



THE REPUBLIC OF UGANDA

**THE INSURANCE (AMENDMENT) ACT, 2011**



THE REPUBLIC OF UGANDA

I SIGNIFY my assent to the bill.

*Museveni*

*President*

Date of assent: .....

*8<sup>th</sup> of July, 2011.*

Act

*Insurance (Amendment) Act*

2011

THE INSURANCE (AMENDMENT) ACT, 2011

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THE REPUBLIC OF UGANDA

**THE INSURANCE (AMENDMENT) ACT, 2011**

An Act to amend the Insurance Act; to provide definitions for the terms used in the Act; to provide for the regulation of health insurance, health membership insurance, micro insurance and bancassurance; to provide for the membership of the Insurance Institute of Uganda; to provide for the insurance training levy; to provide for the protection of the Authority from liability; to rename the Uganda Insurance Commission as the Insurance Regulatory Authority of Uganda; to provide for arbitration as an additional function of the Authority; to provide for the composition of the Authority; to provide additional grounds for winding up insurers; to provide for the establishment of the Policyholders' Compensation Fund; to establish the Insurance Appeals Tribunal; to provide for an increase in the fines and for related matters.

DATE OF ASSENT:

*Date of Commencement:*

2/9/2011

BE IT ENACTED by Parliament as follows:

## PART I—AMENDMENTS TO PART I OF THE PRINCIPAL ACT

**1. Amendment of section 1 of principal Act**

Section 1 of the Insurance Act, in this Act referred to as the principal Act, is amended by substituting for “risk inspectors” the words “risk managers”.

**2. Amendment of section 2 of principal Act**

Section 2 of the principal Act is amended—

- (a) by inserting the following definitions in the appropriate alphabetical order—

“actuary” means a person who is a member, an associate or a fellow of a professional institute, faculty, society or association of actuaries, recognized as such by the Authority and who is authorised by that institute, faculty, society or association to certify actuarial valuations of life insurance business;

“admitted assets” includes any properties, security, items or interest of a person but does not include—

- (a) unsecured loans;
- (b) mortgaged assets;
- (c) unpaid premium which is due by more than three months;
- (d) intangible assets;
- (e) prepaid preliminary expenses;
- (f) assets held outside Uganda, except assets owed by foreign re-insurers;
- (g) any other assets as may be determined by the Authority;

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“admitted liabilities” means liabilities shown as current contingents or as prospective liabilities in the accounts of an insurer and includes liabilities in respect of a policy of long term insurance business, but does not include—

- (a) liabilities in respect of share capital;
- (b) liabilities in respect of such matters as the Authority may by notice on writing direct;

“claim settling agent” means a person licensed under this Act to undertake the business of settling and negotiating the settlement of an insurance claim, on behalf of an insurer, under a policy issued by the insurer within or outside Uganda;

“currency point” has the value assigned to it in Schedule 1;

“director” means a director of the governing body of an insurer, a broker or an adjuster;

“document” includes accounts, deeds, letters, writings, books and any other records of information however compiled, recorded or stored, whether in a written or printed form, on microfilm or in any other form;

“health insurance organisation” means a person engaged in the business of undertaking liability in respect of funding healthcare, by way of insurance;

“health membership organisation” means a person engaged in the business of undertaking liability in respect of funding healthcare, by way of membership;

“insurance surveyor” means a person who engages in surveying risks and in advising on the rate and terms and conditions of premiums;

“licence” means a licence issued under this Act;

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“life insurance fund” means the total of the reserves specified under section 47 (3);

“loss assessor” means a person licensed under this Act to undertake the business of assessing and investigating losses and who may settle losses on behalf of an insurer or an insured;

“micro insurance” means insurance for the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of risk involved;

“non-life insurance fund” means the total of reserves specified under section 47 (2);

“person” includes any company or association or body of persons corporate or unincorporated;

“premium” means the consideration for entering into an insurance contract;

