



**Insurance Authority Board of Directors' Resolution No. (27) of 2020 Concerning the Instructions for Licensing Insurance Producers**

**Chairman of the Insurance Authority,**

**Having pursued:**

- The Federal Law No. (6) of 2007, concerning the Establishment of the Insurance Authority and the Organization of Insurance Operations, its amendments and its Executive Regulations;
- Federal Law No. (2) of 2015 On Commercial Companies, and the amendments thereof;
- Cabinet Resolution No. (7) of 2019 Concerning the Administrative Fines Imposed by the Insurance Authority;
- Insurance Authority Board of Directors' Resolution No. (3) of 2010 on the Instructions Concerning the Code of Conduct and Ethics to be Observed by Insurance Companies Operating in the UAE and the amendments thereof;
- Insurance Authority's Board of Directors' Decision No. (15) of 2014 Concerning Data and Information Listed in the Register of Insurance Companies and Insurance Related Professions;
- Insurance Authority Board of Directors' Resolution No. (12) of 2016 Concerning the Elapse of the Impact of the Disciplinary Sanctions Imposed on Insurance Related Professions;
- Insurance Authority Board of Directors' Decision No. (18) of 2020 Concerning the Electronic Insurance Regulations;
- And based on the recommendation of the Insurance Authority Director General and the approval of the Board of Directors thereof,

**Has Decided:**



## Article (1)

### Definitions

The following terms and expressions shall have the meanings assigned to each of them 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 Regulation:** The Executive Regulation of the Law.

**Authority:** The Insurance Authority.

**Board:** The Board of Directors of the Insurance Authority.

**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 through Insurance Agent, including Takaful insurance.

**Client:** The person with whom the Insurance Producer is dealing with in accordance with the provisions of these Instructions.

**Insurance Policy:** The insurance document (policy) concluded by the insurer and insured containing the terms and conditions of the contract between the two parties, their liabilities and rights or the rights of beneficiary of the insurance and the annexes therein.

**Insurance Producer:** The natural or corporate person who is licensed by the Authority to practice the profession of marketing insurance policies through ordinary means or electronic means and registered in the Register.

**Register:** The Insurance Authority's Register of Insurance Producers.

**Electronic Systems:** Smart electronic services or other systems adopted by the Authority.

**Competent Authorities:** The government entities concerned with overseeing the works specified in their establishment laws.



## General Provisions

### Article (2)

1. The provisions of these Instructions shall apply to all Insurance Producers operating in the State.
2. No person shall practice the activity of Insurance Producer unless licensed by the Insurance Authority and registered in the Register in accordance with the conditions and terms set forth in the Instructions herein.
3. The Company shall not deal with any Insurance Producer not licensed by the Insurance Authority and registered in the Register.

## Nature of the Insurance Producer Work

### Article (3)

1. The activity of the Insurance Producer is limited to the marketing of insurance policies by attracting natural or legal persons to familiarize them with the company, its services and offers. He shall use regular or electronic means, by placing the electronic link of the company they work for on their online account or their pages on social networks, multimedia sharing networks, participatory work applications and smart applications. This shall be exclusively so that the applicants for electronic insurance will be transferred automatically to the website of the Company or the Agent.
2. A UAE national Insurance Producer may market insurance policies in all types and classes.
3. A non UAE national Insurance Producer may market motor vehicle insurance policies and health insurance policies. The Director General may make an exception by permitting the marketing of other types and classes of insurance.
4. An Insurance Producer shall not practice the business of an Insurance Agent or Broker or any other Insurance-Related Profession.
5. The Insurance Producer may not work for the Insurance Broker.
6. An Insurance Producer may not deal with more than one insurance company.



7. The Insurance Producer may work for the Company or for the Insurance Agent, provided that the Insurance Agent obtains an approval from the company represented by him to contract with the Insurance Producer.
8. The Insurance Producer, when carrying out the advertising, promotion and marketing of electronic or ordinary insurance operations, shall comply with the provisions of the instructions for the practicing the profession and its code of conduct and ethics that must be followed by the insurance companies operating in the state, and amendments thereto.

