

# Insurers betting on data, digital tools to transform health cover

After decades stuck at 1 percent coverage, health insurance is being rebooted by Smart Insure by digitising claims and pricing.

## Insurance. |

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For decades, health cover has remained the preserve of a tiny urban minority: fewer than half a million people insured, a penetration rate stuck around one percent, and a system weighed down by paperwork, inconsistent pricing, and fraud.

The result has been predictable: millions of Ugandans still pay out of pocket whenever illness strikes, while insurers struggle to price accurately and control claims.

Now, a new wave of digital innovation is pushing the sector into a different era, one that promises wider access, smarter pricing, and a rebuild of trust between insurers, hospitals, and patients.

The shift is being driven by the growing use of end-to-end digital platforms that are beginning to change how medical insurance is bought, administered, and used.

At the centre of this transition is a partnership between Uganda Insurers' Association (UIA) and Smart Applications International, the firm behind a digital health insurance ecosystem known as Smart Insure.

The platform is designed to cover the whole insurance cycle, from quotations and underwriting to policy issuance, administration, and claims, bringing what has historically been a fragmented and manual process into one connected system.

Jonan Kisakye, the UIA chief executive officer, says this is precisely what the industry has been missing.

Medical insurance, he notes, generates some of the highest premium volumes in the sector, but it also carries the heaviest claims burden. Yet, for years, it has been run through largely manual operations, leaving room for slow processing, limited transparency, and abuse.

A full digital workflow, he argues, changes the game by ensuring every step is captured, verified, and traceable in real time.

With transactions tracked at the point



IRA data shows there has been some good growth in individual medical insurance and microinsurance policies. PHOTO / FILE

of service, companies can make faster decisions, flag irregular claims early, and intervene before losses spiral.

Fraud, one of the industry's most persistent drains, becomes harder to hide in a system where data flows instantly and consistently across providers.

But the platform's promise goes beyond policing claims. For years, insurers have been sitting on mountains of customer and claims data without the tools to use it properly.

Smart Insure's analytics layer aims to unlock that value, allowing companies to study utilisation patterns, detect risk trends, and build products that actually match the country's health needs. Better data should also allow more

### Key data

## 402,405

IRA data shows that individual medical insurance policies rose from 352,395 in the second quarter of 2024 to 402,405 in the same period in 2025, a 14.2 percent increase.

## 111,856

Between the second quarter of 2024 and the second quarter of 2025 microinsurance policies nearly doubled from 62,220 to 111,856.

accurate premium pricing, balancing affordability for customers with sustainability for insurers.

Pricing remains one of the biggest barriers to growth. Many low-income earners have long viewed medical insurance as something designed for "other people."

Yet digitised risk assessment and product design could allow insurers to offer simpler, cheaper covers tailored to different income bands, rather than one-size-fits-all plans that price the majority out of the market.

Judith Mugoya, the country manager of Smart Applications International, says inclusivity is built into the model. Members can access services using a virtual card on the mobile app or

through fingerprint identification at health facilities.

For those without smartphones, the system also supports basic feature phones, an important detail in a country where smart devices are rising, but not universal. The platform is also making a strong push into microinsurance, targeting households earning as little as a dollar a day.

By digitising community savings groups and informal health-support schemes, Smart Insure hopes to formalise what already exists culturally, collective protection, and convert it into affordable health cover for vulnerable families.

### Cash payments and goodwill

If it succeeds, it could bring medical insurance to segments that have traditionally relied solely on cash payments and goodwill.

What makes the moment more than hype is that demand is already moving. The Insurance Regulatory Authority's 2025 half-year performance report shows individual medical insurance policies rising from 352,395 in the second quarter of 2024 to 402,405 in the same period in 2025, a 14.2 percent increase.

Over the same period, microinsurance policies nearly doubled from 62,220 to 111,856. These numbers suggest a market beginning to diversify beyond corporate schemes into mass-market and group-based cover.

In many ways, digitisation arrives at an economic necessity. Uganda's healthcare costs have been inching upward, while hospitals face pressure to serve a growing population.

As Smart Insure rolls out, it represents more than a tech upgrade. It signals a shift toward a more efficient, more trusted, and more inclusive medical insurance industry.

If it delivers on fraud control, data-driven pricing, and low-income access, the long-stalled health insurance market could finally open up, offering millions of households a different kind of security: not the promise of never falling ill, but the assurance that illness will not automatically mean ruin.