



THE REPUBLIC OF UGANDA

**THE INSURANCE (INTERMEDIARIES)
REGULATIONS, 2021.**

S.I. No. 36 of 2021

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 47, Volume CXIV, dated 4th June, 2021

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2021 No. 36.

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2021 No. 36.

The Insurance (Intermediaries) Regulations, 2021

(Under section 151 of the Insurance Act, 2017, Act 6 of 2017)

IN EXERCISE of the powers conferred upon the Minister, and in consultation with the Insurance Regulatory Authority of Uganda, these Regulations are made this 4th day of May, 2021.

PART I—PRELIMINARY

1. Title

These Regulations may be cited as the Insurance (Intermediaries) Regulations, 2021.

2. Application of Regulations

(1) Subject to subregulation (2) and unless specifically provided otherwise, these Regulations apply to a person who holds a valid insurance intermediary licence.

(2) Subregulation (1) does not apply to a person holding a micro insurance agents licence issued under section 83(1)(d) of the Act or a person holding a bancassurance authorisation.

3. Interpretation

(1) In these Regulations, unless the context otherwise requires—

“Act” means the Insurance Act, 2017;

“Authority” means the Insurance Regulatory Authority of Uganda established by section 10 of the Act;

“beneficiary” in relation to an insurance contract, means a person other than the policyholder—

- (a) who is entitled to payment or a benefit under an insurance policy; or
- (b) who, on the occurrence of the insured event, is entitled to make a claim against the insurer under the insurance policy;

“connected person” has the meaning specified in regulation 4;

“control” in relation to an insurance broker shall be construed in accordance with the Companies Act;

“control function” means a risk management function or compliance function established and maintained in accordance with section 85(6) of the Act;

“customer” means a person to whom an insurance intermediary provides, agrees to provide or has provided a service;

“group insurance policy” has the meaning specified in regulation 5;

“insurance broker” includes a reinsurance broker;

“insurance intermediary” means an insurance agent, an insurance broker, a risk advisor, a loss assessor, a third-party administrator, or a reinsurance broker;

“key person in a control function” means an individual appointed to undertake, or have responsibility for, and oversight of, a control function;

“licensed insurer” means a person who holds an insurers licence issued under section 35(1)(a) of the Act;

“master policyholder” means a policyholder under a group insurance policy;

“outsourcing arrangement” means an arrangement between an insurance intermediary and a service provider under which the service provider undertakes an activity on a continuing basis that would normally be undertaken by the insurance intermediary;

“partnership” means a partnership as defined in section 2 of the Partnerships Act, 2010;

“policyholder” in relation to an insurance contract or a health benefit plan, means the person who entered into the insurance contract or health benefit plan with the licensed insurer or HMO and if the rights of such person have been assigned or transferred, the person who has those rights;

“premium” means the consideration for entering into an insurance contract;

“principal officer”, in relation to an insurance broker or third-party administrator, means an individual who, under the immediate authority of the directors, either jointly with others or alone, is responsible for the conduct of the whole of the business of the insurance broker or third-party administrator;

“senior management” in relation to an insurance broker or third-party administrator, means the senior managers of the insurance broker who have collective responsibility for the day-to-day management of the insurance broker or third-party administrator; or where the context requires, those senior managers having responsibility for particular functions relating to the day-to-day management of the insurance broker or third-party administrator;

“service provider” in relation to an outsourcing arrangement, means a person who undertakes an activity for an insurance intermediary under an outsourcing arrangement with the insurance intermediary;

“significant owner” means a person who exercises control over an insurance intermediary.

4. Meaning of “connected person”

(1) In these Regulations, one person, referred to as “the first person” is connected to another person, referred to as “the second person” in the following circumstances—

- (a) the persons are associated companies;
- (b) the second person is a company or other legal entity, a partnership or limited liability partnership, where—
 - (i) the first person is a significant owner of the second person; or
 - (ii) the first person is a director, senior manager or key person in a control function of the second person;
- (c) both persons are partners of the same partnership;
- (d) each person is either a general or limited liability partner of the same limited liability partnership;
- (e) the first person is a close family member of—
 - (i) the second person, where that person is an individual;
 - (ii) an individual who is a significant owner of the second person; or
 - (iii) an individual who is a director, senior manager or key person in control function of the second person.

(2) For the purposes of subregulation (1), “close family member”, in relation to an individual, means the individual’s—

- (a) spouse or former spouse;
- (b) child including an adopted child and step child;

- (c) parents, including step parents;
- (d) legal guardian or former legal guardian;
- (e) brother or sister;
- (f) grandchild;
- (g) grandparents;
- (h) first cousin;
- (i) uncle or aunt.

5. Meaning of "group insurance policy"

A group insurance policy is an insurance policy where—

- (a) the master policyholder purchases the insurance policy on his or her behalf and on behalf of other persons who, although not policyholders, are or will become, beneficiaries under the policy;
- (b) the beneficiaries are members of an identifiable group that exists independently of the insurance policy; and
- (c) the risks insured under the policy are related to the common interests or activities of the beneficiaries.

