

## The next decade will bring new tests to insurance sector



Over the past decade, Uganda's insurance industry has undergone a quiet but profound transformation. What was once a small, misunderstood sector is now a growing pillar of financial stability for households, businesses and the wider economy.

Between 2014 and 2024, gross written premiums more than doubled, reaching about Shs1.8 trillion in 2024, up from Shs1.6 trillion in 2023. Life insurance has been especially dynamic, expanding faster than non-life. Yet behind these numbers is a deeper story: a decade of deliberate investment in operational resilience.

For years, success was measured mainly by premium growth. That lens is no longer enough. As products become more sophisticated and risks more complex, insurers must answer tougher questions: Can we pay claims quickly and fairly in the face of shocks? Can our systems withstand cyber-risks, fraud and operational disruptions? Are we building trust in a market where penetration still hovers around 2–3 percent of GDP?

Covid-19 pandemic, currency volatility, climate-related losses and medical inflation have all tested the sector. Medical insurance has recorded high loss ratios, showing how thin margins can be. These pressures have pushed a shift from chasing volume to building resilient, efficient operations that can sustain growth.

Regulation and risk management have tightened, pushing insurers to strengthen governance and adopt data-driven decision-making. The product mix has evolved, with life and health gaining ground and providing households with better tools to withstand shocks. Bancassurance, agency networks and digital channels have broadened access, but also demand stronger systems, cyber-security and integration with banks and mobile money platforms.

Inside companies, automation and analytics are gradually replacing paper-heavy processes. Policy approvals that once took weeks are moving towards hours; claims are becoming more transparent, traceable and timely. At the same time, investment in people, actuaries, risk managers, data experts, and frontline staff is reinforcing a culture of ethics and customer focus.

The next decade will bring new tests: climate risk, medical inflation, and cyber threats in an increasingly digital landscape. To navigate this, the sector must double down on operational resilience: sustained investment in technology and cyber-security; responsible use of data to price risk and detect fraud; stronger collaboration among insurers, regulators and partners; and relentless focus on the customer.

If Uganda maintains this trajectory, future growth figures will reflect more than commercial success. They will signal an insurance sector capable of protecting people, supporting businesses and underpinning long-term development, a sector whose operational resilience turns risk into a platform for shared progress.