

**Instructions No. (3) of 2003**  
**Instructions of Licensing and Regulating the Business**  
**of an Actuary and the Amendments Thereof\***  
**Issued by the Board of Directors of the Insurance Commission**  
**pursuant to paragraph (A) of Article (36) and paragraph (B) of**  
**Article (108) of the Insurance Regulatory Act No. (33) of 1999**

**Article (1):**

These Instructions shall be known as the (Instructions of Licensing and Regulating the Business of an Actuary of 2003) and shall come into force as the date of its publication in the Official Gazette.

**Article (2):**

- A- The words and phrases mentioned in these Instructions and defined in the Insurance Regulatory Act No. (33) of 1999 shall have the meanings ascribed thereto under Article (2) of the Act, unless otherwise indicated by context.
- B- For purposes of these Instructions, the word (Actuary) shall indicate for both the natural Actuary and the juridical Actuary unless otherwise stipulated.

**Article (3):**

- A- In implementation of the provisions of paragraph (A) of Article (36) of the Act, no person shall practice actuarial business in the Kingdom, including the evaluation of insurance contracts, policies and accounts related thereto, before obtaining a license from the Commission in accordance with the rules and conditions determined by the provisions of these Instructions and the Decisions issued pursuant thereto.
- B- Where the provisions of paragraph (A) of this Article are violated the provisions of Article (88) of the Act shall be implemented.
- C- The Company shall not accept from any person any actuarial business stipulated in paragraph (A) of this Article unless such person is licensed by the Commission to practice actuarial business according to the provisions of these Instructions and the Decisions issued pursuant thereto, subject to legal liability.

**Article (4):**

The following conditions must be available in the person requesting the license:-

- A- Holding any of the following:-
  - 1- A Fellowship or an equivalent thereof through passing the required exams for such degree from any of the institutions specialized in actuarial business accredited by the Board according to the provisions of Article (5) of these Instructions.

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These Instructions were published in the Official Gazette volume (4629) dated 2/11/2003 page (5943), and have been amended according to Instructions No. (4) of 2008, Instructions Amending the Instructions of Licensing and Regulating the Business of an Actuary No. (3) of 2003 published in the Official Gazette volume (4945) dated 4/1/2009 page (6598).

- 2- An Associateship, or an equivalent thereof through passing the required exams for such degree from any of the institutions specialized in actuarial business accredited by the Board according to the provisions of Article (5) of these Instructions, and a work experience of not less than five years in actuarial business under the supervision of an Actuary that holds a Fellowship degree.
- B- His license and/or registration to practice actuarial business was not previously suspended or canceled as a disciplinary sanction or the renewal conditions of his license or registration were not met according to the body that suspended or canceled his registration.
- C- Was not convicted with a felony or a misdemeanor infringing integrity or trustworthiness or declared bankrupt without being rehabilitated.

**Article (5):**

For the purpose of Article (4) of these Instructions, the institutions accredited by the Board as institutions specialized in actuarial business shall be the following:-

- A- Institute of Actuaries in London.
- B- Faculty of Actuaries in Scotland.
- C- Society of Actuaries in the United States of America.
- D- Canadian Institute of Actuaries.
- E- Any other equivalent institution accredited by the Board upon the recommendation of the Director General.

**Article (6):**

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

- A- Name, nationality and address of the applicant.
- B- Two personal photos.
- C- Type of insurance required to practice the actuarial business 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- A copy of the passport or the identification card.
- F- A certified copy of the Fellowship or Associateship degree, as the case may be, from any of the institutions specialized in actuarial business that are accredited by the Board pursuant to the provisions of Article (5) of these Instructions attached with the grades statement.
- G- A certified copy of any other academic qualifications.
- H- Certified copies of the work experience certificates and a recommendation from the Fellow Actuary if the applicant is an Associate.
- I- 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.
- J- Any other data or documentation requested by the Director General.

**Article (7):**

- A- The licensing application for the juridical person to practice actuarial business in the Kingdom shall be submitted according to the form designated for this purpose including the following:-
- 1- Proof that the conditions stipulated in Article (4) of these Instructions are fulfilled by submitting all the data and documents stipulated in Article (6) of these Instructions for the general manager or of the directors, as the case may be, and all persons in charge of actuarial business or submitting an undertaking to fulfill all the requirements before granting him the license, as the case may be.
  - 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- If 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 (8):**

- A- The Director General shall notify the applicant, within two weeks as of the date of submitting the application, either by the completion or incompleteness of the application to all data and documents stipulated in Articles (6) and (7) of these Instructions.
- B- In case of incompleteness, the applicant shall fulfill the incompleteness within a period not exceeding thirty days as of the date of notification of such; otherwise the application shall be considered null and void. The applicant shall not be permitted to submit another application before the elapse of three months as of the date of the voidance of the application.