PART II—LICENSING OF INSURANCE INTERMEDIARIES

6. Application for insurance intermediary licence

(1) An application for—

- (a) an insurance brokers licence or reinsurance brokers licence shall be in Form 1 in the Schedule;
- (b) an insurance agent licence shall be in Form 2 in the Schedule;
- (c) a thirty-party administrator licence shall be in Form 3 in the Schedule;
- (d) a risk advisor, loss assessor or loss adjuster licence shall be in Form 4 in the Schedule.

(2) Every application referred to in subregulation (1) shall be accompanied by the documents specified in the relevant Form.

(3) The Authority may, in writing, require an applicant to provide any other information or documents which the Authority considers necessary to determine the application.

(4) For the purposes of subregulation (3), the Authority shall specify the manner in which the information is, or documents are, to be provided.

7. Consideration of licence application

(1) The Authority shall not grant an insurance intermediary licence to an applicant unless—

- (a) the applicant is a fit person in accordance with the criteria specified in Schedule 2 to the Act;
- (b) the applicant's significant owners, directors and proposed senior managers are fit persons in accordance with the criteria specified in Schedule 2 to the Act;
- (c) the applicant's ownership, corporate and management structure, governance framework, procedures and controls and its financial resources, are appropriate having regard to the nature, scale, complexity and diversity of its business or proposed business;
- (d) the group of which the applicant is a member is subject to adequate and appropriate group-wide supervision and that the Authority shall be able to obtain adequate information concerning the holding company, associated companies or entities, where the applicant is a subsidiary of a foreign insurance intermediary.

(2) For the purposes of section 43(1) of the Act, the Authority is taken to receive a complete application where the Authority receives—

- (a) a fully and properly completed application in the prescribed form; and
- (b) all the documents and information, if any, specified by the Act and these Regulations.

(3) The decision of the Authority on an application for an insurance intermediary licence referred to in section 44(3) shall be in writing.

(4) The Authority shall publish every decision on an application for an intermediary licence on the official website of the Authority.

8. Form of licence

(1) An insurance intermediary licence shall be Form 5 in Schedule.

(2) Notwithstanding subregulation (1), an insurance intermediary licence shall state—

- (a) the category of insurance business for which the licence is issued; and
- (b) in the case of an insurance agents licence, the class or classes, or sub-classes, of insurance business in respect of which the holder is authorised to act as an insurance agent and any restrictions on the insurance business that may be carried on by the agent.

9. Warning before varying, suspending or revoking licence

Before varying, suspending or revoking an intermediary licence under section 45 of the Act, the Authority shall give the holder of the insurance intermediary licence a written warning of fifteen days requiring the holder to remedy the reason for the proposed variation, suspension or revocation of the licence.

10. Commencement of business

(1) A holder of an insurance intermediary licence, except an insurance agent, shall notify the Authority in writing within fourteen days of commencing business.

(2) A holder of an insurance intermediary licence who does not commence business within six months after the grant of the licence, shall not commence business without the prior written approval of the Authority.

11. Foreign insurance intermediary to obtain exemption to conduct business

(1) A licensed insurer that wishes to employ the services of a foreign insurance intermediary, shall, in writing, apply for an exemption from the Authority for the foreign insurance intermediary to conduct insurance business in Uganda without the need for a licence.

(2) The application referred to in subregulation (1) shall—

(a) state the intended period the foreign insurance intermediary is to conduct business in Uganda;

(b) provide written proof from the regulatory authority of the country of residence of the foreign insurance intermediary certifying that the foreign insurance intermediary is duly licensed to carry out the type of intermediary insurance business or such other service that the foreign insurance intermediary intends to carry out in Uganda.

(3) The provisions on application for an insurance intermediary licence shall, with the necessary modifications, apply to an application for an exemption under this regulation.

(4) A foreign insurance intermediary granted an exemption to conduct insurance business in Uganda shall, before commencing business, obtain professional indemnity insurance cover approved by the Authority.

(5) The professional indemnity insurance cover shall not be taken out with the licensed insurer seeking to employ the services of the foreign insurance intermediary.

PART III—CAPITAL AND PRUDENTIAL REQUIREMENTS
OF INSURANCE INTERMEDIARIES

12. Minimum paid-up capital of insurance broker, reinsurance broker and third party administrator

For the purposes of section 89 of the Act, the minimum paid-up capital of—

- (a) an insurance broker and reinsurance broker is seventy-five million Uganda shillings;
- (b) a third-party administrator is seventy-five million shillings.

13. Security deposit of insurance broker and third party administrator

For the purposes of section 89 of the Act, the security deposit—

- (a) of an insurance broker and reinsurance broker is nineteen million Uganda shillings;
- (b) of a third-party administrator is nineteen million Uganda shillings.

14. Other provisions on security deposit

(1) Where a licensed broker, reinsurance broker or third-party administrator makes a security deposit, the commercial bank that receives the deposit shall issue a certificate of deposit.

