

# **Translation of Insurance Sector Consumer Protection Principles**

Saudi Arabian Monetary Fund  
Department of Protection of Consumers

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# Insurance Consumer Protection Principles

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## **Part 1: Introduction**

### **1. Financial protection of consumer in Saudi Arabia**

Saudi Arabian Monetary Authority (SAMA) is considered controller and sponsor of financial institutions licensed by it and authorized for work at Saudi Arabia (banks, financing companies including financing lease companies, real estate financing companies, insurance companies, re-insurance companies, entrepreneurs, money exchange companies and credit information companies) .

Since issuance of SAMA charter and banks control system in the year 1386, SAMA work for protection of interest of consumer and ensure that dealings of financial institutions with the consumer go in professional and fair manner. The role of SAMA has developed gradually with the expansion of financial sector, as it has become in the year 1424H responsible for insurance sector by virtue of cooperative insurance companies control law, however, due to growth and development of financial sector in kingdom, SAMA keeps monitoring these developments and issuance of suitable control instructions for development of consumers and beneficiaries, as strategic objective of SAMA include obtainment by the consumer who deal with financial institutions of a fair, honest and transparent treatment, in addition to getting the services and financial products easily, at suitable cost and of high quality.

## 2. Definitions

**SAMA** : Saudi Arabian Monetary Authority

**Licensing party:** it includes all parties licensed by Saudi Arabian Monetary Authority to carry out insurance related works or re-insurance or self-employment in Saudi Arabia.

**Company or companies:** it means insurance or re-insurance companies and self-employed companies, including brokers, insurance agents or insurance settlement specialists; examination experts, loss evaluators, insurance consultants and actuaries.

**Employee:** every natural person working for the interest of a company and under its supervision against a wage, whether at company's headquarter or outside it, including employees contracted with as supporters.

**Insurer:** insurance company that accepts to insure an insured.

**Insured:** a natural or juristic person who signed an insurance policy with the insurer.

**Insurance broker:** a juristic person who negotiates with insurance company to complete insurance deal in favor of the insured in lieu of financial compensation.

**Insurance Agent:** a juristic person who represents insurance company, market and sell insurance policies and do all works usually carried out by insurer for the interest of insurance company or on its behalf against an amount of money.

**Agent:** every natural or juristic person contracted with insurance company for issuance of insurance policy directly or indirectly.

**Insurance Contract:** establishment of contractual relations between the insurer and insured where the insurer undertakes and assume covering a risk or certain liability for the insured or beneficiary in the event of occurrence of any damage.

**Beneficiary:** natural or juristic person whom a benefit from an insurance policy is assigned to him upon occurrence of damage or loss.

**Contribution (premium):** it is the financial cost of insurance policy paid by the insured to the insurer as a lump sum or on several payments in lieu of approval by the insurer to

compensate the insured for the damage or loss of which direct cause of occurrence are the risks covered by insurance.

**Insurance Product:** it means insurance policy or insurance coverage which the insurance company is marketing for the purpose of fulfillment of the needs of consumer and his insurance desires against the risks that he may expose to in future and that may cause him personal losses, or damage of properties or liabilities toward a third party.

**Advice:** it means recommendation or advice given by the company to the consumer after taking into consideration circumstances and need of the consumer and objectives of applying for insurance coverage.

**Claim:** an application submitted by the insured or beneficiary to the company for payment of amount of compensation under the provisions of insurance policy.

**Complaint:** every objection or grievance lodged to the company as a result of a breach leading to noncompliance with provisions of insurance policy or related regulations and instructions.

**Dispute:** every dispute between insurer and insured or beneficiary which deciding upon necessitates compelling a party to difference or dispute to perform a certain obligation.

**Treatment of complaint:** taking necessary arrangements or measures to deal with consumers' complaints and settle them fairly and efficiently without any delay.

**Disclosure:** reveal of information and data clearly, with transparency and credibility and refrain from concealment of any information of effect and importance to any party of insurance contract parties, i.e. the insurer and insured.

