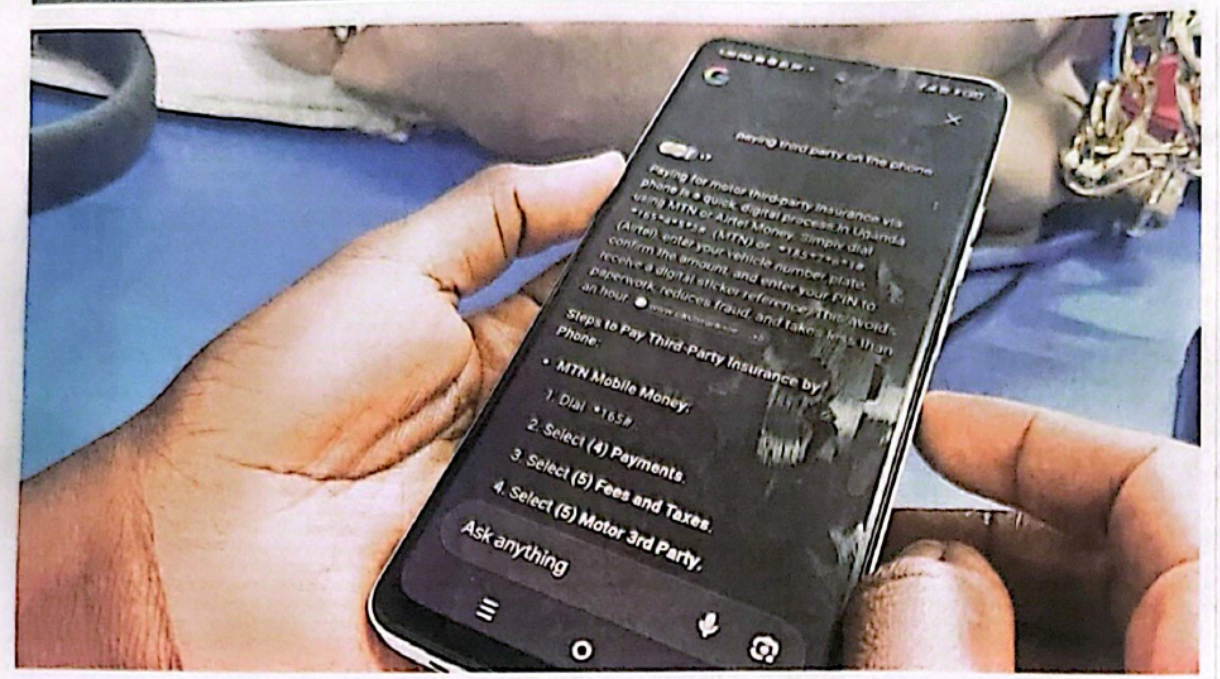


Payments are typically made directly by customers using mobile money platforms, which reduces the risk of intermediaries mishandling funds. PHOTO/PROMISE TWINAMUKYE

Does digitising make motor insurance faster and safer?

Months after Uganda replaced windscreen stickers with a fully digital system, motorists, insurers, and traffic officers are seeing how the change affects speed, safety, and convenience on the roads.

BY MAXELLA MUGISHA

Since January 1, a quiet but significant change has reshaped Uganda's motor insurance sector. The familiar Third Party Insurance sticker that for years clung to vehicle windscreens has been replaced by an electronic record.

Months into the rollout, motorists, insurers, and traffic officers are beginning to experience the reality of a system that replaces physical proof of cover with instant electronic verification.

The shift marks a decisive move from physical to digital insurance, a reform industry players say was long overdue.

At the centre of the transition is a push by the Insurance Regulatory Authority of Uganda to curb fraud and modernise verification systems. Joseph Nsubuga, the chief executive officer of Mirai General Insurance Uganda Ltd, says the physical sticker has increasingly become vulnerable to abuse.

"There were several fake stickers on the market," he says. "By going digital, the regulator is trying to curb that issue of fraud."

For years, attempts had been made to upgrade the security features on the physical stickers. Colours were altered and additional markings introduced, but these measures proved insufficient against increasingly sophisticated counterfeiters. The result was a market in which some motorists unknowingly carried fake insurance covers, only discovering the problem when making claims after accidents.

Insurance without the windscreen sticker

Under the new digital model, what motorists purchase is no longer a piece of paper but an electronic record stored within a central system.