(2) The certificate of deposit issued by the commercial bank in subregulation (1) shall—

- (a) state the amount of the security deposit lodged with the bank;
- (b) confirm that the security deposit has been lodged;
- (c) acknowledge the Authority's lien on the security deposit;

(d) confirm that the commercial bank shall not permit the security deposit, or any asset representing the security deposit—

- (i) to be dealt with otherwise than in accordance with the written directions of the Authority; or
- (ii) to be released except with the written consent of the Authority.

(3) A licensed broker, reinsurance broker or third-party administrator shall not assign, mortgage or charge a security deposit, or any asset representing the security deposit, unless directed or permitted to do so by the Authority in accordance with section 39(2) of the Act.

15. Maintenance of value of security deposit

(1) Where, after deposit with a commercial bank, the total value of the security deposit falls below the amount specified in these Regulations, the licensed broker, reinsurance broker or third-party administrator shall make good the deficiency by depositing additional funds or approved securities with the commercial bank.

(2) Where any income is payable to a licensed broker, reinsurance broker or third party administrator in accordance with section 89(4) of the Act at a time when the value of the security deposit does not meet the requirements of these Regulations, the insurance broker, reinsurance broker or third party administrator shall instruct the commercial bank that holds the security deposit to utilise the income payable to it, or such part of the income as is necessary, to add to the security deposit held by the bank.

(3) For the purposes of this regulation, the value of an investment is the value estimated at the market rate prevailing at the time of valuation.

16. Principal officer

- (1) Every insurance broker and third-party administrator shall have at least one principal officer who shall be a full-time employee.
- (2) A person shall not be appointed a principal officer unless—
- (a) the person is fit in accordance the criteria specified in Schedule 2 of the Act;
 - (b) the person possesses adequate knowledge, skills and experience; and
 - (c) the Authority has given its approval for the appointment of that person under section 103(1) of the Act.
- (3) A person satisfies subregulation (2)(b) where the person—
- (a) possesses a recognised university degree and professional qualifications in the field of insurance; and
 - (b) has at least eight years' working experience in the field of insurance.

17. Chief finance officer

- (1) Every insurance broker and third-party administrator shall have at least one chief finance officer who shall be a full-time employee
- (2) A person shall not be appointed a chief finance officer unless—
- (a) the person satisfies the criteria specified in Schedule 2 of the Act;
 - (b) the person—
 - (i) possesses a recognised relevant university degree;
 - (ii) is a member of the Institute of Certified Public Accountants of Uganda;

- (iii) has at least four years' working experience as an accountant; and
- (c) the Authority has given its written approval for the appointment of that person under section 103(1) of the Act.

18. Governance of insurance broker and third-party administrator

(1) Every insurance broker and third-party administrator shall establish and maintain a governance framework.

(2) Notwithstanding subregulation (1), the governance framework shall—

- (a) provide for the apportionment of responsibilities between directors, senior managers and key persons in control functions;
- (b) provide for oversight of senior managers and persons in control functions;
- (c) ensure that directors and senior managers are able to adequately monitor and control the licensed business and affairs of the insurance broker or third-party administrator;
- (d) make provision for the protection of interests of customers.

(3) Where an insurance broker carries on business through one or more subsidiaries incorporated, or branches located, outside Uganda, the insurance broker shall develop, maintain and implement an appropriate and effective corporate governance framework in each subsidiary or branch.

(4) An insurance broker shall maintain an up-to-date written record of its governance framework including—

- (a) the details of reporting lines; and

- (b) the responsibilities of different members of senior management.

19. Composition of board of broker and third-party administrator

(1) Every insurance broker and third-party administrator shall have a minimum of three directors, the majority of whom shall be resident in Uganda.

(2) A person shall not be appointed a member of the board of directors of an insurance broker or third-party administrator unless the person—

- (a) is a fit person in accordance with the criteria specified in Schedule 2 of the Act;
- (b) is capable of exercising independent judgment;
- (c) possesses sufficient knowledge, skills, experience and understanding of the business of the licensed broker or third-party administrator and the risks it faces;

(3) A person shall not serve on more than one board of directors of an insurance broker or third-party administrator.

20. Duties of board of insurance broker and third-party administrator

(1) The duties of the board of an insurance broker or third-party administrator are—

- (a) to define levels of materiality for purposes of the business;
- (b) to identify and monitor key risks and key performance areas;
- (c) to identify and monitor non-financial aspects;
- (d) to encourage shareowners to attend general meetings;
- (e) to develop and maintain a board charter setting out its responsibilities

- (f) to review major plans of action;
- (g) to review annual budget and business plans;
- (h) to oversee major capital expenditures, acquisitions and divestiture;
- (i) to ensure the integrity of the company's accounting and financial reporting systems.

(2) Where the board of an insurance broker or third-party administrator is required to review any matter periodically under the Act or any Regulations made under the Act, the Board shall review the matter at least once every year.

