لائحة عمليات التأمين الإلكترونية

ONLINE INSURANCE ACTIVITIES REGULATION

Saudi Arabian Monetary Authority
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Saudi Arabian Monetary Authority (“SAMA”)
Online Insurance Activities Regulation
This regulation has been issued in both Arabic and English. In the event of discrepancy between the two contexts, the Arabic text takes priority over the English text.

Introduction

First Purpose

1 This regulation specifies the requirements and provisions for conducting insurance activities by insurance companies, insurance brokers and agents over the internet.

2 This regulation specifies the requirements and provisions for conducting insurance activities by insurance companies, insurance brokers and agents over the internet.

3 This regulation must be complied with in conjunction with the Law on Supervision of Cooperative Insurance Companies promulgated by Royal Decree M/32 dated 2/6/1424 H and its Implementing Regulations, and the Online Regulation promulgated by Royal Decree M/18 dated 8/3/1428 H and its Implementing Regulations, and the Anti-Cyber Crime Law promulgated by Royal Decree M/17 dated 8/3/1428 H in addition to any Regulations or other instructions issued

SAMA
لاشحة عمليات التأمين الإلكترونية
صدرت هذه اللائحة باللغتين العربية والإنجليزية، ومنذ اختلاف النص بينهما
فيعتمد النص باللغة العربية.

مقدمة
أولاً
1 تحدد هذه اللائحة متطلبات وضوابط مزاولة شركات التأمين ووسطاء التأمين و وكلاء التأمين أعمال التأمين من خلال شبكة الإنترنت.
2 تسري هذه اللائحة على جميع عمليات التأمين الإلكترونية التي تمارسها شركات التأمين ووسطاء التأمين و وكلاء التأمين المخصصة بموجب نظام مراقبة شركات التأمين التعاوني الصادر بالمرسوم الملكي الكريم رقم م/32 وتاريخ 2/6/1424 هـ
3 يجب الالتزام بهذه اللائحة مقتربة بنظام مراقبة شركات التأمين التعاوني الصادر بالمرسوم الملكي الكريم رقم م/24 وتاريخ 2/6/1424 هـ و لائحته التنفيذية، و نظام التعاملات الإلكترونية الصادر بالمرسوم الملكي الكريم رقم م/18 و تاريخ 8/3/1428 هـ و لائحته التنفيذية، و نظام مكافحة جرائم المعلوماتية الصادر بالمرسوم الملكي الكريم رقم م/17 و تاريخ
by SAMA and specially the Anti Money Laundering & Combating Terrorism Financing Regulation, the Anti-Fraud Regulation, the Market Code of Conduct Regulation, the Outsourcing Regulation for Insurance and/or Reinsurance Companies and Insurance service providers. In addition to other relevant laws, regulation, instructions and decisions.

Second Definitions

The following terms and statements in this regulations refers to the meanings explained here, unless stated otherwise:

SAMA: refers to the Saudi Arabian Monetary Authority.

Regulation: refers to the online insurance activities regulation.

Company: refers to the insurance companies, insurance brokers and agents licensed by SAMA to conduct business in the Kingdom.

Customer: refers to the insured, the web site user, or any person who submits a request to get an insurance cover through the web site.

Online transactions: refers to any exchange, contract, communication or other procedure conducted or executed— fully or in part— online.

Online Statements: refers to online statements in the form of text, symbols, pictures or drawings or other form of online formats combined or in parts.
Online Insurance Activities: refers to any business conducted by the company through the internet, including, but not limited to, selling insurance policies, collecting premiums, receiving claims, and Receiving and handling with complaints.

Website: refers to the company’s web site address that is licensed by the designated authority and used on the company’s prints and advertisements.

Hard copy: refers to the output of computer in printed form.

Soft Copy: refers to any document stored in the memory of the computer, or on a hard disc (internal or external), or any other electronic storage mean, the content of which can be viewed on a computer and transferred electronically through, but not limited to, email.

Unauthorized Access: refers to the access of a person on purpose to a computer or website or an information system or network, without authorization.

The remaining terms used in this regulation have the same meaning as stated in article 1 of the Implementing Regulations of the Law on Supervision of Cooperative Insurance Companies.

Third Compliance Measures

The company must establish appropriate internal controls and procedures to

من الصيغ الإلكترونية، مجتمعة أو متفرقة.

عمليات التأمين الإلكترونية: أي أعمال تمارسها الشركة من خلال شبكة الإنترنت، وهمها - على سبيل المثال لا الحصر - بيع وراثائق التأمين، تحصيل أقساط التأمين، استقبال المطالبات، استقبل ومعالجة الشكاوى.

