

**The Executive Regulation
of
The Federal Law No.6 of 2007
on
Establishment of the Insurance Authority
and
Organization of the Insurance Operations**

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Insurance Authority
The Board of Directors' Resolution No.2 of 2009
on
Issuance of the Executive Regulation of
The Federal Law No.6 of 2007
on
Establishment of the Insurance Authority
and
Organization of the Insurance Operations

The Minister of Economy, Chairman of the Board of Directors of the Insurance Authority,

Having considered the Federal Law No.1 of 1972 on the Ministries' responsibilities and the Ministers' authorities and the amending laws,

The Federal Law No.6 of 2007 on Establishment of the Insurance Authority and Organization of the Insurance Operations,

The Ministerial Decree No.32 of 1984 on the Executive Regulation of the Federal Law No.9 of 1984 on the Insurance Companies and Agents,

And on basis of the Director General's presentation and the Board of Directors' approval,

Resolved to issue the following executive regulation:

Chapter One

Article (1) Definitions

The following words and expressions wherever they are stated in the executive Regulation herein shall bear the meanings beside each of them unless the context provides otherwise:

State:	The United Arab Emirates.
Law:	The Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organization of the Insurance Operations.
Ministry:	The Ministry of Economy.
Minister:	The Minister of Economy.
Authority:	The Insurance Authority established by virtue of the provisions of the Law.
Board :	The Insurance Authority's Board of Directors.
Chairman:	The Chairman of the Board.
Director General:	The Director General of the Insurance Authority.
Company:	The insurance company incorporated in the State and the foreign insurance company licensed to carry out insurance activities in the State either through a branch or an insurance agent.

Insurance Agent: The person approved and authorized by the company to carry out insurance operations on behalf of the company or any of its branches.

Insurance Broker: The person who independently intermediates in insurance and re-insurance operations between the applicant of the insurance or re-insurance on one side and any insurance or re-insurance company on the other side and receives for his efforts commission from the insurance company or the re-insurance company with which the insurance or the re-insurance has been accomplished.

Actuary: The person who estimates values of the insurance contracts, documents and the related accounts.

Register: The register of the insurance companies.

Authorized Manager: The person appointed by the foreign insurance company to manage its branch in the State.

Senior Official of the Company:

The person who occupies the post of executive president or general manager, authorized manager or deputy general manager, assistant general manager, chief executive of operations, chief executive of finance, or managing director.

Article (2)
Scope of Applicability

1. The provisions of the Regulation herein shall apply to all the insurance companies incorporated in the State and the foreign insurance companies licensed to perform their activities in the State including those companies engaged in the operations of cooperative insurance and *Takaful* insurance or operations of reinsurance and the professions associated with the insurance.
2. The provisions of the Regulation herein shall not apply to the companies operating in the free zones in the State unless specifically provided for in the Law.

Chapter Two
Classes and Types of Insurance

Article (3)
Classes of Insurance

1. Direct insurance operations as provided for in the Law shall be divided into three:
 - a. Insurance of persons and funds accumulation operations
 - b. Property insurance
 - c. Liability insurance
2. Insurance operations shall include the relevant activities of the categories provided for in paragraph (1) of the Article herein and shall include as well reinsurance operations and all the professions associated with the insurance which in their respect the Board had issued regulations, directives or special resolutions.

Article (4)
**Types of Insurance of Persons and Funds
Accumulation Operations**

Insurance of persons and funds accumulation operations shall include the following:

1. Life assurance of all types including among others all insurance operations designed to pay certain amounts of money in case of death, disability, reaching certain age or life assurance associated with investment vehicles.

2. Health insurance of all types.
3. Personal accident insurance associated with life assurance (all insurance operations against personal accidents done by the company in favor of the individuals holding life assurance policies of the same company).
4. Funds accumulation operations (all operations the purpose of which formation of a capital to be paid in a specified date against a premium or periodic premiums without linking the same to life or death probabilities).

Article (5)

Types of Property & Liability Insurance

Property insurance and Liability insurance and the activities associated therewith shall include the following:

1. Fire insurance and the allied perils.
2. Land transport, marine and air cargo insurance and the related liabilities.
3. Marine hull, machinery, and equipment insurance and the related liabilities.
4. Aviation hull insurance and the like and their machineries and equipment and the related liabilities.
5. Satellites, balloons and spaceships insurance, and their machineries and equipment and the related liabilities.
6. Railway locomotives and coaches insurance and the related liabilities.