“principal officer” means an officer responsible for the general control and supervision of the insurance business of a person licensed under this Act;

“risk manager” means a person who does the business of minimising losses which arise from unforeseen events and who minimises the cost of the losses by arranging physical or financial measures through insurance or any other means;

“Tribunal” means the Insurance Appeals Tribunal established under Part VIII A of this Act;”;

(b) by substituting for the definition of “loss adjuster” the following—



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““loss adjuster” means a person registered under this Act to undertake the business of professional loss adjustment for and on behalf of an insurer, an insured or any other person and who may in addition settle claims on behalf of an insurer;”;

- (c) by repealing the definition of “commission” and replacing it in the appropriate place, with the following new definition—

““Authority” means the Insurance Regulatory Authority of Uganda established under Part II of this Act;”.

**3. Amendment of section 5 of principal Act**

Section 5 of the principal Act is amended—

- (a) by renumbering the existing provision as (1);
- (b) by inserting immediately after paragraph (b) (xiii), the following—

“(xiiia) health insurance;

(xiiib) health membership;

(xiiic) micro insurance;

(xiiid) bancassurance;”;

- (c) by inserting immediately after paragraph (c) the following—

“(2) No person shall transact the business of life insurance and non-life insurance as a composite company.”

**4. Amendment of section 6 of the principal Act**

Section 6 of the principal Act is amended—

- (a) by inserting in subsection (1), the words "maintained at all times" between the words "has' and "a";

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- (b) by inserting in subsection (2) the words “maintained at all times” between the words “has’ and “a”;
- (c) by inserting immediately after subsection (3), the following—

“(3a) Notwithstanding subsections (1) and (2), a health insurance organisation, a health membership organisation, a micro insurance organisation or an insurance company set up for the purposes of regional cooperation shall have a paid up capital as may be prescribed by regulations.”

**5. Amendment of section 7 of principal Act**

Section 7 of the principal Act is amended—

- (a) by substituting for subsection (1) the following—

“(1) Every insurer shall hold in an account maintained by the insurer for the purpose, a security deposit of at least 10 per cent of the capital of the insurer.”;

- (b) by substituting for subsection (3) the following—

“(3) The deposits made under subsection (1) shall be invested by the insurer in Government securities or any other investment as may be approved by the Authority.”

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**6. Amendment of section 8 of principal Act**

Section 8 of the principal Act, is amended by substituting for “10 percent” appearing in paragraph (a), “50 percent”.

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**7. Amendment of section 11 of principal Act**

Section 11 of the principal Act is amended by inserting immediately after subsection (2), the following—

“(3) A member of the board of directors of an insurance company shall not at the same time serve as a member of the board of directors of another insurance company or of an insurance brokerage company in Uganda.”

*✓ IB ⇒ 10%  
✓ BB.*

**8. Amendment of section 12 of principal Act**

Section 12 of the principal Act is amended by substituting for “as an officer” appearing in subsection (1), the words “for an insurance company”.

## PART II—AMENDMENTS TO PART II OF THE PRINCIPAL ACT

**9. Amendment of section 14 of the principal Act**

Section 14 of the principal Act is amended by substituting for “a Uganda Insurance Commission” the words “the Insurance Regulatory Authority of Uganda”.

**10. Amendment of section 15 of principal Act**

Section 15 of the principal Act is amended—

- (a) by substituting for subsection (2) (c) the following—

“(c) approve texts of policies and proposal forms;”;

- (b) by substituting for subsection (2) (f) the following—

“(f) receive complaints from members of the public on the conduct of a person licensed under this Act and arbitrate and grant restitution to the complainant, as may be possible;”.

