

**Instructions No. (8) of 2004**  
**Instructions of Licensing and Regulating the Business**  
**of the Loss Adjuster and the Surveyor\***

**Issued by the Board of Directors of the Insurance Commission pursuant to the provisions of paragraph (J) of Article (23), paragraph (A) of Article (24) 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 (Instructions of Licensing and Regulating the Business of the Loss Adjuster and the Surveyor of 2004), which shall come into force as of the date of its accreditation by the Board of Directors of the Insurance Commission, and shall be published in the Official Gazette.

**Article (2):**

- A- The words and phrases 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.
- B- For purposes of these Instructions, the words and phrases mentioned hereunder, shall have the following meaning:-
- Act : Insurance Regulatory Act in force.
- Loss Adjuster : The person licensed by the Commission pursuant to the provisions of these Instructions and the Decisions issued by virtue thereof to transact the business of loss adjusting for insurance purposes.
- Surveyor : The person licensed by the Commission pursuant to the provisions of these Instructions and the Decisions issued by virtue thereof to transact the business of surveying for insurance purposes.
- C- For purposes of these Instructions, the words "Loss Adjuster" and "Surveyor" shall indicate to natural and juridical Loss Adjuster and Surveyor, as the case may be, unless stated otherwise.

**Conditions and Procedures for Licensing the Loss Adjuster and Surveyor**

**Article (3):**

Subject to the provisions of Article (16) of these Instructions:-

- A- No person shall transact the business of the Loss Adjuster or the Surveyor in the Kingdom, unless licensed by the Commission pursuant to the rules and conditions determined by virtue of the provisions of these Instructions and Decisions issued pursuant thereto.
- B- The Company shall not deal with any person not licensed by the Commission to transact the business of loss adjusting or surveying for insurance purposes.

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\* These Instructions were published in the Official Gazette volume (4689) dated 30/12/2004 page (5835)

**Article (4):**

- A- The business of loss adjusting, for insurance purposes, shall include the following:-
  - 1- Examining damages.
  - 2- Investigating in the cause of loss and circumstances connected thereto, appraising such loss and examining whether or not it is covered by the Insurance Policy.
  - 3- Determining the compensation to be paid pursuant to the conditions and terms of the Insurance Policy.
- B- The Loss Adjuster may transact the business of the Surveyor stipulated in paragraph (A) of Article (5) of these Instructions, provided that he does not transact the business of loss adjusting if related to property that had already been surveyed by him for insurance purposes before the damage or the loss had occurred.
- C- For purposes of these Instructions, it shall not be considered as a part of the business of loss adjusting that requires a license; any act which is requested to be performed by a person due to his expertise and technical knowledge to provide technical assistance to the Loss Adjuster.

**Article (5):**

- A- The business of surveying, for insurance purposes, shall include the following:-
  - 1- Examining the property to be insured, appraising its value, and determining the maximum probable financial loss upon the occurrence of the risk.
  - 2- Providing suggestions concerning enhancing precautionary measures from risks and protecting the subject-matter of insurance.
- B- For purposes of these Instructions, it is not considered as a part of the business of surveying that requires a license; any act which is requested to be performed by a person due to his expertise and technical knowledge to provide technical assistance to the Surveyor upon appraising the property to be insured.

**Article (6):**

- A- The Loss Adjuster or the Surveyor shall obtain a license according to the classes of the type of insurance requested as mentioned in the Instructions issued by the Commission for this purpose.
- B- The natural person shall not obtain a license to transact the business of the Loss Adjuster or Surveyor that combines between life assurance and general insurance business.
- C- No person shall obtain a license that combines between the business of the Loss Adjuster or the Surveyor, according to the provisions of these Instructions and Decisions issued by virtue thereof, and the business of the Insurance Agent, Insurance and Reinsurance Broker, Actuary, Insurance Consultant, or any of the insurance services providers, pursuant to the provisions of the relevant Instructions and Decisions
- D- The general manager of a juridical person or any of the directors and all persons in charge of its business of loss adjusting or surveying, shall be licensed according to the provisions of these Instructions and Decisions issued pursuant thereto as a requirement for licensing that juridical person.

