

Introduction: Private health insurance (PHI) is considered as a very important health financing mechanism that serves to protect households against catastrophic expenditures that are faced by the reliance on out-of-pocket financing for healthcare. This research investigates the willingness to pay for PHI among small medium enterprises in Kampala City

Methodology: A cross sectional non-interventional study design was used. Random sampling was done to select 150 SME owners to participate in the study and both qualitative and quantitative data sets were collected using a researcher administered questionnaire. Pearson's Chi square (χ^2) test of association was performed to find the association between sets of categorical variables at 95% confidence interval.

Results: There is a high level of knowledge of PHI among SME owners (86%), with 49.6% PHI coverage and more than half (63.3%) of the un-insured willing to pay for private health insurance cover for their employees. A large proportion of the un-insured still depend heavily on OOP expenditure (87%) with a few SMEs having other means of meeting their staff's health needs.

Conclusion: 63.3% willingness to pay for PHI by the un-insured provides hope for an increase in uptake of PHI provided new innovations in PHI product benefits and awareness strategies are given careful consideration.