

**Instructions No. (5) of 2005**  
**Instructions of Licensing, Regulating and Supervising the Business of the**  
**Company Administrating the Expenses and Medical Insurance Services\***  
**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, Regulating and Supervising the Business of the Company Administrating the Expenses and Medical Insurance Services), and shall come into force as of the date of its publications 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:-

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| Act  | : | The Insurance Regulatory Act in force.  |
| The Company Administrating the Expenses and Medical Insurance Services | : | A company licensed by the Commission to practice the business of administrating the expenses and medical insurance services according to the rules and conditions specified pursuant to the provisions of these Instructions. |
| Self-Funded Pools  | : | Pools formed by juridical persons such as unions, professional institutions, which provide medical care to its members.   |
| Medical Service Providers  | : | Entities licensed to provide medical services such as hospitals, doctors, laboratories and pharmacies.  |

**Article (3):**

The business of the Company Administrating the Expenses and Medical Insurance Services includes all or any of the following:-

- A- Settling claims.
- B- Paying claims on behalf of the insurance company or the Self-Funded Pools.
- C- Administrating and implementing medical insurance programs accredited by the insurance company.
- D- Preparing computerized systems to administrate medical insurance, control medical expenses, implement, promote and develop them including accounting systems and settlements.

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\* These Instructions were published in the Official Gazette volume (4709) dated 1/6/2005 page (2256).

- E- Suggesting, designing, presenting and developing medical insurance programs, provided that such programs shall only be promoted directly by the insurance company or the Self-Funded Pools.
- F- Providing consultancy services within the scope of its business.
- G- Concluding agreements with the medical services providers on behalf of the insurance company or the Self-Funded Pools.

**Article (4):**

- A- It is required for transacting the business of administrating expenses and medical insurance services shall be transacted by a Limited Liability Company, Public Shareholding Company or Private Shareholding Company, pursuant to the provisions of the Companies Act in force, and to the extent that does not contradict with the provisions of the Insurance Regulatory Act in force. Said Companies shall be licensed by the Commission according to rules and conditions determined pursuant to the provisions of these Instructions and the Decisions issued by virtue thereof.
- B- The minimum capital required for the Company Administrating the Expenses and Medical Insurance Services shall be (250,000) Dinars.
- C- The objectives of the Company Administrating the Expenses and Medical Insurance Services shall be limited to the business of administrating expenses and medical insurance services as stipulated in Article (3) of these Instructions.

**Article (5):**

In addition to what is stipulated in Article (6) of these Instructions, the Company Administrating the Expenses and Medical Insurance Services shall be licensed according to the following:-

- A- The general manager of the Company Administrating the Expenses and Medical Insurance Services shall hold a university degree and shall have a working experience in business administration or other relevant specialties of a period not less than five years or a working experience in business administration or other relevant specialties, of a period not less than ten years.
- B- A key employee of a working experience in medical insurance including settlements, of a period not less than five years.
- C- A key employee of a medical profession registered according to the rules, dedicated to administer its daily business.

**Article (6):**

The licensing application shall be submitted according to the form designated for this purpose including the data and enclosed with the following documents:-

- A- Memorandum of association and articles of association.
- B- Amount of capital.
- C- Names of founders or partners, their chosen addresses for purposes of notification, contribution or number of shares for each one of them, the positions they occupy, their educational qualifications and working experiences.
- D- Business plan for the first three financial years including description of the services and facilities provided by it, as well as the future plans to develop the business.

- E- Copies of the agreement forms that will be concluded by the Company Administrating the Expenses and Medical Insurance Services with the insurance company and the medical service providers.
- F- A written declaration that all the data and documents submitted according to the provisions of this Article are correct.
- G- Proof of paying the fees and charges determined according to the Regulations and Instructions issued for this purpose pursuant to the provisions of the Act.
- H- Any other data, information or documents requested by the Director General.

