process and Motor Third Party Insurance.

Financial Markets Development Committee (FMDC)

The FMDC became operational in January 2017 and is comprised of all financial sector players, Private Sector Foundation, NSSF, National Planning Authority, Financial Sector Deepening Uganda and is chaired by the Governor Bank of Uganda. UIA will further engage FMDC to achieve our key sectoral interventions from the Market Growth Development Plan.

The enforcement of local Marine Insurance

In June 2018, the government empowered locally licensed insurance companies to issue all policies relating to domestic marine cargo insurance effective 1st July 2017 in line with the provisions in the Insurance Act under Section (3) (2);

UIA then continued engaging different stakeholders in order to formulate an appropriate and stakeholder inclusive implementation framework. A cross sectoral committee comprising the Uganda Shippers Council, KACITA Uganda, Ministry of Finance/IRA, Uganda Clearing and Forwarders Association, Uganda Manufacturers Association and the UIA secretariat has been set up to address issues of sensitization, local marine insurance rates and specific claim guidelines for marine insurance.

A benchmarking mission to Kenya was also executed to understand how they are implementing local marine insurance. The mission team comprised IRA, UIA and URA.

Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)

The findings of the National Risk Assessment carried out by the World Bank in collaboration with the Financial Intelligence Authority (FIA) (with respect to Insurance) were shared with the following observations;

- i. The International monitoring process has flagged Uganda as “deficient” in AML/CFT Compliance with the insurance sector classified as Medium High;
- ii. In order to ensure compliance, IRA will be amending the licensing requirements to incorporate the AML/CFT requirements and UIA-IRA will design a standard Know Your Customer (KYC) template with the input from members and UAIB.
- iii. The Insurance companies are required to carry out internal risk assessments and take steps to mitigate the risks identified and to ensure the training of relevant staff.
- iv. Records must be kept for 10 years after a business relationship has been terminated;
- v. FIA intended to put in place online reporting platform by the end of the year to ease the reporting process and will issue a new form for reporting of Suspicious Transactions.
- vi. Companies are required to be informed of persons listed as Terrorists as well as Politically Exposed Persons.

The Financial Action Task Force (FATF) also visited Uganda to check on the level of compliance with AML/CFT laws. With particular respect to the Insurance sector, Jubilee, UAP Insurance ICEA Life and Uganda Insurers Association were consulted. The need for continued building of capacity amongst insurance companies is essential as well as automation to ease compliance.

The Assessment took into consideration Customer Due Diligence extending Know Your Customer (KYC) tools, frequency of reporting, effectiveness of regulatory visits and how the identification of politically exposed persons is carried out.

Change in UAEVLA Fees effective 1st January 2018

Following UAEVLA's proposal to revise the fees for their services to our members and consideration by UIA, the new fees effective 1st January 2018 were agreed with UAEVLA.

4. AWARDS AND RECOGNITION

UIA is recognized as the Business Association of the Year 2016

The Association was recognized as the Business Association of the Year 2016 by the Private Sector Foundation of Uganda (PSFU) this month. PSFU recognizes the role that individuals, business associations, community groups, private companies and government agencies play in nurturing small and medium business enterprises in Uganda through the annual Private Sector Development Awards- an initiative which was started over 7 years ago.

This is the 5th time the UIA is winning this prestigious award.

The Life Agent of the Year Awards

Established in 2011, the Life Agent of the Year awards acknowledge the contributions that life agents make towards growing the insurance industry in Uganda. Since its inception, the awards have progressively led to an improvement in the quality of individual life insurance business in Uganda.

The awards are open to all life insurance member companies and the awards are given in the following categories;

- i. New business written in terms of policies and premiums
- ii. The Best New Agent
- iii. The percentage of policies that are still in force (also known as Persistency)

Mr. Edgar Katsigwa (UAP Old Mutual) won the Agent of the Year 2016 Award, Mr. Michael Kuka (Jubilee Life) the Best New Life Insurance Agent 2016 Award and Mr. Ronald Keeya Senabulya (UAP Old Mutual) emerged the best agent in the Persistency category. Mr. Katsigwa was also recognized as the Agent who brought in the highest premium.

Recognition

The Association also received certificates of appreciation from Career Path Uganda for participating in the Career Holiday Clinic as Career Mentors, from KACITA for partnering through sponsorship of the annual KACITA dinner and from the FRONASA Veterans Association in appreciation of training provided to Veterans in Mbale.



5. SKILLS DEVELOPMENT

Workers Compensation Insurance

To ensure the effective enforcement of this insurance, we engaged with the Ministry of Gender, Labour and Social development as well as with the Judiciary to train Judges as well as labour officers on the basics of insurance, workers compensation insurance and how this insurance operates to protect every employed Ugandan. We intend to carry out the sensitization of the labour officers and the Magistrates in 2018.

Media Training on understanding financial reports

Following our engagement with the media in November, 2016, the UIA has scheduled a series of trainings for the media to understand operational aspects of insurance in order to improve on the overall all reporting on the sector. The training was attended by representatives from UBC, Capital Radio, CBS, Top TV, the Observer and Redpepper.

The Marine Insurance Claims Recovery Seminar

StillFresh, a marine cargo claims recovery agent, conducted a seminar on Marine Insurance Claims recovery with Recovery as an essential tool to improve bottom-line being the main tenet of the training.

The discussion also covered the understanding of the entire recovery process and the application of international conventions with the objective to increase knowledge of in-house claims team and provide the opportunity to listen and learn from relevant successful recovery experiences from across the continent.

The training was attended by representatives from the insurance and broking fraternity.

The UIA-Uganda Shippers Council (USC) Marine workshop

UIA and USC organized an International Trade workshop focusing on Insurance, Incoterms and Financing Trade. The workshop agreed to hold a similar workshop in the near future to deliberate on the implementation framework of the S (3) of the Insurance Act to ensure that all imported goods are locally insured.



6 CORPORATE SOCIAL RESPONSIBILITY

1. Blood donation drives

In support of our efforts to reduce the impact of accidents on families and communities, we held two blood donation drives in conjunction with Uganda Blood Transfusion Services (UBTS) and were able to contribute an estimated 420 units to the Blood Bank. Our contribution could mean the difference between life and death for a child, mother, father, brother or sister.

