

STATUTORY INSTRUMENTS SUPPLEMENT

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S T A T U T O R Y I N S T R U M E N T S

2025 No. 62

**The Insurance (Capital Adequacy and Prudential
Requirements) Regulations, 2025**

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STATUTORY INSTRUMENTS

2025 No. 62

The Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2025

(Under sections 47 of the Insurance Act, Cap. 191)

IN EXERCISE of the powers conferred upon the Insurance Regulatory Authority of Uganda, these Regulations are made this 5th day of June, 2025.

PART I— PRELIMINARY

1. Citation

These Regulations may be cited as the Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2025.

2. Application of Regulations

These Regulations apply to insurers, reinsurers and HMOs, who, unless expressly provided otherwise, are collectively referred to in these Regulations as “insurers”.

3. Interpretation

In these Regulations, unless the context otherwise requires—

“Act” means the Insurance Act;

“appointed actuary” means a qualified actuary appointed by an insurer and approved by the Authority in accordance with section 112 of the Act and who is required to perform certain statutory functions under the Act and these regulations;

“Authority” means the Insurance Regulatory Authority of Uganda established by section 9 of the Act;

“available capital” has the meaning specified in regulation 7(2);

- “best estimate” means assumptions regarding future experience, which in the professional judgment of an insurer, reinsurer or HMO, are most likely to materialise based on the available past recent experience;
- “capital charge” means the percentages set out in the Schedules to these regulations used in computing the components of required capital;
- “catastrophe” means an event which gives rise to exceptionally large aggregate losses;
- “counterparty” means a person who is under a financial obligation to an insurer, reinsurer or HMO;
- “equity” means a share or any other form of ownership or interest in an insurer, reinsurer or HMO;
- “generally accepted actuarial practices” means professional actuarial practices accepted by the Authority in respect of actuarial work required under the Act and includes any written guidance which may be issued by the Authority from time to time;
- “health membership organisation” or “HMO” has the meaning assigned to it in the Act;
- “insurer” means a licensed insurer, reinsurer or HMO;
- “licenced insurer” means a person who holds an insurers licence issued under section 34(1)(a) of the Act;
- “life insurance business” means insurance business of a class specified as life insurance business under the Act;

“policy liabilities” means the liabilities as at the valuation date, on account of an entity’s policies and other obligations to policyholders including commitments, that are in force at the date of valuation or that were in force before that date, including—

- (a) insurance contract liabilities and assets;
- (b) liabilities and assets for policy contracts and other obligations to policy holders, other than insurance contracts;
- (c) policy liabilities and assets associated with—
 - (i) reinsurance contracts issued or held; investment contracts with discretionary participation features or DPFs;
 - (ii) contracts with investment and service components;
 - (iii) investment contracts; and
 - (iv) service contracts;

“property” means an interest in land or buildings, whether residential or commercial and whether held for own use or as an investment;

“technical provisions” means the amounts set aside by an insurer to cover certain policy liabilities of an insurer from the business that has been written, including liabilities and assets for remaining coverage and liabilities and assets for incurred claims”.

PART II— CAPITAL ADEQUACY AND PRUDENTIAL REQUIREMENTS

4. Minimum capital requirement

(1) For the purposes of section 36 of the Act, the minimum paid up capital of an insurer engaged in—

- (a) non-life insurance business is six billion Uganda shillings;
- (b) life insurance business is four billion and five hundred million Uganda shillings;
- (c) HMO insurance business is one billion Uganda shillings.

(2) The minimum paid up capital of a reinsurer engaged in—

- (a) non-life reinsurance business is nine billion Uganda shillings;
- (b) life reinsurance business is six billion Uganda shillings.

(3) Where the paid up capital of an insurer falls below that specified in subregulation (1) or (2), the insurer shall immediately notify the Authority; in any case the notification shall not be later than two working days after the paid up capital falls below the specified minimum.

5. Other prudential requirements

In accordance with section 47(3) of the Act, an insurer shall, in addition to the minimum paid up capital requirements specified in regulation 4, maintain additional capital requirements as specified in this Part.

6. Capital adequacy ratio

(1) In addition to the minimum paid up capital, an insurer shall maintain a capital adequacy ratio of at least two hundred percent.

(2) The capital adequacy ratio shall be computed as the ratio of the available capital to the required capital as specified in this regulation.

(3) For the purposes of subregulation (2), the Authority shall provide forms to enable an insurer compute its capital adequacy ratio.

(4) An insurer shall compute its capital adequacy ratio after every quarter of a financial year and at the end of the financial year.

(5) The capital adequacy ratio report for a quarter of a financial year shall be submitted to the Authority within thirty days after the quarter and the capital adequacy ratio computed at the end of a financial year shall be submitted to the Authority within ninety days from the end of the financial year.

(6) The capital adequacy ratio report for every quarter shall be signed off by the head of the actuarial control function and the principal officer.

(7) The capital adequacy ratio report for the financial year shall be signed off by the actuary and the principal officer.

(8) An insurer shall not pay out dividends where its capital adequacy ratio falls below two hundred percent.

(9) Where an insurer contravenes subregulation (1), the Authority may issue directives to the insurer requiring the insurer to take remedial action in accordance with these Regulations.

7. Capital resources

(1) For the purposes of section 47(2) of the Act, “capital resources” of an insurer means the available capital of the insurer.

(2) The available capital of an insurer is the sum of Tier 1 capital and its eligible Tier 2 capital less the sum of inadmissible assets.

- (3) Tier 1 capital of an insurer consists of—
 - (a) paid up ordinary shares that satisfy the criteria specified in regulation 8(1);
 - (b) the amount standing to the credit of the share premium account; and
 - (c) retained earnings as recorded in the most recent audited financial statements.

- (4) Tier 2 capital of an insurer consists of—
 - (a) paid up perpetual cumulative and non-cumulative preference shares that satisfy the criteria specified in regulation 8(2);
 - (b) unsecured subordinated debt that satisfies the criteria specified in regulation 9;
 - (c) undistributed current year profits or proposed dividends;
 - (d) other reserves; and
 - (e) revaluation reserves on land and buildings, subject to subregulation (6).

(5) Tier 2 capital is eligible for the purposes of determining the available capital of an insurer only to the extent that the capital does not exceed the Tier 1 capital of the insurer.

(6) A revaluation of land and buildings may be included in Tier 2 capital in accordance with subregulation (4)(e) only if—

- (a) it is based on a valuation that was undertaken no more than three years prior to its inclusion in Tier 2 capital; and

- (b) the valuation is undertaken in accordance with Regulations or guidance issued by the Authority.

