

# Uganda's insurance sector is evolving amid growing demand for more integrated, accessible, and innovative protection solutions

In this interview, **AAR's Executive Director, Christine Nassuuna**, reflects on the company's journey from a Health Membership Organization (HMO) to a full-fledged insurer, its recent general insurance licensing milestone, expansion strategy, and digital transformation agenda, as well as its response to industry challenges—while advancing its vision to protect both health and wealth

## How would you describe the journey of AAR so far, from its early days to where it stands today?

The journey of AAR traces back to 1984, when the company was founded in Nairobi with a focus on providing medical evacuation services. At the time, the core business revolved around transporting patients by road or air to healthcare facilities where they could receive urgent and life-saving treatment. It was a niche but critical service, addressing a clear gap in emergency medical response within the region.

As the healthcare landscape evolved, so did AAR. The company gradually expanded its footprint by establishing its own clinics and strengthening its presence across East Africa, including entry into the Ugandan market. This marked a shift from being purely a response-based service provider to becoming an integrated healthcare player directly involved in the delivery of medical services.

Over time, it became increasingly clear that clients' needs extended beyond healthcare alone. This realization prompted a strategic transformation that saw AAR transition into a broader insurance-based model. Today, the company offers both medical and general insurance solutions, positioning itself to meet a wider spectrum of risk protection needs.

This evolution is anchored in AAR's overarching vision to protect both the health and wealth of its clients. While its foundation was built on safeguarding lives through healthcare services, its expansion into general insurance now enables the company to also secure livelihoods, assets, and financial stability.

## AAR has recently secured a general insurance license in Uganda. What does this milestone mean for the company's growth and strategic direction?

This is a major milestone in our evolution. Previously, AAR Uganda operated primarily as a Health Maintenance Organization (HMO), with a strong focus on medical insurance and healthcare services. While this positioned the company as a leader in health coverage, it also meant its scope was limited to a single segment of the insurance market.

With the acquisition of a general insurance license, AAR is now able to broaden its portfolio and offer a more comprehensive suite of insurance solutions. This includes

products beyond health such as motor insurance, property cover, and other general insurance offerings, allowing the company to meet a wider range of customer needs under one roof.

Strategically, this transition is a natural progression of AAR's vision to protect both the health and wealth of its clients. It enables the company to move from being a specialized healthcare provider to a more holistic risk management partner. At the same time, it levels the playing field, allowing AAR to compete more effectively with established insurers and participate in market opportunities that were previously out of reach due to regulatory constraints.

## The "Twongezza Kasukali" campaign is unique and engaging. What does it represent, and how does it connect to your brand message?

Literally translates to "we have added more sugar," is a simple but powerful expression of AAR's expanded value proposition and growth journey.

Traditionally, clients associated AAR mainly with medical insurance, which represented the "teaspoon of sugar" focused on health protection. While this remains a core pillar, it only addressed one part of a much broader protection need.

With AAR's entry into general insurance, the company is now effectively "adding more sugar to the mix" by introducing a wider and more comprehensive range of solutions. These include motor insurance, property cover, liability protection, and other financial risk products designed to address the diverse needs of individuals and businesses.

This campaign is our way of saying: we have listened, we have evolved, and we are delivering more. It signals a shift from a single-product offering to a fully integrated insurance experience. In simple terms, it reinforces AAR's transformation into a full-service insurer, delivering a richer, more relevant, and more customer-centric value proposition.

## What factors have driven the timing of this expansion today, rather than in the past?

The timing of this expansion has largely been driven by capital and regulatory readiness. Transitioning from a Health Maintenance Organization (HMO) to a full general insurance provider requires significantly higher capital levels,



Ms. Christine Nassuuna - Managing Director, AAR Health Services Ltd

as general insurance operations demand a stronger financial base to underwrite a much wider and more complex set of risks.

Over time, AAR's shareholders have deliberately strengthened the company's capital position through targeted investment and capital injection. This ensured compliance with regulatory thresholds required for general insurance licensing. Only after meeting these requirements was the company able to successfully obtain the license.

Beyond capital and regulation, the timing also reflects internal maturity and readiness for scale. The organization has invested significantly in strengthening governance frameworks, upgrading systems, and building technical capacity across underwriting, claims management, risk assessment, and distribution. Human capital development has also been central, ensuring the right expertise is in place to manage a diversified insurance portfolio.

As a result, AAR is now well-positioned not only to meet regulatory expectations, but also to sustainably deliver expanded services with confidence, stability, and operational efficiency.

