Life insurance that builds wealth

Insurers drive life policy growth

LIFE INSURANCE
RACHEAL NABISUBI

Bancassurance partnerships contributed Shs300 billion in premiums in 2025, accounting for approximately 15 percent of the overall industry total, with a 34.3 percent year-on-year growth rate. Banks' extensive customer bases, integration with loan services, and mobile app convenience have enhanced accessibility to insurance products.

Protazio notes that in Uganda, not everyone is an insurance professional. That is why brokers exist. Licensed as professional insurance advisors, brokers help clients understand complex policies in plain language.

"For big investment or financial decisions, you shouldn't go it alone. Consult a broker. Their payment comes from the insurer, not your pocket," he explains.

The value they bring is in clarity and negotiation. A broker can break down what a policy means, highlight hidden clauses, and engage banks or insurers to restructure terms in your favour. Without that guidance, many clients overlook critical details that later cause serious problems.

Protazio encourages Ugandans to regard life insurance as more than a death benefit.

"Modern life insurance integrates savings, investment, and protection. It's an essential tool for securing your financial future and ensuring your family's well-being."

Life insurance offers peace of mind, protects against uncertainties, and builds a foundation for a more secure future. For many Ugandans, it represents a transformative investment in their lives and the well-being of their families.

Currently, insurance companies are joining life policy growth drives. For instance, Jubilee Invest Plus Plan (Absa) offers maturity benefits of 100 percent of the sum assured, guaranteed throughout the policy term. Includes death benefits, waiver of premiums, and cash surrender value after three years.

Old Mutual Investment Group (OMIG) has enhanced its unit trust offering with new benefits. These include a lifetime benefit that provides financial support if the investor is diagnosed with a critical illness or becomes disabled. The safe scholar benefit ensures that children's school fees are covered if the policyholder passes away. In addition, the life care benefit offers an immediate cash payout to help meet the family's needs in the event of death.

Insurers are redefining life insurance by combining protection with investment to give Ugandans more flexible and reliable ways to secure their future.

Insurers recast life policies as wealth-building tools



Life insurance is an essential tool for securing your financial future and ensuring your family's well-being. PHOTO/SHUTTERSTOCK

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For years, life insurance was seldom seen as a viable investment option in Uganda. Many people regarded it as a remote, even uncomfortable subject, with some dismissing it as "inviting death." However, the Covid-19 pandemic significantly shifted this perception for many Ugandans, including individuals like Ms Hailey Kisekka, a businesswoman and mother of three.

Ms Kisekka shares, "We had been saving money and putting it aside in a life insurance policy. During Covid, life became so tough that we were forced to withdraw our money. The premiums were high, but I was able to access my savings before the policy matured. That money helped my family survive."

This pivotal experience transformed her skepticism into staunch conviction. Today, Kisekka refers to life insurance as "an investment deal," having opened another policy with renewed optimism for the future.

She is part of a growing segment of Ugandans who view life insurance as not just protection, but a critical financial planning tool.

Uganda's insurance industry is undergoing a remarkable transformation. Once dominated by motor, medical, and general non-life policies, the sector is witnessing a surge in life insurance, signaling a decisive shift in consumer priorities and financial planning.

This transformation is reflected in the numbers. Data from the Insurance Regulatory Authority (IRA) indicates that in 2025, Uganda's insurance industry reached a significant milestone, surpassing Shs2 trillion in gross written premiums, with life insurance alone contributing nearly Shs1 trillion. According to IRA, life insurance is no longer a niche product; it is a driving force behind industry growth.

The boom in insurance has uncovered a concerning gap. Analysts note that when a family's mortgage insurance lapses, foreclosure looms, sparking debates about whether mortgage-linked insurance should prioritise banks or protect families. The reality is stark: traditional mortgage insurance shields lenders, while families gain protection only through credit life insurance, contingent on keeping premiums valid.

Mr Sande Protazio, director of strategy and research at the IRA, says without such coverage, households risk losing their homes at the very moment they need security the most.

"Life insurance would ensure that loans are settled when tragedy strikes, allowing families to retain their homes. Banks could benefit as well, receiving immediate repayment without the delays and reputational damage associated with foreclosure battles," he says.

Endowment policies

Beyond mortgages, Mr Protazio cites life insurance products as diversifying. Endowment policies that combine savings with protection are becoming increasingly popular for purposes like education, housing, and retirement planning. While group life covers remain prevalent among employers, individual policies are on the rise as Ugandans embrace personal financial responsibility.

Key takeaways

- Life insurance offers peace of mind, protects against uncertainties, and builds a foundation for a more secure future. For many Ugandans, it represents a transformative investment in their lives and the well-being of their families.
- Old Mutual Investment Group (OMIG) has enhanced its unit trust offering with new benefits. These include a lifetime benefit that provides financial support if the investor is diagnosed with a critical illness or becomes disabled.

Life insurance

'Modern life insurance integrates savings, investment, and protection.'

Protection meets investment

The Uganda Insurers Association (UIA) defines life insurance as a contract where the policyholder pays premiums and the insurer promises to pay a designated beneficiary if the insured event—usually death—occurs. In some cases, terminal or critical illness can also trigger payment, ensuring families are shielded from the sudden loss of income.

Life insurance comes in several forms. term life – the simplest and cheapest option, offering cover for a fixed period with no investment benefits. If the policyholder dies during the term, the full sum assured is paid. If they survive, no payout is made.

Secondly, endowment policies – combine protection with savings. If the policyholder dies during the term, the sum assured is paid. If they survive, they receive maturity benefits plus bonuses.

Third, whole life policies – provide lifelong protection, with premiums paid throughout life or up to a set age.

Additionally, Unit-linked policies split premiums between life cover and investments in insurer-managed funds. Returns depend on fund performance.

In contrast, many modern life insurance products combine protection with an investment element.

"These policies allow cash value to accumulate over time, sometimes boosted by annual bonuses depending on the insurer. A key advantage is that premiums remain fixed throughout the policy term. This consistency makes budgeting easier and supports long-term financial planning with greater clarity," UIA states.

The strength of life insurance lies in its dual role: Protection and investment. It secures families against financial shocks while building long-term savings for education, housing, or retirement. Life insurance is no longer just about death—it is about safeguarding dreams and creating resilience.

Insurance is no longer solely about it is about resilience. For families like Kisekka's, life insurance can make the difference between despair and survival. For households, it can signify the ability to keep a home rather than losing it. For Uganda's economy, life insurance is evolving into a robust engine for savings and investment. What is at stake goes beyond money. A home, a child's education, and a secure retirement are about stability, security, and dignity.

Insurance market shifts

Uganda's insurance industry is undergoing a dramatic transformation. Once dominated by motor, medical, and general non-life policies, the sector is now witnessing a surge in life insurance, signaling a shift in consumer priorities and financial planning.

In 2025, the industry crossed a historic milestone, recording Shs2 trillion in gross written premiums, with life insurance contributing nearly half.

"For many years, non-life products led the market," says Mr Sande Protazio, director of strategy and research at the IRA.

"In 2025, life business contributed close to Shs1 trillion of the Shs2 trillion total premiums." This trend aligns with global markets where life insurance often surpasses non-life, facilitating the creation of long-term funds that support investment and economic growth.

Insurers paid out nearly Shs1 trillion in claims, about 50 percent of premiums collected, one of the highest ratios in the region.

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