



**Insurance Authority Board of Directors Decision No. (9) of 2017
Concerning the Regulations on Licensing and Registration of Actuaries and Regulation
of their Operations**

The Chairman 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;
- The Cabinet Resolution No (23) of 2009 Concerning the Supervision and Control Fees Applicable to Insurance Transactions,
- The Insurance Authority Board of Directors Decision No. (2) of 2009 Concerning the Issuance of the Executive Regulations of the Law No. (6) of 2007 Concerning the Establishment of the Insurance Authority and Organization of its Operations, and the amendments thereof;
- The Insurance Authority Board of Directors Decision No. (25) of 2014 Concerning the Financial Regulations for Insurance Companies.
- The Insurance Authority Board of Directors Decision No. (26) of 2014 concerning the Financial Regulations for Takaful Insurance Companies.
- The Insurance Authority Board of Directors Decision No. (11) of 2016 Concerning the Pricing Policy Applied by a Company in the Classes of Property and Liability Insurance.
- The Insurance Authority Board of Directors Decision No. (12) of 2016 Concerning the Elapse of Impact of the Disciplinary Sanctions imposed on Insurance-Related Professions.
- The Decision of the Chairman of the Board of Directors of the Insurance Authority No. (15) of 2014 Concerning the Data and Information Included in the Register of Insurance Companies and the Associated Professions.
- The Ministry of Economy Resolution No. (22) of 1985 Concerning the Conditions and Procedures for Registration in the Register of Actuaries; and
- Based on the recommendation of the Director General of the Insurance Authority and the approval of the Board of Directors,

Has resolved,



Definitions

Article (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 on the Establishment of the Insurance Authority and Organization of its Operations and the amendments thereof.
- Executive Regulations:** The Executive Regulations of the Law.
- Authority/IA:** The Insurance Authority.
- Board:** The Board of Directors of the IA.
- Director General:** The Director General of the IA.
- Company:** An insurance company established 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.
- Actuary:** A natural or corporate person licensed by the IA to exercise the actuarial profession and registered therewith in the Register of Actuaries. The term 'Actuary' wherever used herein shall indicate both types of Actuary unless explicitly provided otherwise.
- Register:** The Register of Actuaries at the IA.

General Provisions

Article (2)

1. The provisions of these Regulations shall apply to all Actuaries currently licensed and registered in the Register, as well as those to be licensed and registered.
2. No person may practice the profession of an Actuary in insurance business in the State unless such person is licensed by the Authority and registered in the Register. The license shall be renewed annually pursuant to the provisions of these Regulations.



3. Notwithstanding what is stipulated in Paragraph (2) of this Article, the persons that conduct supporting tasks to the licensed and registered Actuary and under his responsibility shall be excluded from licensing and registering requirements, provided that they shall not sign reports or Actuarial certificates or any documents associated with the actuarial profession or give actuarial consultations.
4. An Actuary may combine his work in the insurance sector and work in other sectors whose nature requires the engagement of Actuaries.
5. An Actuary may not combine between his capacity as an Actuary and as an Insurance Agent, Insurance Broker, Insurance Consultant, Insurance Surveyor & Loss Adjuster, or in any other profession associated with insurance.
6. It is not permissible to combine the position of an Actuary and any other position or job in the Company or in any other related Company.
7. The Company may not assign any actuarial duties to any person unless he is licensed and registered in the Register pursuant to the provisions of these Regulations.
8. An Actuary may simultaneously contract with a number of insurance companies, according to the following:
 - a. Actuary (Natural person):
 1. The maximum of three insurance companies to the Actuary who is a resident in the State.
 2. The maximum of two insurance companies to the Actuary who is a non-resident in the State.
 - b. Actuary (corporate person):
 1. The maximum of four insurance companies for each single resident Actuary employed.
 2. The maximum of two insurance companies for each single non-resident Actuary employed.
9. It is not permitted to appoint, contract with, dismiss or form relation with an Actuary except by a resolution from the board of the directors of the insurance company.
10. The Authority may restrict its approval to grant the license according the conditions and restrictions it determines. The Authority may suspend granting licenses based on public interest and for the time period it deems appropriate.

