

Instructions No. (9) of 2004
Professional Code of Conduct and Ethics
Concerning Insurance Companies Instructions *
Issued by the Board of Directors of the Insurance Commission
Pursuant to Paragraph (J) of 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 (Professional Code of Conduct and Ethics Concerning Insurance Companies Instructions for the Year 2004) and shall come into force as the date of its endorsement 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 in force, unless otherwise indicated by context.
- B- For the purposes of these Instructions, the word "Client" shall indicate to any person to whom the Company offers or provides its products and services.

Article (3): General Provisions

The Company shall comply with the following:-

- A- Verifying the consistency of all its actions and business towards its Clients, with the requirements of the provisions of the Insurance Regulatory Act in force and the Regulations, Instructions and Decisions issued pursuant thereto.
- B- Conducting its business with utmost good faith, fairness and competence.
- C- Not to perform illegitimate practices towards its Clients or the competing Companies taking into account the provisions of the Insurance Regulatory Act in force and the Regulations, Instructions and Decisions issued pursuant to any of them and other relevant legislation.
- D- Providing the Client with sufficient information clarifying the nature of the services offered by the Company and types thereof, the nature of the relationship between the Company with the Client, and verify that the products and services offered by the company cover the demands of the Client.
- E- Complying with the sound technical standards when pricing the risk insured and avoiding exaggeration which negatively affects the Company itself or other insurance companies.
- F- Undertaking not to reject the application, the renewal application of the insurance policy, defining the insurance coverage or discrimination between the Clients of the Company regarding insurance prices, conditions or the characteristics of insurance coverage, unless it is justified including the reasons based on the technical or actuarial standards or according to experience or former relationship with the Client.
- G- Verifying the accuracy of the information submitted to the Clients which should be clear, fair and not misleading.

* These Instructions were published in the Official Gazette volume (4689) dated 30/12/2004 page (5847).

- H- Preserving any money or rights it possesses for the benefit of the Client.
- I- Reaching harmonization between its benefits and the benefits of others related to it according to the Insurance Regulatory Act in force and the Regulations, Instructions and Decisions issued pursuant to any of them, or the existing contractual relations, or according to what the sound insurance practice imposes.
- J- Taking the necessary procedures for complying with the regulations concerning Anti Money Laundering crimes including the Instructions and Decisions issued by the Commission in this regard.

Article (4): Insurance Application Form and the Insurance Policy and its

Renewal:

The Company shall comply with the following:-

- A- The Insurance Application Form:-
 - 1- Phrasing questions and information stated in the insurance application form in a clear, understandable and simple language. The application shall include, as possible, a mechanism clarifying the way questions should be answered.
 - 2- Referring to the importance of the information concerning the subject matter of insurance, types or classes of insurance stated in the insurance application form for the purposes of issuance of the insurance policy and the legal effects of not disclosing such information or disclosing information opposite to the actual situation.
 - 3- The insurance application form shall include a phrase stating that the information stated therein has been filled-in according to the knowledge of the Client, and that the signature is the signature of the Client or his representative.
 - 4- Notifying the Client to the necessity of disclosure of the substantial information when submitting the insurance application form, and the results due to concealing or the inaccuracy of any information the Client mentions therein.
 - 5- The Insurance application form shall include a phrase advising the Client to the necessity of keeping the documents and correspondences with the Company.
 - 6- Providing the Client with a copy of the insurance application form in order to keep it once the application is completed.
- B- Insurance Policy:-
 - 1- Using simple and clear language that enables the Client to understand the conditions and provisions of the Insurance Policy.
 - 2- Accuracy and clarity of the information stated in the insurance policy to avoid duplication in interpretation.
 - 3- Providing the Client with a copy of the insurance policy, the annexes thereof, and the relevant data. The Company shall keep a copy for itself.
 - 4- Setting a suitable mechanism for the procedures of issuing the insurance policy in which the company shall commit to the issues agreed upon with the Client.
- C- Renewal of the Insurance Policy:-
 - 1- Sending a notice for renewal to the Client before a sufficient time as the date of expiration of the policy.

