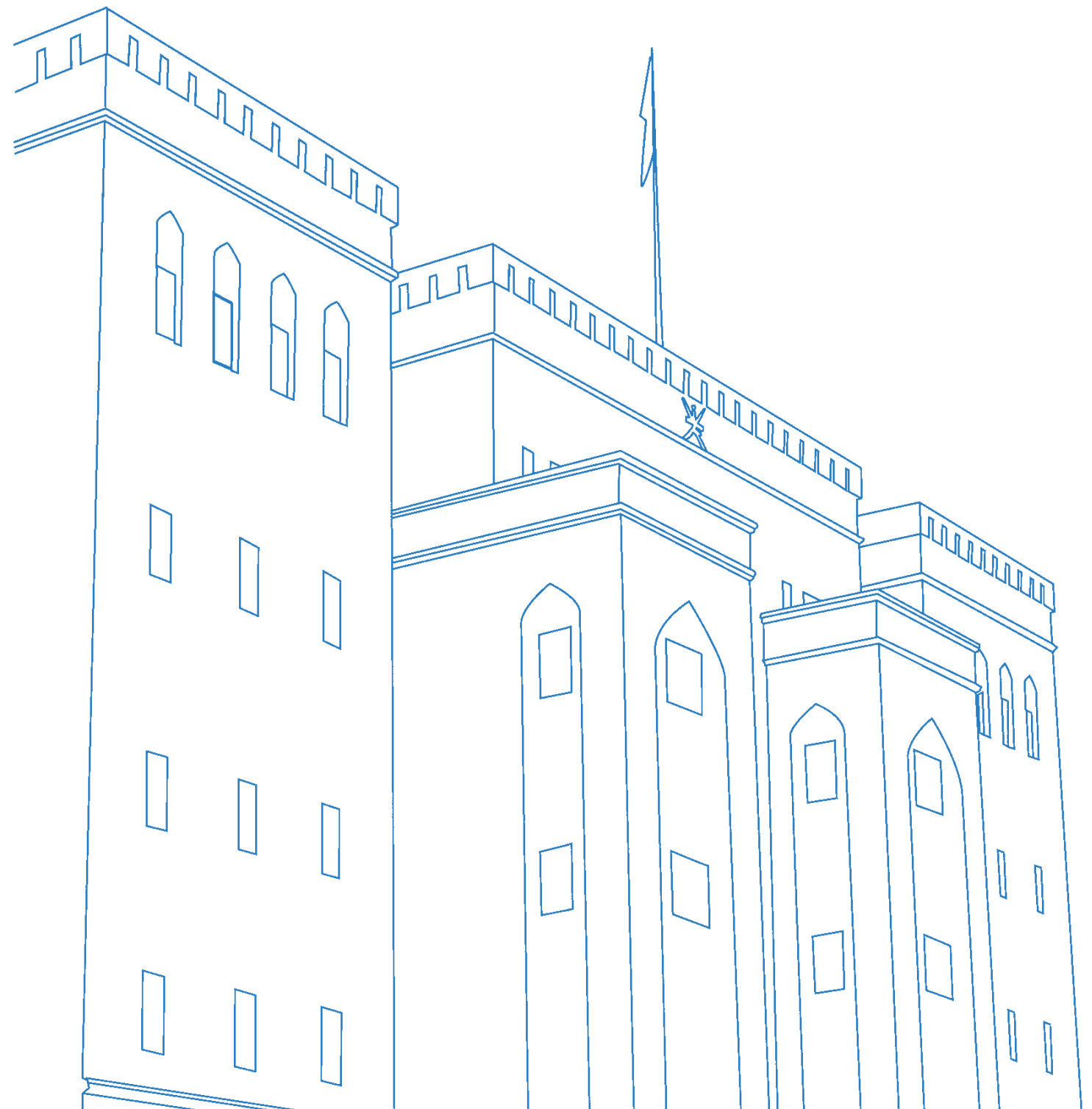




**CAPITAL MARKET AUTHORITY
SULTANATE OF OMAN**

Insurance Companies Law



ROYAL DECREE NO. 12/79

PROMULGATING THE INSURANCE COMPANIES LAW

We, Oaboos Bin Saeed, after persual of the Royal Decree No. 26/75 promulgating the Law organizing the administrative appritus of the State law as amended ; and in the interest of the public

Have decreed as follows

Article 1

the provisions of the attached law shall be applicable to the insurance companies.

Article 2

Any stipulation contravening this law or contradicts its provisions shall be repealed.

Article 3

This law shall be published in the Official Gazette and shall come into force as from the date of its publication therein.

Issued on 22nd Rabi al-Thani 1399 AH

corresponding to: 21 March 1979

QABOOS BIN SAEED

Sultan of Oman

THE INSURANCE COMPANIES LAW

PART I

PRELIMINARY

Article 1 :(1)

This law applies to companies which carry on, within the Sultanate of Oman, insurance business of all or any of the following classes :-

- (a) Ordinary life assurance
 - (b) Industrial assurance
 - (c) Liability insurance
 - (d) Marine, aviation and transport insurance
 - (e) Motor vehicle insurance
 - (f) Pecuniary loss insurance
 - (g) Personal accident insurance
 - (h) Property insurance
 - (i) Other types of insurance not included in any of the above categories.
- (2) This law does not apply :
- (a) to any company which carries on pecuniary loss insurance business if it carries on solely in the course of carrying on banking business.
 - (b) to an association of persons (called friendly society) established with no share for the exclusive purpose of aiding its members or their dependents.
 - (c) a public welfare fund established by the Government or/and commercial or industrial establishments.
 - (d) any other company or body (whether it is an establishment or merely a company or a person working or operating outside the Sultanate of Oman whose activities are confined only to reinsurance together with an insurance Company authorized, under the terms of this law to transact any kind of insurance exclusively.
- (3) The word “insurance” used in this law includes other synonyme of this word and the kinds of insurance also include reinsurance services.
- (4) Classes of Insurance business listed in paragraph (1) (a) and (1) (b), above are known as «Life insurance Group», and classes of insurance business listed in paragraph (1) (c) - (1) (i) are known as «General Insurance Group».

PART II AUTHORIZED INSURERS

Article 2 :

- (1) Subject to the provisions of article 51 of this law, in respect of Foreign companies, no company (to be hereinafter called insurance company) shall have the right to conduct the insurance business in the Sultanate of Oman unless it fulfils the following requirements :-
 - A. It is a joint stock company established in accordance with Commercial Companies law, 1974 with the object to conduct an insurance business and
 - B. It is licensed by The Capital market Authority in charge of insurance business (hereinafter called the Authority) to carry on all classes of insurance business or any of the classes specified in Article 1 above and
 - C. It is a joint stock company possessing the minimum capital required by this law, has lodged the required guarantee and maintains the minimum margin of solvency during its activity.
- (2) No company other than those authorized under the terms of this law shall have the right to use the title «insurance company» or «insurer» or «dealer in insurance» six months after the date on which this law comes into force.
- (3) Insurance company also means the branch office or agency or any other set-up belonging to the insurance company set-up in Oman or abroad and carrying out insurance activities in the Sultanate of Oman.