Conditions for Licensing and Registration

Article (3)

A natural person applying for licensing and registration in the Register as an Actuary must satisfy the following conditions:



1. Hold any of the following qualifications:
 - a. Fellowship or equivalent, by successfully passing the required examinations for such qualification as required by institutes or institutions specialized in actuarial studies and approved by the IA in accordance with Article (12) of these Regulations.
 - b. Associateship or equivalent, by successfully passing the required examinations for such qualification as required by institutes or institutions specialized in Actuarial Studies and approved by the IA in accordance with Article (12) of these Regulations, and having a practical experience of no less than two years under the supervision of an Actuary holding the Fellowship or Associateship qualification.
2. Have full legal capacity and be no less than 25 years of age.
3. Have not been convicted with a felony or misdemeanor involving moral turpitude, trustworthiness or against public morals, or have been declared bankrupt and not rehabilitated.
4. His membership for practicing the Actuary profession has never been suspended or cancelled by any entity as a disciplinary penalty, unless the membership was restored by such entity.
5. Provide a professional liability insurance policy in accordance with the provisions of these Regulations, issued by a company licensed by and registered with the IA.
6. Comply with the laws, Regulations, Instructions and Decisions issued the Authority and other relevant legislation.

Article (4)

A corporate person applying for license to practice the profession of an Actuary must:

1. Take one of the following forms:
 - a. A company established within the State in accordance with the provisions of the Commercial Companies Law, with its main objective being to practice the actuarial profession.
 - b. A branch of a company established in a free financial zone in the State or a branch of a foreign company, provided that such company is licensed to practice the actuarial profession in the free zone or the country of origin, and is subject to the supervision of a similar regulatory authority; and having no less than two years of practicing the actuarial business.



2. The paid capital of the Company may not be less than AED 100,000 (One Hundred Thousand Dirhams) for companies established in the State, or the equivalent of AED 250,000 (Two Hundred Fifty Thousand Dirhams) for companies established in a financial free zone in the State and foreign companies.
3. Submit a proof confirming the satisfaction of the conditions stipulated in Article (3) of these Regulations with respect to all the persons conducting actuarial functions in the company; or an undertaking to meet all the conditions before the license is granted.
4. Have been declared bankrupt and not rehabilitated.
5. Provide a professional liability insurance policy, in accordance with the provisions of these Regulations, issued by a company licensed by and registered with the IA.
- 6.

Licensing and Registration Procedures

Article (5)

1. For a natural person Actuary, the application for licensing and registration shall be submitted on the form designated by the Authority for this purpose enclosing the following information, and supporting documents:
 - a. Name of applicant, nationality, address and place of residence inside the State and outside the State.
 - b. A copy of the Emirati identification for the resident and passport for the non-resident.
 - c. A certified copy of the Fellowship or Associateship qualification from the institutes or entities accredited by the Authority set forth in Article (12) herein, proving the validity of the Actuary's membership in the relevant actuarial body that he belongs to.
 - d. A declaration that he has never been subject to disciplinary actions by the actuarial society that he belongs to, and by the supervisory authorities that he worked within their jurisdictions.
 - e. A certified copy of the academic and professional qualifications.
 - f. An official certificate proving that the applicant has never been convicted for an offence involving moral turpitude or trustworthiness along with a declaration that the applicant has never been declared bankrupt or bankrupt and rehabilitated.



complete documents. In case of any shortage in the documents and information submitted, the applicant shall be notified to complete the missing documents and information within (60) days from the date of notification. If not completed within this period, the application shall be deemed cancelled and the applicant may not submit another application before the lapse of three months from the date of cancelling the application.

2. In case the application for licensing gets approved, then he shall be registered at the Register after paying the prescribed fees.
3. In case the application for licensing gets rejected, the applicant shall be notified of such, and he is entitled to appeal the rejection decision to the Board of Directors within thirty days from notifying him with the rejection decision. The Board of Directors' decision shall be final.

The term of license

Article (7)

The term of license shall be one year ending on December of every year. The first license term shall be from the granting date till the end of December of the same year.

