



مصرف الإمارات العربية المتحدة المركزي  
CENTRAL BANK OF THE U.A.E.

**Insurance Authority Board Resolution**  
**No. 3 of 2010 Instructions Concerning the**  
**Code of Conduct and Ethics to be Observed by**  
**Insurance Companies and Insurance-Related**  
**Professions Operating in the UAE**

**Consolidated version as of 16/09/2019**

This Resolution has been amended by the Insurance Authority Board of Directors Decision No. (40) of 2019. You are reading the consolidated version as of 16/09/2019.

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**The Board of Directors of the Insurance Authority,**

**Having perused:**

- The Federal Commercial Companies Law No. 8 of 1984;
- The Federal Law No. 5 of 1985 promulgating the Civil Transactions Law;
- The Federal Law No. 18 of 1993 promulgating the Commercial Transactions Law;
- The Federal Law No. 6 of 2007 concerning the Establishment of the Insurance Authority and the Regulation of Insurance Business; and
- Based on the recommendation of the Director General of the Insurance Authority and the approval of the Insurance Authority Board of Directors,

**Has decided:**

**ARTICLE 1**

The following words and expressions shall have the meanings ascribed thereto below, unless the context otherwise requires:

<b>Ministry:</b>	The Ministry of Economy
<b>Minister:</b>	The Minister of Economy
<b>Law:</b>	The Federal Law No. 6 of 2007 Concerning the Establishment of the Insurance Authority and the Regulation of Insurance Business.
<b>IA:</b>	The Insurance Authority established pursuant to the Law.
<b>Board:</b>	The IA Board of Directors.
<b>Chairman:</b>	The Chairman of the IA Board.
<b>Director General:</b>	The IA Director General.
<b>Company:</b>	An insurance company incorporated in the UAE and a foreign insurance company licensed to operate in the State through a branch or an insurance agent.
<b>Insured:</b>	The person who entered into an insurance contract with the Company.
<b>Client:</b>	Any person to whom the Company offers its products and services.
<b>Insurance Agent:</b>	The person by approved the Company and authorized to carry out the insurance business on behalf of the Company or any branch thereof.
<b>Policy:</b>	The Policy entered into between the Insurer and the Insured which includes the terms of the contract between the parties thereto, their obligations and rights or the rights of the Beneficiary and any endorsement to such Policy.
<b>The Reinsurer</b>	Any Reinsurer incorporated in the State or any foreign Reinsurer licensed to perform reinsurance business in the State or any Reinsurer abroad.
<b>Insurance Broker:</b>	The person brokering in insurance or re-insurance transactions between any Insurer and Reinsurer, and receive commission for his/its fees from the Insurer or Reinsurer with which the insurance or re-insurance business is concluded.
<b>Beneficiary:</b>	The person who acquires rights pursuant to the insurance contract on commencement or such rights are transferred thereto in a legal manner.

## **ARTICLE 2 SCOPE OF APPLICATION**

1. The provisions of these Instructions shall apply to all companies registered by the Insurance Authority and operating in the State and which are marketing their products and services, directly or indirectly, through an insurance agent or insurance broker.
2. The provisions of these Instructions shall apply to insurance-related professions licensed and registered by the Insurance Authority, to the extent appropriate to the nature of the business of each profession.

## **ARTICLE 3**

The Insurer shall comply with the following:

1. Ensure that the business and acts performed by it and actions and decisions taken by it are consistent with the provisions of the applicable laws in the State, including the Law No. 6 of 2007 concerning the Establishment of the Insurance Authority and the Regulation of Insurance Business.
2. Practice the business thereof in accordance with the principle of utmost good faith as one of the basic principles upon which the insurance business is based, and adopt the principle of disclosure and transparency when dealing in the insurance market, with Clients and relevant official bodies, particularly in all documents, instruments, commercials, advertisements, statements and researches issued by it.
3. Comply with the legitimate practices towards the insurance applicants, Insured and beneficiaries or towards other insurance companies.
4. Provide clear, accurate and truthful information in a sound legal language.
5. Provide the Clients with the appropriate information about the nature of the products and services provided by the Company as well as the insurance cover terms and limits offered to or required from the Client.
6. Not to reject the insurance proposition, not to abstain from renewing the Policy, and not to discriminate between the Insured with regard to insurance rates and the insurance terms and benefits of the insurance cover, unless such discrimination is based on technical or actuarial reasons or due to the Company's experience and expertise with the Client.
7. Achieve the common interest between itself and the related third parties in accordance with the legal provisions and regulations, instructions and decisions issued pursuant thereto as well as the contractual relations and what the proper insurance practice requires.
8. Not to deal with any person or entity from the professions associated with insurance that is not licensed by the IA including the business of agency, brokerage, consultation or expertise in claim settlement or actuarial expertise; and ensure that the aforesaid persons or entities have the required license.
9. Fully comply with the provisions of mandatory insurance policies issued by the IA in accordance with the laws and regulations, instructions and decisions issued thereunder.
10. Take the necessary actions to apply the regulations and the instructions related to anti-money laundering and combating financing of terrorism issued by the competent official authorities and the IA.
11. Execute the insurance policies and all the documents concerning the relationship with the Clients in the Arabic language. An accurate translation thereof to another language may be attached thereto, provided that it is subject to the principle of prevalence of the Arabic version if any cases of difference in interpretation.
12. The Company shall circulate these Instructions to its employees and shall explain as may be required for the proper application thereof; and shall develop internal professional code of conduct for the Company and circulate the same to its employees.