Article 3 :

The Executive President of the Authority (to be hereinafter called The Executive President) shall grant the license to applicants in the event of the existence of all of the following conditions :-

1. If he feels that the Sultanate's national economy is in need of additional insurance companies.
2. If he is satisfied that :
 - A. the applicant seeking above authorisation has fulfilled all the obligations mentioned in article 2 of this law necessary for the constitution of an insurance company.
 - B. The applicant has proved that the value of the paid capital is not less than five million Omani Rials.
 - C. Adequate arrangements are in force, or will be made, for the reinsurance of risks of that class against which persons are to be insured by the body in the course of carrying on business; or that it is justifiable not to make arrangements for that purpose.
 - D. A proper person has been appointed to be director, controller or chief executive of the insurance company.
 - E. The applicant has deposited with The Authority either Rials Omani 75,000 if applying for the licence to carry on any class of general insurance or Rials Omani 150,000 if applying to be licensed for classes of life insurance, in addition to general insurance business.

Article 4 :

The margin of solvency which the insurance company is supposed to maintain shall be calculated at least once yearly, but the company shall not be required by The Authority to produce documents showing it before 12 months have expired

since the insurance company has started to operate subject that the company has lodged the prescribed deposit (Article 3 -E).

Article 5 :

The Executive President shall assign within the Authority, an office (to be hereinafter called the office) which will be in charge :-

- A. of recording the information specified in this law,
- B. of issuing the licence for carrying on all or any class of insurance business.
- C. of keeping in deposit all documents required by this law,
- D. of surveying activities of the insurance companies,
- E. of control whether the insurance companies are maintaining the margin of solvency,
- F. of dealing with the deposit of an insurance company in accordance with the law,
- G. of performing any other functions The Executive President may entrust it with.

Article 6 :

- (1) Application for licensing of an insurance company shall be made in writing and be accompanied by such other as The Executive President may require or deem necessary to ensure that the conditions laid down in Articles 2 & 3 of this law have been fulfilled.
- (2) If The Executive President is satisfied that all the condition required by this law are met he shall direct the office within The Authority in charge of insurance to issue an insurance licence and notify the applicant in writing accordingly. Notice of licensing shall be published in the Official Gazette and as of the date of its publication, the company shall be treated as the insurance company.
- (3) If The Executive President is not satisfied as to any matters referred to articles 2 and 3 of this law, he shall instruct the office to give notice in writing to the insurance company of reasons for which the Authority is obliged to reject the application.

Article 7 :

- (1) Any person aggrieved by the Executive President's decision to reject an application for insurance licence may, within 90 days after the date of the notice of rejection of the application (Article 6 Paragraph 3), refer the matter to the Council of Ministers and the Council shall make a final decision with no right to recourse there against.
- (2) The insurance company, which has made an application for licence in accordance with article 6 (1) of this law and 90 days have elapsed since the date of the application has right to refer the matter to the Council of Ministers. The decision of Council shall be final without any right for recourse thereafter.

Article 8 :

- 1 . If, in the case of any licensed insurance company The Executive President :
 - A. learns that the insurance company is not fulfilling all or some of the conditions laid down in Articles 2 and 3 of

this law during the transaction of its business; or

- B. is not satisfied that the class of insurance business in the company is being conducted in accordance with the sound insurance principles, or
 - *C. If it is found that the solvency of the insurance company is insufficient or has become insufficient, after following the procedures specified in Article (15) repeated)
 - D. has been informed that the insurance company has ceased to carry on the insurance business in this country, or
 - E. receives from the insurance company in writing, request for the withdrawal of licence, or
 - F. has been informed that a final judgement relating to insurance business, obtained in any court in the Sultanate of Oman against the insurance company remains unsatisfied for more than 60 days The Executive President shall give the notice in writing to the insurance company of his decision to withdraw the licence, and the provision of article 7 with all consequences to give effect thereto shall apply to any such notice as if it were a notice of a rejection of an application.
2. The Authority shall withdraw the insurance licence if the appeal has not been made under the terms of the clause 1 of this article or if the Council of Ministers has rejected the appeal and decision regarding the withdrawal of licence shall be published in the Official Gazette.

Article 9 :

An insurance company, granted a licence as an insurer must begin conducting insurance at least in one of the classes of insurance for which it has been granted the licence, within a period of twelve months beginning on the next day of the publication of the authorization in the Official Gazette.

2. If an insurance company does not begin conducting at all or conducting insurance in any of the spheres before a twelve-month period beginning as of the next day of the publication of the licence and thereupon the provisions of article 8 clauses 1 and 2 shall be applicable.

Article 10 :

1. If the licence of the insurer (article 8 and 9 above) is withdrawn and the company continues to carry out its business as against the requirement of this law, this shall be treated as violation .

A company shall not be taken to carry on insurance business in contravention of the provisions of this law by reasons only of carrying business for the purpose of discharging liabilities lawfully assumed by it, before the withdrawal of the licence.

Article 11 :

The Executive President shall, by order, issue regulations for the implementation of part II of this law and may prescribe form of application for licensing, recording, extracts and copies and may determine the fees which shall have to be paid by an applicant for obtaining the license.

PART III

MARGIN OF SOLVENCY

Article 12 :

An insurance company has to maintain a margin of solvency required by the Regulations.

Article 13 :

Repealed.

Article 14 :

- (1) The calculation of the margin of solvency shall be made every year:
 - a) in such a form and signed by such persons as maybe prescribed by the regulations
 - b) containing such a statement with respect to the assets and liabilities of the company as may be so prescribed.
- (2) If an insurance company fails to comply with the regulations so rnade, the value of its assets shall be derived, until contrary is proved, not to exceed amount of its liabilities.

Article (15):

- (1) The deposits prescribed by the provisions of the article 3 (E) shall be made with the bank approved by The Executive President for the period of not less than 3 years. An interest accruing due thereon shall be paid to the insurance company.
- (2) After the period of three years The Authority may allow the insurance company to withdraw any part of the deposit or the whole deposit made by it if The Authority is satisfied that the solvency margin is available as prescribed.
- (3) If The Authority is dissatisfied with the Solvency of the Company, it may then, extend the three-year period or increase the value of the guarantee or both, subject to the provisions of Article 15 (repeated).
- (4) regulations may be made by the Authority, with respect to the payment of deposits, and the investment thereof or dealing therewith, or regulating deposits of stock or other securities in lieu of money, the payment of interest from time to time accruing due to any securities in which deposits are for the time being invested, and the withdrawal and the transfer of the above deposits.