21. Duties of senior management

The duties of senior management of an insurance broker or third-party administrator are—

- (a) to oversee the day-to-day operations of the insurance broker or third-party administrator in accordance with the business objectives, strategy and policies of the insurance broker or third-party administrator;
- (b) to maintain timely and accurate information on the business of the insurance broker or third-party administrator; and
- (c) to maintain accurate and clear records of the internal organisation of the insurance broker or third-party administrator.

22. Control functions

(1) Every insurance intermediary shall ensure that a person who undertakes the duties of a control function—

- (a) is sufficiently independent to objectively undertake the duties of the control function and, in particular, is not—

- (i) involved in the performance of services or activities that the person is responsible for monitoring;
 - (ii) placed in a position where the person is expected to undertake duties that conflict with the duties of the control function; or
 - (iii) subjected to any undue influence or pressure with respect to the carrying out of the control function;
- (b) is given sufficient authority and status to ensure that his or her recommendations are acted on;
- (c) has such access as is required to undertake effectively the duties of the control function;
- (d) has sufficient—
- (i) human resources with adequate professional qualifications, relevant experience and training;
 - (ii) non-human resources, including information technology and management information systems.

(2) The responsibilities of a person in a control function shall be set out in writing.

(3) Every insurance broker and third-party administrator shall periodically assess the performance of each control function.

23. Key person in compliance function

(1) Every insurance intermediary shall have a key person in a compliance function.

(2) An insurance intermediary shall not appoint a person as the key person in a compliance function unless the person —

- (a) is fit in accordance with the criteria specified in Schedule 2 of the Act; and
 - (b) possesses the necessary knowledge, skills and experience in the field of insurance, actuarial science, law, banking or finance.
- (3) The duties of the key person in a compliance function are—
- (a) to assist the insurance intermediary meet its legal and regulatory obligations;
 - (b) to monitor the insurance intermediary's compliance with its legal and regulatory obligations; and
 - (c) to promote a compliance culture by the insurance intermediary;
 - (d) to maintain a register of compliance breaches containing information on the date, nature and extent of each compliance breach;
 - (e) to keep all employees of the insurance intermediary informed of the need for and the objectives of compliance and of their responsibilities under the compliance procedures manual;
 - (f) to establish and maintain procedures for monitoring and handling of complaints.
- (4) An insurance intermediary shall provide reporting lines for the key person in a compliance function in respect to—
- (a) any material non-compliance by a member of management; and

- (b) any material non-compliance by the insurance intermediary with a legal or regulatory obligation.

(5) An insurance intermediary shall develop and maintain a compliance procedures manual.

24. Key person in risk management function

(1) An insurance intermediary shall ensure that the key person in a risk management function appointed under section 85(6) of the Act –

- (a) is fit in accordance with the criteria specified in Schedule 2 of the Act;
- (b) possesses the appropriate knowledge, skills and experience in the field of risk management or actuarial science; and
- (c) the Authority has given its approval for the appointment of that person under section 103 of the Act.

(2) The duties of the key person in a risk management function are—

- (a) to identify, assess, monitor, manage and report on management risks in a timely manner; and
- (b) to promote and sustain a sound risk management culture;
- (c) to report on any matter that may have an adverse material impact on the risk management system as soon as is reasonably practicable after identifying the matter.

25. Combining of control functions

(1) An insurance intermediary may combine its control functions, but only if the combination does not affect the independence, objectivity or effectiveness of any of the combined functions.

(2) Where any control functions are combined, the insurance intermediary shall appoint an individual to have overall responsibility for, and oversight of, the combined control functions and the individual so appointed shall be taken as the key person in each of the combined control functions.

26. Establishment of policies, procedures and controls

(1) Every insurance intermediary shall—

- (a) establish such strategies, policies, procedures and controls, as are appropriate given the nature, scale, complexity and diversity of its business and the risks that it faces; and
- (b) ensure that the strategies, policies, procedures and controls are fully and clearly documented and are communicated to senior managers and other relevant employees and key persons in control functions, if any.

(2) The strategies, policies, procedures and controls shall specify the duties and responsibilities of the board and senior management.

27. Remuneration policy

Every insurance intermediary shall establish a remuneration policy and periodically review the policy.

28. Risk management strategy and policy

(1) An insurance intermediary shall establish and maintain—

- (a) a clearly defined strategy and policy for the effective management of all significant risks that the insurance intermediary is, or may be, exposed to including operational risk and other material risks;
- (b) procedures and controls that are sufficient to ensure that the risk management strategy and policy is effectively implemented.

(2) For the purposes of subregulation (1), the risk management strategy and policy shall—

- (a) be appropriate for the nature, scale, complexity and diversity of the business of the insurance intermediary;
- (b) specify how risks are to be identified, monitored, managed and reported on in a timely manner; and
- (c) take into account the probability, potential impact and the time duration of risk.

(3) The risk management strategy, policy, procedures and controls shall be communicated and readily available to directors, senior managers and other employees including key persons in control functions.