**Awareness:** spread of insurance education and guiding principles related to with the aim of increasing awareness and understanding the terminologies and main insurance principles, consequently, assisting the consumer to distinguish between insurance products and services rendered by companies.

**Advertisement:** a commercial message promoting an insurance product or service by any mean, directly or indirectly.

## **Part 2: principles of protecting consumers and beneficiaries of insurance services**

### **3. Introduction:**

3.1 Protection of consumers of insurance companies and beneficiaries in the kingdom is a strategic aim which SAMA always seeks to achieve through keenness on provision of required level of fair treatment, honesty and comprehensive insurance.

Principles of protecting companies' consumers shall assist in achievement of the sought goal, because it is applied on all insurance companies licensed from SAMA. Also it applies to any party turned to for help by companies, consumers and beneficiaries in achievement of some assignment. The principles include companies' consumers, individuals and beneficiaries (at present and future).

3.2 These principles are considered compelling to companies and complementary to instructions and controls issued by SAMA. It should be complied with no later than 1/9/2014.

3.3 The Company shall provide free paper copies of these principles at each of its branches and hand over to consumers at the beginning of dealing or upon obtainment of a product of good service; in addition to, they should post it at the company's electronic website.

3.4 The company shall provide all records, documents and information which SAMA may require in this connection.

3.5 These principles have been issued pursuant to authorities vested upon SAMA under system of controlling cooperative insurance companies and its executive bill issued under Royal Decree No. M/32, dated 2/6/1424 H (corresponding to 31/7/2003) as amended under Royal Decree No. M/30, dated 27/5/1434H (corresponding to 8/4/2013).

#### **4. General Principles.**

##### **Principle 1: Just and fair treatment**

The companies shall treat consumers and beneficiaries in justice, honesty and fairness at all stages of relations between them. They shall comply with the obligations under regulations, rules and instructions of SAMA. The company shall follow best practices adopted internationally for fulfillment of its commitments towards consumers, so that they would become integral part of company's culture. The company also shall pay most care and attention to consumers and beneficiaries in general, especially those who have limited education, aged and handicapped of both genders.

##### **Principle 2: Disclosure and transparency**

The companies should clarify rights, responsibilities and duties of each party to insurance relation along with details of premium, commissions, types of risks and mechanism of finalization of insurance relation or cancellation of insurance policy, with all consequences and effects on the insured. Companies shall make sure that conditions of insurance policies, exceptions and main benefits are very clear, summarized, easy to understand, accurate and not illusionary, so that consumers can obtain, acquaint himself with and understand without difficulty. The companies and affiliates should answer all enquiries of consumers related to insurance products provided or in connection with insurance documents issued by it. Companies also shall update all information related to services and insurance products periodically; it shall provide all necessary and updated information to consumers for the services and insurance products provided on company's electronic website.

##### **Principle 3: insurance education and awareness**

The companies shall set programs and suitable mechanism for development of knowledge and skills of consumers and beneficiaries at present and in future and uplift level of insurance awareness, assist them in comprehension and absorption of essential risks of insurance product, its benefits and explain their rights and duties without misguidance, to enable them to take fully considered and effective decisions. They also should be guided to the concerned party for obtainment of any additional information if they required.

##### **Principle 4: Conducts and morals of work**

The company shall work in professional and responsible manner; it shall render its services and carry out obligations and commitments with high quality in due time for the

interest of consumers and beneficiaries for the duration of relation between them, as the company is considered of prime responsibility for protection of insured interests.

**Principle 5: Discrimination and preference**

The company and its employees should not discriminate in dealing with its present and future consumers unfairly based on race, gender or religion.

**Principle 6: Protection against fraudulences**

The company shall apply maximum arrangements and security measures for control of insurance processes and protection from fraud or illegitimate use.

**Principle 7: Protection of privacy of information**

The company shall protect financial, insurance and personal consumers' interests and not to utilize except for certain and regular business purposes. It should not disclose to any third party without prior permission from SAMA, except for company's auditors, experts, actuaries, joint re-insurance companies and related parties.