الموقع الإلكتروني: عنوان الشركة على شبكة الإنترنت المعتمد على مطبوعاتها وإعلاناتها، المرخص من الجهة المختصة.

نسخة ورقية: مخرجات الحاسب الآلي المطبوعة على ورق.

نسخة إلكترونية: أي مستند مخزن في ذاكرة الحاسب الآلي، أو على قرص مغناطيسي (داخلي أو خارجي)، أو على أي وسيلة حفظ إلكترونية أخرى يمكن استعراض محتوياتها على الحاسب الآلي، ونقلها عبر الوسائط الإلكترونية وهمها - على سبيل المثال لا الحصر - البريد الإلكتروني.

الدخول غير المشروع: دخول شخص بطريقة متعمدة إلى حاسب آلي، أو موقع إلكتروني، أو نظام معلوماتي، أو شبكة حاسبات آلية غير مصرح له بالدخول إليها.

يكون للمصطلحات المستخدمة في هذه اللائحة المعاني الواردة في المادة الأولى من اللائحة التنفيذية لنظام مراقبة شركات التأمين التعاونية.

إجراءات الالتزام على الشركة وضع الضوابط والإجراءات الداخلية الملائمة لضمان تحقيق

ثالثاً
ensure and monitor compliance with this regulation and any related laws. In case the company contracts with other parties, it must ensure the compliance of all parties with the provisions of this regulation and any related laws.

6 The company must maintain adequate records to demonstrate compliance with this regulation and any related laws, including—but not limited to—online activities business plan, outsourcing contracts to external parties, website hosting contracts.

7 The company must publish this regulation, along with all any related laws and regulations on its website.

8 The company must comply with the provisions of this regulation within 6 months from the date of issuance of this regulation.

Fourth Non-Compliance

9 Non-compliance with the requirements set forth in this regulation will be deemed a breach of the Law on Supervision of Cooperative Insurance Companies and its Implementing Regulations and licensing conditions and may subject Companies to enforcement action.

Part 1 General Provisions

First Business Plan

10 The company must, prior to requesting SAMA’s approval for conducting online insurance activities, develop a business plan specific to the online insurance business activities. The business plan
must be reviewed by the Board of Directors before being submitted to SAMA and should include but not be limited to:

a. Analysis of the forecasted volume of online insurance activities over the next 3 years.

b. Analysis of the risks associated with online business and the measures that will be taken to mitigate these risks, including but not limited to adverse selection risks, money laundering, strategic risks, and potential website unauthorized access.

c. Contingency plan documenting the actions to be taken in the event of a failure of one or several components of the online system, including corrective and business continuity measures, as well as the obligation to report the event to the proper authorities within the Company and SAMA.

The company must obtain SAMA’s written approval before adopting its online business plan. In addition, the company must obtain SAMA’s written approval on any significant amendments or modifications to the business plan and SAMA might require a modification or change to the business plan when it sees necessary.

The business plan of online insurance activities must be approved and set by the board of directors after obtaining SAMA’s written approval and must be
reviewed annually, or when making any fundamental change to the company’s strategy related to online insurance activities.

Second Insurance Products

13 The company should submit a request to SAMA for obtaining an approval on its insurance products that will be sold on its website, taking into consideration the Not selling any Protection and Savings Insurance policies on its website or any other website.

Third Management of the Website

14 The company must establish a unit within the IT department to be in charge of the website and its operational aspects including but not limited to posting content, monitoring performance, handling customer inquiries, tracking key performance indicators, measuring the traffic of data, and handling maintenance.

15 The company must obtain SAMA’s written approval before signing a contract for outsourcing the management of the website to any third party.

16 After obtaining SAMA’s written approval for outsourcing the management of the website to a third party, the company must check the compliance of that party with the articles of this regulation and other related laws and regulations.

17 In case of outsourcing the management of the website to a third party that...
approved to work in the Kingdom according to the relevant laws, the company must appoint a communication officer in charge of the relation with the third party to whom the management of the website has been outsourced. The communication officer’s responsibilities include but are not limited to monitoring the content of the website, answering customer inquiries and requests, ensuring that the third party meets the conditions and standards defined in the outsourcing agreement, and ensuring compliance of the third party with the relevant laws and regulations.

**Fourth Transparency and Disclosures**

The company must provide and clarify on its website the information that is necessary for customers who want to have an insurance cover through its website.

The company must ensure that the information presented on its website is correct, accurate, clear, up-to-date, and comprehensive.