**Article (7):**

In implementation of the provisions of paragraph (E) of Article (6) of these Instructions:-

- A- The agreement concluded between the Company Administrating the Expenses and Medical Insurance Services and the insurance company, shall determine the rights and obligations of both parties including, as a minimum, the following:-
  - 1- Description of the nature of services agreed upon which shall be provided by the Company Administrating the Expenses and Medical Insurance Services to the insurance company.
  - 2- A list of the rights and obligations of both the Company Administrating the Expenses and Medical Insurance Services and the medical services providers, stipulated in the contracts concluded by the Company Administrating the Expenses and Medical Insurance Services on behalf of the insurance company with the medical services providers.
  - 3- Duration of the agreement and causes of termination.
  - 4- Means of calculating the fees collected by the Company Administrating the Expenses and Medical Insurance Services.
  - 5- Right of the insurance company to examine the books and records concerning the business with the Company Administrating the Expenses and Medical Insurance Services, organized according to the provisions of Article (15) of these Instructions and the means of getting copies thereof.
  - 6- Duration for settling and paying claims.
  - 7- Authorization from the insurance company to the Company Administrating the Expenses and Medical Insurance Services in order to conclude agreements with medical services providers on behalf of the insurance company.
- B- It is required that agreements concluded between the Company Administrating the Expenses and Medical Insurance Services and the medical service providers shall determine, as a minimum, the rights and obligations of both parties, mechanism of conducting business between them, fees, prices to be accredited when paying claims and duration for settling and paying claims, provided that the agreement accompanied with a document stating that the Company Administrating the Expenses and Medical Insurance Services, shall conclude agreements with the medical services providers on behalf of the Company.
- C- The Company Administrating the Expenses and Medical Insurance Services, the insurance company and the medical service providers may conclude the

agreement that includes the provisions stipulated in paragraphs (A) and (B) of this Article.

**Article (8):**

- A- The Director General shall notify the applicant within ten working days as of the date of submitting the application, either with the completion or incompleteness of the application to all data and documents according to Article (6) 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 voidance of the application.

**Article (9):**

A decision shall be issued regarding the licensing application submitted according to the provisions of Article (6) of these Instructions, as follows:-

- A- In case of completion of the application to all data and documents, the Director General shall issue a decision either by the prior approval or by rejection within a period not exceeding thirty days as of the date of notification of such for purposes of completing the applicant to the procedures of establishing and registering before the competent authorities. In case of rejection, the decision of the Director General shall be justified.
- B- The applicant who obtained the prior approval according to the provisions of paragraph (A) of this Article, shall provide the Director General with the data and documents necessary for obtaining the license including the following:-
  - 1- A certified document from a Jordanian bank that states that the applicant has paid the minimum capital required as specified in paragraph (B) of Article (6) of these Instructions.
  - 2- Evidence that the applicant has completed the procedures of establishing and registering before the competent authorities in the Kingdom, as the case may be.
  - 3- List of the proposed names for the post of the general manager or the persons in charge of management of the Company Adminstrating the Expenses and Medical Insurance Services, as the case may be, and the key employees therein. The list shall be accompanied with a detailed description that includes the qualifications of each of them, their working experiences, proof of their fulfillment to the conditions stipulated in Article (31) of the Act including the registration certificate from the competent authorities, certified according to the rules concerning paragraph (C) of Article (5) of these Instructions, and the names of authorized signatories.
  - 4- Statement of the equipment and real estate required for the operation of the Company Adminstrating the Expenses and Medical Insurance Services.
  - 5- A written declaration that includes that all data and documents stipulated in items (1-4) of this paragraph are correct.
  - 6- Any other data and documents requested by the Director General.
- C- In case of completion of the application to all data and documents stipulated in paragraph (B) of this Article, the Director General shall issue a Decision for

granting the license within thirty days, and the Company Administrating the Expenses and Insurance Medical Services shall be registered in the register designated by the Commission for this purpose.

**Article (10):**

- A- The Company Administrating the Expenses and Medical Insurance Services, shall provide the Director General with the agreement concluded with the insurance company and the agreements concluded with the medical service providers mentioned in Article (7) of these Instructions, within a period not exceeding thirty days as of the date of its conclusion, and with any amendments thereof, within a period not exceeding fifteen days as of the date of amendment.
- B- The Company Administrating the Expenses and Medical Insurance Services shall immediately notify the Director General with any change that occurs on any of the data and information upon which the license had been granted by virtue thereof, provided that such change shall be consistent with the provisions of these Instructions and Decisions issued by virtue thereof.
- C- The Company Administrating the Expenses and Medical Insurance Services 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, and shall occupy the vacant post, if needed, within thirty days as of the date of the vacancy and notify the Director General accordingly, for purposes of accreditation by the Commission pursuant to the provisions of these Instructions and Decisions issued by virtue thereof.