"The digital Third Party system is simply an electronic record having the same details that we use on the physical sticker," Nsubuga explains. "You do not get a physical sticker. But in terms of how it operates or how it covers someone, everything remains the same."

Verification, once dependent on visual inspection of a windscreen sticker, has also evolved. Law enforcement officers now rely on handheld gadgets linked to the national database.

"They just input the registration number and then they can tell that this one has a digital sticker or it is not insured," he says, adding that the system has already been tested and is operational.

A traffic officer attached to the traffic directorate, who asked not to be named because he is not authorised to speak to the media, said the new system has simplified roadside checks.

"Before, we relied on looking at the sticker and sometimes it was hard to tell if it was genuine," he says. "Now we simply enter the vehicle registration number and immediately see whether it is insured."

HOW THE SYSTEM WORKS

1.Purchase insurance: Motorists buy Third Party insurance through an insurer, agent, or online platform.

2.Make payment: Payment is usually made through mobile money or bank transfer.

3.Policy is recorded digitally: Details are entered into a central insurance database.

4.Confirmation is sent: The motorist receives proof of insurance via SMS or email.

5.Traffic officers verify electronically: Officers check insurance by entering the vehicle registration number into a handheld verification device.

A gradual transition

The rollout did not happen overnight. Last year, the industry ran both physical and digital systems in parallel, starting with pilot phases around September. The full transition became effective at the start of this year.

Motorists with valid physical stickers were allowed to keep them until their expiry dates, but all new policies and renewals are now issued digitally.

For many drivers, the change has already simplified the process. Sarah Namuli says renewing her insurance recently took only a few minutes.

"I paid using mobile money and received confirmation almost immediately," she said. "At first I wondered what would happen without the sticker on my windscreen, but the process was actually faster than before."

Convenience and accountability

Beyond tackling fraud, the reform reflects broader technological changes across Uganda's economy. Mobile money platforms and online services have transformed sectors ranging from banking to retail.

Insurance, industry leaders argue, could not remain analogue in an increasingly digital environment.

"With digital, one can just send you a link and you self-service," Nsubuga says. "Or you just call, and in minutes you have your sticker."

Payments are typically made directly by customers using mobile money platforms, which reduces the risk of intermediaries mishandling funds. Policyholders receive confirmation via email or SMS, creating an immediate digital record.

The system is integrated across multiple institutions, making manipulation much more difficult. "It goes through several systems," Nsubuga explains. "It is very hard for someone to access those systems."

Data privacy is an increasing concern in digital services and is governed by Uganda's national data protection laws, which require insurers to protect personal information.

Ensuring no one is left behind

Despite its advantages, the transition to a new system has raised concerns among some motorists. Without a visible sticker, many drivers worry about being stopped by traffic officers and struggling to prove their insurance status. Additionally, those in rural areas may not have access to smartphones or reliable internet connections.

Industry experts insist that the system still caters to these motorists. Agents remain a crucial part of the insurance landscape, serving as brokers and advisors for customers who prefer face-to-face interactions.

"There are people who cannot access the internet or smartphones," Nsubuga says. "That is where our agents come in. They do not just sell insurance but also provide advisory services."

Across the country, insurance companies continue to operate agency networks, allowing motorists to receive assistance in person. Even in these cases, the transactions are processed digitally, ensuring that the policies are recorded in a central database.

Months into the digital future

Customer reactions to the new system have been mixed but largely positive, with many motorists appreciating its speed and convenience. "Some people are very happy because of the convenience it offers," Nsubuga notes. Others have wondered why Uganda took longer than neighboring countries such as Tanzania, to fully digitise motor insurance.

For motorists, one of the greatest benefits is peace of mind. A digital record reduces the risk of unknowingly purchasing counterfeit insurance. "You can be confident that what you have bought is not fake," Nsubuga says. "In case of a claim, you will be paid because you know what you possess is genuine."

PLUS
REDUCES FRAUDULENT ACTIVITIES

The implications of this shift extend beyond the insurance sector. Digital verification enhances road safety enforcement by allowing for real-time checks and improving compliance. "This is the way to go," he emphasises. "Insurance cannot be left behind when we see that the trend is digital."

Although the windscreen no longer displays proof of insurance, several months into the rollout, the digital system is proving its worth. Motorists are adjusting, traffic officers can verify coverage in seconds, and insurers are tracking policies more securely than ever. For Uganda's motor insurance sector, the transition from paper to digital platforms represents not just a technological upgrade, but a structural shift in how trust, compliance, and protection are delivered to drivers on the ground.

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