



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

Insurance Authority Board of Directors' Decision No. (25) of 2016 Pertinent to Regulation of the Unified Motor Vehicle Insurance Policies

Consolidated version as of 18/01/2021

This Decision has been amended by the Insurance Authority Board of Directors' Decision No. (42) of 2017 and the Insurance Authority Board of Directors' Resolution No. (26) of 2020 respectively. You are reading the consolidated version as of 18/01/2021.

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The Chairman of the Board of Directors of the Insurance Authority,

- Having perused Federal Law No. (6) of 2007 Concerning the Establishment of the Insurance Authority and Organization of insurance Operations, as amended, and its Executive Regulations;
- Ministerial Resolution No. (54) of 1987 Concerning Unified Motor Vehicle Insurance Policies, as amended; and
- At the approval of the Board of Directors of the Insurance Authority and the proposal of the Director General of the Authority;

Has resolved as follows:

ARTICLE (1) DEFINITIONS

The following terms and phrases shall have the meanings as stated beside them unless the context provides otherwise:

State:	The United Arab Emirates.
Authority:	The Insurance Authority, established by virtue of Federal Law No. (6) of 2007 Concerning the Establishment of the Insurance Authority and Organization of Insurance Operations, as amended.
Board:	The Insurance Authority Board of Directors.
Company:	The insurance company incorporated in the State, or foreign branch of and insurance company, that is licensed to carry out insurance operations in the State either through a branch or an insurance agent.
Insured:	A natural or corporate person that has applied for insurance, entered into an insurance contract with the company, and paid or has agreed to pay the premium.
Motor Vehicle Driver:	The insured or any person who drives the motor vehicle with the permission or by order of the insured, provided that they are licensed to drive the motor vehicle category according to the Traffic Laws and other laws and regulations, and that the granted license has not been cancelled by court's order or by virtue of the Traffic Laws and its Executive Regulations. This definition includes the driver whose driving license has expired if they managed to renew it within thirty days from the date of accident.

ARTICLE (2)

1. The company shall issue a motor vehicle insurance policy against third party liability and motor vehicle insurance policy against loss and damage according to the two forms attached hereto. These forms may not be amended or altered unless such amendment is in favor of the insured or beneficiary. The two forms attached hereto shall constitute an integral part thereof.
2. The Takaful insurance company shall comply with the provisions of the two policies subject to Takaful insurance terminology, as the case may require.

ARTICLE (3)

The company shall comply with the international agreements ratified by the State, including the "Unified Insurance Card Treaty on Motor Vehicles Across Arab Countries (the Orange Card)". Extension of a third party liability insurance policy to Arab countries may only be accepted under the Orange Card, and this applies to all non-UAE motor vehicles coming into or crossing in the State.

ARTICLE (4)

1. The company should issue a third party liability insurance policy on all motor vehicles licensed in the State when it is so requested by the related parties.
2. The company may not refuse granting insurance against loss and damage, refuse to renew an insurance policy, or discriminate between the insured in relation to insurance rates and conditions and benefits of insurance coverage on the grounds of age, sex, residence, or lapse of less than one year after being granted the driving license, as long as the insurance applicant holds a valid driving license issued by the competent authorities, unless for technical or actuarial reasons or according to its previous experience with the insured.
3. If the company decides to refuse granting insurance against loss or damage of a motor vehicle that meets the applicable conditions of the Traffic Law, it shall submit to the Authority the technical or actuarial reasons or previous experience with the applicant, on request.

ARTICLE (5)

1. When issuing the insurance policies promulgated by this Regulation and dealing with customers, the company shall conduct its business according to the principles of insurance, especially the principles of utmost good faith, disclosure, transparency and provision of clear and accurate information to the insurance applicants, insured and beneficiaries.
2. The company shall adhere to the Board of Directors' Decision No. (3) of 2010 Instructions Concerning the Code of Conduct and Ethics to be Observed by Insurance Companies Operating in the State, as amended.

ARTICLE (6)

When receiving any claim, the company shall:

1. Give the claimant a notice in writing of the receipt of the claim. In case of any missing items in the required documents, the company shall inform the claimant in writing within three days from receiving the claim about the documents required for completion. On completion, the company shall notify the claimant thereof.
2. Notify the claimant in writing of the acceptance of the claim, whether by reparation of the vehicle or payment of a specific amount of money.
3. If the claim is accepted and compensation is a financial amount, the company shall set forth the approach and mechanism in which the amount of compensation has been calculated.
4. The claims amounts shall be fairly settled, without any bargaining, within a period not exceeding fifteen days from the date of receipt of completed claim documents.
5. If the claim is rejected, the company shall inform the claimant of the reasons of the rejection in writing along with a copy of the documents supporting the company's decision.

ARTICLE (7)

In case of total loss of the motor vehicle, the company shall:

1. Promptly pay the amount of compensation, as the case may be, according to the relevant policy within a period not exceeding fifteen days from the date of completion of the claim documents.
2. If the company delays settlement of the claim for more than fifteen days from the date of receipt of the completed claim documents without giving convincing justifications to the injured party and the Authority, the company shall compensate the beneficiary of the coverage stated in the insurance policy for any costs suffered by them as a result of deprivation from the damaged motor vehicle.

3. Pay compensation for the value of the motor vehicle according to the agreement between the company and the insured in the insurance policy against loss and damage.
4. Compensation will be made on the basis of calculation of the market value of the motor vehicle for the damage covered by the motor vehicle insurance policy against third party liability, by an expert or by setting the average value of three proposals from licensed motor vehicle showrooms in the State.

ARTICLE (8)

The company shall comply with the Board of Directors' decision concerning prices, rates and tariffs.

ARTICLE (9)

The Ministerial Resolution No. (54) of 1987 Concerning Unified Motor Vehicles Insurance Policies, as amended, shall be deemed repeal including any decisions or provisions to the contrary to the provisions hereof.

ARTICLE (10)

The Director General shall issue the necessary decisions and circulars for enforcement of this Regulation.

ARTICLE (11)

This Decision shall be published in the Official Gazette and enter into effect as of 01.01.2017, provided that the insurance policies issued before this date shall remain in force until their expiration date.