7. Land vehicles insurance and the related liabilities.
8. Engineering insurance and the related liabilities and insurances normally associated thereto.
9. Oil insurance including the insurances which are normally considered oil insurance.
10. Health insurance of all types.
11. Miscellaneous accident insurance including the following types:
 - a. Personal accident insurance.
 - b. Guarantee insurance and fidelity guarantee.
 - c. Money, coins, securities, bonds and the like insurances whether during transport or in safe.
 - d. Robbery and theft insurance.
 - e. Glass insurance.
 - f. Professional indemnity insurance including liabilities of those professionals in the fields of health, engineering, finance, accountancy, law and the other professions.
 - g. Workman's compensation and employer liability insurance.
 - h. Agriculture and livestock insurance and insurance of other animals.
 - i. Other insurances normally falling under miscellaneous accident insurance.

Article (6)
Other Types of Insurance

1. The Authority at any time may determine other types of insurance to be enlisted under any of the insurance categories stated in Article (3) of the Regulation herein and may determine risks to be compulsorily insured. The Authority may determine unified tariffs of each one of these types of insurance as the public interest might necessitate.
2. The Authority may take the necessary legal procedures to attain the above mentioned objectives including proposing and preparing draft laws should the matter necessitate and issuing the necessary, regulations, rules, directives, and resolutions.

Chapter Three
Insurance Premium Rates

Article (7)
Motor Vehicles' Insurance Tariffs

1. The prevailing tariffs of motor vehicle Insurance already circulated to the insurance companies via circular No.28/7/EC/1055 dated 24.6.1996 shall remain valid till amended or replaced by the Board.
2. When premium rates of motor vehicle insurance are determined it has to be observed that they shall be according to the technical principles of pricing operations of such type.

Article (8)
Other Tariffs and the Related Supervision

1. The Authority may determine and amend the unified tariffs of certain types of insurance as the case might require.
2. The Authority may supervise the premium rates applied by the company and verify extent of commensurability with the risks insured by the company and may require detailed information on the basis and rules which the company relied upon to determine these rates.

Article (9)
**Cancellation of a Compulsory Motor Vehicle
Insurance Contract**

1. Neither the company nor the insured has the right to cancel a compulsory motor vehicle insurance contract during validity of the contract as long as his licenses remained valid unless replaced by other insurance contract.
2. A compulsory motor vehicle insurance contract shall be deemed cancelled pursuant to the Law should the motor vehicle happened to be total loss and its registration been cancelled by the pertinent licensing authority.

In this case, the insured shall have the right to be reimbursed by the company a sum of the premium prorate for the remaining period of the insurance contract unless the insured had caused an accident that created total loss and that without prejudices to the established rights of the others prior to cancelation of the insurance contract.

Chapter Four
The Authority's Board of Directors

Article (10)
Membership Requisites

It's conditional on whosoever been appointed as member of the board to satisfy the following requisites:

1. He should be a UAE national.
2. He should be no less than 21 calendar years old and of legal capacity.
3. He should be one of those who acquired experience or specialized in any of the insurance operations or in one of the related fields. Any of the following persons shall be deemed people of experience and specialization:
 - a. The insurance experts approved by the Authority.
 - b. The members of the board of any similar establishment.
 - c. The university professors of insurance or any of the related sciences.
 - d. Those persons experienced in economic, commercial, financial, or legal fields.
4. He should be of good conduct, never been convicted for breach of honor, trust or public moral or declared bankrupt by Court and not yet rehabilitated.

5. He should never be dismissed as member of any of the boards on disciplinary counts.
6. He shouldn't be liable according to the Board's discretion for grief violations of any of the provisions of the Law or the Companies' Law in his capacity as general manager or board member of one of the companies including the liability of causing compulsory liquidation of the company.

Chapter Five Licensing of Insurance Companies Established in the State

Article (11) Submission of Licensing Applications

1. An application to license the insurance companies established in the State shall be submitted to the Director General by the founders' committee of the insurance or reinsurance company on the form approved by the Board for the purpose.
2. Licensing application shall be accompanied by the following statements and documents:
 - a. The company's memorandum and articles of association indicating the founders' names, number of stakes allotted to them, and percentage of each one.
 - b. An economic feasibility study and the company's plan of work.
 - c. A certificate by an actuary, in case of insurance of persons and funds accumulation, to incorporate the following:
 - Firstly:** the actuary's approval of the basis of calculating the premiums.
 - Secondly:** adequacy of the technical provisions and prospects of the company's compliance with the margin of solvency and the minimum amount of guarantee.

