



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

Insurance Authority Board of Directors
Decision No. (13) of 2018 Instructions Concerning
Marketing Insurance Policies through Banks

Consolidated version as of 15/09/2019

This Decision has been amended by the Insurance Authority Board of Director's Decision No. (42) of 2019.
You are reading the consolidated version as of 15/09/2019.

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THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE INSURANCE AUTHORITY,

Having pursued;

- The Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority and Organization of its Operations, and the amendments thereof and its Executive Regulations.
- Federal Law No. (1) of 2006 concerning Electronic Transactions and Commerce.
- The Federal Law No. (10) of 1980 concerning the Central Bank, Monetary System, and the Regulations of Banking;
- The Federal Law No. (6) of 1985 concerning Banks, Financial Institutions and Islamic Investment Companies; and
- Based on the recommendations of the Director General of the Insurance Authority and the approval of the Insurance Authority's Board of Directors,

Has resolved:

DEFINITIONS**ARTICLE (1)**

1. The following words and phrases shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

State	The United Arab Emirates.
Law	Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority and Organization of its Operations, and the amendments thereof.
Authority/IA	The Insurance Authority established pursuant to the provisions of the Law.
Board	The Board of Directors of the Authority.
Chairman	The Chairman of the Board.
Director General	Director General of the Authority.
Company	An insurance company (and a Takaful insurance company) established in the State, and a foreign insurance company licensed to operate in the State, either through a branch or an insurance agent.
Insurance Policy	The insurance policy entered into between the Company and the insured party, containing the terms of contract between the parties and their rights and obligations, or the rights of the beneficiary, and any addendum thereto.
Central Bank	The United Arab Emirates Central Bank, established under the Federal Law No. (10) of 1980 Concerning the Central Bank, Monetary System, and the Regulations of Banking.
Bank	A Bank or a Finance Company licensed by the Central Bank to operate in the State, unless explicitly stated or implied by context.
Designated Officer	The employee appointed by the Bank in collaboration with the insurance company to market insurance policies through the Bank.
Customer	A natural or corporate person dealing with the Bank.
Wallet Insurance	Insurance against loss or theft of the wallet containing credit cards, ID card, keys, or pocket money, and any other documents, covering hospitalization expenses resulting from injuries occurring in the course of loss or theft of wallets.
Electronic Means	The electronic, smart or otherwise resources adopted by the Authority

2. Other than as provided above, words and phrases used in these Instructions shall have the meanings given thereto under in the Law.

GENERAL PROVISIONS

ARTICLE (2)

1. The provisions of these Instructions shall apply to all insurance companies operating in the State who wish to market their policies through Banks.
2. Except where the Law provides otherwise, the provisions of these Instructions shall not apply to companies operating in free zones within the State.
3. No Company may market insurance policies through a Bank or authorize them to market insurance policies for its account except after obtaining the approval of the IA according to the principles and stipulations under these Instructions and the legislations issued by the IA.
4. The contractual relationship between the Company and the Bank may not include any form of insurance agency, insurance brokerage, insurance consultancy or any insurance-related profession; it shall only be limited to establishing a marketing channel.
5. The Company may enter into contractual relations with a view to market its insurance policies with one Bank, or more.
6. The Company may not authorize the Bank to market its policies to persons who are not customers of the Bank.

TYPES AND CLASSES OF INSURANCE (TAKAFUL INSURANCE) FOR WHICH POLICIES MAY BE MARKETED THROUGH BANKS

ARTICLE (3)

Insurance policies and *Takaful* insurance policies that may be marketed through Banks for the following types and classes of insurance and their equivalents in *Takaful* insurance, are exclusively the following:

1. Life Insurance and family *Takaful* insurance.
2. Health Insurance.
3. Fund accumulation operations.
4. Motor insurance and associated liabilities.
5. Personal accident insurance.
6. Comprehensive household insurance.
7. Travel insurance.
8. Insurance linked with housing loans, credit insurance, personal loans, credit cards and the like, such as the involuntary job loss insurance and wallet insurance.
9. Marine cargo insurance.
10. Any other products that the Authority decides to add.

APPROVAL CONDITIONS AND PROCEDURES

ARTICLE (4)

For approval to market insurance policies through Banks, a Company shall submit an application to the Authority through Electronic Means adopted for this purpose or other means adopted by the Authority containing the relevant information, data and documents, including:

1. The approval of the Central Bank for the Bank to enter into contract with an insurance company to market insurance policies.
2. To make sure that the Bank has a Designated Officer for the policies that are to be marketed.

3. Submit a copy of the agreement between the parties, such agreement is subject to the approval of the Insurance Authority.
4. The Company shall set a continuing training plan for the employees involved in marketing insurance products at the Bank.
5. Any other requirements, documents or data as required by the Authority.