Article (15) Rep:

In the event that any national company fails to maintain the prescribed solvency margin at the date of any balance sheet, then such company shall postpone allocation of profit to the shareholders for this balance sheet and appropriate an amount of such profits to the extent that rehabilitates its financial positions. If all the profits prove to be unsatisfactory for such purpose, The Executive President may grant it a respite for a period of not more than twelve months on which the company shall submit to the Authority, on a date to be determined by the Executive President, a report on its financial position so as to prove such rehabilitation. However, if the report indicates that the company has not attained solvency margin, mentioned before, the company shall cover the shortage in the first ordinary balance sheet.

PART IV
REGULATIONS
REGULATING ADMINISTRATION & ACCOUNTS

Article 16 :

- (1) Every insurance company shall maintain a principal office in the Sultanate of Oman and appoint a responsible manager. The company shall notify The Authority in writing of the location and address of its principal office and the name of its responsible manager.
- (2) If the insurance company changes the address of its principal office or appoints a new responsible manager, the insurance company shall, within thirty days of the changes having taken place, give notice thereof to The Authority in writing.
- (3) The Authority may direct an insurance company to terminate the services of principal manager if it appears to The Authority that the officer is not a fit and proper person to be a principal manager.
- (4) “The principal manager” means a person employed by the insurance company or an agent, who, either alone or jointly with one or more other person, is responsible under the immediate authority of directors or agents for the whole of the insurance business of the company.
- (5) In the context of articles 4, 5, 6, 7 and 8 of this law the insurance company shall also mean the insurer whose office may be outside the Sultanate of Oman but who may be licensed to continue his activities in accordance with terms of articles 51 and 52 of this law, through an agent or a representative.

Article 17 :

- (1) Every insurance company shall within one month of beginning to carry on life insurance business, appoint an actuary as actuary to the company; and whenever the appointment under this article comes to an end the company shall as soon as practicable make a fresh appointment.
- (2) A company making an appointment under this article shall within fourteen days serve on The Authority a written notice stating that fact and the name and qualifications of the person appointed; and if an appointment under this article comes to an end the company shall within fourteen days serve on The Authority a written notice stating that fact and the name of the person concerned.
- (3) The Authority may exercise the same power in respect of the actuary as The Authority has under article 16 (3) in respect of the principal manager.

Article 18 :

- (1) Every insurance company shall with respect to each financial year of the company and on the basis of accounting records, prepare a revenue account for the year, a balance sheet and a profit and loss account of the year.
- (2) The accounting records shall be such as to :
 - a) disclose with reasonable accuracy, at any time, the financial position of the company at that time, and
 - b) enable the directors to ensure that any balance sheet or profit and loss account prepared by them under paragraph 1 can fulfil the following requirements, i.e.

Balance sheet to give a true and fair view of the company's state of affairs and profit and loss account to give a true and fair view of the company's profit and loss.

The accounting record shall, in particular, contain :

- a) entries from (day to day of all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure took place;
- b) a record of the assets and liabilities of the company.
- (4) The accounting records shall be kept at the principal office of the company or at such other place as the directors of the company think fit so as to be available at all times for inspection by the company's officers.
- (5) Subject to any direction with respect to the disposal of any records kept by a company, any accounting records which a company is required by this article to keep shall be preserved by it for at least six years from the date on which they are made.
- (6) If a company fails to comply with any provision of paragraphs (1) to (5) above, every officer of the company who is in default shall be guilty of an offence unless he shows that he acted honestly and that in the circumstances in which the business of the company was carried on the default was excusable and if any officer of the company fails to take all reasonable steps for securing compliance of the company with paragraph (5) above or has intentionally caused any default by the company thereunder he shall be guilty of an offence.

Article 19 :

- (1) Where an insurance company carries on insurance business of either or both classes it shall maintain an account in respect of that class or as the case may be, each of those classes of insurance business. The receipts of that class or as the case may be, of each of those classes of business shall be entered in a separate and distinct account maintained for that class and shall be carried to and from a separate insurance fund with an appropriate name.
- (2) The fund for every insurance shall represent the liabilities in respect to the fund itself
- (3) The insurance fund of every insurance class shall be :
 - a) the absolute guarantee for the insurance policy holders of that particular class,
 - b) shall not be used directly or indirectly for purposes other than those of that business.

Article 20 :

- (1) Every insurance company shall set up technical provisions and reserves as prescribed in the Regulation funds and maintain them within the Sultanate for each class of insurance.

Article 21 :

- (1) Every insurance company which carries on life assurance business :
 - a) shall, once in every two years, cause an investigation to be made into its financial condition in respect of that business, including a valuation of its liabilities in respect thereof by the actuary, and
 - b) when such an investigation has been made, or when at any other time an investigation into the financial condition

of the company in respect of its insurance business has been made with a view to the distribution of profits, or the results of which are made public, shall cause an abstract of the actuary's report of the investigation made.

- (2) For the purpose of any investigation to which this article applies the value of any assets and the amount of any liabilities shall be determined in accordance with any applicable valuation regulations.
- (3) The form and contents of any abstract or statement under this article shall be such as may be prescribed.

Article 22 :

The accounts and balance sheets of every insurance company shall be audited in the prescribed manner by an auditor and for the purpose of this article the provisions of the Commercial Companies law 1974 relating to the audit shall apply.

Article 23 :

- (1) National Companies shall type every account or balance sheet or summary or statement, and every report made by the auditor of the company on what is mentioned in Article (22) and deposit five copies of such documents with The Authority within six months from the end of the period about which such documents are made, and one month, at least before the meeting of the Ordinary General Meeting. National companies shall notify The Authority of any amendments to such documents within one month, at most, from the date of the approval of the balance sheet by the General Meeting.
- 2- A copy of each of the documents deposited pursuant to clause (1), except the auditor's report, shall be signed as follows:
 - A. In all cases, by two of the company's managers or a responsible official or the Secretary (in the absence of a responsible official).
 - B. The summary or the Statement provided in article (21) shall be signed by the actuary who has conducted the summary related examination.
- 3- A copy of the Auditor's report deposited pursuant to clause (1) shall be signed by the auditor.
- 4- The office shall ascertain that the aforementioned documents have been deposited. And in the event any of such documents is found to be inaccurate or incomplete, the office shall ask the concerned company to rectify it.
- 5- With each income account and with the company's balance sheet, shall be deposited any report on the company's affairs presented to the shareholders or the policy holders concerning the financial year on which such account or balance sheet is presented.
- 6- The national company shall notify the office of the date and place the General Meeting and its agenda fifteen days prior to the date of such Meeting. The company shall also submit to the office a copy signed by the company's General Manager of each report presented to the shareholders or the policy holders or the like on the company's business as soon as such reports are presented. The company shall likewise submit to the office a copy of the minutes of each shareholders General Meeting within thirty days from the date of such Meeting.