**Principle 8: Treatment of complaints**

The companies should provide suitable mechanism for consumers to lodge their complaints, so that the mechanism would be fair, clear and effective, and through which complaints could be followed up and treated in accordance with regulations, rules and instructions issued from SAMA and related parties.

**Principle 9: competition**

Competing companies should provide best products, services and prices for fulfillment of consumers' needs and wishes, without prejudice to prerequisites of regulations, rules and instructions related to mechanism and method of pricing insurance products.



**Principle 10: Providers of services on behalf of companies.**

The companies shall make sure of compliance of external parties entrusted with some assignments with these principles and that they shall work for the interest of its consumers and bear the responsibility of protecting them. Providers of insurance services shall be held responsible for the measures taken on behalf of the companies or consumers in accordance with list of entrustment issued from SAMA, however, this shall not mean lack of responsibility on the part of companies to supervise, audit and follow up the procedures and works carried out by insurance service providers contracted with or entrusted to do some tasks related to these principles.

**Principle 11: Contrast of interests**

The company shall have a written policy concerning contrast of interests. It shall define necessary measures to ensure fair treatment of all consumers. The company also shall make sure that the policies which assist in uncovering probable processes of contrast of interests are existing and being implemented. If a possibility of process of contrast of interests arises between the company and any other party where that contrast shall have any possible effect on consumer, the company shall disclose such contrast to the consumer, in accordance with prerequisites of regulations, rules and relevant instructions.

**Principle 12: Sufficient Resources**

The company shall exert utmost care for provision of administrative, financial, operational and human resources sufficient and necessary for performance of its works and services to consumers' kingdom wide.

## **5. Responsibility of consumer**

The companies shall consolidate responsibilities of consumers through publication of continued programs of awareness and enlightenment provided by all companies all together, besides individual initiatives carried out by each company separately for the service of its consumers.

Responsibilities of consumers shall include the following:

### **5.1 They should be faithful in providing information**

Always present complete and accurate information upon filling out a form the company may require. Abstain from submission of any misleading, wrong or incomplete information or not disclosing important and essential information.

### **5.2 Read carefully all the information provided by the company**

You will receive full information concerning your commitments against obtainment of the service or product, so go through all these commitments and make sure of understanding them clearly to judge your capability to comply with.

### **5.3 Ask questions**

In case of ambiguity of any item or provision at insurance policy or any document submitted by the company, consumer shall have the right to enquire about it and ask questions. Company's employees must answer these questions in clear professional manner to assist the consumer in taking appropriate decision.

### **5.4 Make sure of insurance policy data**

Make sure that the copy issued to insurance policy includes all contents of the policy such as without limitation: your personal information, validity date of insurance coverage, conditions of the policy; limits and exceptions of coverage and policy appendixes.

## **5.5 Learning how to lodge a complaint**

The company shall furnish you with necessary information and data with regard to mechanism of lodging a complaint such as number and addresses of contact to submit the complaint and follow it up; framework for giving the result, so proceed with the use of these services and learning how to raise a complaint to senior management, if necessary.

## **5.6 Use of service or insurance product under provisions and terms**

Do not use the service or insurance product except under provisions and terms specified at the insurance policy, after making sure understanding them in full.

## **5.7. Exposure to risks**

Some services or insurance products contain diversified levels of risks, therefore the company shall explain this matter to you clearly. Do not ask for a service or product when you feel that the risks are not compatible with your financial position.

## **5.8 Submit an application for products or services compatible with your requirement**

Upon applying to get any insurance product or service, make sure of its compatibility with your requirements, in addition to your capability to meet the obligations resulting from obtaining insurance product or service.

## **5.9 Inform the company about irregular measures**

If you discovered an irregular measure that may affect the product or services rendered to you, you should inform the company of it immediately. In case of having no response from the company, you may have the right to lodge a complaint to SAMA.

## **5.10 Consult the company when facing insurance difficulties**

Talk to the company are dealing with to ask for its advice in case of confronting financial difficulties and you are unable to bear insurance service or product commitment so that you can discuss available options that may suit your financial position.

### **5.11 Update of information**

You should update your personal data, including communication, so that updating shall continue till when required by the company. You should realize that failure to update your personal data, especially essential ones may develop a responsibility on your part or loss of your rights.