8. Ordinary and preference shares

(1) A paid up ordinary share shall not be included as a component of Tier 1 capital of an insurer unless it satisfies the following criteria—

- (a) the share is not redeemable;
- (b) the share does not give the holder any preferential or pre-determined rights to a distribution of profits of the insurer; and
- (c) the share carries full voting rights.

(2) A paid up preference share shall not be included as a component of Tier 2 capital unless it satisfies the following criteria—

- (a) the share does not have a stated maturity date;
- (b) the share does not provide for any form of payment to the holder other than by way of a distribution of profits of the insurer in the form of a dividend or interest;
- (c) the insurer has the right not to pay a dividend or interest on the share in any year;
- (d) the non-payment of a dividend or interest on the share does not result in any restrictions on the insurer other than in relation to paying dividends on ordinary shares;
- (e) the share is non-redeemable, or if redeemable, is redeemable only at the option of the insurer; in such a way that rights to the repayment of principal and the payment of dividends and interest are subordinated to the claims of all policyholders of the insurer, but not necessarily to the

claims of other creditors expressed to rank equally with or behind the holder of the preference share, and the holder of the share is not entitled to any contractual right of set-off; and

- (f) the share does not give any right to early repayment of the principal, dividend or interest on the occurrence of any event, including a default.

9. Subordinated debt

(1) A subordinated debt shall not be included as a component of Tier 2 capital unless it complies with the following criteria—

- (a) the debt instrument is governed by and construed in accordance with the law of Uganda and enforcement of the instrument is subject to the exclusive jurisdiction of the courts in Uganda;
- (b) the debt instrument is either perpetual, with no maturity date, or it has an original fixed term to maturity of five years or more;
- (c) the debt instrument provides that interest payments on the debt are conditional on the insurer being solvent and profitable at the time of payment and no payment of interest may be made unless the insurer is solvent or profitable immediately afterwards;
- (d) the debt instrument contains the following terms—
 - (i) any failure of the insurer to make any interest payments does not constitute a default event; and
 - (ii) a penalty or higher interest rate is not payable if interest payments are not made on time;

- (e) the debt instrument does not include any provision that triggers the early repayment of the debt, or any part of the debt, on default, or on any specified event, circumstance or omission, other than the liquidation of the insurer;
- (f) the debt instrument provides that the rights to the repayment of principal and the payment of interest are subordinated to the claims of all policyholders and to the claims of all unsubordinated creditors, and the holder of the debt instrument is not entitled to any contractual right of set-off; and
- (g) the remedy for default in the event of non-payment of principal or interest is limited to making application to the court for the liquidation of the insurer claiming as a subordinated creditor in the liquidation of the insurer.

(2) A debt instrument that satisfies the criteria for inclusion as a component of Tier 2 capital may continue to accrue interest on any unpaid amounts, including interest on deferred interest payments.

(3) An insurer shall not agree to amend a debt instrument specified in subregulation (2) unless it has given the Authority, not less than four weeks, prior written notice of its intention to do so, whether or not the insurer, intends to continue to rely on the instrument as a component of Tier 2 capital.

10. Inadmissible assets

(1) For purposes of subregulation 7(2), “inadmissible assets” are the following—

- (a) accumulated retained losses;
- (b) intangible assets including goodwill, patents, software, trademarks and any other assets shown on the balance sheet as intangible assets;

- (c) deferred acquisition costs;
- (d) pre-paid expenses;
- (e) capitalised research and development costs;
- (f) deferred tax assets net of deferred tax liabilities, if any;
- (g) furniture, fixtures and fittings;
- (h) any asset that is subject to a mortgage, charge or any other encumbrance;
- (i) investment in associated companies;
- (j) amounts exceeding three quarters of the cost of purchase of all new computer equipment in the financial year in which the computer equipment is purchased and totally excluded from the admitted assets of an insurer in the subsequent financial year;
- (k) one half of the cost of motor vehicles in the year of purchase and in any subsequent financial year excluded totally from the admitted assets;
- (l) office equipment other than computers;
- (m) sundry debtors;
- (n) investments outside Uganda with the exception of government securities including treasury bills, promissory notes, commercial bills and other financial instruments issued by any East African Community Partner State;
- (o) medical equipment owned and in use by HMOs for more than ten years from the year of purchase;

(p) any asset above the investment concentration limits specified in subregulation (2).

(2) The following are the concentration limits for the purposes of regulation 10(1)(p)—

(a) deposits in any one financial institution exceeding fifteen percent of total assets of the insurer;

(b) shares of any one institution exceeding fifteen percent of total assets of the insurer; and

(c) investments in property exceeding twenty-five percent of the total assets of the insurer engaged in non-life insurance, and thirty-five percent of the total assets of an insurer engaged in life business.

11. Required capital

(1) For purposes of regulation 6(2), the required capital of an insurer shall be the greater of—

(a) an amount equal to its minimum paid up capital specified in regulation 4(1); and

(b) its risk-based capital requirement calculated in accordance with subregulation (2).

(2) The risk-based capital requirement of an insurer shall include capital for insurance risk, market risk, credit risk and operational risk and shall be calculated in accordance with the following formula—

$$\text{Risk Based Capital} = \sqrt{(\text{Insurance Risk Capital})^2 + (\text{Market Risk Capital})^2 + (\text{Credit Risk Capital})^2 + \text{Operational Risk Capital}}$$

12. Insurance risk capital

(1) The insurance risk capital requirement for non-life insurers, non-life reinsurers, and HMOs shall be the sum of—

- (a) the risk capital required for unexpired coverage, which shall be the liability for the remaining coverage (LRC) net of associated reinsurance multiplied by the capital charge for each class of business as provided in Schedule 1; and
- (b) the risk capital required for liability for incurred claims (LIC) for insurance contracts issued, net of associated reinsurance, multiplied by the capital charge for each class of business as provided in Schedule 2; and
- (c) the catastrophe risk capital which shall be the net earned premiums multiplied by the capital charge for each class as determined in Schedule 3.

(2) The insurance risk capital requirement for life insurers and life reinsurers shall be determined in accordance with Schedule 4 and Schedule 5 to these Regulations.

