



The Board's Decision No. (37) of (2017)

Concerning the Instructions for the Licensing and Registration of the Points of Sale Affiliated to Insurance Companies and the Organization of their Operations.

Chairman of the Insurance Authority:-

Having perused:

- The Federal Law No. (6) for the year 2007 regarding the Establishment of the Insurance Authority and the Organization of its Operations as amended.
- The Cabinet Decision No. (23) of 2009 Concerning the Fees for Supervision, Control and Insurance Transactions,
- The Insurance Authority Board of Directors' Decision No. (2) of 2009 on Issuing the Executive Regulation of Federal Law No. (6) of 2007 Concerning the Establishment of the Insurance Authority and Organizing of its Operations,
- The Insurance Authority Board of Directors' Decision No. (13) of 2015 Concerning the Procedures for Anti- money Laundering and Combating Terrorist Financing in Insurance Activities.
- Administrative Decision No. (79) of 2015 Concerning the Guidelines for Anti- Money Laundering and Combating Terrorist Financing in Insurance Activities.
- Based on the recommendation of the Director and the approval of the Board of Directors.

Has decided:



Definitions Article (1)

The following phrases and words shall have the meanings assigned to each of them unless the context of the text indicates otherwise:

State: United Arab Emirates.

Law: Federal Law No. (6) of 2007 Concerning the Establishment of the Insurance Authority and the Organization of its Operations and its Amendments.

Executive Regulations: The Executive Regulations of the law and its Amendments.

Authority: Insurance Authority.

Board: The Insurance Authority Board of Directors.

Director General: the Director General of the Insurance Authority.

Company: The insurance company incorporated in the State and the foreign insurance company licensed to operate in the State either through a branch or through the insurance agent, including Takaful insurance companies.

Register: the Register at the Authority of the Points of Sale affiliated to insurance companies.

Insurance Policy: The contract between the Company and the Insured, which includes the rights and obligations of each of them and the rights of the beneficiary and any annex to the contract.

Points of Sale: The body established by the insurance Company in accordance with the provisions of these instructions.

General Provisions Article (2)

1. The provisions of these Instructions shall apply to Points of Sale established by insurance Companies within the State to exercise the following functions individually or jointly:

(A) Issuing insurance policies in the lines of Motor Insurance, Health insurance and Travel Insurance.

(B) Identifying damages to vehicles.



- (C) Receiving documents related to the claims of the lines, in which the Point of Sale is authorized to carry out, and to provide the claimant with a written notice or by any electronic means acknowledging the receipt of the documents. In the event of missing documents, the Claimant shall be informed to complete all necessary documents.
2. The Company shall be prohibited from opening a Point of Sale to exercise of the functions mentioned in the above sub- article (1) unless it has been authorized for such by the Insurance Authority and it has registered the Point of Sale in the register.
 3. The Point of Sale mentioned in this article shall not be authorized to pay compensations.
 4. The Company shall open a separate Point of Sale or within the offices of travel agencies, motor vehicle showrooms, shopping centers, or near immigration departments or other departments, institutions and private compounds.
 5. By a decision of the Director General, additional lines of insurance may be added to the lines referred to in clause (A) of the above sub-article (1), provided that they are related to insurance products with predetermined underwriting criteria without having to examine the condition of insurance applicant individually.

Conditions for Licensing and Registration

Article (3)

1. To obtain the initial approval to open a Point of Sale of the insurance company, it is required to submit documents, data and information according to the form designated for this purpose, including the following:
 - a. Copy of the Company's decision to open the Point of Sale.
 - b. Identify the lines of insurance through which the Point of Sale will operate and the tasks that will be assigned to it.
 - c. The proposed address for the Point of Sale and in case it is decided that it will be located within the offices of other entities, a non-objection letter from this entity should be submitted.
 - d. The Point of Sale action plan.