**11. Amendment of section 17 of principal Act**

Section 17 of the principal Act is amended—

- (a) by inserting immediately after subsection (1) (b), the following new paragraph—

“(ba) a representative of the Ministry responsible for finance, who shall be at the rank of director;”;

- (b) by substituting for subsection (1) (c) the following—

“(c) the Chief Executive Officer, who shall have no voting rights;”;

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(c) by substituting for subsection (1) (d) the following—

“(d) a representative of the Governor of the Bank of Uganda;”;

(d) by substituting for subsection (1) (e) the following—

“(e) a representative of the Insurance Institute of Uganda, who shall not be a director, employee or shareholder of any insurer, intermediary, loss assessor or loss adjustor;”;

(e) by substituting for subsection (1) (f) the following—

“(f) a person nominated by the Minister responsible for health, who shall not be a director, employee or shareholder of any person licensed under this Act;”;

(f) by inserting immediately after subsection (5) the following—

“(6) A member of the Authority shall not disclose any information, or use any proprietary information, concerning a person licensed under this Act, obtained in the course of performance of his or her duties as a member of the Authority, for the purposes of attaining a business advantage or personal financial gain.”

**12. Amendment of section 21 of principal Act**

Section 21 of the principal Act is amended by inserting immediately after subsection (2) the following—

“(2a) The Chief Executive Officer shall hold office for a term of five years and shall be eligible for reappointment.

(2b) The Chief Executive Officer shall be removed from office where he or she—

(a) is guilty of grave misconduct or willful neglect in the discharge of his or her duties;

*\*How?*  
*\*substitute's business association*

- (b) is adjudged bankrupt or fails to make any arrangements or composition with his or her creditors;
- (c) becomes of unsound mind;
- (d) is convicted of a criminal offense which affects his or her position as the Chief Executive Officer;
- (e) becomes permanently incapacitated by accident or ill health from performing his duties for a period of six consecutive months or an aggregate period of nine months in a financial year; or
- (f) fails to perform his or her duties and obligations as specified in the terms and conditions specified by the Authority.”

**13. Amendment of section 22 to principal Act**

Section 22 of the Principal Act, is amended by substituting for the word “Secretary to the Commission” the word “Secretary to the Authority”.

**14. Amendment of section 24 of principal Act**

Section 24 of the principal Act, is amended by substituting for “the central bank” appearing in subsection (3), the word “Government”.

**15. Amendment of section 25 of principal Act**

Section 25 of the principal Act, is amended by substituting for “central bank” appearing in paragraphs (a) and (b), the word “Minister”.

**16. Amendment of section 26 of principal Act**

Section 26 of the principal Act, is amended by substituting for subsection (2) the following—

“(2) The accounts and records of the Authority shall be kept in accordance with the Public Finance and Accountability Act, 2003.”

## PART III—AMENDMENTS TO PART III OF THE PRINCIPAL ACT

**17. Amendment of section 29 of the principal Act**

Section 29 of the principal Act is amended by inserting at the end of subsection (2)(h) the words, “certified by an auditor approved by the Authority;”.

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financial plans,  
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**18. Amendment of section 32 of principal Act**

Section 32 of the principal Act is amended by substituting for subsection (2) (b) the following—

“(b) may be renewed on application, in the prescribed form and after payment of the prescribed fees; and”.

**19. Amendment of section 33 of principal Act**

Section 33 of the principal Act, is amended—

(a) by substituting for subsection (1) (c) the following—

“(c) the relevant minimum prescribed paidup capital or security deposit requirements specified in Part 1 of this Act, have not been complied with by the insurer or that the net assets of the insurer are below the minimum prescribed paid up capital;”;

(b) by repealing the word “first” appearing in subsection (1) (f);

(c) by inserting immediately after subsection (1) (j), the following—

“(k) the insurer has refused or failed to abide by the decision of the Authority, to settle a claim or complaint in accordance with section 15 (2) (f).”;

(d) by substituting for subsection (5) the following—

“(5) An insurer may within thirty days from the receipt of the communication of the Authority of the suspension or revocation of his or her licence, appeal to the Tribunal”;

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(e) by substituting for subsection (8) the following—

“(8) The Authority shall publish in the Gazette and a newspaper widely read by the people in the area where the registered office of the affected insurer is located, any revocation or suspension of the licence of the insurer or any reinstatement or relicensing of the affected insurer, as soon as is practicable.”