**Fifth Security and Safety of Data**

The company must ensure the confidentiality of all information collected through its website and not disclose such information to any party without the written approval of SAMA. And it is the responsibility of the company to establish appropriate procedures and controls to secure the confidentiality of information.
The company commits at all times to ensure the security and safety of information provided on its website, this includes—but is not limited to—information provided to customers, information collected and stored through the company or the third party contracted by the company whether this party is responsible to connect the internet service, host, or manage the website. And the company must, in particular, ensure the protection of customers’ personal information from loss or unauthorized access, this includes—but is not limited to—the use, edit or disclosure of information.

The company must set different levels of control and supervision on insurance activities that are practiced on its website as follows:

a. The company must implement the minimum required security procedures to prevent unauthorized changes to the basic content of information displayed on its website.

b. The company must take additional security procedures to protect exchanged information, with customers or website visitors, from editing, theft, or unauthorized use.

c. The company must implement the maximum procedures, and provide up to-date techniques and IT programs to ensure the protection and safety of payments made on its website. This
includes—but is not limited to—using the payment systems adopted and licensed by SAMA for payments related to issuance or renewal of an insurance policy.

The unit responsible for the website must supervise the design, execution, follow up, and update of the security system of the website.

Without prejudice to Article (10/c) of this regulation and to avoid the failure of the website’s system or any related part, the company must establish the appropriate procedures to face emergency or catastrophe cases. This includes—but is not limited to—keeping backup copies for all information and data displayed by the company, issued to customers, or submitted to the company’s website, and setting a clear procedure to restore systems on the website in the case of damage to a part or more of the system.

**Sixth**

**Size of the Website**

The company must verify the capacity of its website to be expanded and to assimilate any additions that might arise in the future this includes—but is not limited to—capacity of the website to assimilate any increase in the number of users, and assimilate the online insurance activities resulting from sales of insurance policies, receiving claims and handling complaints.
Seventh  

**Website Accessibility**

The company’s website must be accessible twenty-four hours a day during the whole year and the website’s unit must monitor the website’s availability. In case the website is undergoing maintenance procedures, the website’s unit must ensure that it does not exceed twenty-four hours as a maximum. In case the maintenance procedures are not finalized within the set period (i.e., twenty-four hours), the company must notify SAMA in writing about the reasons that caused the damage to the website and specify the timeframe expected to reactivate the website.

Eighth  

**Outsourcing the Online Insurance Activities**

The company must—after applying the procedures included in this regulation—when outsourcing online insurance activities to another party or outsourcing the development, hosting, management, or maintenance of its website or any other work related to the website, include a specific text in the outsourcing contract that obliges the other party to abide by the rules set in this regulation, the Outsourcing Regulation to Insurance and/or Reinsurance and Insurance service providers, the Market Code of Conduct Regulation and other regulations related to the content specified in Article (3) of this regulation.
A company, wishing to sell its insurance products through a third party website licensed to do so, must obtain SAMA’s prior written approval. The company must also verify that the third party’s website meets the following conditions:

a) If the same third party’s website is used to sell insurance products related to other companies, each insurance product offered must be clearly linked to the company offering it.

b) Include all information and statements that the company must disclose, this includes—but is not limited to—the name of the company, its address, its licensing status, the nature of its insurance activities, and the contact details of the company.

c) The third party must clarify, on its website, the role it undertakes and its obligations with respect to the users such as the insured. It must also specify whether it is an agent, or a broker licensed by SAMA.

Part 2
Special Provisions

First
Pre-Sale Provisions
Advertisement/ Promotion

29 The company or the party for which any online activity is being outsourced must, when promoting or advertising online, abide by Articles (28) and (29) set forth in
the Insurance Market Code of Conduct Regulation.

Insurance Policy Terms

30 The company or the party for which any online business is outsourced must inform any person requesting an insurance cover, about the entire policy including—but not limited to—the full wording of the terms and conditions of the policy and the coverage and benefits provided by this policy.

Identification of the Customer

32 Before selling or issuing any online policy, the company must verify the authenticity of its customers’ identity and the documents submitted, and set the verification procedures appropriate for this purpose.

33 Without any prejudice of the Anti-Money Laundering & Combating Terrorism Financing Regulation issued by SAMA, the company must inform SAMA and provide a report to the Financial Investigation Unit (FIU) in the Ministry of Interior concerning any suspicious activity through its website.
The company must keep records of all customers’ policies and identification documents, received from its website.