### **5.12 Mail address**

Use mail address (normal or electronic) and your contact numbers upon request by the company you are dealing with. Do not use other addresses that belong to friends or relatives which may lead to revelation of your personal information.

### **5.13 Power of Attorney**

Be careful when you make an official power of attorney for your insurance dealings. You should know to whom authority of disposal in your financial affairs related to insurance should be given and who will be acquainted with.

### **5.14 Do not sign incomplete forms**

Make sure of completion of all fields and figures required at the form submitted for signature. Do not sign on any empty or incomplete form.

### **5.15- Review of all your information**

You should review all information and data you have filled out for products or services applications, to ensure authenticity of the information submitted and non-existence of any error in the data submitted; also you should know that your signature on the form means that you have agreed on it.

### **5.16 – Do not disclose your personal information**

- Do not disclose and personal or insurance information to any other party other than the company or official parties under any circumstances whatsoever.
- You shall disclose to the company any information related to the product or insurance service required. The information are necessary for determining your insurance requirements and evaluation of the risks that you may encounter.

### **5. 17- Your legibility to obtain your copy**

- Make sure of obtaining a copy of contracts and documents entered with the company and maintain the copy at safe place.
- With regard to compulsory insurance policies on vehicles, your insurance policy should agree with provisions of united compulsory insurance policy on vehicles published on SAMA website. ([www.sama.gov.sa](http://www.sama.gov.sa))
- Regarding electronic insurance policies issued by the company at its electronic website, the insured shall have the right to ask the company or any of its branches to provide him with paper copy of insurance policy issued electronically or any other document related to this policy. It shall be signed and sealed by the company or it may be required to be sent by registered mail no later than seven working days from date of application by the insured.

### **Part 3: Main obligations of the companies**

This part contains details concerning obligations and regulations related to insurance services which support general principles for protection of consumer.

## **6. Terms and conditions**

6.1 Updated terms and conditions must be furnished to consumer through available means of communication at the company as favored by the consumer, by provision of a booklet containing terms and conditions and encourage him to read before commitment with insurance services and products.

6.2 All terms and conditions must be inserted at insurance service or product application form which the consumer shall fill out in Arabic language, provided that it shall be comprehensive, clear, legible and not misleading; with provision of a copy in English language, if the consumer asked for.

6.3 Terms and conditions and application forms must include warning information mention clearly the probable consequences borne by consumer for use of insurance product or service contrary to what has been agreed upon at the application form.

6.4 As for what is not related to amendment of spelling mistakes and what is recognized by the regulations in force, the company shall comply with insurance policy, its appendixes and should not make any amendment to it unless approved in writing by the consumer, provided that the company shall issue an attachment to the policy after its approval on the amendment.

## **7. Determination of prices and commissions**

7.1 The company shall apply pricing method presented to SAMA which the consumer has previously agreed upon as part of approval request on the insurance product.

7.2 Insurance broker shall exert efficient efforts to obtain the best quotation from the companies and clarify the reasons for recommending to consumer suitability of the offer.

7.3 In the event of cancellation of insurance policy before expiry of its term, the company shall return a proportionate part of amount of subscription paid for the valid period of insurance policy, as set forth at the policy.

## **8. Protection of data, information and confidentiality**

8.1 The company shall be responsible for protecting consumer and beneficiary data; maintain their confidentiality and not to use these information for illegal purposes as set forth at principle number (7)

8.2 Upon provision by the company of sale or renewal services through its website, it shall take sufficient arrangements and security measures for protection of exchanged information with the consumer electronically and provide most modern technology and programs in order to ensure protection and safety of cash payment processes through the company's website.

8.3 The company shall be responsible for maintaining in confidence data of consumers and beneficiaries and not to disclose, except for:

A. When disclosure is compulsory imposed by competent governmental authorities (such as Ministry of Interior, courts, etc.)

B. When information are revealed by consent of consumer or beneficiary in writing.

8.4 The company shall possess suitable work procedures and efficient control systems for protection of data of consumers and beneficiaries; discover and treat trespasses which occurred or expected to occur.