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**20. Insertion of section 33A to principal Act**

The principal Act is amended by inserting immediately after section 33, the following—

**“33A. Licensing of health insurance organisations and health membership organisations**

(1) A person proposing to transact business as a health insurance organisation or a health membership organisation shall be licensed as such by the Authority.

(2) Health insurance organisations and health membership organisations shall be regulated in accordance with regulations made under this Act, in consultation with the Minister responsible for health and other stakeholders.”

PART IV—AMENDMENTS TO PART IV OF THE PRINCIPAL ACT

**21. Amendment of section 34 of principal Act**

Section 34 of the principal Act, is amended—

(a) by substituting for subsection (1) the following—

“(1) An insurer shall not allow credit on the premium payable for more than thirty days from the date of the inception or renewal of the policy and may, subject to the provisions of the policy, opt out of the risk, except where the business emanated from an insurance broker licensed under this Act.

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except  
brokers?

- (b) by inserting immediately after subsection (2) the following—

“(3) Where an insurer allows credit on premium under a policy, the insurer shall be liable to pay any claims that may arise from the policy.”

**22. Amendment of section 37 of principal Act**

Section 37 of the principal Act is amended—

- (a) by renumbering the existing provision as (1);
- (b) by inserting immediately after subsection (1) the following—

“(2) An insurer who violates this section is liable to a fine of twenty percent of the premium received or the fine imposed under section 97 (4) (b), whichever is higher.”

**23. Amendment of section 40 of the Principal Act**

Section 40 of the principal Act is amended by substituting for "intermediary" the words "any other person".

**24. Repeal of section 41 of principal Act**

Section 41 of the principal Act is repealed.

**25. Amendment of section 42 of principal Act**

Section 42 of the principal Act is amended—

- (a) by substituting for subsection (1) (a) the following—

“(a) a loan on a life policy limited to the policy's surrender value, where the right to borrow the same amount is also provided to the other policy holders of that class; or”;

- (b) by inserting immediately after subsection (1) the following—



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“(1a) Notwithstanding subsection (1), the total aggregate of the loan given to a director of an insurer shall not exceed ten percent of the paid up capital of the insurer.”

**26. Amendment of section 44 of principal Act**

Section 44 of the principal Act, is amended by substituting for subsection (1) (b) the following—

“(b) in the case of non-life insurance business or reinsurance, the admitted assets of the insurer shall exceed the greater of—

(i) the admitted liabilities of the insurer, by a minimum of fifteen percent of the premium income, net of reinsurance sessions; or

(ii) such sum as may be prescribed by the Authority, in consultation with the Minister.”

**27. Repeal of subsection (1) of section 46 of principal Act**

Subsection (1) of section 46 of the principal Act is repealed.

**28. Amendment of section 47 of principal Act**

Section 47 of the principal Act, is amended—

(a) by substituting for the words “unexpired risks” appearing in subsections (1) and (2) the words, “unearned premiums”;

(b) by substituting for subsection(2)(b) the following—

“(b) reserves for outstanding claims, a sum equal to the total estimated amount of all outstanding reported claims together with an additional amount of not less than 15 per cent of the total amount of outstanding reported claims, in respect of claims incurred but not reported at the end of the last preceding year or such amount as the Authority may determine;”;

- (c) by inserting at the end of subsection (2)(c) the following—  
“or such other amount as the Authority may decide”.