DESIGNATED OFFICER

ARTICLE (5)

It is required by Designated Officer, to satisfy the following conditions:

1. To successfully pass three training courses in insurance or insurance brokerage according to the conditions set forth by the Authority.
2. To acquire practical training for a period of (30) hours at any insurance company in the same insurance products he is going to market.

CONSIDERING THE APPLICATION FOR APPROVAL TO MARKET INSURANCE POLICIES

ARTICLE (6)

1. The IA shall issue its decision to approve or reject the application within a period of 20 working days from the date of submitting the complete application. The Authority may make its approval subject to the satisfaction of the requirements or restrictions it decides, or suspend its approval for public interest considerations, for the period it deems appropriate.
2. The Insurance Company shall have the right to appeal the decision to reject the application to the Board within thirty days from the date of notification thereof. The decision of the Board on the appeal shall be final.
3. If the Board denied the appeal submitted in accordance with Section (2) of this Article, no new application for marketing through the same Bank may be submitted before the lapse of six months from the date of notification of the Board's decision.

TERM AND RENEWAL OF THE APPROVAL

ARTICLE (7)

1. The approval for marketing insurance policies shall be issued for the respective types and classes of insurance as required to be approved. The approval shall be for one year ending at the end of December of each year. The first approval shall be valid from the date of issuance through the end of December of the same year.
2. The approval shall be renewed by an application to be submitted to the Authority (30) days before the end of the approval term, after ensuring the continued compliance with the provisions of these Instructions and the decisions issued thereunder. The Authority shall issue its decision within a period of 10 working days from the date of submitting the complete application.

TEMPORARY SUSPENSION AND CANCELLATION OF THE APPROVAL

ARTICLE (8)

1. A Company wishing to temporarily suspend the marketing of its insurance policies through the Bank or having an inhibiting condition must submit an application through Electronic Means adopted for this purpose or other means adopted by the Authority for temporary suspension of such marketing. The suspension period may not be longer than (3) months from the date of the approval thereon. It shall be extendable to other similar period.
2. No products may be marketed during the suspension period; and in all cases an application may be submitted through Electronic Means adopted for this purpose or other means adopted by the Authority to resume the marketing before the end of the specified period for temporary suspension, whether the suspension was voluntary or the reasons for such suspension has seized to exist.
3. A Company wishing to completely suspend the marketing through the Bank under an agreement with them, shall submit an application to the Authority in this regard through Electronic Means adopted for this purpose or other means adopted by the Authority.
4. In case the agreement between the Bank and the Company is terminated, the Company shall notify the Authority of such termination through Electronic Means adopted for this purpose or other means adopted by the Authority, within a period of no more than ten working days; and the Authority shall decide to deem the approval void.

COMPANY BRANCH IN THE EMIRATE

ARTICLE (9)

The Insurance Company shall have a point of sales in the Emirate where the Bank is marketing its insurance policies or shall have electronic services that enable customers to communicate with the company to receive their feedback, inquiries and complaints, within the following conditions:

1. Providing the service of communication with the company through telephone, website or through an electronic application that can be downloaded on smartphones.
2. Easiness to use website or application.
3. Responding to customer complaints and inquiries within one day.
4. The electronic services shall be in Arabic and at least one other language.
5. The company shall maintain a special record inside it showing the details of complaints, inquiries and the results.

ENTERING INTO THE AGREEMENT AND THE CONDITIONS THEREOF

ARTICLE (10)

The agreement signed between the Company and the Bank concerning the marketing of insurance policies shall contain the following as minimum:

1. Be executed in Arabic language and signed by both parties.
2. The rights and obligations of each party, which shall not contradict with the provisions of these Instructions.
3. The term of the agreement and the method and reasons for its termination.
4. A provision that the Insurance Company is responsible for the issuance of insurance policies and any amendment thereof, and for the payment of due compensations.
5. Types and classes of insurance for which the Bank shall be authorized to market the policies, in accordance of Article (3) of these Instructions.

6. Naming the Bank branches that will market insurance products and the territory.
7. The agreed commission of the Bank, how it is calculated, the due dates thereof, and the procedures for its collection.
8. The general rules that the Bank shall observe and adhere to with regard to marketing, promotion and advertising of the insurance products,.
9. A statement showing whether the Bank is authorized or not authorized to receive insurance premiums, and the obligation of the Bank to transfer all premiums to the account of the Company by the agreed method, and to provide the Company with a regular detailed statement of such premiums.
10. Rules to be followed by the Company and the Bank to ensure the protection of customers' rights in case of termination or
11. Allowing the Company to review all the Bank's organized books and records relating to marketing insurance contracts and to obtain copies thereof. The following records shall be maintained:
 - a. Correspondence log;
 - b. Internal records; and
 - c. Customer complaints' register.
12. Stating the mechanism for qualifying and training of the employees approved to market the insurance products at the Bank, and ensuring the continuity of such training.
13. Maintaining the confidentiality of conditions, prices, information and data which the Bank obtains from the Company, and refraining from disclosing such information to other companies.
14. Not to seek, directly or indirectly, to terminate any insurance policy issued by the Company through another Bank with the view to re-issue the policy through it.

