

Palestinian National Authority
Council of Ministers

**Statute for granting a License to Insurance Companies, No. 6 for the year 2007
(Council Decision No. 130 for the year 2007)**

Council of Ministers:

After perusal of the Insurance Law No. 20 for the year 2005, in particular Article 5 thereof; and on the nomination of the Capital Market Authority of Palestine; And based on the decision of the Council of Ministers in their meeting No. 28 held on the city of Ramallah in 12/11/2007, We have issued the following:

Article 1

For the purposes of this statute, the following words and expressions have the meanings assigned below, unless the context indicates otherwise:

Law: Insurance Law No. 20 for the year 2005.

Department: Insurance Control Department.

Company: Insurance or Reinsurance Company.

Article 2

Each company wishing to transact insurance business or reinsurance in Palestine after the entry into force of the statute and by its terms, the capital of which shall not be in Palestine less than the minimum:

Five million U.S. dollars for companies licensed to conduct business of general insurance only; and

Five million U.S. dollars for companies licensed to conduct business of life insurance only; and

Eight million U.S. dollars to companies approved to conduct both businesses general insurance and life insurance; and Hundred million U.S. dollars to companies licensed to conduct businesses of re-insurance.

Insurance Companies that licensed to transact insurance business in Palestine before the entry into force of this statute has to reconcile their positions with regard to the minimum of capital in accordance with this article not later than the end of 2008.

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Article 3

1. Each company wishing to conduct insurance business in Palestine has to get a license to practise this business after paying the legal fees.
2. Each company wishing to conduct insurance business in Palestine has to submit a request to the Insurance Control Department in the Authority including the following information, data and documents:
 - a. Proposed Company Name in both Arabic and English languages.
 - b. Detailed report of the names and addresses of the founders and the amount of shares of each of them with a summary of their CV's.
 - c. The branches of insurance the company wants to deal with in Palestine.
 - d. The amount of declared capital and the amount of capital that will be put for Public Subscription.
 - e. Company Registration Certificate issued by Companies Controller.
 - f. The basic contract and by-laws.
 - g. Full and detailed information of each of:
 - Legal Consultant
 - Auditor
 - Actuary Expert
 - Name and address of the bank or banks used by the founders through the establishment phase
 - Any other information required by the Authority for this purpose
 - h. Economic Feasibility Study for the Company.
 - i. At least having a medium-term work plan for next three years.
 - j. Re-insurance Arrangements Statement.
 - k. Minutes of the Meeting held by the founders containing the election of the founders committee and the names of the founders who are authorized to sign during the period of establishment.
 - l. Report of the proposed names for the post of Director-General and Key Staff in the Company.

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- m. Copies of the agreement forms to be held with Insurance Agents and Providers of other insurance services.
- n. Copies of bills and certificates of insurance forms that the Company will use for various types of insurance intended to be conducted in Arabic and translated into English.
- o. Any data or other documents required by the Authority for this purpose.

Article 4

- 1. Each Foreign Insurance Company wishes to conduct insurance business in Palestine has to submit a request to the Insurance Control Department including the following information, data and documents:
 - a. Proposed Company Name in both Arabic and English languages
 - b. Types of the Insurance which the Company wants to conduct in Palestine
 - c. The amount of capital assigned in Palestine, so that capital of the capital of the foreign branch is not less than that of the local companies
 - Legal Consultant
 - Auditor
 - Actuary Expert
 - Name and address of the accredited bank or banks
 - Any other information required by the Authority for this purpose
 - d. Economic Feasibility Study for the Company.
 - e. At least having a medium-term plan of work for next three years.
 - f. Re-insurance Arrangements Statement.
 - g. Report includes the names proposed for the post of Branch Manager and Key Staff in the Company.
 - h. Copies of the agreement form to be held with Insurance Agents and Providers of other insurance services.
 - i. Copies of bills and certificates of insurance forms that the Company will use for various types of insurance intended to be conducted in Arabic and translated into English.
 - j. Any data or other documents required by the Authority for this purpose.