50% of blood in Uganda is used for treating children with severe anaemia largely due to malaria and nearly 50% inpatient deaths among children under five are attributed to malaria induced anaemia. Blood is also needed for reduction of maternal mortality and morbidity since haemorrhage is the leading cause of maternal mortality which stands at 34% and 30% of blood treats pregnant women with anaemia and complications. We will continue supporting this cause in whatever way we can.

2. Nkozi Hospital

Nkozi Hospital is a Private Not for Profit (PNFP) Hospital owned by Kampala Archdiocese, serves as the referral health facility for Mawokota South Health Sub-District and is accredited by Uganda Catholic Medical Bureau (UCMB). Nkozi hospital was identified as a partner as it particularly serves traffic accident victims on the Masaka-Mbarara Highway. Last year, we donated a theatre lamp to the Hospital to assist with their treatment of accident victims.

3. The Bless a Child Foundation

Bless a Child Foundation provides care support services to children from the ages of 0-17 years suffering from cancer and related infections. Established in March 2007, Bless a Child Foundation was founded as a result of a realized need that paediatric cancer patients in Uganda had inadequate access to medical care and support.

As part of our Corporate Social Responsibility program, we support the foundation to ensure that as they provide paediatric cancer treatment for children in Uganda through palliative care, support services and cancer awareness, we are doing our bit to support families living with cancer and help raise awareness about cancer and its impact on our communities.



7. PARTNERSHIPS

Financial Sector Deepening (FSD) Uganda

UIA and FSD Uganda signed a Memorandum of Understanding that will enhance the development of micro insurance and other related products in Uganda. The MOU provides for the development of relevant micro-insurance products for the UIA members and for the building of UIA's institutional capacity to provide relevant support, especially in research, to its members.

As the Association rolls out its 10-year market growth and development plan, of which a key component is raising the level of awareness about insurance and developing products that suit this market, the support of partners like the FSD Uganda will go a long way in ensuring the further growth and development of the insurance industry.

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8. MEMBERSHIP SERVICES

The Insurance Quiz and Baala events

As part of our membership services program, we held this year's Insurance Quiz Finale and Baala Event in Kololo thereby allowing members to interact and network. After three rounds of the Insurance Quiz- that run throughout the year- Jubilee General Insurance company emerged overall winner of the 2017 Insurance Quiz title. We had participation from APA, Britam, Excel, Goldstar, ICEA General, ICEA Life, Liberty General, Sanlam General, Sanlam Life, Rio, Jubilee General, Jubilee Life, UAP Life, NIC General, and UAP Old Mutual throughout the year.

The Annual CEO Retreats and AGM

The Retreat was held from 13th- 14th July 2017 at the Lake Victoria Serena Hotel-Kigo and the AGM on the afternoon of the 13th of July. The retreat was premised on the theme, "Driving Market Competitiveness in an Evolving Economic Environment through Ethical and Collaborative Action"

Premised on the above theme, presentations and deliberations were on the following: -

- A. Leadership: The Connection between Motivation, Attitude and CEOs;
- B. Analysis of the Industry Performance (2016) and Second Quarter Performance (2017);
- C. Insurance Act, 2017: Salient Features and Regulatory Expectations;
- D. National Budget FY 2017/18: Budget Pronouncements for the Insurance Industry and Implications for the Sector;
- E. Application of Technology: Industry Database;
- F. Industry Concerns;
- G. Development of the Life Insurance Market which covered;



- i. The results from the Life Insurance Survey
- ii. Savings Incentives: how do we demonstrate the changes in tax benefits if we get the incentive, and how big the impact will be for Government?
- iii. Covering Speculative Risks in Credit Life Insurance
- iv. Suggestions regarding the Retirement Benefits Sector Reform Bill

The members were encouraged to share information and co-operate especially in fighting insurance fraud and to carry out business in an ethical manner. Luncheons with the CEO of IRA were also revived to ensure a smooth relationship between the Regulator and the industry.

The CEO Forums

The Secretariat arranged 5 CEO forums throughout the year which addressed the economic environment and the 2017/17 Budget paper, launched the Market Growth and Development plan, the Mandatory Offers of Reinsurance (Treaty/Facultative) and Fronting to Uganda Re, Africa Re and PTA Re as well as the classification of Agents as employees of Insurance companies. As part of the annual CEO retreat, the forums also discussed the performance of the industry (2016) and 2nd quarter performance 2017, the Insurance Act's salient features and implications, as well as the use of Technology to advance the industry.

EC Meeting with IRA

The EC met with the CEO IRA to deliberate the implications of the Local Content Bill 2017 on the insurance sector, UIA proposals for consideration as part of the National Budget FY 2018/2019, the need to ensure accurate information relay with the media as well as the need for IRA intervention/participation in the sectoral lobbying process.



9. ON THE REGIONAL FRONT

The 44th Africa Insurance Organization (AIO) Conference and General Assembly, Kampala, Uganda 21st- 24th May

Uganda hosted the above meeting and the UIA was involved in the organisation of the same. Premised on the Theme “Furthering the financial inclusion agenda of African nations through Insurance”; discussions were based on the following presentations;

1. Driving insurance penetration: developing affordable, need-based products and building appropriate delivery systems.
2. Sustainable agriculture through insurance.
3. Accelerating financial inclusion through regulation-a case for harmonization of Insurance Regulation?
4. Developing effective consumer education approach.

The General Assembly at its meeting on 24th May, based on the discussions resolved to