ANTI-MONEY LAUNDERING AND COMBATING TERRORISM FINANCING

ARTICLE (11)

The Company shall include a provision in the agreement executed with the Bank stating that all measures specified in the Instructions to encounter money laundering and combat terrorism financing as issued by the Board of Directors of the Authority, as well as other relevant laws including the instructions issued by the Central Bank in this regard shall be complied with, and ensure that all collected premiums are paid from the customer's account with a Bank operating in the State authorized to open accounts to customers.

OBLIGATIONS OF THE COMPANY

ARTICLE (12)

1. The Company may not authorize the Bank with the following:
 - a. Issue Insurance policies and addenda, or make any amendments thereto;
 - b. Settle claims;
 - c. Pay compensations.
2. The Insurance Company shall provide the Bank with the Authority's approval to market insurance policies.
3. The Insurance Company shall obtain from the Bank a proof of the Central Bank's approval to market insurance policies.
4. The Insurance Company shall inform the Authority through Electronic Means adopted for this purpose or other means adopted by the Authority of any change in the agreement with the Bank within five working days from the date of such change or amendment.
5. The Insurance Company shall notify the Authority in case of discovering a breach by the Bank of the provisions of legislations, and the laws issued pursuant to any of them.

6. The Company shall ensure that the customers of bancassurance are fully aware that the Bank is simply a marketing channel and is neither responsible for the terms and conditions of the insurance products it is marketing nor for the payment of any compensations, and that the responsibility for the aforementioned is solely borne by the Insurance Company.

SUPERVISION AND INSPECTION

ARTICLE (13)

1. Subject to the approval of the Central Bank, the Authority shall carry out inspections and supervision over the Banks , either on regular or surprise basis , in order to verify their compliance with the instructions issued by the Authority; and shall investigate any violations revealed during the inspection or included in complaints received by the Authority.
2. The Authority may request through the Central Bank, all relevant information and documents - which they deem necessary for supervision and inspection purposes- from the Bank which must be presented within the time period specified by the Authority.

THE FINANCIAL STATEMENTS PERTAINING TO MARKETING INSURANCE POLICIES THROUGH BANKS

ARTICLE (14)

The Company shall provide the Authority with the financial statements showing the gross written premiums, gross expenses and gross claims pertinent to marketing insurance policies through Banks aggregately and separately for each Bank and for each line of insurance, on quarterly and annual basis and in accordance with what is determined by the Authority.

COMMISSIONS

ARTICLE (15)

The Company when marketing insurance policies through Banks, shall comply with the instructions to be issued by the Board to regulate the commissions pertinent to marketing insurance policies through all distribution channels.

PENALTIES

ARTICLE (16)

1. In case of a violation against the provisions of the law, regulations, instructions, decisions, or circulars issued thereunder, the Authority may impose the following penalties on the Company:
 - a. Send a warning to the Company in order to remove the reasons of violation and take the corrective measures to ensure non-recurrence of the violation in the future.
 - b. Suspend the approval to market insurance policies through the Bank for a period of no more than one year, provided that the Bank is notified of any penalties set forth herein.
2. The Authority may cancel the approval granted to the Company in any of the following cases:
 - a. Discontinue meeting one of the conditions of approval as provided under these Instructions.
 - b. Breach by the Bank of any obligation or commitment in the laws, regulations, instructions and decisions pertaining to marketing insurance policies through Banks, upon coordination with the Central Bank concerning the aforementioned breach.
 - c. Failure to renew the granted approval.
 - d. Issuance of a final court judgment declaring the Bank Bankrupt.

- e. Dissolution and liquidation of the Bank.
 - f. In case it becomes evident that the approval was based on inaccurate information or data, or upon an unfulfilled undertaking in the view of the Authority.
3. If the approval is cancelled, no application for approval may be submitted by the Company before the lapse of two years from the date of issuing the decision of cancellation.

APPEAL

ARTICLE (17)

Penalties under Article (16) of these Instructions may be appealed within (20) working days from the date of the decision notification. The appeal shall be submitted to the Board of Directors of the Authority to decide on it within (20) working days from the date of submission of the complete appeal application. The decision of the Board on the appeal shall be final.

FINAL PROVISIONS

ARTICLE (18)

Companies marketing their insurance policies through Banks must rectify their status in accordance with these Instructions within a period of six months from the effective date of these Instructions.

ARTICLE (19)

The Director General shall issue the decisions and circulars required for the implementation of the provisions of these Instructions.

ARTICLE (20)

These Instructions shall be published in the Official Gazette and shall take effect in the day following the date of its publication.

In case there is any inconsistency between this translation and the Arabic version of this decision, then the Arabic version shall prevail.