The office may delegate a representative to attend the General Meeting. He may participate in discussions, but shall have no right to vote.

Article 24 :

- (1) The Authority may prescribe that an insurance company which carries on business of a certain class or description shall prepare, at such intervals and for such reports as maybe prescribed, a statement of its business of that class or description.
- (2) The form and contents of any statement under this article shall be such as may be prescribed.
- (3) Regulations may, in respect of such matters contained in a statement under this article as may be prescribed require it to be given by such persons as may be prescribed and to be annexed to the statement certificates of such matters and in such form as may be prescribed.

Article 25 :

- (1) The assets representing the fund or funds maintained by an insurance company in respect of its insurance business shall be applicable only for the purpose of that business. and the insurance company shall maintain accounts registers and other records necessary to distinguish the following:
 - a) assets representing the fund or funds of life insurance.
 - b) liabilities related to this class of insurance or, if necessary to all classes of insurance.
- (2) Where the value of the assets mentioned in paragraph (1) above is shown, by an investigation approved by the Authority, to exceed the amount of the liabilities attributable to the company's long term insurance business the restriction imposed by paragraph (1) above shall not apply to so much of those assets as represents the excess.
- (3) An insurance company may, provided that it obtains The Authority's approval, shall exchange, at fair market value assets representing a fund maintained by the company in respect of its life insurance business for other assets of the company.
- (4) Any mortgage or obligation (including the obligation imposed by a court) shall be void to the extent to which it contravenes paragraph (1).
- (5) Money from a fund maintained by a company in respect of its life insurance business may not be used for the purpose of any other business of the company notwithstanding any arrangement for its subsequent repayment out of the receipts of that other business.
- (6) No insurance company shall declare a dividend at any time when the value of the assets representing the fund or funds maintained by the insurance company in respect of its long term insurance business, as determined in accordance with any applicable valuation regulations, is less than the amount of the liabilities attributable to that business as so determined.

Article 26 :

- (1) Where in case of an insurance company :
 - a) there is an established surplus in which long term policy holders of any class are eligible to participate; and
 - b) an amount has been allocated to policy holders of that class in respect of the last preceding established surplus in which policy holders were eligible to participate, the company shall not apply assets representing any part of the surplus mentioned in paragraph a. above for the purpose other than these mentioned in article 25 (1), and
 - c) the company shall fix the amount of the surplus so allocated for distribution to policy holders of that class.

- (2) In this article “established surplus” means an excess of assets representing the whole or a particular part of the fund or funds maintained by the company in respect of its long term insurance business over the liabilities, or a particular part of the liabilities, for the company attributable to the business as shown on an investigation to which article 21 above applies
- (3) for the purpose of this article an amount is allocated to policy holders, if and only if
 - a) bonus payments are made to them, or
 - b) reversionary bonuses are declared in their favour or a reduction is made in the premiums payable by them; and the amount of the allocation is, in case within paragraph (a) above is within the paid amount and in the case within para (c) above is the amount of the liabilities assured by the company in consequence of the declaration or reduction.

Article 27 :

- (1) An insurance company dealing in long term insurance shall not be allowed to enter into transaction under which :
 - a) a person connected with the insurance company will owe it money; or
 - b) the insurance company acquires shares in a company which is a person connected with it; or
 - c) the insurance company undertakes a liability to meet an obligation of a person connected with it or to help such a person to meet an obligation, if the right to receive the money would constitute an asset of the insurance company, the acquisition is made out of its long term funds or the liability would fall to be discharged out of those funds, as the case may be.
- (2) For the purpose of this article a person is connected with any such insurance company as is mentioned in paragraph (1) above if that person is not a subordinate company of the insurance company but :-
 - a) controls, or is a partner of a person who controls the insurance company, or
 - b) being a company, is controlled by the insurance company or by another person who also controls the insurance company; or
 - c) is a director of the insurance company or the wife or husband or a minor son or daughter of such a director.
- (3) This article shall not be construed as making any transaction unenforceable as between the parties thereto or as otherwise making unenforceable any right or liabilities in respect of property.

Liabilities of uncertain value

Article 28 :

A contract entered into by an insurance company shall be void if :

- a) it is a contract under which the company undertakes a liability the amount, or maximum amount, of which- is uncertain at the time when the contract is entered into; and
- b) it is not a contract of insurance or an insurance contract for which the company is not licensed.
- c) if the contract contains provisions which contravene the basic principles of this law.
- d) any dispute resulting from the provisions of paragraph a. of this article shall be finally settled by the competent court.

PART V

POWERS OF THE EXECUTIVE PRESIDENT & THE AUTHORITY

Article 29 :

- (1) Any power conferred on The Executive President of The Authority shall be exercisable in relation to any insurance company and shall be exercisable on any of the following grounds:
 - a) that The Executive President considers the exercise of power to be desirable for protecting policy holders or potential policy holders of the company against the risk that the company may be unable to meet its liabilities or, in the case of life insurance business, to fulfil the reasonable expectations of policy holders;
 - b) that it appears to him that the company has failed to satisfy an obligation to which it is or was subject by virtue of this law;
 - c) that it appears to him that the company has furnished misleading or incorrect information to The Authority under or for the purpose of any provision of this law;
 - d) that he is not satisfied that adequate arrangement are in force or will be made for the reinsurance of risks against which persons are insured by the company in the course of carrying on business, being risks of a class in the case of which he considers that such arrangements are required.
- (2) Any powers mentioned in paragraph (1) above shall also be exercisable in relation to any such company as mentioned hereinafter:
 - a) if it is carrying on general insurance business, on the ground that The Executive President is not satisfied that the company is able to pay its debts;
 - b) if it is carrying on life insurance business, on the ground that he is not satisfied that the value of the assets representing the fund maintained in respect of its life insurance business exceeds the amount of the liabilities in respect of life insurance policies in accordance with prescribed solvency margin.

Article 30 :

- (1) The Executive President may require a company :
 - a) not to conduct any kind of insurance or effect contracts of insurance of a specified description;
 - b) not to vary any contracts of insurance of a specified description, being contracts effected in the course of carrying on general insurance business and in force when the requirement is imposed;
- (2) A requirement under this article may apply to contracts of insurance whether or not the effecting of them falls within a class of insurance business which the company is for the time being authorised to carry on.

Article 31 :

- (1) The Executive President shall formulate the regulations regarding the investment of the assets of insurance companies. If the company has previous investment portfolio different from the one approved by The Executive President

he shall be entitled to ask the company to take necessary measures to bring its investment portfolio in conformity with the one approved by him, subject to the condition that The Executive President shall give the insurance company grace period to achieve such a conformity.

- (2) A requirement under this article maybe framed so as to apply to investments which are (or, if made would be) assets representing a fund or funds maintained by the company in respect of its life insurance business or as to apply only to other investments.