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2. Each Foreign Insurance Company wishing to conduct insurance business in Palestine has to provide the Insurance Control Department in the Authority of the following information, data and documents about the Parent Company:
 - a. Company Name in both Arabic and English languages.
 - b. Insurance Businesses performed by the Company.
 - c. Amount of authorized capital and the amount of paid-up capital.
 - d. A certified copy of the Company's Basic Contract and its by-laws.
 - e. Detailed report shows the names of Board of Directors and their addresses with a summary CV of each of them.
 - f. A list of the Director General and key staff names in the Company and a summary of their CV.
 - g. Any data or other documents required by the Authority.

Article 5

1. Each Company wishing to transact insurance business in Palestine has to fill out and sign the form which is prepared by the Authority for this purpose, annexed to this statute (Application Form to be license to Conduct Insurance Business by a New Insurance Company is set out in Appendix 1.
2. After completely filling the Application Form and providing the required information and documents, the person concerned has to submit the form to the Insurance Control Department.
3. The procedures for granting the license are subject to the provisions of Article 51 of the Act.

Article 6

1. If the Authority agrees to grant a License; the Director shall issue a License Certificate based on the form prescribed by the Authority for this purpose - set out in Appendix No. 2- after paying the required fees.
2. License Validity will be one calendar year commencing on the date of its issuance until the end of the calendar year. The part of the year will consider a full year for the purposes of fees. The Insurance Company has to display the valid license in a prominent place in the Company's Headquarters and in each of its branches

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Article 7

Each Company conducts that practises insurance work in Palestine and wishes to renew the license has to submit a request to the insurance control department as per the form for the renewal of the insurance license prepared by the department and shown in Appendix 3 and in compliance with the provisions of Article 25 of the law.

Article 8

If the Administration agrees to renew the Company's License, it will issue a certificate as per the form referred to in Article 6 of the statute- set out in Appendix 2 - and is delivered to the Company after payment of the fees in accordance with the fee system in force.

Article 9

Each Insurance Company or Reinsurance One has to show in its official documents and publications that it is licensed to conduct insurance or reinsurance work showing the number and date of the registration in the Authority's Company Record.

Article 10

Upon the recommendation of the Director, the Authority may invalidate the license for one type or more of insurance, and the suspending procedures are subject to the provisions of articles (54, 55, 56, 57, and 58) of the Law.

Article 11

The Appendixes, hereto attached to this statute (Appendix 1, Appendix 2, and Appendix 3), constitute an integral part and read with it.

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Article 12

The competent authorities have to execute the provisions of this statute, and will be effective from the date of its issuance and will be published in the Official Gazette.

Issued in the city of Al Bireh on 12/11/2007
corresponding to 2nd of Zu Al-Qe'da of 1428

Salam Fayyad

Prime Minister

Appendix 1

Application Form for the Approval of Conducting Insurance Business

By a New Insurance Company

1. Proposed Company Name:

In Arabic:

In English:

Proposed Headquarter Address of the Company:

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2. Write Yes in the column next to the insurance types which are required to be conducted:

		Yes\No
1	Vehicles and their related responsibilities	
2	Marine, Aviation and Transport and their related responsibilities	
3	Fire, Theft and their resulted risks	
4	General Accidents and the Civil Liability	
5	Health Insurance	
6	Life Insurance	
7	Other Types of Insurance	

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The amount of authorized capital:

In figures: (.....).

In Letters: (.....).

3. The amount of capital that will be put to subscription:

In figures: (.....).

In Letters: (.....).

4. Detailed report showing the names and addresses of the founders and the amount of shares of each of them plus a summary CV for each of them.