**29. Amendment of section 49 of principal Act**

Section 49 of the principal Act, is amended—

- (a) by substituting for subsection (1) the following—  
“(1) An insurer shall within ninety days after the end of the financial year, prepare and furnish to the Authority, in the prescribed form—
- (b) by repealing paragraph (a) of subsection (1);
- (c) by inserting immediately after subsection (1) the following—  
“(1a) An insurer shall within one hundred and twenty days after the end of each financial year, prepare and furnish to the Authority, in the prescribed form, a certificate as to the insolvency of the insurer, signed in the case of the life insurer by an actuary or any other person authorised by the Authority.”;
- (d) by substituting for subsection (2) the following—  
“(2) An insurer shall each year furnish the Authority, as may be required by the Authority, with all essential information regarding its capitalisation, its reserves, the classes of insurance business it carries on and such other information as the Authority may require.”

**30. Amendment of section 51 of principal Act**

Section 51 of the principal Act, is amended—

- (a) by substituting for subsection (3) the following—  
“(3) The auditor shall—

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- (a) not be an employee, manager, director or shareholder of the insurer;
  - (b) maintain a professional indemnity policy, as may be determined by the Authority;
  - (c) be a member of Institute of Certified Public Accountants of Uganda; and
  - (d) audit the accounts of the insurer in an independent and impartial manner.”;
- (b) by inserting immediately after subsection (3) the following—

“(3a) The auditor of an insurer shall not audit the accounts of the insurer for a continuous period of more than four years and shall not be eligible for reappointment as auditor, within the proceeding four years.”

**31. Amendment of section 55 of principal Act**

Section 55 of the principal Act, is amended—

- (a) by substituting for “three years” appearing in subsection (1) the words “ninety days”;
- (b) by substituting for subsection (3) the following—

“(3) The insurer shall, within one hundred and twenty days after the end of a financial year, send a copy of the report submitted to him or her under subsection (1), to the Authority.”

\* Too short.

\* Amended to 90 days  
\* after election.

PART V—AMENDMENTS TO PART V OF THE PRINCIPAL ACT

**32. Amendment of section 59 of principal Act**

Section 59 of the principal Act is amended by substituting for “one hundred and twenty days” the words “ninety days”.

**33. Amendment of section 64 of principal Act**

Section 64 of the principal Act, is amended—

- (a) by substituting for the words in the marginal note, “Mandatory reinsurance placements with international and national organisations”;
- (b) by inserting immediately after subsection (1) (b), the following—
  - “(c) a reinsurance company incorporated under the laws of Uganda, fifteen percent of its reinsurance cessions;”;
- (c) by substituting for subsection (2) the following—
  - “(2) The provisions of subsection (1) shall not affect the right of Africa-Re, ZEP-RE or the reinsurance company incorporated under subsection (1) (c), to accept or decline all or any part of the minimum reinsurance cessions offered or placed by any insurer or reinsurer.”;
- (d) by substituting for “central bank” appearing in subsection (3), the word “Minister”;
- (e) by inserting immediately after subsection (4) the following—
  - “(5) The reinsurance company incorporated in accordance with subsection (1) (c) shall have as its shareholders all the insurers licensed under this Act, except an insurer that does not wish to be a shareholder of the reinsurance company.
  - (6) The shareholding of the reinsurance company and any changes to the shareholding shall be approved by the Authority.
  - (7) An insurer shall first place reinsurance business with an organisation or company mentioned in subsection (1) or an insurance company licensed under this Act, to the maximum extent possible, before placement of the business outside Uganda.”

## PART VI—AMENDMENTS TO PART VII OF THE PRINCIPAL ACT

**34. Amendment of section 71 of principal Act**

Section 71 of the principal Act, is amended—

- (a) in subsection (2)(b), by substituting for the word "and", the word "or";
- (b) by inserting immediately after subsection (2) (c) the following—
  - “(d) the insurer is not able to meet its obligations to a policyholder under an insurance contract; or
  - (e) the Authority believes that it is just and equitable and in the interests of the policyholders to wind up the insurer.”