13. Market risk capital

(1) The market risk capital of an insurer is the sum of the following—

- (a) the capital requirement for equity risk calculated as the market value of equities multiplied by the capital charge as provided in Schedule 6 to these Regulations;
- (b) the capital requirement for property risk calculated as the market value of property multiplied by the capital charge as provided in Schedule 6 to these Regulations;
- (c) the capital requirement for foreign currency risk calculated as the net balance sheet positions for exposures to each of

the different currencies converted into Uganda shillings at the Bank of Uganda exchange rate on the valuation date as provided in Schedule 7 to these Regulations; and

- (d) the capital requirement for interest rate risk capital calculated in accordance with Schedule 8.

(2) Where the market value of the property investments and equity investments exceed the investment concentration limits specified in regulation 11, the excess value shall not be included in the market risk capital calculation.

(3) An insurer shall calculate the interest rate risk capital as the greater of paragraphs (a) (b) or (c)—

- (a) the difference between the present values of interest rate sensitive assets and liabilities under the base scenario to determine the surplus under the base scenario
- (b) the difference between the present values of interest rate sensitive assets and liabilities under the up-shock scenario by increasing the prevailing interest rate by 1.5% and determining the surplus under the up-shock scenario;
- (c) the difference between the present values of interest rate sensitive assets and liabilities under the down shock scenario by decreasing the prevailing interest rate by 1.5% and determining the surplus under the down shock scenario.

(4) An insurer shall calculate the foreign currency risk capital by determining the foreign exchange risk exposure for each currency by calculating the net open position and converting the net open position in each currency to Uganda shillings using the prevailing foreign exchange rate used to prepare the financial statements and applying the foreign currency capital charge to the net open position as converted to Ugandan shillings and aggregating the charges for all currencies.

14. Credit risk capital

The credit risk for a counterparty shall be calculated as the total credit exposure multiplied with the capital charge as provided for in Schedule 9 to these Regulations.

15. Operational risk capital

The operational risk capital of an insurer shall be computed as the maximum of any of the following—

- (a) thirty percent of minimum paid up capital;
- (b) thirty percent of the square root of the sum of the squares of the capital required for insurance risk, market risk and credit risk;
- (c) three percent of the gross earned premium; and
- (d) zero-point three percent of the gross technical provisions.

PART III — SECURITY DEPOSIT

16. Conditions applicable to security deposit

(1) This Part applies with respect to the security deposit required to be held by an insurer under section 37 of the Act.

(2) Where an insurer opens an account with a commercial bank to deposit the security deposit, the commercial bank that receives the deposit shall issue to the insurer a certificate of deposit.

(3) The certificate of deposit issued by the commercial bank in subregulation (2) shall—

- (a) confirm that the security deposit has been deposited and state the amount of the security deposit deposited;
- (b) state that the Authority has a lien on the security deposit;

- (c) state that the commercial bank shall not permit the security deposit or any asset representing the security deposit—
 - (i) to be dealt with otherwise than in accordance with the written directives of the Authority; or
 - (ii) to be released except with the written consent of the Authority.

(4) An insurer shall not assign, mortgage or charge a security deposit, or any asset representing the security deposit unless directed or permitted to do so by the Authority in accordance with section 38(2) of the Act.

17. Maintenance of value of security deposit

(1) An insurer shall, at least once every quarter of a financial year, undertake an in-house valuation of the security deposit and any assets which represent the security deposit.

(2) Where, after deposit of the security deposit with a commercial bank, the total value of the security deposit falls below the amount specified in the Act, the insurer shall make good the deficiency by depositing additional funds or approved securities with the commercial bank.

(3) Where any income is payable to an insurer in accordance with section 37(4) of the Act, at a time when the value of the security deposit does meet the requirements of the Act, the insurer shall instruct the commercial bank that holds the security deposit to utilise the income payable to it, or such part of the income as is necessary, to add to the security deposit held by the bank.

PART IV— SEGREGATED FUNDS AND INVESTMENTS

18. Establishment and maintenance of segregated funds

(1) An insurer engaged in life insurance business shall establish and maintain segregated funds in accordance with section 52 of the Act.

(2) A segregated fund shall relate solely to the life insurance business of the insurer engaged in life insurance business or to a particular part of that business.

(3) A segregated fund shall be maintained by the insurer engaged in life insurance business until it no longer has any liabilities in respect of life insurance contracts to which the segregated fund relates.

(4) The Authority may direct an insurer engaged in life insurance business to establish and maintain a separate segregated fund for any part of its life insurance business.

(5) An insurer engaged in life insurance business shall give the Authority written notice of the establishment of a segregated fund, specifying the date on which the fund was established; and the class, subclass and description of the life insurance business to which the fund relates.

19. Requirements relating to segregated funds

(1) An insurer engaged in life insurance business shall—

(a) credit to the segregated fund all monies that the insurer engaged in life insurance business receives in respect of the life insurance business to which the fund relates, including—

(i) amounts credited to the segregated fund on its establishment;

(ii) premiums payable under life insurance contracts referable solely to the segregated fund;

(iii) in the case of a life insurance contract that is referable to the fund and to one or more other segregated funds, the proportion of the premium that, by virtue of a provision under the insurance contract, is to be credited to the fund;

- (iv) income from the investment, or proceeds from the sale, of assets of the fund;
- (v) monies paid to or by the insurer engaged in life insurance business to the credit of the fund under a judgment of a court relating to any matter concerning the business of the fund or any failure to comply with these Regulations in relation to the fund;
- (vi) any other monies received by the insurer engaged in life insurance business in connection with its conduct of the business of the fund; and
- (vii) any capital payment made by the insurer engaged in life insurance business out of its own assets;
- (b) include in a segregated fund all assets and investments related to the life insurance business to which the fund relates;
- (c) credit to a life insurance fund all income arising from the investment of assets of that fund;
- (d) treat as liabilities of the fund, all liabilities of the life insurer arising out of the conduct of the life insurance business to which the fund relates;
- (e) apply the assets of a segregated fund exclusively—
 - (i) to meet liabilities or expenses incurred for the purposes of the business of the fund;
 - (ii) for the making of permitted investments; or
 - (iii) for the purposes of a permitted distribution under a life insurance contract; and
- (f) ensure that the profits and losses of a segregated fund are dealt with in accordance with these Regulations.

(2) An insurer engaged in life insurance business shall not, without obtaining the approval of the Authority—

- (a) charge or mortgage any of the assets of a segregated fund;
- (b) transfer an asset from one segregated fund to another segregated fund; or
- (c) restructure or terminate any segregated fund.

