

Uganda

National Insurance Corporation Act Chapter 314

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National Insurance Corporation Act
Contents

Establishment 1

- 1. Interpretation 1
- 2. Establishment of the corporation 1
- 3. Board of directors 2
- 4. Qualifications of directors 2
- 5. Object of the corporation 2
- 6. Meetings of the board 2

Staff 3

- 7. Managing director 3
- 8. Deputy managing director 3
- 9. Secretary of the corporation 3
- 10. Staff 4

Finance 4

- 11. Authorised capital 4
- 12. Accounts and audit 4

Miscellaneous 5

- 13. Annual report 5
- 14. Minister’s powers of direction 5
- 15. Relations with Government 5
- 16. Service of documents 5
- 17. Byelaws of the corporation 5
- 18. Liquidation 6

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National Insurance Corporation Act Chapter 314

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An Act to establish a National Insurance Corporation and for other purposes connected therewith.

Establishment

1. Interpretation

In this Act, unless the context otherwise requires—

- (a) "**appoint**" includes promote;
- (b) "**board**" means the governing body of the corporation constituted under section 3(1);
- (c) "**chairperson**" means the chairperson of the board;
- (d) "**corporation**" means the National Insurance Corporation established by section 2;
- (e) "**deputy managing director**" means the deputy managing director of the corporation;
- (f) "**director**" means a director of the board and includes the chairperson;
- (g) "**financial year**" means the period of twelve months ending on the 31st day of December, or such other period of twelve months as the Minister may, by writing under his or her hand, authorise the corporation to adopt as its financial year;
- (h) "**managing director**" means the managing director of the corporation;
- (i) "**Minister**" means the Minister responsible for finance;
- (j) "**secretary**" means the secretary of the corporation.

2. Establishment of the corporation

- (1) There shall be established a body corporate to be known as the National Insurance Corporation.
- (2) The corporation shall have perpetual succession and a common seal and may sue or be sued in its corporate name.
- (3) The corporation may, for and in connection with its functions under this Act, purchase, hold, manage and dispose of any property and may enter into such contracts and other transactions as may be expedient.
- (4) The application of the seal of the corporation on any document shall be authenticated by the signatures of the chairperson, a director and the managing director.
- (5) In the absence of the chairperson, two other directors may sign in his or her place; and the person performing the functions of the managing director may sign in the absence of the managing director.

- (6) The signatures of the chairperson, the director and the managing director shall be independent of the signature of any other person who may sign any such document as a witness.
- (7) Every document purporting to be sealed with the seal of the corporation authenticated in the manner provided by this section shall be received and be deemed to be such an instrument without proof unless the contrary is shown.

3. Board of directors

- (1) The governing body of the corporation shall be a board of directors consisting of the managing director and not less than six and not more than eight other directors appointed by the Minister, one of whom shall be its chairperson.
- (2) The chairperson and other directors, other than the managing director, shall be appointed for a period of three years and upon such terms and conditions as may be specified in the instrument appointing them.
- (3) Any director, other than the managing director, may resign his or her office by writing under his or her hand addressed to the Minister, and the Minister may remove any such director from office for inability to perform the functions of his or her office or for any other sufficient reason.
- (4) If the office of a director, other than that of the managing director, becomes vacant otherwise than by effluxion of time, the Minister may appoint another person to hold office in his or her place.
- (5) A person appointed under subsection (4) shall cease to hold office on the date when the person in whose place he or she holds office would have ceased to hold office in accordance with this Act.
- (6) Any director, other than the managing director, shall be eligible for reappointment.

4. Qualifications of directors

No person shall be qualified to be appointed a director of the corporation who—

- (a) is not a person of recognised standing and experience in financial affairs, business or administration;
- (b) is a paid employee of the corporation;
- (c) is an insolvent or bankrupt so declared under any law in force in Uganda or in any other country; and
- (d) is not resident in Uganda.

5. Object of the corporation

The corporation—

- (a) may engage in all kinds of insurance business, including the investment of monies, in the same way and to the same extent as any other insurer;
- (b) may, with the approval of the Minister, undertake any other business, including the promotion of companies not necessarily engaged in insurance business; and
- (c) may do all such things as are incidental or conducive to the attainment of any of the above objects.

6. Meetings of the board

- (1) The board shall meet at least once every three months or upon the request in writing to the chairperson by at least three directors at such time and place as the chairperson may appoint.

- (2) The chairperson shall preside at all meetings of the board at which he or she is present, and in his or her absence such director, other than the managing director, as the directors present may elect shall preside.
- (3) The board may, as it deems fit, invite any person to act as consultant or adviser at any of its meetings.
- (4) Questions proposed at a meeting of the board shall be determined by a simple majority of the directors present and voting; and in the case of an equality of votes, the person presiding shall have a second or casting vote.
- (5) Five directors (including the chairperson) shall form a quorum at every meeting of the board.
- (6) Any director who has any personal interest in any transaction of the board or any matter before the board shall disclose the nature of his or her interest to the board and shall be disqualified from taking part in the deliberations of the board with respect to that transaction or matter, and the failure to make the disclosure required by this section may constitute a sufficient reason for the removal of the director from the board.
- (7) Subject to subsections (1) to (6), the board may regulate its own procedure.

