



**Board of Directors' Decision No. ( 12 ) of 2018  
Concerning the Regulation on Licensing and Registration of Insurance Consultants  
and Organization 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; and its Administrative Regulations,
- The Federal Law No. (1) of 2006 concerning Electronic Commerce and Transactions,
- The Federal Law No. (2) of 2015 concerning Commercial Companies,
- Federal Law No. (14) of 2016 concerning Administrative Violations and Penalties in the Federal Government,
- The Cabinet Resolution No (23) of 2009 Concerning the Supervision and Control Fees Applicable to Insurance Transactions,
- The Insurance Authority Board of Directors Resolution No. (15) of 2014 concerning Information and Data Contained in the Register of Insurance Companies and Associated Professions,
- The Ministerial Resolution No. (23) of 1985 Concerning the Regulation of the Insurance Consultancy, and the amendments thereof;
- Based on the recommendation of the Director General of the Insurance Authority and the approval of the Board of Directors,

**Has decided,**

**Definitions  
Article (1)**

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.

**Authority/IA:** The Insurance Authority.

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

**Chairman:** Chairman of the Board.

**Director General:** The Director General of the Insurance Authority.

**Company:** The 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, including Takaful insurance companies.

**Insurance Policy:** The insurance document 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 and any endorsements therein.

**Register:** Insurance Consultants' Register.



**Consultant:** The natural or corporate person who studies the insurance requirements for his clients, gives advice in respect of the suitable insurance coverage, assists in preparing the insurance claims along with conducting the other duties specified in the these Regulations and receives his fees from his clients.

**Client:** The natural or corporate person who requires the service of insurance consultations from a licensed Insurance Consultant in accordance with the provisions of these regulations.

**Electronic Means:** Electronic and smart services or otherwise adopted by the Authority.

2. Exception to what was provided above, the words and phrases contained in this regulation shall have the meanings given to them pursuant to the provisions of the Law and the Executive Regulations.

### Article (2)

1. No person may practice the profession of an insurance Consultant in the State unless he obtains a license from the Insurance Authority pursuant to the conditions and provisions of this Regulation.
2. The company shall not deal with any person as an Insurance Consultant unless he is licensed and registered in the Register.

### The Duties of the Insurance Consultant

#### Article (3)

The Insurance Consultant shall perform the following duties:

1. Study the legal, technical and financial aspects of the insurance or reinsurance operations presented to him and give an opinion on them based on the laws, regulations, instructions and decisions issued by the competent authorities and based on the common insurance principles governing these operations.
2. Study and evaluate the risks to be covered by insurance and prepare the basic elements of insurance coverage appropriate to those risks, and in particular the size of risks, the probabilities of their occurrence and the available capacity to cover them.
3. Studying the conditions of the insurance coverage offered to their clients and give advice thereon, including the amount of the deductible, the amount of the premium, the term of the policy and the exclusions that are usually inserted.
4. Participate with specialized experts in assessing the assets and liabilities of insurance companies when required to do so.
5. Give an opinion when required to do so by the official competent authorities on draft laws, regulations, instructions and decisions related to insurance or reinsurance when requested.
6. Give a statement of advisory opinion concerning the claims related to the insurance of persons and fund accumulation operations, and property and liabilities insurance when requested by the client.
7. Study and prepare reinsurance programs required by insurance companies to cover their business with reinsurance treaties or through facultative reinsurance.



#### Article (4)

1. The Insurance Consultant may be a natural person or sole proprietorship or corporate person.
2. The Insurance Consultant may be licensed to practice the profession for all types of insurance or reinsurance or in a specific type or types according to their qualifications and experience.
3. The Insurance Consultant shall not combine the profession of an Insurance Consultant and any of the professions associated with insurance.

#### The Insurance Consultant (Natural Person) and Sole Proprietorship

#### Article (5)

A natural person or sole proprietorship applying for licensing and registration in the Register as an Insurance Consultant must satisfy the following conditions:

1. Have full legal capacity.
2. Have good reputation and conduct.
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. The license to practice the insurance consultancy or any of the professions associated to insurance should not have been canceled or suspended as a disciplinary penalty, unless the effect of the penalty has elapsed.
5. To meet any of the requirements of the educational qualifications and practical experience in the insurance, reinsurance or any of the insurance associated professions mentioned in paragraph (A) or in paragraph (B) of this clause, as a minimum:
  - A. A Doctorate Degree in Insurance, Law, Finance, or subjects related to insurance, or a fellowship designation (FCII) from the Chartered Insurance Institute in London or equivalent institutes accredited by the Authority, which grant similar certificates along with a practical experience of not less than (5) years for Nationals and (10) years for non-Nationals.
  - B. a Bachelors or Masters degree in Insurance, Law, Finance or subjects related to insurance or Associateship designation (ACII) from the Chartered Insurance Institute in London or equivalent institutes accredited by the Authority, along with a practical experience of not less than (7) years for Nationals and (15) years for non-Nationals.



