

NIC knows its mandate

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THIS article is a response to your newspaper's editorial of August 26, entitled: "Insurance Regulator should Clarify on NIC." In it you raised a number of critical issues to which we are compelled to respond in respect to the Makerere University Deposit Administration Plan (DAP).

The peg of your editorial was what your newspaper perceived to be the 'ineffectiveness' of the Uganda Insurance Commission (UIC). We do not intend to conduct the brief of UIC.

But we aim at correcting misconceptions that the editorial has created through misstatement of facts as they pertain to NIC in particular and the Makerere DAP scheme.

It was unfair for New Vision to declare: "NIC has not clearly stated what its contractual obligations were." This is absolute fallacy. What would have been a bit more diligent on the part of your newspaper would have been to reveal that we published our position on the Makerere DAP scheme in major newspapers in 2009 and in New Vision on October 15. Our position has not changed.

On the contrary, crucial developments on the MUK DAP scheme have affirmed our stance. New Vision stated that NIC has indicated some figures as 'the right amount' involved.

This is not true. Our position is that the figures in contention are "subject to actuarial valuation and withdrawal penalties in case of immediate withdrawal as surrender value in line with the terms of the Group Master Policy (GMP)."

New Vision further asserted that in September 2009, NIC agreed to a forensic audit with a view to establishing the size of the Makerere DAP fund. Your newspaper sought to know the outcome of the exercise.

Your statement has stood fact on its head and patently misdirected what should be the core concern of all stakeholders. The fact of the matter is that there was no meeting in September, 2009.

NIC publicly and expressly requested actuarial valuation of the Makerere DAP fund in October, 2009. The Makerere DAP stakeholders ignored our call.

At a meeting of all stakeholders held on February 4, 2010, at the insistence of the Government, all parties, that is, NIC and Makerere University DAP stakeholders, mutually agreed on the appointment of an independent actuary in a validation process to be supervised by the Uganda Insurance Commission (UIC).

NIC promptly signed the Memorandum of Understanding that was forwarded to all parties by the UIC.

We believe that as a respected newspaper, New Vision owes the public a responsibility to investigate why the process of appointing an independent actuary has been stalled.

The question to be asked is: who is afraid of truth that will be uncovered with the appointment of an independent actuary? Certainly not NIC.

The finance ministry has not failed to resolve the issues between Makerere University DAP stakeholders and NIC. Neither should any institution be embarrassed by the call for presidential intervention by Makerere's trade unions, as New Vision suggested.

It is a historical fact that lecturers always canvass for the President's intervention in its matters with other parties. NIC supports the call for the President to act because he has a commendable sense of justice and fair play and we believe he would also exhibit this in the present circumstance.

New Vision should have refrained from making pronouncement on issues it had no full facts about. For the record, NIC is currently the largest life and pension carrier in Uganda with a composite asset base of sh75b and shareholders funds' peaking at sh11b.

We have strong assets to back up whatever option is recommended for resolving issues of the MUK DAP scheme.

This article can be found on-line at: <http://www.newvision.co.ug/D/8/459/730513>

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