- d. A declaration by the founders that no one of the company's founders ever been convicted for breach of honor or trust or declared bankrupt by the Court.
 - e. A declaration by the founders that all statements and documents submitted to the Authority are accurate.
 - f. Any other statements or documents specified in the regulations and rules issued according to the Law or decided by the Board deemed required for considering the application.
3. After receiving the initial licensing approval, the company shall submit the following to the Authority:
- a. Name list of the individuals proposed to take up the post of the company's general manager and the senior officers of the company along with details of each one qualifications and experience and attach therewith the documents supporting these qualifications and experiences.
 - b. Other approvals and licenses have to be obtained as required by the prevailing laws, regulations and rules.

Article (12)

Licensing Applications Register and their Registration Procedures

1. The Authority shall prepare a register to register therein the submitted licensing applications and inscribe these applications in serial numbers according to each one date of receipt and assign a file for each application to keep therein the submitted statements and documents and indicate all procedures being taken in this respect.
2. After verifying accuracy and adequacy of the application and the attachments thereto and following payment of the prescribed fees, the pertinent Department of the Authority shall register the licensing application in the register according to the provisions of the Regulation herein and endorse the application with the number and date of submission and hand over the submitter a receipt showing the company's name, the application's subject, its registration number in the register and its date and statement of the accompanying documents.

Article (13)

Considering Applications and Completion of Attachments

The pertinent Department of the Authority shall consider the licensing application within (7) working days as from date of submission and should it been established that the application didn't satisfy any of the requisites or the required statements or documents it may ask those concerned, via a registered letter or through direct delivery, to satisfy them within (60) days at most as from date of notification.

Article (14)
Acceptance / Rejection of Applications

1. In case the period provided for in the preceding Article lapsed without the requisites, statements, or documents been satisfied by the organization which submitted the licensing application, the pertinent Department shall refer the matter to the Director General.
2. The Director General shall consider the matter within seven days as from date of receiving the file and make his decision either by granting the organization which submitted the licensing application an additional period or rejecting the application.
3. The license applicant shall have the right to submit a new application to satisfy the requisites after lapse of six months as from date of the Director General's decision rejecting the application.
4. In case the new application satisfied the acceptable requisites of its submission, the pertinent Department shall refer the application to the Director General.
5. The Director General shall refer the application to the Board to issue its resolution either to approve it or reject it within sixty days as from date of reference.
6. The resolution approving the licensing shall be published in the Official Gazette and the pertinent authorities be informed to implement its substance.
7. The pertinent Department shall prepare a draft of the licensing resolution and same shall be approved by the Director General.

Article (15)
The Board's Resolution Rejecting the Licensing Application

The Board's resolution rejecting the licensing application shall be deemed final.

Article (16)
Contents of the License

The license issued to the company by the Authority shall contain the following:

- a. An approval by the Authority to finalize establishment of the company according to the conditions and requisites provided for in the legislations prevailing in the State including the Law and the Regulation herein, and the rules and directives issued pursuant thereto.
- b. Classes and types of insurance to be carried out by the company after accomplishing its establishment procedures and registration in the register.
- c. The period within which the establishment of the company has to be completed. However, the Director General in special cases may extend such period to a similar period.
- d. Any other requisites may be resolved by the Board according to the provision of the Regulation herein.

Article (17)
Requisites for Establishing a Company

Without prejudices to the provisions of Article (118) of the Law, establishment of a company shall be done according to the requisites and conditions which on their basis the license has been granted. However, these requisites and conditions shall not be amended except by prior approval of the Board. Nonetheless, the provisions of the legislations prevailing in the State should be observed.

Article (18)
Carrying out Other Classes of Insurance

Should the company intend to carry out any other class of insurance or any type thereof not included in the license granted thereto or intend to change the services of it pursue in order to conform with the provisions of the Law, the company shall get the necessary approval from the Authority according to the procedures of granting the licenses as provided for in the Regulation herein.