**Article (9):**

- A- The Director General shall issue a decision regarding the licensing application submitted pursuant to the provisions of Articles (6) and (7) of these Instructions within a period not exceeding thirty days of the date the applicant was notified of the completion of the application to all data and documents.
- 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 Actuary shall be registered in the register designated for this purpose by the Commission after submitting proof of completing the establishment and registration before the competent authorities in the Kingdom, as the case may be, and verifying the payment of the fees and charges determined according to the Regulations and Instructions issued for this purpose pursuant to the provisions of the Act.

**Article (10):**

- A- The Actuary shall undertake to notify the Director General, immediately of any changes occurring in any of the data and information he was licensed by virtue

thereof, provided that such changes are in accordance with the provisions of these Instructions.

- B- The juridical Actuary 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 within sixty days as of the date of vacancy and notify the Director General accordingly. The juridical actuary shall also notify the Director General of the vacancy of the position of any of the persons in charge of his actuarial business in the Kingdom.

**Article (11):**

- A- The Actuary shall submit an application to renew his license annually, forty five days before the end of the licensing period which is 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 actuarial business conducted in the Kingdom during the year.
  - 2- Evidence of his membership in any of the institutions specialized in actuarial science accredited by the Board pursuant to the provisions of Article (5) of these Instructions.
  - 3- Evidence that he has entered into courses specialized in actuarial science or participated in conferences or seminars related to actuarial science of not less than fifteen hours unless the Director General decides otherwise.
  - 4- Evidence 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 juridical Actuary shall submit, in addition to what is stipulated in paragraph (A) of this Article, a report including the name of his general manager or the director, as the case may be, and all the persons in charge of his actuarial business in the Kingdom.
- C- A decision regarding the renewal application stipulated in paragraph (A) of this Article shall be issued pursuant to the provisions of Article (9) of these Instructions, as the case may be.

**Article (12):**

An Actuary who wishes to suspend his license shall submit an application to the Commission. 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- The provisions of Article (11) of these Instructions shall be taken into consideration, if the suspension of the license does not exceed one year as of the date of submitting the application, as the case may be.
- 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 Actuary shall submit proof that he has entered into courses specialized in Actuarial science within the two years prior to submitting the

- application or participated in conferences or seminars related to actuarial science of not less than fifteen hours.
- C- In case the suspension of the license exceeds five years as of the date of submitting the application, the Actuary shall submit an application for a new license pursuant to the provisions of these Instructions.

**Article (13):**

It is not stipulated that the natural Actuary be a resident or establishes his head office in the Kingdom.

**Article (14):**

- A- 1- The Actuary shall provide his services to the Company as either employed or appointed thereby. In either case the Company shall notify the Director General within one month as of the date of the employment or the appointment of the Actuary.
- 2- The Actuary employed by the Company shall be prohibited from occupying any other position at the Company or providing services to another Company.
- B- The Company shall provide the employed or appointed Actuary with any data, documents, information or records for the purpose of performing the duties and responsibilities assigned thereof.
- C- Where any of the reports required pursuant to the provisions of the Act, Regulations and Instructions issued thereof are submitted by a juridical Actuary, such reports shall be signed in the name of the juridical actuary and all the conditions stipulated in Article (4) of these Instructions shall be fulfilled by whoever signed the report.

**Article (15):**

It shall not be permitted for any of the board members of the Company, the general manager or the holders of (10%) or more of the shares of the Company, to perform actuarial business for the interest of the Company.

**Article (16):**

The Actuary shall perform the following duties and responsibilities:-

- A- Provide the Company with advise and consultation regarding the actuarial business requested from him in accordance with the actuarial methods.
- B- Perform any of the tasks and duties assigned to him in accordance with the actuarial methods.
- C- Notify the board of directors of the Company with any matter that may form a breach of the provisions of the Act, Regulations, Instructions or Decisions issued thereof related to the financial and technical status of the Company to take the necessary procedure, or any matter that may effect the interests of the insureds or the beneficiaries.
- D- Prepare the reports legally required from him according to the forms designated for this purpose.
- E- Keep records concerning his business organized according to the rules, including copies of the documents he is required to provide the Commission with.

