

**Important Notice and Directives from the Saudi Arabian Monetary Agency to the Public and Existing Companies Transacting Insurance and Reinsurance Business in Saudi Arabia**

The Saudi Arabian Monetary Agency (SAMA) would like to inform all companies transacting insurance and re-insurance business in Saudi Arabia to comply with the requirements of the Cooperative Insurance Companies Control Law issued by Royal Decree No (M/32) dated 2/6/1424 H (31/7/2003), and its implementing regulations issued by Ministerial Decree No (1/596) dated 1/3/1425 H ( 20/4/2004) and to adhere to the following deadlines and directives.

The last day that SAMA will accept licensing applications from companies transacting insurance and reinsurance business in the Kingdom that submitted a letter of intent only without completing the application requirements or did not submit and application is Wednesday 17/11/1425 H (29/12/2004). If the licensing application is not received by SAMA on this date, the company shall cease its underwriting of new business activities and refrain from renewing any policies without the written approval of SAMA.

All companies transacting insurance and re-insurance business in the kingdom who do not intent to obtain a license in accordance with the Cooperative Insurance Companies Control Law and its implementing regulations and/or did not comply with the above application requirements deadline should provide SAMA with an approved exist strategy by Wednesday 1/12/1425 H (12/1/2005).

The last day for completing all licensing application requirements by companies transacting insurance and reinsurance business in the Kingdom is Wednesday 29/12/1425 H (9/2/2005). All companies that do not adhere to this date shall start the run-off of its current portfolio and closing of the offices in Saudi Arabia. SAMA reserves the right to take all necessary actions under the Cooperative Insurance Companies Control Law and its implementing regulations to ensure compliance of these deadlines and directives.

SAMA would like to urge the public to do business with licensed insurance companies or with existing companies that have submitted a completed licensing application to SAMA and the approval of their application requirements are in their final stages. A list of companies that have submitted completed applications to transact insurance and re-insurance business in the Kingdom will be posted and updated under the insurance section of SAMA's website: <http://www.sama.gov.sa>