Chapter Six
Licensing Foreign Insurance Companies

Article (19)
Licensing Requisites

1. Requisites for licensing a foreign insurance company to carry out insurance activity in the State through a branch or an agent are as follows:
 - a. The company should introduce new insurance products not availed by the existing insurance companies or offer coverage already existing but needed in the State's insurance market.
 - b. The company should carry out nontraditional insurance activity and coverage in the State as main activity besides the other fields of insurance.
 - c. The company should realize increment in the total retention.
 - d. The company should attain a surplus in the effective demand available in the State's insurance market for the traditional types of insurance.
 - e. The company should be evaluated and rated by any of the international bodies engaged in rating insurance companies which in their respect the Board issued a resolution specified therein the rating degree.

2. Licensing application of a branch of a foreign company shall be accompanied with the following documents duly attested and translated into Arabic:
- a. Copy of the license to carry out insurance operations in the State which the mother company is holding its nationality issued by a regulatory and supervisory governmental body and duly authenticated and attested indicated therein classes and types of insurance the company is licensed to undertake.
 - b. A resolution by the administrative authority of the mother company to open the branch.
 - c. Copies of the company's statement of accounts for the last two years duly approved by a certified auditing office.
 - d. Copy of the mother company's profile, organization, activities and markets of its operations.
 - e. Statement showing nature of the company relation with the branch and powers endowed therewith.
 - f. The company's plan of work for the first three years.
 - g. A certificate by an actuary, in case of insurance of persons and funds accumulation, displaying:

Firstly: the actuary's approval of the basis of calculating the premiums.

Secondly: adequacy of the technical provisions and extent of compliance with solvency margin and the minimum amount of guarantee.

- f. Other approvals and licenses need be obtained according to the requirements of the prevailing laws, regulations, and rules.
 - g. Copies of the specimens of the agreements which the company will conclude with the providers of the insurance services including the insurance and reinsurance agents and brokers.
 - h. Any other statements or documents as determined by the regulations and rules according to the Law or decided by the Board deemed necessary to consider the application.
3. The provisions of Articles (12), (13), (14), (15) and (16) of the Regulation herein shall apply to licensing and registration of foreign insurance companies.

Chapter Seven Registration

Article (20)

Submission of Registration Applications

1. Each insurance company established in the State or a branch of a licensed foreign insurance company shall submit an application to the Authority for registration in the register according to the form prescribed by the Authority for the purpose.
2. The application for registration in the register shall be submitted in two copies signed by the legal representative of the company to the pertinent Department of the Authority within (30) days as from date of concluding the procedures of establishing and promulgating the company.

Article (21)

Attachments to a Registration Application of a Company Established in the State

The registration application shall be accompanied by the documents verifying accuracy of the details included therein including the following:

1. A true copy of company's memorandum and articles of association attested by the pertinent authorities.
2. A true copy of the notice declaring establishment of the company.

3. A certified document to confirm that the company's capital equals no less than the minimum amount stated in the Resolution issued by the Cabinet of Ministers for the purpose.
4. A certificate from a bank operating in the State establishing deposit of the amount provided for in Article (42) of the Law according to the form prescribed by the Authority.
5. A statement of the insurance classes and types required to be carried out by the company in the State coupled with a statement of the general terms and conditions of the insurance operations of these classes and types.
6. A statement of the benefits, limitations, and terms incorporated in the insurance policy to be issued by the company.
7. A statement of the technical principles of the insurance operations of the two classes of insurance; insurance of persons and funds accumulation operation, the company requiring to carry out coupled with details of the principles of pricing these operations and a certificate by an actuary that the principles, benefits, and limitations of the insurance operations of these classes are accurate and apt to be implemented.
8. A statement of surrender values or reductions (for insurance of persons and funds accumulation operations).
9. A specimen of each type of the insurance contracts to be issued by the company.
10. A list approved by the company's chairman showing names of the members of the board of directors, their nationalities and addresses.
11. A certified document showing names of the company's managers and senior officers, their nationalities, addresses and spheres and limits of their powers and a communication that they are authorized to manage the company and sign insurance contracts.

12. An official certificate establishing that none of the company's managers ever been convicted for a breach of honor or trust and a written declaration by each manager that he never at any time declared bankrupt.
13. Information on the company's general manager, the authorized manager or the senior officers and a proof establishing that they acquired the necessary qualifications and experiences or any other documents deemed fit by the Board.
14. Any other documents determined by the Authority.

