Business Daily

INSURANCE

Will the insurance sector finally size up to take its rightful place?

Early this month, the Insurance Regulatory Authority licensed 144 entities across the insurance spectrum, to conduct business.

Insurance. |

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If 2025 set the pace for the insurance sector, 2026 will be the year to crystalise what failed.

Early this month, the Insurance Regulatory Authority (IRA) published a list in which it authorized 144 entities across the insurance spectrum, to conduct business.

The number reflects an addition of just one player on 143 firms that were licenced in 2025 and a modest growth from the 139 firms licenced in 2024.

This underscores IRA's push to deepen competition, while maintaining prudential oversight.

In 2025, the insurance industry has been largely active, registering a number of mergers, consolidations and takeovers that could have tilted the dynamics of the industry.

There has also been one new entrant – AAR - in the general life category, which remains the single largest contributor of written premiums.

During 2025, Jubilee Allianz merged with Sanlam General, birthing an industry giant in the mold of SanlamAllianz, while Jubilee Health merged with Jubilee Life.

The 144 entities that are authorized to do business this year span the full spectrum of the insurance sector, including two reinsurance companies, 19 non-life insurers, nine life insurers, three microinsurance firms, one Takaful operator, and one Health Membership Organisation.

Others include five reinsurance brokers, 49 brokers, 22 bancassurance agents, and 33 loss assessors, adjusters, and risk advisors, players that collectively underpin risk distribution and claims management.

IRA data indicates that the insurance industry has continued to post growth in gross written premiums, driven largely by motor, medical, and life assurance products. Industry assets now run into trillions of shillings, reflecting rising capitalisation and increased regulatory emphasis on solvency and consumer protection.

However, insurance penetration remains below 1 percent, significantly lower than regional peers such as Kenya and South Africa.

Reports indicate that majority of Ugandans spend out of pocket for challenges such as illnesses yet insurance can offer sufficient mitigation measures. PHOTO / FILE

This remains a challenge, but provides an opportunity that needs to be exploited through innovation and digitisation.

IRA Chief Executive Officer Ibrahim Kaddunabbi Lubega, says the licensing goes beyond headline numbers, but demands that every approved firm must meet strict standards of compliance, integrity, and operational capacity.

"We expect licenced players to maintain the highest standards of professionalism and contribute meaningfully to the growth of our economy," he says.

IRA continues to ensure adherence to regulatory obligations to maintain a sound, efficient, fair, and transparent sector, while resolving complaints, protecting policyholders, and promoting public awareness about insurance.

Yet, despite the growing number of players, uptake remains modest. Stanbic Bank principal insurance manager Dogo Singh, says many Ugandans still operate without insurance, because of cost fears. Save for mandatory insurance policies such as motor third party, majority of Ugandans have never taken out an insurance cover.

Key figure

144

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Yet, policies such as health insurance shields families from catastrophic medical expenses.

A 2023 report by Financial Sector Deepening Uganda, indicated that majority of Ugandans spend out of pocket on health challenges, with many families, once faced with a challenge that requires a substantial amount of money, risking the possibility of sliding into poverty.

Other policies such as motor insurance cushions individuals against accidents on increasingly congested roads, while life insurance helps secure children's long-term welfare.

For businesses, specialised covers such as political violence and terrorism, fire, and business interruption insurance protect investments from shocks that can derail operations overnight.

However, the current growth, characterized by expanding footprint, combined with digital distribution, bancassurance partnerships, and microinsurance, positions the industry to play a larger role in economic resilience and financial inclusion.

"With 144 licensed players, the industry is better positioned to deepen penetration, broaden product offerings, and build public confidence," Singh says.

He also argues that for businesses and families, insurance is not just about mitigating risk, but it is about securing stability and enabling growth in a largely an unpredictable world.