#### **ARTICLE 4 PROVISION OF INSURANCE PRODUCTS AND SERVICES**

When providing its products and services to the Clients, the Company shall comply with the following:

1. Accurately and timely reply to Clients' inquiries as expected from a company that practices a specialized profession in a proficient and professional manner.
2. Issue insurance policies and endorsements thereof as well as any amendments that may occur thereon after the agreement of the two parties and as soon as possible without any delay.
3. Educate the Insured with ways and methods to avoid accidents or mitigate their impacts.
4. Provide and make available all documents and information which the Insured or the Beneficiary is entitled to obtain upon request, and especially upon the expiry of the insurance term or termination of the insurance contract for any reason whatsoever.
5. Provide the Client with the accurate technical statistics on the results of its dealing with the insurance company during the past period upon request.

#### **ARTICLE 5 PRICING**

In pricing its insurance products offered to the Clients, the Company shall comply with the following:

1. Full compliance with the generally accepted technical rules in insurance transactions when pricing the risks to be Insured.
2. Not to add any excessive surcharges to the net premium or offer prices lower than the technical level, which may put the Company's financial position at risk and consequently exposing the Insured's interest to loss, which also constitute uncontrolled competition in the insurance market.
3. Provide a complete statement of the price offered to the Client, so as to disclose any fees that may be incorporated in the offered price or that the Client will be required to pay in addition to the said price.
4. Abide by the insurance prices set forth by the IA in mandatory insurances required in accordance with the laws and regulation, instructions and decisions issued thereunder.
5. Inform the IA of the prices which the Company intends to apply enclosing a detailed statement of the technical and actuarial basis upon which the Company has determined such prices within a period of no less thirty days prior to implementing such prices, enclosing:
  - a. Statistical data related to the settled and outstanding claims used as a basis of calculation.
  - b. Detailed information about the significant losses incurred in the relevant insurance class and frequency thereof.

#### **ARTICLE 6 APPLICATION FOR INSURANCE**

When designing the insurance application form, the Company must observe the following:

1. Questions to be incorporated in the insurance application form shall be drafted in a clear and understandable language. The form shall include guidelines to show how to answer these questions.
2. The application form shall contain, inter alia, questions relating material facts that are particularly important for the Company in accepting the insurance cover of the risk, in setting the terms and conditions related to the cover or in pricing.
3. The form shall also incorporate a warning regarding the legal consequences and effects on the Insured rights as a result of not providing the information or providing false, inaccurate and untrue information.
4. The questions are supposed to be specifically relevant to the Insured Interest, the relation of the applicant therewith, the insurance interest and information related to the previous experience of the Client regarding the Insured Interest, particularly the past accidents.
5. Information may not be incorporated in the application form by any employees of the insurance company. The form shall further contain a statement indicating that the provided information has been inserted by

or to the knowledge of the applicant and that the signature affixed thereon is the signature of the applicant or his legal representative.

6. The form shall incorporate a recommendation to the applicant to keep the documents and his/her correspondence with the Company.
7. The Company shall provide the applicant with a copy of submitted insurance application to keep it.

