

Third Volume

Legislations Regulating the Insurance Sector

Legislations Regulating the Insurance Sector

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Royal Decree 90 / 2004
Transferring Insurance Jurisdiction
from the Ministry of Commerce and Industry to the Capital
Market Authority

Qaboos bin Saeed

Sultan of Oman

After perusal of the Basic Statute of the State promulgated by Royal Decree 101 / 96, and

The Insurance Companies Law promulgated by Royal Decree 12 / 79, and

Royal Decree 61 / 96 approving the Organizational Chart of the Ministry of Commerce and Industry, and

The Capital Market Law promulgated by Royal Decree 80 / 98

In the Interest of the public

Have Decreed the following

Article (1): Insurance jurisdiction and assets shall be transferred from the Ministry of Commerce and Industry to the Capital Market Authority. The employees of the Insurance Department shall also be transferred on the same terms and conditions of their employment status.

Article (2): All revenues and fees prescribed in the Insurance Companies Law shall be paid to the Capital Market Authority.

Article (3): The Organizational Chart of the Ministry of Commerce and Industry shall be amended accordingly.

Article (4): The expression (Ministry of Commerce and Industry) shall be substituted by the expression (Capital Market Authority) and the expression (Minister of Commerce and Industry) shall be substituted by the expression (Executive President of the Capital Market Authority) wherever mentioned in the Insurance Companies Law, the Executive Regulation and the decisions issued in implementation thereof.

Article (5) : This decree shall be published in the official gazette and shall come into force as of the date of issue.

Qaboos bin Saeed
Sultan of Oman

Issued on: 16 Jumada Thaniya 1425 AH
corresponding to: 3rd August 2004

Royal Decree No. 12 / 79 **Promulgating the Insurance Companies Law**

We, Oaboos Bin Saeed, after persual of the Royal Decree No. 26 / 75 promulgating the Law organizing the administrative appritus of the State law as amended ;
and in the interest of the public

Have decreed as follows

- Article (1):** the provisions of the attached law shall be applicable to the insurance companies.
- Article (2):** Any stipulation contravening this law or contradicts its provisions shall be repealed.
- Article (3):** This law shall be published in the Official Gazette and shall come into force as from the date of its publication therein.

QABOOS BIN SAEED
Sultan of Oman

Issued on 22nd Rabi al-Thani 1399 AH
corresponding to: 21 March 1979

The Insurance Companies Law Part I Preliminary

Article (1):1. This law applies to companies which carry on, within the Sultanate of Oman, insurance business of all or any of the following classes :

- a. Ordinary life assurance
- b. Industrial assurance
- c. Liability insurance
- d. Marine, aviation and transport insurance
- e. Motor vehicle insurance
- f. Pecuniary loss insurance
- g. Personal accident insurance
- h. Property insurance
- i. Other types of insurance not included in any of the above
- j. categories.

2. This law does not apply :

- a. to any company which carries on pecuniary loss insurance business if it carries on solely in the course of carrying on banking business.
- b. to an association of persons (called friendly society) established with no share for the exclusive purpose of aiding its members or their dependents.
- c. a public welfare fund established by the Government or/and commercial or industrial establishments.
- d. any other company or body (whether it is an establishment or merely a company or a person working or operating outside the Sultanate of Oman whose activities are confined only to reinsurance together with an insurance Company authorized, under the terms of this law to transact any kind of insurance exclusively.

3. The word “insurance” used in this law includes other synonyme of this word and the kinds of insurance also include reinsurance services.

4. Classes of Insurance business listed in paragraph (1) (a) and (1) (b), above are known as “Life insurance Group”, and classes of insurance business listed in paragraph (1) (c) - (1) (i) are known as “General Insurance Group”.

Part II Authorized Insurers

Article (2): 1. Subject to the provisions of article 51 of this law, in respect of Foreign companies, no company (to be hereinafter called insurance company) shall have the right to conduct the insurance business in the Sultanate of Oman unless it fulfils the following requirements:

- a. It shall be a public joint stock company established in accordance with the Commercial Companies Law to carry out insurance business.
 - b. It is licensed by The Capital market Authority in charge of insurance business (hereinafter called the Authority) to carry on all classes of insurance business or any of the classes specified in Article 1 above and
 - c. It is a joint stock company possessing the minimum capital required by this law, has lodged the required guarantee and maintains the minimum margin of solvency during its activity.
2. No company other than those authorized under the terms of this law shall have the right to use the title “insurance company” or “insurer” or “dealer in insurance” six months after the date on which this law comes into force.
3. Insurance company also means the branch office or agency or any other set-up belonging to the insurance company set-up in Oman or abroad and carrying out insurance activities in the Sultanate of Oman.

Article (3): The Executive President of the Authority (to be hereinafter called The Executive President) shall grant the license to applicants in the event of the existence of all of the following conditions :

1. If he feels that the Sultanate’s national economy is in need of additional insurance companies.
2. If he is satisfied that :
 - a. the applicant seeking above authorisation has fulfilled all the obligations mentioned in article 2 of this law necessary for the constitution of an insurance company.
 - b. Applicant shall prove the paid up capital is not less than RO 10,000,000 (Ten Million Rial Omani).
 - c. Adequate arrangements are in force, or will be made, for the

reinsurance of risks of that class against which persons are to be insured by the body in the course of carrying on business; or that it is justifiable not to make arrangements for that purpose.

- d. A proper person has been appointed to be director, controller or chief executive of the insurance company.
- e. The applicant has deposited with The Authority either Rials Omani 75,000 if applying for the licence to carry on any class of general insurance or Rials Omani 150,000 if applying to be licensed for classes of life insurance, in addition to general insurance business.

Article (4): The margin of solvency which the insurance company is supposed to maintain shall be calculated at least once yearly, but the company shall not be required by The Authority to produce documents showing it before 12 months have expired since the insurance company has started to operate subject that the company has lodged the prescribed deposit (Article 3 -E).

Article (5): The Executive President shall assign within the Authority, an office (to be hereinafter called the office) which will be in charge :-

- a. of recording the information specified in this law,
- b. of issuing the licence for carrying on all or any class of insurance business.
- c. of keeping in deposit all documents required by this law,
- d. of surveying activities of the insurance companies,
- e. of control whether the insurance companies are maintaining the margin of solvency,
- f. of dealing with the deposit of an insurance company in accordance with the law,
- g. of performing any other functions The Executive President may entrust it with.

Article (6): 1. Application for licensing of an insurance company shall be made in writing and be accompanied by such other as The Executive President may require or deem necessary to ensure that the conditions laid down in Articles 2 & 3 of this law have been fulfilled.

2. If The Executive President is satisfied that all the condition required by this law are met he shall direct the office within The Authority in charge of insurance to issue an insurance licence and notify the applicant in writing accordingly. Notice of licensing shall be published in the Official Gazette and as of the date of its publication, the company shall be treated as the insurance company.
3. If The Executive President is not satisfied as to any matters referred to articles 2 and 3 of this law, he shall instruct the office to give notice in writing to the insurance company of reasons for which the Authority is obliged to reject the application.

Article (7): Any person may appeal the decision of the Executive President rejecting the application for insurance license referred to in Article 6 of this law, to the Appeals committee of the Capital Market Authority within sixty (60) days from the date of the application rejection notice in accordance with the procedures prescribed in the Capital Market Law and the Executive Regulations thereof.

Article (8): 1. If, in the case of any licensed insurance company The Executive President :

- a. learns that the insurance company is not fulfilling all or some of the conditions laid down in Articles 2 and 3 of this law during the transaction of its business; or
- b. is not satisfied that the class of insurance business in the company is being conducted in accordance with the sound insurance principles, or
- c. If it is found that the solvency of the insurance company is insufficient or has become insufficient, after following the procedures specified in Article (15) repeated)
- d. has been informed that the insurance company has ceased to carry on the insurance business in this country, or
- e. receives from the insurance company in writing, request for the withdrawal of licence, or
- f. has been informed that a final judgement relating to insurance business, obtained in any court in the Sultanate of Oman against the insurance company remains unsatisfied for more than 60 days The Executive President shall give the notice in writing to the insurance company of his decision to withdraw the licence, and the provision of article 7 with all

consequences to give effect thereto shall apply to any such notice as if it were a notice of a rejection of an application.

2. The Authority shall withdraw the insurance licence if the appeal has not been made under the terms of the clause 1 of this article or if the Appeals Committee reject the appeal and decision regarding the withdrawal of licence shall be published in the Official Gazette.

Article (9):1. An insurance company, granted a licence as an insurer must begin conducting insurance at least in one of the classess of insurance for which it has been granted the licence, within a period of twelve months beginning on the next day of the publication of the authorization in the Official Gazette.

2. If an insurance company does not begin conducting at all or conducting insurance in any of the spheres before a twelve-month period beginning as of the next day of the publication of the licence and thereupon the provisions of article 8 clauses 1 and 2 shall be applicable.

Article (10):1. If the licence of the insurer (article 8 and 9 above) is withdrawn and the company continues to carry out its business as against the requirement of this law, this shall be treated as violation .

A company shall not be taken to carry on insurance business in contravention of the provisions of this law by reasons only of carrying business for the purpose of discharging liabilities lawfully assumed by it, before the withdrawal of the licence.

Article (11): The Executive President shall, by order, issue regulations for the implementation of part II of this law and may prescribe form of application for licensing, recording, extracts and copies and may determine the fees which shall have to be paid by an applicant for obtaining the license.

Part III Margin Of Solvency

Article (12): An insurance company has to maintain a margin of solvency required by the Regulations.

Article (13): Repealed.

Article (14):1. The calculation of the margin of solvency shall be made every year:

- a. in such a form and signed by such persons as maybe prescribed by the regulations
 - b. containing such a statement with respect to the assets and liabilities of the company as may be so prescribed.
2. If an insurance company fails to comply with the regulations so rnade, the value of its assets shall be derived, until contrary is proved, not to exceed amount of its liabilities.

Article (15):1. The deposits prescribed by the provisions of the article 3 (E) shall be made with the bank approved by The Executive President for the period of not less than 3 years. An interest accruing due thereon shall be paid to the insurance company.

2. After the period of three years The Authority may allow the insurance company to withdraw any part of the deposit or the whole deposit made by it if The Authority is satisfied that the solvency margin is available as prescribed.
3. If The Authority is dissatisfied with the Solvency of the Company, it may then, extend the three-year period or increase the value of the guarantee or both, subject to the provisions of Article 15 (repeated).
4. regulations may be made by the Authority, with respect to the payment of deposits, and the investment thereof or dealing therewith, or regulating deposits of stock or other securities in lieu of money, the payment of interest from time to time accruing due to any securities in which deposits are for the time being invested, and the withdrawal and the transfer of the above deposits.

Article (15) Rep: In the event that any national company fails to maintain the prescribed solvency margin at the date of any balance sheet, then such company shall postpone allocation of profit to the shareholders for this balance sheet and appropriate an amount of such profits to the extent that rehabilitates its financial positions. If all the profits prove to be unsatisfactory for such purpose, The Executive President may grant it a respite for a period of not more than twelve months on which the company shall submit to the Authority, on a date to be determined by the Executive President, a report on its financial position so as to prove such rehabilitation. However, if the report indicates that the company has not attained solvency margin, mentioned before, the company shall cover the shortage in the first ordinary balance sheet.

Part IV Regulations Regulating Administration & Accounts

Article (16): 1. Every insurance company shall maintain a principal office in the Sultanate of Oman and appoint a responsible manager. The company shall notify The Authority in writing of the location and address of its principal office and the name of its responsible manager.

2. If the insurance company changes the address of its principal office or appoints a new responsible manager, the insurance company shall, within thirty days of the changes having taken place, give notice thereof to The Authority in writing.
3. The Authority may direct an insurance company to terminate the services of principal manager if it appears to The Authority that the officer is not a fit and proper person to be a principal manager.
4. "The principal manager" means a person employed by the insurance company or an agent, who, either alone or jointly with one or more other person, is responsible under the immediate authority of directors or agents for the whole of the insurance business of the company.
5. In the context of articles 4.5.6.7 and 8 of this law the insurance company shall also mean the insurer whose office may be outside the Sultanate of Oman but who may be licensed to continue his activities in accordance with terms of articles 51 and 52 of this law, through an agent or a representative.

Article (17): 1. Every insurance company shall within one month of beginning to carry on life insurance business, appoint an actuary as actuary to the company; and whenever the appointment under this article comes to an end the company shall as soon as practicable make a fresh appointment.

2. A company making an appointment under this article shall within fourteen days serve on The Authority a written notice stating that fact and the name and qualifications of the person appointed; and if an appointment under this article comes to an end the company shall within fourteen days serve on The Authority a written notice stating that fact and the name of the person concerned.

3. The Authority may exercise the same power in respect of the actuary as The Authority has under article 16 (3) in respect of the principal manager.

Article (18): 1. Every insurance company shall with respect to each financial year of the company and on the basis of accounting records, prepare a revenue account for the year, a balance sheet and a profit and loss account of the year.

2. The accounting records shall be such as to :
 - a. disclose with reasonable accuracy, at any time, the financial position of the company at that time, and
 - b. enable the directors to ensure that any balance sheet or profit and loss account prepared by them under paragraph 1 can fulfil the following requirements, i.e.

Balance sheet to give a true and fair view of the company's state of affairs and profit and loss account to give a true and fair view of the company's profit and loss.

3. The accounting record shall, in particular, contain :
 - a. entries from (day to day of all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure took place;
 - b. a record of the assets and liabilities of the company.
4. The accounting records shall be kept at the principal office of the company or at such other place as the directors of the company think fit so as to be available at all times for inspection by the company's officers.
5. Subject to any direction with respect to the disposal of any records kept by a company, any accounting records which a company is required by this article to keep shall be preserved by it for at least six years from the date on which they are made.
6. If a company fails to comply with any provision of paragraphs (1) to (5) above, every officer of the company who is in default shall be guilty of an offence unless he shows that he acted honestly and that in the circumstances in which the business of the company was carried on the default was excusable and if any officer of the company fails to take all reasonable steps for securing compliance of the company with paragraph (5) above or has intentionally caused any default by the company thereunder he shall be guilty of an offence.

Article (19): 1. Where an insurance company carries on insurance business of either or both classes it shall maintain an account in respect of that class or as the case may be, each of those classes of insurance business. The receipts of that class or as the case may be, of each of those classes of business shall be entered in a separate and distinct account maintained for that class and shall be carried to and from a separate insurance fund with an appropriate name.

2. The fund for every insurance shall represent the liabilities in respect to the fund itself
3. The insurance fund of every insurance class shall be :
 - a. the absolute guarantee for the insurance policy holders of that particular class,
 - b. shall not be used directly or indirectly for purposes other than those of that business.

Article (20): Every insurance company shall set up technical provisions and reserves as prescribed in the Regulation funds and maintain them within the Sultanate for each class of insurance.

Article (21): 1. Every insurance company which carries on life insurance business:

- a. shall, once in every two years, cause an investigation to be made into its financial condition in respect of that business, including a valuation of its liabilities in respect thereof by the actuary, and
 - b. when such an investigation has been made, or when at any other time an investigation into the financial condition of the company in respect of its insurance business has been made with a view to the distribution of profits, or the results of which are made public, shall cause an abstract of the actuary's report of the investigation made.
2. For the purpose of any investigation to which this article applies the value of any assets and the amount of any liabilities shall be determined in accordance with any applicable valuation regulations.
 3. The form and contents of any abstract or statement under this article shall be such as may be prescribed.

Article (22): The accounts and balance sheets of every insurance company shall be audited in the prescribed manner by an auditor and for the purpose of this article the provisions of the Commercial Companies law 1974 relating to the audit shall apply.

Article (23): 1. National Companies shall type every account or balance sheet or summary or statement, and every report made by the auditor of the company on what is mentioned in Article (22) and deposit five copies of such documents with The Authority within six months from the end of the period about which such documents are made, and one month, at least before the meeting of the Ordinary General Meeting. National companies shall notify The Authority of any amendments to such documents within one month, at most, from the date of the approval of the balance sheet by the General Meeting.

2. A copy of each of the documents deposited pursuant to clause (1), except the auditor's report, shall be signed as follows:
 - a. In all cases, by two of the company's managers or a responsible official or the Secretary (in the absence of a responsible official).
 - b. The summary or the Statement provided in article (21) shall be signed by the actuary who has conducted the summary related examination.
3. A copy of the Auditor's report deposited pursuant to clause (1) shall be signed by the auditor.
4. The office shall ascertain that the aforementioned documents have been deposited. And in the event any of such documents is found to be inaccurate or incomplete, the office shall ask the concerned company to rectify it.
5. With each income account and with the company's balance sheet, shall be deposited any report on the company's affairs presented to the shareholders or the policy holders concerning the financial year on which such account or balance sheet is presented.
6. The national company shall notify the office of the date and place the General Meeting and its agenda fifteen days prior to the date of such Meeting. The company shall also submit to the office a copy signed by the company's General Manager of each report presented to the shareholders or the policy holders or the like on the company's business as soon as such reports are presented. The company shall likewise submit to the office a copy of the

minutes of each shareholders General Meeting within thirty days from the date of such Meeting.

The office may delegate a representative to attend the General Meeting. He may participate in discussions, but shall have no right to vote.

Article (24):1.The Authority may prescribe that an insurance company which carries on business of a certain class or description shall prepare, at such intervals and for such reports as maybe prescribed, a statement of its business of that class or description.

2. The form and contents of any statement under this article shall be such as may be prescribed.
3. Regulations may, in respect of such matters contained in a statement under this article as may be prescribed require it to be given by such persons as may be prescribed and to be annexed to the statement certificates of such matters and in such form as may be prescribed.

Article (25):1.The assets representing the fund or funds maintained by an insurance company in respect of its insurance business shall be applicable only for the purpose of that business. and the insurance company shall maintain accounts registers and other records necessary to distinguish the following:

- a. assets representing the fund or funds of life insurance.
 - b. liabilities related to this class of insurance or, if necessary to all classes of insurance.
2. Where the value of the assets mentioned in paragraph (1) above is shown, by an investigation approved by the Authority, to exceed the amount of the liabilities attributable to the company's long term insurance business the restriction imposed by paragraph (1) above shall not apply to so much of those assets as represents the excess.
 3. An insurance company may, provied that it obtains The Authority's approval, shall exchange, at fair market value assets representing a fund manitained by the company in respect of its life insurance business for other assets of the company.
 4. Any mortgage or obligation (including the obligation imposed by a court) shall be void to the extent to which it contravenes paragraph (1).

5. Money from a fund maintained by a company in respect of its life insurance business may not be used for the purpose of any other business of the company notwithstanding any arrangement for its subsequent repayment out of the receipts of that other business.
6. No insurance company shall declare a dividend at any time when the value of the assets representing the fund or funds maintained by the insurance company in respect of its long term insurance business, as determined in accordance with any applicable valuation regulations, is less than the amount of the liabilities attributable to that business as so determined.

Article (26):1. Where in case of an insurance company :

- a. there is an established surplus in which long term policy holders of any class are eligible to participate; and
 - b. b) an amount has been allocated to policy holders of that class in respect of the last preceding established surplus in which policy holders were eligible to participate, the company shall not apply assets representing any part of the surplus mentioned in paragraph a. above for the purpose other than these mentioned in article 25 (1), and
 - c. the company shall fix the amount of the surplus so allocated for distribution to policy holders of that class.
2. In this article “established surplus” means an excess of assets representing the whole or a particular part of the fund or funds maintained by the company in respect of its long term insurance business over the liabilities, or a particular part of the liabilities, for the company attributable to the business as shown on an investigation to which article 21 above applies
 3. for the purpose of this article an amount is allocated to policy holders, if and only if
 - a. bonus payments are made to them, or
 - b. reversionary bonuses are declared in their favour or a reduction is made in the premiums payable by them; and the amount of the allocation is, in case within paragraph (a) above is within the paid amount and in the case whithin para (b) above is the amount of the liabilities assured by the company in consequence of the declaration or reduction.

- Article (27):** 1. An insurance company dealing in long term insurance shall not be allowed to enter into transaction under which :
- a. a person connected with the insurance company will owe it money; or
 - b. the insurance company acquires shares in a company which is a person connected with it; or
 - c. the insurance company undertakes a liability to meet an obligation of a person connected with it or to help such a person to meet an obligation, if the right to receive the money would constitute an asset of the insurance company, the acquisition is made out of its long term funds or the liability would fall to be discharged out of those funds, as the case may be.
2. For the purpose of this article a person is connected with any such insurance company as is mentioned in paragraph (1) above if that person is not a subordinate company of the insurance company but :-
- a. controls, or is a partner of a person who controls the insurance company, or
 - b. being a company, is controlled by the insurance company or by another person who also controls the insurance company; or
 - c. is a director of the insurance company or the wife or husband or a minor son or daughter of such a director.
3. This article shall not be construed as making any transaction unenforceable as between the parties thereto or as otherwise making unenforceable any right or liabilities in respect of property.

Liabilities of uncertain value

- Article (28):** A contract entered into by an insurance company shall be void if:
- a. it is a contract under which the company undertakes a liability the amount, or maximum amount, of which- is uncertain at the time when the contract is entered into; and
 - b. it is not a contract of insurance or an insurance contract for which the company is not licensed.

- c. if the contract contains provisions which contravene the basic principles of this law.
- d. any dispute resulting from the provisions of paragraph a. of this article shall be finally settled by the competent court.

Part V

Powers of The Executive President & The Authority

Article (29):1. Any power conferred on The Executive President of The Authority shall be exercisable in relation to any insurance company and shall be exercisable on any of the following grounds:

- a. that The Executive President considers the exercise of power to be desirable for protecting policy holders or potential policy holders of the company against the risk that the company may be unable to meet its liabilities or, in the case of life insurance business, to fulfil the reasonable expectations of policy holders;
 - b. that it appears to him that the company has failed to satisfy an obligation to which it is or was subject by virtue of this law;
 - c. that it appears to him that the company has furnished misleading or incorrect information to The Authority under or for the purpose of any provision of this law;
 - d. that he is not satisfied that adequate arrangement are in force or will be made for the reinsurance of risks against which persons are insured by the company in the course of carrying on business, being risks of a class in thle case of which he considers that such arrangements are required.
2. Any powers mentioned in paragraph (1) above shall also be exercisable in relation to any such company as mentioned hereinafter:
- a. if it is carrying on general insurance business, on the ground that The Executive President is not satisfied that the company is able to pay its debts;
 - b. if it is carrying on life insurance business, on the ground that he is not satisfied that the value of the assets representing the fund maintained in respect of its life insurance business exceeds the amount of the liabilities in respect of life insurance policies in accordnce with prescribec solvency margin.

Article (30):1. The Executive President may require a company :

- a. not to conduct any kind of insurance or effect contracts of insurance of a specified description;

- b. not to vary any contracts of insurance of a specified description, being contracts effected in the course of carrying on general insurance business and in force when the requirement is imposed;
- 2. A requirement under this article may apply to contracts of insurance whether or not the effecting of them falls within a class of insurance business which the company is for the time being authorised to carry on.

Article (31):1.The Executive President shall formulate the regulations regarding the investment of the assets of insurance companies. If the company has previous investment portfolio different from the one approved by The Executive President he shall be entitled to ask the company to take necessary measures to bring its investment portfolio in conformity with the one approved by him, subject to the condition that The Executive President shall give the insurance company grace period to achieve such a conformity.

- 2. A requirement under this article maybe framed so as to apply to investments which are (or, if made would be) assets representing a fund or funds maintained by the company in respect of its life insurance business or as to apply only to other investments.

Article (32): The Executive President may require that assets of a company of a value which at any time is equal to the whole or a specified portion of the amount of its domestic liabilities shall be maintained in the Sultanate of Oman:

Article (33):1.The Executive President may, in the case of a company on which a requirement has been imposed under article 32, above, impose an additional requirement that the whole or a specified proportion of the assets to which the requirement under the article applies shall be held by a person approved by him for the purpose of the requirement under this article as trustees for the company .

- 2. No assets held by a person as trustee for a company in compliance with a requirement imposed under this article shall, so long as the requirement is in force, be released except with the consent of the The Executive President.

Article (34): The Authority may require a company to take all such steps as are requisite to secure that the aggregate of the premiums :

- a. to be received by the company in consideration of the undertaking by it during a specified period of liabilities in the course of carrying on general insurance business or any specified part of such business; or
- b. to be received by a company in a specified period in consideration of the undertaking by the company during that period of liabilities in the course of carrying on long term insurance business or any specified part of such business, shall not exceed the paid up capital by a specified amount.

Article (35):1.The Executive President may require a company which carries on long term insurance business

- a. to cause the person who for the time being is its actuary to make an investigation into its financial condition (including a valuation of its liabilities) in respect of that business, or any specified part of that business, as at a specified date;
 - b. to cause an abstract of that person's report of the investigation to be made; and
 - c. to prepare a statement of its life insurance business or of that part thereof as at that date; and
 - d. to deposit the statement with the Authority.
2. For the purposes of any investigation made in pursuance of a requirement under this article the value of any assets and amount any liabilities shall be determined in accordance with any applicable valuation regulations.

Article (36):1.The Executive President may :

- a. require a company to produce, at such time and place as he may specify, such books or papers as he may specify; or
 - b. authorize any person on producing (if required to do so) evidence of his authority, to require a company to produce to him forthwith any books or paper which that person may specify.
2. Where by virtue of paragraph (1) above The Executive President or a person authorised by him has power to require the production of any books or papers from any company, The Executive President

or that person shall have the like power to require production of those books or papers from any person who appears to him to be in possession of them; but where any person from whom such production is required claims a lien on books or papers produced by him, the production shall be without prejudice to the lien.

3. Any power conferred by clause (1) and (2) or pursuant to them for the purpose of demanding any Company or person to submit books or documents, shall include the following powers:
 - a. Making duplicates or extracts from such books and documents.
 - b. Obligate such person or any other person who is or has a manager, an auditor or an official of such company to explain any of such books or documents. In the event of the difficulty of submitting the books and documents, the person who has charged with their submission shall state where they are; to the best of his knowledge and belief.

Article (37): The Executive President may require a company to take such action as appears to him to be appropriate for the purpose of protecting policy holders or potential policy holders of the company against the risk that the company may be unable to meet its liabilities or ,in the case of life insurance business ,to fulfill the reasonable expectations of policy holders or potential policy holders.

Article (37) repeated: The Executive President of the Authority shall issue a decision specifying terms and conditions for disclosure of insurance companies on all circumstance or information affecting their business or financial positions.

Article (38):1.The Executive President may, on the application or with the consent of an insurance company by order direct that for the purpose of the application to the company of all or any of the provisions to which this law applies :

- a. business of a kind specified in the order, not being ordinary life insurance business, shall be treated as being such business; or
- b. ordinary insurance business of a kind so specified shall be treated as not being such business.

2. An order under paragraph (1) b. above may direct that the business specified in the order shall be treated as falling within a specified class of business relevant for the purpose of Part I of this law.
3. An order under the article maybe subject to the conditions and may be varied or revoked at any time by the Exective President.

Part VI : Transfer Of Insurance Company's Business, Its Insolvency and Dissolution

Article (39):1.Where it is proposed to carry out a scheme under which the whole or part of the life insurance business carried on by an insurance company ("The transferor company') is to be transferred to another body ("the transferee company') the transferor company or transferee company may apply to the court, by petition, for an order sanctioning the scheme.

2. The court shall not entertain an application under this article unless the petition is accompanied by a report on the terms of the schemes by an independent actuary and the court is satisfied that the requirements of para (3) below have been complied with
3. The said requirements are :
 - a. that a notice has been published in the Official Gazette and in a local newspaper, except where the court has otherwise directed, stating the application is to be made and giving the address of the offices of which and period of which, copies of the documents mentioned in paragraph (3) , below will be available as required by that paragraph:
 - b. except where the court has otherwise directed, that a statement :
 - i) setting out the terms of the scheme; and
 - ii) containing a summary of the report mentioned in paragraph (2) above, sufficient to indicate the opinion of the actuary on the likely effects of the schemes on the long term policy holders of the companies concerned; has been sent to each of those policy holders and to every member of those companies;
 - c. that a copy of the petition, of the report mentioned in paragraph (2) above and of any statement set out under paragraph (3)b above has been served on The Authority and that a period of not less than thirty days has elapsed since the date of service;
 - d. that copies of the petition and of the reports mentioned in paragraph (2) above have been open to inspection at offices in Oman of the companies concerned for a period of not less than thirty days beginning with the date on which the notice mentioned in paragraph (3)a. above was published as required by that paragraph.

4. the court shall not make an order sanctioning the scheme unless it is satisfied that the transferee company is, or immediately after the making of the order will be, authorised under this law to carry on life insurance business of the class or classes to be transferred under the scheme.
5. In this article, 'the court' means the competent court.

Article (40): 1. Where the court makes an order under article 39 above sanctioning a scheme the court may by order make provision for all or any of the following matters :

- a. the transfer to the transferee company of the whole or any part of undertaking and of the property or liabilities of the transferor company;
 - b. the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the scheme are to be allotted or appropriated by that company to or for any person.
 - c. The continuation by or against the transferee company of any legal proceedings pending by or against the transferor company;
 - d. the dissolution of the transferor company;
 - e. such incidental, consequential and supplementary matters as are necessary to secure that the scheme shall be fully and effectively carried out.
2. Where any such order provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vested in, and those liabilities shall, by virtue of the order be transferred to and become the liabilities of the transferee company, and in the case of any property if the order so directs, freed from any mortgages or charge which is by virtue of the scheme to cease to have effect.
 3. For the purposes of any provision requiring the delivery of an instrument of transfer as a condition for the registration of a transfer of any property shall be treated as an instrument of transfer. .
 4. Where a scheme is sanctioned by an order of the court under article 39 above, the transferee company shall, within thirty days from the date on which the order is made or such longer period as The Executive President may allow, deposit two official copies of the order with The Authority.

5. In this article “property” includes property, rights and powers of every description, “liabilities” includes duties and “shares” and “debentures”.

Article (41): 1. An insurance company, being a company which carried on general insurance business, shall be deemed to be unable to pay its debts, if at anytime after the expiry of its first financial year the value of its assets does not meet the solvency margin required by this law and the provisions of this law regarding liquidation shall apply to it.

2. Repealed.

3. In the case of an insurance company which carries on life insurance business as well as general insurance business the amount of the liabilities of its life insurance business at any time shall, for the purpose of this section be taken to be an amount equal to the one calculated.

4. Regulations made for the purposes of this article may require that, in every balance sheet, prepared by an insurance company carrying on general business there shall be included a certificate :

- a. a) in such form and signed by such persons as may be prescribed by the regulations; and
- b. b) containing such statement with respect to the assets and liabilities of the company as may be so prescribed; and if any such company fails to comply with the regulations so made the value of its assets shall, in any proceedings under this article be deemed, unless the contrary is proved, not to exceed the amount of its liabilities by the amount required by paragraph (1) above.

Article (42): An insurance company which carries on general insurance business shall be dissolved also when it is required by the provisions of the articles 129 and 130 of the Commercial Companies Law 1974.

Article (43): If, in the case of an insurance company carrying on general insurance business, it appears to The Executive President, that it is expedient in the public interest that the company should be dissolved by the court, he shall present a petition for it to be so dissolved by the court unless the company was already by a court.

- Article (44):** 1. No insurance company which carries on life insurance business shall be dissolved or made the subject of bankruptcy proceeding except according to provisions of this law.
2. No insurance company, which carries on life insurance business shall be dissolved voluntarily.
 3. During a liquidation procedure of an insurance company which carries on life insurance business
 - a. the assets representing the fund or funds maintained by the company in respect of its life insurance business shall be available only for meeting the liabilities of the company attributable to that business;
 - b. The other assets of the company shall be available only for meeting the liabilities of the company attributable to its other business.
 4. Where the value of the assets mentioned in either paragraph of (3) above exceeds the amount of the liabilities mentioned in that paragraph the restriction imposed by that paragraph shall not apply to so much of those assets as represents the excess.

- Article (45):** 1. This article has effect in relation to the liquidation procedure of an insurance company, being a company exclusively carrying on life insurance business or life insurance business if the company is carrying on general insurance business.
2. The liquidator shall, unless the court otherwise orders, treat the life insurance business of the company with a view to its being transferred to another insurance company, whether an existing company or a company formed for that purpose; and in treating that business as aforesaid, the liquidator. may agree to amend any contracts of insurance in existence when the winding up order is made but shall not effect any new contracts of insurance.
 3. If the liquidator is satisfied that the interests of the creditors in respect of the liabilities of the company attributable to its long term insurance business require the appointment of a special manager of the Company's life business he may apply to court, and the court may on such application appoint a special manager of that business to act during such term as the court may direct, with such powers, including any of the power of a receiver or Manager, as may be entrusted to him by the court.

4. The court may, if it thinks fit and subject to such conditions (if any) as it may determine, reduce the amount of the contracts made by the company in course of carrying on its life insurance business.
5. The court may, on the application of the liquidator, a special manager appointed under paragraph (3) above or The Executive President, appoint an independent actuary to investigate the life insurance business of the company and to report to the liquidator, the special manager or The Executive President as the case may be, on the desirability or otherwise of that business being continued and on any reduction in the contracts made in the course of carrying on that business that may be necessary for its successful continuation.
6. The liquidator appointed by the court under the terms of this article should be a qualified person.
7. In this article “The court” means the court mentioned in Article 39.5.

Article (46): In the case of an insurance company which has been proved to be unable to pay its debts, the court may, if it thinks fit, reduce the amount of the contracts of the company on such terms and subject to such conditions as the court thinks just, in place of dissolving the company.

Valuation Regulation

- Article (47):** 1. Regulations may be issued by The Executive President with respect to the determination of the value of assets and the amount of liabilities in any case in which, the value or amount is required by any provision of this law to be determined in accordance with valuation regulations.
2. Without prejudice to the generality of paragraph (1) above, regulations under this article may provide that for any specified purpose, assets or liabilities of any specified class or description shall be left out of account or shall be taken into account only to a specified extent.
 3. Regulations under this article may take different provisions in relation to different cases or circumstances.

Part VII

Conduct of Insurance Business

Article (48): 1. Regulations may be made as to the form and contents of insurance advertisements. Regulations under this article may take different provisions in relation to insurance advertisements of different classes or description or different advertisement media.

2. In this article “insurance advertisement” means an advertisement inviting persons to enter into or to offer to enter into contracts of insurance and an advertisement which contains information calculated to lead directly or indirectly to persons entering into or offering to enter into such contracts shall be treated as an advertisement inviting them to do so.
3. In this article “Advertisement” includes every form of advertisement whether in publication or by the display of notice or by means of circulars or other documents or by an exhibition of photographs or cinematograph films or by way of sound broadcasting or television, and reference to the issue of an advertisement shall be construed accordingly.
4. Any person who issued an insurance advertisement which contravenes regulations under this article shall be guilty of an offence.

Article (49): Any person who, by any statement, promise or forecast which he knows to be misleading or deceptive, or by any dishonest concealment of material facts, or by the reckless making (dishonestly or otherwise) of any statement, promise or forecast, which is misleading, false or deceptive, induces or attempts to induce another person to enter into or offer to enter into any contract of insurance with an insurance company shall be guilty of an offence.

Article (50): 1. Regulations may be made for requiring any person who:

- a. invites another person to make an offer or proposal or to take any other step with a view to entering into a contract of insurance with an insurance company; and
- b. is connected with that company as provided in the regulations, to give the prescribed information with respect

to his connection with the company to the person to whom the invitation is issued.

2. Regulations may be made for requiring any person who in the course of carrying on any business or profession, issues any such invitation as is mentioned in the paragraph (1) (a) above in relation to an insurance company which is not an authorised insurer in respect of the contract in question to inform the person to whom the invitation is issued that the company is not such an insurer as aforesaid.

Part VIII

Foreign Insurance Companies and Supplementary Provisions

Article (51): An external insurance company may operate in the Sultanate through authorised agents, its branch office or through any other service units pursuant to the terms and conditions and requirements set out in the Regulation.

Article (52): 1. Repealed

2. Repealed

3. An insurance company which does not wish to adjust its capital, status and operations to the conditions required by this law, and has sent to The Authority statement to this effect (paragraph (1) above), has to immediately cease advertising and inviting other people to make an offer or proposal or to take any, other step with a view to entering into a contract of insurance with the company.
4. In addition to the liability of the company which has issued the policies, the agent and the manager of the office of an insurance company mentioned in paragraph (3) of this article are liable to the policy holders under the valid policies until the expiry of such policies or the transfer of the portfolio to one of the other insurance companies operating in Oman. The liability under this paragraph includes claims, outstanding claims and funds for the long term insurance business.
5. An insurance company mentioned in paragraph (2) of this article which is unable to complete the conditions required by this law within the period of twelve months from the date commencing when the date of statement under paragraph (1) of this article is sent to the Authority, has to cease its operations and the provisions of paragraph (4) of this article will be applied accordingly.