Renewal of Registration

Article (8)

1. Every year an Actuary shall submit a renewal application using the form designated by the Authority, thirty days prior to the end of the license term, enclosing the following:
 - a. A statement of the actuarial works the Actuary has performed in the State during the past year.
 - b. A proof of continued membership in any of the bodies specialized in actuarial studies and approved by the Authority.
 - c. A proof of payment of the prescribed fees.
 - d. The Authority may suspend the Actuary from carrying out his activities, if the renewal application was not submitted in a complete manner.
 - e. Any other conditions or requirements set by the Authority.
2. The Actuary must meet the licensing conditions at all times.



Article (9)

1. The Actuary shall immediately inform the Authority of any change in the content of documents and data based on which the license was granted, with a maximum period of ten days. The Authority shall determine whether such change is in conformity with the provisions of these Regulations.
2. The corporate Actuary must inform the Authority if the position of the manager in charge therein becomes vacant, and must fill the vacant position within three months from the date the position becomes vacant. The same applies to any other position becoming vacant if such positions involves persons performing actuarial functions according to the number of Companies contracted with.

Temporary and Final Suspension

Article (10)

1. An Actuary, wishing to temporarily stop carrying out his activity or who has a contingent reason preventing him from carrying his activity, shall submit an application to the Authority for temporary suspension of the performance of his duties. The period of such suspension may not exceed three months, extendable to another similar period.
2. An Actuary may not carry out his activities during the suspension period. In all cases he shall have the right to submit an application to resume the performance of his activity before the end of the specified period, whether the suspension was voluntary or attributed to reasons that have ended.
3. An actuary, wishing to finally suspend exercising his activities, shall submit an application in this regard to the Authority, and shall continue to exercise the activity until full satisfaction of all requirements of the Authority to cancel the licenses, and the issuance of the decision by the Authority in this regard. The professional indemnity policy shall be terminated by the Authority after the lapse of three months from the date of cancellation, and after all the undertakings of the Actuary are settled, and after verifying that he has no obligations towards the Authority or any other entity, attributed to him from carrying out his activity.



Professional Liability Insurance Policy

Article (11)

The Actuary must provide the Authority with a Professional Liability Insurance Policy in accordance with the following conditions:

1. The policy shall be issued by a company licensed by and registered with the Authority, and its terms shall be subject to the approval of the Authority.
2. The policy shall be issued in the name of the Actuary.
3. The policy shall contain the legal and insurance conditions related to indemnity against professional liability of the Actuary arising from the exercise of the professional activity; and the policy shall not be revocable during its term.
4. The policy shall be valid throughout the license term and renewable by both parties' agreement (the company and Actuary); and in case of an intention not to renew the policy with the same company, the Actuary shall provide an insurance policy issued by another company at the same required conditions within seven days prior to the expiry of the current policy.
5. The sum insured of the policy shall not be less than (AED 1,000,000) One Million UAE Dirhams, provided that the deductible amount is no more than (AED 30,000) Thirty Thousands UAE Dirhams for each accident.
6. No amendment or alteration may be made to the policy conditions unless under the written approval of the Authority.

Specialized Institutes and Entities

Article (12)

The institutes, societies and entities specialized in actuarial studies shall be determined by the Authority through a Decision to be issued for this purpose.

Capacity of the Actuary and the Commitments of the Company

Article (13)

1. The (natural person) Actuary shall provide his services either in his capacity as an employee at the Company or appointed by the company under a contract. In both cases,



the Company and the Actuary must inform the Authority of such relationship within seven days from the date of commencement of such relationship.

2. In case the Actuary is appointed as an employee within the company, he shall be prohibited to hold any other position therein or provide his services to any other company.
3. The company shall enable the Actuary to conduct his duties in complete independence and objectivity, and shall make available to the Actuary all documents, information and papers that help perform his duties.
4. All reports submitted by a corporate Actuary shall be signed by a licensed Actuary by the Authority and registered in the Register.