## Conditions For Licensing and Registration

### Article (4)

**First:** For the licensing and registration of a (Natural) Insurance Producer, he must:

1. Have full legal capacity with a minimum age of 18 years old;
2. Be a natural person who is a UAE National or a natural person residing in UAE and fulfil the conditions determined by the concerned authorities.
3. Hold any of the following qualifications as a minimum:
  - a. For UAE Nationals, to be a holder of a Secondary Education Certificate, in addition to a training course not less than two weeks in the Principles of Insurance.
  - b. For Non-UAE nationals, to be a holder of a university degree, in addition to a training course not less than two weeks in the principles of insurance.
4. Be of good conduct and behaviour and has never been sentenced to a custodial penalty in a crime or offense of moral turpitude, unless rehabilitated;
5. Not previously has his license of practicing any of the insurance related professions cancelled during the last five years.
6. To successfully pass the assessment conducted by the Authority for the purposes of licensing and registration in the Register. An exception shall be made for holders of professional insurance certificates.



7. The Insurance Producer shall not be permitted, before or after obtaining the license, to be a member of the board of directors, a general manager, an employee of the company, or a managing director for the company, to avoid conflicts of interest.
8. Submit a copy of the contract concluded between the applicant and the Company.

**Second:** For the licensing and registration of a (corporate) Insurance Producer in the Register, the following are required:

1. To be a commercial company duly licensed in the state or licensed in a financial free zone.
2. The company's functions must include marketing insurance products.
3. To submit a no-objection letter from the authority from which the company obtained a license for practicing the profession of Insurance Producer.

## Application for License and Registration

### Article (5)

**First:** The application for license and registration in the Register for a Natural Person shall be submitted in accordance with the electronic systems prepared for this purpose at the Authority or other means adopted by the authority, including the required data along with the following supporting documents:

1. Name, nationality, address and place of residence of the applicant;
2. Copy of EID or passport including a valid residence visa;
3. Name of the Insurance Company for which he will work and the type and classes of insurance related to the intended insurance production practice;
4. A certificate of good conduct issued by the Competent Authorities;
5. A copy of the Equivalency of educational qualifications issued by the Competent Authorities in the State;
6. A copy of certificate of the training course attended;
7. A letter from an insurance company including the Company's approval to authorise the Applicant as its Insurance Producer in case he completed the procedures to obtain the license from the Authority;



8. Declaration of compliance with all laws, bylaws, regulations, instructions and decisions issued by the Authority;
9. An undertaking to fulfil all the requirements to obtain the license upon the approval of the application during the period stipulated in paragraph (1) of article (6) and not to commence the activity before the Authority verifies the fulfilment of all the license conditions, and issue its approval in this respect;
10. Any other documents required by the Authority.

**Second:** The application for licensing and registration for a corporate person in the Insurance Authority's Register shall be submitted according to electronic systems or other adopted means, including the following data and supporting documents:

1. A certified copy of the Articles of Association and the Memorandum of Incorporation.
2. A certified copy of the legal person's license.
3. A no objection letter from the authority which granted the license.
4. Any documents, data or other papers required by the Authority.

## Considering the Application for License and Registration

### Article (6)

1. The Director General shall issue his decision to approve or reject the application for license and registration within a period not exceeding (15) working days from the date of submitting the application that completely fulfil the specified conditions and requirements.
2. In the case licence application is approved, he shall be registered in the Authority's Register.
3. The Applicant for the license shall be given a document stating that he is permitted to practice the Insurance Producer Business in accordance with the form prepared for this purpose.



4. The Company shall be fully liable for the actions of the Insurance Producer related to the insurance activity towards the third party, and shall submit a written undertaking in writing to the Authority. The Producer shall not be granted a license for the first time or renewal of his license except after providing the Authority with a copy of this undertaking.

## Duration of License and Renewal

### Article (7)

1. The duration of the license is one year ending at the end of December of each year. The duration of the first license shall be considered from the date of obtaining the license until the end of December of the same year.
2. The application for renewal shall be submitted thirty days prior to the expiry of the license period in accordance with the electronic systems or other means adopted by the Authority.
3. Provide the Authority with an approved statement issued by the Company for the work that he carried out for the benefit of the company and the sums paid to him for his services.
4. The Director General shall issue his decision on the application after verifying the Insurance Producer's continued compliance with the provisions of these instructions within 10 working days from the date of complete submission of the application.

## Temporarily and Permanent Cessation

### Article (8)

1. The Insurance Producer, wishing to temporarily cease practicing the activity or has a contingent reason temporarily preventing him from carrying out his activity, shall submit a request to the Authority to temporarily cease the activity, in accordance with the electronic systems or other means adopted by the Authority. The cessation period shall not exceed three months, extendable for another similar period.



2. The Insurance Producer may not practice the activity during the cessation 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 cessation was voluntary or attributed to reasons that have ended.
3. The Insurance Producer, wishing to permanently cease practicing the activity shall submit a request to the Authority to permanently cease the activity, in accordance with the electronic system prepared for this purpose or other means adopted by the Authority. The Authority shall issue its decision after taking the opinion of the company for which the Producer is working.