Article 32 :

The Executive President may require that assets of a company of a value which at any time is equal to the whole or a specified portion of the amount of its domestic liabilities shall be maintained in the Sultanate of Oman:

Article 33:

- (1) The Executive President may, in the case of a company on which a requirement has been imposed under article 32, above, impose an additional requirement that the whole or a specified proportion of the assets to which the requirement under the article applies shall be held by a person approved by him for the purpose of the requirement under this article as trustees for the company .
- (2) No assets held by a person as trustee for a company in compliance with a requirement imposed under this article shall, so long as the requirement is in force, be released except with the consent of the The Executive President.

Article 34 :

The Authority may require a company to take all such steps as are requisite to secure that the aggregate of the premiums :

- a) to be received by the company in consideration of the undertaking by it during a specified period of liabilities in the course of carrying on general insurance business or any specified part of such business; or
- b) to be received by a company in a specified period in consideration of the undertaking by the company during that period of liabilities in the course of carrying on long term insurance business or any specified part of such business, shall not exceed the paid up capital by a specified amount.

Article 35 :

- (1) The Executive President may require a company which carries on long term insurance business
 - a) to cause the person who for the time being is its actuary to make an investigation into its financial condition (including a valuation of its liabilities) in respect of that business, or any specified part of that business, as at a specified date;
 - b) to cause an abstract of that person's report of the investigation to be made; and
 - c) to prepare a statement of its life insurance business or of that part thereof as at that date; and
 - d) to deposit the statement with the Authority.
- (2) For the purposes of any investigation made in pursuance of a requirement under this article the value of any assets and amount any liabilities shall be determined in accordance with any applicable valuation regulations.

Article 36 :

- (1) The Executive President may :
 - a) require a company to produce, at such time and place as he may specify, such books or papers as he may specify; or
 - b) authorize any person on producing (if required to do so) evidence of his authority, to require a company to produce to him forthwith any books or paper which that person may specify.
- (2) Where by virtue of paragraph (1) above The Executive President or a person authorised by him has power to require the production of any books or papers from any company, The Executive President or that person shall have the like power to require production of those books or papers from any person who appears to him to be in possession of them; but where any person from whom such production is required claims a lien on books or papers produced by him, the production shall be without prejudice to the lien.
- *(3) Any power conferred by clause (1) and (2) or pursuant to them for the purpose of demanding any Company or person to submit books or documents, shall include the following powers:
 - 1- Making duplicates or extracts from such books and documents.
 - 2- Obligate such person or any other person who is or has a manager, an auditor or an official of such company to explain any of such books or documents. In the event of the difficulty of submitting the books and documents, the person who has charged with their submission shall state where they are; to the best of his knowledge and belief.

Article 37:

The Executive President may require a company to take such action as appears to him to be appropriate for the purpose of protecting policy holders or potential policy holders of the company against the risk that the company may be unable to meet its liabilities or ,in the case of life insurance business ,to fulfill the reasonable expectations of policy holders or potential policy holders.

Article (37) (repeated)

The Executive President of the Authority shall issue a decision specifying terms and conditions for disclosure of insurance companies on all circumstance or information affecting their business or financial positions.

Article 38 :

- (1) The Executive President may, on the application or with the consent of an insurance company by order direct that for the purpose of the application to the company of all or any of the provisions to which this law applies :
 - a) business of a kind specified in the order, not being ordinary life insurance business, shall be treated as being such business; or
 - b) ordinary insurance business of a kind so specified shall be treated as not being such business.
- (2) An order under paragraph (1) b. above may direct that the business specified in the order shall be treated as falling within a specified class of business relevant for the purpose of Part I of this law.

- (3) An order under the article maybe subject to the conditions and may be varied or revoked at any time by the Executive President.

*Amended by the Royal Decree No.47/87 published in the Official Gazette No.(362)

PART VI :
TRANSFER OF INSURANCE COMPANY'S BUSINESS,
ITS INSOLVENCY AND DISSOLUTION

Article 39 :

- (1) Where it is proposed to carry out a scheme under which the whole or part of the life insurance business carried on by an insurance company ("The transferor company") is to be transferred to another body ("the transferee company") the transferor company or transferee company may apply to the court, by petition, for an order sanctioning the scheme.
- (2) The court shall not entertain an application under this article unless the petition is accompanied by a report on the terms of the schemes by an independent actuary and the court is satisfied that the requirements of para (3) below have been complied with
- (3) The said requirements are :
 - a) that a notice has been published in the Official Gazette and in a local newspaper, except where the court has otherwise directed, stating the application is to be made and giving the address of the offices of which and period of which, copies of the documents mentioned in paragraph (3) , below will be available as required by that paragraph:
 - b) except where the court has otherwise directed, that a statement :
 - i) setting out the terms of the scheme; and
 - ii) containing a summary of the report mentioned in paragraph (2) above, sufficient to indicate the opinion of the actuary on the likely effects of the schemes on the long term policy holders of the companies concerned; has been sent to each of those policy holders and to every member of those companies;
 - c) that a copy of the petition, of the report mentioned in paragraph (2) above and of any statement set out under paragraph (3)b above has been served on The Authority and that a period of not less than thirty days has elapsed since the date of service;
 - d) that copies of the petition and of the reports mentioned in paragraph (2) above have been open to inspection at offices in Oman of the companies concerned for a period of not less than thirty days beginning with the date on which the notice mentioned in paragraph (3)a. above was published as required by that paragraph.
- (4) the court shall not make an order sanctioning the scheme unless it is satisfied that the transferee company is, or immediately after the making of the order will be, authorised under this law to carry on life insurance business of the class or classes to be transferred under the scheme.
- (5) In this article, 'the court' means the competent court.

Article 40:

- (1) Where the court makes an order under article 39 above sanctioning a scheme the court may by order make provision for all or any of the following matters :
 - a) the transfer to the transferee company of the whole or any part of undertaking and of the property or liabilities of the transferor company;

- b) the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the scheme are to be allotted or appropriated by that company to or for any person.
 - c) The continuation by or against the transferee company of any legal proceedings pending by or against the transferor company;
 - d) the dissolution of the transferor company;
 - e) such incidental, consequential and supplementary matters as are necessary to secure that the scheme shall be fully and effectively carried out.
- (2) Where any such order provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vested in, and those liabilities shall, by virtue of the order be transferred to and become the liabilities of the transferee company, and in the case of any property if the order so directs, freed from any mortgages or charge which is by virtue of the scheme to cease to have effect.
 - (3) For the purposes of any provision requiring the delivery of an instrument of transfer as a condition for the registration of a transfer of any property shall be treated as an instrument of transfer.
 - (4) Where a scheme is sanctioned by an order of the court under article 39 above, the transferee company shall, within thirty days from the date on which the order is made or such longer period as The Executive President may allow, deposit two official copies of the order with The Authority.
 - (5) In this article “property” includes property, rights and powers of every description, “liabilities” includes duties and “shares” and “debentures”.