- e. A detailed statement that includes the qualifications and experience of the candidate to occupy the position of the official employee of the Point of Sale including his academic certificates, practical experience and training courses in which he participated.
 - f. Any additional documents, data or other documentation required by the Authority.
2. In order to obtain the final approval to open a Point of Sale, it is required for the company to submit an application for licensing and registration of the Point of Sale in the Register by completing the documents, data and information according to the form designated for that, accompanied by the following documents and data:
- a. A copy of the lease agreement concerning the Point of Sale and the agreement between the Company and the entity in which the Point of Sale will be within its offices.
 - b. Copy of the decision appointing the Official employee responsible for the work operations of the Point of Sale.
 - c. Providing an information network linked to the company's automated system.
 - d. Availability of electronic devices required to perform the work.
 - e. The existence of a system for keeping records, insurance policies and documents.
 - f. Any documents or other data determined by the Authority.

Considering the application

Article (4)

1. The Insurance Authority shall issue its decision to approve or reject the license application within a period not exceeding (20) working days from the date of the submission of the completed application. The Authority may associate its approval of granting the license with the conditions or restrictions it determines or suspend the granting of licenses in accordance with the public interest within the duration the authority deems appropriate.
2. If the license application is approved, the Point of Sale shall be registered in the Register.



**The conditions that should be present in the Official Employee who will be responsible
for the Insurance Center**

Article (5)

The Official Employee who will be responsible for the work of the Point of Sale shall be required to:

- a. Be an employee of the company, who has spent at least one year in service of the Company.
- b. Be of good conduct and has never been sentenced to a penalty restricting freedom in a crime against honor or integrity, unless he has been rehabilitated.
- c. Have completed at least secondary school.
- d. Participated in a training course in the lines of insurance practiced by the Point of Sale.
- e. The Company shall notify the Authority of the decision for appointing the Official Employee, and any amendment or change that may occur in regards to his transfer or termination of his service, and the reasons for such. The company shall notify the Authority immediately upon vacancy of the position and filling the vacancy within a period not exceeding 30 days from the date of vacancy.

Duration and renewal of registration

Article (6)

1. The duration of the registration is one year starting from the first of January and ending at the end of December of each year. In the case of the first license, its duration shall be from its date of issuance until the end of December of the same year.
2. The license shall be renewed in accordance with the application submitted to the Authority in accordance with the designated form, 30 days prior to the expiry of the license. The Authority shall issue its decision on the application after checking the continued compliance of the Point of Sale with the provisions of these instructions within ten working days from the date of submitting the complete application including a copy of the identity of the Point of Sale official employee and the declaration of the General Manager of the company that there has been no amendment to the data previously submitted by the Company for the purpose of licensing the Point of Sale.



Commitments of the Point of Sale towards customers

Article (7)

The Point of Sale is committed to:

1. Ensuring that the customer realizes and understands the type of service provided to him, the nature of the relationship amongst them and that insurance policy is meeting the client's requirements.
2. Notify the customer of all the details of the insurance policy, in terms of the scope of the insurance coverage, the deductible if any, and any conditions, exclusions or restrictions on the insurance policy.
3. Indicate the importance of disclosing the basic and material information when submitting the insurance application and the consequences of misrepresentation and non-disclosure or inaccuracy of documents submitted by him, and stating that he is full responsible for such data and information.
4. Indicate the importance of disclosing any subsequent changes that may affect the insurance coverage during the term of the insurance policy.
5. State of the mechanism of payment of the premiums, the importance of payment on time, and the consequences that may result from non-compliance with these dates.
6. Send insurance documents to customers without unjustified delay, accompanied by a notice of the necessity to read the policy wording carefully.
7. Indicate the procedures that the customer is required to do in the event of an insured risk occurred and immediately notify the customer of the company's decision to accept or reject the insurance coverage of such claims.
8. Inform the client in writing prior to the expiry of the insurance policy with (20) working days about the expiry date in order to confirm his written desire to renew the insurance policy or not.
9. Deal in accordance with the principles of utmost good faith, transparency and in accordance with the code of conduct and ethics, taking into account the confidentiality of customer data and information.
10. Compliance with laws and any decisions or instructions on Anti- Money Laundering and Combating Terrorist Financing , and conducting due diligence to identify the client and his activity in accordance with the legislation in force for this purpose.