6. To pass the assessment conducted by the Authority for the applicants to register in the Register.

### **The Insurance Consultant (Corporate Person) Article (6)**

1. In the event that the applicant is a corporate person established in the State, then the following conditions must be met:
  - A. The capital owned by Nationals shall be not less than 51%.
  - B. Partners, managers and consultants working for the corporate person shall have the conditions stipulated sub-articles (1), (2) and (3) of Article (5) of this Regulation.
  - C. The individual Consultant working for the corporate Insurance Consultant and shall meet all the conditions stipulated in Article (5) of this Regulation.
2. In the event that the applicant is a foreign corporate person, the following conditions must be met:
  - A. Be registered in his country of origin and licensed as a corporate Insurance Consultant.
  - B. To establish a branch within the State.
  - C. The branch shall have a UAE National sponsor.
  - D. To employ at least one individual Insurance Consultant whom must meet all the conditions stipulated in Article (5) of these Regulations.

### **Application for licensing and registration Article (7)**

The application for licensing and registration in the Register shall be submitted to the Authority according to Electronic Means made for this purpose or other means adopted by the Authority, including the required data and accompanied by the following supporting documents:

1. For the (Natural Person) or sole proprietorship **Insurance** Consultant:
  - A. Name, nationality and address of the applicant and place of residence.
  - B. Copy of Emirati identification card or passport.
  - C. The type and branches of insurance or reinsurance related to the intended insurance consultancy practice.
  - D. Copy of the Equivalency of educational qualifications issued by the competent authority in the State.
  - E. Attested copy of the certificates of experience and a copy of the training courses attended.
  - F. Declaration that there are no disciplinary actions taken against him by the regulatory authorities of the markets in which he had worked.
  - G. Any other documents, data or papers requested by the Authority.
2. In the event that the applicant is a (Corporate Person) incorporated in the State, he shall provide, in addition to the documents required in section (1) of this article, the following:
  - A. Certified true copy of the Memorandum of Incorporation and Articles of Association.
  - B. Certified true copy of the company registration in the Trade Register.



C. Names, nationalities, qualifications and experience of the members of the Board of Directors or the Board of Managers.

3. In case the applicant is a foreign (Corporate Person), an attested certificate must be submitted for the corporate person's license issued by the official competent authority in the country of registration and any other data or documents required by the authority.

### Article (8)

1. The Director General shall make a decision on the application for licensing and registration within thirty days of completion of the information and documents and after the applicant pass the required assessment.
2. In the case of acceptance of the application, the applicant shall be informed of such, through the electronic means designated for that purpose, or through other means adopted by the Authority, where he must do the following:
  - A. Start the registration procedures with the competent authority in the respective Emirate, provided that registration is not made until after the issuance of the registration certificate.
  - B. Provide a Professional Indemnity insurance policy in accordance with the provisions of Article (10) of this Regulation.
3. After completion of the procedures stipulated in section (2) of this article, the applicant shall be registered in the Register and issued a certificate mentioning the registration number and date, indicating the name and address.
4. In the event that the applicant fails to pass the assessment stipulated in Article (5) of this Regulation, he shall be informed of this and he may reapply to the assessment after six months of his notification about not passing the assessment; provided that he has participated in insurance courses for at least two months .If he does not apply for the re-assessment within one year from the date of notification of his failure to pass the assessment, his application shall be considered canceled.
5. The concerned person whose application has been rejected may appeal to the Board of Directors within 20 days of his notification about the rejection and the Board's decision shall be final.

