

Resolution No 190 dated 9/5/1435H

**Approval of the Working Rules and Procedures of the Insurance Disputes
and Violations Settlement Committees**

The Council of Ministers,

Having reviewed the Royal Court's file No. 38005 dated 14/10/1434H, containing the Finance Minister's letter No.7394 dated 2/9/1434H and the Draft Working Rules and Procedures of Insurance Disputes and Violations Settlement Committee attached thereto;

Having reviewed the Royal Order No. A/148 dated 3/12/1431H;

Having reviewed the Law of Procedure before Sharia Courts issued by Royal Decree No. M/1 dated 22/1/1435H;

Having reviewed the Criminal Procedure Law issued by Royal Decree No. M/2 dated 22/1/1435H;

Having reviewed the Cooperative Insurance Companies Control Law issued by Royal Decree No. M/32 dated 2/6/1424H;

Having reviewed the Royal Decree No. M/30 dated 27/5/1434H ordaining the amendment of Articles (20) and (22) of the Cooperative Insurance Companies Control Law;

Having reviewed the minutes No. 173 dated 15/3/1435H prepared by the Bureau of Experts at the Council of Ministers; and

Having reviewed the General Committee of the Council of Minister's recommendation No. 348 dated 5/4/1435H;

Decides to approve the Working Rules and Procedures of Insurance Disputes and Violations Settlement Committees as the form attached hereto.

The Second Deputy Prime Minister

Working Rules and Procedures of Insurance Disputes and Violations Settlement Committees

Article 1

The following words and expressions, wherever stated herein, shall have the meanings indicated against each of them unless the context requires otherwise:

Minister: Finance Minister.

Governor: Saudi Arabian Monetary Agency's Governor.

Law: Cooperative Insurance Companies Control Law.

Rules: Working Rules and Procedures of Insurance Disputes and Violations Settlement Committees.

Primary Committees: the committees set forth in Article 20 of the Law, which are specialized in settling insurance disputes and violations.

Appeal Committee: the committee set forth in Article 22 of the Law, which are specialized in considering complaints filed by concerned persons against resolutions of Primary Committees.

Committees: Primary Committees and Appeal Committee.

Committees' Secretariat General: Secretariat General of Insurance Disputes and Violations Settlement Committees.

Ministerial Resolution: The resolution issued by the Minister in accordance with the Law or these Rules.

Article 2

Lawsuits of insurance disputes and violations shall be filed with Primary Committees by a person who has a capacity or interest therein in accordance with the procedures set forth herein. The Ministerial Resolution shall prescribe the mechanism by which such lawsuits are filed and the appropriate means for service of process.

Article 3

Lawsuits shall be written in Arabic under a pleading comprised of the original copy and as many copies as the number of defendants. The pleading shall include:

1. Plaintiff's full name, occupation or job, residence place, ID number and, if the case is filed by a legal person, the commercial register, its representative's full name, occupation or job, residence place and ID number. Plaintiff's contact information shall be provided, defining the plaintiff's communication means through which the plaintiff or representative may be contacted.
2. Defendant's full name, contact information and residence place.
3. Date of filing the lawsuit.
4. The subject of the lawsuit in details, along with determining claims and evidence, including the claim value.

If the lawsuit is filed against an insurance or a re-insurance company for compensation or fulfilment of coverage obligation, the plaintiff shall provide the rejection of the claim's letter issued by the defendant company or any evidence proving the lapse of 15 days from the date of submission the claim. The plaintiff shall also provide the follow-up slip and this should be indicated expressly in the pleading.

The plaintiff shall attach to the pleading all documents proving the plaintiff's capacity or interest in the claim. If the lawsuit is filed by an attorney-in-fact, a copy of the power of attorney and his/her ID card shall be submitted.

Article 4

Without prejudice to Article 8 of these Rules, the Committees shall hold their sessions with the presence of all of their members in the time and place set forth in the Ministerial Resolution to consider the lawsuits presented before them after hearing the litigants' statements and defenses.

Article 5

All litigants or their representatives shall attend in the time specified for looking into the lawsuits before the committees. If the plaintiff does not attend a hearing session after establishing that it had been duly served, and does not submit

an excuse acceptable to the Committee, the Committee may, of its own or upon a request from the defendant, render a judgment if the lawsuit is valid to decide on, or order its cancelation and inform the parties thereabout. If the lawsuit is canceled, the plaintiff may request it to be re-registered and reconsidered.

