IRA/CIR/10/13/50

October 3, 2013

ALL INSURANCE COMPANIES
ALL INSURANCE BROKERS

Dear Sir/Madam,

PAYMENT OF PREMIUMS DUE TO INSURERS

1. We have reviewed the reconciliations that insurance brokers made with the Insurance Companies as of 30th June 2013 and note that the outstanding balances are on the increase. We have also received information that some of the premiums have been collected, but not yet remitted.

2. We draw your attention to the CCA guidelines No. 4 which states that; “Premiums shall be collectible by an Insurance Broker within thirty (30) days of date of inception or renewal of the policy, failing which the Broker shall be required to disclose details of the Client, from whom premium is collectible, to the Insurer. Premiums shall be paid in form of cheques written out to the Insurance Broker Clients Collection Account (e.g. XXX Insurance Brokers Clients Collection Account)”. Brokers are therefore required at all times to agree with the insurers on any outstanding balances.

3. Accordingly, we have decided to require each broker to submit a letter of Clearance from all insurers you placed business with as at 30th June 2013 as per schedule attached.

4. In instances where the insurer cannot give a broker a letter of Clearance, the insurer MUST write to IRA, with a copy to the concerned brokers, stating the reasons of refusal upon which IRA will make a final decision.
5. Please note that each insurance broker **MUST** submit a letter of Clearance from all insurers they have placed business with by 30th November 2013, to qualify for licensing.

6. Each insurance company **MUST** issue a letter of Clearance or letter of No Clearance with a copy to IRA on each broker they dealt with as per schedule attached by 30th November 2013 for insurers to qualify for licensing.

7. Please accord this the urgency it deserves.

Yours faithfully,

**INSURANCE REGULATORY AUTHORITY OF UGANDA**

[Signature]

Alhaj Kaddunabbi Ibrahim Lubega

**CHIEF EXECUTIVE OFFICER**

Copy: Chief Executive Officer,
Uganda Insurers Association

The Chairman,
Uganda Association of Insurance Brokers
IRA/CIR/03/13/07

The Country Manager
Liaison Uganda Ltd
Liaison House Plot 41 Lumumba Avenue
Nakasero Road
P O Box 22607
KAMPALA

Dear Sir/Madam,

REMITTANCE OF PREMIUM COLLECTED BUT NOT REMITTED

1. On noting that there were large outstanding premiums due to insurers by brokers which was not being remitted, the Authority proceeded to engage both the insurance Brokers and the Insurers to ensure that this trend is reversed and premium is remitted to insurers as provided under Section 87(1) of the Insurance Act (Cap 213), Laws of Uganda, 2000 which states that:

   "An Insurance Broker shall pay to the insurers all premiums collected on their behalf within thirty (30) days from receipt of the premiums."

2. Section 87 of the Insurance Act, (as amended) requires the Insurance Broker to pay the premiums due and interest on the premium received, but not remitted, to the insurer and penalty to the Authority at rates to be determined by the Authority.

3. The Authority has accordingly, decided that the following charges shall be imposed on Insurance Brokers:

   (i) The Central Bank rate plus 15% per annum on premium that has been collected, but not remitted to insurers within the 30 days shall be paid with the premium, by the Broker to the Insurer; and

   (ii) A penalty of 5% per annum on the premium that has been collected, but not remitted to the insurer within the thirty (30) days in the Law, be paid to the Authority by the Broker.

4. The above will take effect from the date of this letter and we urge you to ensure that you always comply with the Insurance Act (Cap 213), Laws of Uganda, 2000.

Yours faithfully,

INSURANCE REGULATORY AUTHORITY OF UGANDA

George Steven Okotha
AG. CHIEF EXECUTIVE OFFICER

Copy: All Insurance Companies.
      Uganda Insurer Association
      Uganda Association of Insurance Brokers

GSO/30/m

March 14, 2013
IRA/UIA/12/11/22

12th December 2011

The Chairman
Uganda Insurers Association
Insurers House
Plot 244, Acacia Avenue
P.O. Box 8912
KAMPALA

Dear Sir,

RE: PREMIUM PAYMENT DIRECTLY TO INSURANCE COMPANIES.