Article 41 :

- (1) An insurance company, being a company which carried on general insurance business, shall be deemed to be unable to pay its debts, if at anytime after the expiry of its first financial year the value of its assets does not meet the solvency margin required by this law and the provisions of this law regarding liquidation shall apply to it.
- (2) Repealed.
- (3) In the case of an insurance company which carries on life insurance business as well as general insurance business the amount of the liabilities of its life insurance business at any time shall, for the purpose of this section be taken to be an amount equal to the one calculated.
- (4) Regulations made for the purposes of this article may require that, in every balance sheet, prepared by an insurance company carrying on general business there shall be included a certificate :
 - a) in such form and signed by such persons as may be prescribed by the regulations; and
 - b) containing such statement with respect to the assets and liabilities of the company as may be so prescribed; and if any such company fails to comply with the regulations so made the value of its assets shall, in any proceedings under this article be deemed, unless the contrary is proved, not to exceed the amount of its liabilities by the amount required by paragraph (1) above.

Article 42 :

An insurance company which carries on general insurance business shall be dissolved also when it is required by the

provisions of the articles 129 and 130 of the Commercial Companies Law 1974.

Article 43 :

If, in the case of an insurance company carrying on general insurance business, it appears to The Executive President, that it is expedient in the public interest that the company should be dissolved by the court, he shall present a petition for it to be so dissolved by the court unless the company was already by a court.

Article 44 :

- (1) No insurance company which carries on life insurance business shall be dissolved or made the subject of bankruptcy proceeding except according to provisions of this law.
- (2) No insurance company, which carries on life insurance business shall be dissolved voluntarily.
- (3) During a liquidation procedure of an insurance company which carries on life insurance business
 - a) the assets representing the fund or funds maintained by the company in respect of its life insurance business shall be available only for meeting the liabilities of the company attributable to that business;
 - b) The other assets of the company shall be available only for meeting the liabilities of the company attributable to its other business.
- (4) Where the value of the assets mentioned in either paragraph of (3) above exceeds the amount of the liabilities mentioned in that paragraph the restriction imposed by that paragraph shall not apply to so much of those assets as represents the excess.

Article 45 :

- (1) This article has effect in relation to the liquidation procedure of an insurance company, being a company exclusively carrying on life insurance business or life insurance business if the company is carrying on general insurance business.
- (2) The liquidator shall, unless the court otherwise orders, treat the life insurance business of the company with a view to its being transferred to another insurance company, whether an existing company or a company formed for that purpose; and in treating that business as aforesaid, the liquidator. may agree to amend any contracts of insurance in existence when the winding up order is made but shall not effect any new contracts of insurance.
- (3) If the liquidator is satisfied that the interests of the creditors in respect of the liabilities of the company attributable to its long term insurance business require the appointment of a special manager of the Company's life business he may apply to court, and the court may on such application appoint a special manager of that business to act during such term as the court may direct, with such powers, including any of the power of a receiver or Manager, as may be entrusted to him by the court.
- (4) The court may, if it thinks fit and subject to such conditions (if any) as it may determine, reduce the amount of the contracts made by the company in course of carrying on its life insurance business.
- (5) The court may, on the application of the liquidator, a special manager appointed under paragraph (3) above or The Executive President, appoint an independent actuary to investigate the life insurance business of the company and to report to the liquidator, the special manager or The Executive President as the case may be, on the desirability or otherwise of that business being continued and on any reduction in the contracts made in the course of carrying

on that business that may be necessary for its successful continuation.

(6) The liquidator appointed by the court under the terms of this article should be a qualified person.

(7) In this article “The court” means the court mentioned in Article 39 (5).

Article 46 :

In the case of an insurance company which has been proved to be unable to pay its debts, the court may, if it thinks fit, reduce the amount of the contracts of the company on such terms and subject to such conditions as the court thinks just, in place of dissolving the company.

Valuation Regulation

Article 47 :

- (1) Regulations may be issued by The Executive President with respect to the determination of the value of assets and the amount of liabilities in any case in which, the value or amount is required by any provision of this law to be determined in accordance with valuation regulations.
- (2) Without prejudice to the generality of paragraph (1) above, regulations under this article may provide that for any specified purpose, assets or liabilities of any specified class or description shall be left out of account or shall be taken into account only to a specified extent.
- (3) Regulations under this article may take different provisions in relation to different cases or circumstances.

PART VII

CONDUCT OF INSURANCE BUSINESS

Article 48:

- (1) Regulations may be made as to the form and contents of insurance advertisements. Regulations under this article may take different provisions in relation to insurance advertisements of different classes or description or different advertisement media.
- (2) In this article “insurance advertisement” means an advertisement inviting persons to enter into or to offer to enter into contracts of insurance and an advertisement which contains information calculated to lead directly or indirectly to persons entering into or offering to enter into such contracts shall be treated as an advertisement inviting them to do so.
- (3) In this article “Advertisement” includes every form of advertisement whether in publication or by the display of notice or by means of circulars or other documents or by an exhibition of photographs or cinematograph films or by way of sound broadcasting or television, and reference to the issue of an advertisement shall be construed accordingly.
- (4) Any person who issued an insurance advertisement which contravenes regulations under this article shall be guilty of an offence.

Article 49 :

Any person who, by any statement, promise or forecast which he knows to be misleading or deceptive, or by any dishonest concealment of material facts, or by the reckless making (dishonestly or otherwise) of any statement, promise or forecast, which is misleading, false or deceptive, induces or attempts to induce another person to enter into or offer to enter into any contract of insurance with an insurance company shall be guilty of an offence.

Article 50 :

- (1) Regulations may be made for requiring any person who:
 - a) invites another person to make an offer or proposal or to take any other step with a view to entering into a contract of insurance with an insurance company; and
 - b) is connected with that company as provided in the regulations, to give the prescribed information with respect to his connection with the company to the person to whom the invitation is issued.
- (2) Regulations may be made for requiring any person who in the course of carrying on any business or profession, issues any such invitation as is mentioned in the paragraph (1) (a) above in relation to an insurance company which is not an authorised insurer in respect of the contract in question to inform the person to whom the invitation is issued that the company is not such an insurer as aforesaid.

PART VIII

FOREIGN INSURANCE COMPANIES AND SUPPLEMENTARY PROVISIONS

Article 51 :

An external insurance company may operate in the Sultanate through authorised agents, its branch office or through any other service units pursuant to the terms and conditions and requirements set out in the Regulation.