Article 6

1. Any lawsuit against insurance and reinsurance companies shall be in the jurisdiction of the Primary Committees in the territorial jurisdiction of which the plaintiff is residing in case the plaintiff is a natural person, and in the jurisdiction of the Primary Committees in the territorial jurisdiction of which the defendant is residing in case the plaintiff is a legal person.
2. Subject to Article 6(1), the Minister shall specify the territorial jurisdiction for each Primary Committee.

Article 7

All types of evidence may be used before the Committees, including electronic and computer data, telephone recordings, fax correspondence, emails or SMS messages.

Article 8

The Appeal Committee shall have the jurisdiction to settle litigants' grievances submitted by persons concerned against the decisions issued by the Primary Committees. The Appeal Committee may only limit its consideration to examining decisions of lawsuits the amount decided on which is less than SAR 50,000.

Article 9

1. Lawsuits shall be considered in the light of presented written requests, defenses or whatever raised during the proceedings. They shall be decided on in accordance with the laws and regulations regulating the

- nature of dispute, the applicable rules and rulings reached at by the judiciary and the comparative jurisprudence for settling insurance disputes and violations.
2. Decisions of the Primary Committee shall be issued by majority votes. In case the votes are even, the side for which the Committee Chairman's vote is cast shall weight. Grievances against the Primary Committee's decisions may be submitted before the Appeal Committee within 30 days from the decision's delivery date.
 3. Decisions of the Appeal Committee shall be issued by majority votes. In case the votes are equal, the side for which the Committee Chairman's vote is cast shall weight. Decisions of the Appeal Committee shall be final and may not be appealed to any other entity.
 4. Any decision shall include the name of the issuing Committee's Chairman and members; date of issuance; full names of litigants, their attorneys-in-fact, and full record of their attendance and absence; an overview of the case and litigants' claims; a brief summary of their defenses and grounds and text of the decision.

Article 10

The Committees may settle the claims of any litigants (submitted before them) for compensation for all expenses in relation to the lawsuit, whether included in the same lawsuit or be in a separate lawsuit.

Article 11

Unless there is an excuse acceptable to the Committees, lawsuits of insurance disputes shall not be heard after the lapse of a period of 5 years from the claimed amount's due date.

Article 12

To the extent consistent with the nature of the lawsuits submitted, provisions of the Law of Procedure before Sharia Courts and the Criminal Procedures Law, as the case may be, shall be applied with respect to any matter for which no specific provisions are stated herein.

Article 13

Under the supervision of the Secretary General, the Committees' Secretariat General shall:

1. perform administrative works and conduct supporting research, studies and consultations;
2. register, arrange and number lawsuits and perform registration work, correspondence, appointments and notices;
3. propose conciliation procedures, subject to the approval of the Minister;
4. classify decisions issued by the Committees in preparation for their publication;
5. prepare annual statistics of the Committees' work and decisions and duration of litigation; and
6. perform any other procedure included within its jurisdiction in accordance with the Ministerial resolution.

Article 14

The Minister of Finance shall issue the necessary resolutions for implementation of these Rules.

Article 15

The prosecutor on insurance violations cases, before the Committees which have the jurisdiction to look into such cases in accordance with the

Law, shall be represented by the employees whose nomination decision is issued by the Governor or his authorized designate.

Article 16

These Rules shall enter into force after a period of 15 days from the date of their publication in the official gazette.

Article 17

As an exception to Article 8 and Article 9(2) of these Rules, the Appeal Committee shall consider (by examination) the appeal requests submitted within 30 days from the effective date of these Rules in:

1. The cases on which rulings by the Board of Grievances have been issued providing that the Board has no jurisdiction to consider appeals against the decisions of the Primary Committees based on Royal Decree No. A/148 dated 3/12/1431H, provided that the decision has not been enforced;
2. The cases on which decisions by the Primary Committees have been issued prior to the issuance of Royal Decree No. M/30 dated 27/5/1434H amending the Law and which have not been appealed to the Board of Grievances within the specified legal period due to the issuance of Royal Decree No. A/148 dated 3/12/1431H, provided that the decision has not been enforced; and
3. The cases on which decisions by the Primary Committees have been issued after the issuance of the Royal Decree amending the Law and prior to the effective date of these Rules, provided that the decision has not been enforced.