## PART VII—INSERTION OF PART VII A TO THE PRINCIPAL ACT

**35. Insertion of Part VIIA to principal Act**

There is inserted immediately after Part VII of the principal Act, the following—

“PART VII A—COMPENSATION FOR POLICYHOLDERS OF INSOLVENT  
INSURER

**71A. Policyholders' Compensation Fund**

- (1) There is established a Policyholders' Compensation Fund.
- (2) The Policyholders' Compensation Fund shall be managed by a board of trustees.
- (3) The members of the board of trustees shall be appointed by the Minister.
- (4) The composition and the terms and conditions of service of the board of trustees shall be prescribed by regulations made by the Minister.

(5) The money of the Policyholders' Compensation Fund shall consist of—

- (a) premium levied upon insurers licensed under this Act, as may be prescribed;
- (b) loans obtained by Government;
- (c) grants, gifts and donations; and
- (d) money from any other source, approved by the Minister in writing.

(6) The money of the Policyholders' Compensation Fund shall be used to compensate the policyholders of an insolvent insurer.”

PART VIII—AMENDMENTS TO PART VIII OF THE PRINCIPAL ACT

**36. Amendment of section 78 of principal Act**

Section 78 of the principal Act, is amended by substituting for subsection (5) the following—

“(5) A person aggrieved by a suspension of a licence under this section, may within thirty days from the receipt of the communication of the suspensions from the Authority, appeal to the Tribunal.”

**37. Amendment of section 79 of principal Act**

Section 79 of the principal Act, is amended—

- (a) by substituting for “with the central bank as a security deposit” appearing in subsection (1), the words “as security deposit”;
- (b) by inserting immediately after subsection (1), the following—

“(1a) The deposit made under subsection (1) shall be considered part of the assets in respect of the capital, of the insurance broking company.

(1b) The deposits made under subsection (1) shall be invested by the insurance broking company in Government securities or in any other investment as may be approved by the Authority, and on which the Authority shall have a lien.

(1c) The security deposit made under subsection (1) shall be available to the insurance broking company in accordance with section 8.

(1d) Any income that may accrue from the security deposit shall be payable to the insurance broking company that makes the security deposit.”

**38. Amendment of section 80 of principal Act**

Section 80 of the principal Act, is amended—

- (a) in paragraph (a), by substituting for “municipal employee” the words “an employee of a local government”;
- (b) by repealing paragraph (b) (iii);
- (c) by renumbering the existing provision as (1);
- (d) by inserting immediately after subsection (1) the following—

“(2) An insurance agent shall not act for two or more insurers transacting the same class of insurance business.

(3) For the avoidance of doubt, an insurance agent may act for one insurer transacting life business and one insurer transacting non life business but not for two or more insurers transacting the same class of insurance business.

(4) Subsection (2) shall not apply to bancassurance.”

§ 32 amending 82A

**39. Insertion of section 82A to principal Act**

The principal Act is amended by inserting immediately after section 82 the following—

**“82A. Auditing of accounts and auditors.**

(1) The accounts of every insurance broker, risk manager, loss assessor, loss adjuster, insurance surveyor and claim settling agent shall be audited annually by an auditor approved by the Authority.

(2) An auditor shall not act as such, under subsection (1), for a continuous period of more than four years.”

**40. Amendment of Section 83 of the Principal Act**

Section 83 of the principal Act is amended by inserting immediately after subsection (2) the following—

“(3) A risk manager, loss assessor, loss adjuster, insurance surveyor and claim settling agent shall, in accordance with international financial reporting standards adopted by the Institute of Certified Public Accountants of Uganda, keep proper books of accounts for all the income and expenditure of the risk manager, loss assessor, loss adjuster, insurance surveyor or claim settling agent.”

**41. Insertion of section 83A to principal Act**

The principal Act is amended by inserting immediately after section 83 the following—

**“83A. Authority to inspect insurance brokers, loss assessors and loss adjusters**

(1) The Authority shall inspect the affairs of insurance brokers, loss assessors and loss adjusters at least once, every three years.

