

Why you need health insurance: The Old Mutual Insurance perspective

Health insurance coverage in Uganda remains below one percent despite rising healthcare costs and growing demand for quality medical care. Yet Old Mutual Uganda believes uptake could double within the next five years, driven by new products targeting individuals, families, Sacco members and borrowers. In an interview with *Daily Monitor's* Ronah Nahabwe, Old Mutual Head of Medical Insurance Dr Edrin Juuko explains why insurance penetration remains low, the barriers to affordability and how the industry can expand coverage.

Health insurance penetration in Uganda remains below one percent. Why are so few Ugandans covered?

The biggest challenge is that most Ugandans still pay for healthcare out of pocket. The data suggests that more than 70 percent of people meet their medical expenses directly whenever they fall sick. The problem is that healthcare costs are becoming increasingly expensive.

Take a simple Caesarean section in a private hospital. Depending on the facility, it can cost between Shs1.5 million and Shs4.5 million. These are costs many households are not prepared for.

Insurance exists because no one plans to fall sick. It works by pooling risks.

Many people contribute small amounts of money into a common pool and that fund is then used to cater for those who require treatment.

It means a person can access care worth much more than what they contributed as a premium.

The challenge is that many Ugandans still do not fully understand this concept, which partly explains why uptake remains low.

Yet you believe coverage can rise to 2 percent within five years. What gives you that confidence?

We are already seeing positive shifts in the market. Traditionally, medical insurance was largely viewed as a benefit for corporate employees. If you did not work for a company offering insurance, it was difficult to access cover.

That is changing. Today, individuals can buy their own medical insurance. Families can buy insurance.

We have digital channels where someone can go online and purchase a policy without going through an employer.

At the same time, incomes are gradually improving, financial literacy is increasing and more people are appreciating the value of protecting themselves against unexpected health costs.

We believe product innovation, greater awareness and wider distri-

Dr Edrin Juuko, the Head of Medical Business at Old Mutual says through individual products, younger clients below 18 years pay between Shs650,000 and Shs1.2 million annually. PHOTO/COURTESY



HOW BIG IS OLD MUTUAL'S MEDICAL INSURANCE BUSINESS?

We generate more than Shs90 billion annually from our medical insurance business. In 2025 alone, we paid more than Shs59 billion in medical claims to hospitals on behalf of our clients. That reflects our commitment to ensuring policyholders receive healthcare when they need it.

tribution will help push coverage from below one percent to at least two percent over the next five years.

What products are likely to drive that growth?

One area is individual and family medical insurance, which is becoming increasingly accessible.

We are also partnering with financial institutions to reach more people.

For example, we have arrangements with banks such as Finance Trust Bank and Opportunity Bank to extend cer-

tain insurance benefits to customers.

In addition, we are investing in microinsurance products targeted at organized groups such as SACCOs. These products are designed for people who may not be able to afford traditional insurance packages but still need protection against major medical expenses.

We have already seen strong interest in these solutions, and several other financial institutions are exploring partnerships with us.

How are premiums structured across different age groups?

Through individual products, younger clients below 18 years typically pay between Shs650,000 and Shs1.2 million annually.

Adults aged between 18 and about 50 years generally pay between Shs880,000 to Shs1.6 million annually. While those aged 50 to 70 years pay about Shs1.3 million to Shs2.3 million.

What are the most common health concerns currently affecting

Ugandans?

One of the biggest healthcare concerns in Uganda is the increase of non-communicable diseases such as diabetes, hypertension, cancer, and cardiovascular conditions.

These are increasingly being driven by lifestyle changes, stress, unhealthy diets, physical inactivity, and urbanization.

At the same time, we are also seeing increased awareness and reporting of mental health challenges, including stress, anxiety, and depression, particularly among young professionals and working populations.

This is why preventive healthcare is becoming more important than ever. Prevention allows individuals to identify health risks early before they become severe or expensive to treat.

Regular medical check-ups, routine screenings, healthy nutrition, exercise, quality sleep, and stress management can significantly improve long-term health outcomes.

At Old Mutual Uganda, we are actively contributing to preventive healthcare through free medical camps, wellness initiatives, public sensitization programs, and digital health awareness campaigns where we regularly share practical health tips and educational content with the public.

Affordability is often cited as the biggest obstacle. How are you addressing that challenge?

Affordability is indeed one of the biggest issues, but it has to be looked at alongside the cost of healthcare.



Old Mutual Uganda frequently organises free medical camps.



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Dr Edrin Juuko, Old Mutual Head of Medical Insurance

Some people assume those numbers mean medical insurance is highly profitable. Is that the case?

Not necessarily. Insurance penetration remains extremely low, which means the risk pool is still relatively small.

Beyond claims payments, insurers incur significant costs in administration, customer acquisition, provider management and reinsurance.

Insurance is fundamentally about risk management. The industry's biggest opportunity is not necessarily profitability but expanding coverage to more Ugandans so that more people are protected from catastrophic healthcare expenses.

challenge is that healthcare costs themselves continue to rise, which places pressure on both insurers and clients.

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For example, through some SACCO-based arrangements, members can contribute about Shs250,000 annually and receive inpatient cover up to Shs10 million.

Those products are possible because they are built around large groups of people.

Insurance works best when many people participate.

If only a few people join, the premiums have to be much higher to sustain the scheme.

But if you have thousands of members contributing, the risks are spread out and the products become more affordable. The