Part IX Penalties

Article (53): without prejudice to any severe penalty provided by another law, a fine of RO 10,000 minimum and RO 50,000 maximum and imprisonment for three months or any of the penalties shall be applied to :

- a. everyone who practices, in person or through mediation by another, any insurance business or any related activity without relevant licence, pursuant to the provisions of the present law.
- b. everyone who represents or mediates for or acts as an agent of direct insurance corporations or companies which are not authorised to operate in the sultanate.
- c. every manager or director or auditor or actuary or liquidator or any person in charge of the management of an insurance company who, intentionally, enters or uses false information in the balance sheet or the profit and loss account or the solvency account or in the reports or the data submitted to The Executive President or the insurance office, or deletes, intentionally, any substantial fact from any of the said documents, if it is realized that the real financial position of the company has consequently been concealed from the members of the company or The Executive President or the office or third party.
- d. everyone who, in bad faith, overvalues any of the assets of the company or undervalues the company's outstanding liabilities to substantiate the margin of such company.
- e. every manager or director or auditor or actuary or liquidator or any other person in charge of the management of an insurance company who knows the financial position of the company does not permit the fulfillment of its liabilities, without notifying the Board of directors of the company or The Authority of such fact.
- f. everyone who deposits shares or securities instead of money while he knows that the value of such shares or securities is unequal or will never be equal to the value of such money within thirty days from the date of such deposit.
- g. every manager or director or actuary or a person in charge

of an insurance company who does not take the necessary actions form the technical funds in compliance with article (20) of the present law or does not maintain such funds over the company's operation period.

- h. everyone who participate practically in distributing profits in violation of the provisions of articles (15 repeated), (20), (25) and (26) of the present law.
- i. everyone who intentionally practices insurance business in violation of article (30) of this law.
- j. everyone who intentionally practices or refrains from practising an action related to the investments of the insurance company in violation of the provisions of article (31) of the present law of the special regulations in which such provisions are mentioned.
- k. every director or manager or any person in charge of the management of the insurance who interferes evidently in the work of the company's auditors and competent persons appointed by the Executive President.
- l. everyone who hinders or interferes or offends or resists any competent person appointed by The Executive President while performing his duties pursuant to this law, or keeps or solicits or incites or encourages any other person to hinder or interfere in the work or attack or resist such competent person.
- m. everyone who makes, any time, a false report on the margin of the solvency or the life insurance policies related liabilities.
- n. every manager or director or mediator or any other person who practices insurance business in violations of article (48), (49) and (50) of the present law.
- o. every manager or director or person in charge of the insurance company's agency or branch who practices insurance business in violation of article(51) of the present law.

No penal action shall be instituted as regards the foregoing cases except on request of The Executive President or the person he may delegate.

Article (54): A fine of RO 1,000 minimum and RO 5,000 maximum shall be applied to :

- a. everyone who provides, deliberately, false information to obtain a license.
- b. Everyone who practices insurance business in violation of the provisions of article 2.2 10,17,18,19,20,21,22,23,24,25,26,27,34,35,36,37,39 and 40 of the present law. If such violations is repeated, penalty shall be in accordance with article 53.
- c. Everyone who practices insurance business in violation of the regulations issued by The Executive President pursuant to the provisions of this law. If such violation is repeated, penalty shall be in pursuance of article(53).
- d. Every manager or director or actuary or any person charged with the management who accept insurance against risks which he knows he has no or he will not have satisfactory protection against through reinsurance.
- e. Every manager or director or person in charge of the insurance agency who sends a report to The Authority notifying it, falsely, that the head office of the company abroad will take actions to satisfy the conditions provided in article 51 of the present law.
- f. Everyone, who negligently, includes or uses false information in the insurance license application or in any report or statement submitted to The Executive President or to The Authority or to the office, or omits, negligently, any substantial fact or document of any such applications, statements or reports.
- g. Everyone who, negligently, overestimates any of the assets or undervalues the liabilities of the company.
- h. Every manager or director or auditor or actuary or liquidator or any person responsible for the management of the insurance company who enters or uses, negligently, in the balance sheet or the profit and loss account false data, or omits, negligently, from any of the said documents any substantial facts related to the actual financial positions of the company so as to conceal such positions from the members of the company or The Executive President or The Authority or the office or any interested third party.

The penalty shall be decided by The Executive President or the person he delegates following an inquiry made by the authority however, such decision may be appealed to The Executive President within one month from the date of the

notification of the concerned party of the penalty. The decision of The Executive President on the grievance should be final.

Article (54) repeated: Persons who occupy positions, as specified by the Minister of Justice in consultation with the Executive President of the Authority, shall have the power of the officers of law in the application of the provisions of this law, the regulations and the decisions issued for enforcement thereof.

Article (55): 1. If it is proved that the violation of the provisions of this law has been committed by the company with the approval, connivance or negligence of a member of the Board of Directors, a principal director, a manager, secretary, any other similar employee of the company, or any person who claims that he acts in the capacity, he together with the company, shall be responsible for the violation and be subjected to trial and the resultant penalty.

2. Under the terms of this article a person shall be considered director of the company if those managing it act in accordance with his orders and instructions.

Article (56): Without prejudice to any other punishment provided for in this law, any person who infringes the provisions of the decision issued to enforce it shall, shall be punished by a fine not less than RO 10,000 (Ten Thousand Rials Omani) and not exceeding RO 100,000 (Hundred Thousand Rials Omani).

Article (56) bis: “The Board of Directors of the Capital Market Authority may reconcile any of the offences provided for in this law or the regulations or the decisions issued to enforce it, whatever is the status of the public proceedings and prior to a judgment being rendered, in consideration of payment of a sum not less than double the minimum limit of the penalty prescribed for such offence and not more than double the maximum limit. Reconciliation shall entail closure of the public proceedings in the offence.”

Part X

General Provisions & Interpretations

Article (57): Without prejudice to any international treaties, except in individual life insurance transactions, contracts or agency or brokerage may not be concluded in respect of insurance transactions as regards properties or projects in the Sultanate or liabilities arising therefrom. Brokerages may not be carried out in insurance operation except with a company registered in the register of insurance companies in Oman.

Article (58): The following provisions included in the insurance policy shall be treated as null and void :

1. A provision which forfeits the right in insurance as a result of violation of rules and regulations, unless such a violation includes a deliberately committed crime.
2. A provision which deprives the insured of his right on the grounds of delay on his part in reporting the accident against which he has been insured to the authorities, or a delay in submitting the documents, provided there is circumstantial evidence that the delay was caused by an acceptable reason.
3. A provision which has not been printed prominently and relates to the situation that leads to nullification of the right.
4. Provisions relating to arbitration, if it is included in the policy as part of its general printed conditions and not in the shape of a special agreement, separate from the general conditions.
5. Any other arbitrary condition the violation of which proves not to have caused the happening of the occurrence insured against.

Article (59): The Executive President may impose a percentage fee on the companies governed by the provisions of this law to be calculated against the total value of direct premiums due for the company on the total documents during the previous year .The fee should not exceeded 4 per cent in all insurance operations.

Article (59) repeated: A fund under the name of the name Insurance Emergency Fund shall be established at the Authority to assist in

resolving the crises facing insurance operations in the Sultanate. This fund shall be financed by a percentage of the fees stipulated in article 59 of this law . The Executive President shall issue a decision to specify this percentage, along with any other resources for the fund and to illustrate the cases which need assistance and regulate the fund's tasks.

Article (60): All the insurance policies issued ,in the Sultanate should be drafted in Arabic language or, at least, they should be accompanied by exact Arabic translation. In the event of a dispute over the interpretations of the insurance contract only the Arabic version shall be relied upon, while dealing with the Omani insured party.

Article (61):1.The term “ordinary life insurance business” used in this law means business of any of the following kinds namely :

- a. effecting and carrying out contracts of insurance of human life or contracts to pay annuities on human life;
 - b. effecting and carrying out contracts of the insurance against risks of the persons insured, sustaining injury as the result of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class, being contracts that are expressed to be in effect for a period of not less than five years or without limit of time and either are not expressed to be terminable by the insurer before the expiration of five years from the taking effect thereof or expressed to be terminable before the expiration of that period only in special circumstances therein mentioned; and
 - c. effecting and carrying out contracts of insurance whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby, in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the insured in the future, not being such contracts as fall within either of the foregoing paragraphs; but does not include industrial assurance business.
2. In this law “liability insurance business” means the business of effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties, not

- being risks arising out of, or in connection with the use of, motor vehicles or out of or in connection with the use of vessels and aircraft or risks incidental to the construction, repair or docking of vessels or aircraft.
3. In this law ‘marine, aviation and transport insurance business means, subject to paragraph (g) below, the business of effecting and carrying out contracts of insurances :
 - a. upon vessels and aircraft, or upon the machinery, tackle, furniture or equipment of vessels or aircraft;
 - b. upon goods, merchandize or property of any description whatever on board of vessels or aircraft;
 - c. upon the freight of or any other interest in or relating to vessels and aircraft;
 - d. against damage arising out of, or in connection with, the use of vessels or aircraft; including third-party risks;
 - e. gainst risks incidental to the construction, repair or docking of vessels, including third-party risks;
 - f. against transport risks (whether it is by sea, inland water or land or air or by partly one and partly another), included risks incidental to the transit from the commencement of the transit to the ultimate destination covered by the insurance;
 - g. against any other risks insurance against which is customarily undertaken in conjunction with,. or as the incidental to, the undertaking of such business as falls within this definition by virtue of any of the foregoing paragraphs;
 4. In this law “motor vehicle insurance business” means, subject to paragraph (8) below, the business of effecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.
 5. In this law “pecuniary loss insurance business” means the business of effecting and carryout contracts of insurance against any of the following risks, namely :
 - a. risks of loss to the person insured, arising from the insolvency of debtors of theirs or from the failure (otherwise than through insolvency) of debtors of theirs to pay their debts when due;
 - b. risks of loss to the persons insured arising from their having to perform contracts of guarantee entered into by them;

- c. risks of loss to the persons insured attributable to interruption of the carrying on of business carried on by them or to reduction of the scope of business so carried on,
 - d. risks of loss to the insured persons resulting from incurring unexpected expenses.
 - e. risks neither falling within any of the foregoing paragraphs nor being of a kind such that the carrying on of the business of effecting and carrying out contracts of insurance against them constitutes the carrying on of insurance business of some other class.
6. In this law “personal accident insurance business” means the business of effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident of a specified class or becoming incapacitated in consequence of disease of a specified class not being contracts falling within paragraph a and b. above.
7. In this law “property insurance business” means the business of effecting and carrying out contracts of insurance against risks of loss of or damage to material property, not being risks of a kind such that the business of effecting and carrying out contracts of insurance against them constitutes marine, aviation and transport insurance business or motor vehicle insurance business.
8. In paragraphs (2) and (3) above ‘vessels or aircraft’ include hovercraft; but the business of effecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, such hovercraft (inclusive of third-party risks but exclusive of transit risks), if carried on by a person who at the same time carries on motor vehicle insurance business but does not otherwise carry on marine, aviation and transport insurance business, shall be taken for the purpose of law to be motor vehicle insurance business.

Article (62): In this law, unless the context otherwise require:

- “Actuary”:** means an actuary possessing the prescribed qualifications or qualifications approved by the Executive President.
- “Annuities on human life”:** does not include superannuation allowance and annuities payable out of any fund applicable solely

	to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment, or of the dependents of such persons;
“Court”:	means the competent court;
“director”:	includes any person occupying the position of director by whatever name called.
“The definition of the financial year”:	shall be = (Financial Year) means the Gregorian Year.
“General business”:	means the same meaning of general insurance.
“insolvent”:	means, in relation to an insurance company at any relevant date, that if proceedings had been taken for the dissolution of the company the court could hold or have held that the company was at that date unable to pay its debts;
“insurance company”:	means a joint stock company set up in accordance with the commercial companies Law;
“life policy”:	means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract providing for payment of premiums all over a period depending on a person's life;
“life business”:	has the meaning as life insurance business;
“Life insurance policy holder”:	means holder of a policy the conclusion thereof by the insurer covering life insurance.

“policy”:

- a. in relation to ordinary life insurance business and industrial assurance business, includes an instrument evidencing a contract to pay an annuity upon human life;
- b. in relation to insurance business of any other class includes any policy under which there is for the time being an existing liability already accrued or under which a liability may accrue; and
- c. in relation to capital redemption business, includes any policy, bond, certificate, receipt or other instrument evidencing the contract with the company;

“Policy holder”:

- means the person who for the time being is the legal holder of the policy of securing the contract with the insurance company, or in relation to the capital redemption business, means the persons who for the time being is the legal holder of the policy, bond, certificate, receipt or other instrument evidencing the contract with the company, and
- a. in relation to such ordinary life insurance business or industrial assurance business that grants of annuities upon human life, includes an annuitant; and
 - b. in relation to insurance business of any kind other than such as is mentioned in the foregoing paragraph or capital redemption business, includes a

person to whom, under a policy, a registered sum is due or a periodic payment is payable;

“prescribed “:

means prescribed by regulations under this law;

“valuation regulations”:

means regulations under article 47 above.

Article (63): The Executive President of the Capital Market Authiry may issue the necessary regulations and decisions to carry out the provisions of the law.

Article (64): This law shall be published in the Official Gazette and shall be effective from the date of its publication.

**Royal Decree
No. 11/2016
Promulgating Takaful Law**

We Qaboos bin Said,

Sultan of Oman

After perusal of the Basic Law of the State promulgated by Royal Decree No.101 / 96;

The Commercial Companies Law No. 4/74;

The Insurance Companies Law promulgated by No. 12/79;

The Capital Market Law promulgated by Royal Decree No. 80/98;

After presentation to the Oman Council and

In the interest of the public

Have decreed the following

Article (1): The attached Takaful law shall be applicable.

Article (2): This decree shall be published in the Official Gazette.

**Qaboos bin Said
Sultan of Oman**

Issued on: 26th Jumada 1st 1437 AH

Corresponding to: 6 March 2016

Takaful Law

Chapter I

Definitions and General Provisions

Article (1): In this, law unless the context otherwise requires, the following words and expressions shall have the following meaning:

1. **CMA:** Capital Market Authority
2. **Board:** Board of Directors of CMA
3. **Executive President:** Executive President of CMA
4. **Company:** a company licensed to carry out Takaful Business pursuant to the provisions of this law.
5. **License:** The decision issued by CMA for carrying out Takaful business pursuant to the provisions of this law.
6. **Takaful business:** Sharia complaint cooperative business based on participations and takaful of a group of persons to encounter specific risk out of cash contributions and participations to the company for compensation against damage including re-Takaful.
7. **Participant:** Every party participating with the company in the Takaful contract.
8. **Executive Management:** Chief executive officer, general manager, financial manager, compliance officer and every person holding senior position in the company in accordance with its organizational structure.
9. **Takaful business related professions:** Takaful brokers, Takaful agents, Takaful consultants, loss assessors, claims settlements professionals and other professions determined by the Board.
10. **Actuary:** Qualified person licensed by CMA or any other entity recognized by CMA to practice the profession.
11. **Sharia Supervisory Committee:** The committee provided for in Article 22 of this law.
12. **Margin of Solvency:** The higher of minimum the capital requirement or risk based capital requirements as determined in the Regulation.
13. **Deposit:** Funds allocated to guarantee the margin of solvency the company shall maintain pursuant to the provisions of this Law and the Regulation.

14. **Contributions:** Amounts the participants are obligated to pay to the Participants' fund pursuant to Article 33 of this Law in execution of the Takaful contract.
15. **Surplus:** Total contributions, reserve and profits less expenses and indemnities paid or outstanding in the year.
16. **Transfer of business:** The company transferring all or part of Takaful contracts to which it is a party to another licensed company to carry out Takaful business
17. **Regulation:** The Regulation of this Law.

Article (2): The provisions of this law shall apply to the Takaful business in the Sultanate of Oman.

Article (3): Takaful business is divided into two branches:

1. Family Takaful business
2. General Takaful business

The Regulation shall define and set out the classes of each branch.

Article (4): No person shall carry out Takaful business or promote the same except after obtaining a license from CMA pursuant to the provisions of this law and the regulation.

Chapter II

CMA's Powers and Responsibilities

Article (5): CMA shall supervise and regulate Takaful business pursuant to the provisions of this law and the Regulation specifically:

1. Issuing the required licenses to carry out Takaful business.
2. Setting out the terms and conditions required for licensing to carry out Takaful business related professions and issuance of licenses for such professions.
3. Supervision, regulation and surveillance of companies to ensure compliance with the law and the regulations.
4. Conducting studies and setting up appropriate plans to enhance and develop Takaful business.

5. Upgrading Takaful awareness through preparation and implementation of awareness programmes.
6. Enhancing cooperation with national and foreign entities, international and regional organizations concerned with Takaful business by concluding agreements or memoranda of understanding and accession to their membership subject to the provisions of the applicable laws in the Sultanate.
7. Specifying the fees for licensing and other services CMA's renders in respect of Takaful business.
8. Issuing the circulars and directives required to regulate the Takaful insurance business.

CMA shall constitute Supreme Sharia Supervisory Committee for Takaful business to be constituted and its jurisdiction and work system, and terms and conditions for its members to be determined by decision of the Board.

Article (6): CMA shall have all the powers required to exercise its responsibilities specifically:

1. Conducting investigation in issues and acts breaching this law or the Regulation and the directives issued by CMA.
2. Assigning the actuary of the company or any other actuary, on the expense of the company, to review its financial position including valuation of its assets, obligations and all matters pertaining to the licensed activities and prepare a report thereon and submit to CMA in accordance with the procedures and timings CMA may determine.
3. Obligate the company to prepare a report on the entire activities of family Takaful and submit to CMA in accordance with the procedures and timings CMA may determine.
4. Appoint an observer member to the company's board of directors who shall be entitled to take part in the discussion and record his view in the resolutions without having the right to vote.
5. Dissolve the board of directors and appoint steering committee until a new board is elected.

Article (7): CMA shall have the right to exercise all the powers stipulated in

Article 6 of this law as and when required in any of the following cases:

1. If CMA sees that there is necessity to intervene to protect the interest and rights of participants or prospective participants from the risks of the company's inability to meet the current or expected claims.
2. The company's failure to meet any of its obligations under this Law.
3. The company providing CMA false statements or information.
4. The company's failure to take the required arrangement to ensure the Takaful business is compliant with the Sharia principles including the failure to appoint a Sharia supervisory committee or failure to comply with their decisions.
5. The company's failure to make the required arrangement to cover Re-Takaful risks
6. The company refraining from taking the required procedures to enable CMA to exercise its powers provided for in this Law and the Regulation.

Article (8): CMA shall set out the minimum terms and conditions, qualifications and experience required for directors and executive management of the company in accordance with the Regulation.

The company shall notify CMA of the resolutions appointing its board of directors and executive management within fifteen (15) days as of the date of appointment in accordance with the Regulation.

CMA may object such appointment within fifteen (15) days from the date of the notice if sees the appointment decision is detriment to the interests of the company or the participants.

The regulation shall set out the legal impact of such objection.

Chapter III Licensing

Article (9): The company shall obtain a license to carry out every branch of Takaful business, and shall obtain written approval from CMA for carrying out the activities under such branch.

Article (10): The following terms and conditions shall be met for the license:

1. Applicant shall be a joint stock company in accordance with the applicable laws in the Sultanate. If the applicant is closed joint stock company, it shall be obligated to offer its shares for public subscription in not more than two (2) years.
2. The paid up capital of the public joint stock company shall not be less than RO 10,000,000 (Ten Million Rials).
3. Provide and evidence of meeting the margin of solvency.
4. Provide an evidence of maintaining a deposit in a bank licensed to carry out Islamic transactions in the Sultanate as specified in the Regulation.
5. Provide an evidence of making the required arrangements to cover the Re-Takaful risks unless CMA deems such arrangement unnecessary based on reasonably convincing grounds the company may provide.
6. Provide an evidence of appointment of general manager or chief executive officer.
7. Provide an of evidence of appointment of Sharia Supervisory Committee in accordance with the provisions of this law
8. Payment of the prescribed fees.
9. Any other terms and conditions the Regulation prescribes.

Article (11): Licensing application shall be submitted to CMA by the legal representative of the company on the form prescribed for this purpose together with the documents stipulated in Article (10) of this law as set out in the Regulation.

Article (12): The Executive President shall decide on the licensing application within sixty (60) days from the date of submission of completed application. In the event of rejection the decision shall be for cause. Where such term lapses without deciding in the application this shall be deemed rejection.

In the event of approval CMA shall publish the licensing decision in the Official Gazette in not more than thirty (30) days from the date of approval, and grant the company a certificate indicting registration in the Licensed Companies Register showing the

licensed activities and the term of the license. The company place the certificate in conspicuous place. The company may not carry out the business before publication of the decision.

Article (13): License term is five (5) years renewable on request by the legal representative of the company to CMA two months prior to the expiry provided the company continue meeting the licensing terms and conditions and pay the fees.

Article (14): The Board may, in the framework of regulating Takaful business, suspend issuing new licenses for the terms they deem appropriate, however such decision shall be for cause. New licenses shall not be issued unless the national economy and Takaful business sector are able to accommodate the same.

Article (15): CMA shall cancel the license in the following cases:

1. If the company is no longer meeting any one of the licensing terms and conditions.
2. If the company grossly defaults any of its duties and obligations or commits any prohibited act stipulated in this law or the Regulation.
3. Other cases as specified in the Regulation.

In all cases CMA may not cancel the license if the company remedied the breach within the term CMA specifies.

Article (16): CMA shall be obligated to publish license cancellation decision in the Official Gazette in not more than thirty (30) days from the date of the decision.

Article (17): The company may, on approval by CMA, establish branches in the Sultanate or abroad as set out in the Regulation.

Chapter IV

Obligations of Takaful Companies

Part I : General Obligations

Article (18): The company licensed to carry out Family Takaful business shall appoint , prior to conducting business, an actuary whether an external or whole time employee.

The actuary shall report to CMA any facts or acts in breach of this Law or the Regulation.

Article (19): The company shall appoint an external auditor in accordance with the Commercial Companies Law subject to the terms and conditions set out in the Regulation.

Article (20): The company shall not terminate the services of the actuary or the auditor except for a reasons provided for in the Regulation. The company shall inform CMA of the intention to terminate the service of the actuary or auditor before issuing the decision.

The actuary or auditor shall inform CMA of the intention to resign ample time prior to rendering the resignation showing the reasons as set out in the Regulation.

Article (21): The company shall appoint a substitute for the resigning or terminated actuary or auditor during the term specified in the Regulation.

Article (22): The company shall constitute a Sharia Supervisory Committee comprising not less than three members including specialist in Islamic transactions (Fiqh Al Muamalat) and experts in Takaful business to supervise and regulate Takaful business of the company to ensure compliance with Sharia provisions.

The board shall be formed by a resolution of the general meeting of the company. The Regulation shall set out their powers, terms and conditions and terms of reference.

Article (23): The company shall provide CMA with evidence of maintaining deposit and margin of solvency in accordance with the procedures and timings set out in the Regulation.

Article (24): Margin of solvency shall be calculated based on the Participants' fund. Where the Participants Fund is insufficient to maintain the margin of solvency the Shareholders' Fund shall maintain it on behalf of it as set out in the Regulation.

Article (25): For the purpose of calculating the margin of solvency, assets and liabilities of the company shall be calculated in accordance with the valuation provisions in the Regulation.

Article (26): The company shall periodically undertake an assessment of its margin of solvency and submit a report thereon to CMA in accordance with terms and conditions, procedures and timings set out in the Regulation.

Where the company fails to submit copy of the report to CMA it will automatically be considered as not maintaining its margin of solvency.

Article (27): Where the margin of solvency falls the company shall promptly notify this to CMA. CMA may obligate the company to take any of the following actions:

1. Increase the capital to the required level to maintain the margin of solvency.
2. Increase the value of participations
3. Reduce costs without prejudice to the legal positions of the employees.
4. Suspend concluding new Takaful contracts or renewal of existing contracts.
5. Liquidate certain assets.
6. Any other actions specified in the Regulation.

Article (28): Where the margin of solvency falls below the required minimum limit the company shall not be permitted to make distribution of dividends to shareholders.

Article (29): The company shall maintain technical provisions and reserves as prescribed by the Regulation.

Article (30): The company must invest its assets in a manner consistent with Sharia principles and the rules prescribed by the Regulation.

Article (31): The company shall maintain assets of a value to all or a specific proportion to its liabilities within the Sultanate, in the cases and as specified in the Regulation.

CMA may specify the type of such assets referred to in the first paragraph of this Article. In all cases such assets shall be acceptable to the Sharia Supervisory Board.

Article (32): The company shall not be permitted to distribute surplus from the Participants' Fund unless:

1. There is surplus distribution and deficit coverage policy approved by CMA.
2. Participants' Fund satisfy the margin of solvency prior and after the distribution.
3. Obtain the actuary's approval with regard to distribution of the surplus in Participants' Fund pertaining to Family Takaful.

Part II

Establishment and Management of the Funds

Article (33): The company shall segregate between the Shareholders' and Participants' funds by establishing "Shareholders' Fund" and another fund for each branch of Family Takaful named "Participants Fund". The company shall manage such funds. The Regulation shall prescribe the sources of each fund, revenues, proceeds, mode of work and divisions of participants' funds and the relationship between them.

Article (34): Each fund of the funds referred to in Article (33) of this law shall create independent accounting unit, establish its books and registers as prescribed by the Regulation.

Article (35): The company shall not use the funds in the Participants' Fund except for paying the expenses of the fund management (agency) or Mudarabah share or any other expenses approved by the

Sharia Supervisory Committee. The regulation shall specify the agency fee and Mudarabah share and method of their calculation.

Part III

Records and Accounts

- Article (36):** The company shall establish and maintain books and registers and prepare financial statements showing its financial position in accordance with Accounting Standards for Islamic Financial Institutions or any other international standards as prescribed by the Regulation.
- Article (37):** The company shall submit to CMA quarterly and annual reports on its activity, results of its business and results including statements on its performance and financial position as prescribed by the Regulation.
- Article (38):** The company shall submit a corporate governance report to CMA detailing its compliance with the Code of Corporate Governance for Takaful companies as prescribed by the Regulation.
- Article (39):** The company shall submit to CMA the annual report prepared by the Sharia Supervisory committee including the company's compliance to conduct the business in accordance with the Sharia provisions as prescribed by the Regulation.
- Article (40):** The company licensed to carry out Family Takaful business must commission each year an actuarial evaluation and report approved by the actuary and submit to CMA as prescribed by the Regulation.
- Article (41):** The company licensed to carry out General Takaful business must commission, on request by CMA, an actuarial evaluation of its financial position and submit to CMA as prescribed by the Regulation.
- Article(42):** The company shall maintain records, reports, registers and financial statements at its principal place of business or at any other place in the Sultanate for a period of not less than (10) ten years from the date of the end of the register or book or delivery

of the report to CMA or the end of the transaction as the case may be.

Article (43): The company shall take procedures required to enable CMA to exercise its powers under this law, specifically submission of registers, books, documents and information CMA requests at any time and reproduction and or copying of the same, and shall dispatch its auditor or actuary or any officer of the company to provide the required explanation.

Where the records and other items mentioned in the previous paragraph are with a third party they shall submit them to CMA on request without prejudice to their rights.

Chapter V Conducting Takaful Business

Article (44): Any person obtaining information while carrying any work relating to the provisions of this law shall not use or disclose it in any manner except:

1. By operation of law or Royal Decree.
2. By decision of a competent court with regard to criminal investigation.
3. On request by CMA for the purpose of exercising its powers under this law.
4. In any other case provided a written consent of the concerned participant is obtained

Article (45): Without prejudice to the provision of Article 44 of this Law the company shall not transfer the personal and commercial information of the participants to any third party except as provided for in the Regulation.

Article (46): Advertisement for Takaful business activities shall be in accordance with procedures prescribed by the Regulation.

Advertisement in the application of this Article means promotion for Takaful business by the company or its agents to attract clients.

Article (47): The company shall submit to CMA Arabic copies of the forms, contracts, documents and advertisement used in conducting Takaful business for review and approval.

The company shall not modify the forms, contracts, documents and advertisement used in conducting Takaful business without obtaining the prior approval of CMA.

Article (48): CMA shall obligate the company to modify the forms stipulated in Article 47 of this Law in the following cases:

1. If contradicting the laws, Royal decrees, the Regulation or the decisions of CMA.
2. If contain ambiguous terms and conditions.
3. If prejudices the interests of the participants.

Chapter VI

Transfer of Takaful Business to another company

Article (49): Where it is proposed the activities of Takaful company be transferred to another company the following procedures shall be followed:

1. Submit detailed scheme to CMA together with the actuary's report and other reports mentioned in the scheme.
2. The scheme shall include what is required to enforce its provisions including transfer of assets, rights and obligation to the successor without the need for further assurances.
3. Announce the transfer scheme and publish in two daily newspapers of wide circulation in the Sultanate and at least one must be in Arabic.
4. The announcement shall include allowing the concerned access to the scheme within thirty (30) days from the date of the announcement and specifying the place for access.

Transferee to which the Takaful business in transferred shall have Sharia compliant systems and shall meet the terms and conditions specified in Article 10 of this law.

Article (50): Every interested person may object the transfer scheme to CMA in writing within sixty (60) days from the date of publication. CMA shall decide in all objection within thirty (30) days from the end of the sixty days term. In the event of rejection the decision shall be for cause. Where the thirty days term lapse without any decision in the objection the same shall be deemed rejection decision.

Article (51): CMA may, after deciding in objections and the lapse of the deadline for submitting the objections, approve the transfer scheme as is or after modification by the parties in view of what CMA sees fit. The scheme shall be deemed effective as of the date of CMA's approval or any later date.

Chapter VII Penalties

Article (52): Notwithstanding any harsher penalty provided for in any other law, any person infringing the provisions of Articles 4 and 44 of this law shall be punished by imprisonment for not less than three months and not more than three years and with a fine of not less than RO 20,000 (Twenty Thousand) and not more than RO 100,000 (Hundred Thousand) or one of these penalties.

Article (53): Without prejudice to the provisions of Article 52 of this law, CMA may, in the event the company or its board of directors or executive management or its subordinates or agents who are licensed to practice the professions relating to Takaful business, infringing the provisions of this law or the Regulation impose the following penalties:

1. Cautioning.
2. Warning
3. A fine not less than RO 1,000 (Thousand) and not more than RO 100,000 (Hundred Thousand).
4. Remove a director or executive from office.
5. Suspend the license wholly or partial for not more than one (1) year.
6. Cancel the license wholly or partially.

The penalty shall take into account the proportion between the violation and penalty in view of the circumstances, facts and repetition.

The Regulation shall set out investigation procedures, the competent authority to impose the penalty and appeal procedures and competent authority.

Article (54): The directors and executive management shall be jointly liable, each to what concerns him, with the company to indemnify the third parties for any damage caused by violation of the provisions of this Law and the Regulation.

Article (55): The Board may, prior to judgment, conduct reconciliation in violations of the provisions of Article 52 of this Law by way of financial settlement with the violator.

The Regulation shall set out reconciliation procedures and the value of settlement. In all cases the settlement shall not be less than the penalty prescribed for the offence.

Reconciliation shall entail end of the public action in the offence.

Article (56): The employees of CMA who are specified by a decision of the competent authority pursuant to the applicable laws, in consultation with the Executive President, shall have the powers of the officers of law in the application of the provisions of this Law, the Regulation and the decisions issued for enforcement thereof, with regard to the offences relating to their powers and duties.

Chapter VIII

Final Provisions

Article (57): The Executive President of the Capital Market Authority shall issue the Regulation in not more than six (6) months from the date of this Law and shall issue the decision for enforcement of this Law.

Article (58): This Law shall come into force on the day following the date of its publication in the Official Gazette.

**Royal Decree
NO. 34 / 94
Issuing The Law Of Motorvehicles Insurance**

We, Qaboos Bin Said,

Sultan of Oman

After perusal of Royal Decree No. 26 / 75 promulgating the law on the organisation the Administrative apparatus of the state and the amendments thereto; and

Royal Decree No. 12 / 79 promulgating the law of the Insurance Companies, and the amendments thereto; and

Royal Decree No. 28 / 93 promulgating the Traffic law

In the interest of the public.

Have Decreed the following

- Article (1):** The provisions of the attached law shall be applicable with respect to motor-vehicles insurance and in respect to such insurance the above said law of insurance companies shall apply in so far as it does not contradict the provisions of this law.
- Article (2):** The Executive President of the Capital Market Authority shall issue the necessary decisions for the implementation of this Law
- Article (3):** Whatsoever contradicts the provisions of this law shall be repealed
- Article (4):** This decree shall be published in the official Gazette, and shall take effect from the day following the elapse of four months from the date of publication.

**QABOOS BIN SAID
Sultan of Oman**

Promulgated on 22 Shawal 1414 AH
Corresponding to 3 April 1994

The Law Of Vehicles Insurance

Article (1): For the purposes of implementation of this Law, the following words shall have the meaning attributed to each, unless the context requires otherwise:

Executive President: The Executive President of the Capital Market Authority.

The Vehicle: Any vehicle used in transporting passengers or goods or motor cycle or wagon or trailer whether it operates mechanically or otherwise (except carts pulled by animals) and is used or intended to be used on the road within the borders of the Sultanate.

The Road: Any land passage available for vehicles driving at any place within the borders of the Sultanate.

The Passenger: Is any person seated into the vehicle (in the range of the licensed seats), or boarding or getting off.

The Insurer: Is the insurance company licensed to operate in the Sultanate.

The Insured: Is the owner of the vehicle, whose vehicle is covered by the Insurer against road accidents , pursuant to the provisions of this law, and the like; any person who drives an insured vehicle.

The Family: Are the parent of the insured, spouse and children.

Third party: Any person other than the insured and the like other than their family members, even though such person is an employee of the owner of the vehicle.

Comprehensive insurance: The insurance of the body of the vehicle itself together with third party insurance.

Accident:

whatsoever caused by the vehicle or as a result of its use or the scattering or falling of objects therefrom or its explosion or fire or theft even it is not being driven.

Article (2):a. All the vehicles should be insured in favour of third parties, in accordance with the provisions of this law and to the regulations issued by decisions from the Executive President. Such Insurance should cover all what occurs to third parties, (including the passengers of the insured vehicle) such as death, bodily injuries, medical expenses of treatment related to the accidents, and damage which occurs to third parties' properties (excluding properties which are held by insured or the like as trust or custody or possession) as a result to vehicle accidents which occurs within the Sultanate or within any other geographical territories that the insurance agreement cover.

All vehicles must be insured to cover medical treatment costs related to injuries to the insured and the alike and the members of their family due to such an accident pursuant to the provisions of this law and any rules issued by the Executive President made in connection with this law. The premium in this case shall be specified in coordination with the Capital Market Authority.

- b. Any insurer shall not refuse an application for such insurance or for renewal thereof for a vehicle subject to the provisions of this Law as far as the vehicle satisfies the stipulations stated by the traffic law. Should the insurer intend to benefit from this provisions of the law with respect to policies which are valid at the time when the law is enforced, this can be for payment of additional premium, provided the application is submitted before the occurrence of an accident entails a claim.
- c. This compulsory insurance does not cover the material damage which results directly during and from using the vehicle in excavation or lifting, or other engineering, construction and agricultural works, or in contracting or other similar works. The vehicle's running on the road from and to the site of such works shall not be a usage within the scope of this clause.

Article (3): 1. This law shall apply to the insurance policies issued or renewed on the date of this law taking effect. The insurance policies which have been issued before such date shall be valid until they are

due for renewal. The Executive President may issue a decision specifying the standard forms which the Insurance companies shall be bound to follow when issuing the Insurance policies, their annexes, application, certificates and notice of such insurance in pursuance of the provisions of the law

2. The insurer has the right to amend the premiums in accordance with any legislation which increases their obligations provided for in the current policies, before their renewal.

Article (4): The competent registration authority of the Royal Oman Police (ROP) shall not register any vehicle subject to the provisions of this law, renew its registration or licence it for traffic, or conduct any other transactions related thereto, unless the owner submits a valid insurance certificate for the whole period of its registration in accordance with the provisions of this law and the aforesaid law of the insurance companies.

Article (5): a. Neither the insurer nor the insured may cancel the compulsory insurance of the vehicle provided for by this law during the validity of the insurance as long as the vehicle is validly registered. Any such cancellation, however it occurs, will have no effect, unless a fresh insurance policy or certificate is presented to cover the remaining duration of the original insurance.

- b. If the duration of compulsory insurance of the vehicle expired, the owner shall remain solely responsible for any claim against the vehicle resulting from any accident, which takes place during the discontinuation of that insurance.

Article (6): If the vehicle is sold before expiry of its insurance, and without prejudice to the provision of the paragraph 5 (B) above, the principal insured and insurer shall be held responsible for any claim raised by a third party against the vehicle. If the insurance is comprehensive, the principal insurer shall stand responsible also for any material damage caused to it within the scope of this law. All the above applies until the name of the new owner has been notified to the registration authorities of Royal Oman Police.

Article (7): If it is proved by investigations that the responsibility of a traffic accident, is jointly between two or more vehicles, then the bodily

injured person or the heirs of the deceased who is a third party due to this accident are entitled to receive the amounts decreed by the Omani Courts against the insurers of all vehicles involved in the accident each for the percentage of responsibility of the vehicle insured therewith. However, if the investigation does not specify the percentages of responsibility of the vehicles involved in the accident, then the responsibility shall be distributed among them equally.

