

MAKERERE



UNIVERSITY

**COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES
(CoBAMS)**

SCHOOL OF BUSINESS

INSURANCE POLICY CREDIT MANAGEMENT PRACTICES IN UGANDA:

A CASE OF MOTOR INSURANCE POLICY IN BRITAM INSURANCE

COMPANY (U) LTD

BY

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ABSTRACT

The purpose of this study is to examine the Motor Insurance Policy credit management practices in Britam Insurance Company (U) Ltd with a view of identifying challenges and strategies for enhancing Insurance Policy credit collection in the company. The study adopted a cross-sectional design adopting both quantitative and qualitative approaches. The study population included 60 respondents consisting of Britam management, Agents, Credit Staff and Brokers as stratified. Data was collected using as questionnaire and interview guide. The study found a low inclination to assess motor insurance credit applicants character, capacity, collateral of any form, and Assets to inform decision to grant credit. The company had not put in place stringent credit terms and conditions to deter default. Motor policy credit management emphasized credit recovery. The burden of uncollected motor premium in Britam was associated to internal weaknesses top of which being negative public perception, high risk appetite, credit policy compromise, legal bottlenecks and inadequate supervision. There were also external related challenges notably failure to observe the motor policy guidelines, falsification of information by policy credit applicant, and conflict of interest among brokers which constrained the realization of motor policies on credit. To enhance Motor and related Insurance policy credit collection, the study makes strategic recommends to the effect that the Board of Britam should task the Risk Management committee of the Board to set a risk appetite and more stringent credit terms for management to implement. The study also makes managerial recommendations to effect of Tasking the IT unit to develop B2B and B2C platforms, task the human resource unit/department to identify staff training needs for professional development, task the marketing department to conduct insurance policy awareness building. The credit unit should develop a client score/appraisal tool. The company should set up an internal audit function to regularly audit policies on credit.