

**UNITED ARAB EMIRATES  
INSURANCE AUTHORITY**

**Decision No (58) of 2013**

**Concerning the Implementation of Insurance Authority Board of Directors  
Resolution No. 15 of 2013 concerning Insurance Brokerage Regulations**

**The Director General of the Insurance Authority,**

Having perused:

- The Federal Law No.1 of 2002 concerning the Criminalization of Money Laundering;
- The Federal Law No.6 of 2007 concerning the Establishment of the Insurance Authority and the Regulation of Insurance Business;
- The Insurance Authority Board of Directors Resolution No. 2 of 2009 issuing the Implementing Regulations of the Federal Law No. 6 of 2007 concerning the Establishment of the Insurance Authority and the regulation of Insurance Business; and
- The Insurance Authority Board of Directors Resolution No.15 of 2013 concerning Insurance Brokerage Regulations,

**Has decided the following:**

**Article 1**

The approved special forms for practicing of the Insurance Brokerage activity in the UAE shall be as follow:

1. Insurance Broker License Application Form.
2. Insurance Broker License Renewal Application Form.
3. Insurance Broker Branch Registration Renewal Application Form.
4. Registration Data Amendment Annotation Application Form.
5. Insurance Broker Employee Accreditation Application Form.
6. Application Form to Add a New Insurance Type / Class to the Broker License.
7. Insurance Broker Branch Opening Application Form.

8. Bank Letter of Guarantee Form.
9. Written Undertaking Application Form.

## **Article 2**

For the Insurance Authority to accredit the incumbent of one of the following positions with the insurance broker, it is required that he must meet the conditions set forth against each position as follows:

### **I. The following qualifications and experience must be met:**

#### **1. Director General or CEO:**

- a. Hold a university degree or equivalent, or the ACII certificate accredited by the Chartered Insurance Institute of London, or a certificate accredited by a similar professional institute.
- b. Have successfully passed (3) training courses in insurance or insurance brokerage.
- c. Have a minimum practical experience of 10 years in insurance/ insurance brokerage, and no less than 5 years if he holds a higher academic qualification. The experience requirement for a UAE national shall be a minimum of 5 years' experience and 2 years' experience if he holds a higher academic qualification.

#### **2. Operations Manager**

- a. Hold a university degree or equivalent in financial sciences, accounting, management sciences, banking or law, as a minimum.
- b. Have a minimum practical experience of 6 years in insurance/ insurance brokerage, and no less than 3 years if he holds a higher academic qualification. The experience requirement for a UAE national shall be a minimum of 2 years' experience, and 2 one year experience if he holds a higher academic qualification.

#### **3. Internal Controller**

- a. Hold a university degree or equivalent in a financial, accounting or law field as a minimum, or an accredited professional financial certificate approved by the Insurance Authority.
- b. Have practical experience in internal or external audit, and had previously taken part in the audit of insurance companies or brokerage business in no

less than 3 years, or 2 years if he holds a higher educational qualification or if he is a UAE national.

#### **4. Professional Employees**

The broker must have at least one specialized professional for each licensed insurance type / class. Each such professional must meet the following requirements:

- a. Hold an accredited university degree.
- b. Have a minimum practical experience of 5 years in the field of the licensed type or class of insurance/insurance brokerage. The experience requirement for a UAE national shall be a minimum of 3 years' experience in the said fields.

#### **5. Branch Officer**

- a. Hold a university degree or equivalent, or the ACII certificate accredited by the Chartered Insurance Institute of London, or a certificate accredited by a similar professional institute.
  - b. Have a minimum practical experience of 7 years in insurance/ insurance brokerage, and no less than 3 years if he holds a higher academic qualification. The experience requirement for a UAE national shall be a minimum of 4 years' experience or 2 years' experience if he holds a higher academic qualification.
- II. Academic degrees must be accredited as equivalents by UAE Ministry of Higher Education and Scientific Research.
  - III. Candidates must pass the examinations prescribed by the Insurance Authority.
  - IV. No candidate should have been dismissed from any entity for disciplinary reasons.
  - V. Each candidate must be practice the profession on full time basis.
  - VI. The accreditation application must be submitted on the form prepared for this purpose and must enclose all documents, data and information supporting the application. Any other documents, data or requirements requested by the Insurance Authority must be provided.
  - VII. Restrictions on practicing the approved functions:
    1. It is impermissible to start practicing any functions described above prior to the accreditation by the Insurance Authority.