Article (8): The Chairman of the Capital Market Authority may, upon approval of the Council of Ministers, issue a decision creating a guarantee fund to assist the bodily injured persons and the heirs of the persons who die and to indemnify for the damage in motor vehicles' accidents where the vehicle that caused the accident is unidentified.

The decision which will be issued in this respect shall regulate the basis and rules for the operation of the fund, its financing sources, and the percentages or amounts which each source may undertake, rules for payment of such assistance as well as terms and conditions of coverage of such accidents.

The Chairman of the Authority, upon approval of the Council of Ministers, may add other cases to be covered by the fund's assistance.

Article (9): The Executive President, by a decision he issues, may determine:-

a. The minimum limits for the advantages and conditions which shall be satisfied with respect to the discretionary insurance by the insurers, the like and their families against the bodily injuries and death which may occur to them due to their vehicles accidents.

The Insurance Companies are bounded to offer such insurance to those who demand it, even if it may not be a comprehensive insurance. Further more, the Insurance Companies are bounded to disclose the advantages and the terms and conditions of such discretionary Insurance, without prejudice to the minimum limits as mentioned in each vehicle's insurance policy application, together with providing for the choice of the insured in this respect on each certificate and on the notice and insurance policy.

b. The basis for assessment and payment of the indemnity for the

material damage caused to vehicles due to traffic accidents, the insurers' responsibilities for such indemnity and the methods of distribution of the same among the parties entitled thereto. The provision of this clause shall apply in particular to the damages which occurs to the vehicles, which are proven to be involved in the responsibilities for the occurrence of the traffic accident and the damage which occurs to the vehicles which are sold through instalments deals.

Article (9)bis: Valuation of the cancelled vehicles due to accident shall be by specialized firm carrying out this business under a license issued by the Capital Market Authority in accordance with the directives issued in this regard.

Article (10): The competent court shall have Jurisdiction to hear claims that arise from the implementation and interpretation of this law.

Article(11):a.The insured shall not offer or accept any offer for the indemnification of the injured party without the written consent of the insurer. Any settlement between the insured and the injured party shall not be binding upon the insurer, if it has been concluded without its consent.

b. Whoever suffers damage from an accident covered by an insurance according to the provision of this law, may join the insurer to his lawsuit for indemnity, before any law counts or judicial authority. The joinder shall take place by service of a motive which particularly states the date of the accident, the name of the fester, the registration number of the vehicle and the number of the insurance policy and its duration.

The insurer is not bound to make payment of any amounts decreed by law court as compensation unless it has been joined to the suit and within the limits of this law and the insurance policy.

Article (12):a. If the party injured in the accident dies due to the same incident, according to a certified medical certificate, and within six months from the date of the accident, while he has been paid indemnity less than death compensation, his heirs are entitled to an amount which completes the death compensation. In case the injury compensation is equal or more than the death compensation,

- the paid compensation shall be deemed as death compensation.
- b. The injured person and the heirs of the deceased who dies in a traffic accident may join between the compensation stipulated by this Law and any other amounts payable to the same injured or deceased person pursuant to discretionary insurance policies which were concluded and obtained to cover his bodily injuries or death due to accidents.
 - c. Without prejudice to the provisions of this law the insured's responsibility towards third party or death or bodily injuries caused by the accident is limited to the full extend of what shall be judicially decreed.

Article (13): a person who suffers damage in a traffic accident shall have a direct claim against the insurer. The defence which insurer may raise against the insured shall not affect the injured person.

Article (14): The insurer, subrogates the injured person and his rights against the party responsible for the occurrence of the damage caused by persons unauthorised to drive the vehicle, to the extent of the amount paid by the insurer to the victim.

Article (15): Without prejudice to the insurer's obligation in all cases to pay the compensation due (in accordance with the provisions of this law) to third party for his bodily injuries, death, or material damages to his property, the insurer is entitled to reimburse from the insured and/or the like, the amounts which the insurer has paid pursuant to this obligation. Further, the insurer may refuse to indemnify for the bodily injuries or death which occur to them or to the members of their families (in case the vehicle insurance policy covers such risks), or the damages which may occur to the body of the insured vehicle (in case the insurance is comprehensive); all the above in the following cases:-

- a. In case the insurance has been concluded upon false substantial particulars or the insured has concealed substantial particulars, which affect the companies acceptance to cover the risk or affect the price or terms of insurance.
- b. If the accident occurs due to using the vehicle in jobs for which the vehicle is not licensed or in race, competition or speed test, or due to accepting passengers more than permitted or

due to over loading the vehicle or due to technically improper packing of the load or due to the load's extending beyond the authorized dimension of length, width or height.

- c. If the driver, whether he is the insured or another person driving the vehicle with the consent of the insured, is not holding a valid license for the type of the vehicle but not if he has been deprived of it or it has been withdrawn from him by an order issued by the competent authorities - or he has been under the influence of intoxicating material or drugs.
- d. If the accident, the death or the bodily injury has been proved to have occurred because of an act committed by the insured with the intention of causing damage the right of reimbursement of this article does not prejudice to the right of the victim towards the insurer.

Article (16):a. Cases with respect to the implementation of this law shall not be heard after the elapse of two years from the date of the accident however, in case of concealing substantial particulars concerning the insured risk or providing substantial false particulars making misrepresentation, the said prescription period starts from the date of the party interested in filing the case becoming aware about the concealed or false particulars.

- b. The prescription referred to in the preceding clause shall be deemed interrupted by a registered letter, or by submitting the documents relating to the claim, to the concerned insurer, within the aforesaid period.

Article (17):a. A fine of not less than RO 5,000 (Five Thousand) and not more than RO 60,000 (Sixty Thousand) shall be imposed upon each insurance company violating the provisions of this law or the regulations or decisions or orders issued thereunder.

- b. Where the violation is repeated by the same insurance company the Executive President may preclude it temporarily from carrying out insurance businesses provided for in Article 1 Paragraph 1/e of the Insurance Companies Law for not more than one year.

The imposition of the penalties referred to in two precedent paragraphs shall be rendered by decision for cause of the Executive President after serving written notice on the violating company in order to submit its defenses in writing within two weeks from the date it receives the notice.

Article (18): The Board of Directors of the Capital Market Authority may reconcile in the offences provided for in this law or the regulations or decisions or orders issued thereunder, whatever is the status of the public lawsuit and prior to rendering a judgment, in consideration of payment of a sum not less than double the minimum limit of the fine and not more the maximum limit of the fine prescribed for such offence. Reconciliation shall entail end of the public lawsuit in the offence.

Ministerial. Order NO. 5 / 80 Regulations For Implementing Insurance Companies Law

The Minister Of Commerce and Industry :

Having gone through the law regulating the state the the the state administrative system 1975 and its amendments, and

The Royal decree No. 12 / 79 promulgating Insurance Companies Law, and

In the interest of the public

has decided:

Chapter One Interpretations and Conditions

Article (1): In this decision the following terms shall have the meaning specified for them unless the context otherwise requires:

a. Insurance Company or the company: The joint stock company formed under Commercial Companies Law of 1974 and Insurance Companies Law issued by Royal Decree No: 12 / 79. It also means a branch or an agency of foreign insurance company governed by The Insurance Companies Law as aforesaid.

b. The Law: Insurance Companies Law issued by Royal Decree No. 12 of 1979.

c. Insurance : Direct insurance and reinsurance.

d. The Authority : Capital Market Authority in the Sultanate.

e.Auditor of Accounts :

The auditor of the company accounts who practices business in the Sultanate where his head office is located or a branch managed accountable to the competent authorities in the Sultanate.

f.The Contract:

As stated in article 28 /A of the Law, all contracts of indemnity. This definition shall exclude insurance contracts against third party liability for bodily injury, or death in which it is difficult to assess in advance the amount, or the maximum limit of liability.

Article (2): “The qualified person” referred to in article 3/d of the Law, shall mean a person who is licensed to stay and practise business in the Sultanate and who is authorised by the head office of the Company and have the following qualifications:

3. A fellow or associate of The Chattered Institute of Insurance in London C.I.I, The Casualty and Property Corporation of Underwriting in United States C.P.C.U. or equivalent approved by The Authority, or
4. University degree in addition to technical experience in the field of insurance for a period of at least five years, as an insurance underwriter in one or more insurance companies whose paid up capital is not less than the equivalent of RO. 300,000, or
5. A technical experience in insurance for a period not less than ten years out of which five years at least as an insurance underwriter, in one or more insurance companies whose paid up capital is not less than the equivalent of RO. 300,000. The experience referred to in items 2, 3 above may be, in a company association for risk management, brokerage or intermediary of insurance business, provided that the two conditions namely nature of business and paid up capital aforesaid are satisfied

Certificates of educational qualifications, experience and paid up capital, properly issued and attested shall be submitted duly attested to The Authority for approval at the time of applying for the company's license to practice insurance business.

Article (3): The actuary employed by the company shall be having one of the qualifications namely : a Fellow or Associate of London Institute of Actuaries, Scotland Institute of Actuaries, United States Society of Actuaries or diploma of the Institute of Mathematics Experts in Paris or the Italian Institute of Mathematics Experts in Rome or an equivalent diploma approved by The Authority. In all cases an attested certificate of the qualification referred to in the previous paragraph shall be presented to The Authority for approval. The actuary need not be resident or having his head office in the Sultanate.

Article (4): Branches and agencies of foreign companies shall mention the name of the authorised manager who manages the insurance business and signs all the policies issued by them in the Sultanate.

The letter of appointment of the above mentioned manager shall state his functions towards the following in particular:

- a. Maintaining the books and registers specified in the law and its directives.
- b. Direct management of the branch or agency from the technical side and in particular signing insurance policies and their amendments, receipts and documentary evidence for business transaction.
- c. Representation of the foreign company, its branches and agencies in the Sultanate, before the appropriate Omani authorities.
- d. Authorisation of someone to depute him.

Chapter Two

Registers,Accounts and Particulars

Article (5): In application of the provisions of the law and its directives, branches and agencies of foreign companies shall be treated as if any were separate entities in respect of the insurance business they conduct in the Sultanate in so far as accounts, balance sheets, revenue and expenditure accounts, profit and loss accounts, solvency margin, deposits, technical reserves, funds required to be kept in the Sultanate to meet their liabilities towards policy holders and arrangement for participations in insurance and reinsurance are concerned.

All current accounts and fixed deposits in the banks and other assets kept in the Sultanate for insurance business, which is licensed to the branch or agency to carry on, shall be in the name of the branch or agency.

Without prejudice to the provisions of the two previous paragraphs, responsibility of the foreign company for the liabilities of its branches and agencies in the Sultanate towards the insured and beneficiaries of their policies issued in the Sultanate, shall remain binding on it.

Article (6): Insurance companies in the Sultanate shall maintain the following registers for activities follow up :

1.For direct insurance :

a. Policy register: recording all insurance policies issued by the company in the Sultanate and showing the serial number of each and every policy, date of issue, names and addresses of policy holders, policy beneficiaries, sum insured, duration of the policy, amendments and changes effected to the policy.

b. Claims register: All claims raised to the company shall be entered in this register, indicating date of submitting the claim, its value, name and address of the claimant and date of claim payment. In case the claim is rejected, the date and reason of the rejection shall be entered. In all claims a serial number of the claim shall be given and the relative insurance policy number shall be stated.

2. Re-insurance Operation: The company shall maintain the following registers :

- a. **Treaties Register:** shall contain the treaty and facultative operations where shall be entered all treaties agreed upon by the company with the names, addresses of underwriters with which the treaties were signed, the date of contracting and expiry, amendments effected thereto and any other information deemed material to the treaties.
- b. **Claims Register:** All claims reported to the company against shares ceded treaties shall be entered in this register. The name of the claiming underwriter, the treaty under which the claim is payable, the amount retained by the company and reinsurers share together with the date of payment and the reserve set aside to meet that claim. If the company repudiates the claim, then the reasons and date shall also be entered.

Separate registers shall be provided for each of the following groups of reinsurance treaties and claims operations:

Insured Local - Insured Foreign

Outward Local - Outward Foreign

The company shall be liable to keep the said registers even if reinsurance is effected by the company's head office abroad. Furthermore all companies practising business in the Sultanate, shall keep a register for the funds to be maintained in the Sultanate where funds maintained in accordance to the provisions of the law and its directives with all changes therein shall be shown.

Funds pertaining to life assurance shall be shown separately from those of general insurance. This register shall be stamped by The Authority free of charge.

Article (7): Every company shall keep separate accounts for insurance classes which the company is licensed to carry out in the Sultanate as per classification shown in article 1/1 of the law.

The Authority may in addition require the company to maintain a register for particular operations of one of the above-mentioned branches. Direct revenues and expenditures shall be allotted to these accounts in their respective amounts.

Indirect expenditure which can not be specifically allotted to a certain branch, shall be charged to each branch in the ratio of the branch total premiums to the aggregate premiums of all branches.

Article (8): The company shall submit to the Authority a detailed information showing its liabilities for life assurance operation and another for general insurance operation, each statement shall include the funds retained by the company and allocated to meet these liabilities at book or market value whichever is less, at least before one month from the date of the general meeting in case of the national companies and no later than February each year in case of branches of foreign companies.

The aforementioned particulars shall be prepared in accordance with Annexure 3,4,5,6,7 to this Regulation and each one shall bear two signatures, one by the manager of the company and the other of the auditor in case of general insurance , or by the actuary in the case of life insurance.

The company shall file to the Authority un-audited quarterly reports immediately after approval by the board of directors or within 30 days from the end of the quarter which is earlier.

Article (9): The company shall submit to the Authority, within the dates mentioned in Article 8 of these Regulations, the particulars and accounts shown below, prepared in accordance with the Annexure attached to Ministerial Decision No.5/80.

- a. Balance Sheet (Annex 8) and if the company transacts any branch of general insurance business in addition to life assurance, a separate balance sheet for each shall be submitted.
- b. Profit and Loss Accounts (Annex 9).
- c. Allotment of profits accounts (Annex 10).
- d. Revenue and expenditure account for normal life assurance (Annex 11).
- e. Revenue and expenditure account for capital redemption branch (Annex 11).
- f. Revenue and expenditure account for general insurance branch (Annex 12).
- g. Statement of normal life assurance and industrial insurance premiums (Annex 13).
- h. Statement of general insurance premiums distributions branch wise (Annex 14).
- i. Statement of inward and outward reinsurances (Annex 15).

- j. Particulars of the funds and liabilities of the national company abroad (Annex 16).
- k. Solvency margin computation in accordance with the Law and its Implementing Regulations, supported by documentary evidence separately for both life assurance and general insurance groups. Moreover, The Authority may require any other information or explanation that may be necessary, and all balance sheets, accounts and particulars mentioned above must be signed by the company's manager and auditor and by the company's actuary in the case of life assurance.

Article (9)bis:1.Foreign insurance company may operate in the Sultanate through authorized agent or branch or any other unit of the company provided that:

- a. All policies shall be issued in the Sultanate if covering:
 - Risks in the Sultanate and/or created in Oman and/or related to properties in Oman.
 - Extending insurance to residents in Oman against the risks covered by life assurance policies.
 - b. Shall maintain at its office in the Sultanate:
 - A register of all the policies issued in the Sultanate showing its rights and obligations under these policies.
 - A register of the settled and pending claims under the policies issued in Oman.
 - Supporting documentary evidence of its assets in Oman.
 - c. It shall provide convincing evidence to the Authority that its accounts are subject to annual audit by accredited independent auditor.
- 2. The foreign company shall provide to the Authority an evidence that the company is established in accordance with the applicable law of the country in which its head office is located.
 - 3. The foreign company shall pay the taxes imposed in the Sultanate on the insurance profits before transfer of any funds paid as insurance premium.
 - 4. The foreign company shall deposit with the Authority at least the sum of RO 500,000 if carrying out one class of insurance and RO 1,000,000 if carrying out more than one class of

insurance. The Authority upon written request by the company may permit the company to deposit half of the said amount in the form of securities or bank guarantee letter accepted by the Authority in accordance with this regulation. The deposit shall not be released throughout the term of operation of the company in the Sultanate, also it shall not be released unless all the policies are expired and the claims settled and all life assurance policies are transferred to an insurance company operating in the Sultanate.

Article (10): The foreign company shall submit to The Authority along with the particulars and accounts required by the law and its executory directives, a copy of the balance sheet, revenue and expenditure account, profit and loss account, reports of the company's liabilities and other information which need to be furnished to the official supervisory body in compliance with the provisions of the laws of their countries of origin.

If the law of the country of origin does not call for the submission of these particulars, then the management of the foreign company shall furnish approved statements showing all assets and liabilities as at the date of the financial year's end with the appropriate details of revenue and expenditure of the company for the preceding year as per annexures 8, 9, 11, 12 attached to this order.

Article (10)bis: 1. Every insurance company shall maintain and keep the following provisions and technical reserves for each class of insurance:

- a. Provisions for unexpired risks.
 - b. Provisions for outstanding claims.
 - c. Emergency reserves.
2. For general insurance operations the company shall maintain every year:
- a. Provisions for unexpired claims at not less than 45% of the total net premiums for each class of insured operations.
 - b. Provisions for outstanding claims equal to the total estimated value of all outstanding claims for all classes of insured operations.
 - c. Emergency reserve for general insurance to be added to

its account, in case of realizing profits an amount equal to 10% of the net provisions for outstanding claims at the end of the year until the emergency reserve reaches an amount equal to the paid up capital for national companies or RO 5 Million for foreign companies. No Dividends shall be declared in any year until the deficit in the reserve is covered from the retained profits. The reserve shall not be used unless by prior approval of the Capital Market Authority.

3. For life assurance the company shall maintain the following:
 - a. General balance for life assurance equal to at least the net liabilities of all the policies at the time of valuation by the actuary.
 - b. Emergency reserve for life assurance to be added to its account each year an amount equal to 1% of the life assurance premiums until the provision is equal to the paid up capital for national companies or RO 5 Million for foreign companies.

No Dividends shall be declared in any year until the deficit in the reserve is covered from the retained profits. The reserve shall not be used unless by prior approval of the Capital Market Authority.

Chapter Three

Technical Reserves and Funds Allocated Thereto

Article (11): In the previous article of the law, the following shall be taken into consideration:

1. The “total net premiums” and “life assurance premiums referred to in items 2/a and 3/b consecutively of that article, shall be calculated by adding total direct premiums underwritten to inward premiums locally ceded less premiums cancelled and premiums ceded locally.
2. The “net premium” mentioned in section 2/c of that article shall be calculated as “total net premiums” as fixed in conformity with the previous paragraph, plus reinsurance premiums received from abroad less reinsurance premiums ceded abroad.
3. The “general reserve fund for life assurance” shall be computed by the actuary in conformity with annexures 3.4 attached to this decision.
4. Repealed.

Article (12): Each and every insurance company which carries on life assurance business, shall keep in the Sultanate monies equivalent to at least 100 % of the total liabilities resulting from that business transacted in the Sultanate, computed in accordance to annexure 3 & 4 enclosed to this decision.

These monies shall be totally separate from other monies pertaining to general insurance business, and allocated to meet the liabilities mentioned in the previous paragraph .

The provision of the first paragraph of this article shall be applied for the first time as follows :

25 % at the end of the first financial year which ends after the coming into force of this decision.

50 % at the end of the second financial year.

75 % at the end of the third financial year.

100 % at the end of the fourth financial year and the financial years following provided that a bank letter of guarantee amounting to the difference at the end of each of the above

mentioned years shall be submitted by the company. The Authority may require the company to extend the period of guarantee pending ascertainment of the above mentioned rates.

This article shall also be applicable to the company's liabilities for the general insurance business computed in conformity with annex no. (5) annexed to this decision.

Article (12)repeated:1.The insurance company may discount from the monies mentioned in Article 12 of these Regulations, the following:

- a. shares of foreign reinsures in the manner, conditions and limits stated in annexures (2) (18) Article (1) "Rights of the policyholders"
- b. the net share of the company in the unpaid claims reserve for each insured under general insurance in respect of which the company is entitled at that date to outstanding premiums, to the limits of all premiums if the insured is a government body, or a company in which the government has shares, or within the limit pf premiums which have not been due foe more than 90 days if the insured is from the private sector.

The net share of the company in the said reserve, in respect of any one insured is determined by a proportion of the total reserve of the said insured as the net total share of the company in the reserve (to all insured) in the relevant branch of insurance, after the deductions of the issued reinsurance and the participation issued in insurance proportional to the total of this reserve, before the deduction of any issued returns or participation.

2. The total value of the company's loans which are secured by one of these policies, plus any premium which might be due in connection with the policy and which remains unpaid will be considered as funds allocated to meet the rights of the holders of life assurance policies in implementation of Article 12 stated above. This will be within 90% of the value of the settlement of the policy at the date of the balance sheet.
3. Excluding investments abroad approved by The Authority in implementing Article 15 of these Regulations, all

monies which must be retained in accordance with provisions of Article 12 and this Article (12 repeated) must be invested within the Sultanate.

Article (13): If the company decided to wind up its business in the Sultanate before maintaining an amount of money kept in the Sultanate equivalent to at least 100% of its total liabilities of the policies in force at the time of stoppage, and refused to transfer the balance of its outstanding liabilities to another company acceptable to The Authority, then the deficit must be covered within twelve months from the date of intimation of the winding up to The Authority. This notice shall be given to The Authority within fifteen days from the date of the decision. Furthermore the company shall produce to The Authority within two months at most a bank guarantee, approved by The Authority for the period required to complete the coverage of the said deficit.

Article (14): The cash funds and securities required to be kept in the Sultanate by virtue of the law and its regulations, shall be deposited with a licensed bank and financial institutions from the competent authorities in the Sultanate.

The company shall submit to the Authority a certificate from the bank and financial institutions acknowledging the deposit and guaranteeing that no withdrawal of any part of the cash or securities so deposited can be allowed by the bank unless the prior approval of The Authority is obtained. The bank shall undertake to inform The Authority immediately of any change in the formation of these deposits or securities and to submit during January, each year a signed statement of the company's funds and securities so deposited as at 31st December of the preceding year and also all information regarding these monies that might be required by The Authority. The bank shall also undertake to separate the funds set aside for life assurance from those provided for the general insurance.

Article (15): Each and every company shall be required to inform The Authority, two months period to the expiry of each financial year about its proposals in connection with the investment plan of its monies during the coming financial year, in particular as regards the funds provided to meet company's liabilities towards holders of its insurance policies and the beneficiaries thereof.

The Authority shall within two months of the submission of the plan, duly inform the company with its observations.

If no reply is received from The Authority within these two months, then the plan will be treated as operative as regards that financial year.

Chapter Four

Audit Of Accounts and Actuary Investigations

Article (16): The auditor of the company's accounts shall certify in his report submitted to The Authority that the balance sheet, profit and loss account, revenue and expenditure account, outstanding liabilities, reserves, funds kept in the Sultanate and the solvency margin computation of the company's operations carried out therein have been properly prepared and that they reflect the true and fair view of the financial position of the company in accordance to the books of accounts, information and explanations presented to him. The assessment of the outstanding liabilities for life assurance referred to in article 1/1, items (a) & (b) of the law shall be excluded from the above requirements and instead shall be prepared and signed by the company's actuary.

The auditors report must also refer to the audit test checks (audit procedures) by means of which the assets physical existence has been ascertained, to the methods of valuating them and to the methods of calculating the outstanding liabilities.

The auditor shall see that the revenue and expenditure has been properly distributed between the different classes of insurance, carried out by the company in the Sultanate.

The auditor of accounts shall also be responsible to inform the company's board of directors and The Authority about the financial situation of the company if he believes that it will not enable the company to meet its liabilities, this is immediately after he discovers so. He shall be responsible to pinpoint to the company any loopholes, errors or violations that need to be opposed to, in particular if it concerns the provisions of insurance companies law and its executory directives. If the company does not comply with the auditor's notice as to correct the errors or rectify the irregularity as the case may be, within one month from the date of the notice, then the auditor shall report the matter to The Authority.

The company shall see that the books, vouchers and the information necessary for the auditors function are all at their disposal. The Authority may appoint another auditor or re-appoint the same auditor who reported on the accounts of the company by virtue of this article to reaudit the accounts of the company if The Authority decides that this report is inadequate for discharging the obligations imposed by this article upon the auditor. The reaudit shall be conducted after hearing from the representatives of the company and at the company's cost.

Article (17): The actuary of the company shall prepare his report by virtue of article 35 & 21 of insurance companies law in accordance with annexure1,2 attached to his decision together with their forms duly signed by him.

The company shall submit a copy of the actuary's report with the enclosures to The Authority within six months from the date of period subjected to the actuary's investigation alongwith a declaration from the management of the company acknowledging that all the information and details necessary to enable the actuary to calculate the correct liabilities of the company has been presented to him.

Article (18): If the company sustained losses in the life assurance group for two successive years or three years with close intervals there between, then it has to direct its actuary to investigate the financial position of that insurance class and submit a report duly signed by him to the Board of Directors of the company and The Authority showing the reasons for the series of losses and proposing how to avoid them. This report shall be submitted by the actuary within two months after the date fixed for the submission of the balance sheet and final accounts of the past year.

The company shall inform The Authority within one month after the date fixed for the submission of the actuary's report on the proposals to be followed in the light of the actuary's report and the time allowance necessary to implement the proposals. The Authority shall in its turn inform the company within another month of its views on the proposals; otherwise these proposals shall be treated as approved by The Authority.

Article (19): If it is proved that the actuary's report does not reflect the company's true financial position regarding life assurance

due to the fact that his assessment has been based on wrong unjustifiable bases with regard to factual findings The Authority after hearing the representatives of the company may order re-investigation as mentioned in the two previous articles at the company's costs.

Article (20): In the case of the company's bankruptcy or liquidation in the case of a company that practises life assurance business, then the amounts due to each holder of an unexpired policy will be assessed as equivalent to the mathematical reserve specifically set up to meet this policy as at the date of bankruptcy judgment or liquidation order calculated subject to the technical rates of the premiums as at the date of issuing the policy.

Chapter Five

Deposit and Solvency Margin

Article (21): By virtue of article (9) (repeated) of the Regulation, The Authority may allow a branch or agency of a foreign company, if it applies in writing to it to deposit half of the amount specified in that article in one of the following forms :

- a. Shares or bonds: In this case a certificate from the auditors of the accounts shall be presented to the extent that the market price of the shares or bonds is not less than the nominal value, otherwise they will be taken at the one whichever is less. Also the auditors shall certify that the party which issued the bonds if it is not a governmental body - did not fail to meet its liabilities within the preceding three years from the date of submission of the application.
- b. A banker's letter of guarantee: In this case all the companies which are operating at the time of issuance of this decision will be allowed to submit a letter of guarantee attached to the application to obtain a licence to practise insurance business, provided that the branch or agency in the Sultanate proves that at the end of the financial year in which the application was submitted, it has owned assets of the types that are admitted in computing the solvency margin, which will be sufficient to cover its liabilities towards the holders of the insurance policies issued in the Sultanate and unexpired in that date and calculated subject to annexures 3,4,5 attached

to this decision. The above mentioned condition shall be fulfilled not later than the official date fixed to submit the balance sheet and final accounts of the branch or agency:

If the condition referred to in the previous paragraph is not fulfilled in the fixed date, the letter of guarantee will be utilized for the account of the deposit. In the application of this item, the provisions of article (12) shall be considered.

- c. Shares and bonds with a bankers letter of guarantee in which case the above condition (a) & (b) shall be considered together.

Article (22): The deposit specified in articles 3/2/E, of the law and article 9 (repeated) of this regulation will be included within the assets accepted in computing the solvency margin of deposits in the form of cash or securities approved by The Authority.

The interest receivable from investing the mentioned deposits shall be entered into the revenue and expenditure account of the insurance group on behalf of which the deposit was made.

Article (22) bis: The insurance company's solvency margin required by the law shall be deemed maintained:

- a. Where the assets of the company carrying out general insurance exceeds its liabilities by the greater of the following amounts:
 - 1. RO 75,000 (Seventy Five Thousand).
 - 2. One-eighth ($\frac{1}{8}$) of the revenues of general insurance of the insurance company during the last preceding financial year.
- b. Where the assets of the company carrying out life assurance business exceeds its liabilities by RO 25,000 under life assurance policies.
- c. Where the company carrying out life assurance business together with any other class of insurance business meets the solvency margin stipulated in the previous clauses.

Article (23): 1. The assessment of the insurance company and valuation of its liabilities shall be in accordance with the rules set out in Annexure 18 to this Decision.

2. The following assets shall be excluded from the- assets accepted to complete the solvency margin:
- a. the goodwill of the business (if any);
 - b. formation expenses, other expenses and commissions paid in advance or on account;
 - c. loans, advances, debts for which managers, agents and employees are liable and uncovered by financial guarantee;
 - d. value of any share from the company's capital treated as one of the assets;
 - e. value of the loans the repayment of which is guaranteed by the company;
 - f. doubtful debts unless sufficiently provided for;
 - g. losses brought forward to the balance sheet whether shown separately or included in the head office account;
 - h. any loss of the market value falling below the book value for any assets unless a sufficient provision for covering that is made;
 - i. the debit balance of the head office of a foreign company, its branches or agencies abroad - in the book of the branch or agency in the Sultanate;
 - j. balance of deposits and current accounts, maintained with bank not approved by The Authority or balances or value of assets, the documents of which are deposited with similar banks
 - k. value of any other assets not accepted by The Authority subject to its decision in each individual case. When calculating the solvency margin, the total of the shareholders equity will be excluded from the liabilities, in case of national companies, and the head office credit balance in the case of foreign companies.

Article (24): If the company is unable to complete the solvency margin fixed by the law and calculated according to the previous article, then the profits available for distribution will be retained to complete the amount required by the law as the solvency margin for the past year until this requirement is fulfilled.

No profits can be distributed to the shareholders or transferred

abroad to the foreign company unless the deficit required to complete the solvency margin is covered.

Article (25): If a foreign company, at the time of its balance sheet is unable to complete the legal solvency margin for the two branches of life assurance and general insurance, then the company shall increase the deposit required by virtue of Article (9) (repeated) of this regulation up to the limit of the solvency margin, either by cash or securities acceptable to The Authority. This increase of deposit shall be fulfilled within a maximum of three months from the date fixed for the submission of the balance sheet.

Where no deposit is made or insufficient to prevent repetition of insolvency at the date of ordinary subsequent balance sheet, the company will be treated as insolvent. The provisions of this Article will not prejudice The Authority's right to take other measures to protect the rights of policy holders.

Article (26): The provisions of article 22,23,24,25 regarding solvency margin will be applied for the first time after the expiry of twelve months from the date of application of this decision, for the companies operating at the date of its issuance. For the companies formed after the issuance of the decision it will be effective from the date of publishing the license to practice insurance business for the first time.

Article (27): By virtue of article (9) (repeated) of this regulation regarding the deposit of the general insurance branch, the transfer of total outstanding liabilities of a foreign company to another one licensed to practice business and still carrying on business in the Sultanate, will be treated as the coming to an end, as to the transferor company only, of its insurance policies, if that transfer is accepted by the transferee company.

The Authority on grounds of that transfer may accept to release that deposit provided that all the admitted assets standing on the balance sheet of the transferor company for its liabilities are transferred along with the liabilities or, alternatively, the transferee company accepted in writing to The Authority the non-transfer of the assets.

Chapter Six

Participation and Reinsurance Arrangements

Article (28): The provisions of this chapter shall be applied to policies and certificates of direct insurance, annexures and renewals issued by the companies in the Sultanate in accordance with the laws.

Article (29): Repealed.

Article (29)bis: Repealed.

Article (30): Repealed.

Article (31): Repealed.

Article (32): Repealed.

Article (33): The company shall inform The Authority about the particulars of reinsurance treaties in force during the month next to the implementation of this decision and also similar particulars of any new treaties or amendments to those in force within one month of their signing. The notification referred to in this article shall be made on the form shown in annex (16) enclosed to this decision. The cases in which the company is the ceding company should be differentiated from those in which it is the reinsuring company.

Article (34): Repealed.

Article (34)bis: Repealed.

Chapter Seven Insurance Brokers

Article (35): Pursuant to the provision of article 30 of the law, it is prohibited for the company to accept insurance business through a broker other than the productive employees of the same company unless the broker is licensed to conduct insurance broking business and registered in the register purposely prepared by The Authority for this. The name of the broker and his registration number in the said register shall be stated in each and every insurance policy concluded through him.

Article (36): Engaging in broking business without first obtaining the license referred to in the previous article shall be treated as practicing unlicensed insurance business. The broker under the provisions of this chapter shall mean any person who attempts to conclude an insurance policy of insurance cover for the interest of a third party, helps or participates in any form to invite for the issue of this contract, cover or in the negotiations for this purpose, for the consideration of a remuneration, commission or of any other return of value.

Article (37): The broker shall submit an application for the license and registration in the insurance brokers register to The Authority along with the supporting documents to prove that he is satisfying the following conditions at the time of submission.

1. That he is having an experience in the field of insurance for ten years at least or having a certificate of completion of the primary school studies plus five years experience in the field of insurance. The Authority may test the applicant to see his capabilities and experience.
2. That he had paid the registration or renewal fees amounting to sixty five Omani Rials to The Authority by enclosing the supporting receipts.
3. To submit to The Authority a bank guarantee amounting to fifty thousand Rials for one year subject to renewal and to be valid all through the period of the currency of the license. This guarantee shall ensure the fulfillment of all third party rights due from the broker which are arising from insurance brokerage .

Article (38): The license and registration shall be valid for two years subject to renewal by an application to be submitted by the broker within two months at most from the expiry date of the said period. The registration shall be cancelled if no application for renewal is submitted within the grace period or if the broker is convicted of dishonesty, or offence affecting the honour or in the case of his breach of the provisions of the law or its executive directives or if he does not renew the bank guarantee referred to in the previous article during the period provided for registration or renewal.

Article (39): Each and every insurance company shall inform The Authority in writing of all actions raised against any broker affecting his professional practice, or any breach by him of the provisions of the law or its directives and also of the conviction that may be issued in any one of the above mentioned actions.

Chapter Eight

General and Final Provisions

Article (40): Payment of income tax by the company to the authorities in the Sultanate in accordance to the income-tax act and its directives in effect during the period for which the company intends to remit insurance premiums abroad, shall be treated as proper settlement to the taxes in the Sultanate on insurance profits gained as per article (9) (repeated) of this law.

Article (41): Pursuant to item (b) of article eight of the law, the following cases in particular, shall be treated as misconduct and deviations by the company from the proper insurance course:

First: If the company repeatedly refused in the absence of solid reasons acceptable to The Authority, to pay due claims to compensate the insured or proved to be following oppressive course in settling these claims.

The company would be considered as following an oppressive in settling claims if it without showing good reasons, repeatedly and in such a manner that could be taken to be common practice in transacting insurance business has committed the following acts.

- a. Deliberately misconstrued facts or policy conditions which are related to the insurance cover in dispute.
- b. If the company does not take quick fair and just action in settling claims the company's liability therefore has become reasonably clear.
- c. Forcing policy holders without any reason to raise actions in order to receive claims due under their policy through offering them much less amounts than those fairly receivable by them under these actions.

Second: If the company repeatedly, without good reasons acceptable to The Authority, attracted the business, or induced the clients of, another company practicing business in the Sultanate, whether through unethical ways of competition or speculative under cutting rates.

Third: If the company repeatedly breaches the provisions of chapter six of this decision relating to participation and reinsurance arrangements.

Fourth: If the company repeatedly and contrary to the law and its directives does not keep the necessary funds required in the Sultanate thus – as per the assessment of The Authority – endangering the financial positions of the company and the policyholders right in the Sultanate.

Fifth: If the company, even once, acted as if it were a broker by placing direct insurance policies abroad or facilitated collection of direct insurance premiums abroad, where, in compliance with the law and its directives, these policies and/or premiums should have been issued and/or collected in the Sultanate.

Article (42): A company which is operating at the issuance of this decision, may be granted, subject to a written application to The Authority, a non-renewable grace period not exceeding the 30th of September 1980 to translate the policies issued in the Sultanate to the Arabic language as per article (60) of the law.

The grace period referred to shall, however, be extended for marine and aviation insurance for another year after the aforementioned date.

Article (43): It is prohibited to the company to extend loans to its employees, management or agents unless it has free funds exceeding the amount required to be kept and also exceeding the solvency margin required by the law. Loans on account of life assurance policies shall be exempted from the above up to an amount not exceeding the surrender value of the policies.

Article (44): The company and the insured, in case of differences regarding the implementation of the policy, may agree to submit the dispute to arbitration. If both parties do not agree to the arbiter then The Authority shall appoint this and inform both parties in writing within one month from the date of intimation of the disagreement about the arbiter to The Authority.

The arbitration decision shall be final if both parties have previously agreed thereupon.

Article (45): Having decided to stop business, the company should not cancel any of its insurance policies unless after informing The Authority, the insured and the concerned beneficiaries in writing of its decision to cancel the policy. The notice shall state the number, and all particulars of, the policy together with the reasons of cancellation any shall be sent to the latest address known to the company.

Article (46): The Insurance Companies has to pay the Authority an annual nominal fee on the total insurance policies as under:

First: Insurance Emergency Fund:

- a. 0.25 % on all life insurance policies.
- b. 1 % on all general insurance policies.