5. Name and address of the Legal Consultant at the founding stage:

Name:

Title:

6. Name and address of the independent Auditor at the founding stage:

Name:

Title:

7. Name and address of the Actuary Expert at the founding stage:

Name:

Title:

8. Name and address of the banks approved by the founders at the founding stage:

Name:

Title:

Account Number:

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9. Required Attachments:

No.	Statement	For Insurance Surveillance Department Usage
1	Company's Founding Contract and by laws	
2	Company's Registration Certificate with the Palestinian Controller of Companies	
3	Minutes of the Meeting containing the election of the founders committee that oversees the founding procedures	
4	Minutes of the Founders' Meeting containing the names of the authorized signatories for the Company during the founding period and specimen of the signatures and pictures to identify their personalities	
5	Economic Feasibility Study for the Company	
6	<p>Work plan for the next three years to contain a minimum of:</p> <ul style="list-style-type: none"> - Types of Insurance which the Company intends to conduct with the details of the proposed Insurance Programs and conditions - Details of the proposed tariff for insurance premiums and other amounts charged form the insured entities - Marketing plan for Insurance Types - Expected expenses to start the work and the financial sources which are required for funding - Predicted growth rates of activity - Expected number of staff 	

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	<ul style="list-style-type: none"> - Estimated Budget - medium term - of revenues and costs expected over the next three years - Number of Company's branches that are expected to be opened and the Branch Plan 	
7	Reinsurance Arrangements Statement containing the ability to accept Reinsurance Agreements	
8	Report showing the proposed names for the post of Company's Director-General and key personnel with their personal data and curricula vitas	
9	Copies of the agreement types that will be contracted with Insurance Agents, Insurance Brokers, Reinsurance Brokers and Insurance Services Providers	
10	Copies of insurance policies and certificates that the Company will use for various types of insurance intended to be used- and by law, insurance contracts must be in Arabic and may include an accurate translation of the contract in English. Where in case of disagreement about the interpretation of the contract the Arabic text is the reliable source	
11	Proof of payment of the deposit under the relevant laws and sub-legislation which are in force in Palestine	
12	Proof of payment of required fees for the licensing of the Insurance business	

10. In addition to the requirements contained in paragraph 10 of this form the request form for the Foreign Insurer License will include the following data for the Parent Company which he represents in Palestine:

- Name of the Parent Company in both Arabic and English languages
- Insurance Types conducted by the Parent Company
- Amount of the authorized Parent Company's capital and the amount of paid-up capital
- Certified copy of the Memorandum of the Parent Company and its internal rules and procedure

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- Detailed Report showing the names of the Board of Directors members and their addresses with a summary CV for each of them
- A list of the Director-General and key staff names in the Company and a summary of their CV
- Any data or other documents required by the Authority about the Parent Company for this purpose

11. Written Declaration:

To Whom It May Concern

I the undersigned, affirm that all the data and supporting documents attached to a form for obtaining a license to practice insurance work by anew insurance company that is solvent and is in complaisance with related laws and the complementary secondary legislations in force in Palestine:

Name of Applicant:Job:
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Signature of Applicant:

Date:

Company Stamp:

For the use of Insurance Control Department:

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Palestinian Capital Market Authority Decision:

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Appendix 2

Palestinian Capital Market Authority



General Insurance Control Department

Insurer License:

Based on the authorities assigned to us under the Insurance Act No. 20 for the year 2005 and its related sub-legislation, we grant this to:

Company Name:

Registered in Palestine as an Insurer, a License to conduct and perform the following insurance types:

1.
2.
3.
4.
5.
6.
7.

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This Company is registered as an Insurer with a license to perform a business number.....

The above Insurance Business subject to the laws, regulations, instructions and decisions in force in Palestine.