2. It is impermissible to combine two approved jobs at the same time.
3. The internal controller may perform the duties of internal auditor for the company in addition to his prescribed duties after obtaining the Insurance Authority's approval.

### **Article 3**

Any letter of guarantee should be issued by one of the banks operating in the UAE in favor of the Insurance Authority using the approved form, and must be unconditional or restricted, payable at any time upon request by the Insurance Authority, irrevocable unless under a written consent by the Insurance Authority and automatically renewable annually.

### **Article 4**

The insurance broker shall maintain the required solvency to practice his/its activity, and shall ensure the continuous performance of his/its obligations in accordance with the following rules:

1. The broker shall maintain the solvency required to pay all his/its liabilities once due without resulting in his/its default or in compromising his/its financial position.
2. In all instances, the value of the broker's existing assets must be in excess of his/its liabilities in order to enable him/it to continue the practice of his/its activity and ensure the continuous performance of his/its liabilities.
3. The excess in the value of the broker's existing assets over his/its liabilities shall represent his/its available capital.
4. At all times, the broker's available capital may not be less than his minimum capital prescribed in the Regulations.
5. The broker shall report to the Insurance Authority immediately upon the occurrence of any failure to maintain the minimum capital and will be given a grace period of 15 days to submit a detailed plan to fulfill the minimum required capital. In case of failure to fulfill the minimum required capital within 30 days after the plan submission date to the Insurance Authority, the Insurance Authority may temporarily suspend the broker's business.
6. The broker shall ensure that his/its annual and interim financial reports include a clear description for all necessary data and information related to his/its

solvency, as well as his/its strategy, systems and goals in managing risks associated with his/its financial position (including a detailed breakdown of receivable and payable aging and balances, as well as revenues from premiums and commission for each company).

7. The broker shall provide the Insurance Authority with the risk general management framework statement, which shall include the internal procedures to assess his/its solvency as commensurate to the risks that his/its financial position may be exposed to and his/its strategy in capital allocation to counter such risks.
8. The broker must strictly adhere to the payment of amounts received from the customers to the concerned insurance companies in due dates.
9. The broker shall maintain liquid assets or assets convertible to liquid money within a period of no more than two weeks to cover at least 100% of all short term liabilities.
10. The board of directors or the management board of the broker shall approve a financial and accounting policy for receivable collection. Such policy shall include all required procedures to collect receivables of all forms including the related party receivables.
11. The broker must record all of his/its assets in the company's name and shall immediately inform the Insurance Authority in the case of any mortgage or seizure imposed on any such assets.
12. The broker shall incorporate in his/its internal control procedures an effective mechanism and implementable administrative and financial procedures to manage and control risks that may be encountered in the manner commensurate with the nature and size of his/its activities.

#### **Article 5**

The broker must submit a training and Emiratization plan along with the license application.

#### **Article 6**

The broker may request the closing of a branch. The Insurance Authority shall issue its decision to approve such closure within 20 work days from the date of submitting the complete application to the Insurance Authority provided that the broker adheres to the following:

1. Submit an application for data amendment annotation in the Register.
2. Any party with interest shall have the right to object to the branch closure within one month from the date of publishing the announcement in two local widely-distributed newspaper issued in the UAE, one of them in Arabic. Such objection shall be submitted to the competent authority and the Insurance Authority with the reasons thereof and including all data and rights due from the broker. The branch closure application may not be approved except after the reasons for objection to the closure are elapsed by consent or by court order.
3. The broker shall continue the normal practice of his/its activity until the issuance of the approval decision to close the branch by the Insurance Authority and the competent authority.
4. For a foreign broker branch or a broker established in the UAE free zones, a proof that the parent company has actually approved the branch closure, provided that such proof must be translated in Arabic and certified.
5. The bank guarantee shall be released after 3 months from the date of the Insurance Authority's approval of the closure, cancelation of the associated license and ensuring that there are no liabilities are owed by the branch to the Insurance Authority, companies and customers arising from its insurance brokerage practice.
6. Notify the relevant competent authorities of the branch closing decision.

#### **Article 7**

The forms attached to this Decision shall be an integral part thereof and shall be read therewith.

#### **Article 8**

All concerned parties must implement this decision, and shall become effective on the date of its issuance.

**Ibrahim Obaid Al Zaabi**  
**Director General**

Issued in Abu Dhabi  
On 8 December 2013