

Augustus Nuwagaba: Insurance trust re-imagined on promise

Speech by Professor Augustus Nuwagaba, Deputy Governor Bank of the Bank of Uganda, at the Annual Conference of the Insurance Brokers Association of Uganda (IBAU), Kampala, 23 April 2026.

* * *

Protocol

The Chairperson of the Insurance Brokers Association of Uganda (IBAU);
The Chief Executive Officer of the Insurance Regulatory Authority of Uganda;
Distinguished industry leaders and fellow professionals;
Invited guests, ladies and gentlemen;
Good morning / Good afternoon,

Opening Remarks

It is a distinct honour and privilege to be invited as Chief Guest at this important gathering of the Insurance Brokers Association of Uganda. I commend the Association for convening this forum and for choosing a theme that speaks so directly and powerfully to the foundational imperatives of our financial sector.

"Insurance Trust Re-imagined on Promise" - these words are not merely a conference theme. They are a call to action. They are a mirror held up to our industry, inviting honest reflection on what we have built, what we have broken, and what we must urgently restore.

Allow me to take a few minutes to share thoughts on why trust, grounded in promise, must be the central architecture upon which the future of Uganda's insurance sector is constructed.

1. The State of Insurance Penetration in Uganda

Ladies and gentlemen, let us confront an uncomfortable truth: insurance penetration in Uganda remains among the lowest in Sub-Saharan Africa, hovering below one percent of GDP. In a country of over 45 million people, the vast majority remain financially exposed to risks that could, and often do, reduce families and businesses to poverty.

This is not primarily a problem of poverty. It is fundamentally a problem of trust. When Ugandans are surveyed on why they do not purchase insurance, the most common response is not that they cannot afford premiums, it is that they do not believe they will be paid when they make a claim. Trust is therefore the missing variable.

This trust deficit has been accumulated over years of claim delays, policy exclusions written in fine print, and a perception that insurance companies collect premiums but find reasons not to pay. As brokers, the intermediaries standing between the insurer and the insured, you occupy a pivotal position in either perpetuating or dismantling this perception.

2. What Does "Trust Re-imagined on Promise" Mean?

The word "promise" is the very essence of insurance. At its core, an insurance contract is nothing more and nothing less than a promise: "pay us a premium today, and we solemnly undertake to support you in your hour of greatest need."

To re-imagine trust on promise means 4 major things:

First, Transparency of Products: Insurance products must be designed and communicated in plain language that the policyholder genuinely understands. Complex exclusion clauses buried in complicated and complex terminologies are not the foundation of a promise, they are the instruments of its betrayal.

Second, Claims Integrity: The ultimate moment of truth in insurance is when a claim is submitted. Every delayed, disputed, or denied legitimate claim erodes trust not only in one company but in the entire industry. We must create a culture and a regulatory environment in which claims are processed fairly, promptly, and with dignity.

Third, Broker Professionalism: Brokers must genuinely act in the best interest of the client. When a broker recommends a product primarily because of the commission it generates rather than the suitability it offers, the promise is compromised at the point of sale. Professionalism and ethics are not optional soft skills, they are the infrastructure of trust.

Fourth, Technology and Accessibility: Re-imagining trust also means re-imagining access. The digital revolution presents us with an extraordinary opportunity to extend insurance to the previously unreachable, the smallholder farmer, the boda-boda rider, the market vendor. Through mobile platforms, parametric insurance models, and innovative distribution, we can make the promise of insurance real to millions who have never held a policy.

3. The Role of the Bank of Uganda and the Regulatory Framework

While insurance regulation in Uganda falls primarily under the Insurance Regulatory Authority, the Bank of Uganda's mandate for financial sector stability means we have a deep and abiding interest in the health and trustworthiness of the insurance sector. Insurance is a critical pillar of broader financial architecture.

When insurance companies hold significant asset portfolios and invest in capital markets, their solvency and governance practices have systemic implications. When bancassurance products are sold through commercial banks, the reputation of the banking sector becomes intertwined with insurance performance. We are one financial ecosystem, and trust in one part reinforces or undermines trust in the whole financial system.

I am therefore pleased to note the collaborative spirit between the Bank of Uganda and the Insurance Regulatory Authority in our joint financial sector deepening agenda. The National Financial Inclusion Strategy and the broader objectives of Vision 2040 both require a vibrant, trusted, and inclusive insurance sector.

We therefore call upon this Association to be a proactive partner in these national objectives not merely as a commercial enterprise, but as a steward of financial resilience for Ugandan households and businesses.

4. Specific Calls to Action for Insurance Brokers

Ladies and gentlemen, allow me to speak plainly and directly to your profession with five specific calls to action.

One - Champion Consumer Education: Do not wait for the regulator to drive financial literacy. Take ownership of educating your clients. An informed client is not a problem, an informed client is a loyal, long-term policyholder.

Two - Uphold the Highest Ethical Standards: Self-regulate before the regulator must. The IBAU Code of Conduct should be lived, not laminated. Brokers who mis-sell, overcharge, or collude in fraudulent claims are not only committing legal violations, but they are also vandalizing the trust of an entire industry.

Three - Embrace Insurtech and Digital Innovation: The future of insurance brokerage is digital. Brokers who resist technology will be displaced by it. Partner with fintech innovators, invest in digital platforms, and leverage data analytics, machine learning and artificial intelligence to serve your clients better.

Four - Advocate for Client Rights: When an insurer unreasonably delays or denies a legitimate claim, your client needs you to be their champion. The power of the broker lies not only in placing cover but in fighting for the promise to be honored.

Five - Invest in Professional Development: The complexity of modern risk, from cyber threats to climate-related losses demands technically sophisticated brokers. Continuous professional development is therefore not a luxury; it is a duty you owe to your clients.

5. The Opportunity Before Us

Ladies and gentlemen, I want to close this section with a word of genuine optimism. Uganda's insurance sector stands at an inflection point. We have a young, growing, and increasingly mobile population. We have a rapidly expanding middle class with assets to protect. We have a government committed to infrastructure investment that generates insurable assets.

The agricultural sector which employs the majority of Ugandans remains dramatically underinsured against climate risks that are growing in frequency and severity. The SME sector, which forms the backbone of our economy, lacks adequate business interruption, liability, and asset cover. Each of these represents not merely a market gap, it represents a promise waiting to be made and kept.

The East African region is also presenting cross-border opportunities for Ugandan brokers with the right capabilities and the right reputation. Trust, once earned, travels. I encourage this Association to think regionally and to build the professional credibility that will position Ugandan brokers as leaders in the East African insurance market.

Closing Remarks

Distinguished guests, let me leave you with this thought: the most powerful sentence in the English language may well be "I promise." It creates obligation. It builds relationship. It transfers confidence from one party to another across time.

Insurance is the institutionalization of that promise. And you, the brokers, are its human face.

Re-imagining trust, therefore, begins with re-imagining yourselves as professionals, as advocates, as custodians of a promise that has the power to change lives. When a mother recovers the cost of her child's hospitalization because a policy paid as it should. When a farmer does not lose everything to a drought because a parametric insurance product paid automatically. When a business survives a fire because a broker placed the right cover, in those moments, the promise is kept, and trust is rebuilt, one life at a time.

That is the insurance sector Uganda needs. And it begins in this room, with your commitment, today.

I wish you fruitful deliberations, productive connections, and the courage to make and keep the promises that will transform this industry.

Thank you very much.