Second: Regulation and Supervision Fees:

- a. 0.3 % on all life assurance policies.
- b. 0.6 % on all general insurance policies.

The fee shall be paid for every additional premium due to and collected to those insurances. Concerning the percentage of participation as stated in the Law Article No.(9) (repeated) of this regulation, the foreign company shall pay the fee directly to The Authority on behalf of the national reinsurance companies or

pay the fee for itself if joint in a coinsurance arrangement with national company.

The Company should not collect the fees from the policy holders in excess of the two percentages referred to in this article. The fees shall be shown separately on the premium's receipt.

Article (47): All companies, national and foreign, operating in the Sultanate under the provision of the law, shall apply to The Authority, before 31st March 1980, or before the end of three months from the date of implementation of this order, whichever is late, to obtain a license to continue on carrying insurance business along with an evidence that they have complied with the conditions mentioned in the law and its executive directives. Failing this, a company should immediately stop and apply the appropriate provisions of the law in this respect.

Article (48): Repealed.

Article (48)bis: Without prejudice to the authority of The Authority in accordance with the provisions of the Law of Insurance Companies, and its Implementing Regulations to give a final ruling in disputes amongst insurance companies in the Sultanate, any disputes arising between these companies shall be resolved by arbitration, in accordance with the provisions of the Second Chapter of the hearings procedure, and application for arbitration before the competent court set out in Royal Decree 84 / 23 .

Article (49): This decision shall be published in the Official Gazette and shall be effective as from the date of its publication.

Mohamed Al Zubair

Minister of Commerce&Industry

Issued on: 9 / 1 / 1989

**The Annexures Attached To The Ministerial Decision
NO. 5 / 80
Annex NO. (1)
Form Of The Actuary Report On Life Assurance Transactions
(Including Industrial Insurance)**

Company :

1. Date of assessment
2. Rate of interest applied
(in case of using more than one rate, the rate charged in each type insurance shall be mentioned)
3. The Life Table used:
(In case of using more than one table, each table shall be mentioned together with the type of insurance in which it is used. In case of using unpublished tables, the value of mathematical reserves and rate of interest used as per enclosed from no. 8 shall be mentioned).
4. The methods used in:
 - a. Assessment of liabilities (e.g. the method of calculating the difference between the present value of the Company's future liabilities and the present value of the insured further liabilities or any other method, shall be mentioned in detail)
 - b. How to arrive to the net premiums used in assessing the liabilities.
 - c. In case of contracts issued for persons below the normal level of health.
 - d. In case of contracts issued for normal persons vulnerable to abnormal risks.
5. Methods used in assessment of:
 - a. Ages at the commencement of insurance due, date of premiums and policies.
 - b. Ages at the date of assessment, remainder period up to the policy due date or to due date of last premium under the policy.
 - c. Premiums payable in periods less than one year.

- d. The cancellation of the negative theoretical values if the method of valuating liabilities necessitated that the policies must be treated as asset.
- 6. Details used in the assessment and the resultant therefrom as follows:
 - FIRST:** Particulars of the Company's activities subject to the following forms:
 - Form (1) The new life assurance transitions during the year
 - Form (2) Movement of the policies in force at the end of the year
 - Form (3) Analysis of the commercial premiums during the year
 - SECOND:** Details of liabilities assessment subject to the following forms:
 - Form (4) Summary of life assurance policies and their valuation at the date of assessment
 - Form (5) Whole life insurance in force.
 - THIRD:** Details of the assessment results subject to the following forms:
 - Form (6) Reserves at the end of the year
 - Form (7) Analysis of claims during the year
 - Form (8) Analysis of surplus during the year
 - Form (9) Appropriation of profits resulting from the assessment
- 7. Revenue and Expenditure account for the year subject to Annex No. 11.

Form NO.1

Statement Of New Life Assurance Transactions During The Year Ended 31st December 20...

Particulars	Inside the sultanate				Branches /Agencies Abroad				Total			
	No of policies	Sums Assured	Annual premiums	Single premiums	No of policies	Sums Assured	Annual premiums	Single premiums	No of policies	Sums Assured	Annual premiums	Single premiums
1.individual Policies a. Ordinary b. Industrial (individual) c. Industrial (Groups) d. Annuities (ordinary) e. Annuities (Deferred) Total 2. Group Policies a. Group (term) b. Group (Endowment)												
Total												

Form NO.2
Statement Of Movements In Policies In Force As
The Year Ended 20...
To Be Prepared For Each Of:
1.Normal Insurance 2.Industrial 3.Group

Particulars	No of Policies			Sums Assured		
	Inside the Sultanate	Out side the Sultanate	Total	Inside the Sultanate	Out side the Sultanate	Total
In force as the beginning of the year.						
Additions						
1. NewPolicies						
2. Increases in Sums Assured						
3. Revalidation						
Total						
Surrendered due to						
1. Fulfillment						
2. Death						
3. Disablement						
4. Refund						
5. Withdrawal						
6. Cancellation						
7. Reduction						
8. Other reasons.						
Total						
In force at the end of the year						

Form NO.3
Statement Of Analysis Of Commercial Premiums During The
Year....
(All Amounts In Rials Omani)

Particulars	Normal Policies			Industrial Policies			Group Policies		
	Inside the Sultanate	Out side the Sultanate	Total	Inside the Sultanate	Out side the Sultanate	Total	Inside the Sultanate	Out side the Sultanate	Grand Total
1.Single premiums 2.New premiums a. Collected b. Under collection									
Total									
3.Annuities Consideration a. Collected b. Under collection									
Total									
4. For the coming years (renewals) a. Collected b. Under collection									
Total									
5.Reinsurance inward 6.Reinsurance outward									
Total									

FormNO.4

Summary Of Assurance Policeis and Their Valuation As On 31 December 20....

Particulars	Details on policies included in the process of valuation				Calculated as per life Tablewith interest		
	NO. of policies	Sums Assured & awards	Annual commercial premiums	Net annual premiums used in the sultanate	Present value of sums Assured & awards	Present value for annual commercial premiums	Present value for net annual premiums
Life Insurance: 1.With profit sharing - Whole life - Other types (to be mentioned in details) - Additional premiums							
Total with profits life insurance							
2.Without profits - Whole life - Other types (to be mentioned in details) - Additional premiums							
Total without profits life insurance							

Form No.4 Contd.
Summary Of Assurance Policies And Their Valuation
As On 31 December 20....

Particulars	Details on policies included in the process of valuation				Calculated as per life Tablewith interest		
	NO. of policies	Sums Assured & awards	Annual commercial premiums	Net annual premiums used in the sultanate	Present value of sums Assured & awards	Present value for annual commercial premiums	Present value for net annual premiums
3. Capital Insurance - With profit - Pure endowment insurance - Insurance for a limited term - Endowment insurance for children - Deferred insurance for children - Other types(to be mentioned in detail)							
Total with profit capital insurance							
4. Without profits - Pure endowment - insurance for limited term - Endowment insurance for children - Deferred insurance for children - Other types(to be mentioned in detail)							
Total without profits capital insurance							

Form No.4 Contd.
Summary Of Assurance Policeis And Their Valuation
As On 31 December 20....

Particulars	Details on policies included in the process of valuation				Calculated as per life Tablewith interest		
	NO. of policies	Sums Assured & awards	Annual commercial premiums	Net annual premiums used in the sultanate	Present value of sums Assured & awards	Present value for annual commercial premiums	Present value for net annual premiums
Grand total of insurance (gross) Deduct reinsurance							
Grand total of insurance(gross) (gross) Deduct reinsurance							
Total sum of insurance (net)							
Amendments (if any)(to be detailed in groups)							
Grand total							
Annuities: 5. Total deferred annuities -Deducted reinsurance							
Net deferred annuities							
6.Total instantaneous Annuities (types to be mentioned in detail) - Reinsurance discounts (to be mentioned in detail separately)							
Net instantaneous Annuities							
Grand total for instantaneous Annuities							

Form No.4 Contd. Summary Of Assurance Policies And Their Valuation As On 31 December 20....

Notes:

1. companies shall submit separate details in a form for transactions transacted outside the Sultanate .
2. a separate summary for reinsurance transactions inside or outside the sultanate shall be submitted ,similar to this form..
3. The term (additional premium) shall mean the additional charge against any risk not accounted for at the time of fixing the premiums for insurance contract This shall include additional premiums to cover disablement and accidents .if the age of the insured is raised ,this does not necessarily lead to an additional premium.

A Statement Of Additional Premiums Shall Be Prepared As Follows:

THE DESCRIPTION	ADDITIONAL ANNUAL PREMIUMS FOR			TOTAL
	DISABLEMENT	ACCIDENTS	ABNORMAL RISKS	

4. For profit sharing policies, the number of annual premiums payable before these policies can have the right to receive awards shall be mentioned.

Form No. 5
Whole Life Assurance With Premiums Payable During The Life
Time In Force On 31 December 20...

Age used in assessment	With profit				Without profit			Age used in assessment
	Sum assured	Refunded award	Annual premium		Sum Assured	Annual Normal	Premium additional	
			Normal	Additional				

Form No.6
Researves As On 31 December 20.....

Particulars	Mathematical reserve			Reserve for outstanding claims		
	Inside the sultanate	Out side the sultanate	Total	Inside the sultanate	Out side the sultanate	Total
FIRST: Individual policies 1. Normal policies 2. Industrial polices						
Total						
SECOND: Group policies 1. Term 2. Endowment						
Total						
Grand Total						

Form No.7
Statement Of Claims Analysis During The Year
For: 1. Normal Insurance 2. Industrial Insurance
3. Group Insurance 4. Annuities

Particulars	Amounts paid			Outstanding			Total			Remarks
	Inside the Sultanate	Out side the Sultanate	Total	Inside the Sultanate	Out side the Sultanate	Total	Inside the Sultanate	Out side the Sultanate	Grand Total	
1. Fulfillment										
2. Death										
3. Disablement										
4. Withdrawal										
5. Refund										
6. Annual payment										
7. Cash awards										
8. Awards to reduce premiums										
9. Other reasons.										
Total										

Form No.8
Statement Of Surplus Analysis During The Year

Particular	Actual value	Expected value according to the assessment	The surplus	Deficit
- Investment earnings				
- Death				
- Liquidation				
- Cancellation				
- Awards				
- Expenses				
- Provisions				
- Other items				
Surplus or Deficit				

Form No.9

Statement Of The Distribution Of Profits Resulting From The Assessment At The End Of The Year 20

Debit Side

Credit Side

Particular	R.O	Particular	R.O
Amounts of surplus show in the analysis of surplus (Form No .8)	Amounts provided for insurance policyholders sharing in profits
Amount paid as awards		shareholders	
		For special reserve funds or for other accounts	
		Transferred to reserve fund for Life Assurance	
Total		Total	

Notes:

1. The total of the credit and debit sides shall be equal.
2. The basis for distribution of profits between the share holders and the policyholders shall be mentioned and whether these bases were stated in the memorandum, articles of association or any other resolution.
3. Statement of specimens for awards provided for each R.O.100sum assured for whole life assurance and endowment for ages 20,30,40 and 50 years at the beginning of insurance and valid for five and ten year or more for each five years consecutively.

Annex No.(2)

Form Of Actuary's Report On Capital Redemption Transactions (If Any)

COMPANY:

1. Date of assessment
2. Date of interest used
(reasons to be stated in case of using more than one rate)
3. Methods of assessing liabilities.
(the method of assessing liabilities shall mention whether by calculating the difference between the present value of the company's future liabilities and the present value of the insured future liabilities or any other method (to be detailed). If several methods have been used for different classes of insurance these must be detailed separately)
4. Methods of calculating the premiums used:
(The method of arriving to the premiums in each method of liability assessment shall be mentioned).
5. Total charge allotted for future expenses and awards:
(To be mentioned as a percentage of the total commercial premiums; awards are those resulting from the method of liabilities assessment)
6. The method of assessment regarding:
 - (a) The reminder period from the date of assessment up to the policy due date or the due date of the last premium payable under the policy.
 - (b) Premiums payable at periods less then one year.
7. Particulars used in the assessment and those resulting there from as follows:
FIRST: particulars of the company's activity subject to the following forms :
 - Form (1) capital redemption fund, new operations
 - Form (2) movement of capital redemption funds policies in force at the end the year.**SECOND:** Particulars of liabilities assessment subject to the following forms:
 - Form (3) summery of assessment of capital redemption funds operations**THIRD:** Particulars of assessment results subject to the following forms:

Form (4) Technical reserves and reserve for outstanding claims

Form (5) Statement of surplus analysis of capital redemption funds policies.

8. Bases of profits distribution between shareholders and policyholders.

(It should be mentioned whether these bases were mentioned in the company's memorandum, articles of association or any other resolution).

9. Revenues and expenditure accounts; (Subject to annex No.12 attached to this order)

10. The result of the assessment shall be detailed as follows;

Particulars	Amount in Rials	Particulars	Amount in Rials
Funds allotted to:			
a.profit sharing policyholders.	Amount of surplus (form No.5)
b.Shareholders.	Amount of Awards paid
c.Special reserve funds or for other accounts.	Amount transferred to profit and loss account
d.Reserve fund for capital redemption funds transactions.		
Total		Total	

Form No.1 New Capital Redemption Funds Transactions During The Year

Particulars	Inside the sultanate			Branches and Agencies outside the Sultanate			Total		
	No. of Policies	Capital	Annual Prem	No.of Policies	Capital	Annual Prem	No.of Policies	Capital	Annual Prem

Annex No.(2) Continued
Form No.1
New Capital Redemption Funds Transactions
During The Year

Particulars	Number of policies			Capital		
	Inside the Sultanate R.O	Outside the Sultanate R.O	Total R.O	Inside the sultanate R.O	Outside the Sultanate R.O	Total R.O
In force at the beginning of the year						
<u>Additions</u>						
1.New policies						
2.revalidations						
Total						
Policies expiring during <u>the year</u>						
1.Fulfilment						
2.Death						
3.Cancellation						
4.Withdrawals						
5.Refundments						
6.Other reasons						
Total						
In force at the end year						

Annex No.(2) Continued
Form No.3
Summary Of Capital Redemption Funds Assessment
As At 31 December 20

Type of operations	Particulars of policies included in the assessment				Assessment (interest at the rate of%)		
	No. of policies	Capital of the policy R.O	Annual commercial premiums R.O	Net premiums used in assessment R.O	Present value for policies capital R.O	Present value For net premiums R.O	The liability
- profit sharing(the types to be mentioned in detail) - Without profit sharing (the types to be mentioned in detail)							
Total							

Annex No.(2) Continued
Form No.4
Statement Of Technical Reserves And
Outstanding Claims As At 31 Decembe 20.....

Particulars	Mathematical reserve			Reserve for outstanding claims		
	Inside the Sultanate R.O	Outside the Sultanate R.O	Total R.O	Inside the sultanate R.O	Outside the Sultanate R.O	Total R.O
Capital Redemption Funds policies						
Total						

Form No.5
Statement Of Surplus Analysis Of Capital
Redemption Funds For Year 20....

Particulars	Actual value R.o	Expected value as per assessment R.O	Surplus R.O	Deficit R.o
-Investment earnings				
-liquidations				
- Cancellations				
-Awards				
-Expenditure				
-Provisions				
-Other items				
-Surplus or deficit				
Total				

Annex No. (3)
**Statement of the company's Liabilities and the Emergency
Reserve**
**for Life Insurance Business at the end of the
financial year ending on // 20**

Company

Particulars	Value		Remarks
	Partially R.O	Totally R.O	
- Mathematical provision - Outstanding indemnities and claims by fulfillment by death by liquidation or refund by withdrawal Annual payments Accrued awards Disablement			
Total			
- Reserve fund for reinsurance transaction outward ceded - other liabilities (to be detailed) - Total: Gross balance for life insurance (Article 10bis of the Regulation) - Emergency reserve for life insurance (Article 10bis of the regulation) total liabilities and provisions			Signature of the Actuary

Annex No. (4)

Statement of the Company's Liabilities and Emergency Reserve for Capital Redemption Funds (if any) at the end of the financial year ending on / / 20

Particulars	Value		Remarks
	Partially R.O	Totally R.O	
- Mathematical provision by fulfillment By withdrawal By liquidation or refund Accrued awards			
Total			
Other liabilities (to be detailed)			
Total liabilities and Reserves			Signature of the Actuary

Annex No. (5)

Statement of the company's liabilities and emergency reserve for general insurance business according to the Law at the end of the financial year ending on / / 20

Company

Class of insurance	Unexpired Risks Provision					Outstanding Claims Provision			Emergency Reserve			remarks		
	1 gross premiums (direct and local inward)	2 total reinsurance ceded locally)	3 the net (1-2)	4 45% of the net of the financial year	5 100% of the next years for long term policies	6 total (4+5)	7 total outstanding indemnifies (direct and local inward)	8 expected to be refunded from local reinsurance	9 net outstanding claims (7-8)	Total of technical provision to be made in accordance with the law (liabilities 6 and 9)	10 within the maximum of 10% of net outstanding claims		11 emergency reserve of previous year	12 total emergency reserve (10,11) at 100% maximum of paid up capital of national insurance companies and RO 5 million for foreign insurance company
1. Liability insurance.														
2. Marine, Aviation & transport insurance:														
a. Marine transport(goods).														
b. Aircraft.														
c. Land transport.														
d. Marine hull.														
e. Aviation insurance.														
3. Vehicle insurance.														
4. Pecuniary losses insurance.														
5. Personal accidental insurance.														
6. Property insurance.														
7. Other type of insurance.														
Total														

Annexno. (6)

Statement Of The Company's Fund Allotted In Conformity With The Law

To Meet Liabilities Towards Policy Holders As At The End Of The Financial Year 20....

Company

Particulars	Number	Nominal value	Market value	Value				Place of deposit	Remarks
				Book value		Market value			
				Partial	Total	Partial	Total		
1. Real Estate.									
2. loans guaranteed by insurance policies.									
3. loans guaranteed by other means (to be detailed).									
4. Securities:									
a. Govt .of Sultanate of Oman bonds.									
b. Bonds guaranteed by the Gov.									
c. Other bonds (detailed).									
d. Shares in national Companies (detailed).									
e. Shares in foreign companies (detailed).									
5. Fixed cash deposits in housing bank.									
6. Fixed cash deposits in other banks(to be mentioned in detail).									
7. Bank current accounts (within 25%of these accounts as the end of financial year).									
Total									

Notes:

1. The statement shall be prepared for each of: life assurance operations (including industrial insurance, capital redemption funds (If any) (Article 61/c of the law), and general insurance each one separately.
2. A certificate from the actuary shall be submitted along with this form certifying that the loans against life assurance policies are within the surrender values of these policies.
3. The securities name shall be mentioned as per the names mentioned in the official prices circular of the stock exchange (if any) or subject to the name of the company whose shares held by the insurance company.

Annex No (7)
Statement Of The Real Estate Forming Part Of The Company's
Funds Allotment
Pursuant To The Law To Meet Liabilities Toward Policy Holders
As The End Of Financial Year 20.....

Company

Address of the Real estate	Book value of the Real Estate					*Particulars of company's ownership to the Real estate			Remarks
	Value at the beginning of the year before depreciation	Additions during the year	Disposal during the year	Value as at the end of the year before depreciation	Accumulated depreciation	No. of the Certificates	Date of the Certificate	Certifying office	

Notes:

1. special statement shall be prepared for building allotted for life assurance (including industrial insurance).Capital Redemption funds and General Insurance ,each one separately.
2. *Details of the acquisition contracts of the building allotted during the year only to be mentioned.

Annex. (8)

Balance Sheet And Final Accounts

At The End Of The Financial Year Ending On / /20....

Company

Assets			Liabilities				
Current year		particulars	Previous year	Current year			Previous year
RO	RO		RO	RO	RO		RO
		Investments Real estate securities (detailed information shall be attached) Government of Sultanate's bonds. Bonds guaranteed by government. Other bonds Share in national companies Share in other companies Loans: - Guaranteed by life insurance policies. - Guaranteed by capital redemption funds policies. - By other guarantees. Fixed cash deposits in housing bank (guarantee) - For life insurance and capital redemption funds				Paid up capital (or for foreign companies Head Office current account) Legal and general reserve (details to be mentioned) Total shareholders Equity - Emergency Reserve Provisions for life insurance and capital redemption mathematical provision outstanding indemnities and claims provision general insurance provision Unexpired risks provision Outstanding indemnities and claims provision	

Annex. (8) Continuation

Assets			Liabilities				
Current year		particulars	Previous year	Current year			Previous year
RO	RO		RO	RO	RO		RO
		<ul style="list-style-type: none"> - for general insurance Total investments <ul style="list-style-type: none"> - Cash in hand and at banks - Current accounts in banks Debtors for insurance and reinsurance transactions <ul style="list-style-type: none"> -Receipts under collection -Insured current accounts Local insurance and reinsurance companies foreign insurance and reinsurance companies (current account) Insurance and reinsurance companies (reserve funds for reinsurance operation) Insurance and reinsurance companies (debit balance for reinsurance treaties) Insurance and reinsurance companies (reserve funds for reinsurance operation) Insurance and reinsurance companies (debit balance for reinsurance treaties)				Provisions for: Depreciation for buildings and constructions Transportation and travelling means Office furniture and equipment For taxation For doubtful debts For fall in securities prices For post service gratuities From differences in prices of foreign exchange For Judicial claims and liabilities For premiums under collection or cancellation For promotion of production (details to be mentioned) Creditors for insurance and reinsurance operations Local insurance and reinsurance companies Foreign insurance and reinsurance companies	

Annex. (8) Continuation

Assets			Liabilities				
Current year		particulars	Previous year	Current year			Previous year
RO	RO		RO	RO	RO		RO
		debtors and other debit balances Agents and producers investments Revenue and interest due Debtors and debit current account Prepayment and other debit balances Other assets Transportation and travelling means Office furniture and equipment				(current account) (Reserve fund for reinsurance operations) Insurance and reinsurance companies (Credit balance for reinsurance treaties) Creditors and other credit balances Taxation Agents and producers Creditors and current credit accounts Other dues and credit balances	
		Total assets				Total liabilities	

Note:

Special balance sheet shall be submitted for each of life insurance group, and general insurance group in addition to the consolidated balance sheet.

Annex No. (9)

Profit And Loss Account For The Financial Year Ended / /20

Debit Side				Credit Side			
Current year		particulars	Previous year	Current year		Particulars	Previous year
RO	RO		RO	RO	RO		RO
		Transferred from revenue and expenditure Account (to be mentioned in detail) Provisions : For depreciation (to be detailed) For all securities and other Investment prices For premiums under collection and cancellation - for life Assurance Group - for General Insurance Group For doubtful loans and debts For difference in foreign exchange For judicial claims For taxation For other liabilities				Transferred from revenue & expenditure Account Life Assurance Group Ordinary life Branch Industrial Insurance Branch General Insurance Group: Liability Insurance Marine insurance (Cargo) Airfreight insurance (Cargo) Land transit insurance Hull insurance Aviation insurance Motor vehicle insurance Pecuniary loss insurance Personal accident insurance Property insurance Other insurance	

Debit Side			Credit Side				
Current year		particulars	Previous year	Current year			Previous year
RO	RO		RO	RO	RO		RO
		Due interest Previous years expenses Previous years returned reserves Capital losses (to be detailed) Distributable surplus (net profit)				Net income from investments (Non allotted) (To be detailed) capital gains (To be detailed) previous years and miscellaneous revenue	

* shall include Capital Redemption funds to in referred to in Article 61/C of the law (if any)

Annex No. (10)
Profit Appropriation Account for the Financial
Year ending on / / 20

Company

Debit Side

Credit Side

Current year		particulars	Previous year	Current year		Particulars	Previous year
RO	RO		RO	RO	RO		RO
		Carried forward Profits account (opening of term) Net profit or loss carried forward from profit and loss account				Carried to legal provision Carried to emergency reserve Directors Remuneration Proposed dividends Other distributions Carried forward profits (profit/loss) (at the end of the term)	

In the case of deficit in the emergency reserve, it shall be taken into account and included in the notes and details in the financial statements

Annex No. (11)

Revenue And Expenditure Account For Life Assurance For The Year Ended / / 20

Company
Debit Side

Credit Side

Current year		particulars	Previous year	Current year			Particulars	Previous year
RO	RO		RO	RO	RO			RO
		Claims paid & under settlement By fulfilment By death Liquidation or restitution Withdrawal Annual payments Annual awards Awards used to reduce Premiums, pensions, Disablement Reinsurance share The Net : Commissions & cost of Production paid General & administrative expenses Other expenses (to be detailed)					Reserve fund (opening of year) Gross premiums (including co-insurance & Reinsurance)*** Outward Co-insurance & Reinsurance ceded ** Net Premiums Commissions collected from reinsurers Net investment income	

Current year		particulars	Previous year	Current year		Particulars	Previous year
RO	RO		RO	RO	RO		RO
		Provisions: Post service benefits Depreciation of buildings Other provisions (to be detailed)** Reserve fund (closing year) Surplus				Other revenues : Policy issuing and amendment charges Capital profits (for depreciation and disposal of assets) Others (to be details) Deficit	

*A company that practises capital redemption funds as part of life assurance shall submit an amount similar to this and excluding unnecessary items. That account shall be headed as (Annex No.11 Bis).

**their particulars shall be mentioned in detail for companies eligible to invest in real estate

Note:

Industrial insurance – If any –shall be included within the above revenues account

Annex No. (12)

Revenue and expenditure account for General Insurance Branch for the Financial Year ending on / / 20

Company

Debit Side				Credit Side			
Current year		particulars	Previous year	Current year		Particulars	Previous year
RO	RO		RO	RO	RO		RO
		Claims paid: gross Share of re-insurers Net Commissions and cost of production General and administrative expenses Provisions Provisions for post service benefits Provisions for depreciation (to be detailed) Other provisions (to be detailed) Company's liabilities towards policyholders at the end of the year				Companies liabilities Towards policyholders at the beginning of the year Provision for unexpired risks Provision for outstanding claims Total premiums Reinsurance ceded outward Net premiums Commissions received from reinsurers Net income from investment Other income Issue and amendments of policies dues	

Debit Side				Credit Side			
Current year		particulars	Previous year	Current year		Particulars	Previous year
RO	RO		RO	RO	RO		RO
		Provisions for unexpired risks provisions for outstanding claims Surplus				Capital gains (from depreciation and disposal of assets) Other Deficit (to be mentioned in detail branch wise)	

Note:

If the company is also carrying out similar business abroad, it shall be required to submit these particulars under the following headings:

- A. Operations inside the Sultanate.
- B. Operations outside the Sultanate.
- C. Total.

Annex No. (13)

Statement Of Ordinary Life Assurance And Industrial Insurance Premiums

Distribution During The Year Ending ---/---/20

Company

Debit Side

Credit Side

particulars	Individual Policies		Group RO	Total RO	Capital Redemption RO
	Normal RO	Industrial RO			
Direct Premiums					
Inward Co-insurance Premiums					
Inward local reinsurance					
Inward foreign reinsurance (from abroad)					
Total (A)					
Deduct:					
Outward co-insurance premiums					
Outward local reinsurance (reinsurance locally ceded)					
outward foreign reinsurance (ceded abroad)					
Total (B)					
Net Premiums (A-B)					

Annex No. (14)

Statement Of General Insurance Premiums Distribution During The Financial Year Ending / /20

Company

Particulars	Marine, aviation & transport insurance					Motor vehicles insurance RO	Pecuniary insurance RO	Personal accident insurance RO	Property insurance RO	Other types of general insurance RO	Pecuniary insurance RO
	Liability insurance RO	Marine Cargo RO	Air-Freight argo RO	Land Transport RO	Marine Hull RO	Aviation RO					
Insurance branches											
Particulars											
«Direct Writing»											
Co-insurance Inward(+) Co-insurance outward(-)											
Direct premiums:											
Inward local reinsurance (receivable)											
-inward foreign (from abroad) Total Inward Premiums(A)											
Reinsurance locally ceded											
-Compulsory -Subject to treaty-Facultative & reciprocal											
Reinsurance ceded abroad											
-Subject to treaty- FacultativeTotal reinsurance ceded abroad											
Total outward											
Reinsurance (B)											
Net Premiums (A)-(B)											

Statement for 'Direct Writing' as regards Marine & Airfreight for cargo imported to the Sultanate shall be shown separately from that of goods exported.

Annex No. (15)

Statement Of Outwad Reinsurance Operations

Main Conditions For Reinsurance Treaties Issued For The Year 20...

First : Proportional Treaties	
Branch <ul style="list-style-type: none"> - Type of the treaty - Retention limit (maximum limit) - Maximum limit of reinsurance liability - Reinsurance commission : with reciprocity without reciprocity <ul style="list-style-type: none"> - Other deductions (to be detailed) - Profit commission - Percentage of administrative expenses - Rate of commission : percentage of net profit according to profitability ratio according to loss ratio <ul style="list-style-type: none"> - Period of carrying forward losses - Interest on reserves 	
Second : Non- Proportional Treaties	
Branch <ul style="list-style-type: none"> - Type of treaty - First layer: Original retention limits Priority Maximum limit of reinsurances liability Rate of annual premium Minimum limit for annual premium No. of times of reinstating the sum reinsured Additional premium for reinstatement	
Next Layers (Each To Be Mentioned Separately) Maximum Limit Of Reinsures Liability Rate Of Annual Premium Minimum Limit For Annual Premium Number Of Times Of Reinstating The Sum reinsured Additional Premium For Reinstatement	

Note:

The Details Of The Annex Shall Be Submitted For The Current Years Treaties

Annex No.(15) Repeated

Article 32 of Regulations of the Insurance Companies Law

Facultative reinsurance operations to local & foreign companies

Name of insurance company

branch of insurance company

No .of policy or Annexure	Name of insured	Sum insured	premium	Retention	Compulsory cession to local national companies	Treaty (mention the share of each company)	Facultative (other than the compulsory cession)	Facultative for compulsory external share (mention the share of each company)	Remarks
							Locally (mention the share of each company)	Externally	

1. In case of non completion of the capacity of the agreement, the reason is to be mentioned.
2. In case any share is not attributed locally ,the reason is to be mentioned.

Signature of auditor

Signature of manager of the company

Annex No.(16)

Statement Of Funds And Liabilities Of The Insurance & Reinsurance Company Abroad

(A) Satatement Of The Company's Total Liabilities Abroad At The End Of The Financial Year Ending / /20 .

Particulars	Net liabilities of foreign Branches and Agencies
Insurance Branches	
First :Life Assurance Operations	RO
Second: General Insurance Operations	
Total	

Note:

the company shall explain the method of calculating the abovementioned liabilities.

(B) Satatement Of The Company's Total Funds Abroad (For Its Foreign Branches And Agencies) At The End Of The Financial Year Ending / /20.

Particulars	Value RO
1. Real estate	
2.Securities	
3.loans	
4.Deposits at banks	
5.Current Account at banks.	
Total	

Annex NO.(17)

**Declaration of the annual Fees Referred to in article
No.59 of the Insurance Companies Law issued
by the Royal Decree :12 / 79.**

Name of the company:

I, the undersigned in my capacity as

declare that the total premium underwritten for the financial year ending on
31st December 19 is RO Baisa .

()

Enclosed herewith is a receipt for the payment of OR Biza

representing the annual government fees payable on the above mentioned
premium.

If it is found that the underwritten premium included in the audited revenue
and expenditure account submitted as per the article 12 of law No.12 of 1979
are more than the above mentioned figure , I undertake to pay at the time
submitted the excess due thereon.

Dated on / / 19

Signature

ANNEX 18

(Article 23)

Regulations for Valuation of Insurance Company Assets and assessment of Liabilities

1.Valuation of Assets:

- a) These regulations shall apply to the valuation of assets which are linked to incentives awarded by Life Assurance Companies in accordance with income, the value or changes in value of their long term policies or to its property-linked policies, if these assets are represented in the form of stocks listed and in circulation in any officially accredited stock market; or property situated in the Sultanate or any other G.C.C. State, or loans fully guaranteed through properties mortgaged in the Sultanate or any of the G.C.C. States, provided that at the average yield of the loan through its contract can be calculated; or loans or deposits with the Government of the Sultanate or any Arab country or their Central Banks or its Organizations or Government bodies.
- b) The above mentioned shall also apply to the income from such assets.

Any assets which are not included in this Article 23 and the extent to which the value of an asset exceeds the maximum acceptable limit of value for that asset or exceeds the real value of that asset, if such is less than the maximum value, shall be ignored for the purpose of this Article:
- c) For all securities, any shares that exceed 30% of the shares owned by the insurance company in any other company shall be ignored for the purposes of evaluation.
- d) The approval of The Authority for the investments of the insurance company in accordance with Article 31 of the law and Article 15 of the Regulations shall be a pre-condition for these investments to be acceptable assets for the purposes of this Article.
- e) The term (amount of general insurance) or (amount of life assurance) to the insurance company in the application of this Article means:
 - Total technical reserves required by the Law (after deduction of local subscription and reinsurance share only).
 - other allocations of the Company (other than insurance).
 - Creditors accounts and other Credit balances
 - [As per estimations of Commitments which is carried out through application of the provisions of this Article.]

- Solvency margin of the Company in accordance with Article 12 of the Law in respect of general insurance or life assurance as the case may be.

The valuation of assets shall be as follows:

1. Real Estate

- 1.1 Vacant Lands: Its book value (cost) shall be considered valid unless valued by an accredited valuer within three years of the date of the balance sheet or (financial position). In such a case the valuation is considered valid and any debt or obligations due on the land shall be deducted from the amount of the valuation. The maximum acceptable limit for the value of properties owned by the company shall be 15 % of the total of general insurance or of life assurances of the company, as the case may be.
- 1.2 Constructed Properties: The land shall be valued in accordance with 1.1 above and depreciation is deducted on the basis of an annual rate of 5 % also any debts or obligations on the property shall be deducted. The maximum acceptable limit of the total value of constructed properties owned by the company, after the above mentioned deductions, is 15 % of the value of general insurance or the life assurance of the company, as the case may be.

2. Loans secured by a property mortgage.

The valuation of a loan or loans secured by a property mortgage shall be within 60 % of the value of the mortgaged property calculated in accordance with 1. above. The maximum acceptable limit for the value of any loan is 2.5 % of the value of general insurance or the value of life assurance, as the case may be. If the property is used as residential accommodation for the borrower of the loan the maximum limit is reduced to 1 %.

3. Loans secured by life assurance policy.

The valuation of the total loans guaranteed by the policy in addition to any premiums due from the insured and which have not been paid to the company shall be approximately 90 % of the net value of the insurance policy on the date of valuation.

4. Loans secured by any other means.

These shall be calculated as agreed by The Authority applying the provisions of Article 31 of the Law. The maximum acceptable limit of the loan value is 2.5 % of the value of general insurance or life assurance as the case may be. Loans or guarantees of the Government of the Sultanate or its organs shall be excluded from the conditions and maximum limit set out above.

5. Outstanding Premiums.

- 5.1 Due from brokers and agents (for any branch of insurance). The maximum acceptable limit for the above mentioned purposes shall be 35% of the company's income of direct premiums received through them after deduction of cancellations, refunds and commissions paid or due to be paid for this income for the prescribed financial period. Any amount exceeding this shall be ignored unless the value of the excess has been sufficiently provided for, if collection is doubtful.
- 5.2 Due from the insured of such debts other than those specified in (3) and (5.1) above:
 - 5.2.1 If the insurance is in favour of a Government body all premiums to be collected shall be taken into account, without a maximum limit.
 - 5.2.2 If the insurance is in favour of an insured in the private sector it shall be accepted if the premium has not been due for more than 90 days from the date of the balance sheet or financial statement and any excess shall be excluded unless the value of the excess has been sufficiently provided for.

6. Cash Funds, Current Accounts and Deposits in Banks.

Amounts in the balance sheet shall be considered in the light of the results of reconciliation and settlements at the date of the balance sheet or financial position. Bank certificates of deposit as at those dates shall be taken into account.

7. Securities:

- 7.1 Securities listed in an official stock market:
 - a) In valuing a stock listed in an official stock market, the last closing price on or before the date of the balance sheet or financial statement of the insurance company shall be used.
 - b) If trading in the stock to be valued has been suspended on the date of the balance sheet or financial statement of the insurance company for a period exceeding 10 days, the value of the stock shall be disregarded and shall not be included among the assets on that date.
 - But if the suspension is for a period of not more than 10, days, the value of the stock shall be fixed at the lowest of the two prices mentioned in the official price Bulletin issued by the market, namely:
 - The last closing price on the working day that preceded the date of

suspension. If no price is mentioned in the bulletin of that day, the nearest previous date shall be used.

- The closing price on the subsequent working day after the suspension. If there is no such price the nearest next date shall be used.

In cases other than the above, the price shall be the nearest declared price or which may be concluded from the declared price.

- c) An insurance company may not own stocks in any one other company which exceed 5% of the value of the general insurance or life insurances of the company as the case may be.