This license is valid from:till:

Issued in Ramallah on:..... Corresponding to:

Director General of General Insurance Control Department
Director General of the Capital Market Authority

(This form consists of three pages including this page)

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Appendix 3

Renewal License Request Form regarding practicing Insurance Business for the year

Please fill out the form below and return it to the Insurance Control Department

Part I: General Information about the Company

1	Company's Name				
2	Headquarter Address				
	Operated Licensed No.		Phone No.		
	Fax Number		Email		
	Founding Date				
3	Authorized and Paid up Capital				
4	Branches Number	West Bank		Gaza	
5	Employees Number	West Bank		Gaza	
6	Agents Number	West Bank		Gaza	
7	Accounts Auditor	Current Year		Last Year	
8	Company's Legal Consultant (General Agent)				

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9	Company's General Agent in Palestine (if it is a Foreign Company)	
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Part II: Insurance Types which are conducted by the Company according to its Current License

No.	Insurance Types conducted by the Company	Yes\No
1	Vehicles and its related responsibilities	
2	Marine, Aviation and Transport and its related responsibilities	
3	Fire, Theft and its resulted risks resulted	
4	General Accidents and the Civil Liability	
5	Health Insurance	
6	Life Insurance	
7	Other Insurance Types	
Does the Company wish to renew all currently licensed types		

If the answer is (**No**); it will include the insurance types which the Company is willing only to renew

1		4	
2		5	
3		6	

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Part III: Financial Information (Please Attach them)

No.	Statement	For Insurance Surveillance Department Usage
1	Audited Budget for the last fiscal year with the auditor's report and full explanations	
2	Estimated Budget for the coming fiscal year includes a minimum budget and income statement and profit and loss account for the various insurance types	
Data listed below are provided to us at the end of 30 September of this year:		
3	Interim Financial Statements and explanations	
4	Detailed breakdown of the current balances with banks	
5	Detailed breakdown of the fixed Deposits Balances	
6	Detailed Report for Receivables Accounts	
7	Detailed breakdown\Report of accounts with related parties debtor and creditor	
8	Report for investment details in partner companies or related ones	
9	Detailed breakdown of the Company Investments (kept for trading, and for the due date, and available for sale by fair value)	
10	Report for Fixed Assets and their consumption including Real Estate, Buildings and Lands	
11	Detailed breakdown of payable loans and its due dates	
12	Report of Payable Accounts	
13	Report for the Technical Reserves Balances Details and different allocation. (Including a provision of the Palestinian Fund to compensate victims of road accidents and Authority's provision and stamp provision)	

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14	Detailed breakdown of the components of the authorized and paid up capital and the method of paying it	
15	Detailed breakdown of the mandatory and optional Reserves Balances and its calculation basis	
16	Detailed breakdown of the balances of revenues and expenses of various insurance types	
17	Detailed breakdown of the administrative and public expenses balances	
18	Report shows the number of cases against the Company, its amount, Company's opinion toward them and the reserve created by the Company to meet them	
19	Copy for the latest tax Clearance has been reached with the competent departments	
20	Report to calculate the Company's Solvency Margin as at the end of the third quarter of the current financial year (according to the adopted forms)	

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Part IV: Other Attachments

The Request Form will not be completed unless providing the Authority with all the data and documents listed below:

No.	Statement	For Insurance Surveillance Department Usage
1	Report of the names of members the current Board of Directors and its Director-General and the persons who are authorized to sign of it and senior staff and their curriculum vitae	
2	Report of the Company's branches names and addresses	
3	Report of the names and addresses of the Insurance Agents, Insurance Brokers, Insurance Inspectors and Medical Services Companies and other Insurance Services Providers who deal currently with the Insurance Company	
4	Copy of the summary of reinsurance agreements signed with the Company in the current year and next year	
5	Proof of payment of required fees duly	

Part V: Written Declaration

I affirm that all authorized data and documents accompanying with the Renewal Application Form are correct and consistent with the provisions of the law. I sign:

Name: **Job:**
Signature: **Date:**
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Part VI: For Insurance Control Department Usage

	Company's achievement of the minimum solvency margin
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Insurance Control Department Recommendation:

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