**Article (7):**

- A- The applicant shall meet the following requirements:-
- 1- Hold a university degree, a diploma or a certificate from a specialized institution in insurance accredited by the Commission through a Decision to be issued by the Director General for this purpose.
  - 2- Meet the requirements stipulated in Article (31) of the Act.
  - 3- To engage wholly in the business of loss adjusting or surveying in a private office.
  - 4- Has already joined, within the three previous years as of the date of submitting the application stipulated in Article (8) or Article (9) of these Instructions, as the case may be, in specialized courses in insurance business for a period not less than fifteen hours.
  - 5- The license of the applicant, to transact the business of the Loss Adjuster, the Surveyor, Insurance Agent, Insurance Broker or Reinsurance Broker, Actuary, Insurance Consultant or any of the insurance services providers, has not been previously canceled or suspended as a disciplinary sanction, or the renewal conditions for his license or registration where not available from the body that suspended or canceled his registration.
  - 6- Pass the assessment designated or accredited by the Commission for this purpose.
- B- In addition to the conditions stipulated in paragraph (A) of this Article, the person applying to become a Loss Adjuster shall have any of the following working experiences:-
- 1- Has practiced the business of loss adjusting independently or as an employee for a juridical person licensed for such, for a period not less than five years.
  - 2- Has practiced the business of loss adjusting at an official or private authority or at a local or a foreign Insurance Company, registered and licensed outside the Kingdom for a period not less than six years.
  - 3- Has a comprehensive knowledge in the business of loss adjusting indirectly, due to his position as a general manager or a deputy of an insurance company, or a technical manager of any of the classes of insurance for a period not less than nine years.
- C- It is required for the applicant, as a Surveyor, in addition to the conditions stipulated in paragraph (A) of this Article, that he shall have any of the following working experiences:-
- 1- Has practiced the business of surveying independently or as an employee for a juridical person licensed for such, for a period not less than four years.
  - 2- Has practiced the business of surveying for an official or private authority or at a local insurance company or a foreign insurance company licensed and registered outside the Kingdom for a period not less than five years.
  - 3- Has a comprehensive knowledge in the business of surveying indirectly, due to his position as a direct manager or a deputy of an insurance company or as a technical manager of any of the classes of insurance for a period not less than seven years.

**Article (8):**

The application for obtaining the license, shall be submitted pursuant to the form designated for this purpose including the data and shall be enclosed with the following documents:

- A- Name, nationality, and address of the applicant.
- B- Two personal photos.
- C- Type and Classes of insurance required to transact loss adjusting and surveying thereof.
- D- A non-conviction certificate or an equivalent for foreign applicants issued by the country where the applicant was residing three years before the submission of the application.
- E- Copy of the passport or the identification card.
- F- A certified copy of the academic qualifications.
- G- A certified copy of the work experience certificates.
- H- Copy of the training courses certificates.
- I- A written declaration that all documents submitted pursuant to the provisions of this Article are correct.
- J- Proof of paying the fees and charges determined pursuant to the Regulations and Instructions issued for this purpose according to the provisions of the Act.
- K- Any other data or documents requested by the Director General.

**Article (9):**

- A- Subject to paragraph (D) of Article (6) of these Instructions, the licensing application for a juridical person to transact the business of loss adjusting or surveying, shall be submitted according to the form designated for this purpose including the following:-
  - 1- Proof that the conditions stipulated in Article (7) of these Instructions are fulfilled by submitting all the data and documents stipulated in Article (8) of these Instructions for the general manager or any of the directors, as the case may be, and all persons in charge of loss adjusting or surveying business or an undertaking is to be submitted to cover all the requirements before being granted the license.
  - 2- A detailed description that includes the qualifications and expertise of the persons holding the administrative, financial and technical responsibilities.
  - 3- A signed copy of the company agreement or the memorandum of association and articles of association, as the case may be.
- B- Where the juridical person to be licensed is a branch of a foreign juridical person, a certified copy of the license of the foreign juridical person issued from the country of origin shall be submitted in addition to the documents stipulated in paragraph (A) of this Article.