7.2 Securities not listed in an official stock market:

- a) If the security is not traded in an official market the last closing price at or before the date of balance sheet or financial statement of the insurance company shall be taken.
 - b) Stock which are not traded in an official securities market shall be valued at its nominal value unless it can be proved that such stock has been traded at a higher value during the past financial year of the insurance company, then such higher value shall be considered. If the nominal value of the stock has not been fully paid, the valuation of the stock shall be made on the basis of the paid up element of this nominal value, at the date of balance sheet or financial statement of the company.
 - c) Stocks and bonds which are not traded in an official stock market shall be valued at the value at which they can be sold to Banks at the date of balance sheet or financial statement of the insurance company, if such stocks or bonds were issued or guaranteed by the Government or any Government body. In any other case the value of the stock or bond shall be totally disregarded.
 - d) The maximum acceptable limit of the value of unlisted securities for the purposes of this Article 23 is as follows:
 - Stocks mentioned at 7.2 (a) and (b) above owned by the insurance company in any one company: 2.5 % of the value of general insurance or life insurance of the company as the case may be.
 - Stocks and bonds at 7.2 (c) above with no maximum limit for those issued by the Government or any Government body.
- #### 7.3 In all cases, a sufficient allowance shall be made for falls in the value of stocks.

8. Shares held by Investment Managers.

The valuation of each share is made on the value to be refunded by the investment managers to the company owning the share, on the assumption of their disposal at the date of balance sheet or financial statement or the nearest previous date in accordance with the regulations of the concerned management portfolio.

The maximum accepted limit as part of the assets for the mentioned purposes of any of the regulations is 5 % of the value of general insurance or life assurance as the case may be.

The maximum limit accepted among the assets for the above mentioned purposes in any one system of these systems is 5 % of the amount of general insurance or the amount of life assurance as the case may be.

9. Debit Accounts of Insurance and Reinsurance Companies: They include:

9.1 Current accounts for local insurance and reinsurance companies.

9.2 current accounts for external insurance and reinsurance.

9.3 Debit balances of Re-insurance agreements.

9.4 Reserve funds for Re-insurance (incoming)

The value of these balances shall be calculated from the balance sheet to the time of its final endorsement after being technically checked by The Authority.

10. Salvage Rights :

The value of any salvage right to the insurance company is the reasonable net amount expected to be recovered.

11. Debtors' Accounts and other debts:

11.1 Rents of properties and Investment revenues: The balances due shall be calculated and shall be accepted for the purposes mentioned in Article 23 unless outstanding for more than six months prior to the balance sheet or financial statement date.

11.2 Other debts due to the Company: Without prejudice to the provisions of Article 22 of these Regulations, the debts due will be valued on the basis of a reasonable amount which can be expected to be recovered. This balance shall be accepted in the limit of 1 % of the amount of general insurance or the amount of life assurance as the case may be, if it falls due within one year of the balance sheet or financial statement date and any balance falling due after more than one year shall not be considered.

12. Equipment.

- 12.1 Computers (Hardware): Shall be valued at the end of the fiscal year in which it was bought for not more than three-quarters of its cost, and at the end of the second year for not more than half of its cost and in the third year for one quarter of its cost and subsequently its value shall be nil. The maximum acceptable limit among the assets for the above mentioned purposes is 5 % of the amount of general insurance or the amount of life insurance as the case may be.
- 12.2 Furniture, vehicles and other Equipment (other than computers) shall be valued at the end of the year of purchase for not more than half of its cost and it will have no value thereafter. The maximum limit of its acceptance among the assets for those purposes is 2.5 % of the amount of general insurance or the amount of life insurances as the case may be.

2. Assessment of Liabilities.

(1). Rights of Policy holders:

These rights are covered by technical reserves which the insurance company is required to maintain under Article 20 of the Law and the necessities of the insurance business. These reserves shall be shown in the income and expenditure account for each branch of insurance including any technical additional allocations decided by the company and endorsed by The Authority or decided by The Authority if it believes such allocation should be made.

For purposes mentioned in this Article 23 these reserves and allocations shall be taken at their total value before external reinsurance but after deduction of the shares of other local insurance companies. The following shall also be deducted from the total value:

For the purposes of life assurance mentioned at the beginning of this Article 23 only, these reserves and allocations shall be taken for its total value before external reinsurance but after deductions of the total amount of the local insurance.

1. The shares of external reinsures in the technical reserves for each non-compulsory reinsurance may be made by any local insurance company outside the Sultanate and also the shares of these reinsures in the reserves for non-proportional reinsurance.
2. The individual share of any foreign reinsurer in the claims reserve in process which the national insurance companies undertakes to form in any of the following cases and within the undermentioned limits:

- a) if the foreign reinsurer is indebted to the national company for the share mentioned above and is also a creditor to the company at the same date for a net balance in his current account (including any funds which may be set off from this reinsurer in the hands of the company), the reinsurer's share shall be deducted completely from the said reserve to a maximum limit of his full net credit balance.
- b) If the foreign reinsurer indebted for the said share to the company shall submit a letter of credit in its favour equal to the amount of this share or part of it, from a local bank in the Sultanate at his request or that of his broker, then in such a case the deduction shall be the whole value of this letter of credit. In order to be accepted, it should be due for payment immediately on sight without any need to submit any other document and is unconditional and irrevocable. This deduction shall also be effective if a bank guarantee from a local bank is submitted on a request from the reinsurer or his Broker.

In all cases it is conditional that no obligation or liability shall accrue to the national insurance company.

- c) The foreign reinsurer indebted for the aforesaid share in favour of the national company shall submit stocks, listed and traded in an officially recognised stock market to be deposited in any local bank in the Sultanate and shall also deposit with the company a certificate from this bank showing the deposit as a guarantee of this share. In this case, the documents are accepted and its value shall be deducted from the reserve in the limits shown in Paragraph 7 of the assets valuation in this Article (23).

(2). Non-Insurance Provisions

Made by the company to cover a probable loss or deficiency in the value of an asset or to meet a probable obligation, shall also be valued from the balance sheet.

(3). Debit balances of Insurance and Reinsurance Companies comprise:

- a) Current accounts of local insurance and reinsurance companies.
- b) Current accounts of external insurance and re-insurance companies.
- c) Credit balances under reinsurance agreements.
- d) Reserve funds for reinsurance operations (outbound)

The amount of these balances shall be calculated from the balance sheet, until it is technically checked by the insurance office.

(4). Creditors accounts and other credit balances which comprise:

- a) Securities deposited by others with the company.
- b) Proposed distributions among the shareholders.
- c) Other dues and credit balance.

The amount of these balances shall be calculated from the balance sheet until it is technically checked by the insurance office.

Annex 19 : Repealed

Annex 20

Article 34 (repeated)

Statement showing Insurance Sums and the limits of liability of the insured

For major risks to be applied with regard to the Regulations of Insurance Companies Law

Rial Omani

General insurance branches :	Sum of insurance limits of liability 100%
1. Fire (Material damage and resulting losses) - A.O. Risk	5,000.000
2. Commodities and maritime transportation (Lose shipments) individual declaration	1,000,000
3. Hulls (excluding small boats and recreation boats) which will be agreed upon separately - A.O.Risk	2,000,000 be
4. Vehicles	1,000,000
5. Personal Accidents – one person and a group of persons - A.O Person - Per known accumulation	100.000 1.000.000
6. Money and its transportation in safes and others - A.O. Risk/transit	1.000.000
7. Burglary: in any single location: - A.O. location	1.000.000 1.000.000
8. Breach of Trust - A.O. Person - A.O. Event	150.000 300.000
9. All risks/Jewelries/precious stones/ personal effects per item - A.O. Item	250.000
10. Breakage of glass - A.O. Location	250.000

General insurance branches :	Sum of insurance limits of liability 100%
11. Third party liability/Public - A.O. Accident	1.000.000
12. Workmen compensation - A.O. Accident	500.000
13. Engineering (excluding all risks of contractors) - A.O. Project	1.000.000
14. Contractors all risks - A.O. Project	1.000.000
15. any other type of insurance which does not come under the above mentioned titles including life assurance. All amount of life insurance	Whatever is agreed upon and communicated to the Authority

Administrative Decision 31 / 2007

Regulating the requirements of Licensing Insurance Business

Pursuant to Royal Decree no. 12 / 79 issuing Insurance Companies Law; and
The Royal Decree no. 90 / 2004, transferring the Insurance jurisdiction from the
Ministry of Commerce and Industry to the Capital Market Authority; and
The Regulation of the Insurance Companies Law issued by Ministerial Decision
5 / 80

Ministerial Decision no. 31 / 79 in respect of registration of insurance companies;
The Decision of the Board of Directors of the Capital Market Authority in its
meeting held on 14th March 2007; and

In the interest of the public;

It has been decided

- Article(1):** The attached provisions shall be applicable to the regulation of
the requirements of licensing the Insurance businesses.
- Article (2):** The above mentioned Ministerial Decision no. 31 / 79, shall be
repealed.
- Article (3):** This decision shall be published in the Official Gazette and shall
come into force on the day next to the date of publication.

Yahya bin Said bin Abdullah Al Jabri
Executive President

Issued on: 25th Ramdan 1428

Corresponding to: 7th October 2007

Regulation for the requirements of Licensing Insurance Business

Article (1): the license to carry out insurance business in the Sultanate shall be obtained from the Capital Market Authority.

In order to obtain such license, an application shall be submitted to the Authority together with all data and supporting documents:

1. Capital.
2. Activity and type of insurance required.
3. Names and nationalities of the founders.

Article (2): The Authority shall issue initial approval provided that the applicant has fulfilled all initial requirements.

Where initial approval is obtained, the applicant shall complete all legal and technical procedures during a period not exceeding six months from the date of approval, and may be renewed once only.

Article (3): After obtaining the initial approval, the applicant shall fill in the application form and attach the receipt of application fee paid in addition to the following documents:

1. The company's name and legal form, commercial registration number, date of incorporation and address of the principal place of business.
2. A certified copy of the company's Memorandum of Association and Articles of Association.
3. The activity and type of insurance which the company wishes to carry out in the Sultanate.
4. Samples of policies issued by the company for each branch of insurance and benefits, restrictions and conditions specific to each document in Arabic.

For life insurance business and the capital redemption a certificate from an Actuary certifying that these prices, benefits and restrictions are sound and valid for implementation, shall be attached.

5. Documents proving that there are arrangements already taken or will be taken for risks reinsurance with regard to the activities and types of insurance which the company wishes to conduct (details of reinsurance agreement arrangements).

6. Resume and experience of the company's Manager certified and attested by competent authorities.
7. A copy of appointment contracts of all managers, general managers, the chief executive officers or the heads of departments provided that they are qualified, appropriate and having insurance knowledge to fill those posts.
8. Actuary's name and qualifications if the company is carrying out life insurance operations.
9. A copy of the prospectus.
10. A copy of bank certificate evidencing founders and subscribers have paid the value of their shares at not less than minimum limit of the capital.
11. A schedule identifying values of insurance contracts refund carried out by the company for life insurance and capital redemption, which must be provided for in each insurance policy.
12. Deposit certificate of RO 75,000 in one of the banks operating in the Sultanate to carry on general or life insurance and amount of RO150,000 if the application was to practice general and life insurance for national insurance companies.
13. Founders' particulars including full name, nationality, addresses, ownership percentage and experience.
14. Names and particulars of member of board of directors.
15. Feasibility study and business plans.
16. Financial projections for the next three years from the date of incorporation.
17. Risk management system, Internal auditing system, information technology systems, financial sources and projections, and the technical grounds used for the calculation of the premium rate.

Article (4): First: In addition to the above mentioned data and documentations, foreign insurance companies shall provide the following along with the application:

1. Deposit certificate of the amount specified in article (9 bis /4) of the said regulations for implementing insurance companies' law.

2. Certification and documentation necessary to prove that the company is established in accordance with the provisions of applicable law in the country in which the company's principal place of business is located and that the company has the legal capacity in its original country which enable the company to practice the requested operations in the Sultanate.
3. Certificate on the financial solvency of the company for the last three years issued by the local regulatory authority of the applicant.
4. A copy of the audited financial statements and the company's final accounts published and audited of the last 3 years.
5. Financial projections for the next three years for the local branch to be established.
6. Repealed.
7. Full details of the company's licensed representative or the chief executive officer / director general designate in the Sultanate in addition to a certified copy of the appointment document.
8. Names of agents or authorized managers, as well as the name of general agent or the general manager in charge of the insurance operations in the Sultanate.
9. Confirmation in writing from the headquarters of the applicant addressed to the Capital Market Authority notifying that it would provide financial support to its branch in the Sultanate to fulfill its obligations toward the policyholders and beneficiaries, and others as they fall due.
10. A certified copy of the latest rating of the financial position of the company from international rating agency.
11. Provide proof that the accounts of the company are subject to annual audit by independent chartered accountant.
12. A certified copy of the original certificate of establishment or registration and its Articles of Association.
13. A statement on the company's activity and its subsidiaries if any.
14. A certificate from the supervisory authority in the country, which the headquarters of the applicant is located, proving types of insurance authorized in the country of origin.

Second: the foreign company shall maintain in its branch in the Sultanate the mentioned documents in article (9 bis) of the said regulations.

Article (5): The Executive President shall issue a decision regarding the license's application within sixty days from the date of fulfillment conditions. If the period expires without a decision, that shall be considered as an implicit rejection of the application. Licensing decision shall be published in the Official Gazette, and the company shall be deemed licensed to conduct the specific insurance business from the decision publication date.

Article (6): the company shall be registered in the Register after the publication of the licensing decision in the Official Gazette and the company shall receive a certificate proving the company's registration after paying the fees. Registration shall be renewed every five years.

Article (7): the Directorate General of Insurance Regulation shall maintain a register for all insurers companies maintaining the following data:

1. Serial registration number.
2. The company's name and legal status, registration number in the commercial register and the address of its principal place of business.
3. The date of incorporation.
4. Licensing decision number for the company to carry out insurance business in the Sultanate and the date.
5. Number and date of the Official Gazette issue, in which the decision of the license or any amendment therein were published.
6. The amount of authorized and issued capital.
7. Types of the insurance practiced by the company.
8. Names of the company's members of the board of directors and their particulars.
9. Name of the company's general manager or authorized agents, as well as the name of the agent responsible for the management of insurance operations in the Sultanate if a foreign insurance company operating through agent in the Sultanate.

10. Actuary's name and qualifications if the company is carrying out life insurance operations.
11. Fees paid to the authority.

Article (8): all papers and documents, receipts and warnings issued by the insurance company shall refer to the registration number in the commercial register, and the Insurance Companies Register.

Article (9): The Company shall notify the Directorate General of Insurance Regulation about each amendment made to the data recorded in the register of insurance or attached documents, and may not implement these amendments prior to the approval of the Directorate General of Insurance Regulation.

Article (10): the company may not publish any statement to be submitted in accordance with the law unless the information conform to the statements provided to the Directorate General of Insurance, and may publish extracts matching exactly the content of the original submitted data.

Article (11): The insurance company shall pay the following fees:

- | | |
|---|---|
| 1. Application fees | RO 2000. |
| 2.Registration fees | RO 5000. |
| 3.Registration renewal fees | RO 1500 for each activity carried out by the insurance company. |
| 4.Modification of data fees | RO 20 |
| 5. Request access to the documents and records. | RO 10 |
| 6.request for copies or extracts | RO 10 for each image or extracts. |
| 7.Renewal delaying fees | 5 % of the value of the fee against each week of delay. |

Ministerial Decision No. 103 / 2002

On regulation of the Insurance Emergency Fund

Pursuant to the Insurance Companies Law issued by the Royal Decree No. 12 / 79 and its amendments, and

To the Regulations of the Insurance Companies Law issued by the Ministerial Decision No. 5 / 80 and their amendments, and

In the interest of the public

It is decided

- Article (1):** The Insurance Emergency Fund shall be financed from:
- a. the allocated portions stated in paragraph (a) of Article (46) of the Regulations of the Insurance Companies Law referred to.
 - b. amounts collected in execution of Article (3) of this decision.
 - c. any other resources approved by us.
- Article (2):** The assistance provided by the Insurance Emergency Fund shall take place when an insurance company fails to fulfill its obligations towards insurance policyholders, beneficiaries and third parties.
- Article (3):** The Capital Market Authority (Insurance Emergency Fund) shall subrogate the insurance policyholders, beneficiaries and third parties with regard to insurance rights arising from such policies.
- Article (4):** A committee shall be formed by our decision to regulate the work of the Fund and follow up its operations. The committee shall submit to us a report every six months on the financial position of the Fund.
- Article (5):** This decision shall be published in the Official Gazette and shall come into force as from the date of its publication.

Maqbool bin Ali bin Sultan
Minister of Commerce and Industry

Issued on the 13th of Jumada Al Oula 1423 H
Corresponding to the 24th of July 2002

Decision E 11 / 2007

Issuing Regulation for Investing Assets of Insurance Companies

Pursuant to Insurance companies Law promulgated by Royal Decree 12 / 79 as amended;

Capital Market Law promulgated by Royal Decree 80 / 98;

Royal Decree 90 / 2004 transferring insurance jurisdiction from the Ministry of Commerce and Industry to the Capital Market Authority;

Ministerial Decision 31 / 97 regarding registration of insurance companies as amended;

The Executive Regulation of the Insurance Companies Law issued by Ministerial Decision 5 / 80 as amended;

The Regulation for Investment of Insurance Companies Assets issued by Ministerial Decision 56 / 90 as amended;

The approval of the Board of Directors of the Capital Market Authority in its meeting on 16 / 12 / 2006

In the interest of the public.

It has been decided

Article (1): The attached regulation shall be applied for investment of the assets of insurance companies .

Article (2): Insurance companies shall rectify their investment positions to comply with this regulation within six months from the date of enforcement of this regulation. Such period may be extended by decision of the Executive President of the Capital Market Authority on request by the insurer for one more terms at his discretion.

Article (3): Anything that infringes with this decisions or contradicts its provisions shall be repealed.

Article (4): This decision shall be published in the Official Gazette and shall come into force as from the date next to the date of publication.

Yahya Said Abdullah Al Jabri
Executive President

Issued on: 3 April 2007

Regulation For Investing Assets for Insurance Companies

Article (1): In the application of the provisions of this regulation words and expressions shall have the following meaning unless the context requires otherwise:

Authority:	Capital Market Authority
Market:	Muscat Securities Market or any foreign market recognized by the Sultanate
Total Investment:	Total investment of insurance company as shown in the balance sheet on the date of evaluation.
Insurer:	Insurance company licensed to carry out business in the Sultanate.

Chapter One

Investment of Insurer in the Sultanate

Article (2): Investments of insurer in the Sultanate shall not be less than 75% of the total investments.

Minimum investment in deposits with banks and financial institutions licensed by the Central Bank of Oman and government bonds shall not be less than 30 % of the total investment.

Article (3): Insurer may invest in local corporate bonds at not more than 30% of the total investments, subject to the following sub-limits:

- a. Bonds shall be issued by listed company with a credit rating in accordance with annexure (1- A) of this regulation.
- b. Where the bond's rating is downgraded to below the rating in annexure (1 - B) it shall be disposed within six months of such downgrade.
- c. Investments in the bonds of any one company shall not exceed 15 % of the total bonds issued by that company. Also, investments in the bonds of any one company not to exceed 5% of the total investment of the insurer.

Article (4): Insurer may invest in shares of public joint stock companies, mutual funds and un-listed companies at not more than 40% of its total investments subject to the following sub-limits:

- a. Shares listed on the Market shall not exceed 20 % of the shares of any one company. Also investment in any one company shall not exceed 5 % of the total investment of the insurer.
- b. Insurer may invest in any closed joint stock company or unlisted company, with the exception of general partnerships, at not more than 1 % of the capital of the company. Investment in closed joint stock companies and the companies not listed on Market shall not exceed 5 % of the total investments of the insurer.
- c. Insurer may invest in the units of mutual funds at not more than 10% of the total investments of the company.

Article (5): a. Insurer may invest in real estate provided this is not for the purpose of speculation.

- b. Insurer may invest in guaranteed loans covered by life insurance policies.
- c. Such insurance shall not exceed 20 % of the total investments of the insurer.

Chapter Two

Investment of insurer outside the Sultanate

Article (6): Insurer may invest outside the Sultanate in investment instruments specified in Chapter One of this regulation at not more than 25 % of the total investments of the insurer subject to the following:

- a. Rating of the banks and financial institutions in which the insurers invest its deposits shall not be less than as specified in annexure (1 - A) to this regulation.
- b. Rating of the bonds in which the insurer invests shall not below than specified in annexure (1 - B) to this regulation.

Where the rating is downgraded to below than the specified grade at any time it shall dispose of the bond within six months from the date of downgrading.

Article (7): Investment in foreign currencies inside the sultanate shall be deemed within the percentage specified for the investment outside the Sultanate.

Chapter Three

Valuation of Investments and Prohibited Areas of Investment

Article (8): Various categories of investment shall be valued as under:

Securities:	At market value. If there is no market value then at book value. Securities suspended from trading for more than 15 trading days shall not be calculated within the assets.
Real Estate:	At cost value after deduction of depreciation unless valuation is made by certified valuator
Loans:	At face value or balance as the case may be.
Bank deposits:	At actual value.
Any other investments:	At actual value.

Article (9): Insurance companies shall not perform any of the following acts:

1. Granting renewal of loans except the following:
 - (a) Loans granted to staff.
 - (b) Loans to life insurance policyholders as per the terms of insurance contract but not exceeding surrender value of the policy.
2. Providing coverage against opening documentary credits or issuing guarantee letter.
3. Providing coverage of any type whatsoever for loans or third party commitments outside the scope of insurance business identified by Insurance Companies Law.
4. Investment in gold, silver, other precious metals or commodities sold in future markets or investment in companies whose business is affected by trading in precious metals or the above commodities.

Article (10): Insurance Companies shall abide by the limits specified in this regulation and shall not exceed the investment limit save with prior approval by the Authority.

Article (11): Insurer shall provide to the Authority valuation of its investments in accordance with the prescribed forms and time limits as set out in Annexure 2 to this regulation.

Annexure (1)

A.

Rating not below BBB as rated by Standards and Poor's or any international rating agency of the same status.

B.

Rating not below AA as rated by Standards and Poor's or any international rating agency of the same status.

Annexure (2)

Form No. 1

(To be submitted to CMA within 3 days from approval of the board of directors of the annual audited accounts)

Name: of Insurance company :.....

Statement as of :.....

Statement of Investment and Income on Investment

S	Investment Type	Current year				Previous year			
		Investment RO	of Total Investment %	Income on Investments	Gross Yield %	Investment RO	Total Investment %	Income on Investments	Gross Yield %
Investments in the Sultanate									
1	Cash & Deposits in Banks								
2	Governments bonds								
3	Corporate Bonds								
4	Shares/Mutual Funds								
5	Real Estate/Loans secured by insurance policies								
Investments abroad									
6	1. Cash and deposits in banks								
	2. Government bonds.								
	3. Corporate bonds								
	4. Shares/Mutual Funds								
	5.Real Estate and loans secured by insurance policies								
	Total								

Certification

Certified that the information given herein is correct and complete to the best of my knowledge and belief and no thing has been concealed or suppressed.

Dated.....

Signature.....

Full name and designation.

Approved CEO/ General Manager/ Manager

Form No. 2

(To be submitted to CMA within 15 days from end of each
quarter)

Name of Insurance company:.....

Statement as on:.....

Statement of Down Graded Investment

s	Particulars of Investment	Original Investment Grade	Down Grade	Remarks

Certification

Certified that the information given herein is correct and complete to the best
of my knowledge and belief and no thing has bean concealed or suppressed.

Dated.....

Signature.....

Full name and designation.

Approved CEO/ General Manager/ Manager

Form No. 3

Statement of Investment of Total Assets- Compliance Report (To submitted within 15 days from end of each quarter)

Insurance company:.....

Statement as on:.....

s	Class of Investment and Full Particulars	Market Value/ Realizable Value	of Total Investment %	Whether limits as per regulation complied with or not
1	Investment of Insurer in the Sultanate			
1.1	Cash / bank deposits/Government bonds			
	(a) Balance of current account (cash)			
	(b) Deposits in banks			
	(i)			
	(ii)			
	(iii)			
	(c) Total Deposits (b)			
	(d) Total Cash &Deposits (a+c)			
1.2	(e) Government Bonds			
	(i)			
	(ii)			
	(iii)			
	(f) Total Government bonds (total e)			
	(g) Total bank deposits/Government bonds (d+f)			
1.3	Corporate Bonds			
	(i)			
	(ii)			
	(iii)			
	Total Government bonds			

s	Class of Investment and Full Particulars	Market Value/ Realizable Value	of Total Investment %	Whether limits as per regulation complied with or not
1.4	Shares/Mutual Funds			
	(a) Shares of listed companies			
	(i)			
	(ii)			
	(iii)			
	(b) Total shares of listed companies			
	(c) Share of unlisted companies			
	(i)			
	(ii)			
	(iii)			
	(d) Total shares of unlisted			
	(e) Total shares (b+d)			
	(f) Mutual Funds			
	(i)			
	(ii)			
	(iii)			
	(g) Total Mutual Funds			
	(h) Total Shares and Mutual Funds (e+g)			
1.5	Real Estate and Loans secured by insurance policies			
	(a) lands			
	(i)			
	(ii)			
	(iii)			
	(b) Total Lands			
	(c) Buildings			
	(i)			
	(ii)			
	(iii)			

s	Class of Investment and Full Particulars	Market Value/ Realizable Value	of Total Investment %	Whether limits as per regulation complied with or not
	(d) Total Buildings			
	(e) Loans secured by insurance policies			
	(f) Total real estate and loans secured by insurance policies (b+d+e)			
	Total Investments of insurer in the Sultanate ((1.1) +(1.2) +(1.3)+ (1.4)+(1.5)			
2	Investment of Insurer Abroad			
2.1	Cash / bank deposits/Government bonds			
	(a) Balance of current account (cash)			
	(b) Deposits in banks			
	(i)			
	(ii)			
	(iii)			
	(c) Total Deposits (b)			
	(d) Total Cash &Deposits (a+c)			
2.2	(e) Government Bonds			
	(i)			
	(ii)			
	(iii)			
	(f) Total Government bonds (total e)			
	(g) Total bank deposits/Government bonds (d+f)			
2.3	Corporate Bonds			
	(i)			
	(ii)			
	Total Government bonds			
2.4	Shares/Mutual Funds			
	(a) Shares of listed companies			
	(i)			

s	Class of Investment and Full Particulars	Market Value/ Realizable Value	of Total Investment %	Whether limits as per regulation complied with or not
	(ii)			
	(b) Total shares of listed companies			
	(c) Share of unlisted companies			
	(i)			
	(ii)			
	(d) Total shares of unlisted companies			
	(e) Total shares (b+d)			
	(f) Mutual Funds			
	(i)			
	(ii)			
	(g) Total Mutual Funds			
	(h) Total Shares and Mutual Funds (e+g)			
2.5	Real Estate and Loans secured by insurance policies			
	(a) lands			
	(i)			
	(ii)			
	(b) Total Lands			
	(c) Buildings			
	(i)			
	(ii)			
	(d) Total Buildings			
	(e) Loans secured by insurance policies			
	(f) Total real estate and loans secured by insurance policies (b+d+e)			
	(g) Deposits in foreign currencies in the Sultanate			
	Total investments of insurer abroad (2.1)+(2.2)+2.3)+2.4)+2.5)			
	Total investments of insurer 1+2			

Note:

1. Assets invested in foreign currency shall be valued in Omani Rials using exchange rate on the last day of the quarter.
2. Insurer shall comply with the investment ratios in each type of investment as well as investment limits in each company they invest in.

Certification

Certified that the information given herein is correct and complete to the best of my knowledge and belief and no thing has been concealed or suppressed.

Dated.....

Signature.....

Full name and designation.

Approved CEO/ General Manager/ Manager

Ministerial Decision No. 95 / 99 On Vehicle Insurance Regulations

Pursuant to Royal Decree No. 12 / 79 promulgating Insurance Companies Law and amendments thereto; and

The Royal Decree No. 50 / 77 ratifying the agreement on the unified insurance card for motor traffic across Arab countries; and

the Royal Decree No. 28 / 93 promulgating Traffic Law;

and the Royal Decree No. 34 / 94 promulgating Vehicle Insurance Law; and

In the interest of the public

- Decided -

Article (1): The attached vehicle insurance regulations shall apply.

Article (2): Insurance department at the ministry shall be empowered to issue necessary circulars to insurance companies for implementation of the aforesaid vehicle insurance regulations.

Article (3): The Authority for the Settlement of Commercial Disputes shall hear the cases that arise out of the application and interpretation of the unified vehicle insurance policy, its scheduled and the personal accidents schedules.

Article (4): The provisions of article (17) of the aforementioned vehicle insurance law shall apply as regards contraventions of this decision.

Article (5): All that contradicts the provisions of this Decision shall be repealed.

Article (6): This Decision shall be published in the Official Gazette and shall come into force as from the date of its publication.

**Maqbool bin Ali bin Sultan
Minister of Commerce & Industry**

Issued on 13 Muharram 1416 AH
Corresponding to: 11 June 1995

Vehicle Insurance Regulations

Article (1): Third Party Vehicle compulsory insurance and comprehensive insurance shall be effected according to a unified insurance policy issued with the policy table provided that the policy is accompanied by the personal accident insurance addendum in the case of agreement on the extension of coverage to include such addendum as voluntary insurance; however, the policy, its table and the personal accident addendum may be accompanied by a foreign translation.

Article (2): A. Compulsory Insurance:

(1) Third Party

This insurance shall cover, within the geographical boundaries, all that befalls to third party such as death, physical injuries, treatment expenses including first aid expenses whatever may be the degree of the injury, as well as damage to property.

(2) The insured and the like and their family members

This insurance shall cover, within the geographical boundaries, treatment expenses of physical injuries of the insured and the like and their family members including first aid expenses whatever may be the degree of the injury within the amount stated in the table of the insurance policy.

B. Comprehensive insurance:*

In addition to the damage provided in the previous Clause, comprehensive insurance shall cover the physical damages caused to the comprehensively insured vehicle for the person responsible for the accident.

C. personal Accident addendum:

Personal accident addendum shall cover the death or physical injuries that happen to the owner, the driver of the vehicle and their families within the limits agreed.

Article (3):A. The insurer shall include in the vehicle insurance application a question to the insurance applicant on his wish as to the type of coverage or any of other risks which are not included in the policy or the addendum except on the applicant's request. The insurer shall obtain applicant's explicit answer in the application as well as such applicant's signature.

- B. The insurer shall deliver to the insured a copy of the policy or any addendum thereto within a period of not more than thirty days from the date of the insurance or the addendum. If it is difficult to deliver the policy or the addendum on conclusion or renewal of such policy or addendum, the insurer shall immediately issue a provisional cover note to the insured in the form approved by the Ministry in writing.

Article (4):*A. Neither the insurer nor the insured shall cancel the vehicle's third party compulsory insurance while it is valid as long as the license of the vehicle is valid also. Such cancellation, should it happen, shall not have any effect on the third party. Exception to this is the case of presenting a new insurance policy (or certificate) for the remaining validity of such insurance and the vehicle's ownership which indicates the name of the new insurance company.

- B. Should the third party insurance period expires, the owner of the vehicle shall remain solely liable for any accident against that occurs to such vehicle during the insurance break period.

Article (5): The injured party of an accident shall have a direct claim against the insurer and the pleas that insurer may involve against the insured shall not apply to insured party.

Article (6):A. the owner of the vehicle shall notify the concerned insurer of the accident prior to any action takes towards the repair of the vehicle. However, the repair or the payment of its value shall be made pursuant to instructions contained in the circulars issued by insurance department at the Authority.

- B. *If the vehicles become total loss and is cancelled by the police or if such vehicle suffers damages that make it all but total loss "constructive loss" whenever the actual cost of repair exceeds (if new spare parts are counted) 75% of the value of such vehicle prior to the occurrence of the accident, indemnity shall be calculated as follows.

First: Comprehensive Insurance

1. The vehicle's value in cash on the purchase date shall be determined according to such vehicle's purchase invoice for the first time. If such invoice is unavailable, a certificate indicating the basic value of the vehicle in cash at purchase time shall be ordered from the relevant agency.

2. Depreciation shall be calculated according to the approved depreciation table.
3. The difference between (1&2) shall be considered the insurance value of the vehicle at the beginning of the insurance in the years that follow the first year, and shall, also, be considered the basis for the settlement of the quantum in the case of the occurrence of the accident.
4. In exception of the regulations states in this Article where the insurer and the insured agree on an amount more than the amount stated according to this Article, then the insured shall be obliged to pay the amount agreed in the table of this policy (taking into account the specified depreciation)

Second: Third Party Insurance

The insurer responsible for the accident shall pay the market value of the vehicle or its value in accordance with First Clause whichever is higher at the time of accident.

Article (7): If it is established from investigation that the responsibility for an accident is joint between two or more vehicles, the quantum shall be determined as follows:

A. Material Damages:

The liability of each vehicle for the material damages towards the other in proportion to the mistake of its driver. If such proportion is not determined, the liability shall be equally divided between the two vehicles, and the insurer of each vehicle shall, consequently, bear 50 % of the material damages of the other vehicle while the owner of the insured vehicle shall bear, personally, the other 50 % of his vehicle's damages unless such vehicle is covered by a comprehensive insurance when the insurer shall indemnify the owner for the other 50 %. The same principle shall apply if the responsibility for the accident is shared by more than two vehicles.

B. Physical injuries or death to third party

A person who suffers physical injuries and the heirs of a third party who dies as a result of the joint traffic accident shall be entitled to the full sum adjudged from the insurers of all the vehicles that have participated in the accident each in proportion to the responsibility of the vehicle insured with him. If such proportion is not determined, then liability shall be equally shared by them.

C. Physical injuries and death to the owner of the vehicle or the like or to one or more members of their families.

The liability of each vehicle for physical injuries and death shall be in proportion to the mistake of its driver. If such mistake is not determined, the mistake shall be equally divided between the two vehicles. Hence, the insurer of each vehicle shall bear 50%, % of the physical injuries or death that befalls the owner of the other vehicle or a like or one or more members of their families who are injured in the accident. The owner if the vehicle personally, or the like shall bear the other 50% of the indemnity adjudged for such injuries or death, unless the owner of the vehicle is insured according to personal accidents addendum, in which case his insurer shall pay the said 50 % pursuant to the provisions and limits of such addendum. The same foregoing principle shall apply if the responsibility for the accident is shared by more than two vehicles.

D. Treatment Expenses of the insured, the like and members of their families:

The liability of each vehicle for such expenses shall be in proportion to the mistake of its driver. If such mistake is not determined, the mistake shall be equally divided between the two vehicles. Hence, the insurer of each vehicle shall bear 50%, % of the treatment expenses up to the maximum amount stated in Clause 5 of the Unified Policy Table while the other vehicle's insurer shall pay 50 % of the total of the treatment expenses. The same foregoing principle shall apply if the responsibility is shared by more than two vehicles.

Decision No. E/ /2015

Issuing the Unified Motor Vehicles Insurance Policy

Pursuant to Royal Decree 50/77 ratifying the Unified Insurance Card Agreement for vehicles crossing Arab Countries; and

Insurance Companies Law promulgated by Royal Decree No. 12/79; and

Motor Vehicles Insurance Law promulgated by Royal Decree 34/94; and

Royal Decree No. 90/2004 transferring insurance jurisdiction from the Ministry of Commerce and Industry to the Capital Market Authority; and

Motor vehicles Insurance Regulation issued by Ministerial Decision No. 99/95; and

The Unified Motor Vehicles Insurance Policy Form Issued by Decision No. E/8/2008

The Resolution of the Board of Directors of the Capital Market Authority In the interest of the public

It has been decided

Article (1): The attached unified motor vehicles insurance policy form shall be applied.

Article (2): Decision No. E/8/2008 shall be repealed as well as anything that contravenes this decision or contradicts its provisions.

Article (3): This decision shall be published in the official Gazette and shall come into force 30 days from the date of issuance.

Abdullah Salim Abdullah Al Salmi
Executive President of the Capital Market Authority

Issued on: 24 Rabi Al Thani 1437 AH

Corresponding to: 3 February 2016

The Unified Motor Vehicle Insurance Policy Form Chapter One

Definitions and General Provisions

First: Definitions:

In implementing the provisions and appendices of this Policy, the following words and expressions shall have the meanings indicated next to them unless the context otherwise requires

- 1. The Policy:** The Unified Motor Vehicle Insurance Policy and its appendices.
- 2. The Vehicle:** Any vehicle used for the transport of passengers or goods, or a motorcycle, a carriage or trailer, whether mechanically propelled or otherwise (other than those pulled by animals), used or to be used on the road within the borders of Oman.
- 3. The Road:** Any land passages available for vehicles traffic anywhere within the borders of Oman.
- 4. The Passenger:** Any person inside the vehicle within the authorized seating capacity or getting into or dismounting from the vehicle.
- 5. The Insurer:** The insurance company licensed to operate in Oman.
- 6. The Insured:** The owner of the vehicle whose accidents on the road are covered by the Insurer, and anyone driving the insured vehicle is considered as the Insured.
- 7. Third Party:** Any person, other than the Insured or anyone who is in his position and their family members, even if he is an employee of the Insured.
- 8. Comprehensive Insurance:** The insurance on the body of the motor vehicle, insurance in favour of third party, natural calamities and personal accidents.

9. Accident:

Any accident caused by the vehicle, or as a result of its use, or anything falling from it, or its explosion, being on fire or stolen, even when it is not moving.