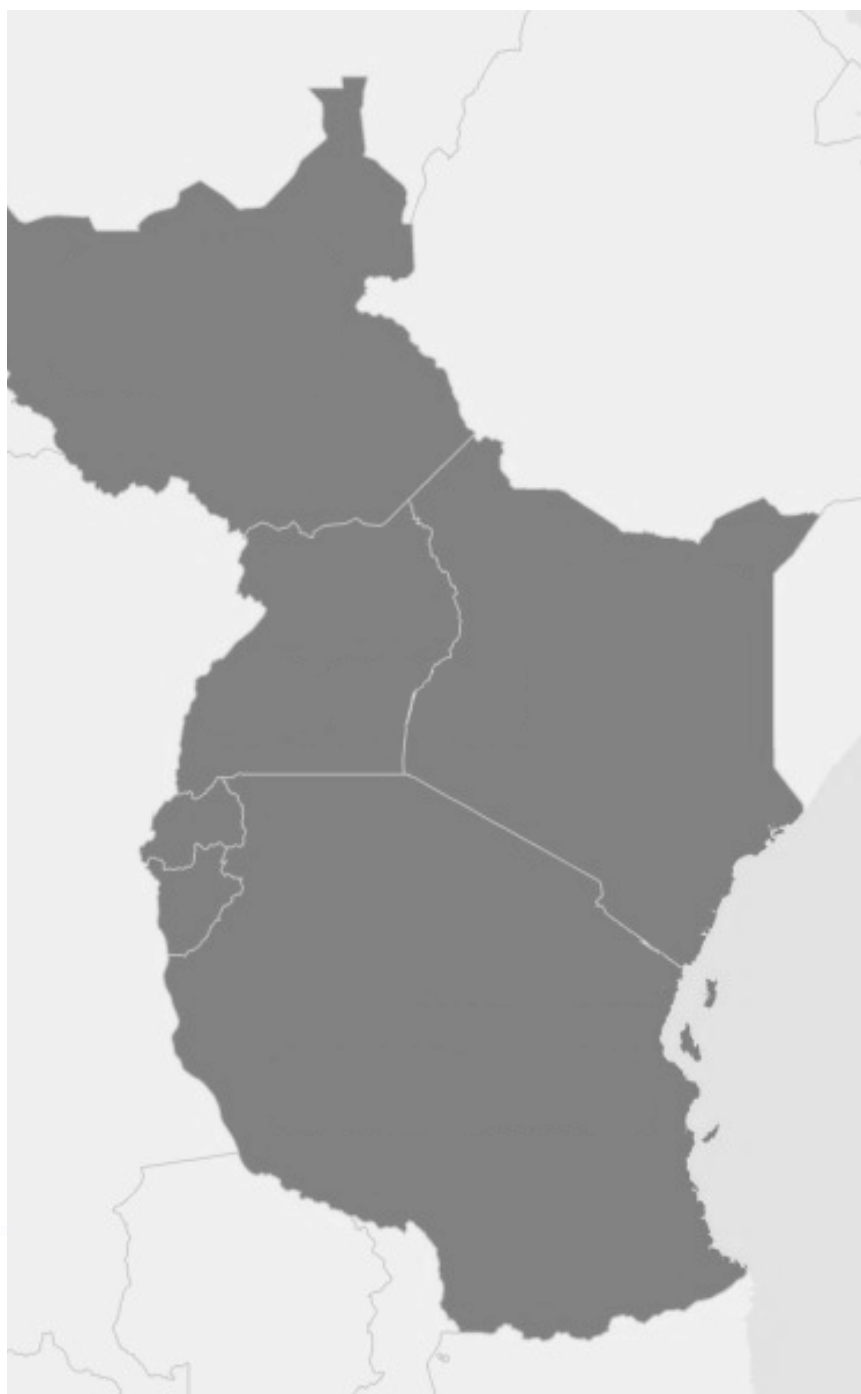
1. Invest in partnerships that are wider (including non-insurance actors) and deeper (within the industry) and are critical to the agenda of increasing insurance penetration and realization of financial inclusion;
2. Adopt a range of technologies to collect data, design and deliver insurance products, provide educational information to the public and manage threats of cybercrime.
3. Invest in capacity building across the entire industry including insurance companies, regulators, associations and institutes.
4. Pursue the financial inclusion agenda through development of insurance value chains that cut across several stakeholders/actors within and outside the traditional insurance sector.
5. Adopt appropriate laws and regulation that allow for innovation and minimal compliance costs.
6. Pursue a diversified strategy for consumer education that embraces the various strands of building capabilities of consumers to make the right decisions with full knowledge of the benefits and obligations and access.

1000 delegates from within Africa, Middle East and Europe participated in the Conference.

The East African Community (EAC) Trade in Services Retreat

May 22nd to 26th was the Services week in Uganda and the Ministry of Trade convened a retreat to deliberate on how best to boost the service sector in Uganda at both EAC and COMESA level, how best Uganda can implement the Build Uganda Buy Uganda (BUBU) policy, how to best position the country for the new commitments to the EAC, COMESA and the LDC waiver.

Insurance was identified as a priority service sector under the BUBU policy, Trade in Services Policy, LDC services waiver, COMESA and EAC. Consultations are underway by the Ministry to inform Uganda's new commitments to the EAC and COMESA and the insurance sector is comprehensively and actively participating in this process.



The 2017 Activity report

Consumer Education

	Activity	Focus of Activity	Target Audience	Facilitator/ Partner	Period
1.	Radio Talk shows on CBS and Radio One	Agriculture Insurance	General Public	Agriculture Insurance Consortium	Q1
2.	The Harvest Money Expo in Kampala	Agriculture Insurance	General Public	Agriculture Insurance Consortium	Q1
3.	Insurance sensitization with Uganda Investment Authority	General and Life Insurance	Entrepreneurs in Mbarara	ICEA Life, NIC Holdings, UAP Old Mutual	Q1
4.	Bancassurance sensitization	Better prepare banking fraternity for bancassurance	Standard Chartered	UIA	Q1
5.	Media Training	Equip media to better understand and report on Financial Statement	Media Houses	UIA	Q1
6.	Eastern region sensitization and recruitment drive	Sensitize on insurance and careers in Insurance	Schools and Universities in Mbale	UIA/IIU	Q1
7.	SME Sensitization	Risk Management and Credit Life Insurance	General Public/ SME's	Bank of Africa/UIA	Q2
8.	The Motor Third Party Insurance claims process	Streamlining and raising awareness about the claims process	General Public	UIA	Q2
9.	MTPI Training	Raising awareness about MTPI	boda boda riders in Mbarara	UIA/IIU	Q2
10.	Radio Talk shows	Life Insurance	General Public	UIA/ICEA Life and Sanlam Life	Q2
11.	Insurance sensitization with Uganda Investment Authority	General and Life Insurance	Entrepreneurs in Soroti	APA Insurance and Prudential Uganda	Q1
12.	Experiential campaign	Increasing awareness about Insurance	General Public	UIA	Q3
13.	Talk shows on NTV, Capital Fm, CBS, Mega FM, NBS FM and Radio West	Increasing awareness about Insurance	General Public	UIA/ UAP Old Mutual/ Sanlam Life/ NIC Holdings	Q3
14.	Experiential Marketing	Increasing awareness about insurance	General Public	UIA	Q4
15.	Career Holiday Clinic	Increasing awareness about insurance	Primary and Secondary School children	UIA/Career Path Uganda	Q4
16.	The Inter-University Insurance Quiz	Bridge insurance knowledge gaps and provide career focused information	Universities	UIA/IIU	Q4