Article (22)
Attachments to a Registration Application of a Foreign Insurance Company

In addition to the documents stated in Article (21) of the Regulation herein a branch of a foreign insurance company shall attach the following documents:

- a. A duly certified document showing names of the branch's managers, their nationalities, addresses and spheres and limits of their powers including payment of the compensations and a communication that they are authorized to manage the branch, sign insurance contracts, and pay compensations when they are due.
- b. An approved certificate from the pertinent authorities in the company's country of registration indicating that the company is established and registered in that country according to the prevailing laws along with details of the activity which the company is licensed to carry out in that country, its legal status, the subscribed and paid up capital, and names of the

representatives in charge of managing the branch of the company in the State, and spheres and limits of their powers.

- c. Any other documents determined by the Authority.

Article (23)
Registration Application Decision

1. The registration application shall be presented to the Director General attached therewith the opinion of the pertinent Department of the Authority within (30) days as from date of submission or of the date when the required statements and documents by the pertinent Department been satisfied as the case might necessitate.
2. The Director General shall have the power to accept or reject the registration application and in case of rejection, the Director General shall specify the reasons led to so rejection. Accordingly, the pertinent Department of the Authority shall inform the applicant about the decision made by the Director General in this respect.
3. The concerned party may place an appeal to the Board opposing the rejection decision within (30) days as from date of notification of the decision. The resolution of the Board in this respect shall be final.

Article (24)
Acceptance and Registration of Applications

In case of accepting the registration application, the pertinent Department of the Authority shall register the company in the register and hand over the applicant a certificate instituting such registration according to the form as prescribed by the Authority.

Article (25)

Duration of Registration

Duration of a company registration in the register shall be one calendar year.

Article (26)

Management of Insurance Companies

1. It's conditional on whosoever been appointed as a general manager, an authorized manager or a senior officer in the company to satisfy at least the following conditions:
 - a. He should be a university graduate completed an accredited training course in the field of insurance or in any other related fields.
 - b. Abundantly competent and experienced in insurance operations; having no less than 5 year experience in insurance operations (for UAE nationals) and 10 years (for non-UAE nationals).
 - c. He should have worked as manager of one of the insurance departments of any duly licensed insurance company.
 - d. He shouldn't be liable according to discretion of the Board for a serious violation of any of the provisions of the Law or the Companies Law in his capacity as general manager or board member of any of the companies including the liability of causing compulsory liquidation of the company.

- e. He should be of good conduct; never been convicted for a breach of honor, trust or public moral or declared bankrupt by the Court and not yet rehabilitated.
 - f. He shouldn't ever been dismissed from any of the businesses of the company or any other company on disciplinary counts throughout the last five years.
 - g. Any other requisites deemed fit by the Authority and issued upon a decision made by the Director General.
2. The company's chairman and the board members, its general manager, the authorized manager or whosoever acting on his behalf or any other senior official shall be prohibited to:
 - a. Take part in the management of any other competing insurance company or a similar one
 - b. Compete the business of the company or do any works or activity in conflict with the interests of the company.
 - c. Carry out the work of an insurance agent or broker.
 - d. Receive any commission for any of the works of insurance or reinsurance.
3. Those undertaking the management of a company or an employee therein as well shall be prohibited to represent any shareholder of the company he is working for.
4. In implementing the provisions of the Article herein the competing or similar companies shall mean the companies are carrying out operations of same classes and types of insurance.

Article (27)

Renewal of Registration

1. A company registered in the register shall renew its registration annually by submitting an application to renew the registration to the pertinent Department of the Authority. The application shall be submitted on the form prescribed for the purpose by the Director General provided; submitting same being signed by the legal representative of the company along with the following documents:
 - a. Reinsurance strategy for the next financial year.
 - b. Any details or documents required from the company according to the provisions of the Law, or the regulations, directives or resolutions issued pursuant thereto which the company did not provide at some stage during the year.
2. The Authority shall renew the company's registration after ascertaining fulfillment of the requisites for renewing the registration and payment of the prescribed fees.

Article (28)

Alterations in the Registration

1. The company shall notify the Authority about each and every alteration or amendment may occur in respect of the particulars of the registration application or the documents attached thereto whether by means of addendum, deletion or amendment.
2. Such notification shall be made by submitting an application for endorsement, according to the form prescribed by the Authority for the purpose, signed by the legal representative of the company

to the pertinent Department of the Authority within (15) days as from date of occurrence of the alteration or amendment along with the documents verifying accuracy of the details included therein certified by the pertinent authorities and in conformity with the provisions of the Regulation herein.