8.5 Company's employees, whether permanent or temporary and self-employed people or representatives of companies shall sign on the form of maintenance of confidentiality concerning consumers and beneficiary. They shall ensure not disclosing their personal information, prevent access to them and make it confined to authorized persons only, whether employed or after leaving their employment.

## **9. Communication through advertisement and marketing**

9.1 the company shall keep in touch with consumers by the use of at least two means of preferable communication systems with the consumers, without limitation: e-mail, registered mail, telephone and SMS. The company also may use its main means (branches, website); media (visual, audiovisual, etc) for marketing its products by the use of means of advertisement, propaganda and marketing which suit the targeted segment of society and in line with regulations, rules and instructions issued from SAMA

9.2 The company shall take care upon sending notices or advertisement for more than one consumer by e-mail or any other mean of communication and make sure that neither of the notices sent contain any personal information belonging to other consumer.

9.3 The company shall follow professional manner in advertisement for its products and avoid the use of misleading method upon marketing a product. It shall not exaggerate in

showing advantages of the product or service advertised, whether directly or indirectly, taking into consideration not to harm interests of other companies. All phrases and figures used shall be easily understood and legible, including foot notes.

#### **9.4 The companies are prohibited to:**

- A. Present false display, statement or allegations phrased in a way that shall lead directly or indirectly to cheating or misleading consumer.
  - B. Make advertisement that contains a logo or distinguished mark without right of use or use of imitated trade mark.
  - C. Use incorrect or misleading marketing advertisements for public, whether related to prices or position of the company.
- SAMA shall have the right to compel the company not complying with the terms set forth in this article to recall the advertisement within one working day from date of notification thereof by SAMA.

9.5 The company shall ensure suitability of display and design of the advertisement so that the consumer would notice that it was guided advertisement and that obtainment of advertised product or service require certain conditions from the consumer.

9.6. The company shall ensure that the advertisement that included abbreviations should have its meaning explained explicitly and clearly.

9.7 The company shall provide its consumers, at all its branches, an area designated for review and filling out the forms required and maintain booklets and forms where consumers can obtain their required copy.

9.8 The consumers shall have the right to express opinion of receiving SMS or marketing publications for the services and products presented by the company. The company shall get approval from consumer of contents of that, whether in writing or electronically, as preferred by the consumer.

9.9 The company shall not send marketing items for insurance products not suitable for individuals whose age is less than 18 years, especially in the case of marketing products or services that carries risks not suitable for this category.



## **10. Continuation with consumers during before -sale period**

10.1 The company carrying out the task of continuity with the consumer with the aim of presenting offers and insurance products, shall submit sufficient information to its consumers containing as a minimum the following:

- A. Information about activity of the company and whether it is an insurance company, working for the interest of insurance company or working independently in favor of the consumer.
- B. Informing the consumer of any financial relation between the broker and insurance company other than normal commission agreements or if there were any joint ownership between the parties.
- C. Information about nature and scope of insurance products and services that can be provided by the company.

10.2 The company shall obtain reasonable amount of information about the consumers to estimate their needs of insurance products and services and provide offers suitable for need of every consumer.

10.3. The company shall give advices and recommendations to consumers in selection of insurance services or products suitable to meet their requirements and desires sufficiently.

10.4 The company, upon giving advice with respect to replacement of a protection and saving policy shall explain amount of increase in initial expenses in reasonable manner and explain consequential financial effects on the consumer upon replacement of the policy.

## **11. Sale of insurance products and services**

11.1 The company shall, before entering into insurance contract, disclose to its consumers about all what is related to required insurance coverage from their side or what they may suggest. It shall provide them with essential terms and conditions for insurance product or service that they are going to purchase, of which, without limitation, the following:

- Company's name.

- Privileges, exceptions and withholdings.
- Insurance coverage period.
- Prices and costs.
- Procedures for settlement of claims and dealing with complaints.
- Commitments and duties of every party under the policy.
- The item which the company shall have the right to amend after validity of contract.
- Any restriction or up normal condition that may lead to harming consumer interest.
- Addresses of the company and means of communication with it.