1. We refer to our letter of even reference dated 25th December 2011 concerning the above subject.

2. Please you are invited together with your Executive Committee members for a meeting in our offices on Tuesday 20th December 2011 at 10:00 a.m. The purpose of the meeting is to enable us further deliberate on the above issue and come up with appropriate solutions. The meeting will also be attended by the Executive Committee members of the Uganda Association of Insurance Brokers.

3. We await to receive you.

INSURANCE REGULATORY AUTHORITY OF UGANDA

Albaj Kaddunabbi Ibrahim Lubega
CHIEF EXECUTIVE OFFICER

c.c. All Insurers

c.c. All Insurance Brokers.

rk
IRA/UIA/06/13/28

June 12, 2013

The Chief Executive Officer
Uganda Insurers Association
Plot 24A, Acacia Avenue-Kololo
P.O. Box 8912,
KAMPALA

Dear Madam,

SUBMISSION OF QUARTERLY RECONCILIATION STATEMENTS BY INSURANCE COMPANIES

1. We have taken note of concerns raised by a number of your members regarding absence of a clear deadline in respect to submission of the aforementioned information. On this premise, we have decided to cancel the fines imposed on the respective insurance firms vide our letter of 10th May 2013.

2. We, however, now advise that all insurance firms must submit to the Authority, all outstanding premiums on a quarterly basis with effect from Quarter 2, 2013, by the end of one month after the quarter. The submission should include:

   i. a complete and accurate status of reconciled outstanding balances certified by counterparties, and

   ii. a detailed age-wise breakdown of all outstanding premium balances due from brokerage firms (i.e. 0-30, 31-60, 61-90, 91-180, 181-365, over 365 days respectively).

3. Late submission, incomplete and/or inaccurate information will be considered non submission. Fines and/or sanctions will be imposed to ensure that prohibited acts, fraudulent practices and reporting violations do not continue unabated.

4. All insurance companies that have not yet submitted the information requested in our letter of 10th May 2013 in its totality should do so within one week from receipt of this letter.
5. We are by copy of this letter advising all insurance companies of the
cancellation of the fine that had been imposed in respect to late submission of
the quarterly reconciliations statements and the respective agewise breakdown
vide our letter of 10th May 2013.

Yours faithfully

INSURANCE REGULATORY AUTHORITY OF UGANDA

[Signature]

O Alhaj Kadira Muttabbri Ibrahim Lubega
CHIEF EXECUTIVE OFFICER

Copy: All Insurance Companies

GSO/SP/MB/m

B
IRA/RIO/07/12/47

The Managing Director
Rio Insurance Company Ltd
Plot 20 Kampala Road
P O Box 5710
KAMPALA

6 July 2012

Dear Sir,

Insurance Training Levy to be remitted to the Insurance Institute of Uganda (IIU)

1. We refer to our letter of 18th June 2012 concerning the above subject.

2. We met with Executive Officers of Uganda Insurers Association, Uganda Association of Insurance Brokers, Insurance Institute of Uganda and Health Membership Organisations on the 2nd July 2012 and resolved on the modalities of management of the training levy as follows:

   (i) The levy to apply on all new policies, renewals and endorsements resulting into any additional premiums on Non-Life & Life policies. For individual life policies, the levy shall apply on all premiums due w.e.f 1st October 2012. Payment is to be made within one month after the end of each quarter, failure of which the company will be penalized by the Authority and the fine together with the levy will be forwarded to IIU.

   (ii) The levy will not apply on pure investment life products and retirement benefit contributions. Insurers shall be required to prove qualification of the exemptions.
3. The commencement date of charging the levy will be **1st October 2012**.

4. The levy to be based on gross direct written premium (gross premium written less inward reinsurance). It is to be remitted quarterly into a designated account of the Insurance Institute of Uganda. The levy remitted to IIU shall be accompanied with a copy of the quarterly return sent to IRA. (The format of the quarterly returns will be communicated to you soon).

5. We hope the above clarifies on the modalities of charging and remitting the levy to IIU. We are, by a copy of this letter, urging the Insurance Institute of Uganda to initiate awareness programmes on the levy so that all the stakeholders appreciate the aim of the levy. We also urge you to inform your clients about the levy accordingly.