20. Assets of segregated funds

(1) For the purposes of the Act, the assets of a segregated fund are—

- (a) the balance of monies represented by any amounts credited to the fund in accordance with these Regulations;
- (b) the assets of the insurer engaged in life insurance business obtained as a result of the expenditure or application of monies credited to the fund;
- (c) investments held by the insurer engaged in life insurance business as a result of the expenditure or application of monies credited to the fund; and
- (d) other monies, assets, or investments of the insurer engaged in life insurance business transferred to the fund in accordance with these Regulations.

(2) Assets or investments obtained by the application of assets, other than monies, of a segregated fund are considered assets of the fund.

(3) An insurer engaged in life insurance business shall—

- (a) keep assets of a segregated fund distinct and separate from assets of other segregated funds and from all other monies, assets, or investments of the life insurer.

(b) maintain assets of the segregated fund which are of a value equivalent to or higher than the liabilities of the segregated fund.

(4) An insurer engaged in life insurance business shall not include any of the following as assets of a segregated fund—

(a) an amount on account of goodwill;

(b) an inadmissible asset as specified in regulation 10;

(c) development expenditure or any amount capitalized in respect of such expenditure; and

(d) any other assets that may be specified by the Authority.

(5) The segregated fund of an insurer engaged in life insurance business is subject to the investment requirements specified in these Regulations.

(6) These Regulations shall not be taken as constituting a life insurer or its directors as a trustee or trustees of the assets of the segregated funds of the insurer engaged in life insurance business.

21. Disbursements from segregated funds

(1) Subject to any limits that may be specified by the Authority in the case of a particular insurer engaged in life insurance business, where on an actuarial valuation of a segregated fund there is a surplus of assets over liabilities in the fund at the end of a financial year, the insurer engaged in life insurance business, on the recommendation of the actuary, may allocate a part of the surplus attributable to participating policies—

(a) by way of bonus; and

(b) for transfer out of that segregated fund to the shareholders.

(2) Where the sum of monies transferable from a segregated fund in accordance with any instrument or contract binding the insurer engaged in life insurance business, or its constituting documents is less than the sum of monies allowed under subregulation (1), the lesser sum of monies is transferable.

22. Administration of segregated funds

(1) In the investment, administration, and management of the assets of a segregated fund, an insurer engaged in life insurance business shall give priority to the interests of policyholders of life insurance contracts referable to the fund.

(2) In the event of conflict between the interests of policyholders of life insurance contracts referable to a segregated fund and the interests of shareholders of an insurer engaged in life insurance business, the insurer engaged in life insurance business shall give priority to the interests of policyholders of those policies over the interests of its shareholders.

(3) An investment by an insurer engaged in life insurance business is not ineffective solely because it is made in contravention of subregulation (1).

(4) A reference in subregulations (1) to (3) to the interests of policyholders of life insurance contracts referable to a segregated fund is a reference to the interests of those persons taken as a group.

23. Investment strategy, policy, procedures and controls

(1) An insurer shall establish and maintain—

(a) an investment strategy and such investment policies as may be appropriate for the nature, size, complexity and diversity of its business; and

(b) procedures and controls that are sufficient to ensure that the investment strategy and policies are effectively implemented.

(2) Without limiting subparagraph (1), the investment strategy and policies of an insurer or reinsurer may—

- (a) require that investment decisions are made using the same standards of due diligence, care and skill that a reasonable and prudent person would apply to avoid undue risk of loss and to obtain a reasonable return; and
- (b) address—
 - (i) the risk profile of the insurer or reinsurer;
 - (ii) the security and quality of investments;
 - (iii) mixture and diversification of investment by type, including the long-term asset mix;
 - (iv) the liquidity and profitability of the investment portfolio of the insurer or reinsurer as a whole;
 - (v) the need for the insurer or reinsurer to be able to meet costs and expenses and insurance claims when they fall due;
 - (vi) the establishment of appropriate limits for the allocation of assets by geographical area, markets, sectors, counterparties and currency;
 - (vii) the extent to which the holding of some types of assets is restricted or disallowed, such as illiquid or volatile assets;
 - (viii) clear accountability for all asset transactions and associated risks; and
 - (ix) the requirement to protect policyholders' interests.
- (c) provide for a management structure, including establishment of appropriate procedures and controls to execute and monitor effectively the investment strategy and policies;

- (d) provide for the establishment and maintenance of effective policies, systems and controls to enable the monitoring and managing of the asset and liability position of the insurer or reinsurer to ensure that the investment activities and assets positions of the insurer or reinsurer are appropriate for its risk profile; and
- (e) provide for contingency plans to mitigate the effect of a deterioration in investments.

(3) The internal controls established and maintained by an insurer or reinsurer shall—

- (a) cover the investment strategy and policies of the insurer or reinsurer; and
- (b) ensure that the investment strategy, policies, systems and controls are properly documented and subject to adequate oversight.

24. Restriction on investment in derivatives

No insurer or reinsurer shall invest or trade in a derivative unless the derivative is classified as a permitted investment by the Authority.

25. Investment requirements for life insurer

(1) The paid up capital of an insurer engaged in life insurance business shall be invested as follows—

- (a) 10% of the paid up capital shall be maintained as a security deposit and invested in accordance with section 3(3) of the Act;
- (b) up to 35% of the total assets may be invested in land and buildings—
 - (i) situated in a municipal council, city or such other location approved by the Authority; and
 - (ii) generating an income for the insurer;

(c) at least 55% of the paid-up capital shall be invested in at least two permitted investments.

(2) The segregated fund of an insurer engaged in life insurance business shall be invested as follows—

(a) at least 30% of the segregated fund shall be invested in Uganda Government securities, including treasury bills, promissory notes and other financial instruments issued by the Government of Uganda;

(b) up to 35% of the segregated fund may be invested in land and buildings—

(i) situated in a municipal council, city or such other location as approved by the Authority from time to time; and

(ii) that generate an income for the insurer;

(c) up to 35% percent may be invested in at least two permitted investments.

26. Investment requirements for non-life insurer

(1) The paid up capital of an insurer engaged in non-life insurance business shall be invested as follows—

(a) 10% of the paid up capital shall be maintained as a security deposit and invested in accordance with section 37(3) of the Act;

(b) up to 25% of the total assets may be invested in land and buildings—

(i) situated in a municipal council, city or such other location as approved by the Authority from time to time; and

(ii) that generate an income for the insurer;

- (c) at least 50% of the paid up capital shall be invested in at least two permitted investments.