### Duration of license and renewal of registration

#### Article (9)

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 issuance until the end of December of the same year.
2. An application for renewal shall be submitted thirty days before the date of expiry of the registration period through the Electronic Means made for this purpose or other means adopted by the Authority, accompanied by the following documents:
  - a) A statement includes the insurance consulting business provided during the year.
  - b) A statement of changes in the information and documents submitted by him that have not been reported until the date of submission of the renewal application.
  - c) A professional indemnity insurance policy in accordance with the provisions of Article (10) of this Regulation.
3. After verifying the Insurance Consultant's continued compliance with the provisions of these Regulation and paying the prescribed fees, the Authority shall issue its decision on the application within (10) days from the date of the complete



submission.

4. The Authority may suspend the Insurance Consultant's license to practice the activity if the complete license renewal application is not submitted.

### Professional indemnity insurance policy

#### Article (10)

1. The (Natural Person) or sole proprietorship Insurance Consultant whose application was accepted must submit to the Authority a professional indemnity insurance policy with a sum insured of (1.5) million dirhams; provided that the amount of the deductible does not exceed (30,000) dirhams and the insurance policy shall be in the name of the Insurance Consultant.
2. The (Corporate Person) Insurance Consultant must submit to the Authority a professional indemnity insurance policy with a sum insured of (3) million dirhams; provided that the amount of the deductible does not exceed (30,000) dirhams and the insurance policy shall be in the name of the Corporate Person Insurance Consultant.
3. Consultants employed by the (Corporate Person) Insurance Consultant registered in the Register shall be excluded from the provisions of the aforementioned section (1).

#### Article (11)

1. Whoever registers his name in the Register shall be bound to write down his registration number on all correspondence, certificates and reports issued by him.
2. The correspondence, certificates and reports issued by the (Corporate Person) Insurance Consultant must be signed by one of the individual Consultants from the persons whose names are registered in the Register.

### Modification of alteration of data

#### Article (12)

1. The Insurance Consultants registered in the register shall notify the Authority of any modification or change in the registration application or documents attached thereto through the Electronic Means made for this purpose or other means adopted by the Authority within thirty days from the occurrence of the amendment or change, along with the supporting documents indicating the validity of the data contained therein.
2. In the case of acceptance of the application, the Authority shall enter the new data in the Register.
3. The Authority may reject the request for modification or alteration, provided that the applicant is notified of the rejection decision and its reasons by a registered letter within thirty days from the date of submitting the notification for modification or alteration.
4. In the case of the vacancy of the position of the responsible manager or any of the Consultants registered in the Register who are working for a (Corporate Person) Insurance Consultant, the Insurance Consultant must inform the Authority immediately and a replacement, who must meet the required conditions shall be appointed in the vacant position within sixty working days of the vacancy of the position.



## Adding Types of Insurance to the Registration

### Article ( 13 )

1. The Insurance Consultant may request the addition of one or more branches of insurance or reinsurance to the branch listed in his registration through the Electronic Means made for this purpose or other means adopted by the Authority provided that the information and documents supporting his application are submitted and he must pass the assessment carried out by the Authority in the type or types of insurance requested to be added.
2. If the above procedures are completed, the registration will be modified after paying the prescribed fees.

## Temporary and Final Suspension

### Article (14)

1. An Insurance Consultant, wishing to temporarily stop carrying out his activity or who has a contingent reason preventing him from practicing his activity, shall submit an application to the Authority through the Electronic Means made for this purpose or other means adopted by 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 Insurance Consultant 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 Insurance Consultant, wishing to finally suspend exercising his activities, shall submit an application in this regard to the Authority through the Electronic Means made for this purpose or other means adopted by 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 Consultant 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.

## Rules of Practice

### Article (15)

The Consultant shall abide by the following rules and ethics of practicing the insurance consultancy profession:

1. To make every possible scientific effort in order to ensure that the advice provided by him is based on principles consistent with the provisions of the laws, regulations, instructions and decisions issued by the competent authorities and compatible with the common insurance principles. Therefore, he shall give the required due care to achieve that.
2. To explain to the Client the nature of the task performed by him objectively and to make his relationship with the client under a written agreement.



3. Not to put himself in a position that can be described as conflict of interest towards the Client, and in the event of such a situation, he must withdraw from the task assigned to him if he is unable to remove the conflict of interest.
4. To maintain the information, data and documents submitted to him by the client or company, with the necessary care and confidentiality, unless such information, data and documents is required to be presented to a related party.
5. The Consultant shall not assign another Consultant with the task assigned to him except with the consent of the Client.
6. The Consultant shall not provide consultation or advice based on non-objective grounds for dealing with one company or another.
7. The Consultant shall not be entitled to remuneration or fees from any other party or person other than the Client who deals with him.