Source: IRA

Lobbying and Advocacy

	Activity	Focus of Activity	Target Audience	Facilitator/ Partner	Period
1.	Financial Markets Development Committee	Key sectoral interventions from the Market Growth Development Plan for FMDC's support	Financial Service Industry players	MOFPED/BOU	Q1
2.	Underwriting Oil and Gas risks	The readiness of the industry with respect to underwriting these risks	UNOC, PAU, IRA	UIA/Oil and Gas Committee	Q3
3.	Developments in the Oil and Gas Sector	Involvement in the Presidential Round Table Forum and the immediate issue a gazette	Government Private Sector	Uganda Chamber of Mines and Petroleum	Q3
4.	Standard Gauge Railway	The industry's involvement in supporting the project	Private Sector Players	Uganda Chamber of Mines and Petroleum	Q3

Source: IRA

Meetings, workshops and conferences

	Activity	Focus of Activity	Target Audience	Facilitator/ Partner	Period
1.	Sustainable Agriculture through Public Private Partnerships	Determining the most appropriate PPP's for Uganda	Agriculture related stakeholders	MOFPED	Q1
2.	FMDC Stakeholders workshop	Deliberating on the most appropriate model for Development Finance in Uganda	Banks, Insurance, Financial Service Providers, Academia	MOFPED	Q1
3.	National Dialogue on Credit Challenges in Uganda	Generating and collecting views on the challenge of credit and agree to a position to improve the availability and access to affordable credit.	A cross section of stakeholders under the PSFU umbrella	PSFU	Q1
4.	The 6th Annual Directors and Company Secretaries Conference	Ensuring Corporate Governance as a tool for driving business growth	Directors and Company Secretaries	Capital Markets Authority (CMA) and the Institute of Chartered Secretaries and Administrators (ICSA Uganda)	Q1
5.	Training for Judicial Officers	Improve the understanding of insurance, provide an update on key developments and seek guidance on essential reforms to further develop the industry	Judges	UIA	Q2

6.	Finscope Survey Meeting	The Terms of Reference and work plan for the upcoming Finscope Financial Services Survey	Financial Services Providers	UIA	Q2
7.	National Logistics Platform and Uganda Shippers Council Workshop	The introduction of the stakeholders to the National Logistics Platform as well as provide a review of the Northern Corridor developments	Importers, exporters, transporters and related stakeholders	Uganda Shippers Council/Trade Mark EA	Q2
8.	The Private Equity/ Venture Capital Conference	Planning meeting to anticipation of the annual PE/VC Conference	Investors and related stakeholders	Uganda Investment Authority	Q2
9.	Uganda Economics Association pre-budget meeting	How government can leverage on the budget to create employment	General Public	Uganda Economics Association	Q2
10.	The Life Insurance Seminar	Technical aspects of the life office operations	Senior Life underwriters and technical staff	UIA/IIU/ Milliman Consulting Actuaries	Q2
11.	The introduction to Risk Based Supervision	An overview of Risk Based Capital Global, the move to ERM and RBC	CEOs and Senior Executives of Non-Life Insurance companies	UIA/IIU/ Milliman Consulting Actuaries	Q2
12.	The Marine Insurance Claims Recovery Seminar	Recovery as a main tool to improve bottom-line	Insurers, Brokers	UIA/Still Fresh	Q2
13.	UIA-Uganda Shippers Council Marine workshop	Insurance, Incoterms and Financing Trade	Shippers, Insurers	UIA/ Uganda Shippers Council	Q2
14.	The EAC Trade in Services Retreat	How best to boost the service sector in Uganda at both EAC and COMESA level	Government/Private Sector	Ministry of Trade	Q2
15.	Training of Trainers on Agent Customer Care Proficiency	Sharing customer care experiences and lessons from service and product markets around the globe in order to improve service provision	Heads of Training	UIA	Q2
16.	Stakeholders meeting on the enforcement of local Marine Insurance	The formulation on an appropriate and inclusive implementation framework	Insurers	UIA	Q2
17.	Trade Facilitation Retreat	Trade facilitation, Uganda's obligations as we move into the General Agreement on Trade, Most Favourable Nation Treatment	Government/ Private Sector	Ministry of Trade	Q2
18.	Inaugural Annual Bankers Conference	Financing the Agriculture Value Chain	Government/ Private Sector	Uganda Bankers Association	Q3
19.	Training on capacity building	Business registration, promotion of home grown products, preference and reservation schemes to promote local content	Government/ Private Sector	Ministry of Trade, Uganda Registration Services Bureau, Public Procurement and Disposal of Public Assets.	Q3

20.	Medical Insurance Forum	The impact of claims on the employers, individuals, the insurer and economy	Human resource managers	IAA/UIA	Q4
21.	The National Health Insurance Scheme (NHIS)	Progress on the NHIS in preparation for the Network of African Parliamentary Committees of Health (NEAPACH)	Government/ Private Sector	Ministry of Health	Q4
22.	The Workers Compensation Workshop	Better enforcement of WCI	Labor Officers from around the country	UIA/Ministry of Gender	Q4
23.	Local content workshop	Ensuring the drafting of an appropriate and all-inclusive Bill	Government/ Private Sector	UIA	Q4
24.	The Co-Insurance Syndicate breakfast	Comprehensively provide information on how the syndicate works, the capacity of the Syndicate, Claims payment capability	UNOC, JV Partners, PAU	UIA	Q4
25.	The Second Expert meeting on the draft Local Content Bill 2017	The new proposals for possible inclusion in the Bill	Government/ Private Sector	Ministry of Trade	Q4

Source: IRA

Awards and recognition

	Activity	Focus of Activity	Target Audience	Facilitator/Partner	Period
1.	The Life Agent of the Year Awards	Recognition of the role life agents play in growing the insurance industry	Insurers	UIA/ members	Q2
2.	SME Training under Investment Authority partnership	Recognition of the role that UIA plays in raising awareness about insurance.	Entrepreneur's	FRONASAVeterans Association	Q3
3.	UIA recognized as Business Association of the Year	Recognition of the role Associations play in business development	Private Sector Players	Private Sector Foundation of Uganda	Q4
4.	KACITA Dinner	Supporting traders through insurance services	Members of KACITA	KACITA	Q4
5.	Career Development under CareerPath partnership	Career Mentors during Holiday Clinic	Primary and secondary school students	Career Path Uganda	Q4

