

Insurance Authority Board of Directors Resolution No. (10) of 2016
Concerning the Instructions on Regulating the Business of the Existing Licensed
Composite Insurance Companies

The Board of Directors of the Insurance Authority, having perused:

- The Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority and Organization of its Operations, as amended;
- The Board of Directors Resolution No. (2) of 2009 regarding issuing the Implementing Regulations of the Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority and Organization of its Operations;
- The Board of Directors Resolution No. (25) of 2014 concerning the Financial Regulations for Insurance Companies;
- The Board of Directors Resolution No. (26) of 2014 concerning the Financial Regulations for Takaful Insurance Companies; and
- Based on the recommendation of the Director General of the Authority, and the approval of the Board of Directors,

Has resolved:

Article (1)

The existing licensed composite insurance companies shall comply with the following:

1. Performing complete separation between the insurance of persons and fund accumulation operations and property and liability insurance operations in terms of: technical, financial, technological, administrative and legal procedures, and the related matters including systems, processes, and technical, administrative and financial personnel, with the exception of the company's general manager.
2. Preparing of all reports and financial statements required by law, regulations, instructions and decisions issued pursuant thereto, on a consolidated basis, and on a separate basis for the insurance of persons and fund accumulation operations and property and liability insurance operations.

Article (2)

The insurance of persons and fund accumulation shall include the insurance classes stated in Article (4) of the Implementing Regulations. Property and liability insurance shall include the classes stated in Article (5) of the Implementing Regulations.

Article (3)

The existing licensed composite insurance companies shall comply with the following:

1. Adopt a separate investment strategy for the insurance operations of each of the two insurance types.
2. Keep separate entries and records for each of the two insurance types in addition to any other records, as necessary, in order to identify all assets and liabilities of each type.
3. Keep separate books specific for each of the two insurance types, as well as keeping the records of the transactions relating to each type separately. They must also keep the accounting books and technical records necessary to identify all assets and liabilities relating to each type.

Article (4)

For the purposes of implementing the provisions of Article (1) herein, the existing licensed composite insurance companies shall prepare all financial reports and financial statements according to the following:

1. Prepare consolidated financial statements and separate financial statements for each of the two insurance types, to include the following:
 - a. The consolidated financial statements of the composite insurance company must include the following as a minimum:
 - i. Consolidated Statement of Financial Position;
 - ii. Consolidated Income Statement;
 - iii. Consolidated Statement of Comprehensive Income;
 - iv. Consolidated Statement of Cash Flows; and
 - v. Consolidated Statement of Changes in Equity.

- b. The separate financial statements of the composite insurance company must include the following as a minimum:
 - i. Statement of Financial Position for the respective type of insurance; and
 - ii. Statement of Income for the respective type of insurance.
2. The separate financial statements and consolidated financial statements stated in these Instructions shall be prepared according to Schedule (1) of the financial instructions and the financial forms issued by the Authority.
3. It is required to comply with the provisions and other requirements relating to the annual and interim consolidated and separate financial statements, in accordance with the stipulations in the Financial Instructions for Insurance Companies and Financial Instructions for Takaful Insurance Companies.

Article (5)

The existing licensed composite insurance companies shall comply with the following:

1. Have of technical and administrative staff on an ongoing basis, fully independent for each type.
2. Preparation of lists of all key personnel in each of the two insurance types along with a detailed statement of their qualifications and experience, including complete separation between their respective work, duties, responsibilities and terms of reference.
3. Provide separate financial statements showing the existence of separate bank accounts for each type.
4. Provide statements showing the insurance classes of each type separately.
5. Any statements, requirements, supporting papers or other information required by the Director General of the Authority.

Article (6)

The Director General of the Authority shall issue the necessary decisions and circulars to implement the provisions of these Instructions.

Article (7)

This Resolution shall be published in the Official Gazette and shall be effective immediately upon issuance.

Engineer Sultan bin Saeed Al Mansouri

Minister of Economy & Chairman of the Board

Issued in Abu Dhabi on:/..../2016