10. The Authorized Driver:

Any person driving the vehicle provided that he has a valid driving license in accordance with the requirements of the Omani Traffic Law and its Executive Regulations.

11. Proposal Form:

The application to be completed by the Insured with the specified details, which includes the required insurance, additional benefits and the desired coverage.

12. Policy Schedule:

The Schedule specified in the insurance Policy which is an integral part of it and states the details of the Insured, the insured vehicle and the insurance cover granted.

13. Insurance Period:

The period stated in the insurance Policy during which the Policy shall be valid, or any other renewal period agreed by both parties.

14. Excess:

The fixed amount specified in the Policy Schedule to be borne by the Insured for each accident.

15. Depreciation:

The percentage on the cost of new genuine spare parts in the event of partial loss to be contributed by the Insured or the person who incur damage at the time of an accident in accordance with the depreciation scale mentioned in the Policy. In case of total loss, the percentage to be deducted from the cash value of the vehicle in line with the depreciation scale mentioned in the Policy.

16. Compulsory Insurance:

Insurance which covers all that has occurred to the third party, such as death, bodily injuries, material damage and medical expenses.

- 17. Personal Accident Addendum:** Covering death or bodily injuries as a result of a road traffic accident to the vehicle owner, the driver, and their family members, within the limits specified in the Addendum.
- 18. Permanent Total Disability:** Disability caused by an injury and resulting in the total and permanent loss of earning power or ability to work or ability to use the affected organ; or if the compensation percentage to the affected organ for one injury or total of more than one permanent injury is one hundred per cent or more.
- 19. Permanent Partial Disability:** Disability caused by an injury to an organ or organs which results in a permanent decrease in the injured person's earning power or his ability to work or his ability to use the affected organ or organs.
- 20. Temporary Disability:** Disability caused by an injury which results in a loss of a temporary nature of the injured person's earning power or his ability to work or his ability to use the affected organ or organs.
- 21. Constructive Total Loss:** A damaged vehicle is considered as a total loss if the actual cost of repairs exceeds seventy five percent of its value at the time of accident.
- 22. No claim discount:** Deduction of certain amount from the premium of the policy in consideration of no claim paid or payable for the previous insurance term.
- 23. Natural disasters:** Floods, wadis, cyclones, hurricanes storms and hail.
- 24. Equipment:** A vehicle used for construction works and is not designed to carry any load.
- 25. Consequential Loss:** Consequential loss is indirect loss not directly resulting from the insured accident and occurring later.

26. Prime Mover:

A vehicle connected or able to be connected to a trailer or more and together form one unit.

27. Trailer:

A vehicle without engine designed to be hauled or tracted by a motor vehicle.

28. Accident File Completion Date:

The date the person causing the accident doing the following:

- Pay the prescribed excess amount.
- Insurer receives the vehicle
- Insurer supplied copy of vehicle registration certificate and driving license
- Minor accident from in case of minor accident
- ROP technical inspection report in case of gross accident or minor accident where necessary.
- Letter from financier or mortgagee (if any)
- Any documents the insurer requires provided request is made on reporting the accident.

The requirements apply on the person who incur damage except payment of excess amount

29. Insurance Premium:

The amount paid by the insured to the insurer for bearing the covered risk.

Second: General Provisions

a. Proposal Form

Schedule No. 1

Insured's Details

1- Applicant's details				
Name as per ID card	First	Second	Third	Tribe
Trade Name:				
Date of Birth:		Age:		
ID/Commercial Registration No.:		Head Office:		
Address:		P.O. Box:		
City / Village:		Postal Code No.:		
Tel- Res.: Mobile:		Email:		
Occupation(Optional):		P.O. Box: Postal Code No.:		
Employer:				
Educational Qualification (Optional)				
Driving License Type Light/heavy/ equipment /motorcycle No.:		Expiry Date:		
2- Details of Insurance Cover				
Type of Vehicle: private/taxi/rent a car/driving school/bus/ Small Truck / Large Truck /equipment/ambulance/motor vehicle/motorcycle/bicycle/prime mover/trailer/special purpose vehicle/ Other				
Usage: Private / Light Commercial /Heavy Commercial/Transport/ Taxi / Driving School/ Other				

Is there any changes or additions to the vehicle according to the law:	
() yes	() No
Signature:	
Please state the changes or additions and value for each	
Type of change	Charge
-----	RO -----
-----	RO -----
-----	RO -----
-----	RO -----

3. Persons authorized to drive the vehicle (Optional)

Name	Age	Gender	Relationship	ID No

Note: Names of persons authorized to drive the vehicle should be mentioned without limitation if insured is desirous of obtaining additional discount in premium.

The Insurer has no right to refuse settlement of any claim on the grounds that the driver is not listed among those authorized to drive the vehicle. The Excess specified in the policy schedule No. (11) shall apply.

Do you have any claims that are not settled by the Insurer? Which type?

Yes () - No ()

If the answer is yes, please state the claim and its date:

.....
.....

Previous Insurers:

.....
.....
.....

Signature of the Insured

Date:

Signature of the Insurer

Date:

Schedule No. 2
Period and Type of Insurance Cover (Vehicle –Equipment)

Type of Insurance Cover		Yes	Premium	No	Signature
1	Compulsory Insurance only		RO		
2	Compulsory Insurance plus (select the appropriate cover): <input type="checkbox"/> Personal Accident addendum. <input type="checkbox"/> Natural calamities to vehicle's body. <input type="checkbox"/> Fire/ theft/ robbery only to vehicle's body. <input type="checkbox"/> Intentional act by third party (only when in use). <input type="checkbox"/> Civil liability toward third parties during operation or at work site.		RO		
3	Comprehensive Insurance covering: ✓ Compulsory Insurance. ✓ Damage and loss except work site. ✓ Personal accidents addendum. (Please check appropriate cover) <input type="checkbox"/> Damage and loss at work site. <input type="checkbox"/> Civil liability toward third parties during operation or at work site.		RO		
	Total		RO		

Signature of the Insured

Date:

Signature of the Insurer

Date:

Schedule No. 3 New Additional Benefits

Additional Insurance Covers		Yes	Premium	Signature
1	Change of spare parts with new original parts after first year without paying depreciation on new parts.		RO	
2	Repair at agency with new original parts after first year without payment of additional amounts.		RO	
3	No payment of excess		RO	
4	Vehicle transportation service with no distance limit		RO	
5	Substitute vehicle throughout repair term		RO	
6	Insured's properties outside the vehicle		RO	
7	Cash compensation for consequential loss at RO for each day of stoppage.		RO	
8	Automatic renewal where there is no claim		RO	
9	Damage, loss and third party liability for commercial vehicles except equipment at work site.		RO	
10	Increase transportation and protecting costs at RO ---		RO	
11	Increase indemnity amount specified in the personal accidents addendum to RO 15,000/20,000/25,000		RO	
12	Any other agreed benefits.		RO	
Amount of premium required for additional benefits			RO	

Signature of the Insured

Date:

Signature of the Insurer

Date:

Third. Policy Schedule

1. Policy No:	
2.Name of the Insurer:	
3.Type of Insurance:	
4. Usage: Private / Light Commercial /Heavy Commercial/Transport/ Taxi / Driving School/ Other	
5. Name of the Insured:	
6. Address:	P.O. Box: Postal Code.:
7.Occupation / Profession:	
8.Insurance Period:	From: / / To: / /
9. Insurance premium	
a. Basic Insurance Premium	RO
b. Treatment expenses premium for each passenger	RO 3
c. Personal accidents addendum coverage premium (if any)	RO
d. Orange card premium (if any)	RO
e. Additional benefits premium	RO
f. Total insurance premium (a+b+c+d+e)	RO
g. No claim discount as per addendum No. (3)	RO
h. Authorized persons discount	RO
i. Net insurance premium (f-g-h)	RO
j. Supervision fees (0.6% of net insurance premium)	RO
K. Emergency fund fee (1% of net insurance premium)	RO
I. Paid premium = (i+j+k)	RO

10.

Registration No.	Sum Insured	Purpose of license	Manufacture Year and Model Year of vehicle	Engine No	Engine CC or Horse power	Chassis No.	Number of authorized seats including driver	Vehicle weight

11. Excess: The Insured pays the following amount:

	Statement	Private vehicles	Light commercial vehicles (except rent a car and driving school)	Light commercial vehicles (rent a car and driving school)	Heavy commercial vehicles and equipment
a	If the driver is one of the persons authorized to drive the vehicle in the list stated in the insurance application and age is 25 years or more.	RO 50	RO 75	RO 150	RO 500
b	If the driver is one of the persons authorized to drive the vehicle in the list stated in the insurance application and age is less than 25 years.	RO 75	RO 100	RO 200	RO 750
c	If the driver is not one of the persons indicated in the list and age is 25 years or more.	RO 75	RO 100	RO 150	RO 1000
d	If the driver is not one of the persons indicated in the list and age is less than 25 years.	RO 100	RO 150	RO 200	RO 1500
e	License age is less than 3 years.	-	RO 50+	-	RO 250+
f	License age is less than 5 year.	-	RO 25+	-	

Insurer and insured may agree other than the stated in Clause (11) above provided the insured agrees in writing

Signature of the Insured:

Date:

Signature of the Insurer:

Date:

12. The insured amount indicated in Clause (10) shall be determined as follows:

- a. The cash value of the vehicle on the purchase date is determined according to its first purchase invoice. If this purchase invoice is not available, a certificate shall be requested from the agency stating the actual value of the vehicle on the first purchase date.
- b. Depreciation shall be computed as per the approved Depreciation Schedule 1 or 2 of Appendix 1
- c. The difference between Item 1 and Item 2 is considered to be the insurance value of the vehicle at the beginning of insurance during the years following the first year, and it is the basis of compensation settlement in case of accident.
- d. Where purchase invoice or agency certificate is not available to determine the value of the vehicle the insurance amount shall be computed on the basis of the market value of the vehicle as per the rules set out by CMA.
- e. As an exception from the above regulations, the insured amount may be higher than the value stated in the aforesaid rules.

13. Restrictions on use:

The Insured shall not use the vehicle for any purpose other than what is specified in the license. If the vehicle is used for any other purpose than what is specified in the license, the insurance shall not cover accidents resulting from such use.

- a. Limits of the Insurer's liability:
 1. The maximum liability limit of the Insurer for repair cost in accordance with Clause 3 of Chapter 2 is RO 150 (Rial Omani One Hundred and Fifty)
 2. The maximum amount authorized for protecting and transporting as per Clause 5 of Chapter 2 is RO 100 (Rial Omani One Hundred) (unless agreed on higher amount in the additional benefits)
 3. The maximum amount for protection and transporting costs as per Clause (1.e of Chapter Three is the protection and transportation cost recognized in the market.
- b. The maximum liability limit of the Insurer under Item (a) of Clause 1 of chapter Three for any claim or all claims arising from one accident is the amount of compensation decided by the court.
- c. The maximum liability limit of the Insurer under Item (b) of Clause 1 of Chapter Three for any claim or all claims arising from one accident is RO 150,000 (Rial Omani Hundred and Fifty Thousand) unless otherwise agreed by both parties in writing on a higher amount.

- d. The maximum liability limit of the Insurer under the first para of Clause Second of Chapter Three 2 is RO 100,000 (Rial Omani Hundred Thousand) for the insurance year regardless of the number of accidents, unless agreed on a higher amount in the additional benefits
- e. The maximum liability limit of the Insurer for first aid expenses stated in Chapter Three for any claim or all claims arising from one accident is RO 400 (Rial Omani Four Hundred).

14. Rules for settlement of medical expenses:

The Insurer is bound to pay to hospitals and medical institutions the expenses incurred for the treatment of bodily injuries of third party of the Insured and anyone in his position and their family members according to the following rules:

- a. The hospital or the medical institution shall prepare a detailed report on the treatment and the actual cost of the same, along with the necessary supporting documents.
- b. Claims for medical expenses shall be based only on the amount approved by the Ministry of Health.
- c. The Insurer, after reviewing the reports received, shall pay the required amount to the hospital or medical institution which carried out the treatment.
- d. In the event of treatment abroad an evidence from the Ministry of Health shall be provided that treatment is not available in the Sultanate.

I acknowledge having read the contents and schedules of the insurance Policy and agree entirely with its terms and conditions. I also confirm that the information I provided to the Insurer are true.

First Party:

Insurance Company

Insurer's Signature:

Time:

Date:

Second Party:

Name:

Insured's Signature:

Time:

Date:

Chapter Two

Insurance Against Loss and Damage

1. The Insurer shall indemnify the Insured for loss or damage sustained by the insured vehicle, its accessories and spare parts which are deemed an integral part thereof, as a result of an accident:
 - a) Fortuitous accident, collision or overturning
 - b) Fire or external explosion or self-ignition or lightning
 - c) Natural disasters
 - d) Burglary or theft
 - e) Intentional act by any third party.
2. The Insurer shall repair the vehicle damaged by the accident and reinstate it to its pre-accident condition. The Insurer may pay in cash to the Insured the cost of damages after the approval of the Insured provided that the liability of the Insurer shall not exceed the replacement value of the damaged parts and the reasonable cost of fitting the same.
3. The Insured may undertake the repair of the damage sustained by the vehicle as a result of the accident covered by this Policy subject to the estimated cost of repair not exceeding RO 150 (Rial Omani One Hundred and Fifty). However, if the cost exceeds the said amount, the Insured shall not carry out the repairs without the Insurer's approval.

In case the repairs are carried out by the Insured, he shall provide the Insurer with a detailed statement of the repair cost that is approved by the repairer in order to be reimbursed.
4. The Insurer shall indemnify the Insured in cash for the value of the vehicle in the event of actual or constructive total loss. The Insurer may, subject to the approval of the Insured, provide him with another vehicle of the same model, type and specifications.
5. The Insurer shall bear the cost of protecting and transporting the vehicle to the nearest repair workshop in the area in which the loss or damage has occurred, subject to the costs not exceeding RO 100 (Rial Omani One Hundred), unless they agree in writing on higher amount in the additional benefits listed in Schedule (3) of Chapter One

Exceptions to Chapter Two:

The Insurer shall not be liable to pay any indemnity in respect of the following:

1. a. Consequential loss suffered by the Insured unless they agree to cover it in the additional benefits listed in Schedule (3) of Chapter One.
b. Decrease in the value of the vehicle due to usage, wear and tear, obsolescence or any failure, defect or mechanical or electrical breakdown, failure or breakage.
2. Damage to the vehicle as a result of overloading or carrying passengers in excess of the licensed number of seats provided it is proved that the overloading or excess passengers is the cause of the accident.
3. Damage to tires unless the damage is concurrent or resulting or related to an accident covered under this policy.
4. Loss or damage sustained by the vehicle due to accidents resulting from:
 - a) The driver of the vehicle whether he was the Insured or anyone in his position being under the influence of drugs or alcohol.
 - b) The use of the vehicle for purposes other than those specified in this Policy and the license.
 - c) Driving the vehicle by a person who is not legally authorized to drive.

Chapter Three

Compulsory Insurance

Compulsory insurance covers the following:

First: Insurance in favor of third party

In the event of an accident caused by or arising out of the use of the insured vehicle, the Insurer shall pay, subject to the limits of its liability as provided in this Policy, all the amounts which the Insured shall become legally liable to pay as compensation for:

- a) Death or any bodily injury sustained by any person including the passengers of the vehicle (except the Insured himself, the driver of the vehicle at the time of the accident and their family members, i.e. parents, children and spouse). A person shall be deemed to be a passenger of the vehicle whether inside it, getting into or alighting from the same. The employees of the owner of the vehicle are included under this cover as third parties..
- b) Damage to things and property outside the vehicle except those owned by the Insured or the driver of the vehicle or their family members at the time of accident, or held by them in trust or under their custody or possession.
- c) Expenses for the treatment of injuries sustained by third parties as a result of the accident.
- d) Costs and expenses of medical institutions as per the rules and limits stated in the Policy Schedule.
- e) Costs resulting from the accident for protecting and transporting the vehicle to the nearest repair workshop and delivering it to the place where the loss and damage has occurred.
- f) Amounts ruled by the court (including compensation, judicial expenses, legal fees) such as expert's report if the case is referred to him, or translation of reports, etc. and (attorney's fees).

Second: Expenses for the treatment of injuries of the Insured and anyone in his position and their family members:

This insurance covers the expenses for treatment of injuries sustained by the Insured and anyone in his position and their family members as a result of an accident to the insured vehicle, within the limits stated in the insurance Policy Schedule; and the Insurer is bound to pay these expenses to the hospitals and

medical institutions as per the rules specified in this Policy Schedule.

Insurance under this Section shall extend, subject to the terms and conditions provided herein, to cover the liability of any driver duly authorized by the Insured provided that such driver fulfills and observes the conditions of this Policy and abides by it as if he were the Insured himself.

Chapter Four

First Aid Expenses

The Insurer shall bear the cost of medical emergency services provided by ambulance crews working for the Public Authority for Civil Defense and Ambulance at fixed amount of RO 400 (Rial Omani Four Hundred) for any single accident.

Chapter Five

General Exceptions

1. This insurance does not cover loss, damage or liability resulting or arising from accidents involving the insured vehicle in the event of accidents occurring, arising or resulting directly or indirectly due to volcanoes, earthquakes, invasion, acts of foreign enemy, acts of war or warlike operations, whether war be declared or not, civil war, strikes or terrorism, civil commotion, insurrection, revolution, military coup, usurped power, confiscation, nationalization, ionizing radiation, contamination by radioactivity from any nuclear or atomic or nuclear explosives or any factor directly or indirectly connected to any of the aforementioned causes.
2. In determining liability towards third party, the Insurer shall not be liable for any damage of whatsoever nature directly resulting during and because of the operation of the insured vehicle especially in drilling, lifting, construction works, agriculture or in any other similar works, unless agreed to cover the same under additional benefits. Driving of the vehicle from and to the operation site shall not be considered as operating under this clause.
3. This insurance shall not cover things carried or loaded in or on the insured vehicle.
4. This insurance does not cover consequential loss resulting from a risk covered by the insurance Policy.

Chapter Six

General Conditions

1. This Policy, its Schedule, Appendices and Proposal Form shall be read as one contract, and any word or expression to which a specific meaning has been attached in any part of this Policy or Proposal Form shall bear the same meaning wherever it appears, unless otherwise required by the context.
2. The Insured shall take all reasonable steps to safeguard the insured vehicle from loss or damage and maintain the vehicle in roadworthy condition. The Insurer shall have at all times free and full access to examine the vehicle or any part thereof.
3. In the event of any accident or breakdown, the Insured shall not leave the vehicle or any of its part unattended without proper precautions being taken to prevent further damage; and if the vehicle is driven before the necessary repairs are effected, any extension of the damage or any further damage to the vehicle shall be excluded from the scope of Insurer's liability.
4. a. Neither the Insurer nor the Insured has the right to cancel Chapter Three (Compulsory Insurance) for the vehicle during its period of validity as long as the license of the vehicle is still in force. Such cancellation, were it to occur, shall have no effect against the third party. Exempted from the foregoing shall be the case where a new insurance Policy is submitted for the remaining period of insurance and the name of the new Insurer is shown on the Mulkiya. In such cases, the Insurer shall refund to the Insured the premium paid less the premium due calculated on short-period rates specified in Schedule 4 of Appendix 1 herein, provided that no claim has arisen during the validity of the Policy.
- b. The Insurer may cancel the provisions of Chapter Two (Loss & Damage) of this Policy if there are material and substantial reasons requiring such cancellation such as a deliberate act by the Insured to obtain compensation, by sending a written notice by registered mail to the Insured at his last known address fifteen (15) days prior to the cancellation date. In this case, the Insurer shall refund to the Insured the premium paid less the pro-rata portion thereof for the period during which the Policy has been in force, as follows:

Premium X	Remaining period
	Insurance period

Similarly, the Insured may cancel the provisions of Chapter Two of this Policy by written notice to be delivered or sent to the Insurer by registered mail and, in such a case, the Insurer shall refund to the Insured the premium paid less the premium duly calculated on short-period rates specified in Schedule 4 of Appendix 1 of this Policy; provided that in both the aforementioned cases no claim has arisen during the validity of the Policy. Exempted from the foregoing shall be the case where the vehicle is insured at a value higher than the actual value, the insurer's obligation is limited to pay the difference in indemnity. The insured's right in recovering the premium shall be forfeited and shall pay the agreed excess.

- c. In case the period of insurance has expired, the owner of the vehicle shall be solely responsible for any claim arising after the expiry of the Policy.
 - d. Without prejudice to the provisions of paragraph 4-b of this clause, if the vehicle has been sold before the expiry date of the insurance, the original Insured and the Insurer shall remain liable for any claim by any third party against the vehicle. If the insurance of the vehicle is comprehensive, the original Insurer remains also liable to indemnify for any material damage the vehicle may sustain as a result of accidents in accordance with the provisions and terms and conditions of this Policy until the name of the new owner has been notified to the motor vehicle registration authority of the Royal Oman Police.
 - e. The insurance of inspection plates for new vehicle shall expire forthwith issuance of new policy in the name of the owner and received the vehicle.
5. In the event of an accident which may give rise to a claim, the Insured or the person representing him shall give immediate written notice to the Insurer and provide it with all relevant information. Every notice of a claim, writ or summons shall be notified or forwarded to the Insurer immediately upon receipt of the same by the Insured or any person representing him.

Notice shall also be given to the Insurer immediately after the Insured has knowledge of any impending prosecution or investigation relating to the aforesaid accident. In case of theft or other criminal act which may give rise to a claim under this Policy, the Insured shall immediately inform the Police and cooperate with the Insurer in securing the conviction of the offender.

6. The Insurer may, at any time, and at its own discretion, take over the defense and proceedings of the case in the name of the Insured in respect of any claim for which the Insurer may be liable under this Policy, and also to settle this claim. The Insurer may claim for its own benefit and in the

name of the Insured all compensations and guarantees, and it shall have full power to take any action and reach a compromise in any claim.

7. a. If it has been established by the Police report that liability for the accident is shared between two collided vehicles, then the liability of each vehicle towards the other for material damage shall be in proportion to the fault of each driver. If the report does not determine such proportion, the fault shall be apportioned equally. The liability of each insurance company involved shall be determined at the proportion of 50% of the material damage to the other vehicle and the owner of the damaged vehicle shall bear personally the other 50% unless he has his vehicle covered under a comprehensive insurance, in which case his insurance company shall bear the other 50%. The same principle shall apply if liability for an accident is shared between more than two vehicles.
- b. The provisions of the preceding paragraph shall not apply in the event of bodily injuries resulting from the accident, as the person who has sustained bodily injury and the heirs of any third party who has died by reason of such accident shall be entitled to receive whatever amount is awarded by a final court decision, from the insurance company or companies of the vehicles sharing liability for the accident.
- c. Bodily injury or death of the driver of the insured vehicle or anyone in his position or one or more of their family members: The liability of each vehicle for bodily injury and death shall be determined in proportion to the fault of its driver, and if such proportion is not determined the fault shall be apportioned equally. Accordingly, if it is established that the fault is shared between two vehicles and the proportion is not determined, the fault shall be in the proportion of 50% between the two of them. The liability of the insurance company of each vehicle shall then be determined in the proportion of 50% of the bodily injuries or death of the owner of the other vehicle or anyone in his position or one or more of their family members who sustain bodily injury or death as a result of the accident, and the owner of the vehicle shall personally bear the other half in respect of such injury or death, a final judgment having been rendered as to the same, unless the owner of the vehicle is insured under the Personal Accident Addendum in which case his insurance company shall pay the other half in accordance with the provisions and limitations of such Addendum. The same principle shall have effect if liability for the accident is shared by more than two vehicles.
- d. Medical expenses for bodily injury sustained by the Insured, anyone in his position, and their family members: The liability of each vehicle for such expenses shall be determined in proportion to the fault of

its driver, and if such proportion is not determined the fault shall be apportioned equally. In this case, the Insurer shall bear 50% of these expenses up to the maximum amount stated in Item d of Clause 13 "Restrictions on Use" in the Schedule of this Policy, whereas the Insurer of the other vehicle shall bear 50% of the total of such expenses. The same principle shall have effect if liability for the accident is shared by more than two vehicles.

8. The holder of a comprehensive insurance Policy may directly claim from the Insurer the indemnity for the damage sustained by his vehicle as a result of an accident caused by another vehicle(s). Then, the Insurer shall claim the paid amount from the insurer of the other vehicle which caused the accident where there is no insurance contract or not covering such liability. In such case the Insured shall not lose the no claim discount because he has not caused the accident, , and shall not be bound to pay the excess on recourse.
9. If at the time of any claim arising under this Policy there is any other insurance covering the same loss, damage or liability, the Insurer shall only pay its ratable proportion of that loss, damage, indemnity, costs or expenses equivalent to the proportion of insurance cover under this Policy to the total aggregate insurance amounts or indemnity for the same loss, damage or liability.
10. The due observance and fulfillment of the terms and conditions of this Policy in so far as they relate to anything to be done or not to be done by the Insured and the truth of all statements and declarations expressed by the Insured in the Proposal Form submitted by him shall be a pre-condition to admission to any liability by the Insurer under this Policy. Furthermore, any notice of claim is to be fully in accordance with the requirements of Clause 4 of this Chapter.
11. The Insurer is entitled to recover from the Insured any amount already paid as compensation to a third party and to withhold compensation to the Insured for damage to the insured vehicle under a comprehensive cover or for bodily injuries sustained by the Insured and any one in his position and their family members and medical and first aid expenses if the Policy covers such injuries, in the following cases:
 - (a) If it is proved that the insurance has been effected on the basis of false statements by the Insured or in the event of non-disclosure of material facts which would have affected the Insurer's acceptance of the risk or the premium rates or conditions thereof.
 - (b) If the accident occurs as a result of the use of the insured vehicle for purposes other than those stipulated in the Policy, exceeding the licensed number of passenger seats or overloading, provided that the

overloading or excess passengers in both cases causes the accident, or the load is not stowed correctly or exceeds the permitted limits of width, length or height.

(c) If the driver of the vehicle is not authorized in the first place to drive the type of vehicle involved, or his driving license has been seized by the competent authorities, or was under the influence of alcohol or drugs.

(d) If it is proved that the accident, death or bodily injury resulted from a willful act of the Insured.

The right of recourse of the Insurer under the provisions of this clause and the conditions contained in this Policy shall not affect the rights of the affected party against the Insured.

12. Any legal action under this Policy shall be time-barred if not submitted within two years from the date of the accident. However, in case of non-disclosure of material facts relating to the insured risk or false material information, the time-bar period stated above would become effective from the date on which the concerned party becomes aware of the withheld or true information. The time-bar mentioned in the preceding paragraph shall be interrupted by a registered letter or by delivery of the claim related documents to the Insurer within the period mentioned in the aforesaid paragraph.
13. The Royal Oman Police is the competent authority responsible for issuing inspection reports of the vehicle damaged by an accident. In case of discrepancy regarding the causes of invisible damage sustained by the vehicle which the inspection report does not specifically determine whether or not they are attributable to the accident, the vehicle shall be sent to the concerned Agent or to inspection department of ROP to determine whether such damage was caused by the accident or are due to wear and tear. If such damage is caused by the accident, the Insurer shall bear all costs; and if not, the owner of the vehicle shall bear the cost of inspection and repairs. If the Agent is unable to determine the cause of damage, the inspection report shall prevail and it shall be binding on all parties.
14. The Insurer may not postpone the settlement of third party claim due to the failure of Insured responsible for the accident to pay the Excess to the Insurer.
15. It is not allowed to deduct any depreciation or fix used parts if such parts are included in the list specified by the Royal Oman Police in accordance with Schedule 5 of Appendix 1.
16. In case of insurance of equipment or commercial vehicles used in drilling

or construction, etc., the Insurer shall offer other insurance options that cover the risks of such equipment when used at the work site and get a written approval or refusal from the owner of the equipment in the Proposal Form as per Schedule No. 2- Second. If such equipment are sold by installments, the approval of the financing company or bank (mortgagee) must be obtained.

17. The maximum period for repairing any damaged vehicle is thirty (30) days only from the date of completion of the accident file. In case of exceeding the said period, the affected party shall have the right to resort to the competent courts to claim compensation.
18. The Insurer shall pay cash compensation for injuries or damage resulting from vehicle accidents within a maximum period of fourteen 14 days from the date of completion of the accident file or issue of a final court decision.
19. The damaged vehicle shall be repaired at the concerned agency if the vehicle has been used for less than one year from the date of first registration, and at any ROP approved workshop if it has exceeded such a period.
20. If the damaged vehicle has been used for less than one year, all spare parts used for replacement should be new and genuine, without any deduction or depreciation. The spare parts damaged by the accident may not be replaced with used ones.
21. Basis for computation of spare parts:
 - (a) If the age of the damaged vehicle is more than one year, parts used for repair shall be original and new of the same type and age of the damaged vehicle and fit for use without deduction or depreciation.
 - (b) If used parts are not available the insured shall provide original new parts without deduction of any depreciation.
 - (c) Where the insured or the person who suffers damage is desirous of installing new parts to replace the damaged parts though the parts are available the insured shall deduct depreciation on such parts.
 - (d) Where the insured is desirous of repairing the vehicle at the agency with original and new parts the insured may receive the difference between the concerned workshop and the additions of the agency.
22. The Insurer that rejects a compensation claim shall provide the claimant with a written statement indicating the reasons for rejection within a maximum period of two weeks from submission of the compensation claim with the supporting documents. The claimant may, in this case, resort to the competent authorities to claim compensation.
23. In the event of the insured vehicle being involved in an accident causing loss or damage to other vehicle(s) owned by the same Insured, the Insurer

shall only be liable for loss or damage caused to the insured vehicle. The Insurer(s) of the other vehicles shall be liable for loss or damage if the vehicles have insurance cover under Chapter One 1.

24. If the vehicle becomes a total loss as a result of an accident and has been cancelled by the Police, or if it has sustained heavy damage which renders it a total loss (constructive total loss), compensation shall be as follows:

First: Comprehensive Insurance

1. The cash value of the vehicle on the purchase date is determined according to its first purchase invoice. If this purchase invoice is not available, a certificate shall be requested from the agency stating the actual cash value of the vehicle on the purchase date.
2. Depreciation shall be computed as per the approved Depreciation Schedule 1 or 2 of Appendix 1.
3. The difference between item 1 and item 2 is considered to be the insurance value of the vehicle at the beginning of insurance during the years following the first year, and it is the basis of compensation settlement in case of accident.
4. As an exception to the above rules, in case the insured amount is higher than the vehicle value stated in the aforesaid rules, the Insurer is liable to pay the amount agreed upon in the Schedule of this Policy (after considering the applicable depreciation).

Second: Insurance to Third Party

The Insurer responsible for the accident shall be liable to pay the market value of the vehicle or its value as per item (3) first of article 24 of Chapter Six, whichever is higher.

Appendix (1)

Rules for claim settlement and the basis of depreciation Basis of indemnity calculation:

Comprehensive & Compulsory Insurance:

- a.Total Loss:** Depreciation shall be computed from the first month at the rate of 1.25 % per month and 15 % at the end of the first year. The approved Depreciation Schedule shall be applicable for the following years as per Schedules 1, 2 of this Appendix.
- b.Partial Loss:** Depreciation shall be computed from the first month of the second year at the rate of 0.8 % per month and 10 % at the end of the second year. The approved depreciation Schedule shall be applicable for the following years as per Schedule 3 of this Appendix.

Schedule (1)

Depreciation used in calculating total loss of private vehicles

Year	Balance at the beginning of year	Total Depreciation	Balance at the end of year
One	100%	15%	85%
Two	85%	28%	72%
Three	72%	38%	62%
Four	62%	48%	52%
Five	52%	53%	47%
Six	47%	58%	42%
Seven	42%	62%	38%
Eight	38%	66%	34%
Nine	34%	69%	31%
Ten	31%	72%	28%
Eleven	28%	75%	25%
Twelve	25%	77%	23%
Thirteen	23%	80%	20%
Fourteen and above	20%	80%	20%

Schedule (2)

Depreciation used in calculating total loss of commercial vehicles

Year	Balance at the beginning of year	Total Depreciation	Balance at the end of year
One	100%	15%	85%
Two	85%	28%	72%
Three	72%	38%	62%
Four	62%	48%	52%
Five	52%	55%	45%
Six	45%	62%	38%
Seven	38%	68%	32%
Eight	32%	73%	27%
Nine	27%	77%	23%
Ten and above	23%	80%	20%

Note: Pro-rata percentage is applicable for usage during the year.

Schedule (3)

Depreciation used in calculating Partial Loss

Year	Balance at the beginning of year
End of 1st year	--
End of 2nd year	10%
End of 3rd year	15%
End of 4th year	20%
End of 5th year	25%
End of 6th year	30%
End of 7th year	35%
End of 8th year	40%
End of 9th year	45%
End of 10th year & above	50%

Schedule (4) Calculation of refund premium

The premium to be refunded for short period policies shall be calculated on the basis of their appropriate portion as per the schedule below:

Periods	Deduction rate
From 1 day to 10 days	10%
From 11 day to 30 days	20%
from 31 days to 60 days	30%
From 61 days to 90 days	40%
From 91 days to 120 days	50%
From 121 days to 150 days	60%
From 151 days to 180 days	70%
From 181 days to 210 days	75%
From 211 days to 240 days	80%
From 241 days to 270 days	85%
From 271 days to end of the year	100%

Schedule (5)

List of spare parts which, if damaged by a road traffic accident, shall be replaced with new parts from the concerned agency without deducting any depreciation:

1	Brake master cylinders
2	Brake wheel cylinders
3	Brake calipers
4	Brake cables (conduit type)
5	Brake hoses
6	Brake diaphragms
7	Steering boxes
8	Steering racks
9	Steering ball joints and swivels
10	Seat belts
11	Glass
12	Tires
13	Airbags

Appendix (2)

Personal Accident

(Optional insurance for the Insured and anyone in his position, and their family members against bodily injury and death)

Pursuant to Paragraph (a) of Article (9) of the Motor Vehicles Insurance Law on insurance of the driver and his family member: .

Following is the Schedule of basis and percentages of indemnity for bodily injury sustained by the owner of the motor vehicle, its driver and their family members resulting from accidents to the motor vehicle. (The compensation amount is based on RO 10,000 (Rial Omani Ten Thousand) for male or female):

S/ N	Type of Injury	Compensation percentage
1.	Death or permanent total disability	100%
2.	Loss of single organ of the body or its function	100%
3.	Loss of the two pair organs of the body or one organ if resulted in loss of the function of the other or the other organ is not existing at the time of injury	100%
4.	Loss of another pair organ not mentioned in this table or loss of its function	50%
5.	Loss of all fingers or all toes or their functions	100%
6.	Loss of sexual ability or loss of ability of reproduction in men and women	100%
7	Loss of any of the senses (taste, touch, hearing, vision, smell).	100%
8	Loss of mental function	100%
9	Loss of all the teeth	100%
10	Fetus born alive and died	100%
11	Fetus aborted	100%
12	Loss of a hand or leg or their functions	50%
13	Loss of any finger or toe or loss of their function	10%
14	Amputation of distal phalanx of thumb or big toe or loss of their function	5%

S/ N	Type of Injury	Compensation percentage
15	Amputation of distal phalanx of forefinger or toes or loss of their function	3.3%
16	Loss of tooth	5%
17	Jaifah (deep wound) if not penetrating to the other side	33.3%
18	Jaifah (deep wound) if penetrating to the other side	66.6%
19	Nafithah (piercing wound)	33.3%
20	Alamah	33.3%
21	Al Damighah,(brain wound reaching the brain)	33.3%
22	Al Hashimah other than in the face	10%
23	Al Hashimah in the face	20%
24	Al Munqilah (dislocating)	15%
25	Al Muwadhihah (bone clearing wound)other than in the face	5%
26	Al Muwadhihah (bone clearing wound) in the face	10%
27	Ghamyah (Coma)(shall accrue if prayer time has not lapsed , if lapsed the injured is entitled for each prayer to third the Diyah (0.066%) up to the compensation limit and shall not be exceeded even if the coma is lengthy	1%
28	Temporary disability (shall be compensated for every week for not more than 26 weeks during a single insurance period	0.5%

Injuries in the table means:

Jaifah: Resulting in penetrating wound in a hollow organ.

Alamah: That reaches the endocranium.

Al Nafithah: Resulting in penetrating wound in non- hollow organ.

Al Damighah: Reaching the brain.

Al Hashimah: Crushing the bone without dislocation.

Al Munqillah: If fractured the bone and dislocate it.

Al Muwadhihah: Bone clearing wound

The bodily injuries mentioned in the injury compensation schedule are not to be considered as stated exclusively, but rather they should be used by way of analogy for anything not mentioned herein. The percentages, basis and rules stated herein, are to be considered as minimum limits which can be exceeded by agreement.