(2) The following applies to investments representing, in value, the insurance liabilities of an insurer engaged in non-life insurance business —

- (a) at least twenty percent of the investments shall comprise investments in Uganda Government securities and other financial instruments issued by the Government of Uganda;
- (b) up to twenty five percent of the investments may comprise investments in land and buildings which—
 - (i) situated in a municipal council, city or such other location as approved by the Authority from time to time; and
 - (ii) generate an income for the insurer;
- (c) up to twenty five percent of the investments may comprise at least two investments in permitted investments.

27. Permitted investments

(1) The following investments are permitted investments for the purposes of these Regulations—

- (a) Government securities and other financial instruments issued by any East African Community Partner State;
- (b) mortgages on unencumbered immovable property in Uganda;
- (c) debentures secured by a mortgage on unencumbered immovable property in Uganda;
- (d) debentures, commercial paper, preference shares or ordinary shares of public companies whose shares are quoted on the stock exchange in Uganda;

- (e) loans on life assurance policies constituting a liability on Uganda business not exceeding their surrender values;
- (f) fixed deposits in a commercial bank, provided that—
 - (i) in the case of a life insurer, the deposits in any one commercial bank shall not exceed twenty five percent of the total paid up capital and segregated funds of the insurer; and
 - (ii) in the case of a non-life insurer, the deposits in any one commercial bank shall not exceed twenty five percent of the total paid up capital and insurance liabilities of the insurer;
- (g) promissory notes, bills of exchange or other instruments issued by a company incorporated under the Companies Act and guaranteed by a commercial bank;
- (h) East African Development Bank and Preferential Trade Area Bank bonds;
- (i) securities of companies listed on the Uganda Securities Exchange;
- (j) investment classes approved by the Authority.

(2) An insurer shall not invest any part of the assets of the insurer in the shares or debentures or loans of a company or group of related companies in excess of—

- (a) in the case of an insurer engaged in life insurance business, five percent of the paid-up capital and segregated funds; or
- (b) in the case of an insurer engaged in non-life insurance business, five percent of the paid-up capital and insurance liabilities of the insurer.

(3) Debentures or loans shall be adequately secured by a first legal charge on unencumbered-property in Uganda.

(4) For the purposes of this regulation, the value of an investment is the value estimated at the market rate prevailing at the time of valuation.

PART V—REMEDIAL MEASURES AND ENFORCEMENT

28. Recovery plans

(1) In accordance with section 117(a) of the Act, where the Authority determines that the capital adequacy ratio of an insurer is less than two hundred percent but is greater than or equal to one hundred and fifty percent, the Authority shall, by written directive, require the insurer to prepare and submit a recovery plan.

(2) The recovery plan referred to in subregulation (1) shall contain the following—

- (a) the key risks or conditions that contributed to having the company's capital adequacy ratio at the current control level;
- (b) contain proposals for corrective action that the insurer intends to take to improve its capital adequacy ratio;
- (c) timelines by which specific corrective action shall be taken and achieved.

(3) The recovery plan shall be submitted to the Authority within fourteen working days from the date of receipt of the directive under subregulation (1).

(4) The Authority may approve or refuse to approve the recovery plan submitted by the insurer under subregulation (1).

(5) Where the Authority is not satisfied with a recovery plan, the Authority shall require the insurer to amend the recovery plan and resubmit it to the Authority for approval within five working days of receiving the directive.

(6) Where an insurer fails to submit an acceptable recovery plan, the Authority shall take such action, as it considers necessary to ensure compliance.

29. Authority to issue directives in respect of capital deficiency

In accordance with section 117(a), where the Authority determines that the capital adequacy ratio of an insurer is less than one hundred and fifty percent but is greater than or equal to one hundred and twenty percent, the Authority shall, by written directive—

- (a) require the insurer to submit reports at such intervals as the Authority may specify in the directive;
- (b) specify measures that the insurer shall undertake to address the capital adequacy ratio deficiency;
- (c) specify measures to strengthen the insurer's management or risk management framework;
- (d) specify measures that the insurer shall undertake to reduce or mitigate risks;
- (e) suspend some of the business activities of the insurer;
- (f) prohibit the insurer from writing new business and run-off of the portfolio.
- (g) require an insurer to transfer its portfolio to another insurer.

30. Appointment of statutory manager

Where the Authority determines that the capital adequacy ratio of an insurer is less than one hundred and twenty percent but is greater than or equal to one hundred percent, the Authority may, in accordance with section 124 of the Act—

- (a) appoint a statutory manager; or
- (b) require the insurer—
 - (i) to submit reports at such intervals as the Authority may specify;
 - (ii) to address the capital adequacy ratio deficiency;
 - (iii) to strengthen its management framework;
 - (iv) to reduce or mitigate all risks;
 - (v) to suspend some business activities;
 - (vi) cease writing new policies but run off the portfolio;
 - (vii) to transfer its portfolio to another insurer;
 - (viii) not to transfer its assets without the written approval of the Authority.

31. Winding up of insurer

Where the Authority determines that the capital adequacy ratio of an insurer is less than one hundred percent, the Authority shall, in accordance with section 130(1)(b) of the Act, wind up the insurer.

PART VI — GENERAL

32. Valuation of policy liabilities including technical provisions

An insurer, reinsurer or HMO shall undertake the valuation of its policy liabilities, including technical provisions for its financial statements and returns, in accordance with generally accepted actuarial practices, the international financial reporting standards and as required by section 106(3) of the Act.

33. Financial Condition Report

Every insurer shall prepare a Financial Condition Report in accordance with the criteria specified in Schedule 10 to these Regulations.

34. Submission of periodic financial statements and returns

(1) In accordance with section 109(2) of the Act, an insurer shall submit to the Authority financial statements and returns as follows—

- (a) within ninety days after the end of a calendar year;
- (b) within thirty days after the end of each quarter of a calendar year;
- (c) within fourteen days after the end of every month.

(2) Financial statements and returns returned under—

- (a) sub-regulation (1)(a), shall be signed by the principal officer, the external auditor, and the appointed actuary of the insurer;
- (b) sub-regulation (1)(b), shall be signed by the principal officer, the chief financial officer, the key person in the actuarial function, and the internal auditor of the insurer.

35. Disclosures to Authority to be accurate and complete

(1) An insurer shall ensure that information and documents submitted to the Authority are accurate and complete.

(2) Where an insurer becomes aware that any information or documentation that it has, at any time, submitted to the Authority is not accurate or complete, the insurer shall immediately notify the Authority, in any case not later than five days after becoming aware of the inaccurate or incomplete information.