**Article (10):**

- A- The Director General shall notify the applicant, within a period not exceeding ten working days as of the date of submitting the application, either by the completion or incompleteness of the application to all data and documents submitted according to the provisions of Articles (8) and (9) of these Instructions.
- B- In case of incompleteness, the applicant shall fulfill the incompleteness within a period not exceeding sixty days as of the date of notification of such;

otherwise the application shall be considered null and void. The applicant shall not be allowed to submit another application before the elapse of three months as of the date of the voidance of the application.

**Article (11):**

- A- The Director General shall issue a decision regarding the licensing application submitted pursuant to the provisions of Articles (8) and (9) of these Instructions within a period not exceeding thirty days as of the date the applicant was notified of the completion of the application to all data and documents, and that he has passed the condition of the evaluation designated or accredited by the Commission for this purpose.
- B- Where the application stipulated in paragraph (A) of this Article has been approved, the Director General shall notify the applicant with that pursuant to the provisions of the Act and the Loss Adjuster or the Surveyor shall be registered in the register designated by the Commission for this purpose after submitting a proof of completing the establishment and registration procedures before the competent authorities in the Kingdom, as the case may be, and proof of paying the fees and charges determined according to the Regulations and Instructions issued by virtue of the Act.
- C- Where the applicant does not pass the assessment stipulated in paragraph (A) of this Article, the Director General shall notify the applicant with that pursuant to the provisions of the Act and the applicant, within one year as of the date of submitting the application, shall pass the assessment according to any of the assessment courses to be held for this purpose, after paying the charges determined pursuant to the Instructions issued by virtue of the Act; otherwise the licensing application submitted shall be considered null and void. The applicant shall not be permitted to submit another license application to transact the loss adjusting or surveying business in the kingdom unless he submits proof of attending specialized courses in insurance for a period not less than fifteen hours.

**Article (12):**

- A- The Loss Adjuster or the Surveyor shall undertake to notify the Director General immediately with any changes occurring on any of the data and information he has been granted the license by virtue thereof, provided that such change is in accordance with the provisions of these Instructions and Decisions issued by virtue thereof.
- B- The juridical Loss Adjuster or Surveyor shall notify the Director General of the vacancy of the position of the general manager or any of the directors in charge in the Kingdom, as the case may be, or the vacancy of the position of any of the persons in charge of the business of its loss adjusting or surveying in the Kingdom, and shall occupy the vacant post within thirty days as of the date of vacancy, and notify the Director General accordingly for the purposes of his licensure by the Commission pursuant to the provisions of these Instructions and the Decisions issued by virtue thereof.

**Article (13):**

- A- The Loss Adjuster or the Surveyor shall submit an application to renew his license annually forty five days before the end of the licensing period

occurring on the thirty first of December of each year, according to the form designated for this purpose attached with the following:-

- 1- A report of the loss adjusting business or surveying, as the case may be, conducted during the year according to the form designated for this purpose.
  - 2- A valid non-conviction certificate or an equivalent for foreign applicant.
  - 3- A written declaration that all the submitted documents pursuant to this Article are true.
  - 4- Proof of paying the fees and charges determined pursuant to the Regulations and Instructions issued for this purpose according to the provisions of the Act.
- B- The Direct General shall issue a decision regarding the renewal application stipulated in paragraph (A) of this Article, within a period not exceeding fifteen working days as of the date of submitting of the renewal application.