Basis and rules applicable to the schedule of injury compensation:

1. In all cases of disability, the report of the hospital providing the treatment shall be relied upon.
2. If the injured person is left-handed, the degrees of his disability arising out of injuries to the left upper limb shall be assessed by reference to the same scale of compensation as for such disability in the right limb.
3. If any organ of the body is totally and permanently disabled from performing its function, that organ shall be deemed to have been lost. If such disability is partial, the percentage thereof shall be assessed by reference to the incapacity sustained by the limit in the performance of its function.
4. Assessment of the degrees of disability shall be made on the basis that surgery has completely healed without leaving behind any complications, impairment in movement of the remaining joints, such as scarring, calcification, inflammation, or sensory or other complications. If any such complications still persist, compensation shall be assessed on the basis of the remaining degree of disability.
5. No person injured in one accident may combine indemnity for Permanent Total Disability with indemnity for death, but he shall have the right to combine indemnity for more than one permanent partial disability, provided that the aggregate liability of the Insurer in such a case does not exceed the amount payable in the event of death or Permanent Total Disability.
6. If a temporary disability, within six months from the date of issue of the final medical report, develops into permanent disability, or leads to the death of the injured person as a result of the same bodily injury, the indemnity for the permanent disability or death shall be reduced by the amount of the payments made to the injured person in respect of such temporary disability.
7. The Insured and the driver of the insured vehicle and their family members shall not be entitled to any compensation for death or bodily injury attributable directly or indirectly, wholly or partially, to suicide or attempted suicide of the Insured or the driver of the vehicle or to his being under the influence of alcohol or drugs while driving the vehicle

or if he was not the holder of a driving license for the type of the vehicle or the number of passengers was in excess of that permitted, or the load exceeded the authorized limit, and the accident was caused by either of the same, all of the foregoing being without prejudice to the compensation due to third parties injured in the same accident, or the right of the Insurer to proceed against the persons causing the accident.

8. The aggregate liability of the Insurer in relation to passengers, in respect of any one accident according to the provisions of the injury schedule, shall not exceed in any period of insurance of the insured vehicle the sum calculated by multiplying the number of licensed passengers with the amount stated in the injury schedule.

Appendix (3)

Rules for No Claim Discount

No claim discount percentage granted to the insured in case of comprehensive or third party insurance shall be 5% of the insurance premium according to the term or terms specified in the no claim percentage table for comprehensive and third party insurance as follows:

1. in case of continuation of insurance with the same insurer, no claim discount shall be applied on the basis of the first year's insurance premium taking into account the minimum limit of comprehensive insurance and third party insurance applied by the insurer.
2. in the event of shifting to another insurer the no claim discount rules shall be applied as per the insurance premium of the new insurer at the time of concluding the contract taking into account the minimum limit of comprehensive insurance and third party insurance applied by the new insurer.
3. Insured's right to accumulated no claim discount shall remain in the event of changing insurance cover from comprehensive to third party and vice versa.
4. The insurer and insured may agree on longer terms and greater discounts.
5. The insured shall have the right to request no claim discount certificate from the present insurer in the event of shifting to another insurer.
6. Where the insured causes an accident during an insurance period he shall be deprived of no claim discounts stated in the table below:

Percentage	Year
5%	Beginning of second year
10%	Beginning of third year
15%	Beginning of fourth year
20%	Beginning of fifth year
25%	Beginning of sixth year
30%	Beginning of seventh year
35%	Beginning of eighth year
40%	Beginning of ninth year and more

Administrative Decision No. E / 53 / 2013 Regulations for the Business of Insurance Brokers

Pursuant to the Insurance Companies

Royal Decree No. 2004 / 90 transferring insurance jurisdiction from the Ministry of Commerce and Industry to the Capital Law promulgated by Royal Decree 12 / 79; Market Authority; and

The Executive Regulation of the Insurance Companies Law issued by Ministerial Decision No. 5 / 80 ; and

The Directives Regulating Carrying out the Profession of Insurance Brokers issued by Ministerial Decision No. 101 / 90 ; and

The approval of the Board of Directors of the Capital Market Authority in its meeting dated June 10, 2012 ; and

The approval of the Ministry of Finance under letter No.5 / 1 dated February 2013 , 13;

In the interest of the public

It has been decided

Article (1): The attached provisions shall be applicable for Regulating the Business of Insurance Brokers.

Article (2): Licensed insurance brokers shall correct their status pursuant to the provisions of this Regulation within a term not exceeding six months from the date it comes into force. Such term may be extended by the Executive President at his discretion for not more than further six months.

Article (3): Ministerial Decision No. 101 / 90 shall be repealed as well as anything that infringes this Regulation or contradicts its provisions.

Article (4): This decision shall be published in the Official Gazette and shall come into force on the day following the date of publication.

**Abdullah Salim Al Salmi
Executive President of the Capital Market Authority**

Issued on: June 2013 , 13

Regulations for the Business of Insurance Brokers

- Article (1):** In the application of these regulation the following words and expression shall have the meaning shown along with them unless the context otherwise requires:
1. Authority: The Capital Market Authority.
 2. Executive President: Executive President of the Capital Market Authority.
 3. Broker: A person licensed by the Authority to carry out the business of insurance brokerage through independent intermediation in insurance business between the insured and insurer in consideration of a commission from the insurer.
 4. License: The final approval decision issued by the Authority to carry out the business.
- Article (2):** No person shall carry out insurance brokerage business except after obtaining a license.
- Article (3):** A person desirous of obtaining the license shall apply for the license on the form prepared by the Authority and attach the following documents and statements:
- The broker's name, legal form and address.
 - Names of founders and their nationalities.
 - Names of directors (if any) and nationalities.
 - Payment receipt of application consideration fees.
 - Any other document or statements the Authority determines.
 - Applicant's business shall be limited to insurance brokerage.
- Article (4):** The Authority shall issue its initial approval for licensing, and the applicant who obtains initial approval shall complete all the procedures provided for in this regulation in a period not exceeding six months from the date of approval.
- Article (5):** After obtaining initial approval, applicant shall fill the form prepared for this purpose and attach the following documents:

1. Evidence that founders and senior management have not been declared in the five years preceding the application as bankrupt or convicted in a felony or dishonourable crime or a penalty provided for in the Commercial Companies Law, Commercial Law, Capital Market Law and Insurance Companies Law unless rehabilitated.
2. Copy of registration certificate in the Commercial Register to carry out insurance brokerage business and copy of the membership in the Oman Chamber of Commerce and Industry.
3. Copy of signatories form.
4. Evidence of appointment of whole time manager to supervise insurance brokerage business.
5. Detailed statement on the employees including training and qualification plan in the field of insurance business.
6. Provide economic feasibility study.
7. Copy of third party professional indemnity policy on the terms and conditions approved by the Authority at three times the annual income for the previous year or RO 100,000 (Hundred Thousand Rial) whichever is higher to be renewed annually throughout the license term.
8. Provide bank guarantee RO 50,000 (Fifty Thousand) valid throughout the license term to cover third party liabilities arising out of insurance brokerage business.
9. Evidence of provision of a place to carry out brokerage business.
10. Fees payment receipt.
11. Any other documents or statements the Authority determines.

Article (6): The manager appointed to manage insurance brokerage business shall:

1. Have the one of following qualification:
 - a. Fellow or associate of chartered insurance institute or any professional institute approved by the Authority along with technical experience in the field of insurance for at least five years in insurance underwriting or insurance companies' or insurance brokers' management.

- b. Have Masters in insurance or finance or economics along with technical experience in the field of insurance for a period of at least 5 years in insurance underwriting or insurance companies' or brokers' management.
 - c. Have a bachelor's degree in insurance or finance or economics along with technical experience in insurance for a period of at least 7 years in insurance underwriting or insurance companies' or brokers' management.
 - d. Have a diploma in insurance or finance or economics along with technical experience in insurance for a period of at least 10 years in insurance underwriting or insurance companies' or brokers' management.
2. Shall pass the exam set up directly by the Authority or through engagement of another entity.
3. Shall not be dismissed from an insurance company for disciplinary reasons.

Article (7): The Executive President shall issue the licensing decision within thirty (30) days of the date of completing all the required conditions, and if no decision is made after this period, it will be considered as an implied refusal of the application.

Article (8): An insurance broker shall be registered in the register of insurance brokers and shall be given an approved certificate proving registration in the register.

All papers, documents, receipts and notices issued by the broker shall refer to the broker's registration number. The broker shall inform the Authority of any change to the statements recorded in the Register or the attached documents.

Article (9): The license shall be valid for five years and may be renewed on request within two months prior to the date of expiry provided all documents provided for in Article (5) of this Regulation are met except Clause (6) of the same Article.

Article (10): The broker licensed by the Authority shall commence business within twelve (12) months from the date of issuance of the license.

Article (11): The insurance broker shall perform the following functions:

1. Prepare insurance application form and documents as and when required.
2. Endeavor to provide best insurance offer according to the client's request and best benefits.
3. Provide advice and technical consultation to the client on most suitable terms and conditions and prices.
4. Provide assistance to the insured or beneficiary on settlement of claims with the company.
5. Conclude agreement with each insurance company he deals with on the agreed terms and conditions and any other terms and conditions the Authority determines and such agreement shall be valid throughout the term he deals with the company. Copy of such agreement shall be filed with the Authority.
6. Provide information to the company to assess the risks to be covered or renew the insurance with the knowledge and consent of the client.
7. Remit insurance premium to the account of the company during the agreed term provided it shall not exceed ninety (90) days and remit claims amounts paid by the company in favour of the client or beneficiary.

Article (12): In addition to the functions in Article (11), the reinsurance broker who carries out brokerage business in reinsurance shall undertake the following functions:

1. Providing the insurer with advice concerning selection of reinsurers of financial strength and follow up the positions of those who are awarded business and notify the insurance company of any risks that threatens their financial positions.
2. Explaining to the insurer the names of all reinsurers who are awarded business.
3. Conclude agreement with each reinsurance company he deals with on the agreed terms and conditions and any other terms and conditions the Authority determines and such agreement shall be valid throughout the term he deals with the company. Copy of such agreement shall be filed with the Authority.

4. Inform reinsurers of the expected risks and huge losses that may affect their obligations to indemnify the covered risks.
5. Collecting and remitting premiums from the companies to reinsurers.
6. Collecting indemnities from reinsurers and remitting to the companies where the covered risks occurs.

Article (13): Insurance broker shall segregate clients' funds according to the following terms and conditions:

1. Deposit all clients' funds in one or more separate bank accounts designated as "Insurance Broking Account".
2. The funds in the "Insurance Broking Account" shall be used solely for the following purposes:
 - a) For payment to an insurer in respect of the amount due under an insurance contract.
 - b) For payment to an insured in respect of the amount due under an insurance contract.
 - c) Any money paid into the account in error.
 - d) Any other cases pertaining to insurance brokerage business the Authority determines.

The funds in the "Insurance Broking Account" shall not be included in the actual accounts of the broker neither the revenues therefrom shall be part of his accounts and shall not be affected by liquidation in the event of bankruptcy and no charge, lien, encumbrance or obligation whatsoever shall be made thereon without the written approval of the Authority.

Article (14): The insurance broker shall ensure that at all times the value of the assets of his broking business shall exceed the amount of liabilities by at least RO 50,000 (Fifty Thousand) for direct insurance and RO 75,000 (Seventy Five) for reinsurance and direct insurance business.

On Calculation of the total assets and total liabilities of the broker only 60 % of the total accounts receivable exceeding ninety (90) days shall be counted with the exclusion of accounts receivable from government entities.

Assets shall exclude the letter of guarantee provided for in this

Regulation and intangibles and the liabilities shall exclude capital, dividends and optional reserves.

Article (15): The Insurance broker shall comply with the following:

1. Shall have internal rules and regulations.
2. Shall place the license in a conspicuous place at the place of business.
3. Shall ensure his employees have proper qualifications for the business.
4. Shall provide proper professional training for the employees.
5. Shall not allow other licensees to carry out insurance brokerage business without the written consent of the client.
6. Shall comply with anti- money laundering and terrorist financing instructions issued by the Authority and other official entities.

Article (16): An insurance broker shall appoint an auditor from among the auditors accredited by the Authority to carry out the following functions:

1. Ensure adequacy and efficiency of internal controls.
2. Ensure adequacy of internal controls and bylaws for insurance broker and compliance with application.
3. Ensure compliance of insurance broker with Insurance Companies Law and the regulations and decisions issued for enforcement
4. Report to the Authority any detected or suspected violations.
5. Any other functions prescribed by law.

Article (17): Insurance broker shall submit to the Authority audited annual balance sheet and financial statements within not more than three (3) months from the end of the financial year.

Article (18): Insurance broker shall maintain books and registers to record and keep statements, information and papers pertaining to the business including:

1. Copies of the agreement concluded with insurance companies.
2. Memos and communications pertaining to the business.
3. Copies of insurance policies the client concludes with the insurance company.
4. Copies of payment and reimbursement vouchers, settlements and other financial transactions pertaining to insurance brokerage business.
5. Bank accounts of insurance broking business.

Article (19): An insurance broker shall comply with the professional and ethical code of conduct with special regard to the following:

1. Integrity in all his acts.
2. Maintain confidentiality in dealing with all statements and information he obtains during his work, and he shall take the proper procedures to maintain confidentiality of information and documents he possess.
3. Ensuring the policy issued by the company meets the client's needs.
4. Having an adequate mechanism for receiving complaints and remarks from clients and follow up.
5. Explaining to the client all the terms and conditions of the insurance contract concluded with the client.
6. Explaining to the client the duty of disclosing all material facts when applying for insurance and the consequences of inaccurate statements or concealing information, and explaining to the client his responsibility for all statements and information in the insurance application.
7. Explaining to the client the reasons for selecting the offered policy, terms and conditions, benefits and exceptions, and shall provide comparison between the price and coverage of the proposed policy and other policies offered by other insurance companies.
8. Disclosing to the client the commission he charges the insurance company as and when required.
9. Explaining to the client the required procedures where the insured risk occurs.

10. Explaining to the client the duty of disclosing any changed to the nature of the insured risk on renewal of the policy.
11. Promptly informing the client of the company's decision in respect of the claim submitted to the company after occurrence of the insured risk and providing assistance to the client in continuing the claim.
12. Explaining to the client the duty of full and fair disclosure in respect of the claim submitted to the company after occurrence of the insured risk.
13. Shall not provide the client with any incorrect or unfair information about any other company for the purpose of enticing the client to cancel a valid policy to buy new policy through him or influencing the offer made to the client by another entity.

Article (20): An insurance broker shall not:

1. Act as insurance agent or authorized agent for foreign insurance company carrying out business in the Sultanate.
2. Be a partner in another insurance broker.
3. Hold shares in an insurance company at more than 10 % of its capital.
4. His management or employees shall not be working for an insurance company licensed in the Sultanate.
5. Combine directly or indirectly the roles of insurance and reinsurance business for the same project
6. Issue insurance policy or make any settlement or indemnity.
7. Make any change to an insurance application or to the policy issued by an insurance company or sign on behalf of the client.
8. Shall not rely on one insurance company in his business and shall submit to the Authority within ninety (90) days from the end of each financial year statement approved by the external auditor showing:
 - a. The number and names of insurance companies with which he deals during the financial year. If the number is less than three companies he shall state the reasons.

- b. The commission accruing from each company for the past year. If the commissions from any company exceeds 35% of the total commissions he shall state the reasons to justify this.

Article (21): The Authority may agree to add a branch or more for the broker on request. The provisions of this Regulation shall apply on the branch.

Article (22): The Authority may inspect the books, accounts and transactions of insurance brokers, and carry out the required investigations in violations and impose the appropriate penalties. The Authority may also assign an external auditor to audit the broker's books and records, and the broker shall cooperate, enable them to do their work, and provide them with all information and statements they request. All statements and information shall be considered confidential and shall not be disclosed or published. The Authority may redeem audit expenses from the brokers if sees fit.

Article (23): The license of insurance broker shall be canceled in the following cases:

1. If one of the licensing conditions is not met.
2. If fails to commence business within twelve (12) months from the date of issuance of the license.
3. If the broker is de-registered.
4. If fails to submit renewal application within the specified term.
5. If defaults any of the obligations and duties in the laws, regulations and directives.
6. If fails to renew the letter of guarantee.
7. If Professional Indemnity Policy is less than the prescribed limit and fails to top up within the term specified by the Board of Directors of the Authority or fails to renew.

Article (24): The Authority shall charge the following fees:

1. Application consideration fees : R.O. 1,000 (One Thousand)

- | | |
|-----------------------------------|--|
| 2. Licensing fee: | R.O. 2,500 (Two Thousand Five Hundred) |
| 3. License renewal fee: | R.O. 2,500 (Two Thousand Five Hundred) |
| 4. Branch opening fee: | R.O. 250 (Two Hundred Fifty) |
| 5. Statements amending fee: | R.O. 20(Twenty) |
| 6. Records and papers access fee: | R.O. 5 (Five) |
| 7. Copies or extracts fees: | R.O. 5 (Five) |

Circular No. 3 / 2004 Reinsurance Strategy

In the wake of catastrophic events in the recent years and the rapid changes in the global business environment it is crucial for insurance companies to adopt adequate and effective reinsurance arrangements. Weaknesses in an insurers' reinsurance arrangements may effect its ability to meet its obligations to policyholders which in turn can erode confidence of the public in the insurance system

This circular sets out the guiding principles and requirements that relate to the oversight of the 'Reinsurance Strategy and Management procedures' of an insurance company by its Board of directors and senior management.

Guiding Principles

The primary responsibility for sound and prudent management of an insurance company rests with its Board of Directors and senior management. The Board of Directors and senior management are required to develop, implement and maintain a Reinsurance Strategy appropriate to the operations of the company, in order to ensure that the company has sufficient capacity to meet its obligations as they arise.

Role of Board of Directors in Reinsurance Management Strategy

1. Reinsurance management strategy suited to the company's risk profile shall be approved by the Board of Directors of every insurance company.
2. The reinsurance strategy shall be part of the company's overall underwriting Strategy.
3. The reinsurance strategy shall define and document the insurance company's Strategy for reinsurance management, identifying procedures for and setting limits for each of the item below wherever applicable:
 - (a) determination of the net risk to be retained ;
 - (b) determination of the type of reinsurance arrangements most appropriate to manage the insurance company's risk exposure ;
 - (c) the reinsurance to be purchased and; determination of maximum foreseeable amount of reinsurance protection to be obtained ;
 - (d) selection of panel of reinsures to be used, including consideration of diversity and how to assess their security;

- (e) what collateral, if any is required;
 - (f) management of risk accumulation and known concentration with respect to a geographical region, particular industry, particular product or single insured in the insurance company's underwriting books;
 - (g) selection of reinsurance brokers to be used, if any, and how to assess their quality, dependability, efficiency and reputation;
 - (h) how the reinsurance programme will be monitored (i.e. reporting and internal control system);
 - (i) monitoring the collectability and timely receipt of the reinsurance recoverables.
4. The Board should review the reinsurance strategy annually. In addition, the strategy should be reviewed when there have been changes in the market conditions, the company's circumstances, its underwriting policies or status of its reinsurers .

Role of Senior Management in Reinsurance Management

1. Senior management shall document clear policies and procedures for implementing the insurance strategy set by the Board of Directors. This includes:
 - (a) setting underwriting guidelines that specify the type of insurance to be underwritten, policy terms and conditions and aggregate exposures by the type of business ;
 - (b) establishing limits on the amount and type of insurance that will be automatically covered by the reinsurance (e.g. treaty reinsurance)
 - (c) establishing criteria for acquiring facultative reinsurance cover in order to avoid uncovered risks. The terms and conditions of the reinsurance cover should be compatible with those of the business written by the company.
2. Limits on the net risk to be retained should be set either per line of business, per risk or per event . The limit should be based upon the evaluation of the risk profile, capital adequacy and cost of reinsurance.
 - a. An up-to-date list of reinsurers approved by the company should be maintained.
 - b. If accompany takes advice on the strength and security of a reinsurer, it should satisfy itself that the advice given is sound. If a reinsurance cover is acquired through a broker the company should evaluate the operational risks associated with the transaction.

3. Senior management shall ensure that proper and effective management system is in place to meet all board requirements with respect to the reporting frequency and level of details.
4. Adequate Internal control systems should be in place to ensure that:
 - (a) all reinsurance is carried out in accordance with the company's policy and that planned reinsurance cover is in place ;
 - (b) there is timely identification where insured or underwriters infringe authorized limits, breach company's guidelines or otherwise assume risks exceeding the ability of the company's reinsurance cover ; 2
 - (c) claims are reported to appropriate reinsurers on timely basis and reinsurance claims payments are promptly collected;
 - (g) Company's internal control system should be subject to regular audit examination.

Regulatory Requirements

1. An insurance company shall file such information regarding its reinsurance strategy and programme as the Capital Market Authority may require to assess the company's reinsurance arrangements. Senior management should ensure that signed reinsurance contracts are available for inspection in the company's office.
2. Every insurance company shall satisfy itself regarding financial strength of the reinsurers used and place reinsurance business (including facultative) with only those foreign reinsurers who enjoy a sound financial rating preferably AA but not less than BBB with 'Standard and Poor, A. M. Best, Moodys or equivalent rating of any other equivalent international rating agency.

Note:

In the solvency margin calculation, full deduction for reinsurance premium ceded may be allowed for top rated reinsurers only, and graded down towards bottom end of acceptable rating range. (The table for allowable deduction for reinsurance premium ceded depending on upon the rating of a reinsurer will be issued.)

Inward Reinsurance Business

1. No insurance company shall accept inward reinsurance business from foreign countries without seeking initial approval from the Authority
2. An insurance company willing to write such inward reinsurance business shall submit to the Authority the following :

- (a) A comprehensive note on the insurance policy stating the class of business, geographical scope, retention limits for company's own account, reinsurance/ retrocession arrangements for this business, profit objective etc;
 - (b) Source of business—through international brokers, direct from insurance or reinsurance companies or acceptances under reciprocal arrangements;
 - (c) Financial projections for three years;
 - (h) Name of the manager responsible for inward reinsurance acceptances, his qualifications and experience of underwriting international reinsurance business.
3. The Authority may call for further information or explanation in this regard and may grant permission, refuse permission or grant permission with conditions.

Foreign Companies licensed to operate in the Sultanate

The provisions of these regulations in regard to the Board of Directors and Senior Management may not be applicable to the foreign branches whose head offices are in foreign jurisdictions. Foreign branches shall provide general description for policies and guidelines of reinsurance business applicable to their operations in Sultanate of Oman.

However, foreign companies shall comply with all other regulatory requirements and guidelines in respect of their operations in Oman.

Foreign branches shall submit to the CMA details of reinsurance arrangements for the business written by them in Oman including their net retentions, and underwriting limits allowed to them by their head office for each class of business.

Best Regards,

Yahya bin Said bin Abdullah Al-Jabri
Executive President

Issued on: 2004 / 12 / 26

Code Of Corporate Governace For Insurance Companies

General Definitions

Article (1): Unless otherwise specified, the words and expressions used in this code shall have the same meaning as specified under Commercial Company law 1974 as amended, Capital Market Law 1998 as amended and the Insurance Companies Law 1979 as amended. The following words and expressions shall carry the meanings as specified hereunder unless the context gives other meaning:

Independent Director

A director shall be independent if he, she, or any of his or her first degree has not occupied a senior position (such as the Chief Executive Officer, the General Manager or similar post) in the company for the last two years. Also, he or she has no other relationship with the insurance company (herein after referred to as “insurer”), its parent company or its affiliates or sister companies that could interfere, or be reasonably seen to interfere, with the exercise of his or her independent business judgment.

Non Executive Director

The member of the board who is not a whole time director (employee director) and/or does not draw any fixed monthly or annual salary from the insurance company.

Related Party

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Related party transactions include transactions with, parent company, affiliates and director and director –related entities.

Director related entities include:

- Companies that are majority- owned by the directors or their first degree.
- Companies in which the directors or their first degree control the composition of the board of directors.

Article (2): a. The provisions of this Code of Corporate Governance for Insurance Companies shall apply to all licensed insurance companies incorporated in the Sultanate of Oman and whose head offices are in Oman.

- b. Public joint stock insurance companies listed on MSM shall also comply with all the provisions of the “Code of Corporate Governance for MSM Listed Companies,” where the same do not contradict the provisions of this Code.
- c. corporate governance arrangement in place at the head office level for branches of foreign companies licensed to conduct insurance business in Oman shall satisfy the requirements of CMA to provide for effective high level controls over the insurance activities conducted by them in the Sultanate. CMA has the right to verify that such branches meet the aforesaid requirements.

Composition of Board of Directors

Article (3): Subject to compliance with the provisions of the Commercial Companies Law, the following shall apply in respect of composition of the board of directors :

- 1. The board shall be comprised of a majority of non-executive directors.
- 2. The role of CEO/General Manager and the chairman shall not be combined.
- 3. A minimum of one third of the members of the board (two members at least) shall be independent directors.
- 4. Non-executive directors and independent directors shall be identified in the annual report. If an independent director resigns or is removed from the office, the company shall notify CMA of the reasons.
- 5. The members of the board shall have sufficient expertise and understanding of the activities of insurance companies and shall have the ability to control whatsoever hinders the activities of the company.

Article (4): The Board shall meet at least four times a year with a maximum time gap of four months between any two consecutive meetings..

Functions of the Board of Directors

Article (5): 5.1. Policy Formulation

- a) The board shall review and approve business policies and plan, based on corporate vision subject to on going review based

on changing political, economic, social and environmental surroundings. In order to ensure effective management of an insurer, the board shall give the management clear set of policies that specify its long term strategic objectives.

- b) Enhancing the principle of rendering service to policyholders. The objective of maximizing shareholders returns shall be subject to the overriding responsibility of ensuring that the insurers' financial resources are sufficient at all times to discharge obligations to the policyholders.
- c) The board shall encourage the line managements' suggestions and employ in policy formulation and shall examine those objectively to enhance and sharpen and enhancement of policies and business plans.
- d) The board may call from the management, in-depth study papers on topics relevant to current activities or affecting the company.
- e) The board shall draw on the external professionals to support the executive management in formulation of policies and plans.
- f) The board shall exercise their powers independently and shall not be under undue influence from the management or other parties and shall not get limited by the submissions and representations. The Board may call additional information and inputs from the management, if required.

5.2. Approving Corporate Business Plan

The board shall adopt and review at least annually the insurers' strategic corporate business plan. The corporate plan should address the insurers current and long-term (at least three years) business goals with respect to its position in market place, its size, products offered and other key objectives.

The business plan must reflect the business lines, risk profile, and give details of projected business volumes and structure, agency commission, administrative expenses, claim costs, investment income, reinsurance refunds, gross and net reinsurance arrangements, profit and solvency margins before and after tax.

The board shall identify the significant risks that the insurer may face in achieving the objectives. The board shall review regularly, the progress made by the insurer as per the approved corporate plan.

5.3. Establishing Risk Assessment and Management Strategy

The board shall adopt and review at least annually the insurers 'Risk assessment and management strategy'. While formulating the strategy, the board shall ensure that:-

- a) Risk management policy and systems are capable of promptly identifying, measuring assessing, reporting, monitoring and controlling the risks on ongoing basis. Some risks are specific to the insurance sector, such as underwriting risks, claim management , reinsurance and risks related to the evaluation of the technical provisions. Other risks are similar to other financial institutions, such as the risks related to market, credit, liquidity and operational, legal, organizational and other miscellaneous activities of the company.
- b) The risk management policy and risk control systems are appropriate to the complexity, size and nature of insurers business as well as the company's tolerance of the level or risk and material sources of risks.
- c) The market environment in which the insurer operates is regularly reviewed in order to draw appropriate conclusions as to the risk posed and appropriate action is taken to manage adverse impact of environment on the insurers' business.
- d) Systems are established to control and monitor all material risks.

5.4. Approving Underwriting and Pricing Policy

The board shall establish and approve strategic underwriting and pricing policies of the insurer for all classes of business and review it at least annually. The policy shall address evaluation of risk underwritten by the insurer and establishing and maintaining a methodology to determine an adequate level of premiums using statistical, financial and wherever required actuarial techniques based on reasonable assumptions. The policy should also address systems to control expenses related to premiums and Claims.

5.5. Approving Reinsurance Management Strategy

The board shall comply with reinsurance strategy issued by CMA and shall ensure that reinsurance management is appropriate to the insurers' overall risk profile and its capital and free reserves. The annual review of reinsurance strategy shall address the followings:

- (a) Defining the limits of risk retained for each class of business;
- (b) Reinsurance arrangements appropriate to insurers' risk profile; and

(c) Security of risk protection.

5.6. Approving Investment Management Policy

Insurers shall manage their investments in a sound and prudent manner. An investment portfolio carries a range of investment related risks that might affect the coverage of technical provisions and the solvency margin. Insurers need to identify measure and control the main risks.

Subject to the provisions of the Insurance Law and the executive regulations, the board shall approve an overall strategic investment policy and review it at least annually. The policy shall address the following elements:-

- (a) risk profile of the insurer;
- (b) the determination of the asset allocation; limits or restrictions on the amount that may be held in particular type of financial instrument, property and receivables;
- (c) the establishment of limits for allocation of assets by geographical area, markets, sectors, counterparties and currency;
- (d) the extent to which holding of certain type of assets is restricted or disallowed;
- (e) the condition under which insurer can pledge or lend assets;
- (f) an overall policy on the use of financial derivatives and structured products that have the economic effect of derivatives;
- (g) accountability for all asset transactions and associated risks; and
- (h) management of risks associated with the investment activities that is:

market risks(adverse movement in stocks, bonds and exchange rates); credit risks (counter party failure); liquidity risk(inability to sell at any price near fair market value); and failure in safe keeping of assets including risk of inadequate custodial arrangement.

5.7. Establishing Management Structure and Responsibilities

- a) The board shall distinguish between the responsibilities and decision making of the board of directors, chairman, chief executive officer and senior management;
- b) the board shall adopt internal guidelines setting forth the matters which require the boards' approval;

- c) The board shall approve organizational and management structure of the insurer in a way that promotes the effective and prudent management of the insurer and the boards' oversight of the management and strike the required balance.
- d) The board shall have effective policies and processes for appointing the Chief Executive Officer (CEO) and other senior managers and ensuring that they have necessary integrity, qualifications, technical and managerial competence and experience and they satisfy the 'fit and proper' criteria as per the Insurance Companies Law and its executive regulations etc.
- e) The board shall establish a division of responsibilities that will ensure a balance of power and authority, so that no one individual has unfettered power of decision making;
- f) The board shall approve a proper 'delegation of authority' to the managers at the different levels of managerial hierarchy, which in its opinion is best suited considering the nature and scale of the operations of the insurer. The delegation of authority shall cover entire range of functions like underwriting authority, claim settlement authority, financial and administrative authority, personnel authority etc; and
- g) The board shall have in place effective policy on succession planning and minimizing undue reliance on key individuals.

5.8. Establishing Standards of Customer Service and Fair Dealings

The board shall set out policies, approve procedures and issue necessary instructions to ensure that the 'Code of Practice for Conduct of Insurance Business' Issued by the CMA vide circular No. 2 /C/ 2005 dated: 21st February, 2005 is observed by all employees and agents of the insurer.

5.9. Approving Information Technology Systems

The board shall approve the policy for implementing information technology systems that are adequate for the nature and scale of business of the insurer. The information technology systems should address all the aspects of the insurers' operations, for example, underwriting, claims management, customer service, finance and accounts, statistics, creation and maintenance of data base, internal controls, personnel management and regulatory requirements.

5.10. Overseeing Policy and Strategy Implementation and Operational Performance

- (a) The board shall review at least annually, the insurers':
- Corporate operation such as business plans
 - Risk management policy
 - Underwriting and pricing policy
 - Reinsurance management strategy
 - Investment management policy
 - Management structure and responsibilities
 - Information technology and standards of customer service
- (b) At each board meeting, the board shall review the insurers':
- Operational performance
 - Performance of its senior management in implementing the policy and strategic business plans approved by the board
 - Level of risk incurred by the insurer
 - Customer service parameters that is the progress of settlement of claims and disposal of customers' complaints
 - The board shall stipulate procedures for monitoring and periodic review of its policies and general performance of implementations.
- (c) The board shall decide on amendments, modifications, corrective measures, guidelines etc. in the light of the review findings.

5.11. Establishing Systems for Internal Controls

- (a) The board shall put in place appropriate internal control systems and stipulate the process and procedures to be adopted for the boards' review of the effectiveness of the internal controls. The internal control systems to address among others the following:
- Underwriting of insurance business
 - Valuation of technical reserves (policy liabilities)
 - Investment and liquidity
 - Risk management systems

- Reinsurance management and reinsurance recoveries
 - Accounting procedures, reconciliation of accounts, control lists and information for management
 - Checks and balance
 - Safeguarding of assets and investments including their physical control
 - Fair treatment to customers
 - Issues of organizational structure that is delegation of authority, duties and responsibilities, decision making procedures, separation of critical functions etc
 - Outsourced functions, if any, as if these functions were performed internally
- (b) The board of directors shall receive regular reporting on the effectiveness of the internal controls which the board shall review and take remedial action, if required
- (c) The board shall ensure that the reports of the internal auditor, audit committee and external auditors in regard to deficiencies and inadequacies in the existing control system are presented to it in a timely manner and any deficiencies pointed out or any suggestions made for improvement are addressed promptly.
- (d) The board shall undertake an annual assessment of the effectiveness of the insurers' internal control systems, which shall form part of the annual report required by the article (12) of this code to the shareholders

5.12. Establishing Internal Audit Function

The board shall appoint an internal auditor who may be reasonably qualified and experienced full time manager or a licensed firm of auditors who are not the statutory (external) auditors of the insurer. The functions and duties of the internal auditor shall be as per annexure (1).

5.13. Establishing Code of Corporate Ethics

- (a) The board and its members shall act with honesty, integrity, due skill and care and in the best interest of the insurer, its shareholders and policyholders.
- (b) The Board shall establish and circulate to all the employees and agents of the insurer a corporate code of conduct and ethics. The code should establish standards or expectations of

- Honesty
 - Integrity
 - Leadership
 - Reliability and
 - Professionalism
- (c) The board shall establish and circulate to employees, policies and processes for identification, reporting, prevention or management of potential conflict of interests, including matters such as:
- Related party transactions
 - The misuse of the insurers' assets
 - The use of privileged information for personal advantage
- (d) The board shall ensure that policies and procedures are in place to insure that the necessary customer confidentiality is maintained.

5.14 . Approving and Implementing the Disclosure Policy.

The board shall approve and implement the disclosure policy of the insurer in compliance with the regulatory requirements issued by the CMA)

15 .5. Ensuring Compliance

- (a) The board shall establish and maintain effective systems and controls for compliance with the Insurance Law, its executive regulations, circulars and guidelines issued by the CMA and Ministry of Commerce and Industry, and any other Law or regulations of the Sultanate applicable to the insurer.
- (b) The board shall designate a senior manager as Compliance Officer. In addition, to the responsibilities and duties cast upon him by the other regulations /circulars of the CMA or the MOCI, the duties of the compliance officer shall include:
- Having responsibility and oversight of the insurers' compliance with the Insurance Law, executive regulations, Ministerial Decisions, circulars and guidelines issued by the CMA in regard to Insurance business
 - Reporting to the board in regard to this responsibility
 - Informing the management and staff regarding changes in the Law and regulations and conducting training programmes on regulatory issues.

- Report to the competent authorities on any suspicious transactions violating the Money Laundering Law and its regulations.

Formation of Audit Committee

Article (6): The board shall set up an audit committee in accordance with the following guidelines:

- a. The committee shall comprise of at least three members (all being non-executive directors), a majority of them being independent.
- b. The chairman of the committee shall be an independent director.
- c. At least one member shall have finance and accounting expertise.
- d. The audit committee shall meet at least at least 4 times a year with majority of independent directors remaining present.
- e. The decision for setting up the committee shall also specify the terms of reference, place and quorum of the meeting and description of the method of discharge of the responsibilities.
- f. The board shall approve the working plan of the committee prepared by it in clear terms. The plan should specify objectives, membership, powers, date of meetings, tenure, responsibilities, liabilities and remuneration of its members. The audit committee shall have the powers including the following:
 - Seeking presence of the finance manager and head of internal audit departments as invitees in the meetings of the audit committee if the committee seeks additional explanations
 - Seeking information from any employee of the company.
 - Securing the advice and attendance of outsiders with relevant expertise if considered necessary.
- g. The audit committee shall hear the views of external auditors before forwarding the annual accounts to the board for approval.
- h. The audit committee shall hear the views of internal and external auditors separately, at least once every year.
- i. The role of the audit committee shall be as per annexure (2).

Audit

Article (7): The annual general meeting shall appoint external auditors. The following shall apply:

- a. The board shall recommend the name of the auditor for election after considering the views of the audit committee.
- b. The auditor shall be appointed for one financial year. The same firm shall not be appointed auditor for more than 4 consecutive years. After completion of fourth consecutive term, the firm will be eligible for reappointment as external auditors only after a cooling off period of two years.
- c. The auditor shall not be allowed to provide non-audit services, which might affect their independence and impartiality.
- d. Frauds detected or suspected by the external auditors shall be reported to the board of the company. However, if the fraud is material, he shall report the fraud to the CMA along with copy of the report.

The Board's Secretariat

Article (8):a. The board, immediately after its composition, shall appoint a secretary to the board.

- b. The secretary shall draw the minutes of each board meeting mentioning the subjects discussed, decisions reached, names of the members present and vote cast by each member. The minutes shall bear the serial number and date.
- c. The secretary of the board or any other person so authorized by the board shall make proper disclosure according to the provisions relating to the applicable disclosure provisions.

