

# Insurance regulator engages SMEs on insurance uptake

**T**he Insurance Regulatory Authority of Uganda (IRA) has intensified efforts to boost insurance penetration among small and medium enterprises (SMEs), holding an engagement meeting aimed at demystifying insurance products and encouraging greater uptake within the sector.

The half-day session, held at the regulator's headquarters in Kampala, brought together micro, small and medium enterprise leaders under the Uganda Small Scale Industries Association (USSIA) to discuss the role of insurance in safeguarding businesses against unexpected shocks.

Speaking during the engagement, IRA Chief Executive Officer Al-Hajj Ibrahim Lubega Kaddunabbi said SMEs remain a critical pillar of Uganda's economy but are among the least

insured segments.

"SMEs form the backbone of our economy, yet many operate without adequate risk protection," Kaddunabbi said. "As IRA, we are committed to making insurance services more accessible, understandable and convenient for all Ugandans, especially small business owners."

He noted that many entrepreneurs still perceive insurance as a product designed for large corporations, leaving smaller enterprises vulnerable to risks such as fire, theft, accidents and business interruptions.

"Insurance is not about the size of your business. It is about protecting what you have built and ensuring continuity when unexpected events occur," he said.

During the engagement, IRA officials explained various insurance products relevant to SMEs, including property insurance, fire cover, business

interruption policies and motor third-party insurance. Participants were also taken through claims procedures, policy terms and the rights and responsibilities of policyholders.

SME leaders welcomed the initiative, saying limited information and misconceptions have contributed to low uptake within the sector.

Joseph Mulindwa, Chairperson of SMEs under the USSIA chapter, said many small business owners operate with tight cash flows and often prioritise immediate operational expenses over risk protection. "Most SMEs focus on buying stock and meeting daily expenses. Insurance is usually postponed because of fear and the belief that it is expensive or meant for 'big companies'," Mulindwa said. He added that many entrepreneurs play multiple roles within their businesses

and rarely receive formal training on risk management, making sensitisation efforts by regulators essential. Industry observers say increasing insurance penetration among SMEs could significantly strengthen business resilience, preserve jobs and reduce the economic impact of unforeseen disasters.

## Digital shift in motor insurance

At the same event, the regulator confirmed the full transition to digital motor third-party insurance stickers, completing the move away from paper-based systems.

Kaddunabbi said the digital system, implemented in collaboration with the Ministry of Works and Transport and the Uganda Police Force, is intended to improve efficiency, reduce fraud and enhance compliance.

Under the new arrangement, motorists who purchase or renew motor third-party insurance receive a digital certificate linked to their vehicle registration number. Traffic officers can verify the policy electronically through a real-time system, eliminating the need for physical stickers on windshields.

"The digital sticker is part of our broader efforts to modernise insurance service delivery and encourage compliance through technology," Kaddunabbi said.

Motor third-party insurance is mandatory under Ugandan law and provides coverage against legal liability for bodily injury, death or property damage caused to third parties.

The IRA said it will continue conducting similar engagements across the country to improve awareness and build

confidence in insurance products, particularly among SMEs that form the backbone of Uganda's private sector. As the regulator pushes for higher uptake, stakeholders say sustained education and simplified products tailored to small businesses will be key to closing the protection gap in the sector.



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