**Article (14):**

The Loss Adjuster or the Surveyor who wishes to suspend his license shall submit an application of such. He may also submit an application to re-list his name in the register designated for this purpose, provided that he submits a written application according to the form designated for this purpose, and subject to the following provisions:-

- A- If the suspension of the license does not exceed one year as of the date of submitting the application, the provisions of Article (13) of these Instructions shall be taken into consideration.
- B- If the suspension period of the license exceeds one year as of the date of submitting the application, in addition to what is stipulated in paragraph (A) of this Article, the Loss Adjuster or the Surveyor shall submit proof that he has entered into courses specialized in insurance business within the two years prior to submitting the application or participated in conferences or seminars related to insurance business of not less than fifteen hours.
- C- In case the suspension of the license exceeds three years as of the date of submitting the application, the Loss Adjuster or the Surveyor shall submit an application for a new license pursuant to the provisions of these Instructions and Decisions issued by virtue thereof.
- D- The Loss Adjuster or the Surveyor shall not transact the business of loss adjusting or surveying during the suspension period, subject to legal liability.

**Article (15):**

- A- The Loss Adjuster or the Surveyor may add a class or more of classes of insurance to his license, after submitting the application to the Director General according to the form designated for this purpose.
- B- Approval for additional classes shall be granted to the Loss Adjuster or the Surveyor, according to the following conditions:-
  - 1- Meeting the requirements stipulated in paragraph (B) or (C) of Article (7) of these Instructions, as the case may be.
  - 2- Passing the assessment designated or accredited by the Commission for this purpose.
  - 3- Paying the charges determined according to the Instructions issued for this purpose pursuant to the provisions of the Act.

- C- The provisions of Article (11) of these Instructions shall be applied to the application submitted for additional class or more to the license of the Loss Adjuster or the Surveyor.

**Article (16):**

The Insurance Company may delegate a Loss Adjuster or a Surveyor not licensed in the Kingdom, to transact the business of loss adjusting or surveying related to claims that require technical expertise which is not available in Loss Adjusters or Surveyors licensed in the Kingdom, provided that the Commission shall be notified with the name, nationality, qualifications, reasons of delegation, the work he is going to do and any other data or information requested by the Director General.

**Special Provisions for Regulating the Business of Loss Adjusting**

**Article (17):**

The Loss Adjuster shall comply with the following:-

- A- Document the registration number on all his papers, letters and documents.
- B- Not to transact the loss adjusting business except in the classes of insurance he is licensed to transact.
- C- Prepare settlement reports as soon as possible and without delay.
- D- Verify the circumstances of the loss in order to decide whether it is covered by the insurance policy or not.
- E- Specify the actual value of the subject-matter of insurance as of the date the loss has occurred, the nature and the amount of damage. In case of the existence of a claim with a specified amount, the Loss Adjuster shall notify the insured, the beneficiary and the Company whether the amount of the claim is appropriate or not, accompanied with the basis he relied upon in his evaluation.
- F- Determine the liability of the Company according to the insurance policy, taking into consideration the conditions, exceptions and the excess amounts stipulated in the insurance policy or in any of its annexes.
- G- Suggest immediate measures that shall be taken to prevent the escalation of damages and preserving what is left of the subject-matter of insurance.
- H- Notify the parties with the possibility of a third party being responsible for the damages, and the necessary procedures needed for subrogation and recovering to preserve the rights of the parties and their contractual and/or legal obligations, if possible.
- I- Verify the damaged properties and collect information related to the accident in order to specify the nature and the amount of loss arising from the damages occurred due to the accident. The Loss Adjuster shall request for a technical report from specialists concerning the nature of risk covered by the insurance policy.
- J- Notify the injured, in writing, with all the procedures that must be done, and shall request all the necessary information to recognize the nature and the amount of loss in order to fulfill his duties as a Loss Adjuster in the right way.
- K- Notify the parties with the difficulties he faces when transacting his business which prevents him from fulfilling his duty.
- L- Keep records concerning his business organized according to the rules.

- M- Furnish the Commission every three months with a list of claims settled according to the form designated for this purpose.
- N- Notify the Commission, in writing, with any matter he discovers or comes to his attention during transacting his business, and considered to be a violation to the provisions of the Act, Instructions or Decisions issued by virtue of any of them.

