



## تعمير رقم (21) لسنة 2016

بشأن الضوابط الفنية والتنظيمية الخاصة بتنفيذ قرار مجلس إدارة هيئة التأمين  
رقم (11) لسنة 2016 المتعلق بمراجعة سياسة التسعير المطبقة من قبل شركات التأمين  
لفروع تأمين الممتلكات والمسؤوليات

تهديكم هيئة التأمين أطيب تحياتها وتتمنى لكم المزيد من التقدم والنجاح،  
وتنفيذا لقرار مجلس إدارة هيئة التأمين رقم (11) لسنة 2016 المتعلق بمراجعة سياسة  
التسعير المطبقة من قبل شركات التأمين في فروع تأمين الممتلكات والمسؤوليات.  
يرجى التكرم بالاحاطة والالتزام بالضوابط الفنية والتنظيمية المرفقة الواجب التقيد  
بها عند اعداد التقارير الاكثوارية الخاصة بمراجعة وتقييم سياسة التسعير لأي من  
منتجات فروع تأمينات الممتلكات والمسؤوليات، وفي حال وجود أي استفسار حول هذا  
الموضوع يرجى التواصل عبر البريد الالكتروني [eforms@ia.gov.ae](mailto:eforms@ia.gov.ae).

وتفضلوا بقبول فائق الإحترام والتقدير،،،

إبراهيم عبيد الزعابي  
المدير العام

صدر بتاريخ: 2016 / 06 / 12



الضوابط الفنية والتنظيمية الواجب التقيد بها عند اعداد التقارير الاكتوارية الخاصة بمراجعة وتقييم  
سياسة التسعير المطبقة من قبل شركات التأمين لفروع تأمين الممتلكات والمسؤوليات

## Technical and Regulatory Requirements Concerning the Actuarial Review of the Pricing Policy Applied by Companies in the Classes of Property and Liability Insurance

With reference to Insurance Authority Board Decision No. 11 of 2016 concerning reviewing the pricing policy of companies in the classes of property and liability insurance:

- 1- The Actuary should comply with the minimum requirements set forth in Article (2) of aforementioned decision for all lines of business.
- 2- The Actuary should complete a Full Actuarial Pricing Review for Motor and Medical lines of business based on data as at June 30<sup>th</sup> of each year. The Full Actuarial Pricing Review Requirements are listed below.
- 3- The Actuary should complete an Underwriting Performance Review for Motor and Medical lines of business based on data as at December 31<sup>st</sup> of each year. The Underwriting Performance Review Requirements are listed below.
- 4- The Actuary should complete an Underwriting Performance Review twice a year for classes of property and liability insurance other than Motor and Medical insurance based on data as at June 30<sup>th</sup> and December 31<sup>st</sup> of each year.
- 5- Full Actuarial Pricing Review reports and Underwriting Performance Review reports based on data as at June 30<sup>th</sup> shall be provided to the Insurance Authority before September 1<sup>st</sup>. The Company must provide the Insurance Authority with a copy of the Company Management report and a copy of the Board of Directors' decision on the Actuary's report recommendations before October 1<sup>st</sup>.
- 6- Full Actuarial Pricing Review reports and Underwriting Performance Review reports based on data as at December 31<sup>st</sup> shall be provided to the Insurance Authority by March 1<sup>st</sup>. The Company must provide the Insurance Authority with a copy of the Company Management report and a copy of the Board of Directors' decision on the Actuary's report recommendations before April 1<sup>st</sup>.
- 7- The Board of Director's decision must provide the date by which the Actuary's recommendations have been or will be implemented. In cases where a decision has been taken not to implement the Actuary's recommendations, the reasons should be fully documented.





For a Full Actuarial Pricing Review, the following minimum requirements apply, but the review does not need to be limited to these requirements:

- 1- A minimum of 3 years of data must be used.
- 2- A table should be included to compare the current premiums charged versus the actuarially derived gross premium rates.
- 3- The analysis should be divided between individual and group business for Medical and between personal and commercial business for Motor.
- 4- The minimum rating factors to be used for Medical insurance are: age, gender, dependent status (principal, child, etc.), and benefit levels.
- 5- Motor insurance should be divided between third party liability and comprehensive at a minimum. Where data permits, the analysis should also be divided between the third party liability and the complementary parts of comprehensive. Where the data does not permit such division, the Actuary should state clearly the reasons behind that.
- 6- The minimum rating factors to be used for third party liability insurance is body type and private/commercial.
- 7- The minimum rating factors to be used for comprehensive is agency/non-agency, body type and private/commercial.
- 8- The Actuary must comment on the extent of cross-subsidy between different risk factors and provide recommendations on revising the pricing strategy.
- 9- The review shall include adequate development or completion factors in calculating claims incurred at the latest period.
- 10- The Actuary must determine and disclose the level of appropriate loadings that should be consistent with the company's experience which should be fully explained. The loadings should be split by administrative expenses, TPA loadings, reinsurance cost, profit loading, others.
- 11- The Actuary should consider trends in the underlying experience and must determine the claims cost inflation.

For an Underwriting Performance Review, the following minimum requirements apply, but the review does not need to be limited to these requirements:

- 1- A minimum of 3 years of data must be used.
- 2- The Actuary should calculate loss and combined ratios for the last three years on an accident year basis for each line of business.
- 3- The Actuary should comment on the efficiency of the reinsurance arrangements in place.
- 4- The Actuary should recommend an overall rate change which would impact all rating factors equally.



#### Documentation

- 1- The Actuary should fully describe the data and methodology used in the analysis.
- 2- All assumptions should be clearly documented in enough detail that another Actuary can review the report, and the sources of assumptions must be identified.
- 3- The Actuary should disclose data limitations and discuss the implications of the limitations.
- 4- The Actuary should describe all data validations carried out.
- 5- The actuary should submit a soft copy of the data used (raw and grouped data) in excel format.

#### Standards of Practice

The report received must comply with standards of practice issued by their respective actuarial society and the Actuary must state which guidance they are complying with.