Article 52 :

- (1) Repealed
- (2) Repealed
- (3) An insurance company which does not wish to adjust its capital, status and operations to the conditions required by this law, and has sent to The Authority statement to this effect (paragraph (1) above), has to immediately cease advertising and inviting other people to make an offer or proposal or to take any, other step with a view to entering into a contract of insurance with the company.
- (4) In addition to the liability of the company which has issued the policies, the agent and the manager of the office of an insurance company mentioned in paragraph (3) of this article are liable to the policy holders under the valid policies until the expiry of such policies or the transfer of the portfolio to one of the other insurance companies operating in Oman. The liability under this paragraph includes claims, outstanding claims and funds for the long term insurance business.
- (5) An insurance company mentioned in paragraph(2) of this article which is unable to complete the conditions required by this law within the period of twelve months from the date commencing when the date of statement under paragraph (1) of this article is sent to the Authority, has to cease its operations and the provisions of paragraph (4) of this article will be applied accordingly.

PART IX

PENALTIES

Article (53) :

without prejudice to any severe penalty provided by another law, a fine of RO 10,000 minimum and RO 50,000 maximum and imprisonment for three months or any of the penalties shall be applied to :

- a) everyone who practices, in person or through mediation by another, any insurance business or any related activity without relevant licence, pursuant to the provisions of the present law.
- b) everyone who represents or mediates for or acts as an agent of direct insurance corporations or companies which are not authorised to operate in the sultanate.
- c) every manager or director or auditor or actuary or liquidator or any person in charge of the management of an insurance company who, intentionally, enters or uses false information in the balance sheet or the profit and loss account or the solvency account or in the reports or the data submitted to The Executive President or the insurance office, or deletes, intentionally, any substantial fact from any of the said documents, if it is realized that the real financial position of the company has consequently been concealed from the members of the company or The Executive President or the office or third party.
- d) everyone who, in bad faith, overvalues any of the assets of the company or undervalues the company's outstanding liabilities to substantiate the margin of such company.
- e) every manager or director or auditor or actuary or liquidator or any other person in charge of the management of an insurance company who knows the financial position of the company does not permit the fulfillment of its liabilities, without notifying the Board of directors of the company or The Authority of such fact.
- f) everyone who deposits shares or securities instead of money while he knows that the value of such shares or securities is unequal or will never be equal to the value of such money within thirty days from the date of such deposit.
- g) every manager or director or actuary or a person in charge of an insurance company who does not take the necessary actions from the technical funds in compliance with article (20) of the present law or does not maintain such funds over the company's operation period.
- h) everyone who participates practically in distributing profits in violation of the provisions of articles (15 repeated), (20), (25) and (26) of the present law.
- i) everyone who intentionally practices insurance business in violation of article (30) of this law.
- j) everyone who intentionally practices or refrains from practising an action related to the investments of the insurance company in violation of the provisions of article (31) of the present law or the special regulations in which such provisions are mentioned.
- k) every director or manager or any person in charge of the management of the insurance who interferes evidently in the work of the company's auditors and competent persons appointed by the Executive President.
- l) everyone who hinders or interferes or offends or resists any competent person appointed by The Executive President while performing his duties pursuant to this law, or keeps or solicits or incites or encourages any other person to hinder or interfere in the work or to attack or resist such competent person.

- m) everyone who makes, any any time, a false report on the margin of the solvency or the life insurance policies related liabilities.
- n) every manager or director or mediator or any other person who practices insurance business in violations of article (48), (49) and (50) of the present law.
- o) every manager or director or person in charge of the insurance company's agency or branch who practices insurance business in violation of article(51) of the present law.

No penal action shall be instituted as regards the foregoing cases except on request of The Executive President or the person he may delegate.

Article 54 :

A fine of RO 1,000 minimum and RO 5,000 maximum shall be applied to :

- a) everyone who provides, deliberately, false information to obtain a license.
- b) Everyone who practices insurance business in violation of the provisions of article (2/2), 10, 17, 18, 19, 20, 21, 22,23, 24, 25, 26, 27, 34, 35, 36, 37, 39 and 40 of the present law. If such violations is repeated, penalty shall be in accordance with article 53.
- c) Everyone who practices insurance business in violation of the regulations issued by The Executive President pursuant to the provisions of this law. If such violation is repeated, penalty shall be in pursuance of article(53).
- d) Every manager or director or actuary or any person charged with the management who accept insurance against risks which he knows he has no or he will not have satisfactory protection against through reinsurance.
- e) Every manager or director or person in charge of the insurance agency who sends a report to The Authority notifying it, falsely, that the head office of the company abroad will take actions to satisfy the conditions provided in article 51 of the present law.
- f) Everyone, who negligently, includes or uses false information in the insurance license application or in any report or statement submitted to The Executive President or to The Authority or to the office, or omits, negligently, any substantial fact or document of any such applications, statements or reports.
- g) Everyone who, negligently, overestimates any of the assets or undervalues the liabilities of the company.
- h) Every manager or director or auditor or actuary or liquidator or any person responsible for the management of the insurance company who enters or uses, negligently , in the balance sheet or the profit and loss account false data, or omits, negligently, from any of the said documents any substantial facts related to the actual financial positions of the company so as to conceal such positions from the members of the company or The Executive President or The Authority or the office or any interested third party.

The penalty shall be decided by The Executive President or the person he delegates following an inquiry made by the authority however, such decision may be appealed to The Executive President within one month from the date of the notification of the concerned party of the penalty. The decision of The Executive President on the grievance should be final.

Article (54) (repeated)

Persons who occupy positions, as specified by the Minister of Justice in consultation with the Executive President of the Authority, shall have the power of the officers of law in the application of the provisions of this law, the regulations and the decisions issued for enforcement thereof.

Article 55 :

- 1) If it is proved that the violation of the provisions of this law has been committed by the company with the approval, connivance or negligence of a member of the Board of Directors, a principal director, a manager, secretary, any other similar employee of the company, or any person who claims that he acts in the capacity, he together with the company, shall be responsible for the violation and be subjected to trial and the resultant penalty.
- 2) Under the terms of this article a person shall be considered director of the company if those managing it act in accordance with his orders and instructions.

Article 56 :

The infliction of punishment under the terms of this chapter for the act or abstention from the act leading to such a punishment shall not affect legal inflictions including the civil liabilities in respect of the losses caused by such an act or abstention.

PART X

GENERAL PROVISIONS & INTERPRETATIONS

Article (57):

- 1- Without prejudice to any international treaties, except in individual life insurance transactions, contracts or agency or brokerage may not be concluded in respect of insurance transactions as regards properties or projects in the Sultanate or liabilities arising therefrom. Brokerages may not be carried out in insurance operation except with a company registered in the register of insurance companies in Oman.

Article 58 :

The following provisions included in the insurance policy shall be treated as null and void :

- 1) A provision which forfeits the right in insurance as a result of violation of rules and regulations, unless such a violation includes a deliberately committed crime.
- 2) A provision which deprives the insured of his right on the grounds of delay on his part in reporting the accident against which he has been insured to the authorities, or a delay in submitting the documents, provided there is circumstantial evidence that the delay was caused by an acceptable reason.
- 3) A provision which has not been printed prominently and relates to the situation that leads to nullification of the right.
- 4) Provisions relating to arbitration, if it is included in the policy as part of its general printed conditions and not in the shape of a special agreement, separate from the general conditions.
- 5) Any other arbitrary condition the violation of which proves not to have caused the happening of the occurrence insured against.