3. Should the required alteration or amendment affected the operations' principles of both insurance of persons and funds accumulation or the benefits, limitations or the terms and conditions incorporated in the insurance policy related to these operations, the company shall submit along with the notification a certificate by an actuary that these principles, benefits, limitations or terms and conditions are accurate and apt be implemented.

Article (29)

Citing the Registration Number

Each company happened to accomplish its registration in the register shall put together its name, its registration number and date as in the register on all publications, contracts, correspondences, notices, certificates, and policies issued by the company.

Chapter Eight Rendering the Services

Article (30) Starting the Services

1. The company shall start rendering its services to the public within (60) days as from date of its registration in the register.
2. The Director General upon a request by the company in special and justifiable cases may extend such a period to a similar period.
3. In case the company doesn't start its works within the approved period, the matter shall be referred to the Director General or to whomever he might authorize.
4. The Director General shall send a written notice to the company advising necessity of starting rendering its services to the public within seven working days as from date of notifying the person who legally representing the company.
5. In case the period stated in Paragraph four above lapsed without the company starting its works, the Director General shall issue a decision to suspend the registration of the company in the register for a period of six months at most.
6. In case the six month lapsed without the company starting its works, its registration in the register shall be suspended.
7. The company which its registration being suspended shall have the right to reverse the suspension decision by submitting an application to the Director General on the form prescribed by the Authority for the purpose coupled with the justifying reasons and a proof of paying the prescribed fees.

8. The Director General shall make his decision on the application within seven working days.
9. The company which its registration being suspended may submit an application for re-registration on the form prescribed for the same by the Authority.
10. In case of re-registration, the procedures designated to register a company in the register whether stated in the Law or the Regulation herein shall be adopted.

Chapter Nine
Opening a Branch of Insurance Company
Established in the State

Article (31)
Branch Opening Application

Should an insurance company established in the State intend to open a branch therefor inside or outside the State, the company shall submit an application as so to the Authority on the form prescribed by the Authority for the purpose.

Article (32)
Attachments to the Branch Opening Application

The following documents shall be attached to the application to open a branch for a company established in the State:

1. The board of directors' resolution to open the branch.
2. An economic feasibility study and work plan of the branch.
3. The organizational structure of the branch and name list of the branch manager and the senior officers therein provided; including names of those persons authorized to sign on behalf of the branch.
4. Emiratization percentage rate shouldn't be less than that as determined by the pertinent official authorities.
5. An undertaking by the company to render specialized training courses in the field of insurance for UAE nationals working therewith.
6. Any other documents as determined by the Authority.

Article (33)
Requisites for Considering an Application to
Open an Outside Branch

In case an insurance company established in the State intended to open a branch therefor outside the State, the company's financial power and technical capacity to open a branch therefor outside the State, the experience of those in charge, the extent of its compliance with the provisions of the Law, regulations, rules and resolutions issued pursuant to any of them should be taken into consideration.

It's conditional that the solvency margin at the consolidated statement level of the company established in the State intending to open a branch therefor outside the State not to be less than that percentage as determined by that country provided; such percentage be maintained by the company throughout its branch working term outside the State.

Article (34)
Starting Work at a Branch Inside the State

1. The insurance company branch established in the State shall start its works in the State within a period not to exceed (60) days as from date of registration of the branch in the register maintained by the Authority. However, the Authority may extend such period for a similar period.
2. The Authority's approval to open a branch inside the State for a company established in the State shall be deemed lawfully cancelled should the branch doesn't start its work within the period stated in paragraph (1) of the Article herein or within the extended period as the case might necessitate.

Article (35)

Cessation of Operations of an Outside Branch

1. The insurance company established in the State intending to cease operations of its branch outside the State or change its place shall advise the Director General of the consent of the branch's homeland to cease operations of the branch or to shift it from a place to another according to the legislations of that country in this respect, if any.
2. Taking the legislations of the country of the branch into consideration, all the branch's rights and commitments following cessation of its operations shall be transferred to an insurance company established in the State.

Article (36)

Cessation of Operations of a Local Branch

The insurance company established in the State intending to cease operations of one of its branches inside the State shall inform the Director General about the company plans to cease the operations of the branch and transfer the rights and liabilities originated from the insurance policies issued by the branch to the main office or to any of its branches operating in the State or to any other insurance company registered in the register according to the procedures specified in Article (72) of the Law.

