

MOTOR MARI

LACK OF TRUST STILL BIGGEST BARRIER TO CAR INSURANCE

By Ahmad Muto

Motor insurance is by far one of the areas that perplexes motorists every time it comes up. The insurance covers loss or damage to your vehicle resulting from accidental fire, theft, accidents, third-party bodily injury or death, and third-party property loss or damage.

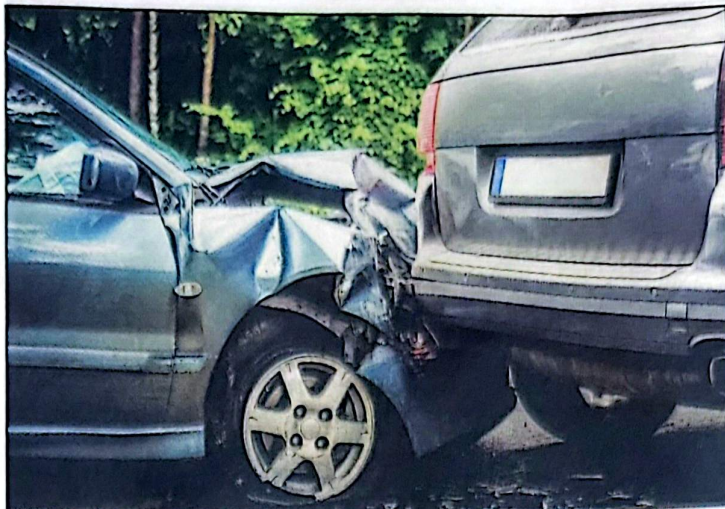
By law, every car must have motor third-party insurance. But for some motorists, that is as far as it goes. Their main concern is the fear of being caught by traffic police, and its significance remains alien to a large section of road users.

Motor third-party insurance was introduced by the Motor Vehicle Insurance (Third Party Risks) Act 1989, which mandated compulsory insurance against third-party bodily injury arising from the use of vehicles. The Act made it mandatory for any vehicle, van, or motorcycle used for private or commercial purposes to have motor third-party insurance cover.

Only government-owned vehicles are exempt. However, the 2025 insurance data report indicates that only 577,000 out of over two million vehicles on the road have motor third-party insurance. Jonan Kisakye, the chief executive officer of the Uganda Insurers Association, partly attributes the mismatch in the insurance report to exempt government vehicles and written-off vehicles that remain on the register. He argues that the introduction of digital stickers and ongoing media sensitisation efforts have improved uptake.

SIGNIFICANCE

"There was a time when people didn't know what they were buying, and the feeling was that it was only for the Police. I don't think that is the case today. The level of compensation is a matter of law. So, if the law sets the limit at sh1m, people who don't fully understand the components of the product may feel that sh1m is lower than they



An accident involving two cars. For third-party insurance, premiums depend on whether the vehicle is a private car, commercial car, or motorcycle

expected," Kisakye explains.

Ronald Mutebi, an insurance agent, concedes that not many people understand car insurance.

"I can say not many people know the significance of motor third-party insurance. They get it because it is mandatory, and they don't want to be caught by the Police. The Government also has an interest because it benefits. But it is important," Mutebi says.

WHO IS THE THIRD PARTY?

According to the Insurance Regulatory Authority of Uganda, the third party is the person who suffers loss, death, or bodily injury as a result of an accident. The first party is the owner of the vehicle or motorcycle, while the insurance company is the second party. The third party can be any road user, including a pedestrian, a motor vehicle passenger, or a property owner involved in an accident. Comprehensive insurance combines the two to give the motorist an all-inclusive package.

Mutebi says it covers the car in case of theft, fire, or a road crash, including its physical look and accessories such as

BETWEEN THE LINES

The Government is creating awareness around liability for motorists to appreciate the extent of repayment. Technology is underway to process claims online and build trust.

the radio and lights, but not the engine, as well as third-party liability.

"Accessories are replaced if stolen, even if we are importing them from Dubai, but we first ask for a police letter. In case of fire, we give you money equivalent to the price of the car. If you damage someone's property, we pay. If you knock a bodaboda rider, we cover their treatment and buy them a new motorcycle."

THE FIGURES

For third-party insurance, premiums depend on whether the vehicle is a private car, commercial car, or motorcycle. The calculation is based on the vehicle's weight and the number of passengers it carries. Each vehicle is categorised accordingly in the Uganda

Revenue Authority registry.

"For a motorcycle, one pays about sh45,000, a private car about sh68,000, and a commercial vehicle ranges from sh130,000 to sh250,000, depending on its use. Buses that carry 60 passengers and vans that carry 14 do not pay the same amount, because passenger capacity is a major factor in computing the premium," Kisakye explains.

WHY THE INSURANCE APATHY?

Benon Mascot, a deputy general manager at Motorcare Uganda, explains that while some people cannot afford comprehensive insurance due to a lack of funds, others simply do not trust insurance companies.

"The fact that insurers ask whether the driver was drunk or has a valid driver's licence makes motorists assume their first instinct is to find a reason not to pay," Mascot says.

Kisakye says the industry is working to create awareness around liability so motorists understand the extent of compensation they can expect. Technology is also being deployed to process claims online and build trust.

A commu
conditior
upgrade

DM
fro

By Sai

The U
banne
condit
road s
Ope
their
mech
exper
defec
Jos
pain
says
can
gear
cost
pas
nee
"I
joir
roa
I
th
st
T
se
d

1
1