

**Law No. (12) of 2021**  
**Insurance Regulatory Law\***

**Article (1)**

This law shall be called the (Insurance Regulatory law of 2021) and shall enter into force after 30 days of the date of its publication in the Official Gazette.

**Article (2)**

The following words and expressions, shall have the meanings indicated below, wherever they appear in this law, unless the context indicates otherwise

- Central Bank** : Central Bank of Jordan.
- The Board** : The Board of Directors of the Central Bank.
- Governor** : The Governor of the Central Bank.
- Insurance Contract** : A binding agreement in which the insurance company shall pay the insured or the beneficiary a financial reimbursement or any other benefit when the insured risk or the incident specified in the contract is realized, in exchange for specified sum or premiums performed by the insured to the insurance company.
- Insured** : The person who has concluded an insurance contract with the Insurer, for his benefit, or the benefit of the insured, or the benefit of the beneficiary.
- Beneficiary** : A person to whom the rights stated in an insurance contract are transferred.
- Insurance Company** : Any Jordanian insurance company or a branch of a foreign insurance company in Jordan that has obtained license to transact insurance business pursuant to the provisions of this law.
- Reinsurance Company** : Any Jordanian reinsurance company or a branch of a foreign reinsurance company in Jordan that has obtained a license to transact reinsurance business pursuant to the provisions of this law.

\* The official language of this law is Arabic, in case of any differences between the Arabic draft and the English draft, shall prevail.

<b>Takaful Insurance</b>	: Insurance business that is in accordance with the regulations and principles of Islamic Jurisprudence.
<b>Senior Employee</b>	: The general manager of the insurance company, or its authorized manager, or deputy or assistant to any of them, or any department manager, or the head of internal audit, or any employee in the insurance company with executive authority parallel to the authorities of any of them.
<b>Authorized Manager</b>	: The person residing in the Kingdom appointed by a foreign insurance company to manage its branch licensed to operate in the Kingdom.
<b>The insurance service provider</b>	Any person who is licensed to be an insurance services provider pursuant to the provisions of this Law.
<b>Technical Provisions</b>	The provisions that the insurance company must set aside pursuant to this Law, regulations, and instructions issued pursuant thereto to fulfill the financial obligations towards the insured and the beneficiaries
<b>Captive Company</b>	: An insurance company established by one or more entities for the purpose of providing insurance cover for its risks or the risk of other parties.
<b>Control</b>	: The direct or indirect ability to exercise effective influence over a person's actions or decisions.
<b>Effective interest</b>	: The control of at least (10%) of the entity capital.
<b>Significant Shareholder</b>	: Any person who is controlling at least (10%) of the insurance company's capital.
<b>Subsidiary Company</b>	: A company in which a person or a group of persons sharing same interest, owns at least (50%) of its capital, or this person or these persons owns an effective interest that allows to control of its management or policies.

- Related persons** : Two or more persons, one of them controls the other, or one of them owns at least (40%) of the other person's capital, or they have any relationship that has material effects of the independence and objectivity of each other's decisions, and for the purposes of this law the related persons shall be considered as a single person.
- Actuary** : A person who is licensed by the Central Bank to evaluate the insurance contracts and its pricing, and evaluate the technical provisions, in addition to all accounts related to these contracts.
- Insurance Agent** : A person who is authorized by the insurance company to transact insurance business on behalf of it, or any branch thereof, and who is licensed by Central Bank to conduct those business.
- Insurance Broker** : A person who is licensed by the Central Bank to conduct insurance brokerage between the insurance company and the Insured.
- Reinsurance broker** : A person who is licensed by Central Bank to engage in reinsurance brokerage activities between a company and reinsurer pursuant to the provisions of this Law and regulations, instructions, and decrees issued under this law.

### **Article (3)**

The provisions of this Law shall apply to insurance companies, reinsurance companies, insurance service providers, and all relevant parties in order to regulate and supervise the insurance sector in a manner that guarantees the rights of the insured and beneficiaries and the soundness of insurance companies and reinsurance companies' financial positions.