#### **ARTICLE 7 THE POLICY**

In arranging a Policy, the Company shall comply with the following:

1. Use a clear legal and technical language for the Insured, subject to accuracy in setting forth the conditions to avoid misunderstanding by third parties.
2. The Policy shall be clearly printed in a legible font, particularly to observe the following when printing the Policy:
  - a. Each conditions pertaining to any event that may lead to the nullification of the contract or the lapse of the Insured's right shall be printed in conspicuous style (i.e. in a different font or different color).
  - b. The Arbitration Clause shall be printed as a special agreement separate from the general terms and conditions incorporated in the Policy.
3. The Policy must contain all terms and conditions governing the contractual relationship. The Policy shall be bound firmly to prevent the removal of any page therefrom or else clearly show if a page is removed. The number of pages shall be show in the body of the Policy and endorsements.
4. Describe the subject matter insured and accurately determine the Sum Insured and scope of the coverage to avoid any confusion to the other parties.
5. Explain the procedures that the Insured or the Beneficiary shall follow in the event the insured risk has occurred to receive the entitled compensation; and accurately define the deductible amount, co-insurance rate, or franchise.
6. The Policy (of non-compulsory insurance) may incorporate an arbitration clause as a means to settle any dispute arising between the parties subject to the provision of clause (2) above.
7. The Policy can incorporate a termination clause if the Insured failed to pay the premium. Such clause shall be written in a conspicuous manner as stated in clause (2) above.
8. Life insurance policies or unit-linked fund formation policies must include a statement of the Company's obligations to regularly inform the Client of the investment position specific to this kind of insurance.
9. Provide the Insured with a copy of the Policy, endorsements and amendments thereto as soon as possible after agreement thereupon.
10. Develop an appropriate mechanism for the procedures of issuing policies within the Company, whereby a policy is issued pursuant to the agreement between the parties.
11. The Policy shall stipulate that no amendment to any clause therein is valid unless the parties so agree.

#### **ARTICLE 8 RENEWAL OF THE POLICY**

On renewal of a Policy, the Company shall comply with the following:

1. When issuing a Policy, inform the Client that the Policy is not automatically renewed on its expiry date (unless it is so agreed by the parties). To this effect, the Insured shall submit an application for the Policy renewal.
2. At appropriate and reasonable time prior to the expiry of the insurance term, send a notification to the Insured on the approaching expiry of the insurance term, asking whether he/she wishes to renew the Policy.

3. Incorporate in the renewal notification an alert to the Insured that it is necessary to disclose any information related to material facts mentioned in Clause (2) of Article (6) of these Instructions or any change in the information previously provided that would influence the Company's decision regarding the continuation to accept the risk cover, conditions or prices previously determined, whether such change has occurred after the Policy commencement date or after the last renewal thereof; whichever occurs later.

#### **ARTICLE 9 CLAIM PROCEDURES**

When processing a claim submitted thereto by a Client, the Company shall comply with the following:

1. Set a mechanism for processing claims submitted thereto, including:
  - a. Preparing claim forms according to the respective type and class of insurance to be provided free of charge to the Insured or the Beneficiary. Such forms shall be written in a clear language and shall define the information required to be provided by the Insured or the Beneficiary.
  - b. Defining the documents that should be submitted for the examination and settlement of the claims.
  - c. Specifying an appropriate period of time for the settlement of the submitted claims.
2. Settle the claims without undue delay in accordance with the provisions of the law and the terms and conditions of the Policy.
3. Inform the Insured or Beneficiary of the progress in the examination of the claim and the date of issuing a decision thereon whenever anyone of them so requested.
4. Notify the Insured or Beneficiary when the examination of the claim is completed, whether by approval or disapproval, within 15 days as of the date of receipt of the complete documents. If there is any reason requiring a longer period, the Company shall notify the Client of such period with the reasons thereof.
5. The Company shall pay to the Insured or Beneficiary the payable amount without delay in case the claim was approved and the parties agreed on such amount. Accordingly, the Insured or the Beneficiary shall sign a document to discharge the Company, a subrogation or a transfer of rights (if reasonable required) when the amount of indemnity is paid.
6. If the Company rejects a claim, in total or in part, it shall inform the compensation requester about the reasons for such rejection in writing. The reason for rejection may not be in general and inaccurate expressions. In addition, a rejection may not be simply due to failure by the compensation requester to carry out certain procedures or provide certain data, unless such procedures or data are necessary to verify the accident and its causes, or the size of damage it has caused, or are required to enable the Company to exercise its legally established right of recourse.
7. Subject to the condition of the Policy, the Company may take, on its own initiative, action to repair or replace property of the Insured as soon as possible, provided that such action is consistent with its obligations.
8. In case of multiple items of the claim where the dispute is related only to some of them, the Insured or Beneficiary may claim compensation related to the items agreed thereupon under the final settlement.
9. The Company shall maintain a special file for each claim where all relevant correspondence, reports and documents are kept for reference in performing the control or audit task.

