

**UNITED ARAB EMIRATES  
INSURANCE AUTHORITY  
CHAIRMAN**

**Insurance Authority Board Resolution**

**No. 7 of 2015**

**On the Amendment of Some Provisions of the Insurance Authority Board Resolution  
No. 9 of 2011 Concerning the Instructions for Licensing Health Insurance Third Party  
Administrators and Regulation and Control of their Business**

**The Chairman of the Insurance Authority – Ministry of Economy,**

Having perused:

- The Federal law No. 6 of 2007 concerning the Establishment of the Insurance Authority and Organization of its Operations;
- The Insurance Authority Board of Directors Resolution No. 9 of 2011 Concerning the Instructions for Licensing Health Insurance Third Party Administrators and Regulation and Control of their Business; and
- Based on the recommendation of the Director General of the Insurance Authority and the approval of the Board of Directors;

**Decided:**

**Article 1**

1. The following phrase shall be added to the end of Clause (1) of Article (5):

“... or a branch of a company incorporated and licensed in one of the financial free zones in the State ...”, to be inserted after the phrase “... or a branch of a company incorporated outside the UAE ...”

2. The following clause shall be added to Article (5) and shall be numbered as (7):

“7. Submit a letter of bank guaranty in favor of the Chairman in his capacity, subject to the following conditions:

- a. To be issued by a bank operating in the State, according to the form designated by the IA;

- b. Be unconditional and unrestricted, payable on demand by the Authority at any time, and shall not be revoked except with the written approval of the IA;
- c. Be issued for the purpose of securing the settlement of transactions and fulfilling the obligations arising from practicing the activity towards insurance companies, medical service providers, customers and beneficiaries or to implement the decisions of IA;
- d. Its value may not be less than AED 1,000,000 (One Million Dirhams) for the head office and the branch of a company incorporated in the financial free zones or a branch of the company incorporated outside the State; and may not be less than AED 250,000 (Two Hundred Fifty Thousand Dirhams) for each branch affiliated thereto;
- e. The IA shall have the right to liquidate the letter of guaranty submitted by the Health Insurance TPA, in whole or in part, at any time to ensure that the Company fulfills its obligations due to the IA and those arising from practicing the activity.”

## **Article 2**

The following clause shall be added to Article (13) and shall be numbered (3):

The fiscal year shall start on January 1<sup>st</sup> and end on December 31<sup>st</sup> of each year, provided the financial statements of the Company shall be prepared in UAE Dirham.

## **Article 3**

A new article shall be added under number (14 repeated) after Article (14) and shall read as follows:

1. The Health Insurance TPA Company may open a branch or more inside the State after obtaining the approval of IA for each individual branch, subject to the following conditions:
  - a. A decision by the Board of Directors or the Management Board of the Health Insurance TPA Company is issued to open the branch;
  - b. An officer and specialized staff shall appointed for the branch subject to satisfying the conditions set forth in Clauses 1, 2 and 3 of Article 7 of these Instructions. The Branch Manager shall submit a declaration acknowledging his full responsibility for the actual management of the branch;
  - c. A period of no less than one year must have elapsed since the licensing of the TPA Company, during which the Company has actually conducted the activity within the State and has not been subject to any serious administrative sanctions or violations.

2. The Health Insurance TPA Company may request the closure of the branch under a decision to be issued by the Director General;
3. Any other controls or conditions set by the IA.

#### **Article 4**

A new article shall be added under number (14 repeated1) after Article (14 repeated) added to Article (14) of these Instructions and shall read as follows:

The Health Insurance TPA Company may open a branch or more outside the State provided the IA shall be notified of all the procedures from date of obtaining the license to the end of its business for any reason, in addition to indicating the approval of the regulators in the host country.