Article (37)

Shutting Down a Local Branch

1. The Director General may make his decision to shut down the branch of an insurance company established in the State and strike off its registration in any of the following cases:

- a. Should the approval to open the branch happened to be made on basis of inaccurate information,
- b. Should the branch lack any of the principle requisites for granting the approval to open it.
- c. Should the branch violate the provisions of the Law, the executive regulation, the rules or directives issued by the Authority.
- d. Should the branch cease carrying out its works for a period of (12) month.

2. In case a decision to shut down and strike off the branch is being made, the Director General shall inform the company as so according to the provisions of the Law and the registration of the branch shall be stricken off the special register prescribed for the purpose by the Authority.
3. The company shall have the right to appeal the decision of the Director General before the Board within thirty days as from date of notification.
4. The resolution of the Board rejecting the appeal shall be final.

Chapter Ten

Opening a Branch for a Foreign Insurance Company Licensed to Operate in the State

Article (38)

Branch Opening Application

Should a licensed foreign insurance company intend to open a branch therefor in the State it shall submit an application as so to the Authority on the form prescribed by the Authority for the purpose.

Article (39)

Attachments to the Application

1. The following documents shall accompany the application to open a branch for a foreign insurance company licensed in the State:
 - a. An economic feasibility study and work plan of the branch.
 - b. A certificate duly attested attached therewith a certified translation into Arabic establishing that the mother company is being evaluated and rated by one of the international bodies engaged in rating the insurance companies which in its respect the Board had issued a resolution specified therein the rating degree.

- c. An undertaking that Emiratization percentage rate in the company will not be less than the rate as determined by the pertinent official authority.
 - d. An undertaking by the company to provide specialized training courses in the field of insurance for UAE nationals working in the company.
 - e. The organizational structure of the branch, a list of the names of the branch's manager and the senior officers of the branch and qualifications of each one of them and particulars of the persons authorized to sign on behalf of the branch.
 - f. Any other documents as determined by the Authority.
2. The provisions of the Articles (34), (36) and (37) of the Regulation herein shall be applied to the application procedures of opening a branch for a foreign company licensed to operate in the State.

Chapter Eleven

Examination of the Financial Status

Article (40)

Examining the Financial Status and Assessing Liabilities of a Company Carrying out Insurance of Persons and Funds Accumulation Operations

1. The company carrying out any type of insurance of persons and funds accumulation operations shall examine the financial status of such type and estimate its payable liabilities once every three years by an actuary.
2. The assessment referred thereto in paragraph (1) of the Article herein shall include all the insurance operations concluded by the company inside and outside the State each one separately and should such activity being performed through a branch of a foreign insurance company, the assessment shall include only those insurance operations which their contract have been concluded inside the State or apt be implemented therein.

Article (41)

Cases of Assessing the Company's Liabilities

1. The Assessment referred thereto in paragraph (1) of the Article (40) of the Regulation herein shall be conducted whenever the company wanted to check its financial status to find out percentage of profit to be allotted to the shareholders or the policy holders or whenever the company wanted to announce such status.
2. The Authority may request the assessment referred to in paragraph (1) of the Article (40) of the Regulation herein be conducted at any time before lapse of three years as from date of the last

assessment provided; lapse of one year at least as from date of that examination.

Article (42)

Contents of the Actuary's Report

The actuary's report on the result of the examination and assessment referred thereto in Articles (40) and (41) of the Regulation herein shall contain at least the following related details:

1. Examination of the specimens of the documents, terms & conditions, and tariffs of the different types of insurances used by the company to verify extent of conformity with the specimens of the documents, terms & conditions, and tariffs approved by the Authority or communicated thereto in order to ensure adequacy and fairness of premium rates and that the company's work technique will not expose its financial status to danger and will not cause damages to those dealing with it.
2. Examination of the paid-up compensations to ensure their settlement according to the terms & conditions and documents and studying as well claims under settlement to verify reasons of nonpayment.
3. Examination of the reinsurance operations as well as the reinsurance arrangements to ensure their adequacy to protect the financial status of the company and also to ensure adequacy of the reinsurers' guarantees.
4. Examination of the company's investment operations to verify the company's compliance with the provisions of the Law and the executive regulation and rules issued pursuant thereto particularly those related to adequacy of the provisions' funds, their investments and that they are not been disposed without obtaining the Authority's approval.