Staff

7. Managing director

- (1) The managing director appointed under [section 3](#) shall be employed for such period and upon such terms and conditions as the Minister may determine.
- (2) The managing director shall be the chief executive officer of the corporation.
- (3) The managing director shall, from time to time, keep the chairperson informed of the progress of the corporation's business.
- (4) The chairperson may, from time to time in writing, direct the managing director to submit a report on any matter affecting the affairs of the corporation.

8. Deputy managing director

- (1) There shall be a deputy managing director who shall be appointed for such period and upon such terms and conditions as the Minister may, in consultation with the board, determine.
- (2) The deputy managing director shall discharge such duties as are assigned to him or her by the board.
- (3) In the absence of the managing director, the deputy managing director may exercise such powers as are exercised by the managing director.

9. Secretary of the corporation

- (1) The corporation shall have a secretary who shall be appointed by the Minister on such terms and conditions as the Minister may determine.
- (2) In addition to any other functions conferred upon him or her by the Minister, the secretary shall have the custody of the seal of the corporation and be responsible for—
 - (a) taking minutes of the meetings of the board;
 - (b) keeping the records of all transactions of the corporation.

10. Staff

- (1) The board may—
 - (a) from time to time, appoint such other officers and employees as may be necessary for the proper and efficient performance of the functions of the corporation; and
 - (b) with the approval of the Minister and on such terms and conditions as it thinks fit, fix remuneration, grant pensions, gratuities or other benefits on retirement or termination of service of the officers and employees of the corporation and require them to contribute to any pension, provident fund or superannuation scheme.
- (2) Public officers may be seconded to the corporation.
- (3) The prior approval of the Minister shall be obtained before the board appoints, employs or dismisses such officers or employees as the Minister shall specify in writing.
- (4) Nothing done by an officer or employee of the corporation shall, if it was done *bona fide* for the purposes of carrying the provisions of this Act into effect, subject him or her to any civil liability.

Finance

11. Authorised capital

- (1) The share capital of the corporation shall be two hundred and fifty thousand pounds divided into fifty thousand five-pound shares, all of which shall be taken up by the Government.
- (2) The board may, from time to time, with the prior approval of the Minister, increase the share capital of the corporation.

12. Accounts and audit

- (1) The corporation shall prepare books of account and proper records in relation to them.
- (2) Subject to such directions as to form as the Minister may give, the corporation shall prepare in respect of each financial year a statement of account which shall include—
 - (a) a balance sheet, a statement of income and expenditure and a statement of surplus or deficit containing such information as, had the corporation been a company registered under the Companies Act, would be required to be laid before the company by the directors at the annual general meeting; and
 - (b) such other information in respect of the financial affairs of the corporation as the Minister may require.
- (3) The books and accounts of the corporation shall be audited within six months after the end of each financial year by the Auditor General or an auditor appointed by him or her.
- (4) The Auditor General shall, not later than the thirtieth day of June, forward to the Minister a copy of the audited accounts and his or her report on the audited accounts.
- (5) The Auditor General shall report annually to the Minister the results of his or her examination of the accounts and financial statement of the corporation, and the report shall state whether in his or her opinion—
 - (a) proper books of account have been kept by the accounting officer;
 - (b) the financial statement of the corporation—
 - (i) was prepared on a basis consistent with that of the preceding year and is in agreement with the books of account;

- (ii) in the case of a balance sheet gives a true and fair view of the state of the corporation's affairs as at the end of the financial year;
 - (iii) in the case of the revenue or income and expenditure statement gives a true and fair view of the income and expenditure or profit and loss account of the corporation for the financial year, and the Auditor General shall call the attention of the Minister to any other matter falling within the scope of his or her examination which in his or her opinion should be brought to the attention of Parliament.
- (6) The Minister shall, not later than the thirty-first day of July each year, lay before Parliament a copy of the audited accounts and the Auditor General's report on the audited accounts.

Miscellaneous

13. Annual report

The corporation shall, not later than seven months after the end of the financial year, present to the Minister a report dealing generally with the activities and operations of the corporation during the preceding financial year, and, in particular—

- (a) containing such information with regard to the proceedings and policy of the corporation as the corporation considers may properly be given without detriment to the interests of any undertaking of the corporation;
- (b) attaching a copy of the statement of account referred to in [section 12](#), together with a copy of the report made on it by the Auditor General,

and the report shall, not later than eight months after the end of the financial year, be laid by the Minister before Parliament.

14. Minister's powers of direction

The Minister may, subject to this Act, give directions of a general or specific nature to the corporation, and the corporation shall be bound to comply with any such directions.

15. Relations with Government

The corporation may act generally as an agent of the Government or of a Ministry or department of the Government, where it can do so in any manner consistent with this Act.

16. Service of documents

Any document may be served on the corporation by leaving it or sending it by registered post to the head office of the corporation.

17. Byelaws of the corporation

The corporation may, with the prior approval of the Minister, make byelaws consistent with this Act, regulating its functions under this Act, including the following—

- (a) the authority, policy, rules and procedure and the conduct of the general business of the corporation;
- (b) the books and accounts to be kept at the head office and branches of the corporation;
- (c) the remuneration of directors;
- (d) the conduct and defence of legal proceedings and the manner of signing pleadings; and

- (e) the constitution and management of any pension, provident fund or superannuation scheme for the employees of the corporation.

18. Liquidation

The corporation shall not be placed in liquidation, except in pursuance of legislation passed for that purpose, and then only in such manner as that legislation may direct.