29. Internal controls

(1) Every licenced broker and third-party administrator shall establish and maintain adequate and effective internal controls appropriate for the nature, scale, complexity and diversity of its business and the risks to which it is exposed.

(2) Without limiting the general effect of subregulation (1), internal controls shall make provision for the following-

- (a) the proper planning and operation of the business of the licenced broker or third-party administrator;
- (b) the proper management of assets;
- (c) the efficient management of the liabilities;
- (d) the keeping of complete, accurate and timely accounting records;
- (e) the assessment and monitoring of adequacy of capital resources;

- (f) measures to guard against financial crime including money laundering and terrorist financing;
- (g) contingency arrangements to deal with any unforeseen situations such as loss of data;
- (h) adequate controls in relation to information technology systems, including controls that—
 - (i) cover the key business, IT and financial policies and procedures and the related risk management and compliance systems;
 - (ii) protect the accuracy and security of the information technology systems;
 - (iii) restrict employees' access to records; and
 - (iv) ensure that changes to systems and records are recorded.

(3) Every licenced broker and third-party administrator shall ensure that persons to whom any control functions are outsourced adopt effective internal controls in accordance with this regulation.

30. Outsourcing of material activities

- (1) Subject to subregulation (3) and (4), an insurance intermediary may outsource material activities to a service provider.
- (2) An agreement to outsource shall be in writing and shall—
 - (a) specify the activities to be outsourced;
 - (b) specify the rights and responsibilities of the parties;
 - (c) make provision for the protection of confidential information;

- (d) make provision for the monitoring of the outsourcing arrangement;
- (e) set out the fee structure for the outsourcing services to be provided;
- (f) make provision for the termination of the outsourcing arrangement;
- (g) specify the mechanism for resolution of disputes;
- (h) make provision for access to documents and information relevant to the outsourced activity.

(3) An insurance intermediary shall not enter into an outsourcing arrangement unless the insurance intermediary undertakes an assessment of the outsourcing risk and satisfies itself that -

- (a) the service provider possesses the necessary expertise and experience;
- (b) the charges, fees and costs payable to the service provider are reasonable taking into account the activities to be undertaken;
- (c) the outsourcing will be subject to appropriate controls;
- (d) the activities to be outsourced are covered in an outsourcing policy.

(4) An insurance intermediary shall not outsource—

- (a) the compliance function; or
- (b) any activity, if the outsourcing of that activity-
 - (i) impairs the ability of the Authority to supervise the insurance intermediary; or

- (ii) affects the rights of a customer or potential customer against the insurance intermediary.

(5) An insurance intermediary shall establish and maintain a contingency plan for each outsourcing arrangement.

(6) An insurance intermediary shall give the Authority at least fourteen days' prior notice of its intention to outsource an activity, and the Authority may, for good cause, refuse to permit the outsourcing of the intended activity.

31. Responsibility for outsourced activities

Where an insurance intermediary outsources an activity, the insurance intermediary—

- (a) shall oversee the performance of the activity by the service provider; and
- (b) remains responsible for—
 - (i) the performance of the activity by the service provider; and
 - (ii) any failure by the service provider in relation to the performance of the activity.

32. Outsourcing policy

An insurance intermediary shall establish an outsourcing policy which shall—

- (a) set out the internal review and approvals required for outsourcing;
- (b) specify the criteria for making outsourcing decisions, including how, and to whom, particular types of relevant activities should be outsourced and the evaluation of a service provider's capacity and ability to undertake outsourced activities;

- (c) set out appropriate and adequate procedures and controls to manage outsourcing risk;
- (d) provide for the monitoring and controlling of insurance intermediary outsourcing arrangements;
- (e) provide for mitigation measures to deal with risks associated with outsourcing activities.

33. Business continuity plans

(1) Every insurance intermediary shall establish a business continuity plan to deal with unforeseen interruptions or disruptions to business.

(2) For the purposes of subregulation (1), a business continuity plan shall make provision for measures—

- (a) to meet legal and regulatory obligations;
- (b) to limit losses core to functions and systems;
- (c) to recover any losses in a timely manner;
- (d) to mitigate loss or failure of internal and external resources, including human resources, systems and other assets;
- (e) to mitigate loss or corruption of data and other information;
- (f) to mitigate the effect of external events including criminal acts, weather events and other natural disasters.
- (g) to resume business in a timely manner, where business or any part of it temporarily ceases.

(3) A business continuity plan shall—

- (a) take into consideration the nature, scale, complexity and diversity of the business of the insurance broker or corporate insurance agent; and
- (b) be regularly reviewed and updated.

34. Business conduct policies, procedures and controls

(1) Every licensed broker, corporate insurance agent and third-party administrator shall develop and implement conduct of business policies, procedures and controls appropriate to the nature, scale, complexity and diversity of its business.