**Article (11):**

- A- The Company Administrating the Expenses and Medical Insurance Services shall submit an application to renew its 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- List of names of the general manager or the directors in charge, as the case may be, the key employees therein and the authorized signatories.
  - 2- List of business conducted during the year according to the form designated for this purpose.
  - 3- List of the insurance companies and medical service providers, which are dealt with when submitting the renewal application and the date of termination of each agreement.
  - 4- A written declaration that states that all data and documents submitted according to the provisions of this paragraph are correct.
  - 5- Proof of the payment of the fees and charges determined pursuant to the Regulations and Instructions issued for this purpose by virtue of the Act.
- B- A decision regarding the renewal application stipulated in paragraph (A) of this Article shall be issued within a period not exceeding fifteen days as of the date of submitting the application.
- C- The Company Administrating the Expenses and Medical Insurance Services shall provide the Director General with the final financial statements of the financial year audited according to the rules, within two months as of the end of the financial year of each year.

**Article (12):**

The Company Administrating the Expenses and Insurance Medical Services may provide its services for more than one insurance company or a Self-Funded Pool, and may deal with more than one medical service provider.

**Article (13):**

The Company Administrating the Expenses and Insurance Medical Services shall comply with the following:-

- A- Document its registration number on all its papers, letters and documents concerning its business with insurance companies and medical service providers.
- B- Provide the insurance company with forms of agreements to be concluded with the medical services providers before being signed for approval purposes.
- C- Pay claims to the beneficiaries upon receipt from the insurance company within the agreed period.
- D- Keep accounting books concerning each insurance company in order to document the sums collected for the purpose of paying claims.
- E- Not to underwrite any insurance risk and not to cede any of those risks to reinsurers.
- F- Not to impose or collect any additional sums from the insured or the beneficiary to whom it provides services other than what has been agreed on with the insurance company according to the agreement concluded between them.
- G- Notify the Commission about the insurance company that fails to pay claims on time when such period exceeds fifteen days from the period specified in the agreement concluded between them.
- H- Provide the insurance company that is a party to the agreement, at any time, with any reports it requests that state the results of its business with it.
- I- Not to keep any sums left after settling claims in amounts that are less than the coverage included in the insurance policies, and shall reimburse them to the insurance company.
- J- Not to collect any commission or interest for any sums deposited in banks for insurance companies, unless otherwise agreed.

**Article (14):**

The Company Administrating the Expenses and Medical Insurance Services shall follow the following rules of professional conduct:-

- A- Conduct its dealings with high proficiency, good faith, equity and efficiency.
- B- Comply with the provisions of the agreements concluded with the insurance company and the medical insurance providers.
- C- Mandate its employees and representatives to present the Company Administrating the Expenses and Medical Insurance Services, the insurance company and the medical service providers when dealing with others, as well as presenting the services it is permitted to provide.
- D- Notify the insurance company with the names of the medical services providers with whom the agreements were concluded on its behalf.
- E- Keep all the necessary documents concerning the administration of insurance claims arising from the insurance policy.

- F- Not to act in any way that might have a direct or indirect influence on the decision of the insured to deal with a certain insurance company rather than the other or to stop dealing with another.
- G- Not to trade with personal information concerning any of its clients.
- H- Notify the insurance company in case of contracting or refraining from contracting with any of the medical service providers, or in case of making any amendment to the agreement concluded with any of them.
- I- Treat all the data and information as completely confidential to itself and take appropriate measures to maintain the security of confidential documents in its possession.
- J- Not to advertise its services and duties on behalf of the insurance company without obtaining its prior written approval, provided that information stipulated therein are correct, accurate, in simple language, clear and reflects the nature of the business it conducts.
- K- To provide a suitable mechanism for receiving complaints and remarks submitted by the insured, beneficiaries, medical service providers and the insurance company.
- L- To settle claims with accuracy, objectivity and neutrality, and treat the contracting insurance companies and the medical service providers without discrimination.
- M- To maintain the services provided for the insured or the beneficiary during the validation of the insurance policy according to the agreement concluded with the insurance company.
- N- To provide assistance to the insured or the beneficiary according to the agreement concluded with the insurance company.