Article 59 :

The Executive President may impose a percentage fee on the companies governed by the provisions of this law to be calculated against the the total value of direct premiums due for the company on the total documents during the previous year .The fee should not exceeded 4 per cent in all insurance operations.

Article 59 repeated :

A fund under the name of the name Insurance Emergency Fund shall be established at the Authority to assist in resolving the crises facing insurance operations in the Sultanate. This fund shall be financed by a percentage of the fees stipulated in article 59 of this law . The Executive President shall issue a decision to specify this percentage, along with any other resources for the fund and to illustrate the cases which need assistance and regulate the fund's tasks.

Article 60 :

All the insurance policies issued ,in the Sultanate should be drafted in Arabic language or, at least, they should be accompanied by exact Arabic translation. In the event of a dispute over the interpretations of the insurance contract only the Arabic version shall be relied upon, while dealing with the Omani insured party.

Article 61 :

- (1) The term “ordinary life insurance business” used in this law means business of any of the following kinds namely:
 - a) effecting and carrying out contracts of insurance of human life or contracts to pay annuities on human life;
 - b) effecting and carrying out contracts of the insurance against risks of the persons insured, sustaining injury as the result of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class, being contracts that are expressed to be in effect for a period of not less than five years or without limit of time and either are not expressed to be terminable by the insurer before the expiration of five years from the taking effect thereof or expressed to be terminable before the expiration of that period only in special circumstances therein mentioned; and
 - c) effecting and carrying out contracts of insurance whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby, in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the insured in the future, not being such contracts as fall within either of the foregoing paragraphs; but does not include industrial assurance business.
- (2) In this law “liability insurance business” means the business of effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties, not being risks arising out of, or in connection with the use of, motor vehicles or out of or in connection with the use of vessels and aircraft or risks incidental to the construction, repair or docking of vessels or aircraft.
- (3) In this law ‘marine, aviation and transport insurance business means, subject to paragraph (g) below, the business of effecting and carrying out contracts of insurances :
 - a) upon vessels and aircraft, or upon the machinery, tackle, furniture or equipment of vessels or aircraft;
 - b) upon goods, merchandise or property of any description whatever on board of vessels or aircraft;
 - c) upon the freight of or any other interest in or relating to vessels and aircraft;
 - d) against damage arising out of, or in connection with, the use of vessels or aircraft; including third-party risks;
 - e) against risks incidental to the construction, repair or docking of vessels, including third-party risks;
 - f) against transport risks (whether it is by sea, inland water or land or air or by partly one and partly another), including risks incidental to the transit from the commencement of the transit to the ultimate destination covered by the insurance;
 - g) against any other risks insurance against which is customarily undertaken in conjunction with, or as the incidental to, the undertaking of such business as falls within this definition by virtue of any of the foregoing paragraphs;
- (4) In this law “motor vehicle insurance business” means, subject to paragraph (8) below, the business of effecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.
- (5) In this law “pecuniary loss insurance business” means the business of effecting and carrying out contracts of insurance against any of the following risks, namely :

- a) risks of loss to the person insured, arising from the insolvency of debtors of theirs or from the failure (otherwise than through insolvency) of debtors of theirs to pay their debts when due;
 - b) risks of loss to the persons insured arising from their having to perform contracts of guarantee entered into by them;
 - c) risks of loss to the persons insured attributable to interruption of the carrying on of business carried on by them or to reduction of the scope of business so carried on,
 - d) risks of loss to the insured persons resulting from incurring unexpected expenses.
 - e) risks neither falling within any of the foregoing paragraphs nor being of a kind such that the carrying on of the business of effecting and carrying out contracts of insurance against them constitutes the carrying on of insurance business of some other class.
- (6) In this law “personal accident insurance business” means the business of effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident of a specified class or becoming incapacitated in consequence of disease of a specified class not being contracts falling within paragraph a and b. above.
- (7) In this law “property insurance business” means the business of effecting and carrying out contracts of insurance against risks of loss of or damage to material property, not being risks of a kind such that the business of effecting and carrying out contracts of insurance against them constitutes marine, aviation and transport insurance business or motor vehicle insurance business.
- (8) In paragraphs (2) and (3) above ‘vessels or aircraft’ include hovercraft; but the business of effecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, such hovercraft (inclusive of third-party risks but exclusive of transit risks), if carried on by a person who at the same time carries on motor vehicle insurance business but does not otherwise carry on marine, aviation and transport insurance business, shall be taken for the purpose of law to be motor vehicle insurance business.

Article 62 :

- (1) In this law, unless the context otherwise require:

“Actuary” means an actuary possessing the prescribed qualifications or qualifications approved by the Executive President.

“Annuities on human life” does not include superannuation allowance and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment, or of the dependents of such persons;

“Court” means the competent court;

“director” includes any person occupying the position of director by whatever name called.

The definition of the financial year shall be = (Financial Year) means the Gregorian Year.

General business means the same meaning of general insurance.

“insolvent” means, in relation to an insurance company at any relevant date, that if proceedings had been taken for the dissolution of the company the court could hold or have held that the company was at that date unable to pay its debts;

“insurance company” means a joint stock company set up in accordance with the commercial companies Law;

“life policy” means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract providing for payment of premiums all over a period depending on a person’s life;

“life business” has the meaning as life insurance business;

“Life insurance policy holder” means holder of a policy the conclusion thereof by the insurer covering life insurance.

“policy”

- a) in relation to ordinary life insurance business and industrial assurance business, includes an instrument evidencing a contract to pay an annuity upon human life;
- b) in relation to insurance business of any other class includes any policy under which there is for the time being an existing liability already accrued or under which a liability may accrue; and
- c) in relation to capital redemption business, includes any policy, bond, certificate, receipt or other instrument evidencing the contract with the company;

“Policy holder” means the person who for the time being is the legal holder of the policy of securing the contract with the insurance company, or in relation to the capital redemption business, means the persons who for the time being is the legal holder of the policy, bond, certificate, receipt or other instrument evidencing the contract with the company, and

- a) in relation to such ordinary life insurance business or industrial assurance business that grants of annuities upon human life, includes an annuitant; and
- b) in relation to insurance business of any kind other than such as is mentioned in the foregoing paragraph or capital redemption business, includes a person to whom, under a policy, a registered sum is due or a periodic payment is payable;

“prescribed “ means prescribed by regulations under this law;

“valuation regulations” means regulations under article 47 above.

Article 63 :

The Executive President of the Capital Market Authiry may issue the necessary regulations and decisions to carry out the provisions of the law.

Article 64 :

This law shall be published in the Official Gazette and shall be effective from the date of its publication.