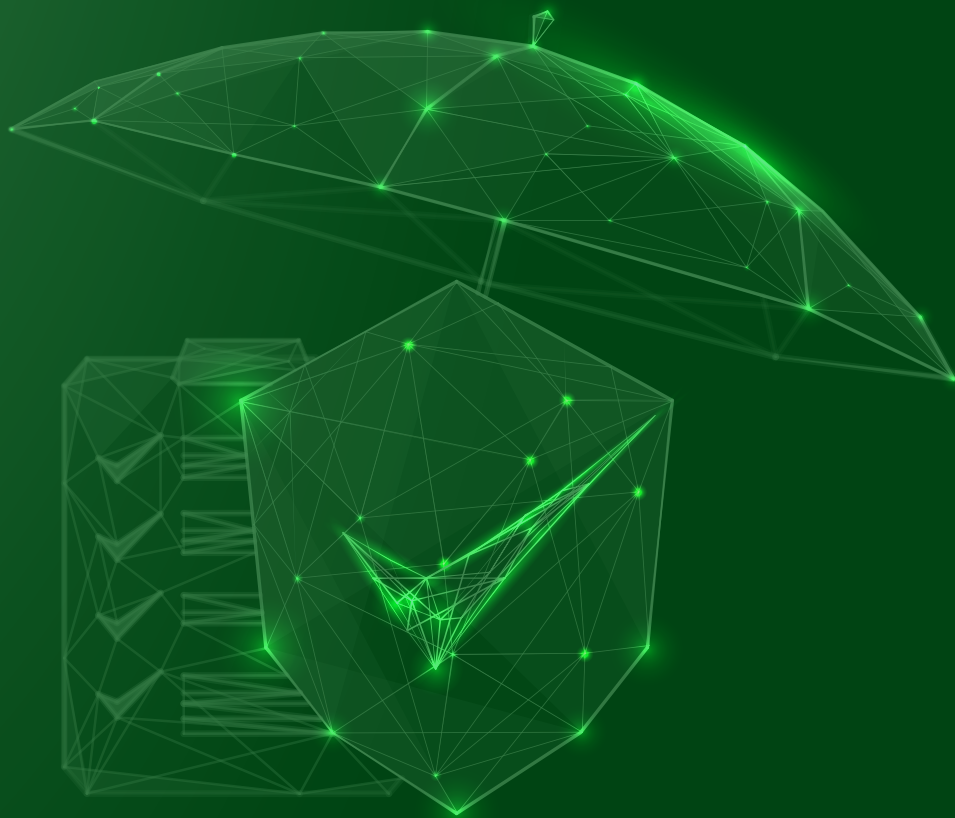


Establishment of Insurance Authority

Frequently Asked Questions

August 2023





What does the Cabinet's Decision entail?



What are the objectives of the Insurance Authority?

The Cabinet's Decision stipulates the establishment of a dedicated Insurance Authority (IA) with the mandate to regulate and oversee Saudi Arabia's insurance sector. The Authority will report directly to the Prime Minister, and will enjoy a public legal personality as well as financial and administrative independence.

The Insurance Authority will have the existing insurance mandate vested in the Saudi Central Bank (SAMA) and the Council of Health Insurance (CHI) according to a transition plan. The decision aims to unify the regulator of the insurance sector in the Kingdom to support the sector, raise insurance awareness, protect the rights of policyholders and beneficiaries, ensure stability of the insurance sector, ensure financial stability, grow and develop the sector, and work to consolidate the principles and pillars of the insurance contractual relationship.

When will the Insurance Authority commence its duties?

According to Cabinet Decision, the Authority will commence operations (90) days after the date of publication of the decision by the Council of Ministers in the official newspaper. There will be a transition period during which all competencies related to insurance will be transferred to the Insurance Authority.



What procedures are to be followed during the transition period?

SAMA and CHI will continue to function as regulators of the insurance sector according to a transition plan—until all competencies are fully transferred. This plan will ensure business continuity for the sector.

What key changes are anticipated at the end of the transition period?

A number of positive changes are anticipated to occur after the Insurance Authority becomes operational, and insurance-related competencies are transferred from SAMA and CHI to the Insurance Authority. These include:

- Unification of regulatory procedures for the insurance sector within the Insurance Authority, which will act as a single regulator for the sector.
- Transfer of communication channels related to regulation and compliance in the insurance sector to the Insurance Authority.



Will the decision result in any changes to the laws or instructions that were previously issued by SAMA or CHI?

The current laws, and regulations, rules and instructions issued by SAMA or CHI in the insurance sector will continue to be enforced, until other overriding instructions are issued.

Will the decision impact the rights of policyholders or beneficiaries of the insurance coverage?

Policyholders and beneficiaries will continue to receive the full protection afforded to them under the relevant regulations. Policyholders and insurers will remain in a contractual relationship subject to the provisions agreed between them and to the statutory provisions related to the relationship. There will be no impact on the existing insurance policies or claims.

Will the decision impact the current complaint handling process?

The current complaint handling process will remain unchanged. New complaints can be filed through the existing channels of SAMA and CHI until the Authority commences its work, taking into account the transition period. Any changes to the current complaint handling process will be communicated through official channels.



Do I need to contact SAMA, CHI, or my insurer?

You are not required to take any action in this regard, as the contractual relationship between policyholders and insurers remains unchanged. The decision has no effect on existing documents, claims or complaints. All remain fully valid.

How can I check laws, instructions and guidelines pertaining to the insurance sector?

You can view the current laws, instructions and guidelines related to the insurance sector by visiting the official website of the National Center for Archives and Records or the official website of SAMA. For compulsory health insurance, you can visit the official website of CHI.

Will the decision result in any changes to the processes of the Committees for Resolution of Insurance Disputes and Violations?

The processes of the Committees for Resolution of Insurance Disputes and Violations will remain unchanged.

Contact Information

If you have any inquiries, please contact the call center through the following channels:

**Saudi Central Bank
(SAMA)**

 8001256666

 @SAMAcare

**Council of Health
Insurance (CHI)**

 920001177

 @SaudiCHI