Branches of a Corporate Actuary

Article (14)

A corporate Actuary may open a branch or other branches in the Emirates of the States in accordance with the following conditions:

1. Submitting an application to open a branch or branches and obtaining the approval of the Director General;
2. The lapse of at least one year from the date of obtaining the license for the main office thereof, and if there were sanctions or administrative proceedings imposed on them during the year prior of submitting the application, then the Insurance Authority Board of Directors Decision No. (12) of 2016 Concerning the Elapse of Impact of the Disciplinary Sanctions imposed on Insurance-Related Professions, shall be taken into consideration.
3. The conditions set forth in Article (3) herein must be satisfied by each person that conducts actuarial functions.
4. Approval by the competent authority in the respective Emirate to open the branch.

Basic Duties of the Actuary

Article (15)

An Actuary shall carry out the following basic duties:



1. Prepare reports on the Company's portfolio of risks, losses ratio trends, capital adequacy, technical provisions, and availability of solvency requirements in the Company.
2. Review the Company's pricing policy for insurance products and the soundness of its underwriting policy in general.
3. Review the sufficiency of reinsurance coverage and the appropriateness of liability retention by the Company to its financial capabilities and the structure of the risks portfolio.
4. Assess the soundness of the investment policy applied by the Company.
5. Assess the statistical system adopted by the Company.
6. Examine the financial position for persons insurance business and fund accumulation operations and estimate the value of liabilities pursuant to Articles (59) and (60) of the Law.
7. Review the financial position of the Company and the risks it faces.
8. Review the surplus calculation process in insurance contracts containing a profit sharing clause.
9. Set the technical basis for pricing new insurance products that the Company intends to market and specify the amounts payable to policyholders of life insurance policies upon termination thereof.
10. Review the basis used by the Company to report technical and investment profits and the method of profit distribution.
11. Assess the sufficiency of monies available for the Company of the assets in general and liquidity in particular to maintain its solvency required to encounter risks; and current and future liabilities of the Company.

Article (16)

In addition to the duties contained in Article (15) herein, an Actuary shall perform the following duties while working with Takaful Insurance Companies:

1. Review the level of contributions which the Company requires the participants to pay and whether they are based on the sound technical bases.
2. Review the loss ratio in the participants' account, and in case of continuing losses in this account, the Actuary must conduct technical analysis to determine the reasons behind such continuing losses and whether they are due to the loadings debited to the



account or due to the underwriting policy adopted by the Company or for both reasons. He must also submit an annual report to the Company's board of directors along with the measures he recommends to rectify the situation.

3. Review the investment policy applied by the Company with regard to investing the monies available in the participants' account and submit his reports thereon to the board of directors.
4. Review the bases on which the surplus in the participants account is distributed and prepare reports in this regard to be submitted to the board of directors of the Company.
5. Review the Company's policy in calculating the *Wakala* Fee and *Mudarabah* share, and submit his report thereto to the *Shariah* Supervisory Committee and the board of directors.

Obligations of the Actuary

Article (17)

An Actuary shall abide by the following obligations when performing his duties with the Company:

1. Perform his work according to the basis and actuarial standards adopted by the society that he belongs to.
2. If, while performing his duties, he detects clues of issues that may adversely affect the financial position of the Company, he shall report such issue to the board of directors and the Authority.
3. If it was found that the Company does not comply with the provisions of the laws, Regulations, Instructions and Decisions issued by the Insurance Authority and relevant to the Actuarial aspects of the company's operations, he shall prepare and submit a report of such to the board of directors of the Company and the Authority .
4. The Actuary may not disclose any information pertinent to the Company that comes to his knowledge in the course of exercising his professional activity.
5. For the purpose of applying the provision of Clause (4) of this Article, providing the Authority and the judicial authorities with any information pertinent to the Company shall not be construed as a breach to Clause (4) of this Article.



6. The Actuary may not assign another Actuary to perform the duties assigned thereto by the Company except after obtaining the approval of the Company and notifying the Authority.
7. The Actuary shall also prepare quarterly reports and an annual report concerning performance of his duties. Such reports shall be presented to the board of directors of the Company and the Authority pursuant to the Financial Instructions issued by the Authority.
8. The Actuary shall submit by-annual reports concerning his revision of the pricing policy applied by the Company upon insuring property and liabilities and in accordance with relevant Instructions and Decisions issued for such purpose.
9. To keep data, records and documents related to his work for ten years.
10. Present a declaration according to the form made by the Authority, that all data and documents submitted by him are accurate.