(2) The business conduct policies, procedures and controls shall take into account—

- (a) the circumstances and interests of different customers and potential customers; and
- (b) the experience and expertise of different customers and potential customers, the information available to them and the needs that different customers and potential customers have for advice.

(3) A licensed broker, corporate insurance agent and third-party administrator shall take appropriate measures to ensure that—

- (a) its culture and values include the fair treatment of customers and potential customers; and
- (b) its employees meet high standards of ethics and integrity.

35. Complaints policy and procedures

(1) An insurance intermediary shall—

- (a) develop and maintain a complaints handling and procedures policy which provide for the effective consideration and proper handling of any complaints made to it and for appropriate remedial action to be taken; and
- (b) maintain a complaints register in which the intermediary shall record any complaints received together with details of how the complaint has been, or is being, dealt with.

(2) Where a complaint against an insurance intermediary remains unsettled for a period exceeding one month, the insurance intermediary shall—

- (a) immediately inform the Authority; and
- (b) advise the complainant to contact the Authority directly about the complaint.

(3) Where an insurance intermediary has given a substantive response to a complaint, the insurance intermediary is entitled to treat the complaint as settled after the expiry of 28 days from the date of its response unless the complainant indicates to the insurance intermediary that the response is unsatisfactory.

36. Marketing of insurance products

(1) Every licensed broker, insurance agent and third-party administrator shall—

- (a) take into account the interests of customers and potential customers when marketing an insurance product;
- (b) take reasonable steps to ensure that insurance products are promoted to customers and potential customers in a manner that—
 - (i) is clear and fair and that is not inaccurate or misleading; and
 - (ii) takes account of the knowledge and experience of a typical customer for the insurance product being marketed;
- (c) take reasonable steps to ensure that—
 - (i) a customer or potential customer knows whether or not advice is being provided;
 - (ii) any advice provided to a customer or potential customer is appropriate, taking into account the circumstances disclosed to it by that person; and

- (iii) a person only purchases an insurance product if the person is eligible to obtain benefits under the product; and
- (d) provide relevant information to its sales staff so as to ensure that they understand the target market and the characteristics of the product.

PART V—GENERAL

37. Professional indemnity insurance

(1) Every insurance intermediary shall, while carrying on business, maintain, a professional indemnity policy of not less than one hundred million Uganda shillings.

(2) The professional indemnity policy referred to in subregulation (1) shall be taken out with a licensed insurer, unless the Authority directs otherwise.

(3) The professional indemnity policy may be used to indemnify an insurance intermediary against—

- (a) liability for loss or damage caused to another person where the claim arises from—
 - (i) a negligent act, error or omission, a negligent misstatement or misrepresentation or a breach of duty of care in connection with the carrying on of its licensed business in Uganda;
 - (ii) the dishonesty of the insurance intermediary's directors, employees or persons engaged under a contract for services; or
 - (iii) the loss and theft of documents and data, including the costs of replacement, the reinstatement of data and the increased costs of working;

- (b) the legal and other costs connected with defending a claim referred to in paragraph (a); and
- (c) the costs of investigating and settling a claim.

38. Report to Authority on taking out indemnity

(1) An insurance intermediary shall, within seven days of taking out professional indemnity, provide the Authority with a copy of the insurance certificate and policy documents.

(2) An insurance intermediary shall immediately provide written notice to the Authority where—

- (a) any endorsements are placed on its professional indemnity policy; and
- (b) any limitations are in place in relation to its professional indemnity policy.

39. Disclosure to customers

(1) An insurance intermediary shall disclose to a customer—

- (a) the full name of the insurance intermediary;
- (b) the full address of the insurance intermediary's principal place of business;
- (c) full contact details for the insurance intermediary; and
- (d) the name of the licensed insurer for which the insurance intermediary is authorised to act.

(2) An insurance broker shall disclose to its customers the terms and conditions of business that are applicable to the customer.

(3) The terms and conditions of business shall be disclosed before a customer enters into an insurance contract negotiated or arranged by the insurance broker.

(4) An insurance agent shall disclose the relationship of the agent with the insurers by whom the agent is appointed, to any persons considering purchasing an insurance product through the agent.

40. Key features statement

(1) Where an insurance broker or insurance agent acts in relation to the sale or renewal of an insurance policy, the broker or agent shall provide the person considering the purchase or renewal of the product—

(a) a statement prepared by the insurer setting out the key features of the insurance product, in these regulations referred to as a “key features statement”; and

(b) any appropriate information concerning the product.

(2) A key features statement shall contain-

(a) details of the premium payable, the date the premium is required to be paid and the consequences for non-payment;

(b) where an insurance product is purchased in connection with other goods or services, the details of that part of the total price payable that represents the premium and whether purchasing the contract is compulsory;

(c) such other information as the Authority may, in writing, require to be provided.

(3) A key features statement shall be provided in sufficient time for the person to make an informed decision about whether to enter into, or renew, an insurance policy.

41. Electronic communications

(1) An insurance intermediary may communicate with, and provide documents to, a customer or potential customer by electronic means if the customer or potential customer gives his or her consent to the use of electronic communication.

