

Majority shareholders of NIC Holdings seeking to exit company

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National Insurance Corporation (NIC) Holdings Limited is on the verge of divesting its entire stake in Uganda, in a transaction that could reshape the insurance landscape.

As one of the oldest insurance companies in Uganda, the board of NIC Holdings recently issued a public notice signalling that Corporate Holdings Limited and Industrial and General Insurance Plc – the company's biggest shareholders – intend to transfer their combined 64.95 percent shareholding to Cornerstone Asset Managers Limited.

For NIC Holdings, the divestiture represents a critical inflection point. Since its listing on the

Uganda Securities Exchange in March 2010, the insurer has relied on the backing of CHL and IGI Plc for strategic direction and capital support. A handover to Cornerstone – a prominent asset management firm – suggests a potential shift in business strategy.

Industry analysts note that while Cornerstone is not primarily an underwriter, its deep experience in portfolio management could bring a new focus on investment yield and operational efficiency. However, the transition also carries risks, including potential disruption to senior management and underwriting policies.

NIC Holdings' business fortunes have swung from one side to the other in recent years. For the first

half of 2025, the company reported a net loss of Shs 1 billion compared to net income of Shs 2 billion a year ago. Basic loss per share from continuing operations was Shs 0.46 compared to basic earnings per share from continuing operations of Shs 0.95 a year ago.

The board has warned that the proposed deal “may have a material effect on the price of the company's securities.”

Shareholders and retail investors have been advised to “exercise caution while dealing in the company's securities” on the USE until a further announcement is made.

The board's warning regarding share price volatility suggests that the market may experience

turbulence as traders speculate on the new ownership's intentions.

The deal is not yet final. The board clarified that the proposed transaction remains “subject to the satisfaction of all applicable conditions precedent, including the requisite regulatory approvals.”

The Insurance Regulatory Authority and the Capital Markets Authority will scrutinize the deal to ensure Cornerstone Asset Managers meets the “fit and proper” criteria to control a licensed insurer. They will also examine whether the concentration of assets under a single manager poses systemic risks to policyholders.