Role and Responsibilities of the Senior Management

Article (9): 9.1. Rendering Assistance in Policy Formulation

Senior management is responsible and accountable for providing the board of directors with recommendations for boards' review and approval on objectives, corporate business plans and major policies and strategies as stated under Article 5 of this Code. It is the responsibility of the management to volunteer to make timely submission to the board for policy initiation in all strategic areas and on matters having or likely to have material impact on the insurer.

9.2. Responsibility for Implementation

Senior management is responsible for overseeing the operation of the insurer and providing direction to it on day to day basis, subject to the objectives and policies approved by the board of directors.

Management shall have the responsibility for implementation of the board approved policies, plans and strategies by putting in place procedures, internal controls, risk management and performance measurement methodologies, management information systems and board reports to support the activities concerned.

9.3. Responsibility for Providing the Board with Information

Senior management is responsible for providing the board with comprehensive, relevant and timely information, reports and submissions that will enable it to review, the progress in achieving the business objectives, compliance with business strategies and policies, effectiveness of internal control systems and overall operational performance of the insurer and to hold senior management accountable for its performance.

9.4. Compliance with the Laws and Regulations

Senior management is responsible for compliance with the Insurance Companies Law 12/79 its executive regulations and circulars and guidelines issue by the CMA or any other regulatory authorities within the sultanate of Oman.

9.5. Professionalism and Expertise

Senior management shall manifest its professionalism and expertise in running insurance companies most efficiently in accordance with the board approved policies. It shall harness the required expertise for achieving the corporate goals.

9.6. Nurturing Proper and Ethical behavior

Senior management shall maintain through word and action code of conduct and ethics drawn from value based professional culture. It shall ensure that the aforesaid code and the value based professional culture are practiced by the entire organization.

9.7. Responsibility for Complete and Authentic Reporting to the Board

While the management is entitled to operate with full professional freedom within the board delegated authority,

it has an obligation to observe and display transparency and authenticity in its complete and comprehensive reporting on all aspects of the operations of the insurer to the board.

9.8. Responsibility for Corporate Image.

Management has the direct responsibility for creating and maintaining fair corporate image of the insurer. The responsibility assumes added significance in the context of managements' proximity with the clientele and having been charged with the responsibility for the operations of the insurer.

Committees of the Board

Article (10): The board is competent to set up committees in order to achieve its corporate objectives. The board shall follow the following guidelines:

1. Committees to comprise some of the board members with appropriate experience, expertise and initiative to discharge responsibility for deciding:
 - (a) Specific policy matters requiring in-depth study and prolonged deliberations.
 - (b) Micro matters of business beyond the powers of the management but less important to receive the attention of the full board.
 - (c) Any other matter considered appropriate for delegation.
2. For all committees of the board, there should be self explanatory and comprehensive terms of reference, specifying purpose, tenure, responsibility, authority, accountability etc.
3. Committees established by the board on which individual other than board members are nominated shall not enjoy the powers of the board and shall be advisory in nature because their purpose is to formulate opinion on the assigned tasks so as to assist the board in decision making.
4. Minutes of every meeting of the board committee shall be discussed by full board meeting for approval or endorsement or knowledge as the case may be in accordance with the powers of the committee.
5. Delegating authority to board committees does not in any way mitigate or dissipate or discharge the board of directors of its duties and responsibilities.

Rules of Related Party Transactions

Article (11):(a)The board shall ensure that related party transactions with the insurer are made on an arm's length basis.

- (b)The board shall establish policies and procedures on related party transactions. The policies and procedures shall include the definition of relatedness, limits applied, terms of transaction and the authorities and procedures for approving and monitoring these transactions.
- (c)Directors and management shall not seek to override the established control processes and systems of the insurer to accommodate the related parties. The audit committee shall review all related party transactions and keep the board informed of such transactions.

Report on Corporate Governance

Article (12):(a)There shall be a separate chapter on corporate governance in the annual report of the insurer highlighting the non-compliance with any requirement and action plan and time scale for correction.

- (b)The items detailed in annexure-(3) shall be included in the report on corporate governance.
- (c)The insurer shall obtain a certificate from the auditors of the company regarding report on corporate governance being free from any material representation. The certificate from the auditors shall be annexed to the report.
- (d)A closed joint stock company (SAOC), may either comply with the paragraph (c) above, or, submit to the CMA a written certification of the review of the corporate governance process by the board as per annexure-(4), signed by all the directors. The board shall report any material deficiencies identified during the review, along with an action plan and timescale for correction.
- (e)The report of the auditors as per paragraph (c), or, the certification by the board as per paragraph (d) above shall be submitted within three months of the end of the financial year.

Annexure - 1

Functions and Duties of Internal Auditor

1 : The internal auditor shall have the following functions and duties:

- (1) To review and / or examine the procedures and the internal controls of the company as established to ensure company's compliance with the legal requirements and the requirements of the Article 5 (11) of the Code of Corporate Governance for Insurance Companies and to recommend measures for removal of weaknesses identified ;
- (2) To review operations, including the areas inter alia of underwriting, claims settlements, provisioning for technical reserves, reinsurance, solvency margin and investment of funds in order to provide assurance that the major business areas are being managed appropriately as per prescribed standards and/or as per legal requirements and the insurer is maintaining solvency margin as required by the Insurance Companies Law
- (3) To provide assurance to the Board of Directors/ Management of the company about the adequacy and effectiveness of the system of internal administrative, accounting, and financial controls and to report on the quality of operating performance with reference to established standards;
- (4) To review the adequacy of the systems which are in place for assessment, management and control of risks as per Article 5 (3) of the Code of Corporate Governance for Insurance Companies and to provide assurance that the risk management and internal control framework which is in place to eliminate, reduce or transfer those risks is operating effectively and to recommend measures for removal of weaknesses, wherever observed;
- (5) To review the adequacy of the system which is in place to safeguard the assets of the company;
- (6) To review the adequacy and effectiveness of internal administrative and accounting controls, both manual and automated, from the viewpoints of providing checks and balances, safeguarding of resources and ensuring compliance with laws and regulations;
- (7) To review all operational areas for their stewardship of resources and compliance with established policies, procedures and internal regulations;
- (8) To establish and maintain a quality assurance program to evaluate the

operations of the internal audit department so as to provide reasonable assurance that the audit work conforms to the International Standards for the Professional Practice of Internal Auditing (a quality assurance program includes training, supervision, internal reviews, and external reviews);

- (9) To participate as an advisor on internal controls in the designing of manual and automated systems of the company as regards surveillance procedures and system that should be observed in designing such systems and procedures.
 - (10) To review the adequacy and effectiveness of general controls for assets safeguarding in the Electronic Data Processing Division and user departments utilizing computers;
 - (11) To review the adequacy and effectiveness of controls in the IT system for ensuring reliability and integrity of information and to review system's efficiency and effectiveness in timely generation of reports and financial statements for submission to management and regulatory authorities;
 - (12) To promote the awareness of risk management issues and to ensure that the members of the Board and the employees of the company have been adequately informed about the legal requirements, CMA guidelines on Code of Practice for Conduct of Insurance Business, Code of Corporate Ethics, internal regulations, and any changes thereon from time to time;
 - (13) To audit capital projections regarding capital expenditure.
 - (14) To prepare written reports on the results of all audit engagements including any recommendations for improvement and report to the senior management any violation to the laws and regulation and internal regulations.
 - (15) To review the adequacy and effectiveness of the system in place for policyholders service and fair dealings and addressing the complaints or recommendations from various customers shareholders and other parties and provide appropriate solutions.
 - (16) To carry out any other function as decided by the audit committee / Board of the company.
- 2: (a) The scheduled plan of internal audits for the year shall be prepared by the internal auditor, before the commencement of the year, and shall be approved by the audit committee/ board of directors. The plan shall include an allocation of time for all assignments. In cases where the function of internal audit is outsourced, the contract of service shall state clearly the scope of work assigned to the internal auditor and such contract together with the scope of work shall be approved by the audit committee/ board of directors.

- (b) During the course of the year, the amendments to the plan may be made, after approval by the audit committee/ board of the insurer. Special audits not included in the plan may be conducted after being initiated / recommended by the audit committee.
- 3: (a) The internal auditor shall have the right of full, free and unrestricted access to all property, personnel and records of the insurer.
- (b) The internal auditor should have a high degree of independence and shall not be assigned duties or engaged in activities that he or she would normally be expected to review or appraise.
- 4: The internal auditor shall submit the internal audit reports to the general manager/CEO of the insurer (With copies marked to the audit committee/ board of the company) at least twice every year. Both the reports shall be submitted before the statutory audit of the insurer.
- 5: (a) The internal auditor shall be responsible for written reporting on audit findings. Upon completion of audit, a preliminary report shall be prepared and reviewed with the audit department. The purpose of this review shall be to resolve differences on questions of facts and to ensure mutual understanding of the findings and recommendations.
- (b) Following the preliminary audit report review, a final report for each audited function shall be prepared and submitted to the general manager/ CEO with copies marked to audit committee/ board of directors.
- 6: **The code of conduct, as stated hereunder, shall apply to the internal auditors:**
 - 1. **Integrity**
 - 1.1. Shall perform work with honesty, diligence and responsibility.
 - 1.2. Shall observe the law and make disclosures, in their report, expected by the law and the profession.
 - 1.3. Shall not a party to illegal activity, or engage in acts that are discreditable to the profession or the organization.
 - 1.4. Shall respect and contribute to the legitimate and ethical objectives of the organization.
 - 2. **Objectivity**
 - 2.1. Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.

- 2.2. Shall not accept anything that may impair or be presumed to impair their professional judgment
- 2.3. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality

- 3.1. Shall be prudent in protection of the information acquired in the course of their duties.
- 3.2. Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

4. Competency

- 4.1. Shall engage only in those services for which they have necessary knowledge, skills and experience that enable him to perform his duties perfectly.
- 4.2. Shall perform internal auditing services in accordance with the Standards for the Professional Practice of International Internal Auditing.
- 4.3. Shall continually improve their proficiency and the effectiveness and quality of their services.

Annexure - 2

The Functions of the Audit Committee

1. Considering the name of the statutory auditor in context of their independence (particularly with reference to any other non-audit services), fees and terms of engagement and recommending its name to the board for putting before AGM for appointment.
2. Reviewing audit plan and results of the audit and as to whether auditors have full access to all relevant documents.
3. Checking financial fraud particularly fictitious and fraudulent portions of the financial statements. They should put in place an appropriate system to ensure adoption of appropriate accounting policies and principles leading to fairness in financial statements.
4. Oversight of internal audit functions in general and with particular reference to reviewing of scope of internal audit plan. Reviewing the report of internal auditors pertaining to critical areas and ensuring that internal auditors have full access to all relevant documents. The audit committee shall periodically review the effectiveness and efficiency of the internal audit process.
5. Oversight of the adequacy of internal control systems as required by the Article 5(11), through the regular reports of the internal and external auditors. They may appoint external consultants if the need arose.
6. Oversight and review of the annual financial statements, returns and solvency margin computation required to be submitted to the CMA and prepared in accordance with the Insurance Companies Law and its regulations.
7. Review of the annual and quarterly accounts before issue, review of qualifications in the draft financial statements if any and discussion of accounting principles in general. In particular, change in accounting policies, principles and accounting estimates in comparison to previous year, any adoption of new accounting policy and departure from international Accounting Standards (IAS) and non compliance with disclosure requirements prescribed by the CMA should be critically reviewed.
8. Serving as channel of communication between external auditors and the board. And also the internal auditors and the board.
9. Reviewing risk management policies of the insurer as required by the article 5 (3).
10. Reviewing proposed specific transactions with the related parties for making suitable recommendations to the board.

Annexure - 3

Suggested List of items to be covered in the Report on Corporate Governance

1. Insurers' Philosophy

Insurers' philosophy on code of governance and how the insurer has applied the principles of corporate governance.

2. Specific areas of non-compliance with the provisions of the Code of Corporate Governance and reasons for inability to comply.

3. Action plan

Action mechanism and time scale for compliance for each provision not complied with.

4. Board of Directors

- 4.1. Composition and category of directors for example executive, non-executive, independent and nominee director (with institution represented as lender or as equity investor)
- 4.2 Attendance of each director at the board meetings and the last AGM.
- 4.3 Number of other boards or board committees he/ she is a member or chairperson.
- 4.4 Number of board meetings held and dates of the meetings.

5. Audit Committees and other committees

- 5.1. Brief description of terms of reference
- 5.2 Composition, names of members and chairperson
- 5.3. Meetings and attendance and absenteeism.

6. Process of the nomination of directors

7. Remuneration

- 7.1. Details of remuneration of all directors and top 5 officers individually including salary, benefits, perquisites, bonuses, stock options, gratuity and pensions etc
- 7.2. Details of fixed component and performance linked incentives along with the performance criteria
- 7.3 Service contracts, notice period and severance fees

8. Professional profile of the statutory auditor

9. Any other important aspect

Annexure - 4

Items to be covered in corporate governance review report

- (a) The board has assessed and reassessed the insurers' objectives and plans.
- (b) The board has reassessed the insurer's risk profile, and assessed risk management systems in effect.
- (c) The board has reviewed and reassessed:
 - Underwriting and pricing policy
 - Reinsurance management strategy
 - Strategic investment policy.
- (d) That the board has reviewed and made an assessment of the effectiveness of the insurer's internal controls, and necessary remedial action taken.
- (e) That the board has verified adherence to powers and responsibilities.
- (f) That the board has reviewed whether the insurers' internal controls (such as internal audit and financial controls) have provided the reasonable assurance of the integrity and reliability of its financial records;
- (g) That the board has verified that management and staff have complied with the insurer's code of conduct and ethics;
- (h) That the board has verified all new (or material changes) to significant policies, procedures and products introduced by the insurer since the last boards' certification were appropriately reviewed and approved by the board; and
- (i) The board has received and reviewed the reports of internal audit, audit committee and external auditors and senior management's comments on these reports and necessary action has been taken.

In all case the board shall record any material deficiencies identified during the review along with the remedial action proposed and time limit for the correction of deficiencies.

Circular No. 2 / 2005

Code Of Conduct For Insurance Business

1. Integrity

Insurers and intermediaries should at all time act honestly in a straight forward manner. They have an obligation to avoid misleading or deceptive acts or representations. They should not seek to exclude or restrict any duty or liability to a customer which they have under a law, regulation or accepted practices.

2. Skill, Care and diligence

In conducting their business activities, insurers and intermediaries should act with due skill, care and diligence. The service provider has a duty to act competently and diligently with regard to all transactions between themselves and the customer. The concept of 'care' implies that insurers and intermediaries should discharge those duties as can be reasonably expected from a prudent person in a like position and under similar circumstances. It also includes arranging adequate protection for customers' assets when responsible for them.

3. Marketing and Promotion

Service providers will ensure that all advertising and promotional material is clear, fair and not misleading and not in contravention of Articles 48 and 49 of the 'Insurance Companies Law promulgated by Royal Decree 79 / 12 as amended.

Brochure of any insurance product should clearly state the scope of benefits, the extent of insurance cover and in an explicit and understandable manner explain warranties, exceptions, exclusions and conditions of insurance cover. In case of life insurance products, it should be mentioned whether the product is participating (with profits) or non-participating (without profits) and the allowable rider or riders on the product should be clearly spelt out with regard to their scope of benefits and related premium. .

4. Conditions for presenting information

1. Information provided to the customers by the service providers in accordance with this code shall be:
 - a. accurate in all material aspects, not misleading, easily understandable; and
 - b. in writing on paper or by appropriate electronic means available and accessible to the customer.

2. If, the initial information is presented verbally or on telephone, supporting written information should be provided as per sub-para 1 above; and
3. as an exception to para 1 above, information may be provided verbally without supporting written information where the customer requests it, or where immediate cover is necessary.

5. Initial customer information about service

At the initial point of contact an insurance service provider shall advise the customer of the nature of service it can offer and its relationship with customer including the types of services that can be provided and the choices of products and services that can be offered.

6. Information about customers' needs

Insurers and intermediaries should identify customers' insurance needs by seeking from the customers such information about their circumstances and objectives as might be reasonably expected to be necessary and relevant in establishing the insurance needs before giving advice in regard to insurance product and services or concluding an insurance contract.

Customers should be informed about their duty to disclose relevant information.

Information, which a customer expects to be confidential, should be treated as such.

7. Advice and recommendations

The advice and recommendation provided by the service providers to customers shall be based on a fair and sufficient assessment of customers' position and needs and to offer appropriate alternatives and options for such needs. The recommendation should include an explanation as to how the policy would meet the customers needs.

8. Customer information before entering into contract

Before, customer makes final decision to buy an insurance policy, service provider shall provide to the customer sufficient information on the salient features of the policy being proposed to enable the customer to make an informed purchasing decision:

For life insurance products

Insurance companies, brokers and providers shall provide suitable mechanisms and means that ensure that customers are well informed of the following:

- 1) important details of each benefit and option in a way that provides ample information on the object and purpose of Term, Endowment or Whole of Life Policy so that each policy may be thoroughly understood.

- 2) the terms of the contract and means by which it may be terminated;
- 3) the premium and method of paying premium and duration of payment and insurance cover; any fee or charges other than insurance premium;
- 4) the method of calculating bonuses and distribution of bonuses; (i.e. Reversionary or Terminal) which an insurer includes in a quotation and the difference between such bonuses. The “method of calculating bonus” should not be interpreted to refer to the actuarial techniques in determining bonus rates but to the manner in which bonuses are calculated i.e. whether on daily or annual basis, whether expressed as a percentage of premium or the sum assured plus accruing bonuses, or as a percentage of accruing reversionary bonuses only.
- 5) an indication of surrender and paid up values and the extent to which such values are guaranteed;
- 6) an indication of the premium for each benefit, whether main or supplementary benefit (rider) and, where applicable, the amount and purpose of any charge in addition to or included in the premium;
- 7) any significant or unusual restrictions or exclusions, conditions or obligations imposed on the customer;
- 8) information relating to the past performance must contain clearly the basis on which such performance is measured and it should be accompanied by a warning that the past performance is not necessarily a guide to future performance.
- 9) The insurer shall take necessary arrangements to deal with complaints of policyholders.
- 10) The policy shall include the procedures pertaining to the filing complaint.
- 11) Customers’ duty of disclosure to insurer of required information.

For General Insurance Products

1. all the important details of policy and benefits including:
 - details of warranties, exceptions, exclusions, restrictions, excess or franchise and obligations attaching to the customer in an understandable manner.
 - the period of insurance policy;
 - insurance premium and any other fees and charges;
 - cancellation rights and conditions; and
 - customers’ duty of disclosure to insurers.
 - An intermediary shall disclose to the customer, the identity of the

insurer with whom it is arranging insurance policy.

2. Amount of commission and any other remuneration obtained by the broker in consideration of arranging insurance policy if requested by the customer.
3. Insurer shall make the required arrangement to address policyholders complaints.
4. The policy shall include the procedures pertaining to the filing complaint.
5. Customers' duty of disclosure to insurer of required information.

9. Confirmation of cover and policy documentation

On conclusion of contracts, service providers will provide a customer with prompt and written confirmation and details of insurance which has been affected, including:

- the date when cover starts and the period of cover;
- any documents / certificate which customer is required to have by law;
- receipt of premiums received, where applicable;
- full policy documentation;
- Phone number/GSM number for contact in case the policyholder needs help.
- procedure for handling policyholders' complaints.

10. Service after point of sale

Service provider shall at all time respond to a customers' requests for amendment to his insurance policy and for information about the status of his policy in a timely manner.

In particular, insurance companies will:

1. provide written confirmation of:
 - change of address;
 - a new nomination or change of nomination noting;
 - noting assignment on the policy;
 - noting a change of interest or sum insured or perils insured or, financial interest of a bank or other interests by issuing an endorsement on the policy;
 - current status of a life policy, including matters such as accrued bonus, surrender value and entitlement of a loan;

2. provide full details of any additional premium or charges to be paid by the customer arising out of any levy/tax imposed by the government;
3. inform the insured at least once in every calendar year status of his life insurance policy, amount of any bonus or total value of benefits which have accrued under the contract and any benefit or payment which has become due under the policy ;
4. refund of any premium or charges due to the customer without avoidable delay; and
- 5.. process papers for disbursal of a loan on security of a life policy without delay

11. Renewal, expiry and cancellation

- a) Service providers will send renewal notices to their customers sufficiently before expiry of the policies mentioning details of renewal premium and renewal terms. If, any changes in the contract and/or services are proposed, the same shall be explained and customers' agreement obtained to revised terms and conditions before renewing the contract. On cancellation of an insurance policy, at the request of customers, the insurer will make available any documentation and information to which customer is entitled, in a timely manner.

12. Claims

An insurance company will:

- 1) promptly respond when a claim is notified by or on behalf of a customer, and any other actions required of the customer including documents required to be submitted in support of the claim; Any queries or requirements of additional documents, shall be raised on time when the claim is filed.
- 2) process the claims fairly and promptly and keep customers informed of the progress.
- 3) settle the claim without avoidable delay on receipt of all information and documents.
- 4) inform the customer in writing as to how the settlement amount has been arrived at, the reasons for offering reduced settlement against the amount claimed and reasons for not admitting any part of the claim and pay settlement amounts without delay.

13 .Customers' complaints

Service providers shall have in place proper procedures and effective mechanism to deal with the complaints and grievances of customers effectively and swiftly within the specified time limit and ensure fulfillment

of the following requirements:

- 1) To nominate an officer, who will be responsible for receiving the complaints from the customers verbally or in writing, giving an acknowledgement to the customer and recording, follow up resolution of the complaint and inform the customer promptly on the procedures for handling the complaints and any action required by the customer.
- 2) Service provider will display the name and telephone number of the nominated officer and procedure for lodging the complaints in a prominent place in their office ;
- 3) The nominated officer shall forward the complaint to the concerned department and follow-up the disposal of the complaint and record the same in the register;
- 4) The complaint should be reviewed by an officer superior to the one who has taken the decision or dealt with the matter earlier, and also by the CEO/GM if required.
- 5) All complaints should be handled fairly and without discrimination or delay as well as keeping customers informed if there is unavoidable delay in disposition of the complaint giving final convincing reasons.
- 6) In the final response to the customer's complaints, service providers will:
 - a. accept or partially accept the complaint and offer compensation and giving grounds.
 - b. reject or partially reject the complaint, in which case a full explanation of the reason for rejection will be given to the customer in writing ;
- 7) The G.M. shall at least once in a month monitor the complaints received from the customers and their timely disposal; and
- 8) In every meeting of the board of directors of an insurance company, there shall be an agenda item for reviewing customer complaints and their disposal.

14. Conflict of interest

Insurers and insurance brokers and service providers shall avoid conflict of interest, or, if conflicts are unavoidable, will explain the position fully and manage the situation so as to avoid prejudice to any party. In particular, service providers which act on behalf of customers will not put their own interest above their duty to any customer for whom they act.

15 .Confidentiality and security of customers' assets

Service providers shall ensure that any information obtained from the customers will not be used or disclosed except in the normal course of negotiating, maintaining or renewing insurance for that customer or in the following cases:

- 1) they have customer's express consent; or
- 2) disclosure is made due to regulatory obligations;
- 3) disclosure is required as per the law.

Service providers will take appropriate steps to ensure the security of any money, documents and other assets handled or held on behalf of customers.

16. Definitions

In the application of this code and in addition to what is defined in Article 62 of the Insurance Companies Law promulgated by Royal Decree 12/79 as amended and, Article 1 of the Regulations issued Ministerial Decision 5/80 as amended, the following words in this circular have the meaning as stated hereunder:

- 1) Customer – means a policyholder or potential policyholder who is recipient of advice or other services for purchase of an insurance policy.
- 2) Insurer/Insurance company - means an insurance company licensed to operate in Oman.
- 3) Intermediaries – refers to--
 - a) an insurance broker licensed to do insurance broking business in the Sultanate of Oman as per Ministerial Decision No.101/90.
 - b) an agent or sub-agent as defined in the article 50(1) of the 'Insurance Companies Law', carrying out insurance activity on behalf of an insurance company under a written agreement with the company.
- 4) Service provider – refers to an insurer and/or an intermediary read in the context of its service.

Insurers are responsible for the compliance of all agents, sub-agents, representatives and outsourced service providers carrying out insurance activities on behalf of insurers. Written agreements must include the way in which insurers will ensure compliance of agents, sub-agents, representatives and service providers with this code.

Capital Market Authority
Administrative Decision No. E / 21 / 2012
Directives for Marketing of Insurance Products by banks
(Bankassurance)

Pursuant to the Insurance Companies Law promulgated by Royal Decree 12 / 79 ;

Motor Vehicles Insurance Law promulgated by Royal Decree 34 / 94 ;

Royal Decree No. 90 / 2004 transferring insurance jurisdiction from the Ministry of Commerce and Industry to the Capital Market Authority; and

The Executive Regulation of the Insurance Companies Law issued by Ministerial Decision No. 5 / 80; and

The Resolution of the Board of Directors of the Capital Market Authority No. 13 / 2009;

In the interest of the public

It has been decided

Article (1): The attached directives shall be applicable to bankassurance.

Article (2): All that infringes these directives shall be repealed. Agreements in force between insurance companies and banks shall continue until expiry or elapse of twelve months from the date of issuance of these directives.

Article (3): This decision shall be published in the Official Gazette and shall come into force on the day next to the date of publication.

Yahya Said Abdullah Al Jabri
Executive President of the Capital Market Authority

Issued on: 14th April 2010

Directives for Bankassurance

Article (1): Words and expressions in this decision shall have the same meaning assigned to them in the Insurance Companies Law No. 12 / 79 and the Executive Regulation No. 5 / 80 unless the context otherwise requires.

Article (2): Insurance company may tie-up with one or more banks licensed in the Sultanate for marketing one or more insurance products. It shall not be allowed for more than one company to tie-up with the same bank to market the same products except for motor vehicle insurance whereas more than one company may tie-up with the same bank to market the same product provided that the marketing is in different regions or wilyats for each company and the company shall have a branch to settle the claims in the region or wilayat where the product is marketed.

Article (3): Bankassurance shall be limited to the following insurance products:

a. Life Insurance:

Term life, whole life, endowment, health and medical benefits related products, investment unit related insurance products.

b. General Insurance:

Personal line products such as fire policies associated with housing loans, accidents and medical insurance, householders comprehensive insurance, all risk insurance of valuables, overseas travel and motor vehicle insurance

Article (4): The company desirous of marketing its products shall enter into contract with the bank showing all the rights and obligations of each party. The contract shall at least contain the following provisions:

1. Insurance products to be marketed.
2. Geographical area.
3. Term of the contract.
4. Terms and conditions for termination of the contract.
5. Marketing procedures and sales management.

6. Commissions accruing to the bank and method of calculation.
7. Training methods for the bank' s staff who will carry out marketing.
8. Rights and obligations of the parties.
9. Names of insurers and their products with whom the bank has tie up until the date of the contract.
10. Statistical reports to be prepared.
11. The bank shall abide by all legal requirements pertaining to bankassurance.

Article(5): The agreement between the insurance company and the bank shall be for a fixed period and may be renewed for further periods.

Article (6): The agreement shall be signed by the senior management of each part and the company shall file copy with CMA.

Article (7): Insurance company may depute their trained and experienced staff to assist and guide the bank's staff and customers as per the agreement with the banks.

Article (8): The company desirous of contracting with the bank to market its products shall ensure:

1. The bank has independent department to organize and administer bankassurance business unless such requirement is waived by CMA.
2. Completion of training the bank's staff or depute its staff to the bank pursuant to the previous Article.

Article (9): The insurance company shall ensure the bank comply with all legal provisions regulating bankassurance and comply with the Code of Conduct of Insurance Sector issued by CMA.

Decision No. E/28/2016

Issuing the Regulation for Licensing Requirements for Agents of Insurance Companies

Pursuant to the Insurance Companies Law promulgated by Royal Decree 12/79; Royal Decree No. 90/2004 transferring insurance jurisdiction from the Ministry of Commerce and Industry to the Capital Market Authority; and

The Executive Regulation of the Insurance Companies Law issued by Ministerial Decision No. 5/80; and

The Decision Regulating Carrying Out Insurance Business No. E/31/2007; and

The Decision Regulating the Requirements for Licensing Agents of Insurance Companies No.. E/2/2011

The Resolution of the Board of Directors of the Capital Market Authority in its meeting dated 9 July 2015; and

The Approval of the Ministry of Finance vide letter No. 75754/--/1/4/11817 dated 7/10/2015;

In the interest of the public

It has been decided

Article (1): The attached provisions shall be applicable to Regulating Licensing Requirements for Agents of Insurance Companies.

Article (2): The entities to which the provisions of this Decision apply shall adjust their status within a term not exceeding six (6) months from the date it comes into force, save achieving the required Omanization ratio in three (3) years extendable for not more than six (6) months by decision of the Executive President.

Article (3): Decision No. E/2/2011 shall be repealed as well as anything infringing this Regulation or conflicting with its provisions.

Article (4): This decision shall be published in the Official Gazette and shall come into force on the day following the date of publication.

Abdullah Salim Abdullah Al Salmi
Executive President of the Capital Market Authority

Issued on: 3 Rajab 1437 H

Corresponding to: 11 April 2016

Regulation for Licensing Requirements for Agents of Insurance Companies

Article (1): The following words and expressions shall have the meanings specified along with them unless the context otherwise requires;

CMA: Capital Market Authority.

Company: Insurance company licensed by CMA.

Insurance agent: A person licensed by CMA to carry out insurance agent's business, and authorized by the company to practice insurance operations on behalf of it under agreement.

The license: Decision issued by CMA approving carrying out insurance agency business.

Article (2): Any person desirous of carrying out insurance agency business shall be a juristic person.

Article (3): The Company shall not delegate any person or more to act as an agent on its behalf unless after obtaining the CMA's approval.

Article (4): A person desirous of obtaining a license to act as insurance agent shall apply for license on the form prepared by CMA together with the following documents and statements:

1. Proposed name of the insurance agent, legal form and address.
2. Names of founders who shall be Omani nationals.
3. Payment receipt of application consideration fees.
4. Evidence that the founders and senior management have not been declared, in the five years preceding the application, as bankrupt or convicted in a felony or dishonourable crime or an offense provided for in the Commercial Companies Law, Commercial Law, Capital Market Law or Insurance Companies Law unless rehabilitated.
5. Copy of registration certificate in the Commercial Register, signatories form and copy of the membership in the Oman Chamber of Commerce and Industry.

6. Written undertaking that all its employees will be trained in the field of business to be carried out.
7. True copy of certified agreement between the agent and the insurance company.
8. Any other statements or documents CMA may request.
9. Shall provide evidence of the following:
 - a. All the employees working for the agent are Omani citizens.
 - b. The person in charge of agent's office shall have educational qualification not less than General Education Diploma and experience in insurance for not less than one year or passing special training programme in insurance by specialized entity.
 - c. The person in charge of the office of the insurance agent shall pass the test CMA determines.

Article (5): CMA shall record the application for licensing in special register prepared for this purposes and tick the number and date of filing and give the applicant a receipt including the name of applicant, subject, registration number, date and the attached documents.

In all cases CMA may request any statements or documents it sees necessary to decide in the application within the term it determines. Where such statements are not provided during the specified term the application shall be deemed cancelled.

CMA shall issue the license after payment of the prescribed fees.

Article (6): The agreement between the company and the insurance agent shall be made in Arabic and English on the company's letterhead and shall include each party's rights and obligations with special regard to the following:

1. Type of insurance that the agent may practice on behalf of the company.
2. The duties of the agent specifically:
 - a. Introducing to the applicant insurance offers and services provided by the company.
 - b. Receiving insurance applications or renewal applications of policies or amendment or cancelation.

- c. Receiving insurance premiums and contributions.
 - d. Answering applicant's or insured's or beneficiary's queries.
 - e. Receiving and referring correspondence between the company and the insured and beneficiaries of insurance policies on claims for indemnity.
 - f. Providing assistance to the insured or beneficiary on settlement of claims with the company.
3. The period of agreement, not exceeding five (5) years stating commencement and expiry date and cases where it should be terminated.
 4. Locations of the branches permitted for the agent by the company.
 5. Work procedures and regulatory and compliance procedures of the insurance agent.
 6. Notification method to the company of all the transactions done by the agent and term of notice for each work..
 7. Mechanism of training the agent's employees.
 8. Commissions paid to the agent and method of calculation.
 9. The agent undertakes to comply with all legal requirements of his work.
 10. Allowing the company access to review the agent's records and books.
 11. The agent's commitment to transfer all insurance premiums collected by him under the agency to the company's account.
 12. Statement of the preventive measures to avoid any violations and breaches in the business of the insurance agent.
 13. Any other statements CMA determines.

Article (7): The Executive President shall issue the licensing decision within thirty (30) days of the date of meeting all the required terms and conditions and the documents. Where the specified term lapse without decision being made it will be considered as refusal.

Article (8): Insurance agent shall be registered in the register of insurance agents and shall be given an approved certificate proving registration in the register.

Article (9): The license shall be for the same term specified in the agreement between the company and the insurance agent and shall be renewed on application by the agent on the form prepared by CMA at least one month prior to expiry date..

Article (10): The insurance agent may, after one year from the date of the license open a branch or more not exceeding five (5) branches after the approval of CMA in accordance with form prepared for this purpose.

Article (11): The insurance agent and its branches shall comply with the following:

1. Shall inform CMA of any vacant post in the management.
2. All papers, documents, receipts and notices issued by him shall refer to his registration number in the commercial register and insurance agents' register.
3. Shall place the license in a conspicuous place at the work place.
4. Shall inform CMA of any amendment occurring to the statements registered in insurance agents' register or documents attached thereto , such amendments may not be considered unless approved by CMA.
5. Shall duly keep books and registers and shall record and maintain statements, information and papers related to the work he does. These include:
 - a. Copy of the agreement between him and the company.
 - b. Memos and letters related to his work.
 - c. Register of insurance policies issued on behalf of the company for each branch of insurance, benefits and terms and conditions of each policy.
 - d. Copies of payment and reimbursement vouchers, records, settlements and other financial transactions pertaining to his business.

Article (12): The insurance agent shall comply with the professional and ethical code of conduct with special regard to the following:

1. Integrity in all his acts.

2. Full explanation of insurance concept, coverage, exceptions and procedures to insurance applicant.
3. Determining insurance price precisely and corresponding to the company's approval.
4. Not receiving any commissions or fees from insurance applicant, insured or beneficiary.
5. Maintain confidentiality in dealing with all statements and information he obtains during his work, and he shall take the proper procedures to maintain confidentiality of information and documents he possess.
6. Explain to the applicant the importance of disclosure of basic information on application for insurance and the results of concealing or inaccurate statements in the application and the insured's liability for all the statement and information in the insurance application.
7. Explain the procedures the customer shall do in the event of occurrence of the insured risk.

Article (13): The company shall be obligated by the following:

1. Audit the agent's business and branches to ensuring compliance with the applicable laws regulations and decisions regulating its business.
2. Review work procedures and regulatory and compliance procedures of the insurance agent at least once per annum.
3. Shall indemnify policyholders for the damage they suffer due to the agents negligence or omission.
4. Inform CMA, by official letter, in the event of revocation of the agreement with the insurance agent.

Article (14): Insurance agent shall not do the following:

1. Act as agent for more than one insurance company.
2. Act as insurance broker beside acting as insurance agent.
3. Authorize any other person to carry out the insurance business assigned to him by the company or part thereof.
4. Its management shall not be allowed to work for any insurance company or have any relation with another insurance agent.

5. Provide false information or statements to the client on any other company.

Article (15): The company shall not give seals or documents to any person except after ensuring he obtained a license from CMA pursuant to the provisions of this Regulation.

Article (16): CMA may inspect the books, accounts and transactions of insurance agents, and carry out the required investigations in violations and impose the appropriate penalties in accordance with the provisions of the Insurance Companies Law . CMA may also engage an external auditor to audit the agent's books and records on the agent's account, and the agent shall cooperate, enable them to do their work, and provide them with all information and statements they request. All statements and information shall be considered confidential.

Article (17): The license shall be canceled in the following cases:

1. If the agent requests so, after obtaining the consent of the company.
2. If the license of the company with which the agent is tied up is canceled.
3. If the agreement between the company and the agent is canceled.

Article (18): Without prejudice to the provisions of Article 17 of this Regulation, CMA may take one or more of the following procedures in the event of breach of the provisions of this Regulation

1. Warning.
2. Imposing a fine not less than RO 500 (Five Hundred Rials)and not more than RO 5,000 (Five Thousand Rials)
3. Suspend the license temporarily for not more than six (6) months.
4. Cancel the license.

CMA shall, in the event of Clause 4, serve notice on the violator of the reasons of violation and grant him a grace period for rectification.

Article (19) : CMA shall charge the following fees:

S	Fee	Fee Amount
1	Application consideration fees	RO 300 (Three Hundred Rials)
2	Licensing fee	RO 500 (Five Hundred Rials)
3	License Renewal Fee	RO 500 (Five Hundred Rials)
4	Branch opening fee	RO 200 (Two Hundred Rials)
5	Statements amending fee	RO 20 (Twenty Rials)
6	Records and papers access fee	RO 10 (Ten Rials)
7	Copies or extracts fees	RO 10 (Ten Rials)

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