

**Instructions No. (2) of 2004**  
**Computerization of the Business of Insurance Companies Instructions\***  
**Issued by the Board of Directors of the Insurance Commission pursuant to**  
**Article (23) and paragraph (B) of Article (108) of the**  
**Insurance Regulatory Act No. (33) of 1999 and the Amendments Thereof**

**Article (1):**

These Instructions shall be known as the (Computerization of the Business of Insurance Companies Instructions of 2004) and shall come into force as the date of its publication in the Official Gazette.

**Article (2):**

The words and phrases, wherever mentioned in these Instructions shall have the meanings ascribed thereto under Article (2) of the Insurance Regulatory Act No. (33) of 1999 and the Amendments Thereof, unless otherwise indicated by context.

**Article (3):**

- A- The Company shall, within one year as of the date the provisions of these Instructions come into force, adopt in its head offices and branches, information systems and procedures to computerize the business related to the financial, technical and legal matters relevant to insurance, provided that such systems and procedures cover, as a minimum, the following:-
- 1- Production business.
  - 2- Financial and accounting business related to insurance and reinsurance.
  - 3- Business related to the management of complaints, claims and compensation.
- B- The information systems and procedures mentioned in paragraph (A) of this Article shall cover the computerization of all of the financial, accounting and statistical reports and statements related to the regulatory and supervisory requirements of the Commission and the ability of connecting them electronically to the Commission.

**Article (4):**

The following specifications and characteristics shall be available in the information systems mentioned in Article (3) of these Instructions:-

- A- Capability of being upgraded and developed in accordance with the technological development in the communication methods and databases, and the gradual regulatory and supervisory requirements of the Commission, and the capability of connecting with other electronic networks.
- B- Capability of maintaining databases, which include all the uses of the information systems, in a way which will allow for easy access and retrieval by the Commission in performing its regulatory and supervisory role.
- C- Availability of proper methods to protect the information systems, devices and the communication networks with respect to power and electricity surges, conditions of the environment and surroundings in addition to necessary electronic and network protection precautions.
- D- That the information systems are legally licensed for the use of the Company and comply with the legislation in force related to intellectual property.

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\* These Instructions were published in the Official Gazette volume (4653) dated 15/4/2004 page (1809)

**Article (5):**

- A- The Company shall have in place a detailed plan to design and implement the information systems mentioned in Article (3) of these Instructions provided such plan shall include, as a minimum, the following:-
- 1- Description of the electronic infrastructure of the existing information systems, devices, and peripherals, internal and external networks and the procedures which will be followed to restructure it and to design or to upgrade and develop it to be compatible with the provisions of these Instructions.
  - 2- Methods of protection and maintenance of the information systems and the peripherals thereof.
  - 3- Procedures which will be followed to develop and upgrade the information systems periodically.
  - 4- Program of training and qualifying the employees of the Company to deal with such information systems.
  - 5- Contingency plans for disaster recovery.
- B- The Company shall, within a period not exceeding three months as of the date these Instructions come into force, undertake to prepare the plan mentioned in paragraph (A) of this Article and to provide the Commission with a copy thereof.

**Article (6):**

The Company shall undertake the following:-

- A- Set access rights permissions and the responsibilities of the people in charge of the information systems to monitor and supervise systems effectively.
- B- Make available a technical team to manage and to implement the information systems related to the computerization of its business and to work on its maintenance and development.
- C- Notify the Commission immediately with any significant failures occurring on its information systems related to the computerization of its business and the actions which will be taken to resolve the failure.
- D- Provide the Commission with annual reports regarding implementing and developing the information systems related to the computerization of its business.
- E- Update the plan mentioned in paragraph (A) of Article (5) of these Instructions once every two years and provide the Commission with a copy of the updated plan.
- F- Designate an information systems security administrator in the Company and commit to the implementation of procedures relevant to data security and protection.

**Article (7):**

The Director General shall issue the Decisions necessary for implementing the provisions of these Instructions.

**Board of Directors of the Insurance Commission**