11.2 In addition to what has been stated above, the company shall present sufficient information to its clients concerning contracts of programs of protection and saving, in terms of manner of contribution in profits, amounts of insurance coverage, financial rewards, potential risks and any other information, so that consumer shall fully understood offered insurance product.

11.3 All consumers shall have the right to obtain required insurance product and the company shall have convincing reasons for rejection, cancellation or non-acceptance of renewal of insurance, however decision of other companies shall not be considered alone as convincing reason.

11.4 Upon issuance of insurance policy and its appendixes, the company shall immediately provide the consumers of official written confirmation of validity date of insurance coverage. In case of non-completion of all documents, the company shall issue provisional certificate of insurance coverage to be used as regular guidance of validity of coverage.

11.5 The company shall submit all insurance documents to consumers immediately after signing these documents.

## **12- Service of consumer after sale**

12.1 The company shall after selling insurance product provide the consumers with services in due time and suitable manner, including answering their queries, administrative requests and others related to conditions of insurance documents.

12.2 The companies shall present written confirmation of any amendments to insurance policy in addition to any additional amounts owed from the insured as a result of such amendment.

12.3 The companies shall notify the consumers immediately of any changes in disclosure or conditions set for consumers upon entering into insurance policy or any changes in communication data of the company or procedures of submission of claims.

12.4. The company shall notify the consumer of date of renewal or expiry of insurance policy 15 working days prior to date of expiration to enable the consumer to renew or get the coverage from another company.

12.5 The company shall, upon issuance of insurance policy through electronic website provide special division for after sale services so that the consumer shall be able, without limitation: to ask for any amendment to the policy, such as addition, renewal or cancellation; verification of policy, knowing validity date of insurance coverage, expiration, premiums paid, due and date of maturity and payment.

12.6 Upon making installment of amount of insurance for consumer, the company shall ensure maintaining consumers money on behalf of them, in accordance with the controls set forth at cooperative insurance companies control system and its executive bill, regulations and instructions issued from SAMA.

12.7 With respect to compulsory insurance on vehicles, the company shall not adhere to being not responsible for compensation under provisions of united policy, due to commitment of insured or driver of any violation whether the violation was before the accident, after it, or due to his noncompliance with what has been set forth at provisions of policy, without prejudice to right of the company to claim the insured or driver after payment to a third party in regular manners , if such claim is justifiable.

### **13. Abrogation of insurance policy**

13.1 The company shall not abrogate valid insurance, unless set forth at insurance policy in conditions of abrogation and the right of the company to do so. The company shall return partial part of value of paid contribution for the valid period of abrogated insurance, however minimum level of grace period given to insured shall be thirty days before enforcement of abrogation set by the company; provided that the company shall inform the consumer of justifications of abrogation in writing, in addition to description of method of recovery of premium due to insured upon abrogation of insurance policy.

13.2 Insured may abrogate insurance and recover part of amount contributed in accordance with schedules of short terms after settlement of claims, if any.

13.3 The company shall have reasonable reasons for abrogation or non-renewal, however decisions by other companies shall not be considered a convincing reason alone.

13.4 The companies that provide sale or renewal services through its website shall set procedures and arrangements necessary for verification of compatibility of mechanism of cancellation of compulsory insurance policies, through website, with provisions and instructions regulating mechanism of cancellation of such type of policies.

13.5 The company shall set clear mechanism for cancellation of insurance policy issued through its website, which include desire of consumer of cancellation, however, in case of cancellation of policy due to failure or ambiguity of regulations or programs of electronic operation of website, the company shall compensate the consumer for the damages which he incurred due to cancellation of insurance.

### **14. Personnel**

14.1 The company shall make sure that its employees who have relation with the consumers and beneficiaries enjoy the following:

- A. Carry out their assignments efficiently, professionally and are capable of rendering the services assigned to them.
- B. Follow good conducts and dealings in professional manner upon serving consumers and prospective beneficiaries at all times.