Source: IRA

Developments in the market

	Activity	Focus of Activity	Target Audience	Facilitator/ Partner	Period
1.	Investment Guidelines	Review and develop Investment Guidelines in view of the move from Compliance to Risk Based Supervision	Insurers	IRA/World Bank	Q1
2.	Bancassurance	Final consultations on the Bancassurance Regulations.	Insurance Companies, Bankers and the IRA.	Ministry of Finance	Q1
3.	Review of the Insurance Bill, 2016	Presentation report of the Parliamentary Finance Planning and Economic Development Committee on the Insurance Bill 2016 to parliament	Parliament	Ministry of Finance	Q1
4.	Insurance Fraud	An update on how Insurance fraud is being managed within the market	Insurers	IRA/UIA	Q1
5.	FY 2017/18 Budget Pronouncements	Introduction of a mandatory MTPI check by SGS Automotive Uganda (SGS) Empowering locally licensed insurance companies to issue all policies relating to domestic marine cargo insurance Continuation of the pilot Uganda Agriculture Insurance Scheme as a pilot. Development of the Uganda Retirement Benefits Law	General Public	MOFPED	Q2
6.	Tax treatment concerns raised by URA	Resolving disparities in VAT documentation, VAT on co-insurance business and the treatment of Agents and PAYE	Insurers	URA	Q2
7.	Change in UAEVLA Fees	Providing comments on new fees	Insurers	UIA	Q3
8.	Classification of Agents as Employees by URA	The provision of a legal opinion on the subject	URA	UIA	Q3
9.	Anti- Money Laundering and Combating the Financing of Terrorism	The findings of the National Risk Assessment	Government Private Sector	Financial Intelligence Authority/ World Bank	Q3
10.	Financial Action Task Force (FATF) on site visits	Checking compliance with Anti Money Laundering and Combating Terrorism Financing Laws	Private Sector	Financial Intelligence Authority	Q4
11.	Bancassurance	Issue of first license to Stanbic Bank	General Public	IRA/ Stanbic Bank	Q4
12.	Risk Based Supervision	Observations of RBS and its impact on insurance business	Insurers/IRA	UIA	Q4
13.	Re-characterization of Insurance Agents as employees by URA	Appeal against this re-characterization	URA/Insurers	UIA	Q4
14.	Meeting with IRA	The Local Content Bill, the Establishment of a College of Insurance, Media Reporting and UIA Budget Proposals	IRA	UIA	Q4
15.	Maximum Commission Rates	Submission of final rates for Approval	IRA	UIA/CLUB	Q4
16.	Insurance Fraud	Provide updates on the UIA/IRA interventions	Insurers	UIA/IRA	Q4

Source: IRA

Research and Market development

	Activity	Focus of Activity	Target Audience	Facilitator/Partner	Period
1.	Market Growth and Development Plan (MGDP)	Final input to plan as well as to the industry database under development	Market Growth and Development Plan (MGDP) Committee	UIA	Q1
2.	Market Growth and Development Plan (MGDP)	Media launch of MGDP	Media fraternity	UIA	Q1
3.	Underwriting of Marine Insurance	Placing necessary measures to enable implementation	Insurers	UIA	Q3

Source: IRA

Member Services

	Activity	Focus of Activity	Target Audience	Facilitator/ Partner	Period
1.	CLUB Networking Event	Build stronger partnership between Underwriters and Brokers	Underwriters and Brokers	UAIB/UIA	Q1
2.	Insurance Quiz	Sharing of information and learning on insurance amongst members	Insurers	UIA/ members	Q2
3.	Insurance Quiz	Sharing of information and learning on insurance amongst members	Insurers	UIA/ members	Q3
4.	The Annual CEO's Retreat	Driving Market Competitiveness in an evolving economic environment through ethical and collaborative action	Insurers	UIA	Q3
5.	The Insurance Quiz and Baala Event	Sharing of information and learning on insurance amongst members	Insurers	UIA/ members	Q4

Source: IRA

Corporate Social Responsibility

	Activity	Focus of Activity	Target Audience	Facilitator/ Partner	Period
1.	Blood donation drive	Reduce the impact of accidents on traffic accident victims	General Public	UIA/Uganda Blood Transfusion Services	Q1
2.	Bless a Child Foundation	Supporting families living with cancer and help raise awareness about cancer and its impact on communities	Children at the Foundation/General Public	UIA	Q2
3.	Blood donation drive	Reduce the impact of accidents on traffic accident victims	General Public	UIA/Uganda Blood Transfusion Services	Q2
4.	Donation of theatre lamp	Reduce the impact of accidents on traffic accident victims	Traffic accident victims	UIA/Nkozi Hospital	Q4

Source: IRA

Partner Cultivation

	Activity	Focus of Activity	Target Audience	Facilitator/ Partner	Period
1.	MOU between UIA and Financial Services Deepening Uganda	Enhance the development of micro-insurance and other related products in Uganda	Insurers	UIA/Financial Sector Deepening Uganda	Q1

Source: IRA

The Financials

STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2017

The Executive Committee are required in terms of the Companies Act, 2012 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Association as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The Executive Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the Executive Committee to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Association and all employees are required to maintain the highest ethical standards in ensuring the Association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Association is on identifying, assessing, managing and monitoring all known forms of risk across the Association. While operating risk cannot be fully eliminated, the Association endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

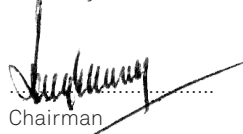
The Executive Committee are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Executive Committee have reviewed the Association's cash flow forecast for the year to December 31, 2017 and, in light of this review and the current financial position, they are satisfied that the Association has or had access to adequate resources to continue in operational existence for the foreseeable future.

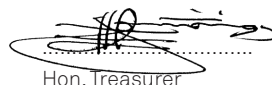
Nothing has come to the attention of the Executive Committee to indicate that the Association will not remain a going concern for at least next twelve months from the date of this statement.

As at December 31, 2017 and to the date of this report, the Executive Committee confirms that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus, the financial statements have been prepared on a going concern basis.