(3) An insurer who notifies the Authority of inaccurate or incomplete information under subregulation (1) shall immediately submit the accurate and complete information required by the Authority.

36. Approved forms and returns

The forms and returns hosted on the official website of the Authority are the approved forms and returns for the purposes of the Act and these regulations and shall be used for the matters to which they relate.

37. Penalty to comply with directive

Where an insurer fails to comply with a directive issued under these regulations, the insurer shall be subject to the fine prescribed in section 120(2) of the Act.

38. Revocation of SI 99 of 2020

The Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2020, SI 99 of 2020, are revoked

SCHEDULE 1

Regulation 12(1)(a)

Capital Charges for Liability for Remaining Coverage for Non-Life Insurers, Non-Life Reinsurers and HMOs

Class of Business	Capital Charge
Aviation Insurance	32.00%
Engineering Insurance	17.00%
Marine Insurance	16.00%
Energy Insurance	17.00%
Liability Insurance	5.00%
Motor Insurance	6.00%
Personal Accident	10.00%
Workmen's Compensation	8.00%
Health and Medical	35.00%
Theft Insurance	23.00%
Fire Insurance	10.50%
Agricultural Insurance	7.00%
Bond Insurance	9.00%
Miscellaneous Insurance	37.00%

SCHEDULE 2

Regulation 12(1)(b)

Capital Charges for Liability for Incurred Claims for Non-Life Insurers, Non-Life Reinsurers and HMOs

Class of Business	Capital Charge
Aviation Insurance	29.00%
Engineering Insurance	8.00%
Marine Insurance	10.00%
Energy Insurance	8.00%
Liability Insurance	22.00%
Motor Insurance	7.5%
Personal Accident	11.00%
Workmen's Compensation	11.00%
Health and Medical	9.00%
Theft Insurance	20.00%
Fire Insurance	7.00%
Agricultural Insurance	7.00%
Bond Insurance	27.00%
Miscellaneous Insurance	7.00%

SCHEDULE 3

Regulation 12(1)(c)

Catastrophe Risk Capital Charges for Non- Life Insurers, HMOs and Non-Life Reinsurers

Class of Business	Capital Charge
Aviation Insurance	5.00%
Engineering Insurance	5.00%
Marine Insurance	5.00%
Energy Insurance	5.00%
Liability Insurance	5.00%
Fire Insurance	5.00%
Motor Insurance	5.00%
Workers Compensation	5.00%
Agricultural Insurance	5.00%
Miscellaneous Insurance	5.00%

SCHEDULE 4

Determination of Insurance Risk Capital for Life Insurers and Life Reinsurers

1. Insurance risk is the risk of loss arising from the obligation to pay out benefits and expenses on insurance policies and annuities in excess of expected amounts.

2. Insurance risk includes-

- (a) mortality risk on life insurance;
- (b) longevity risk on annuities;
- (c) morbidity risk on disability insurance (DI), long-term disability (LTD), short-term disability (STD), critical illness (CI), long-term care (LTC), accident & sickness insurance (A&S), and waiver of premium benefits (WP);
- (d) lapse and policyholder behavior risk, and
- (e) expense risk.

3. A projected cash flow methodology is to be used to measure the required capital for insurance risk for individual long-term life and annuity business and other individual long-term insurance of life insurers.

4. Required capital for insurance risk is calculated as the greater of the amounts computed in accordance with paragraphs (a) and (b) to which shall be added amounts computed in accordance with paragraphs (c) and (d)—

- (a) the capital derived as follows-
 - (i) the stressed Best Estimate Liability (BEL) value net of associated reinsurance after applying stresses stipulated in this Schedule; minus

- (ii) the balance sheet value of the BEL net of associated reinsurance; plus
 - (iii) the stressed BEL plus Risk Adjustment (RA) value net of associated reinsurance after applying stresses stipulated in this Schedule; minus
 - (iv) the balance sheet value of the BEL plus RA net of associated reinsurance; Each stress should be applied separately and the results aggregated. Liability cash flows to be stressed should correspond to IFRS best estimate cash flows used in determining the balance sheet values. Discount rates should be those used in determining the balance sheet values. The participating policy dividend scale should not reflect the impact of the shocks. Stop loss treaties should not be included in the computation of associated reinsurance. All individual long-term life and annuity business subject to insurance risk should be included.
- (b) (i) the factor-based capital for individual long-term life and annuity business calculated by multiplying the capital charge with the liability per class as provided in Part I of Schedule 5 to these Regulations and aggregating the results.
- (ii) the factor-based capital for group life, group credit and, where applicable health and medical Insurance business calculated by multiplying the capital charge with the liability per class as provided in Part II of Schedule 5 (and Schedule 1 and 2 for health and medical business) to these Regulations and aggregating results.
- (c) the catastrophe risk capital calculated by multiplying the capital charge with the liability per class as provided in Part III of Schedule 5 to these Regulations and aggregating the results.

Stress Scenarios for Life Insurers and Life Reinsurers

Risk Parameter	Capital charge
Mortality	7.5% increase for assurances
Longevity	7.5% decrease for annuities
Morbidity	10% decrease in morbidity or disability recovery rates
Expenses	10% increase in best estimate assumption for expenses
Lapse or withdrawals	25% increase or decrease in lapse rates. The direction of the lapse shock should be tested at product level to determine whether the business is lapse supported or not. To take a direction that leads to a higher liability value

SCHEDULE 5

Regulation 12(2)

Life Reserve Risk Capital for Life Insurers and Life Reinsurers

Part I – Factor Based Insurance Risk Capital Charges for Individual Long-Term Life and Annuity Insurance Business

Class of Business	Capital Charge
Life Assurances	3.50%
Annuities	2.00%
Personal Pensions	2.00%
Permanent Health	2.50%
Other Life Insurance	5.00%
Linked Investment	1.50%
Non-Linked Investments	1.50%
Deposit Administration	1.50%

Part II — Life Group Capital Charge for Life Insurers and Life Reinsurers

Group Life	8.00%
Group Credit	8.00%

Part III – Catastrophic Risk Capital Charges for Life Insurers and Life Reinsurers

Catastrophic Risk	Capital Charge
Life Assurances	0.50%
Group Life	0.50%
Other Life Insurance	0.50%

SCHEDULE 6

Regulation 13(1)(a), (b)

