

**Palestinian National Authority
Council Of Ministers**

**Statute on Fines and Penal Procedures of the Irregularities arising from Compulsory Tariff for
Insurance Rates**

**No. 9 for the year 2008
(Board Decision No. 1 for the year 2008)**

Council of ministers;

After perusal of the Capital Market Authority Law No. 13 for the year 2004, particularly Article (7/3) thereof on the nomination of the Capital Market Authority of Palestine; And the recommendation of the Supreme National Group for the Legislature Plan, based on the decision of the **council of ministers** in their meeting in Ramallah on 4/8/2008 and based on the authorities assigned to us, and based on the requirements of the public interest, The statute issues the following:

Article 1

Definitions

The following words shall have the meanings assigned to them below as the following:

1. **License\Permission:** A license to conduct insurance business or insurance agent's work issued accordingly.
2. **Director:** Director of Insurance Department.
3. **Company:** Local Insurance Company or Branch of Foreign Insurance.
4. **Office:** Any office conducting insurance business or insurance related business.
5. **Tariff:** Minimum tariff for Vehicles and Workers Insurance issued accordingly.
6. **Violation:** Violation of the Compulsory Insurance Tariff.

Article 2

The Director shall apply Fines and Penal Procedures on the Insurance Offices or their Agents Offices or both of them when violating compulsory tariff as follows:

- a. Warn the Company or Agent or both at the time of first violation
- b. Fine the Company or Agent or both of the amount of (USD1500) one thousand and five hundred U.S. dollars or its equivalent in local currency at the time of second violation
- c. Fine the Company or Agent or both of the amount of (USD 3000) three thousand U.S. dollars or the equivalent in local currency and close the violating office and stop its work for one week at the time of third violation
- d. Fine the Company or Agent or both of the amount of (USD 7500) seven thousand five hundred U.S. dollars or the equivalent in local currency, and close the violated office and stop its work for one two weeks at the time of fourth violation
- e. Fine the Company or Agent or both of the amount of (USD 10000) ten thousand five hundred U.S. dollars or the equivalent in local currency, and close the violating office and stop its work for one month at the time of the fifth violation
- f. Fine the Company or Agent or both of the amount of (USD 15000) fifteenth thousand U.S. dollars or the equivalent in local currency and suspend the violating office activities for a period not less than one month and not more than three months in case it committed the sixth violation.
- g. In the event of conducting insurance business by the Company's Office or Agent or both during the period of suspension which is mentioned in paragraphs (c, d, e, and f) of this Article the Director may deprive the company to finally practice the insurance activities specifically in the area where it was violated.

Article 3

- a. The amount of fines will be transferred to the account of the Authority within seven days from the date of violation notification

B. In the event that the fine was not paid under the Article 2 of this statute.

The Amount will be (20000) twenty thousand U.S dollars or the equivalent in local currency.

The Amount will be withdrawn from the deposit which is made available to the Authority.

Article 4

All violations that the Authority charges the company with will be advertised in the available media.

Article 5

The provisions of this statute will be canceled all that contradicts.

Article 6

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

Issued in Ramallah on 4/8/2008
corresponding to the third of Sha'ban in 1429

Salam Fayyad

Prime Minister