#### **ARTICLE 10 COMPLAINT REGISTER**

1. The Company shall maintain a register for complaints received from its Clients; where the complaint's date of submission, serial number, name of complainant, relevant policy number and summary of the subject thereof, and supporting documents attached thereto are recorded.
2. The Company shall create a file for each complaint, where all relevant papers and documents are kept. The Company shall investigate and decide on each complaint within 15 days as of the date of its submission



and completion of requirements thereof. The decision is then issued, either approving or disapproving the complaint, and the Company shall state the summary of its decision in the Complaint Register.

3. IA inspectors shall have access to the Complaint Register to verify information recorded therein. They shall also have the right to review the file of any complaint that has been settled to verify the reasons on which the Company has based its decision.
4. The Insured, the Beneficiary or any concerned party may appeal to the IA in case the complaint thereof is rejected.

#### **ARTICLE 11 PUBLICITY AND ADVERTISEMENT**

When issuing an advertisement, publication, statement or declaration targeting the public or any segment thereof directly or indirectly, the Company shall adhere to honesty, truth and objectivity including:

1. Prior to publishing an advertisement in the media or through direct communication with the Clients with respect to a certain insurance policy or scheme, the Company shall forward such Policy or scheme to the IA. Where a legal violation or a deviation from technical rules is ascertained, the IA may request the Company to make the required amendment.  
IA approval or non-objection to the terms and conditions will not affect the rights and obligations of any party to a contractual arrangement, and shall not be used as evidence before the Judiciary to prove the legality of any party's position.
2. The information provided to the public must be accurate, factual and consistent with the law and technical rules.
3. In case the information includes statistical figures, such figures must be accurate and presented in a sound technical manner along with the sources thereof. If derived from a certain source, such source shall be indicated.
4. The advertisement or publication may not include any untrue promises or create an impression of benefits and advantages that are incompatible with the reality.
5. If the advertisement or publication contains special prices of the coverage, such prices must be clear, with a statement whether they are inclusive or exclusive of duties and taxes, if any.
6. The advertisement or publication must be compatible, in content, with the content of the Policy scheduled to be offered in the market.
7. The advertisement or publication may not contain any false information concerning the financial position of the Company providing an inaccurate impression to the Clients.

#### **ARTICLE 12 ADVERTISING PERSONS AND FUND ACCUMULATION INSURANCE POLICIES**

In its advertisements and publications relating to insurance policies for persons and fund accumulation, the Company shall comply with the following:

1. Not to provide false information with respect to obtaining loans or arranging mortgages backed by the Policy.
2. Not to use ambiguous phrases or assigning names, titles or descriptions to policies that would give the public a misleading and unreal impression whether about the benefits the Policy offers, the scope of coverage or the specific premium.
3. Fully disclose any terms contained in the Policy that would restrict or reduce the nominal value entitled under the Policy.
4. Not to include in the advertisement any exaggerated information about profit sharing, interests or eligibility to a share of the surplus.



5. The advertisement draft should not include any unfair or inaccurate comparison between the benefits offered by the advertised Policy and those offered by policies of other companies, or that may constitute a tort to the position of competitors.
6. Not to include in an advertisement about a Policy any reference that may identify such Policy as a special offer; or may indicate that the holder thereof will enjoy unspecific benefits later on; or that the offer is available for a group of irrelevant individuals, applicable only to a specific number of policies or valid only for a specific period of time, after which the provision of the advertised Policy is stopped, unless it is the actual reality.
7. Focus in the advertisement on insurance advantages and avoid exaggeration in listing the investment advantages that may or may not be achieved in the future.

### **ARTICLE 13 DEALING WITH THE IA AND OFFICIAL AGENCIES**

When dealing with the IA and other official agencies, the Company is required to observe the following:

1. Deal with transparency and professionalism.
2. Provide any data or information required by the Director General concerning insurance applications rejected by the Company or policies it has declined to renew, along with a statement of the reasons of such rejection or non-renewal. The Company shall reply to inquiries by the IA regarding any complaint submitted to and notified to the Company within an appropriate period to be set by the IA.

### **ARTICLE 14 SETTLEMENT OF DISPUTES BETWEEN COMPANIES AND PAYMENT OF BALANCES**

The payment of undisputed balances among the companies is required for the good conduct of transactions in the insurance market.

The companies must settle all disputes arising among them by bilateral amicable methods or through the Emirates Insurance Association, if the parties so agree, prior to resorting to courts.

### **ARTICLE 15**

These Instructions shall replace the Rules for Insurance Companies' Transactions in the UAE Insurance Market issued under the Ministerial Resolution No. 296 of 2004 by HE the Minister of Economy.

### **ARTICLE 16**

These Instructions shall be published in the Official Gazette, and shall take effect after the elapse of three months from the date of publication thereof.