## Duties of the Insurance Producer

### Article (9)

1. The Insurance Producer shall carry out the marketing task between the Company and the Client in order to obtain the insurance coverage required by the client.
2. The Insurance Producer shall not be entitled to fill or sign the insurance application on behalf of the client nor be entitled to receive the insurance premiums due to the company and shall not receive the indemnities due to the client for the purpose of paying it to him.
3. The Insurance Producer shall not be entitled to issue an insurance policy on behalf of the Company or issue an insurance certificate. He shall not be permitted to intervene in the claims submitted by the Client to the Company.
4. The Insurance Producer shall be entitled to receive commission for his production by the company as agreed by the parties once the insurance policy is issued. They shall have an agreement with the Company on payment method and term.
5. The Insurance Producer shall not be entitled to receive a commission, remuneration or any other payment from the Client.





6. The Insurance Producer shall practice the production work by himself and may not delegate another person to perform the operations of the Insurance Producer.

7. The Insurance Producer shall not be permitted to transfer from an insurance company to another unless he provides the Authority with the following:

- a. A clearance from the previous insurance company.
- b. A letter from the new insurance company containing the Company's approval to authorise him as an Insurance Producer for them.
- c. A letter from the Insurance Company for which he worked for stating the termination of the contract between them.
- d. An undertaking by the new Insurance Company in accordance with the provisions of paragraph (4) of Article (6) of the Instructions herein.
- e. The Insurance Producer shall be prohibited to leak insurance covers that he has previously marketed for an insurance company to the new insurance company in a direct or indirect way.

## **The Relation Between the Insurance Producer and the Company**

### **Article (10)**

1. The relation between the Company and the Insurance Producer shall be governed by a signed contract between the parties and shall be subject to the approval of the Authority, and the amount of commission that the Insurance Producer will receive in return for his work for the Company shall be determined.
2. The relation between the Insurance Producer and the Company is a marketing relationship, solely to promote for the Company's products. It may not be considered as a relationship of agency, brokerage or any other insurance related profession.



3. The Insurance Company shall be liable for the Insurance Producer practice of his activity in accordance with the provisions of the instructions herein.

## Violations and Penalties

### Article (11)

1. Penalties and procedures shall be applied on the Insurance Producer according to the following:
  - a) Breaching laws, Regulations, Instructions, or Decisions issued by the Authority.
  - b) Failure to perform his duties in the manner legally and professionally required.
  - c) Losing any one of the conditions based on which the license was granted.
  - d) Failure to apply for license renewal in accordance with the provisions of Article (7) of these Instructions.
2. In the event any of the violations listed in Paragraph (1) herein is substantiated with evidence satisfactory to the Authority, the Director General shall have the right to apply any of the following procedures and penalties:
  - a) Issue warning the Insurance Producer to take the appropriate measures to rectify his position within a specific period of time.
  - b) Suspend the Insurance Producer's registration for a period not exceeding six months with cooperation with the Competent Authorities. In case the violation is repeated, the period of suspension shall be doubled and the public shall be notified through a notice published by the Authority on its website, or any other means, as well as notifying all insurance companies of such decision.



- c) In case of failure to rectify positions within the specific period, the decision to cancel the license shall be taken, and all insurance companies, the Insurance Agent and the Competent Authorities shall be notified of such decision and the public shall be notified through a notice published by the Authority on its website
- d) In the event the Insurance Producer's license is cancelled pursuant to the provision of this Article, he may not submit a new application for license before the lapse of two years from the date of issue of the cancellation decision.
- e) The websites that practice the business of Insurance Producers in the State without obtaining the necessary license from the Authority shall be blocked, in coordination with the Competent Authorities in the state.

### **Grievance Article (12)**

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. The appeal shall be submitted to the Board which shall take its decision within 60 working days from submitting the complete application. The decision of the Board on such appeal shall be final



## Final Provisions Article (13)

Any person, who is currently practicing the Insurance Producer profession should reconcile his conditions in accordance with the provisions stipulated in the Instructions herein within a period not exceeding three months from the date of these Instructions entering into effect.

## Article (14)

The Director General shall issue the necessary decisions to implement the provisions of the Instructions herein.

## Article (15)

The Instructions herein shall be published in the Official Gazette and shall come into force as of the date of its publication.

**Abdullah Bin Touq Al Merri**

**Minister of Economy- Chairman of the Board of Directors of the  
Insurance Authority**

**Issued in Abu Dhabi**

**Date: 18/11/2020.**

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