The annual report and financial statements were approved by the Board of Directors on the 28th day of June 2018 and signed on its behalf by:



Chairman



Hon. Treasurer

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UGANDA INSURERS ASSOCIATION REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Uganda Insurers Association Limited (“the Association”) set out on pages 11 to 32, which comprise the statement of financial position as at December 31, 2017, and 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 significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Uganda Insurers Association Limited as at December 31, 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Association in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Executive Committee’s responsibility for the financial statements

The executive committee are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012, and for such internal control as the executive committee determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the executive committee are responsible for assessing the Association’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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibility

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 International Standards on Auditing 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 International Standards on Auditing, 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 Association's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- » Conclude on the appropriateness of the directors' 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 Association'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 Association 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.

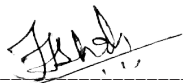
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

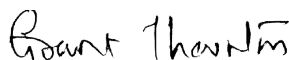
As required by the Companies Act, 2012 we report to you, based on our audit, that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- ii. in our opinion proper books of account have been kept by the Association, so far as appears from our examination of those books; and
- iii. the Association's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Jasmine Shah - P0241.



Jasmine Shah
P0241



Grant Thornton
Certified Public Accountants
28th Day of June 2018
Kampala, Uganda

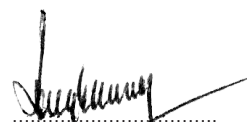
UGANDA INSURERS ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 Ushs'000	2016 Restated* Ushs'000
Income			
Operating income	3	2,909,510	2,978,750
Interest income	4	834,637	858,415
Other income	5	19,399	26,841
		<u>3,763,546</u>	<u>3,864,006</u>
Expenditure			
Cost of motor third party sales	6	(719,084)	(830,453)
Core Activities	7	(1,301,301)	(914,276)
Staff costs	8	(850,121)	(719,856)
Administrative expenses	9	(156,730)	(133,821)
Operating expenses	10	(157,176)	(242,287)
		<u>(3,184,412)</u>	<u>(2,840,693)</u>
Surplus for the year before tax		579,134	1,023,313
Taxation	11	119,525	(469,374)
Surplus for the year after taxation	12	<u>698,659</u>	<u>553,939</u>
Other comprehensive income		<u>574,238</u>	<u>-</u>
Total comprehensive income for the year		<u><u>1,272,897</u></u>	<u><u>553,939</u></u>

UGANDA INSURERS ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 Ushs'000	2016 Restated* Ushs'000
ASSETS			
Non-current assets			
Property and equipment	13	520,166	495,338
Prepaid operating lease rentals	14	559,855	581,388
		<u>1,080,021</u>	<u>1,076,726</u>
Current assets			
Available for sale investment in equity shares	15(a)	1,620,038	1,045,800
Other financial assets	15(b)	5,822,154	6,360,768
Inventories	16	353,682	112,075
Accounts receivable	17	16,731	15,513
Prepayments	17	75,750	13,529
Cash and bank balances	18	885,813	201,394
		<u>8,774,168</u>	<u>7,749,079</u>
TOTAL ASSETS		<u><u>9,854,189</u></u>	<u><u>8,825,805</u></u>
RESERVES AND LIABILITIES			
Reserves			
Accumulated funds		9,205,837	7,932,940
Current liabilities			
Accounts payable and accruals	19	431,352	668,865
Members' prepaid subscriptions		217,000	224,000
		<u>648,352</u>	<u>892,865</u>
TOTAL RESERVES AND LIABILITIES		<u><u>9,854,189</u></u>	<u><u>8,825,805</u></u>

The financial statements were approved by the Executive Committee on the 28th day of June 2018 and were signed on its behalf by:


Chairman


Hon. Treasurer



Appendix

UIA CHIEF EXECUTIVE OFFICERS' FORUM 2017

In the course of the Year, five (5) UIA CEOs' forums were held as indicated in the table below:

DATE	TOPIC	SPEAKER
9/2/2017	The Economic Environment, 2017 and actions that will be or anticipated to be taken by Government (including policy & regulatory changes). Further discussed about 2017/18 Budget Framework Paper.	By Dr. F. Muhumuza, Senior Economist
22/3/2017	To inform the launching and official implementation of this Plan to CEOs	UIA Secretariat
14/7/2017	CEOs' Annual Retreat "Leadership: The Connection Between Motivation, Attitude and CEOs Analysis of the Industry Performance (2016) & 2 nd Quarter Performance (2017) The Insurance Act 2017: Salient Features and Regulatory Expectations. National Budget FY 2017/18 Budget Pronouncements for the Insurance Industry and Implications for the Sector Use of Technology: Industry Database/Mobile App. Industry Concerns	By Mark Ochola, founder and Managing Director of Iolar Consulting-Nairobi Kenya By Alhaji Kaddunabbi Ibrahim Lubega, CEO-IRA By Alhaji Kaddunabbi Ibrahim Lubega, CEO-IRA Director, Economic Affairs, Min. of Finance. M/s. Computer Forensic Specialists/ Outlook Mr. Deepak Pandey, Chairman-UIA
13/11/2017	A Guideline on Mandatory Offers of Reinsurance (Treaty/Facultative) And Fronting to Uganda Re, Africa Re and PTA Re	UIA- Secretariat
19/12/2017	Classification of Agents as employees of Insurance companies	UIA-Secretariat

ATTENDANCE RECORD AT CEO FORUMS

In the course of the Year, five (05) UIA CEOs' fora were held as indicated in the table below:

	Company Name	Name of Chief Executive Officer	5 Sitzings
1.	Excel Insurance Company Ltd	Mr. Robert Musiitwa	4
2.	First Insurance Company Ltd	Mr. Vyasa Krishna	4
3.	TransAfrica Assurance Company Ltd	Mr. Parimal C. Bhattacharya	4
4.	APA Insurance Uganda Ltd	Mr. Verma Sandeep	3
5.	The Jubilee Insurance Co. of Uganda Ltd	Mr. Deepak Pandey	3
6.	Lion Assurance Company Ltd	Mr. Newton Jazire (until 13.7.2017)	3
7.	Uganda Reinsurance Company Ltd	Mr. Ronald Musoke	3
8.	Africa Reinsurance Corporation	Mr. David Tumuhaise	3
9.	CIC General Insurance Uganda Ltd	Mr. Richard Andrew Wambuga	3
10.	Alliance Insurance Ltd	Mr. Ashok Mishra	3
11.	Nova Insurance Co. Ltd	Dr. S. K. Jain	3
12.	UAP Old Mutual Life Assurance Ltd	Mr. Anthony Githuka	3
13.	Pax Insurance Co. Ltd	Mr. Alinaffe Kalule	3
14.	Statewide Insurance Company Ltd	Mr. Joseph Kiwanuka	2
15.	Goldstar Insurance Company Ltd	Mr. Azim Tharani	2
16.	Jubilee Life Insurance Co. of Uganda	Mr. Ajit Kumar	2
17.	ICEA General Insurance Company	Mr. John Karionji (until July 2017)	1
		Mr. Gabriel Kuria (w.e.f 13.7.2017)	2
18.	UAP IOld Mutual nsurance Company Ltd	Mr. David Kuria	2
19.	ICEA Life Assurance Company Ltd	Mr. Jackson Muli	2
20.	Britam Insurance Company (U) Ltd	Mr. Allan Mafabi	2
21.	NIC Life Assurance Company Ltd	Mr. Anthony Ngugi	2
22.	Phoenix of Uganda Assurance Co. Ltd	Mr. C.K. Srinivasan (untill 31.5.2017)	1
		Mr. Latimer Mukasa (w.e.f 1.6.2017)	2
23.	NIC General Insurance Ltd	Mr. Bayo Folayan (untill July 2017)	
		Mr. Elias Edu (w.e.f August 2017)	
24.	Liberty General Insurance Uganda Ltd	Mr. Ross Field (untill June 2017)	1
		Mr. K. Balasundar (July 2017)	-
		Mr. Peter Makhanu (w.e.f August 2017)	-
25.	Sanlam General Insurance Company Ltd	Mr. Gary Corbit	1
26.	Sanlam Life Insurance (U) Ltd	Mr. John Lintari	1
27.	Prudential Assurance Uganda Ltd	Mr. Arjun Mallik	1
28.	Rio Insurance Company Ltd	Mr. Stephen Karoki	1
29.	CIC Africa Life Assurance Ltd	Mr. John Kawuma	1
30.	Liberty Life Assurance Uganda	Mr. Joseph Almeida	0
31.	AIG Uganda Ltd	Ms. Anna Othieno	-

IRA CEO FORUM

Three (37) CEOs' Forums were held by IRA

DATE	TOPIC	SPEAKER
23 rd February 2017	Risk Management beyond persistence: Rethinking Insurance for alternative Growth Strategies for the Sector (34 th CEOs meeting)	CPA Mustapha Mugisa, Celebrated Strategy and Risk Expert.
24 th April 2017	Furthering the Financial Inclusion Agenda of African Nations through Insurance (35 th CEOs meeting)	Alhaji Kaddunabbi Ibrahim Lubega , CEO-IRA
23 rd November 2017	Regulations Perspective on the Insurance Industry in the year 2017: Achievements, Challenges and Agenda for 2018 (36 th CEOs meeting)	Alhaji Kaddunabbi Ibrahim Lubega , CEO-IRA

COMMITTEE MEMBERS AND MEETING ATTENDANCES FROM JANUARY – DECEMBER 2017

THE EXECUTIVE COMMITTEE

No	Name	12 Sittings
1	Mr. Deepak Pandey	11
2	Mr. Azim Tharani	6
3	Mr. Ronald Musoke	11
4	Mr. Joseph Almeida	7
5	Mr. Joseph Kiwanuka	12
6	Mr. Allan Mafabi	11
7	Mr. Bayo Folayan (until 13.07.2017)	8
8	Mr. Newton Jazire (until 13.07.2017)	7
9	Mr. Gary Corbit	7
10	Mr. David Kuria	11
11	Mr. Arjun Malik (w.e.f 22.08.2017)	2
13	Ms. Miriam Magala	Secretary

THE OIL AND ENERGY COMMITTEE

No	Name	2 Sittings
1	Mr. Azim Tharani	2
2	Mr. Bayo Folayan (until 13.07.2017)	1
4	Mr. Newton Jazire (until 13.07.2017)	1
5	Mr. Gary Corbit (w.e.f 22.08.2017)	1
6	Mr. Elias Edu (w.e.f 22.08.2017)	1
7	Ms. Miriam Magala	Secretary

THE MARKET GROWTH PLAN COMMITTEE

No	Name	3 Sittings
1	Mr. Newton Jazire	2
2	Mr. Edward Nambafu	3
3	Mr. Puneet Chawla	1
5	Mr. Paul Kavuma	2
6	Mr. Kennedy Gichuhi	1
7	Mr. Nicholas Lutakome	1
8	Mr. Allan Katwere	Secretary

THE MEDICAL INSURERS COMMITTEE

No	Name	4 Sittings
1	Mr. Joseph Almeida	4
2	Liberty Life Insurance	3
3	Sanlam Life Insurance	4
4	UAP Old Mutual Life Assurance	2
5	Jubilee Insurance	4
6	ICEAL Life	2
7	Ms. Martha Aheebwa	Secretary

THE CONSUMER AWARENESS COMMITTEE

No	Name	2 Sittings
1.	Mr. Newton Jazire (until 13.07.2017)	1
2.	Mr. Gary Cobit (w.e.f 22.08.2017)	1
3.	Ms. Faith Ekudu	Secretary

THE LIFE AND PENSIONS COMMITTEE

No	Name	4 Sittings
1.	Mr. Joseph Almeida	2
2.	Mr. Kennedy Gichuhi	1
3.	Mr. Patrick Kimathi	3
4.	Mr. John Lintari	1
5.	Ms. Miriam Ndozireho	1
6.	Mr. Anthony Githuka	3
7.	Mr. Omar Nadduli	1
8.	Mr. Zephania Dube	3
9.	Ms. Martha Aheebwa	Secretary

THE PERFORMANCE EVALUATION COMMITTEE

No	Name	1 Sitting
1.	Mr. Joseph Almeida	-
3.	Mr. David Kuria	1
4.	Mr. Ronald Musoke	1
5.	Mr. Gary Corbit	-
6.	Ms. Miriam Magala	Secretary

THE NON-LIFE COMMITTEE

No	Name	3 Sittings
1	Mr. Newton Jazire (until 13.07.2017)	1
2	Dr. S. K. Jain (w.e.f 22.08.2017)	1
3	Mr. Geoffrey Buyondo	3
4	Mr. Tadeo Nsubuga	3
5	Mr. Andrew Kawuzi	2
6	Mr. S. Garikipati	3
7	Mr. Jay Sakaria	-