C. Complete cognizance of best professional practices to enable them of assisting consumers and beneficiaries.

14.2 The company shall ensure award of its employees of required professional qualification and fulfillment of requirements of competency through joining specialized programs to get professional certificates qualifying them to deal with consumers and beneficiaries.

## **15. General Provisions**

15.1 The company shall make available within seven days or as agreed upon in writing with the consumer, the following documents, if requested by the consumer:

- Duplicate copy of forms, documents or terms related to any insurance service or product.
- Duplicate copy of updated terms and conditions.

15.2 The company shall promulgate business hours of the branch at main entrance of the branch and at its website, so that the branch shall open and close in accordance with promulgated hours.

## **Part 4: Claims and complaints**

### **16- Claims**

16-1 The company shall establish a department for settlement of claims and set certain measures for receipt of claims, reply to them, study and finalize in the required form.

16.2 Upon submission of company's insurance products and services through its website, it shall provide a channel and electronic forms for submission of claims at its website and provide consumer or third party (claimant) with a reference number for claim after filling out the necessary forms, provided that the company shall verify original documents of claim before payment of amount of settlement.

16.3 The company shall acknowledge to consumer in writing receipt of claim and notify consumer of any information or short documents within one week of receipt of claim form.

16.4 The company shall give guidelines and instructions to consumer upon lodging the claim and provide him with sufficient information about procedures to be followed for the process of settlement of the claim.

16.5 The company shall settle the claims fairly, honestly and without discrimination.

16.6 The company shall settle the claims received from individuals quickly within a period no later than fifteen days from date of receipt of complete claim documents, however the period may be extended for another fifteen days after notification of regular controller thereof. In case of having claims for companies the period of settlement shall not exceed forty five days after receipt of all necessary documents and report of loss estimator, if loss estimator is appointed.

16.7 The company shall appoint examination expert or loss estimator, if so required. Consumer or beneficiary shall be informed of this action within three working days from its date.

16.8 The company shall notify the consumer or beneficiary in writing of acceptance or rejection of the claim. In case of complete or partial rejection, the company shall show reasons for rejection of the claim clearly and in transparency. It shall hand over the consumer or beneficiary all documents related to the claim against documented receipt.

16.9 Upon acceptance of claim, the company must clarify the mechanism through which the amount of settlement has been reached, along with necessary justification for reduction or non-acceptance of part of the claim.

16.10 The company shall pay amounts of claims if they were correct without unjustifiable delay in accordance with article (44) of executive bill for cooperative insurance companies system of control.

6.11 Concerning compulsory vehicles insurance, the company shall compensate the beneficiary of coverage set in the policy for any expenses borne as a result of delay in settlement of the claim for fifteen days from completion of required documents.

## **17. Claims**

17.1 The company shall explain procedures of lodging complaint, if the consumer or beneficiary did not accept the settlement made.

17.2 The company shall set mechanism for submission of complaint in a clear place at company's buildings and branches; also it shall posted at its website, provide consumers with copies thereof if they require to have it in writing and provide free telephone line for receiving complaints.

17.3 The company shall, upon receiving consumers and beneficiary complaints, do the following:

- A. Acknowledge receipt of complaints in writing.
- B. Give time estimate for dealing with the complaint.
- C. Provide consumer or beneficiary with a contact reference to follow up submitted complaint.
- D. Provide the consumer or beneficiary with name of the person in-charge of the complaint and his telephone number to enable consumer of contacting him to follow up the complaint.
- E. Informing consumers or beneficiaries of the progress with respect to the complaint.
- F. Settlement of the complaint quickly and fairly within a period no later than fifteen days from date of receipt of complaint.
- G. Notifying the consumer or beneficiary in writing of acceptance of complaint or rejecting it, explaining the reason for non-acceptance and any compensation offered to the consumer, with clarification of any difference in value of compensation offered to consumer.

H. Explanation of mechanism of communication with department of consumer protection at Saudi Arabian Monetary Authority.

I. Explanation of mechanism of lodging a law suit and disputes to committee of segregation in disputes and insurance violations formed under article no. (20) Of law of control of cooperative insurance companies system.