- F- Perform his duties with honesty and trustworthiness, accordingly he shall not:-
- 1- Conceal any facts related to the financial or technical status of the Company from the board of directors of the Company or the Commission.
  - 2- Provide false information related to the financial or technical status of the Company.
  - 3- Perform wrong actuarial practices.
  - 4- Disclose to others any confidential information regarding the Company that he acquires during performing his work subject to the provisions of Article (17) of these Instructions.
  - 5- To assign to another person to perform the actuarial business concerning the Company on his behalf.

**Article (17):**

The Actuary shall submit immediately a report to the Director General and a copy to the chairman of the board of the Company in any of the following cases:-

- A- If it was evident that the Company has breached the provisions of the Act, Regulations, Instructions or Decisions issued by virtue thereof concerning the financial and technical status of the Company.
- B- If it was evident to him that the financial and technical status of the Company will not enable it to fulfill its obligations towards the Insureds or the beneficiaries of the insurance policies issued by the Company.
- C- If the Company does not allow him to perform the duties and responsibilities assigned to him.
- D- If he refused or reserved to prepare any of the reports required pursuant to the provisions of the Act, Regulations, Instructions or Decisions issued by virtue thereof.
- E- If he resigned from the Company, was dismissed or his appointment was canceled.

**Article (18):**

- A- The role of the Actuary at the Company shall end in any of the following cases:-
  - 1- His resignation from the Company or dismissal thereby.
  - 2- The cancellation of his appointment by the Company.
  - 3- The cancellation of his license by the Commission.
- B- The Company shall notify the Director General when the work of the Actuary ends in any of the cases stipulated in items (1) and (2) of paragraph (A) of this Article. The Company shall employ or appoint another Actuary within a period not exceeding one month as of the date of the previous Actuary ended work and provide him with the report stipulated in Article (17) of these Instructions.
- C- The Company shall be notified pursuant to the provisions of the Act in case the license of the Actuary was canceled.

**Article (19):**

- A- Where sufficient information is available for the Director General indicating any of the following:-

- 1- That the Actuary breached the provisions of the Act, Regulations, Instructions or Decisions issued by virtue thereof.
  - 2- That the Actuary breached the code of conduct and ethics of the profession issued pursuant to the provisions of the Act, Instructions and Decisions issued by virtue thereof.
  - 3- If the Actuary did not perform any of the duties and responsibilities assigned to him.
  - 4- If the Actuary lost any of the conditions he was licensed upon or if it became evident that the data and documents provided by him is incorrect.
  - 5- If the Actuary did not renew his license pursuant to the provisions of Article (11) of these Instructions and is still practicing the profession.
  - 6- If it was evident that any of the reports or evaluations provided by the Actuary concerning the Company do not indicate the actual financial status of the Company.
- B- If it was evident for the Director General that any of the information mentioned in paragraph (A) of this Article is true he shall pursue any of the following procedures:-
- 1- Request from the Actuary to undertake certain procedures to adjust his status within a certain period specified by the Director General.
  - 2- Suspend the license of the Actuary, and request from the Actuary to take certain procedures to adjust his status within a certain period specified by the Director General.
  - 3- Suspend the license and refer the case to the Board to cancel the license.
- C- If the Actuary did not adjust his status pursuant to Item (1) of paragraph (B) of this Article, the Director General shall suspend his license and refer the case to the Board to cancel the license of the Actuary.
- D- Should the Actuary remove the cause of canceling the license pursuant to Item (2) of paragraph (B) of this Article, the Director General shall issue a decision permitting the Actuary to continue transacting his business, otherwise the Director General shall refer the case to the Board to issue a decision to cancel the license.
- E- If the Board issued a decision to cancel the license of the Actuary, the Actuary shall not submit an application for a new license to practice actuarial business in the Kingdom before the lapse of a three year period 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 estimation of the Director General.

**Article (20):**

The Director General may delegate any senior employee at the Commission the authorities stipulated in these Instructions, provided that such delegation shall be specific and in writing.

**Article (21):**

Every person registered by the Commission to practice actuarial business before these Instructions come into force, shall adjust his status according to the provisions of these Instructions including the renewal of his license by the Commission for the year 2004 otherwise the registration or licensing thereof, as the case may be, shall be deemed

cancelled, and he shall be prohibited from resuming transacting actuarial business, subject to the legal liability.

**Article (22):**

Decision No. (3) of 1987 issued on 20/9/1987 (Registering of Life Assurance Experts Instructions) and Decision No. (7) of 1988 issued on 24/9/1988 (Regulating the Report of the Life Assurance Expert Instructions) and the attached forms shall be repealed.

**Article (23):**

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

**Board of Directors of the Insurance Commission**