

# Will digital motor third-party stickers curb fraud?

By Nelson Mandela Muhoozi

Uganda's insurance industry is banking on newly introduced digital Motor Third-Party (MTP) stickers to curb fraud, improve compliance and expand access to mandatory motor insurance.

The digital verification system is expected to address long-standing challenges, such as counterfeit insurance stickers and low uptake of motor third-party policies, despite the growing number of vehicles on Uganda's roads.

## TOWARDS DIGITAL PLATFORMS

According to Protazio Sande, the director of Planning, Research and Market Development at the Insurance Regulatory Authority (IRA), about 34,720 motorists have already purchased digital MTP stickers as the sector shifts toward digital platforms for faster and safer services.

The move has also spurred innovation within the insurance industry. Excel Insurance recently introduced a WhatsApp-based platform that allows motorists to purchase MTP policies instantly using

mobile money and receive digital stickers without physically visiting insurance offices.

"The digital approach ensures that police can easily verify authenticity while consumers gain confidence knowing they are fully protected under a legitimate policy," Sande said.

The pilot phase of the digital sticker system began in October and authorities say it will enable real-time verification of insurance coverage while eliminating fake stickers that have long circulated in the market.

Police officers have already been trained to verify digital stickers instantly during enforcement, making it harder for motorists to rely on forged documents.

## TACKLING FRAUD IN THE SECTOR

Insurance fraud remains a concern within the industry. During the second quarter of 2025, the IRA Fraud Investigations Unit registered four suspected fraud cases valued at sh449.7m, two of which involved motor insurance, including forged policy documents presented during a claim. Sande said digital verification will reduce such cases by eliminating



**Protazio Sande, director of research at IRA**

opportunities for manipulation.

"There is a lot of non-compliance with traffic requirements, but when we ask motorists what happened, we find many vehicles appear to have stickers from elsewhere and this is fraud," he said.

"The only way to circumvent this is to remove the space for manipulation through digitisation," he said.

Sande added: "We are reviewing the law to expand the scope of motor third-party insurance to include third-

party property damage and protection for drivers and conductors, especially in passenger vehicles."

At present, compensation is capped at sh1m per person with a maximum limit of sh10m per accident, while the annual premium averages about sh69,000.

## CLOSING THE COMPLIANCE GAP

Traditionally, motorists purchased MTP insurance through agents, petrol stations or insurance offices, a process that often involved paperwork, queues and limited operating hours.

Martin Okwaja, the Senior Technical Officer for Non-Life Insurance at the Uganda Insurers Association (UIA), said digital access through MTN and Airtel USSD codes and payment platforms, such as Payway will further streamline the process.

"There should be no excuse for any person not having the MTP sticker since you can purchase the policy from the convenience of your home," Okwaja said.

IRA estimates show that Uganda records 600,000 to 700,000 MTP policies annually, compared to an estimated two million vehicles in

operation on the Uganda's roads.

This means that about 1.3 million vehicles operate without mandatory insurance cover, leaving many road crash victims with limited access to compensation.