(2) The Authority may, at any time before the expiry of three years, inspect the affairs of an insurance broker, a loss assessor or a loss adjuster where the Authority has reason to believe that—



- (a) the interests of the policyholders or shareholders of the insurer or of members of the public may be prejudiced;
  - (b) the insurance broker, loss assessor or loss adjuster is unable to meet his or her obligations under this Act;
  - (c) the insurance broker, loss assessor or loss adjuster has not complied with this Act.
- (3) The Authority may appoint a competent person to carry out an inspection under this section, on its behalf.
- (4) A person appointed to carry out an inspection under this section may question an insurance broker, loss assessor or loss adjuster or an officer of any of these persons, under oath.
- (5) The Authority shall inform the insurance broker, loss assessor or loss adjuster of the conclusions reached following the inspection and for the purpose of remedying the defects identified by the inspection, may require the insurance broker, loss assessor or loss adjuster to comply, within a period the Authority may specify, with any directive it may issue."

**42. Amendment of section 87 of principal Act**

Section 87 of the principal Act, is amended by inserting immediately after subsection (1) the following—

"(1a) Where an insurance broker does not pay a premium collected, as required under subsection (1), the insurance broker shall within fourteen days after the expiry of the period specified for making the payment, submit to the insurer, the details of the client from whom the premium is collected.

(1b) Where a premium continues to be outstanding sixty days after it is due, the policy shall be voidable at the instance of the insurer.

(1c) The insurance broker shall be required to pay the premium which is due and interest on the premium, to the insurer and a penalty to the Authority, at rates to be determined by the Authority.

(1d) An insurance broker who does not pay to the insurer a premium collected on behalf of the insurer, commits an offence and shall on conviction be liable to a fine of not less than five hundred currency points.”

#### 43. Replacement of section 89

For section 89 of the principal Act, there is substituted the following—

##### “89. Loans to insurance agents

No insurance agent shall, without the prior approval of the Authority, have at any time, a loan outstanding to an insurance company, which is in the excess of an aggregate of one hundred currency points.”

#### PART IX—INSERTION OF PART VIII A TO THE PRINCIPAL ACT

#### 44. Insertion of new Part VIII A

The principal Act is amended by inserting a new Part VIII A as follows—

##### “PART VIII A—THE INSURANCE APPEALS TRIBUNAL

##### 92A. Insurance Appeals Tribunal.

(1) There is established a tribunal known as the Insurance Appeals Tribunal.

(2) The Tribunal shall consist of three persons, one of whom shall be a lawyer with adequate experience.

(3) One of the members of the Tribunal shall be a woman.

(4) The Minister shall appoint one of the members to be the Chairperson of the Tribunal.

(5) The Tribunal shall conduct its business on an ad hoc basis.

**92B. Tribunal to review decisions of the Authority.**

(1) A person who is aggrieved by a decision of the Authority, may within one month from the date the decision is communicated by the Authority, appeal to the Tribunal against the decision.

(2) The Authority shall not decide any matter brought before it without giving the appellant an opportunity to be heard.

**92C. Decisions of the Tribunal**

(1) The Tribunal may uphold, reverse, revoke or vary a decision of the Authority.

(2) A decision of the Tribunal shall be in writing and shall be communicated within two months after an appeal is made to the Tribunal.

**92D. Appeals to High Court from decisions of Tribunal**

A party to the proceedings before the Tribunal who is aggrieved by the decisions of the Tribunal, may within one month from the date of communication of the decision of the Tribunal, or within such further time as the High Court may allow, lodge a notice of appeal with the High Court.

**92E. Expenses of the Tribunal**

The Authority shall bear the expenses for the administration of the Tribunal.

**92F. Regulations under this Part**

(1) The Minister shall make regulations for the better carrying out of the provisions of this Part.

(2) The regulations made under this Part shall be laid before Parliament.”

## PART X—AMENDMENTS TO PART IX OF THE PRINCIPAL ACT

**45. Replacement of section 94 of the Principal Act**

For section 94 of the principal Act, there is substituted the following—

**“94. Insurance Institute of Uganda**

(1) Every person licensed under this Act shall be a member of the Insurance Institute of Uganda.