- 2- Including in the notices for renewal of the insurance policies a phrase that brings to the attention of the Client the necessity of disclosing any necessary information or changes that might affect the decision of the Company in continuing to accept the risk with the previous prices and conditions agreed upon, whether the changes occurred after the expiration date of the policy or after the last renewal thereof, which occurs later.

Article (5):

The Company shall adopt special procedures when dealing with the submitted claims including:-

- A- Setting a suitable mechanism when dealing with the submitted claims including specification of a reasonable period to examine the submitted claims, identifying the necessary documents for remuneration settlements and preparing forms which shall be offered to Clients free of charge.
- B- Using clear and simple language in the claims forms approved by the Company and to, clearly identify the information needed to be mentioned by the claimant.
- C- Treating the submitted claims with accuracy, fairness and without delay.
- D- Informing the interested people in the claims with the current situation of the claims upon their request.
- E- Notifying the claimant, when claim examining is finished, either with acceptance or refusal. In case of refusal, the Company shall undertake to notify the applicant with the reasons in writing.
- F- In case of approval and agreement on the value in writing, the Company shall undertake to pay the amount due without delay. Accordingly the claimant, when receiving all the amount of the remuneration, shall sign an acquittance to the Company.

Article (6): Advertisement and Publicity

The Company shall conform to the following:-

- A- The name of the Company declaring the policy should be clear and noticeable with a description of the coverage that the policy provides, if possible.
- B- The information regarding the products and services the Company offers and the information concerning its financial status shall be sound, accurate, in a simple and clear language. It shall not include any untrue, misleading or exaggerated declarations, promises or expectations.
- C- To be objective when declaring the characteristics of the products and services provided by the Company.
- D- If the declaration included an insurance application form in order to be filled by the applicant to be sent back to the Company, the form should be consistent with the application adopted by the Company.
- E- If the advertisement and publicity included prices concerning insurance or the limits of coverage, it should be clear whether these prices include fees and legal taxes or not.

Article (7): Supervising Insurance Agents

The Company shall:-

- A- Avoid dealing with any person who is not licensed by the Commission to transact the Agent business in insurance according to the provisions of the

relevant Instructions and Decisions or to deal with an Agent of another Company.

- B- To preserve a written policy clarifying the standards that the Company follows for appointing a new insurance Agent taking into account the provisions of the Insurance Regulatory Act in force and any relevant Regulations, Instructions and Decisions issued pursuant thereto.
- C- To preserve a form filled and signed by the insurance Agent including the essential information concerning his qualifications and experiences, a copy of the agreement between the Company and the Agent and a copy of the license issued by the Commission.
- D- To provide the necessary facilities to enable the insurance Agent to do his job in an appropriate manner according to the agreement between them.
- E- To state monitoring and supervising procedures to verify that the insurance Agent is transacting with integrity and within the limits of the Insurance Regulatory Act and relevant Regulations, Instructions and Decisions. The Company shall notify the Commission with any violation the Agent commits or with any act that causes the cancellation of the license granted by the Commission.
- F- To provide a suitable mechanism for dealing with the complaints submitted against the insurance Agents.

Article (8): Services Providing

The Company shall:-

- A- Answer the inquiries of the Client and address the Clients with high proficiency and as soon as possible.
- B- Issue the insurance policies, annexes and any amendments thereof, upon agreement, as soon as possible and without delay.
- C- Make the Clients aware of the means for preventing the insurable risk from occurring or to limit the effects thereof.
- D- Pay back any due premiums or expenses to the Insured as soon as possible and without delay.
- E- Make available the documents and information that belongs to the Client, when requested, and as soon as possible in case the insurance policy has expired or cancelled.
- F- Develop and train the employees including training of means for dealing with the Clients with high proficiency and prepare brochures and booklets in this regard.
- G- Stipulate the most important standards and conducts concerning the Company and circulate them to management of all levels.

Article (9): Relationship with the Commission

The Company shall:-

- A- Deal with the Commission with high proficiency.
- B- Submit any data or information the General Director requests regarding the insurance transactions that the Company rejected or refused to accept. The Company shall identify the reasons for rejection or refusal and the transactions the Company has terminated due to violations of obligations by the Client.

Article (10):

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

Board of Directors of the Insurance Commission