As indicated in Articles (20), (21) and (22) of this regulation, The company must create an electronic record for every customer and set up the following procedures and measures as a minimum to:

a) Changing customers’ passwords periodically.

b) Requiring customers to reenter their password after specific period of not using the website.

c) Verifying the accuracy of the customers’ email by sending a verification (activation) link.

Second Sale Roles

Insurance Policy

The company must issue all online insurance policies in a dated and complete version with all contents, including—but not limited to—the policy’s proposal, terms and conditions, coverage limits and endorsements. In addition the company must provide the customer with a copy of the complete insurance policy through all available methods and means, and as a minimum the company must provide a soft copy in Portable Document Format (PDF) sent by email upon issuance whereby the dates of inception and expiry of the coverage are clearly stated.

Secondly, the company must issue all online insurance policies in a dated and complete version with all contents, including— but not limited to—the policy’s proposal, terms and conditions, coverage limits and endorsements. In addition the company must provide the customer with a copy of the complete insurance policy through all available methods and means, and as a minimum the company must provide a soft copy in Portable Document Format (PDF) sent by email upon issuance whereby the dates of inception and expiry of the coverage are clearly stated.

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The company must ensure the customer is able to view, print and download a complete copy of the insurance policy from his account on the company’s website, at any time. In case the online insurance policy requires any special program, the company must provide the necessary programs on its website.

The company must, upon the customer’s request, provide a hard copy of the insurance policy issued online signed and stamped by the company, or any other Document related to this policy, immediately from any of the company’s branches or its agents’ branches or by sending the requested documents by post within seven working days from the date of the customer’s request.

Third Post-Sale Provisions

Services

The company must, when selling any insurance policy on its website, abide by Articles (50) and (51) of the Insurance Market Code of Conduct Regulation specific to post-sale.

The company must put in place clear procedures for the cancelation of insurance policies, issued online, through its website. The procedures must ensure the confirmation and willingness of the customer to cancel the policy. In case of cancellation of the online insurance policy due to deficiency or ambiguousness in the systems, parts, components or programs of the website, the company must reimburse the customer for any damage incurred from...
the policy cancellation. In the case where the customer maliciously cancels the policy, the company must prove it and provide the customer in writing with the reasons for refusing to pay any future claims related to the cancelled policy.

The company must communicate with customers using at least two available communication means. Which include— but are not limited to—emails, recorded mail, text messages, phone, etc.

The company must, when sending a notice or advertisement to two or more customers via email or any other communication means, verify and ensure that the notice or advertisement does not contain any personal information related to the customer, and it must ensure that none of the recipients becomes aware of the identity of any other recipient.

Once the company issues an insurance policy through its website, it must provide a particular section for after-sale services on its website. This section must include but not limited to the following services:

a) Obtaining any additional type of services related to the policy in force.

b) Performing any endorsement on the policy such as additions, renewals, or cancelations.
Verifying the status of the policy (i.e., valid, expired, canceled).

Checking the date of inception and expiry of coverage.

Checking a schedule of the dates for premiums payments.

Checking paid premiums and the dates of payments and values.

The company must notify the customer in advance of the upcoming expiry of the insurance policy. The notification should be done within a timespan sufficient to allow the customer to renew the policy or obtain an insurance cover from another insurance company. In addition, the notification should be done through all communication means stated in Article (41) of this regulation.

The company must put in place necessary procedures to ensure the compliance of the cancelation process of compulsory insurance policies, through the website, with the provisions and instructions regulating the process of cancelation for this type of policies.

The company must notify the customer through email upon expiry of the cover of an insurance policy issued online. In addition, the company must notify the customer through email of the cancelation of an insurance policy issued online, and the company must include in the notification the date and reason of cancelation.

Dealing with Claims
The company must provide on its website to the customers or third party (harmed) electronic forms to report claims and upload copies of the claims' documents. After accepting the electronic claims form, the company must provide the applicant a reference number, and before paying the amount due through its website the company may receive original copies of the claim documentation to confirm and validate it.

Complaints

The company must, without prejudice to Articles (55) and (56) of the Insurance Market Code of conduct Regulations, provide on its website, all the information necessary for the customer or third party (harmed) to file a complaint and follow up on its status. The information must include as a minimum:

a. The complaint forms.

b. Contact information of the complaint handling department.

c. Appropriate contacts to inquire about complaints, (e.g., emails, fax, mailing address).

d. An overall description of the complaint handling procedures including estimated time to process complaints.

e. The contact details of the General Secretariat of the Committee for the Resolution of Insurance Disputes and Violations.