Yours faithfully

INSURANCE REGULATORY AUTHORITY OF UGANDA

[Signature]

George Steven Okotha
FOR: CHIEF EXECUTIVE OFFICER

Copy: The Chairman, Insurance Institute of Uganda
The Chairman Health Membership Organisations
The Chairman, Uganda Insurers Association
The Chairman, Uganda Association of Insurance Brokers
The Chairman, Insurance Agents Association

b.c. Chief Executive Officer

NB: A similar letter has been sent to all the insurance players.

GSO/180/an
IRA/CIR/08/14/125

August 20, 2014

ALL INSURANCE COMPANIES
ALL INSURANCE BROKERS

Dear Sir/Madam,

PAYMENT OF PREMIUM DUE TO INSURES

1. Reference is made to our Circular ref: IRA/CIR/10/13/50 dated 3rd October 2013 concerning the above subject.

2. Please note that each Insurance Broker MUST submit a letter of Clearance from all insurers they have placed business with by 29th August 2014, to qualify for licensing.

3. Each Insurance Company MUST issue a letter of Clearance or letter of No Clearance with a copy to IRA on each broker they dealt with as per the schedule attached to our Circular letter ref. IRA/CIR/10/13/50 dated 3rd October 2013.

Yours faithfully,

INSURANCE REGULATORY AUTHORITY OF UGANDA

Alhaj Kaddunabbi Ibrahim Lubega
CHIEF EXECUTIVE OFFICER

Website: wwwира.go.уг
IRA/UAIB/10/14/21

October 27, 2014

The Chairman,
Uganda Association of Insurance Brokers
P.O. Box 29323
KAMPALA

Dear Sir,

RESOLUTIONS OF THE MEETING BETWEEN IRA AND MEMBERS OF THE
UGANDA ASSOCIATION OF INSURANCE BROKERS (UAIB)

1. Reference is made to the meeting with you and your members held at our
   offices on 16th October 2014.

2. As you will recall, a number of resolutions as outlined below were made;

   (i) Stern Action will be taken against any broker discovered to be
       banking premiums to an account other than on the known Clients
       Collection Account.

   (ii) Individual Brokers to inform the Authority in writing stating their
        position regarding whether their dealings involve clients paying
        directly to the Insurer or otherwise.

   (iii) Premiums to be paid directly to Insurers, but where Premium is
        paid through the Broker, the Broker shall remit the premium to the
        respective insurer within 14 working days of receipt.

   (iv) The Broker shall inform the Insurer about the Insured who has
        failed to pay premiums within 30 days of policy inception so that
        joint efforts to recover are undertaken. When no payment is realized
        in 60 days from the policy inception, the policy shall be cancelled
        and the client posted- in the Black Book register to be shared
        between UAIB and Uganda Insurers Association. Any company that
        takes on a blacklisted client shall be obliged to pay all the premiums
        that had been booked by the previous Broker or Insurer.

www.ira.go.ug
(v) All brokers enter Service Level Agreements (SLA) with the insurers they conduct business with detailing the above resolutions and submit copies to IRA within three weeks from receipt of the draft.

(vi) IRA to draft a SLA and share with the members within one week from the date of the meeting (Find draft attached).

(vii) Individual Brokers to avail the Authority with an accurate position of the Premiums Collected but not remitted, outstanding premiums not yet collected as well as the age-wise breakdown for the Quarter ending 30th September 2014.

(viii) Brokers shall disclose the unremitted premiums in their Audited Accounts.

(ix) Brokers to inform their respective external Auditors of resolution (viii) above.

3. Where premium is paid directly to the insurer, the insurer shall pay the applicable commissions within 14 days from receipt of payment.

4. Please let us have your response with reference to 2(ii) by the 7th of November 2014.

5. Please take note of the above as failure to respect them either in whole or in part shall attract serious penalties.

Yours faithfully

INSURANCE REGULATORY AUTHORITY OF UGANDA.

George Steven Okotha
AG. CHIEF EXECUTIVE OFFICER

Copy: Chief Executive Officer
Uganda Insurers Association

All Insurance Brokers

SP/m
A.