### **Article (4)**

The classes of both types of insurance (Life & General) and the related activities shall be determined pursuant to instructions issued for this purpose.

### **Article (5)**

- A. No person shall be permitted to transact insurance business and insurance services business, before obtaining the license pursuant to the provisions of this law.
- B. It is prohibited for any person who is not licensed pursuant to the provisions of this law to transact insurance business or any of the insurance services business and to use in his documents, and advertisements any word or phrase in any language indicating the transact of any of those business or services.

### **Article (6)**

- A. It shall not be permitted to insure liabilities, movable or immovable assets in the Kingdom with an insurance company outside the Kingdom; also, it shall not be permitted for any organization or company operating in the Kingdom to insure its employees with an insurance company outside the Kingdom.
- B. Notwithstanding what is stated in Paragraph (A) of this Article, it is permitted to conduct insurance business with an insurance company outside the Kingdom after obtaining a prior written approval from Central Bank according to any of the following cases:
  - 1. Absence of an insurance company operating in the Kingdom licensed to conduct the insurance type in which the insurance contract to be concluded or absence of the required insurance coverage in the Kingdom.
  - 2. The reluctance or inability of insurance companies operating in the Kingdom for justified reasons to provide this insurance coverage.

### **Article (7)**

The Central Bank may, at the request of the entity, the fund or the general assembly, supervise any entity or fund that provides its members or beneficiaries with insurance benefits similar to those provided by an insurance contract, without the presence of an insurance company, subject to the provisions of this law and pursuant to regulations issued for this purpose that guarantee's the rights of insured.

### **Article (8)**

- A. To license an insurance company, it must be a public shareholding company, except the following companies:
  - 1. A branch of a foreign insurance company.
  - 2. A subsidiary company of an insurance company, whether it is Jordanian or foreign.
  - 3. A Jordanian insurance company that operating outside the Kingdom (An Exempt company).

- B. A Captive insurance company provided that it is a private limited company or a limited liability company. The insurance company is licensed by a decision of the Board pursuant to the requirements, conditions and procedures that are determined by a regulation issued for this purpose to grant the initial approval or final approval for the license, including the requirements and conditions to the work plan for the first three years of the insurance company's business, its organizational structure, suitability and competence for its owners and those in charge of its management and its projected financial statements.
- C. The Board, by its own discretion, may deny a license for an insurance company if it is evident that the licensing of the company would not realize added value to the Jordanian insurance sector or would have negative or unacceptable effects on the sector.
- D. The license application shall be considered as approved if the board does not issue its decision of approval or rejection within ninety days starting from the date of completing the requirements and conditions necessary to obtain the license.
- E. An insurance company that has obtained a license pursuant to the provisions of this law shall notify the Central Bank immediately of any change that occurs to the data and information that has licensed according to it.

**Article (9):**

- A. The foreign insurance company shall submit a license application to the board to open a branch in the Kingdom, subject to the following:
  - 1- To be licensed to transact the same insurance type in the head office country.
  - 2- To have a good reputation and strong financial solvency.
  - 3- To have a prior approval from the head office country to transact insurance business in the Kingdom.
- B. The branch of a foreign insurance company is licensed by a decision of the Central bank pursuant to the conditions and procedures that are determined by a regulation issued for this purpose.

**Article (10):**

- A. Upon the commencement of the branch business in the Kingdom, the foreign insurance company shall appoint an Authorized Manager for the branch to transact insurance business on behalf of it, and the company shall be responsible for his acts.

- B. The foreign insurance company shall attach with the appointment decision of the Authorized Manager, an official certified document copy of which shall be filed with the central bank, authorizing the Authorized Manager with all the functions necessary for the Branch management, including: -
1. Issuance of insurance contracts and endorsements thereto and the payment of claims in respect thereof.
  2. Representation of the Company at the central bank, relevant courts and all other official and non-official parties in all matters related to the business and the branch management.
  3. Receive notifications and other notices and correspondences addressed to the foreign insurance Company and its branch.