Suspension and cancellation of the license

Article (8)

1. The insurance Company that wishes to temporarily stop the operations of the Point of Sale or has a reason to prevent it from practicing its operations therewith must submit an application to the Insurance Authority requesting to suspend the operations of the Point of Sale , in the meanwhile continuing its operations until the decision of the Authority is issued. The Authority may reject the request for suspension or approve it after fulfilling all the requirements it deems appropriate to achieve the interests of the parties, companies, customers and beneficiaries, provided that the suspension period shall not exceed 3 months from the date of its approval and may be extended for another similar period. The Point of Sale should continue adhering to the conditions and the requirements that the Authority deems necessary for the continuation of its license.
2. The Point of Sale shall not resume its operations during a period of suspension. In all cases, the Point of Sale is entitled to request re-engage in the activity before the expiration of the period specified for the temporary suspension whether it was optional or after the deterring reason has ended.
3. The Company that wishes to permanently stop practicing its operations through the Point of Sale , must submit a request to the Authority to do so, while continuing to perform its operations until it fulfills all the requirements determined by the Authority for the cancellation of the license and issuing the decision of the Authority thereon and publishing such decision in two widely circulated local daily newspapers, one in Arabic and the other in English at the expense of the insurance Company. This should be after the settlement of all transactions of the Point of Sale, ensuring that there are no obligations towards the Authority, or towards the entities, companies, clients or beneficiaries arising from the practice of its activities.



Control and inspection

Article (9)

1. The Authority shall monitor and inspect, periodically or unexpectedly, without prior notice to the Point of Sale, in order to ascertain the extent of its compliance with the law, regulations, decisions, rules or circulars issued by the Authority and to investigate any irregularities resulting from the inspection or the complaints received by the Authority.
2. The Authority may request all information and documents it deems necessary for the purposes of monitoring and investigating the Point of Sale or any of its employees, companies, customers or beneficiaries.
3. The Point of Sale shall place all records, documents and registrations at the disposal of the Authority and its employees and must cooperate with them and respond to their requests in order to fully carry out their work.
4. The Point of Sale shall provide any data or information required by the Authority and within the period specified by it.

Penalties

Article (10)

The Director General may impose any of the penalties mentioned in this Article if the Point of Sale committed any of the following violations:

1. Violations:

- a. Violation of the law, Regulations, Rules, Instructions, Decisions or Circulars issued by the Authority.
- b. Loosing of one of the conditions of the license and registration stipulated in these instructions.
- c. Significant breach of any of the prescribed duties and obligations.
- d. Failure to renew the registration.
- e. If it was discovered that the registration was based on incorrect information or data.
- f. If the Point of Sale does not practice the licensed activity within six months from the date of granting the license.



2. Procedures and penalties: If any of the violations mentioned in sub-article (1) of this Article are proved to be committed, then Director General may impose the following penalties:

- a. To give a warning to the company and to compel it to eliminate the causes of the violation committed by the Point of Sale within a specified period.
- b. To suspend the Point of Sale from practicing its operations for a period not exceeding one year, and compel the company to correct the status of the Point of Sale within a specified period.
- c. In the event that the irregularities have not been rectified within the specified period, the Director General shall have the right to take the decision to cancel the license and the registration of the Point of Sale.

3. The cancellation of the license shall entail the following:

The publication of the decision to cancel the license of the Point of Sale and remove it from the Register as soon as it is published in two widely spread local daily newspapers in the state, one in Arabic and other is in English at the expense of the Company and notifying the entity which is having the Point of Sale within its offices.

**Appeal
Article (11)**

It is permitted to appeal the decision concerning rejecting the approval of the application for licensing, registration, cancellation or deletion from the register within 20 working days from the date of the notification of the decision. The appeal shall be submitted to the Insurance Authority Board of Directors to decide on it within 20 working days from the date of its submission in a complete manner, and their decision shall be final.



Final Provisions

Article (12)

The companies that have Points of Sale affiliated to them are subject to the provisions of these Instructions shall regularize the status of the Points of Sale in accordance with its provisions within a period not exceeding three months from the date of its implementation.

Article (13)

It is prohibited to deal with any Points of Sale that practice their activities without being authorized by the Authority in accordance with the provisions of these Instructions.

Article (14)

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

Article (15)

These instructions shall be published in the Official Gazette and shall be effective from the day following to the date of their issuance.

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

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

Issued in Abu Dhabi: Date: 26/ 10 / 2017 A.D.