Article (18)

In addition to the reports of which shall be sent to the Authority in accordance with provisions of applicable Instructions, an Actuary shall submit special reports to the Authority in the following incidences:

1. If it becomes evident that the financial or technical position of the Company will prevent it from meeting its obligations towards the Insureds and beneficiaries of insurance policies.
2. If it becomes evident that the underwriting policy of the Company will expose the financial position of the Company to risk.
3. In case of the Actuary's rejection of or reservation against the content of any report required to be submitted to the Authority by the Company.
4. If the management of the Company fails to enable him from duly performing his duties
5. In case of the Actuary's resignation or dismissal, or cancellation of his accreditation by the Company.

Termination of the Actuary Relationship with the Company

Article (19)



1. The Company shall inform the Authority within seven days in the event of termination of the Actuary's relationship therewith for any reason along with a statement of the reasons for such termination. In which case, the Board of Directors of the Company shall appoint or accredit an alternative Actuary within thirty days from the date of termination of the former Actuary and shall continue to submit the relevant information as required.
2. In the event the Authority has had evidence that the decision to terminate the Actuary's relationship with the Company was arbitrary, the Authority may investigate the issue, hear both parties, review the documents relevant to the issue and then provide the Insurance Company with its opinion.

Violations and Penalties

Article (20)

In the event of any violation listed hereunder committed by an Actuary, the Authority shall take the procedures and apply the penalties set forth in this Article, in addition to the procurers provided for in other laws and regulations:

1. Violations:
 - a. Breaching laws, Regulations, Instructions, or Decisions issued by the Authority.
 - b. Violating the rules of ethics of the Actuaries' profession practice adopted by the society that he belongs to.
 - c. Failure to perform his duties in the manner legally and professionally required.
 - d. Inaccuracy of the reports he submits on the financial or technical position of the Company.
 - e. Losing any one of the conditions based on which the license was granted.
 - f. Failure to renew his registration in accordance with Article (8) of these Regulations.
 - g. Disclosing any information pertinent to the Company which he became aware of during performing his professional undertakings.
2. Procedures and Penalties: In the event any of the violations listed in Paragraph (1) herein is substantiated with evidence satisfactory to the Authority, the latter shall have the right to apply any of the following measures and penalties:



- a. Warn the Actuary of taking the appropriate measures to rectify his status within a specific period of time.
 - b. Suspend his license and require him to rectify his position within a specific period of time, along with notifying insurance companies that he works for and the related entities of such decision.
 - c. In case of failure to rectify the situation within the specific period, the decision to cancel the license shall be taken, and all insurance companies shall be notified of such.
 - d. In the event the Actuary's license is cancelled pursuant to the provision of this Article, the Actuary may not submit a new application for license before the lapse of two years from the date of issue of the cancellation decision.
3. The decision of the Authority to cancel the license or write off the registration may be appealed within 30 days from the date of notification thereof to the Board of Directors of the Authority. The decision of the Board on such appeal shall be final.

Final Provisions

Article (21)

1. Actuaries registered with the Authority at the time these Regulations come into force shall regularize their positions thereunder within one year from the date these Regulations take effect, or otherwise, the registration of those who fail to regularize shall be deemed cancelled.
2. Companies carrying out the business of property and liability insurance shall appoint or accredit an Actuary licensed and registered by the Authority, in accordance with the Financial Instructions issued by the Authority.

Article (22)

The Ministerial Resolution No. (22) of 1985 issued by the Ministry of Economy and (the amendments thereof) Concerning the Conditions and Procedures for Registration of Actuaries shall be repealed.

Article (23)

The Authority shall collect the prescribed fees for the procedures and services it provides in accordance with the provisions of the Law, Regulations, Instructions or Decisions issued by the Authority.



Article (24)

The Director General shall issue decisions and circulars as required for the implementation of these Regulations.

Article (25)

These Regulations shall be published in the Official Gazette and shall come into force in the day following the date of publication thereof.

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

Issued in Abu Dhabi on: 23 / 03 /2017