Equity and Property Risk Capital Charges

Equity Risk	Asset	Capital Charge
	Shares in Listed Companies	17.00%
	Shares in Unlisted But Approved Companies	10.00%
	Shares in Unlisted Companies	100.00%
Property Risk		
	Investment Property	25.00%
	Owner Occupied Property	25.00%
	Leasehold Property	35.00%

SCHEDULE 7

Regulation 13(1)(c)

Currency Risk Capital Charges

Currency	Foreign Currency Capital Charge
USD	2.79%
EUR	2.79%
KSH	3.50%
All other foreign currencies	4.00%

SCHEDULE 8

Regulation 13(1)(d)

Interest Rate Risk Capital

Interest rate risk capital shall be calculated using the following table-

Scenario	Value of Assets	Value of Liabilities	Surplus
Base scenario – assets and liabilities valued as for risk-based balance sheet			-
Up shock – assets and liabilities valued assuming market interest rates increase by 1.5%			-
Down shock – assets and liabilities valued assuming market interest rates decrease by 1.5%			-
Interest Rate Risk Capital			-

1. The following shall be used to determine the values of assets and liabilities for the purposes of the table -

- (a) a projected cash flow methodology is to be used to measure the economic impact of sudden interest rate shocks in the determination of required capital for interest rate risk;
- (b) the required capital for interest rate risk is calculated as the maximum loss under two prescribed stress scenarios. For each scenario, the loss is defined as the decrease in the insurer's net position after revaluing asset and liability cash flows by changing the discount rates from those of

the initial scenario to those of the stress scenario. The net position used to measure the loss in each scenario is equal to the difference between the present values of asset cash flows (including assets backing capital or surplus) and liability cash flows. For interest rate sensitive assets and liabilities, the following should be calculated-

- (i) the Scenario 1 capital requirement for an interest rate shock factor increase of 1.5%, A, is determined as the greater of 0 and B-C where-
 - A. is the change in value of the interest rate sensitive asset portfolio for an interest rate shock factor increase of 1.5%; and
 - B. is the change in the baseline value of fulfilment cash flows due to an interest rate shock factor increase of 1.5%;
- (ii) the Scenario 1 capital requirement for an interest rate shock factor decrease of 1.5%, D, is determined as the greater of 0 and E-F where-
 - E is the change in value of the interest rate sensitive asset portfolio for an interest rate shock factor decrease of 1.5%;
 - F is the change in the baseline value of fulfilment cash flows due to an interest rate shock factor decrease of 1.5%

The required capital for interest rate risk is the maximum of A and D.

- (c) the interest rate sensitive assets to be included in the calculation of the interest rate margin are those for which their fair value will change with movements in interest rates. Although certain assets, for example loans and bonds held to maturity may be reported on the balance sheet on an amortised cost basis, their economic value, and changes in that value are to be considered for interest rate risk margin

purposes. Interest rate sensitive assets include-

- (i) term deposits and other similar short-term securities (excluding cash),
 - (ii) bonds and debentures,
 - (iii) commercial paper,
 - (iv) loans,
 - (v) mortgage-backed and asset-backed securities (MBS and ABS),
 - (vi) preferred shares,
 - (vii) insurance contracts assets, and
 - (viii) reinsurance contracts held assets.
- (d) Investments in mutual funds and other similar assets should be broken down by type of investment (bond, preferred share, common shares, etc.). The assets in the fund that are interest rate sensitive are to be included in the determination of the fair value of the insurer's total interest rate sensitive assets.
- (e) Other assets, such as cash, investment income due and accrued, common shares and investment properties are not to be included in the determination of the value of interest rate sensitive assets. Such assets are assumed for interest rate risk margin determination purposes to be insensitive to movements in interest rates.
- (f) the interest rate sensitive liabilities to be included in the calculation of the interest rate risk margin are those for which their value will change with movements in interest rates. The following liabilities are considered sensitive to interest rates and are to be included-

- (i) insurance contracts liabilities for incurred claims;
 - (ii) insurance contracts liabilities for remaining coverage; and
 - (iii) reinsurance contract held liabilities.
- (g) the baseline value of fulfilment cash flows shall be those included in the balance sheet value and the baseline discount curves shall be those used in determining the fulfilment cash flows included in the balance sheet value. Each portfolio of liabilities and backing assets or other more granular product categories as specified by the Authority should be computed separately.”

SCHEDULE 9

Regulation 14

Credit Risk Capital

Asset Type	Capital Charge
Government Securities	0.00%
Corporate Bonds Listed on USE	25.00%
Commercial Paper Listed on USE	25.00%
Corporate Bonds Not Listed	100.00%
Commercial Paper Not Listed	100.00%
Loans to Policyholders	0.00%
Secured Loans to Directors, Employees and Agents	10.00%
Unsecured Loans to Directors, Employees and Agents	100.00%
Loans to Related Parties	100.00%
Secured Loans to Unrelated Parties	100.00%
Unsecured Loans to Unrelated Parties	100.00%
Mortgaged loans	5.00%
Term Deposits	0.00%
Cash and Cash Equivalents	0.00%
Outstanding Premiums from other Institutions	100.00%
Outstanding Premiums from Government & Statutory bodies	
Less than 30days	0.00%
More than 30days	100.00%
Receivables from unrelated parties	
Less than 30days	10.00%
More than 30days but less than 90days	25.00%
More than 90 days	100.00%

Receivables from related parties	100.00%
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Reinsurance Default Risk

AA or Higher	1.60%
Local Regulated Reinsurer	1.00%
A	4.00%
BBB	8.00%
BB	10.00%
B or Below	25.00%
Unrated but approved by the Authority	50.00%
Unrated	100.00%

SCHEDULE 10

Regulation 33

Financial Condition Report

1. Governance structure

A Financial Condition Report shall state the governance structure of an insurer including—

- (a) general background information about the corporate structure and operations of the insurer;
- (b) a description of the ownership details including proportion of ownership interest;
- (c) a description of the composition of the board, board committees and senior management, including their professional qualifications, skills, and experience;
- (d) information on the effectiveness of the Board and Board Committees in executing their mandates;
- (e) a description of remuneration policy, level and practices and performance-based criteria governing the board, senior management and employees;
- (f) a description of the retirement obligations and bonus structure to staff, the board and senior management;
- (g) any material transactions with shareholders, persons who exercise significant influence, the board or senior management;
- (h) a description of the insurer's internal controls and the effectiveness of the control functions, that is to say, the compliance, risk management, actuarial and internal audit functions, in implementing their roles and how they maintain independence and objectivity when conducting their responsibilities;

- (i) a description of the outsourcing policy and information on any key or important functions that have been outsourced; and
- (j) a description of material outsourcing arrangements and related party transactions;
- (k) a description of the risk appetite and risk tolerance of the insurer, reinsurer or HMO;
- (l) a description of the risk profile of the insurer;
- (m) a description of the material risk concentrations of the insurer, reinsurer or HMO;
- (n) a description of the risk management process and procedures to effectively identify, measure, manage and report on risk exposures;
- (o) any other material information.

