

**AN ETHICAL ASSESSMENT OF THE MANAGEMENT OF THE
COMPULSORY MOTOR THIRD PARTY INSURANCE POLICY IN UGANDA.**

2000-2008

BY:

JAGGWE RONALD MUYINGO

2007/HD03/8689/U

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT FOR
THE AWARD OF THE MASTER OF ARTS DEGREE IN ETHICS AND**

PUBLIC MANAGEMENT

(DEPARTMENT OF PHILOSOPHY)

FACULTY OF ARTS OF MAKERERE UNIVERSITY.

JUNE 2008

ABSTRACT

The main rationale behind the Third party insurance Act (1996) was that it primarily seeks to protect persons (third party) who get affected in cases of any accident or death involving any motor vehicle/motor cycle whose owner (the first party) must have entered a contract (compulsory) with an insurance company (the Second party). However, there seems to be a lot of impediments in the implementation of this compulsory motor third party insurance policy.

This study therefore aims at establishing the moral problems in the handling, management and administration of the policy, establish the attitude of the public towards this compulsory motor third party and finally determine the extent of government involvement in the supervision of the insurance activities.

The study covered six selected Insurance companies that included SWICO, NICO,NIC, FICO. EXCEL and UAP with in the different parts of the country (Central, Eastern and Western). Together with information from the general public that included the police, lawyers, commercial and private drives and the pedestrians. Three different methods of data collection that included the use of self administered questionnaires, in depth interviews schedules and review of the available documents were being used during the time of data collection.

The study discovered the following impediments as regards this topic of research. There is wide spread ignorance of the public at large, police and even employees in some insurance companies on matters concerning insurance, unhealthy competition within the industry that has led to undercutting, fraudulent claims and even failure by the insurance companies to fulfill their obligation of claims settlement. In summary the findings revealed the availability of inconsistency, incomplete insurance underwriting processes and management practices, undercutting insurance premium rates.

The study recommends a greater need for government's intervention in the implementation and supervisory capacities, the need for insurance companies to sensitize the general public about the insurance benefits and even improvement in claim settlement

and to a larger extent a dramatic improvement in their professionalism and efficiency and not forgetting the business ethics and its code of conduct.