**Article (11):**

The Board may issue a decision revoking the license of the Company in any of the following cases: -

- A. Should it become evident, that granting the License on the basis of incorrect or misleading information provided in the application and its attached documents.
- B. The Company has failed to commence its business within twelve months as from the date of obtaining a final license.
- C. The company submit an application to revoke its license.
- D. The company, which has an effective interest in another company and the license of that company is revoked and this revocation has negative effects on the company, according to justified reasons specified by the Central Bank in the revocation decision.

**Article (12):**

- A. In addition to the cases stipulated in Article (11) of this law, the Board may revoke the license of a foreign insurance company branch in any of the following cases:
1. Where the head office of the foreign insurance company has stopped engaging in insurance business.
  2. Where any change has occurred in the nationality, ownership memorandum of agreement and articles of association of the parent company and this change affects the branch of the foreign insurance company, according to the assessment of the Central Bank.
  3. Where the parent company's financial position is weakened and it has become apparent to the Central Bank that it will negatively affect the business of the foreign insurance company's branch in the Kingdom.

4. Where it has been established that, the relevant authorities in the country of its head office have not applied sound standards of supervising insurance business.

B. If the Central Bank has decided to revoke the license of a branch of a foreign company, the parent company of the branch may not dispose of, or transfer abroad, any assets or funds of the branch until all of the obligations incurred by the branch in the Kingdom have been discharged.

**Article (13):**

- A. The company shall provide the central bank with a cash deposit for the governor's order in addition to his position deposited with any bank operating in the Kingdom in order to ensure its compliance with the provisions of this law, regulations or instructions issued pursuant thereto, and the governor has the only right to provide decisions regarding the deposit, its amount and all related issues will be determined pursuant to instructions issued for this purpose.
- B.
  1. The governor, in the event of the company failure to pay the amounts of fines, fees, or any other amounts stipulated pursuant to the provisions of this law, regulations or instructions issued pursuant thereto, may decide to deduct these amounts from the deposit amount.
  2. There may be no seizure or execution on the deposit to the benefit of any entity or use it beyond the subparagraph (1) stipulated in this paragraph.
- C. If there is a shortage in the deposit amount, the insurance company shall pay it within the period determined by the Central Bank.

**Article (14):**

The company must appoint an Actuary within thirty days after the date of being licensed, to fulfill the requirements related to the actuarial functions related to its business stipulated in this law, regulations and instructions issued pursuant thereto.

**Article (15):**

- A. The company shall not be permitted to amend its establishment contract or internal charter, including its purpose, increase or decrease its capital, only after obtaining the prior approval from the Central Bank.
- B. The company shall not stop transacting its business for whatever reason until it has obtained a prior written approval of the Central Bank.

**Article (16):**

It shall not be permitted for the company to transact its business in any location inside or outside the Kingdom, or suspend its business through this location or change it only after obtaining a prior written approval from the Central Bank and pursuant to instructions issued for this purpose.

**Article (17):**

- A. The provisions of this law, regulations and instructions issued pursuant thereto shall be applied to the exempt company, the captive company, and the reinsurance company to the extent that they are applicable pursuant to instructions issued for this purpose.
- B. A regulation shall specify the licensing requirements of a foreign insurance company that is not operating in the Kingdom.