#### **Article 5**

The provision of Article (22) of these Instructions shall be replaced with the following:

- I. In the event of breach by the Health Insurance TPA Company of the provisions of the Law or regulations, instructions, resolutions or circulars issued thereunder, the Director General may impose any of the following sanctions:
  1. Address a warning to the Health Insurance TPA Company and bind it to rectify the breach and take the necessary actions to prevent the breach recurrence in the future;
  2. Suspend the Health Insurance TPA Company from practicing the activity for a period no longer than one year and notify the insurance companies accordingly;
  3. Cancel the license of the Health Insurance TPA Company in any of the following cases:
    - a. The Company ceased to satisfy any of the licensing conditions set forth in these Instructions;
    - b. Material breach of any duties or obligations;
    - c. The Company has failed to renew the license or to pay the annual license renewal fees or the prescribed delay fines;
    - d. A final court decision is held to declare the Health Insurance TPA Company bankrupt;
    - e. Wind-up and liquidation of the Health Insurance TPA Company;
    - f. The Company has failed to practice the activity within six months from the date of granting the license thereto or renewal thereof;

- g. The Company has failed to practice the activity after the end of a temporary suspension;
- h. If it is found that the license was granted on basis of incorrect information, data or documents, or on basis of an undertaking that was not honored as decided by the IA.

II. Cancellation of the license shall result the following:

1. Publication of the decision to cancel the license of the Health Insurance TPA Company and its deregistration from the Register for Health Insurance Third Party Administrators as soon as such decision is issued, in two widely circulated local daily newspapers published in the State, one in Arabic language, at the expense of the Health Insurance TPA Company. The IA may settle such expenses from the letter of guaranty of the Health Insurance TPA Company;
2. Recover the letter of guaranty and terminate the Professional Indemnity Insurance Policy after the elapse of (3) months from the date of publication subject to the IA approval thereon and after settling all transactions of the Health Insurance TPA Company and ensuring that there are no obligations towards the IA, medical service providers, insurance companies, or any of the beneficiaries arising from practicing the profession;
3. Suspend any new contracts of the Company relating to health insurance claim business;
4. The Company may not submit a new application for license before the elapse of (3) years from the date of issuing the license cancelation decision. In the event of cancelling its license, the Health Insurance TPA Company shall provide the insurance company with all the records provided for in these Instructions in order maintain them in accordance with these Instructions;
5. The Director General shall notify all medical entities and insurance companies of all decisions to suspend or cancel the licenses of TPA Companies.

### **Article 6**

A new article shall be added under number (26 repeated) after Article (26) and shall read as follows:

A decision to reject the licensing, registration or opening of a branch, or a cancellation and deregistration decision may be appealed within (20) business days from date of notification thereof. Such appeal shall be submitted to the IA Board of Directors, complete with the documents supporting the appeal, to consider the matter. The decision of the Board of Directors on the appeal shall be final.

## **Article 7**

The provision of Article (28) of these Instructions shall be replaced with the following:

The Board shall authorize the Director General with the authorities to issue the necessary decisions and circulars to implement the provisions of these Instructions or to address any developments with respect to implementing these Instructions, including:

- a. The Training and Emiratization Plan for the UAE Citizens;
- b. Annual reports, annual financial statements and interim financial statements;
- c. Regulation of the procedures to open branches, suspension, temporary suspension and license cancellation of a company and the condition that should be satisfied in such cases;
- d. Data, information and documents that must be enclosed with the license application;

## **Article 8**

The provision of Article (28) of these Instructions shall be replaced with the following:

1. The Health Insurance TPA Company must regularize its conditions within a period no longer than three months from the next day following the date of publication.
2. Without prejudice to the procedures provided for in the Commercial Companies Law, in case of voluntary liquidation of a Health Insurance TPA Company, such liquidation must be made under the supervision of the IA. However, mandatory liquidation shall be made under the supervision of the courts.

## **Article 9**

These Instructions shall be published in the Official Gazette, and shall take effect as of the next day following the date of publication.

**Engineer Sultan bin Said Al-Mansoori**  
**Minister of Economy, Chairman of the IA Board of Directors**

Issued in Abu Dhabi on: 26/4/2015