**Article (18):**

The settlement report prepared by the Loss Adjuster shall include, at least, the following issues:-

- A- Date of preparation and submission of the settlement report.
- B- Full information about the insured and the beneficiaries.
- C- The party requesting the settlement.
- D- Names of the insurance Agents and Brokers, if any.
- E- Identification of the insurance policy and its essential clauses, especially those addressing the damages related to the report.
- F- A report of the damages and the cause, as well as the losses arising thereof.
- G- A declaration of the tasks and procedures that were followed for reaching a settlement and preparing a report including the assistance of other people for the settlement process, provided that he includes the reports of those people in his report.
- H- A technical opinion concerning to the coverage, and whether it includes the damages in both the nature and the amount, as well as assessing the loss and the amount claimed due to the real value of the subject-matter of insurance, the damages it was exposed to, and the procedures followed for reaching a settlement.

**Article (19):**

The Loss Adjuster shall follow the following rules of professional conduct:-

- A- Conduct his dealings with honesty, integrity and good behavior at all times.
- B- Attain neutrality and absolute independence.
- C- Treat all the data and information supplied to him as confidential, and take appropriate steps to maintain the security of confidential documents in his possession.
- D- Not to conduct any business of loss adjusting related to his/her spouse or any of his/ her relatives up to the forth degree whether in their personal status or as one of the directors of a juridical person related to the settlement.
- E- Not to conduct settlements in which he can benefit from, whether directly or indirectly with the involved parties or with the damaged properties.
- F- Not to receive compensation, money or any financial benefits whether directly or indirectly other than his fee.
- G- Not to keep any goods or products, or compensation resulting from the settlement.

**Special Provisions for Regulating the Business of Surveying**

**Article (20):**

The Surveyor shall comply with the following:-

- A- Document the registration number on all his papers, letters and documents.

- B- Transact the business of surveying by himself. The Surveyor shall not transact the surveying business except in the classes of insurance he is licensed to transact.
- C- Submit his report to the Company as soon as possible and without delay.
- D- Provide the Company with advice regarding the maximum loss, the manner to control the loss and the necessary safety measures, to avoid bigger loss.
- E- Seek for the opinion of experts or technicians, whenever necessary.
- F- Suggest measures regarding improving the protective measures for risks and preserving the subject matter of insurance.
- G- Keep records concerning his business organized according to the rules.
- H- Notify the Commission, in writing, with any matter he discovers or comes to his attention during conducting his duties that may form a breach of the provisions of the Act, Regulation, Instruction or Decisions issued by virtue of any of them.

**Article (21):**

The report prepared by the Surveyor shall include at least, the following:-

- A- Date of preparation and submission of the surveying report.
- B- Full information about the applicant.
- C- The party requesting the surveying.
- D- Names of the insurance Agents and Brokers, if any.
- E- Details of the property to be insured, description, value and any other information related to previous losses it has been exposed to.
- F- Details of the precautions to be taken by the applicant to avoid loss and decrease it, in case of occurrence.
- G- A declaration of procedures followed in conducting the surveying and preparing the report accordingly, as well as seeking the assistance of other people provided that he includes such reports in his report.
- H- The maximum financial probable loss upon the occurrence of risk, as the case may be.

**Article (22):**

The Surveyor shall comply with the following rules of professional conduct:-

- A- Conduct his dealings with honesty, integrity and good behavior at all times.
- B- Attain neutrality and absolute independence.
- C- Treat all the data and information supplied as confidential, and take appropriate steps to maintain the security of confidential documents in his possession.
- D- Not to conduct any business of surveying related to his/her spouse or any of his/her relatives up to the forth degree whether in their personal status or as one of the directors of the juridical person related to the settlement.
- E- Not to accept any business he is not qualified to do unless he receives assistance or advice, which enables him to do the business properly.
- F- Attain the necessary caution, diligence and skill expected from him during his business.
- G- Not to use information acquired during the course of his work, for his benefit.
- H- Not to conduct the business of surveying in which he has benefit directly or indirectly with the concerned parties or the property being surveyed.