THE LEGAL AFFAIRS COMMITTEE

No	Name	5 Sittings
1	Mr. Bayo Folayan (until 13.07.2017)	2
2	Mr. Ross Field (until 30.06.2017)	1
3	Mrs. Solome Luwaga	2
4	Mr. Gabriel Kuria (w.e.f 22.08.17)	3
5	Ms. Tiba Sanyu	3
6	Ms. Doreen Amiyo	5
7	Mr. Erastus Ayuko	2
8	Mrs. Sheila Sabune	2
9	Ms. Miriam Magala	Secretary

THE FINANCIAL INTELLIGENCE COMMITTEE

No	Name	4 Sittings
1	Mr. S. Srikant Swaminathan	1
2	Mr. Jatin Ghugh	1
3	Ms. Racheal Naggayi	1
4	Mr. Anthony Kibe	4
5	Mr. Abbey Luwano	Secretary

THE FINANCE AND INVESTMENT COMMITTEE

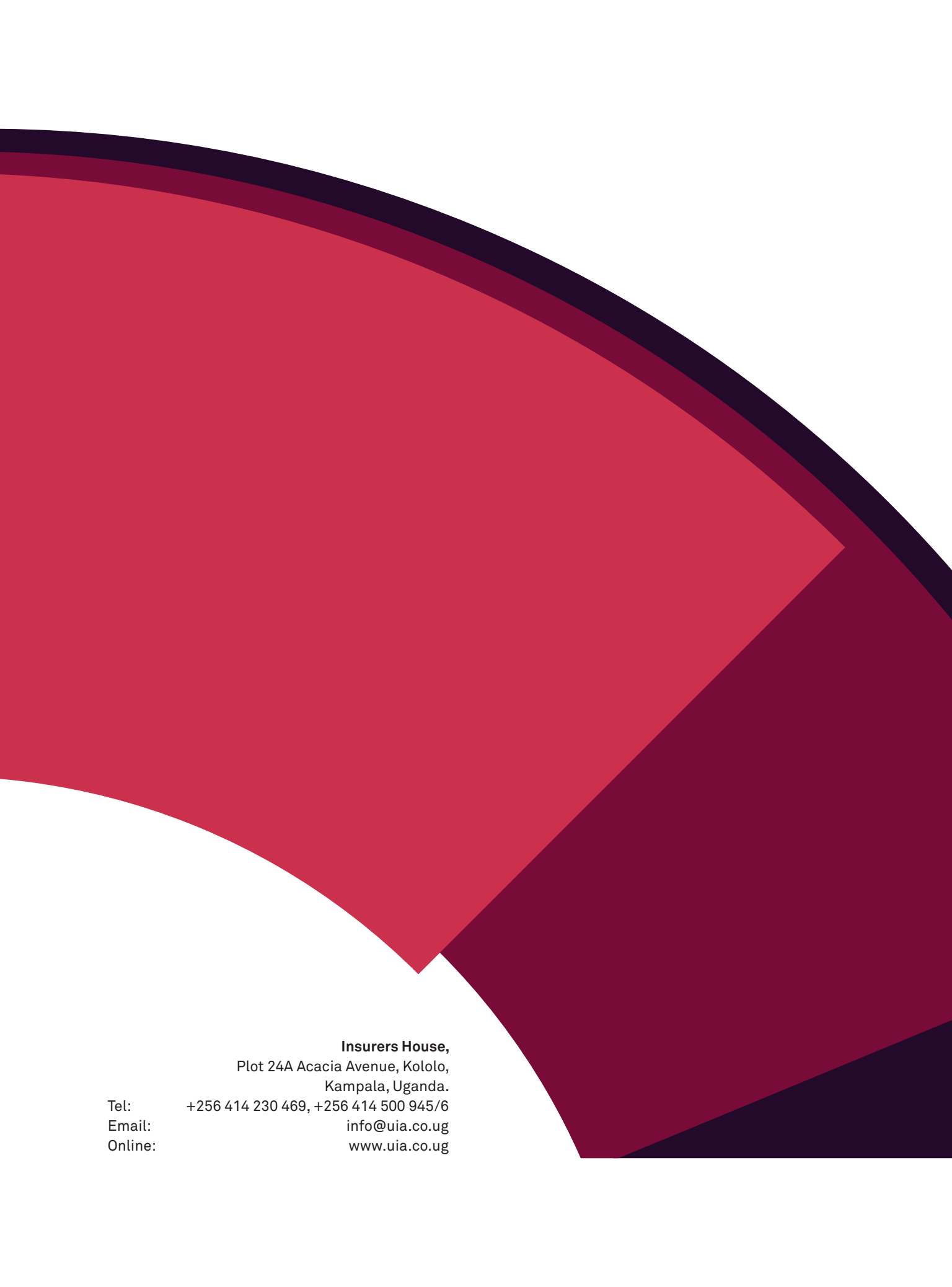
No	Name	15 Sittings
1	Mr. Ronald Musoke	13
2	Mr. Joan Mwendha	5
3	Mr. Anthony Kibe	9
4	Mr. S. Srikant	12
5	Mr. Remmy Ssebukera	3
6	Mr. Abbey Luwano	Secretary

CLUB COMMITTEE

	Name	4 Sittings	
1	Mr. Deepak Pandey	3	Insurer
2	Mr. Azim Tharani	2	Insurer
3	Mr. Bayo Folayan	-	Insurer
4	Mr. Newton Jazire	-	Insurer
5	Mr. Joseph Almeida	1	Insurer
6	Mr. Ronald Musoke	4	Insurer
7	Mr. David Kuria	2	Insurer
8	Mr. Gary Corbit	-	Insurer
9	Mr. Maurice Amagola	2	Broker/Chairman
10	Mr. Latimer Mukasa	-	Broker
11	Mr. Solomon Rubondo	1	Broker
12	Mr. James Osumo	1	Broker
13	Mr. Grace Sekakomo	2	Broker
14	Mr. Paul Muhame	3	Broker
15	Mr. Alex Makata	3	Broker
16	Mrs. Irene Kego	1	Broker
17	Ms. Miriam Magala	4	UIA
18	Mr. Dorcus Maclean	3	UAIB/Secretary







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