(2) For the purposes of subregulation (1), consent may be given through a short message service or SMS message or another type of electronic communication or by signifying consent through the use of an application or programme.

42. Maintenance of records

(1) An insurance intermediary shall, in addition to the records required to be kept by section 106 of the Act, keep records of all services provided and transactions entered into.

(2) An insurance intermediary shall ensure that—

- (a) where records are kept in electronic form, the records can be readily retrieved and accessed and read at a computer terminal and produced in legible form and in the English language without delay; and
- (b) its records are kept up to date and that a full audit trail is maintained of all changes to its records.

43. Retention of records

(1) An insurance intermediary shall develop and implement a record retention policy which shall include—

- (a) the period of time for which various types of records shall be retained; which shall be no less than the minimum period specified in section 106(2) of the Act;
- (b) the manner the records are to be securely and safely stored; and
- (c) the process by which stored records can be readily accessed when required by the intermediary, the Authority, law enforcement agencies or other persons entitled to access them.

(2) In the case of records relating to transactions with a customer, the ten-year period specified in section 106(2) of the Act shall commence on the termination of the insurance intermediary's relationship with the customer.

(3) Notwithstanding subregulation (1) and (2), an insurance intermediary shall not alter, destroy or erase any record which is, or may be, relevant to any enforcement action being taken by the Authority or to any matter which is being investigated by the Authority or any law enforcement authority in Uganda.

44. Disclosure of matters having material regulatory impact

(1) An insurance intermediary shall disclose to the Authority, in writing, any matter that might reasonably be expected to have a material regulatory impact.

(2) For the purposes of subregulation (1), the following shall be regarded as matters that might reasonably be expected to have a material regulatory impact—

- (a) any matter that could impact on the ability of the insurance intermediary to continue to carry on business;
- (b) any matter that could result in significant financial consequences to the intermediary;
- (c) any incidence of fraud or other criminal activity that is connected with, or may affect, the business of the insurance intermediary; or
- (d) any matter that the Authority considers to be of material regulatory impact.

(3) Disclosure of a matter of material regulatory impact shall be made immediately after the insurance intermediary—

- (a) becomes aware of the matter concerned; or

- (b) has reasonable grounds to believe that the matter concerned has occurred or that it may occur in the foreseeable future.

45. Disclosures to Authority to be accurate and complete

(1) An insurance intermediary shall ensure that all information and documents provided to the Authority are accurate and complete.

(2) Where an insurance intermediary becomes aware that any information or documentation that the insurance intermediary has provided to the Authority is not accurate or complete, the insurance intermediary shall—

- (a) notify the Authority immediately that the information provided is inaccurate or incomplete; and
- (b) within seven days, or such shorter period as the Authority may require, provide the Authority with the correct information or documentation.

46. Notice period

For the purposes of section 95(4) of the Act, the Authority shall, before invoking the provisions of the section 95(2) of the Act, give the insurance intermediary fourteen days written warning of the intention to invoke section 95(2) of the Act.

SCHEDULE

Regulation 6(1)(a)

FORM 1

APPLICATION FOR AN INSURANCE/REINSURANCE BROKER LICENCE

1. Names of applicant
2. Postal address (head office)
3. Telephone No.
4. E-mail:
5. Physical address
6. Share capital:
 - (i) Authorised capital
 - (ii) Paid-up capital
7. Insurance business intended to be transacted for (state whether life or non-life)
8. Names and address of Bankers
9. External Auditors
10. Insurers to whom business was placed in the last preceding year or is to be placed:
11. Has any of the proposed staff been convicted of any offence involving fraud or dishonesty in the past five years?
If yes, give details on a separate sheet of paper
12. Has any of the proposed staff been adjusted to be bankrupt or compounded with creditors?
If yes, give full details separately
13. Does any of the proposed staff have any interest in any firm licensed under the Act?
Please state the nature of the interest on a separate paper

14. Name of the proposed Chief Executive Officer/Principal Officer of the applicant
15. Total Number of proposed employees employed

DECLARATION BY APPLICANT

I certify that the statements contained in this application and in the documents submitted with it as attached are true and accurate to the best of my knowledge and belief.

Date

Signature of applicant

Attach the following documents:

1. Particulars of directors and shareholders;
2. Branch office details (if any);
3. Details of proposed personnel and department staff;
4. Detailed and signed curriculum vitae of proposed directors, Officer/Principal Officer and technical staff;

FORM 2

APPLICATION FOR AN INSURANCE AGENT LICENCE

1. Names of applicant
2. Nationality of applicant
3. Postal address
4. Telephone No.
5. E-Mail:
6. Physical address
7. Name of insurers represented
8. Legal status of the applicant
9. Classes of insurance to be transacted

Attach the following documents:

1. Certified copy of the National Identification card for Ugandan citizens and Passport for Non-citizens;
2. Detailed and signed curriculum vitae;
3. Recent passport size photograph;
4. Statement from insurer indicating that applicant is competent to carry out the services for which a licence is sought, where applicable;
5. Proof of membership to the Insurance Training College, where applicable;
6. Copy of agency agreements with insurers represented, where applicable;
7. Copy of certificates of competence with insurer's represented, where applicable.