### Opening branches Article (16)

1. The Insurance Consultant (Corporate Person) shall not open branches within the State unless he obtains the approval from the Authority for each branch separately and in accordance with the following conditions:
  - A. Issuing a decision by the Board of Directors or Board of Managers of the Insurance Consultant to open a branch within the State.
  - B. Appointing a responsible officer to the branch who fulfills the conditions and requirements specified under this regulation.
  - C. The new branch shall operate under the direct supervision of the Director General or the Chief Executive Officer or the likewise at the Head Quarter of Insurance Consultant.
  - D. Submitting proof of ownership of the location of the branch office or its tenancy contract attested by the concerned authorities.
  - E. Provide a statement showing the technical equipment in the branch, as well as a statement of the names of employees and their job titles.
  - F. The lapse of at least two years from the date of obtaining the license of the Insurance Consultant during which the activity was effectively carried out and in which there were no disciplinary sanctions or administrative proceedings imposed on him
  - G. Obtaining the Approval by the competent authority in the respective Emirate to open the branch.
2. The application for opening the branch shall be submitted by the legal representative of the Insurance Consultant through the Electronic Means made for this purpose or other means adopted by the Authority enclosing the supporting information, and documents and proof of paying the prescribed fees. The Authority shall issue its decision to approve the opening of the branch or rejection within (20) working days from the date of submitting the complete application to the authority.
3. The registration of the branch shall be renewed pursuant to an application submitted to the Authority and after confirming the compliance of the





Consultant with the provisions of this Regulation and paying of the prescribed annual fees for renewal.

4. All the provisions stipulated in this Regulation shall apply to the activity of the branch.
5. The Insurance Consultant may request the closure of the branch through the Electronic Means made for this purpose or other means adopted by the Authority. The Authority shall issue its decision to approve closing it within (20) working days from the date of submitting the complete application to the Authority.
6. Without prejudice to the penalties set forth in this Regulation, the Authority may cancel the approval issued to the branch if it loses one of the conditions based on which the license was granted or breaches one of the provisions of the law, regulations, instructions, decisions or circulars issued in implementation thereof.

### **Violations and penalties**

#### **Article (17)**

1. In the event of any violation listed hereunder committed by an Insurance Consultant, the Authority shall take the procedures and apply the penalties set forth in this Article:

- 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 renew his registration in accordance with the provisions of Article (9) of this Regulation.
- e. Disclosing any information pertinent to the client which he became aware of during performing his professional undertakings.

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. Warn the Insurance Consultant of taking the appropriate measures to rectify his position within a specific period of time.
  - b. Suspend his license for no more than six months, and in case he repeats the violation, the period of suspension shall be doubled, along with notifying all insurance companies of such decision.
  - c. In case of failure to rectify his position within the specific period, the decision to cancel the license shall be taken, and all insurance companies shall be notified of such decision.
  - d. In the event the Insurance Consultant's license is cancelled pursuant to the provision of this Article, the Insurance Consultant 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 Register may be appealed within (30) days from the date of notification thereof to the Board of Directors of the Authority whom shall decide on the appeal within 45 days from submitting the complete appeal, and the Board's decision shall be final.

#### Article (18)

1. The Insurance Consultant shall keep regular records of the insurance consultancy operations performed by him, and retain them for ten years.
2. The Consultant may keep the regular records in electronic form.
3. The (Corporate Person) Insurance Consultant shall prepare audited annual financial statements and provide the Authority with a copy thereof within three months of the end of the fiscal year.

#### Article (19)

The Consultants who are registered with the Authority at the time the provisions of this Regulation entered into force shall rectify their position within six months from the date it entered into force, otherwise the registration of those who failed to rectify their position will be cancelled.



#### Article (20)

The Ministerial Resolution No.(23) of 1985, concerning the Regulation of the Insurance Consultancy, , and the amendments thereof shall be repealed.

#### Article (21)

The Authority shall collect the prescribed fees for the procedures and services it performs in accordance with the provisions of the law, regulations, instructions or decisions issued pursuant thereto.

#### Article (22)

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

#### Article (23)

This Regulation shall be published in the Official Gazette and shall come into force from the next day of its publication.

**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 on:20/ 05 /2018