5. Examination of the elements of the financial status of the company and verify whether the company is satisfying the increment rate of its assets over its liabilities at any time according to the provisions of the Law.
6. Examination of the company's capability to fulfill its liabilities at any time and extent of its ability to continue fulfilling its liabilities and the possibility of its failure to pay same.
7. Extent of the company's compliance with the licensing and registration requisites and give an account of the violations and nature of these violations, if any, and extent of their implications on the financial status of the company and the insurance market.
8. All insurance operations concluded or implemented by the company inside the State and their types.
9. All insurance operations concluded or implemented by the company outside the State and their types (for local insurance companies).
10. Extent of the company's compliance with the rules and principles of transparency and fairness.
11. Conflicts of interests whether already existed, or existing or expected to develop relevant to any of the company's board members, the general manager, or the authorized manager or any of its senior officials.
12. Any other information as determined by the Authority or the regulations issued according to the Law.

Article (43)

Filing the Actuary's Report to the Authority

1. The company shall send to the Authority a copy of the actuary's report on the result of the examination and assessment referred to

in Articles (40) and (41) of the Regulation herein within (60) days as from lapse of the period when the examination has been conducted accompanied with the following:

- a. An account of the valid insurance policies concluded by the company inside or outside the State on date of the examination and should the performer of the activity happened to be a foreign insurance company such an account shall include only the policies concluded inside the State or apt be implemented therein.
 - b. An acknowledgment by those responsible for managing the company that all particulars and information needed to arrive at authentic report have been put at the disposal of the actuary.
2. On basis of a decision by the Director General after lapse of the six months period provided for in the Article herein, the company may be given an additional period to file the report provided; such period not to exceed three months.

Article (44)

Re-Examination

1. Should it became evident to the Authority that the actuary's report doesn't reflect reality of the company's financial status it may order a re-examination on the company's own cost by an actuary to be chosen by the Authority for the purpose.
2. The actuary chosen by the Authority shall follow in his work the directives and procedures referred thereto in the Law, the Regulation herein and the other regulatory resolutions.

Chapter Twelve Corporate Governance

Article (45) Compliance with Corporate Governance Criteria

The companies registered in the register maintained by the Authority shall comply with disclosure and transparency principles in their transactions in the insurance market and with their clients and in respect of all documents, papers, publications, advertisements, propagandas, essays, and scientific materials issued by them according to the procedures and criteria of corporate governance set out by the Board for the purpose.

Chapter Thirteen

Article (46) Penalties

Whosoever violates the provisions of the Regulation herein shall be punished by the penalties provided for in the Law and as the case might necessitate.

Article (47) Disciplinary Penalties

1. The board of directors may impose the following disciplinary penalties on the company in case the violations prompting such imposition are established:
 - a. Cease the company to carry out operations of one type or more of the insurance carried out by the company for a period no more than one month in case of violating the regulations, rules, directives or the resolutions issued by the Authority.
 - b. Cessation for a period not to exceed three months should the company cease to carry out operation of any type of the insurance incorporated in its registration for (12) months.
 - c. Cessation for a period not to exceed six months should the company lack any of the requisites needed for registration in the register according to the Law.

Chapter Fourteen Final Provisions

- d. Cessation for a period not to exceed nine months should the company fail to uphold the accrued financial liabilities or refuse to execute a final judiciary ruling relevant to an insurance contract concluded by the company.
2. In all the cases which in their respect the Board made a decision to cease the company's operations, such cessation shall not be relieved and the company shall not be allowed to start the work under question except after eliminating the violation which prompted such cessation on basis of a report to be filed by the Director General to the Board establishing elimination of the violation.
 3. The Director General may take the following procedures when the violations are less important than the ones mentioned in the preceding paragraph:
 - a. Send a warning to the company to draw its attention to the violation and to necessity of taking procedures to eliminate same.
 - b. Serve a notice on the company demanding certain procedures to be taken or calling it to refrain from doing specific matter within a limited period.

Article (48) Issue of Directives and Decisions

The Director General shall issue the necessary directives to implement the provisions of the Regulation herein.

Article (49) Invalidation

The Executive Regulation issued according to the Ministerial Decree No. (32) of 1984 concerning the Federal Law No. (9) of 1984 on Insurance Companies and Brokers shall be invalidated.

Article (50) Publication and Implementation of the Executive Regulation

The Regulation herein shall be published in the Official Gazette and be effective as from date of its publication.

Eng. Sultan Bin Saeed Al Mansouri
Minister of Economy
Chairman of the Board of Directors
Insurance Authority