## In what ways will this expansion reshape AAR's operations and improve value for its clients?

This expansion marks a major turning point for AAR, both in terms of brand positioning and service delivery. It strengthens the company's competitive position and opens up new market opportunities that were previously unavailable.

As a general insurer, AAR can now participate in insurance tenders and programs that were previously inaccessible under an

HMO structure. This includes large corporate accounts, multinational schemes, and government-related business where clients require fully licensed general insurers capable of underwriting diverse and complex risks. This unlocks entirely new growth avenues and strengthens AAR's position in the broader insurance ecosystem.

For existing clients, the expansion brings enhanced convenience and improved service integration. Customers no longer need to engage multiple providers for different insurance needs. Instead, they can access a unified portfolio covering health, motor, property, liability, and other risk solutions under one trusted brand. This simplifies their experience, reduces fragmentation, and improves efficiency in service delivery.

In essence, this transition reshapes AAR into a more agile, more competitive, and more customer-centric organization delivering not just insurance products, but comprehensive peace of mind across every stage of a client's journey.

## Insurance penetration in Uganda remains relatively low. What opportunities does this present for the industry and for AAR in particular?

The relatively low level of insurance penetration in Uganda presents a significant opportunity for both the industry and AAR. It indicates that a large portion of individuals and businesses remain uninsured or underinsured, pointing to a substantial untapped market.

For AAR, the expansion into general insurance positions the company to play a more active role in closing this gap. By broadening its product portfolio, AAR is better equipped to meet the diverse protection needs

of individuals, corporates, and institutions that have historically been underserved.

In addition, technology plays a key enabling role. Digital platforms and efficient service channels allow AAR to reach more customers, reduce operational costs, and simplify access to insurance solutions. This improves affordability, convenience, and understanding of insurance products across the market.

Ultimately, low penetration is not just a challenge—it is a major growth opportunity, and one that AAR is well positioned to help transform into greater financial inclusion and protection.

## Speaking of technology, how prepared is AAR on the digital front to support its expanded operations?

AAR is strongly positioned on the digital front, with significant investment in digital transformation supporting both current and expanded operations. Technology is central to improving access, efficiency, and customer experience.

Customers are already able to purchase medical insurance online, and this capability is being extended to general insurance products. This enables clients to access services conveniently without physical visits.

The company has also introduced digital claims processing, allowing customers to submit claims quickly—even from the scene of an incident—using photos and supporting documentation. This improves speed, transparency, and customer satisfaction.

Additionally, products such as motor third-party insurance have been digitized, enabling instant issuance and eliminating paperwork delays.

Overall, AAR's goal is to deliver a seamless, technology-driven insurance experience accessible anytime and anywhere, which is a key pillar of its growth strategy.

## Product innovation remains a key focus in the insurance industry. How is AAR responding to this challenge?

Innovation is central to AAR's strategy. The company recognizes that modern customers require products that are affordable, flexible, and relevant to their everyday needs.

Our dedicated product development teams continuously study market trends and design solutions that address local gaps. A key focus area has been microinsurance, aimed at expanding access to underserved communities.

AAR also leverages the broader

group's experience by adapting successful products from other markets such as Kenya and customizing them for Uganda.

The ultimate goal is to deliver simple, practical, and value-driven insurance solutions that enhance financial protection across the market.

## The insurance industry continues to face challenges around awareness, trust, and fraud. What is your perspective on these issues?

These remain key challenges in the insurance sector and require coordinated action.

Fraud increases operational costs and affects affordability, requiring collaboration among insurers, regulators, service providers, and customers as no single player can solve it in isolation. Stronger verification systems, data sharing, and tighter governance frameworks are essential to protecting the the industry.

Trust is built through consistency and reliability, particularly in timely and fair claims settlement. At AAR, this remains a core priority.

Many potential customers still do not fully understand what insurance is, how it works, or why it matters beyond compliance or obligation. This gap calls for sustained education, more relatable product design and simplified communication to help people understand the value of insurance.

While these challenges are real, they also present opportunities for industry strengthening and deeper engagement with customers.

## Finally, what message would you like to leave with the public about embracing insurance?

Insurance should not be viewed as a privilege for the wealthy, but as a fundamental pillar of financial well-being for every household and business. In reality, it is often those with the least financial cushion who are most exposed when unexpected events occur. Without protection, such shocks can quickly wipe out years of hard work and push families and enterprises into avoidable financial distress. At its core, insurance allows people to recover faster, rebuild with confidence, and protect what they have worked so hard to achieve.

Insurance provides peace of mind and prevents financial distress by allowing individuals and businesses to transfer risk in a structured way.

We therefore encourage the public to view insurance not as an optional expense, but as a critical foundation for financial security, resilience, and long-term stability.