**Article (15):**

- A- The Company Administrating the Expenses and Medical Insurance Services shall keep records and original books including everything related to its business and the agreements it concludes with the insurance company and the medical service providers on behalf of the insurance company, which may be organized and kept electronically which, at all times, shall be kept for a period not less than five years as of the date of the termination of the agreement.
- B- In case of termination of the agreement between the Company Administrating the Expenses and Medical Insurance Services for any cause, shall provide the insurance company with all records and books mentioned in paragraph (A) of this Article according to the terms of the agreement concluded between them.

**Article (16):**

- A- Where sufficient information is available for the Director General indicating any of the following:-
  - 1- That the Company Administrating the Expenses and Medical Insurance Services breached the provisions of the Act, Regulations, Instructions and Decisions issued by virtue of any of them.
  - 2- That the Company Administrating the Expenses and Medical Insurance Services does not fulfill any of the conditions it was licensed upon or if it became evident that the data or documents provided by it are incorrect.

- 3- That the Company Administrating the Expenses and Medical Insurance Services breached the provisions of the agreement concluded with the insurance company or with the medical service providers.
  - 4- That the Company Administrating the Expenses and Medical Insurance Services did not renew its license pursuant to the provisions of Article (11) of these Instructions and is still conducting its business.
  - 5- That the Company Administrating the Expenses and Medical Insurance Services was liquidated pursuant to the provisions of the legislation in force, or if it became evident of its bad financial situation shall affects its capability of continuing its business.
  - 6- That the Company Administrating the Expenses and Medical Insurance Services stopped practicing its business for a period not less than one year as of the date of its license or renewal of the license, whichever occurs later, without a justified or legitimate reason.
- B- If it was evident for the Director General that any of the information mentioned in paragraph (A) of this Article is valid, the Director General may pursue any of the following procedures:-
- 1- Request from the Company Administrating the Expenses and Medical Insurance Services to undertake certain procedures to adjust its status within a certain period determined by the Director General.
  - 2- Suspend the license of the Company Administrating the Expenses and Medical Insurance Services for a period determined by the Director General, provided that such period shall not be less than six months, who may also request certain measures to be taken to adjust its status.
  - 3- Cancel the license of the Company Administrating the Expenses and Medical Insurance Services.
- C- If the Company Administrating the Expenses and Medical Insurance Services did not adjust its status pursuant to item (1) of paragraph (B) of this Article, the Director General may suspend or cancel its license.
- D- If the suspension period ended and the Company Administrating the Expenses and Medical Insurance Services did not take the necessary measures to adjust its status pursuant to item (2) of paragraph (B) of this Article, the Director General may cancel its license.
- E- If the Director General issued a decision to cancel the license of the Company Administrating the Expenses and Medical Insurance Services, the said company may 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 cancellation was a result of gross misconduct according to the judgment of the Director General. If the license of the Company Administrating the Expenses and Medical Insurance Services was cancelled, it shall submit to the insurance company all the records stipulated in paragraph (A) of Article (15) of these Instructions for the purposes of keeping them pursuant to the provisions of these Instructions.

**Article (17):**

If the Director General issued a decision to suspend or cancel the license of the Company Administrating the Expenses and Medical Insurance Services, the Company Administrating the Expenses and Medical Insurance Services shall either continue practicing the business it started before such decision was issued and for a period not exceeding three months as of that date for purposes of termination, or shall refer it to

another Company Administrating the Expenses and Medical Insurance Services, with the approval of the insurance company.

**Article (18):**

The Director General may assign to an employee or more from the Commission or appoint an external party to inspect at appropriate times the books, records and documents of the Company Administrating the Expenses and Medical Insurance Services, who shall have all of them available to the employees and cooperate with them or the external party so that they can fully perform their duties. Company Administrating the Expenses and Medical Insurance Services shall bear all the expenses for the external party as decided by the Director General, unless the Director General deems otherwise.

**Article (19):**

The provisions of these Instructions shall be applied, as much as they are applicable, on the Company Administrating the Expenses and Medical Insurance Services when administrating Self-Funded Pools.

**Article (20):**

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

**Article (21):**

Those which practice the business of administrating expenses and medical insurance services as of the date these Instructions came into force, shall adjust their status pursuant to the provisions of these Instructions within a period not exceeding one year as of the date these Instructions came into force, otherwise their licenses shall be legally considered cancelled, and shall not continue practicing the business, subject to legal liability.

**Article (22):**

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

**Board of Directors of the Insurance Commission**