## General Provisions

### **Article (23):**

- A- Where sufficient information is available to the Director General indicating any of the following:-
- 1- That the Loss Adjuster or the Surveyor breached the provisions of the Act, Regulations, Instructions or Decisions issued by virtue of any of them.
  - 2- That the Loss Adjuster or the Surveyor has lost any of the conditions he was licensed upon, or if it became evident that the data or documents provided by him is false.
  - 3- That the Loss Adjuster or the Surveyor did not renew his license pursuant to the provisions of Article (13) of these Instructions and is still conducting his business.
  - 4- That the Loss Adjuster or the Surveyor has not practiced the business of loss adjusting or surveying for two years, in all or any of the insurance classes that he is licensed to transact.
- B- If it became evident to the Director General that any of the information mentioned in paragraph (A) of this Article is valid, he may pursue any of the following procedures:-
- 1- Request from the Loss Adjuster or the Surveyor to undertake certain procedures to adjust his status within a certain period determined by the Director General.
  - 2- Suspend the license of the Loss Adjuster or the Surveyor, and request from the Loss Adjuster or the Surveyor to undertake certain procedures to adjust his status within a certain period determined by the Director General.
  - 3- Cancel the license for all or any of the classes of insurance he is licensed to practice.
- C- If the Loss Adjuster or the Surveyor did not adjust his status pursuant to the provisions of item (1) of paragraph (B) of this Article, the Director General may suspend or cancel his license.
- D- If the suspension period was over and the Loss Adjuster or the Surveyor has not taken the necessary procedures to adjust his status according to the provisions of item (2) of paragraph (B) of this Article, the Director General may cancel his license.
- E- If the Director General issued a Decision to cancel the license of the Loss Adjuster or the Surveyor, he shall not submit an application for a new license before the lapse of three years as of the date the cancellation decision was issued if the reason for the cancellation was a result of a gross deficiency according to the judgment of the Director General.

### **Article (24):**

- A- The Director General may in appropriate times assign an employee or more from the Commission or appoint an external party to inspect the books and records of the Loss Adjuster or the Surveyor. The Loss Adjuster or the Surveyor shall have all his books and records available and cooperate with the employee or the external party so that they will fully perform their duties, and the Loss Adjuster or the Surveyor shall bear all the expenses for the external

party as decided by the Director General, unless the Director General deems otherwise.

- B- The Loss Adjuster or the Surveyor shall submit any data or documents requested by the Director General or any delegated employee, within a certain period determined for this purpose.

**Article (25):**

The Director General may delegate the notification authorities stipulated in these Instructions to the director of the concerned directorate at the Commission.

**Article (26):**

- A- Any person licensed to transact the business of loss adjusting upon enactment of these Instructions, shall adjust his status according to the provisions of these Instructions and Decisions issued by virtue thereof, within a period not exceeding six months as of the date the provisions of these Instructions came into force, provided that the following conditions are fulfilled:-
  - 1- Conditions specified in items (2-6) of paragraph (A) of Article (7) of these Instructions.
  - 2- A work experience of a period not less than the experience stated in paragraph (B) of Article (7) of these Instructions.
- B- Any person practices the business of surveying upon enactment of these Instructions, except for the employees of the Company who practice the business of surveying for the Company, has the right to apply for a license within a period not exceeding six months as of the date the provisions of these Instructions came into force provided that the following conditions shall be fulfilled:-
  - 1- Conditions specified in items (2-6) of paragraph (A) of Article (7) of these Instructions.
  - 2- A work experience of a period not less than the experience stated in paragraph (C) of Article (7) of these Instructions.

**Article (27):**

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

**Article (28):**

Decision No. (3) of 1984 (Licensing of Insurance Experts and Assessors Instructions) issued pursuant to the provisions of paragraph (A) of Article (33) of the Insurance Business Supervision Act No. (30) of 1984 (Canceled) shall be repealed.

**Board of Directors of the Insurance Commission**