2. Reliance and limitations

- (1) A Financial Condition Report shall state –
 - (a) the information upon which material reliance has been placed in preparing the Report; and
 - (b) the degree to which the insurer relies upon such information, including data and reports provided by third parties, together with an assessment of the consequent limitations of the Report.

(2) Any information relied upon shall be consistent, complete and accurate.

(3) A Financial Condition Report shall state any material discrepancies in any information included in the Report together with the resulting limitations of the Report, and any suggested steps for resolving the discrepancies.

(4) Where an insurer relies on work carried out by other actuaries in preparing a Financial Condition Report, the insurer must be satisfied as to the suitability of the work, and where insurer is not satisfied, alternative analyses must be undertaken and explained in the Report.

3. Business performance and experience

(1) A Financial Condition Report shall contain an assessment of the performance of the business of the insurer (both underwriting and financial performance).

(2) The assessment shall cover, amongst other matters, premiums, claims, expenses, commissions, investment return, underwriting profits or losses, including any unusual features.

(3) A Financial Condition Report shall contain—

- (a) information on the past profitability of the insurer, including significant features or trends in the insurer's recent experience, over a period of at least three previous years, to the extent that such experience exists;
- (b) any deviations of actual experience from the expected experience in the insurer's business plan, including an assessment of the reasons for these deviations;
- (c) specify the steps taken, or proposed to be taken, by the board or management of the insurer to address areas of deviation or adverse experience.

4. Technical provisions

A Financial Condition Report shall contain—

- (a) a summary of the key results of, and considerations arising from, the most recent actuarial valuation.;
- (b) outline and comment on material issues arising from or disclosed in the actuarial valuation report;

- (c) an assessment of the adequacy of past estimates of technical provisions over a period of at least three years;
- (d) comments on any material implications for the adequacy of current estimates of insurance liabilities, both including and excluding compulsory margins, arising out of the review of historical estimates.

5. Pricing and claims management

A Financial Condition Report shall set out the adequacy of premium rates, and outline and comment on material issues arising from the insurer's pricing processes and underwriting and claim management practices.

6. Asset-liability management

(1) A Financial Condition Report shall outline and comment on material issues arising from the insurer's approach to asset liability management, that is to say, the matching of assets and liabilities by duration, currency and nature.

(2) In undertaking an assessment of asset liability management, the insurer shall outline, consider and comment on material risks arising from the insurer's—

- (a) liability profile and liquidity needs;
- (b) investment assets, in particular its investment strategy and the nature, quantum and performance of those assets;
- (c) other assets, in particular reinsurance and other recoveries;
- (d) insurance liabilities and non-insurance liabilities;
- (e) net assets; and
- (f) methods for valuing assets and non-insurance liabilities, particularly, changes in those methods.

7. Capital management and capital adequacy

A Financial Condition Report shall outline—

- (a) the insurer's approach to setting and monitoring capital resources over time, including the dividend policy, and the processes and controls in place to monitor and ensure compliance with the minimum capital requirement and prescribed capital adequacy ratio;
- (b) all material risks arising from the company's operations which may adversely affect its likelihood to meet its minimum capital requirement and prescribed capital adequacy ratio requirements over the foreseeable future;
- (c) the insurer's minimum capital requirement and capital adequacy ratio requirements results;
- (d) the trends in the insurer's compliance with its minimum capital requirement and the capital adequacy ratio requirements at quarterly intervals;
- (e) the insurer's capacity to meet its minimum capital requirements and the capital adequacy ratio requirements over at least the next three years.

8. Reinsurance arrangements

A Financial Condition Report shall —

- (a) specify the material issues arising from the use of the company's specified reinsurance strategy, and from its actual current and past reinsurance arrangements, having regard to the company's liability profile and the rating of the reinsurers;
- (b) outline the intra group reinsurance arrangements and relationships between the company and other entities within the group and comment on possible risks arising from the arrangements;
- (c) specify the method used to calculate the insurer's Maximum Event Retention (MER) and state whether the method is appropriate to the operations of the insurer;

- (d) outline and comment on the material risks arising from the insurer's reinsurance arrangements, having regard to the documentation and extent of placement of reinsurance arrangements, obligations to pay future reinsurance premiums, and the certainty of the insurer's ability to make reinsurance recoveries under such arrangements;
- (e) outline and comment on the material risks arising from use of alternative risk transfer mechanisms adopted by the insurer, reinsurer or HMO.

9. Significant events

(1) A Financial Condition Report shall state any significant development affecting the insurer including—

- (a) a description of the significant event;
- (b) the approximate date or proposed timing of the significant event;
- (c) a statement of how the significant event has impacted or will impact, any information provided in the most recent financial condition report filed with the Authority;
- (d) any other material information.

(2) For the purposes of subparagraph (2), a significant events includes—

- (a) non-compliance with the minimum capital requirements and prescribed capital requirements;
- (b) concentrations of assets in particular risk areas;
- (c) sources of new business which have unusual characteristics;
- (d) impending major claims or litigation that might affect the insurer;

- (e) operational risks such as system failures;
- (f) unusual contracts or relationships which may have financial implications;
- (g) risks created by deficient product literature or policy documentation.

10. Conclusions and recommendations

(1) A Financial Condition Report shall—

- (a) contain a summary of the implications of material risks and issues identified during the assessment of the financial condition of the insurer; and
- (b) outline the recommendations intended to address such material risks, where identified;
- (c) contain any information or explanation related to solvency and financial condition of the insurer which is not already required to be disclosed in accordance with this Regulation.

(2) A Financial Condition Report contain a statement setting out the extent to which the insurer has addressed recommendations provided in the immediate previous Financial Condition Report.

(3) The actuary who prepares a Financial Condition Report for an insurer shall sign the Report and state the date of completion of the Report.

DR. ISAAC NKOTE NABETA
*Chairperson of the Board of
the Insurance Regulatory Authority of Uganda*