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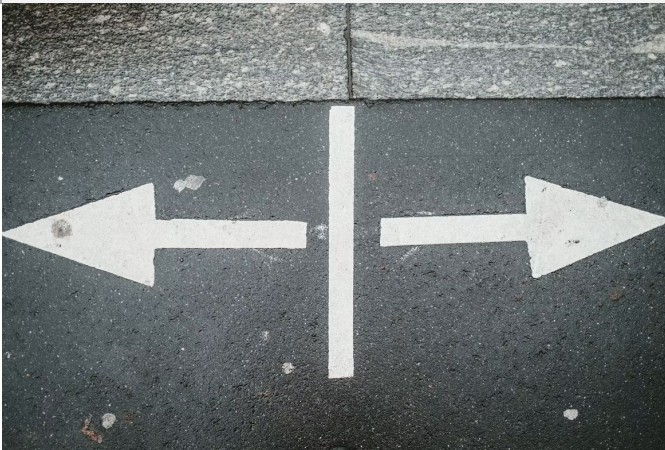


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GROWTH WITHOUT PROTECTION: THE INSURANCE PARADOX

July 14th, 2026



The Question Nobody in This Industry Wants to Answer

Across many African markets – including Uganda - the insurance industry is growing. Premiums are rising, new players are entering the market, and the Insurance Regulatory Authority (IRA) has authorized 144 licensed entities to drive insurance business in 2026. Regulators are innovating. Technology is being adopted. On paper, the numbers look encouraging. But here is a question I want you to sit with for a moment: How many people around

you — outside this industry — have insurance? Very few. The people we should be serving are navigating life's biggest financial risks — illness, fire, drought, accident — without any protection. And they are doing so not because they don't care about their futures, but because the industry has not yet made itself relevant, accessible, or affordable to them. as professionals in this industry, it is our paradox to resolve.

When Headline Numbers Mislead

For the first time, Uganda's insurance sector is recording gross written premiums growth of over 13% year on year. But premium growth without penetration growth is not inclusion — it is concentration. And the data is unambiguous: the vast majority of Uganda's premiums continue to flow from a narrow base — corporate property, government infrastructure, compulsory motor third-party, aviation, marine, and energy risks. These lines serve institutions and asset owners, not individuals and families.

The true test of success is not the premium collected. It is whether the risks Ugandans actually face have been reduced. By that measure, the industry still has an enormous distance to travel.

98% Unprotected — The Statistic We Must Stop Ignoring

In Uganda, more than 98% of the population — farmers, boda boda riders, market traders, teachers, domestic workers, small business owners — bear every financial risk entirely on their own.



What people spend on protection is a fraction of what risk actually costs them. A crop failure wipes out an entire season's income. A market fire erases years of accumulated stock overnight. The gap between what people spend on protection and what risk actually costs them is not just a market failure. It is a human dignity failure.

Regionally, the contrast is stark. Kenya's insurance penetration has crossed 2.5% of GDP. Rwanda has achieved over 80% national health coverage. Tanzania has deployed index-based agricultural insurance reaching thousands of smallholder farmers. The gap with Uganda is not closing. And until the industry confronts that reality with the same urgency it applies to premium targets, it will not close.

The Gap Has Causes — Each One Addressable

The protection gap is not a mystery. It has specific, identifiable causes — each one structural, and each one within the industry's power to address. Naming them honestly is the first step.

1. Trust: "Banasasula ddala?" — Will they actually pay?

The most common objection to insurance is not affordability — it is distrust. Many Ugandans have experienced, or know someone who experienced, a delayed or denied claim. The perception that insurers collect premiums and disappear at the moment of need is widespread and stubbornly resistant to correction by statistics alone.

2. Awareness: "Tebamanyi kyekiri" — They don't know what it is

Insurance literacy in Uganda remains critically low. Most people associate insurance exclusively with motor vehicles, because third-party motor is the one line they encounter through legal compulsion. This is not a market failure. It is a communication failure: You cannot sell a product people do not understand. Awareness is not a charity initiative. It is a commercial prerequisite.

3. Relevance: "Si yaffe" — It's not designed for people like us

Many existing insurance products were built for urban, salaried, formally employed individuals with bank accounts and sufficient financial literacy to navigate policy documents. For a smallholder farmer or a fish trader, these products feel alien — and they are right. The products were not designed with them in mind.

Winning the market doesn't come from doing more. It comes from getting closer to the people you're trying to serve.

Five Moves to Close the Protection Gap

The observation about market-building versus product-pushing applies here with full force: getting closer to the people you are trying to serve is not a philosophical stance - it is a practical programme.

What follows are not aspirations, but five moves the industry can make now to begin closing the protection gap.

1. Build for Mobile Money — Not Around It

Access is no longer the constraint — behaviour is. Millions of Ugandans already move money daily through mobile platforms. Insurance must integrate seamlessly into those existing financial habits becoming part of how people transact, rather than an additional step they must consciously take. The opportunity is not to digitise insurance, but to embed it where financial life already happens.

2. Embrace Takaful as Market Expansion, Not a Niche

Entire segments of the population remain excluded not by income, but by relevance and trust. Takaful presents an opportunity to reach underserved communities through a model built on



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transparency and shared value. This is not a specialist offering — it is a pathway to unlocking new demand and broadening the market.

3. Deploy Agricultural Insurance at Scale — With Urgency

Agriculture underpins livelihoods across Uganda yet remains one of the least protected sectors. Closing this gap is not simply a product opportunity — it is an economic imperative. The foundations for agricultural insurance already exist; what is required now is industry-wide commitment to scale solutions that reflect the realities of smallholder risk.

4. Turn Claims into Proof – Not Process

Trust in insurance is not built through promises, but through outcomes. A claim paid fairly and visibly is more powerful than any campaign. Every successful claim should be treated as proof of value delivered — reinforcing credibility, shifting perception, and demonstrating that insurance works when it matters most.

5. Speak the Languages of the Customer

Insurance cannot scale if it remains linguistically and conceptually distant from the people it aims to serve. Clarity, simplicity, and cultural relevance are not marketing choices — they are prerequisites for inclusion. If a product cannot be easily understood, it will not be adopted.

From Service Provider to Market Builder

The next chapter of insurance brokerage in Uganda will be defined not by the size of the risks we place, but by the breadth of the population we protect. Brokers sit between underwriting capacity and client need, with the knowledge to design, the relationships to distribute, and the credibility to educate. No other sector participant has that combination.

The Turning Point Is Now — Not Eventually

Uganda's insurance industry is not failing. Premiums are growing. Regulation is improving. New products are emerging, new channels are opening, and the foundations are genuinely solid. But foundations are not houses. Growth is not inclusion. And the gap between what the industry is achieving and what Uganda's 47 million people need is not closing fast enough.

The good news is that 2026 offers more tools, more channels, and more regulatory support for inclusion than any previous year in Uganda's insurance history. The conditions for a genuine inclusion breakthrough are not approaching — they are here. What is needed now is will — from insurers, brokers, reinsurers, and every professional who reads this magazine and asks themselves honestly whether they are using their expertise to grow the industry, or to transform it.

The future of this industry will not be defined by how much premium we grow — but by how many people we finally protect

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