DECLARATION BY APPLICANT

I certify the above particulars to be true and correct and agree to notify the Authority of any material alteration provided and in terms of any law in force in Uganda.

I further declare that I

- (a) have not been adjudged bankrupt;
- (b) have not compounded with creditors;
- (c) have not been convicted by a court in any country of any offence involving fraud or dishonesty or misconduct;
- (d) am not a civil servant or municipal employee;
- (e) am not an administrator, director, auditor or employee of an insurance company or broking company;
- (f) am not a risk advisor, loss adjuster or insurance valuer.

Date

Signed:.....

FORM 3

**APPLICATION FOR AN INSURANCE THIRD PARTY
ADMINISTRATOR LICENCE**

1. Names of applicant
2. Nationality of applicant
3. Postal address
4. Telephone No.
5. E-Mail:
6. Physical address
7. Name of insurers be represented
8. Legal status of the applicant
9. Classes of insurance to be transacted

Attach the following documents:

1. Certified copy of the National Identification card for Ugandan citizens and Passport for Non-citizens;
2. Detailed and signed curriculum vitae;
3. Recent passport size photograph;
4. Statement from insurer indicating that applicant is competent to carry out the services for which a licence is sought, where applicable;
5. Proof of membership to the Insurance Training College, where applicable;
6. Copy of agency agreements with insurers represented, where applicable;
7. Copy of certificates of competence with insurer's represented, where applicable.

DECLARATION BY APPLICANT

I certify the above particulars to be true and correct and agree to notify the Authority of any material alteration in the information provided and in terms of any law in force in Uganda.

I further declare that I-

- (a) have not been adjudged bankrupt;
- (b) have not compounded with creditors;
- (c) have not been convicted by a court in any country of any offence involving fraud or dishonesty or misconduct;
- (d) am not a civil servant or municipal employee;
- (e) am not an administrator, director, auditor or employee of an insurance company or broking company;
- (f) am not a risk advisor, loss adjuster or insurance valuer.

Date

Signed:.....

FORM 4

**APPLICATION FOR A LICENCE FOR INSURANCE RISK
ADVISOR/LOSS ASSESSOR/LOSS ADJUSTER***(choose whichever applies)*

1. Names of applicant
 2. Nationality of applicant
 3. Postal address - (Head Office)
 4. Telephone No.
 5. E-Mail:
 6. Physical address
 7. Name of insurers represented
 8. Legal status of the applicant (Individual/Company/Partnership)
.....
 9. Share capital:
 - (i) Authorised capital
 - (ii) Paid up capital
 10. Insurance business intended to be transacted for (state whether life or non-life)
 11. Names and address of Bankers
 12. External Auditors
 13. Insurers to whom business was placed in the last preceding year or is to be placed:
- Fraud, Bankruptcy and other material interests.
14. Has any of the staff in the past five years been convicted of any offence involving fraud or dishonesty? If yes, give details on a separate sheet of paper

15. Has any of the staff been adjudged to be bankrupt or compounded with creditors?

If yes, give full details separately

16. Does any of the staff have any interest in any firm licensed under the Act?

Please state the nature of the interest on a separate paper

17. Name of the proposed Chief Executive Officer and Principal Officer of the applicant

18. Proposed total number of employees to be employed

DECLARATION BY APPLICANT

I certify that the statements contained in this application and in the documents submitted with it as attached are true and accurate to the best of my knowledge and belief.

Date

Signature of applicant

Attach the following documents:

- (a) Particulars of directors and shareholders;
- (b) Branch office details (if any);
- (c) Details of proposed personnel and department staff;
- (d) Detailed and signed curriculum vitae of proposed directors, chief executive officer and technical staff;
- (e) Proof of financial ability to pay required capital and statutory fees including paid up capital and security deposit;
- (f) Certified copies of Memorandum and Articles of Association and certificate of incorporation (if new applicant company) or certificate of registration if registered as a business name;
- (g) Certified copy of proof of membership to the Insurance Training College, where applicable;
- (h) Attach a copy of a valid Professional Indemnity Policy. Where applicable;

FORM 5

INSURANCE INTERMEDIARY LICENCE

The Insurance Regulatory Authority of Uganda pursuant to its authority under sections 83 and 85 of the Insurance Act 2017, hereby grants this licence to:

Name of Insurance Intermediary:

Address:

Category of Licence:

Date of issue:

This licence is subject to the provisions of the Insurance Act, 2017 the Regulations made under the Act and the conditions, if any, given and shall remain valid for two years from the date of issue unless varied, suspended or revoked.

CONDITIONS

1.
2.
3.

.....
Chief Executive Officer

MATIA KASAIJA (M.)
Minister of Finance, Planning and Economic Development