

INSURANCE REGULATORY AUTHORITY OF UGANDA (IRAU)

PLOT 5 KYADONDO ROAD

2ND FLOOR BLOCK B LEGACY TOWERS

P.O. BOX 22855

KAMPALA

GUIDELINES FOR BEING LICENSED AS AN INSURER/REINSURER IN UGANDA

1.0 PRELIMINARIES

1.1 Before a firm may file an application for licensing, it has to fill a registration form, available at the IRAU or downloadable [here](#), and pay a registration fee of Shs.1,000, 000/=.

1.2 In the registration form, the following information will be required:

- (i) The name and address of the company/firm.
- (ii) The legal status (e.g. limited company, Mutual Insurance Company, co-operative insurance society, an insurance corporation etc). Also, you indicate whether the firm is local or foreign.
- (iii) The physical location of the proposed Head Office showing the plot No., the street, town, telephone number, fax, postal address and email address.
- (iv) The physical location of the proposed Branch offices showing the information as in (iii) above.
- (v) Date and Number of incorporation/registration
 - Attach a copy of the Certificate of Incorporation/Registration and a copy of the Memorandum and Articles of Association.
 - In case of a Mutual company, also attach instruments of subscription for members.
 - In case of a Cooperative insurance society, attach bye-laws.
 - In case of a parastatal, attach law establishing it.
- (vi) Nature of business (e.g. life insurance, non-life insurance or reinsurance).
- (vii) Date of commencement of business.
- (viii) Names, addresses, nationality, qualifications and occupation of Directors.
- (ix) Names, nationality and address of shareholders.
- (x) Names, qualifications and experience of Senior Executive and key Management staff (attach organization chart).

2.0 Licensing

2.1 After submitting the registration information/documents, the applicant i.e. insurer/reinsurer fills in an application form, available at the IRAU or downloaded at <http://www.ira.go.ug/insurancecompaniesform.pdf>, for an operating licence. The following information will be required:

- (i) The name of the applicant.
- (ii) Postal address of the Head Office.
- (iii) Telephone numbers, fax number, e-mail address.
- (iv) Physical address.
- (v) Name and address of auditors.
- (vi) Total number of employees (Management, Supervisory, others).
- (vii) Total number of agents who represent the insurer/re-insurer.
- (viii) Name and address of reinsurers/retrocessionaires.
- (ix) Share capital:
 - (a) authorized share capital
 - (b) paid-up share capital (local or foreign) of not less than:
 - Shs.3,000,000,000/= (Three billions), in case of life insurance business.
 - Shs.4,000,000,000/= (Four billions), in case of non-life insurance business.
 - Shs.10,000,000,000/=(Ten billions), in case of reinsurance business.
- (x) Evidence of deposit made under Section 7 of the Insurance Act (Cap 213) Laws of Uganda, 2000 (Insurance Act) i.e. establish and maintain a security deposit of at least 10% of the prescribed paid-up capital of the company, which shall be invested in Government Securities or any other investment as may be approved by the Authority on which the Authority shall have a lien.
- (xi) State the insurance business intended to be transacted i.e. life or non-life or both.
- (xii) Name and address of Actuary (in case of life business).
- (xiii) If any of the Directors/staff has been convicted of any offence in the past five years, he/she should give full details.
- (xiv) If any of the Directors/staff has been adjudged to be bankrupt or compounded with creditors, he/she should give full details.

- (xv) If any member of staff has been involved in the Management of any insurance or institution or financial institution which has been wound- up in the last five years, he/she should give full details.
- (xvi) The nature of interest of any member of staff in any institution licensed under the Insurance Act should be indicated.

2.2 In addition to the above, the following should be enclosed together with the application form:

- (i) Detailed and signed curriculum vitae of all directors and the Chief Executive Officer.
- (ii) Names, nationality and shareholding of shareholders.
- (iii) List of all branch offices, address and telephone numbers.
- (iv) Certified true copy of the applicants Memorandum and Articles of Association and the Certificate of Incorporation (or other documents by which the insurer is constituted).
- (v) Treaty Reinsurance arrangements proposed by the insurer and endorsed by reinsurers/reinsurance brokers which should be in compliance with Section 64 of the Insurance Act.
- (vi) In case of an application for first licence, a feasibility study for the next three year period of operation comprising the following information:

comprehensive cash-flow analysis;

- gross premium income and expenditure projection for each class of business; and
- assessment or evaluation analysis of the prospects and profits potential of the company for the next three years

which should be endorsed by the company's proposed auditors.

- (vii) Evidence of the deposit required by section 29(2)(j) of the Insurance Act with a Commercial Bank i.e. a sum equivalent to 20% of the security deposit to which Section 7 refers has been deposited in a Commercial Bank.
- (viii) List of all agents employed.
- (ix) A certified true copy of each type of policy of assurance or insurance which the company proposes to issue.
- (x) Evidence of membership to the Insurance Institute of Uganda.
- (xi) Detailed signed curriculum vitae of the management and technical staff (ensuring compliance with Reg. 11 of the Insurance Regulations 2002).
- (xii) The proposed premium rates and rating scales for each class of business.
- (xiii) List of principal partners of the actuaries and their qualifications.

- 2.3. If the form is satisfactorily filled and all the enclosures sent, the application is sent to the Technical Committee of the **Authority (Board)** for their consideration and thereafter to the full **Authority (Board)** which sits once every month. The IRAU may, however, in the process of considering the application, require other documents or information in addition to the submissions listed herein above.
- 2.4. Once the application is approved, a licence fee of Uganda Shs. 4,000,000/= is payable by Insurance Companies and Shs. 10,000,000 by Re-Insurance Companies.
- 2.5. On being licensed, the company will be required to become a member of the Insurance Institute of Uganda.