(2) Every insurer shall remit to the Insurance Institute of Uganda the levy mentioned in section 94A.

(3) The levy remitted under subsection (2) shall be used by the Insurance Institute of Uganda for training and certification of training programmes of the persons licences under this Act.

(4) The Insurance Institute of Uganda shall within ninety days from the end of each financial year, file with the Authority, the audited accounts of the Institute, for the preceding year.

(5) The accounts of the Insurance Institute of Uganda shall be audited by an auditor approved by the Authority.”

**46. Insertion of section 94A to principal Act**

The principal Act is amended by inserting immediately after section 94 the following—

**“94A. Insurance training levy**

(1) Each insurer shall pay a levy on the gross direct premium written by the insurer.

(2) The levy shall be charged on the policyholders and collected by the insurers.

(3) The levy shall be at a rate prescribed by the Authority, in consultation with the Minister.

**47. Amendment of section 95 of principal Act**

Section 95 of the principal Act, is amended by substituting for "fifty thousand shillings" appearing in subsection (2), the words "fifteen currency points".

**48. Insertion of section 96A to principal Act**

The principal Act is amended by inserting immediately after section 96 the following—

**"96A. Protection from liability**

(1) A member of the Authority shall not be personally liable in respect of any act or omission done in good faith in the performance of his or her functions under this Act.

(2) An officer, a member of staff or any other person acting on behalf of the Authority shall not be personally liable in respect of any act or omission done in good faith in the performance of his or her functions under this Act."

**49. Amendment of section 97 of principal Act**

Section 97 of the principal Act, is amended—

- (a) by substituting for "two years" appearing in subsection (2), the words "five years";
- (b) by substituting for subsection (3) (c) the following—

"(c) is privy to furnishing of any false information under this Act commits an offense and is liable on conviction to a fine of not less than one hundred and fifty currency points";
- (c) by substituting for subsection (4) (b) the following—

"(b) a fine of not more than five hundred currency points;";
- (d) by substituting for subsection (5) (b) the following—

"(b) a fine of not more than twenty five currency points;".

**50. Amendment of section 98 of principal Act**

Section 98 of the principal Act, is amended by inserting immediately after paragraph (g) the following—

- “(ga) relating to microinsurance;
- (gb) providing for the corporate governance of persons licensed under this Act;
- (gc) relating to health insurance organisations and health membership organisations;
- (gd) providing for inspections to be carried out under this Act;
- (ge) relating to the Policyholders’ Compensation Fund;
- (gf) relating to the use of the fines levied against the persons licenced under this Act;
- (gg) for prescribing for anything required by this Act to be prescribed;”.

**PART XII—MISCELLANEOUS AMENDMENTS****51. Insertion of new Schedule 1 in principal Act**

There is inserted immediately after section 98, the following—

“Schedule 1

Section 2

Currency point

A currency point is equivalent to twenty thousand shillings.”

**52. Amendment of Schedule to principal Act**

The Schedule to the principal Act is amended—

- (a) by renumbering the Schedule as Schedule 2;
- (b) in paragraph 1, by substituting for the words "each month", the words "every three months".

**53. Miscellaneous amendments to principal Act**

The principal Act is amended —

- (a) by repealing the word "commission" wherever it appears in the principal Act and substituting in each case, the word "Authority";
- (b) by repealing the words "commissioner for insurance" wherever they appear in the principal Act and substituting in each case, the words "Chief Executive Officer";
- (c) by substituting for all reference to shillings in the principal Act, reference to currency points converted at the rate provided in Schedule 1.

**54. Transitional provisions**

(1) The amendments made by section 3 (c) of this Act shall come into effect at the expiry of three years after the commencement of this Act.

(2) The amendments made by section 11 of this Act shall not apply to the members of the commission in existence, immediately before the coming into force of this Act.