**Article (18):**

- A. The board of the company shall assume the responsibilities of formulating and monitoring the general policies of the company and the rules of governance and their implementation to achieve that, the board of directors shall acquire the responsibilities and authorities stipulated in the Law, Regulations, Instructions and Decisions issued pursuant thereto.
- B.
  - 1. Notwithstanding what is stated in the Companies Law, the Central Bank determines the number of company's board members to be not less than seven members and the independent members' number does not exceed half the number of the board members.
  - 2. Notwithstanding what is stated in the Companies Law, the company's chairman and the company's board members of the insurance company, must meet the following requirements:
    - A. His age is not less than twenty-five years.
    - B. He is of good conduct.
    - C. Not a member of another company's board, general manager, or authorized manager, or an employee thereof, unless the other insurance company is a subsidiary of that company.
    - D. The Central Bank may determine the qualifications, experiences, and conditions that must be met by the chairman or a member of the company's board and the extent to which the members adhere to these requirements.
- B. It shall not be permitted to nominate or appoint any person as a member or a representative of a member of the company's board without obtaining a prior approval from the Central Bank for his nomination or appointment.

C. A prior approval of the Central Bank is required before the appointment of any senior employee in the company, pursuant to instructions issued for this purpose.

**Article (19)**

It is prohibited for a person to become a board member in the insurance company board of director in person or as a representative of any shareholder or to be a senior employee of it, or to provide any services to it by any person who:

- A. A final court judgment convicted him with felony, or of a misdemeanor involving moral turpitude or a breach of trust or is still subject to insolvency procedures, or a bankruptcy judgment and he has not been rehabilitated.
- B. Was responsible according to the Board's estimation, for a material breach of any of the legislation provisions related to financial activities.

**Article (20)**

A member of the insurance company's board of directors shall forfeit his membership pursuant to a decision taken by the Board in any of the following two cases:

- A. If he loses any of the requirements that required for his membership in the board of directors of the insurance company pursuant to the provisions of this law, regulations, and instructions issued pursuant thereto.
- B. If the board has requested the removal of the chairman or any of the insurance company's board of directors' member for justified reasons.

**Article (21)**

It is prohibited for who has forfeited his membership in the insurance company board of directors, for any reason to be chairman or board of directors' member for any other insurance company in person or as a representative of any shareholder, or to be employee in it, or to provide services to it without obtaining a prior written approval from the central bank's board.

**Article (22)**

A. It is prohibited for the insurance company board of directors' member, in person or as a representative of any shareholder, its senior employee, its external certified accountant, its legal consultant, its actuarial consultant, and the member of the Islamic Jurisprudence Supervision Board, the following:-

1. Carrying out executive position in another insurance company.
2. To be boards of directors' member of competing or similar insurance companies
3. Carrying out any business or activity that result in a conflict of interest with the insurance company.

4. Practicing insurance agent, insurance broker, reinsurance broker, businesses or any of insurance service providers business that will be specified by the Central Bank.
  5. To have a business connection, marriage or relationship up to the third degree with any of the persons referred to in item (4) of this Article with whom the insurance company engaged with them.
  6. Receiving a commission for any of the insurance business or achieving material benefit or advantages in any form for any of the insurance services provided to the insurance company.
- B. It is prohibited for Board of Directors member to be a general manager of the company, a legal consultant to it, an actuary, external auditor for it, or a member of its Islamic Jurisprudence Supervision Board.
- C. It is must that the appointment of the senior employee does not include a conflict of interest resulted from his relationship with the chairman or any of the board of directors' member, or any significant shareholder including the spouse, and the relationship up to third degree of the insurance company general manager, and up to the first degree of the senior employee except for the insurance company general manager.

#### **Article (23)**

If the chairman and the members of the board of directors of the insurance company submit their resignations, or if the board loses its legal quorum for any reason, the Board shall constitute a temporary committee of relevant and experienced persons, to assume the management of the insurance company, and to invite the general assembly for a meeting to elect a new board of directors within a period not exceeding ninety days as of the date of its constitution renewable for a similar period and for one time by a decision of the Board, and the insurance company shall bear the fees of the temporary committee determined by the Board.

#### **Article (24)**

The Board issues the instructions regulating the insurance company's business, including the following:

- A. The minimum capital of the insurance company and solvency requirements.
- B. The Basis of Calculating the Technical Provisions Instructions
- C. The Basis of Investing the Funds of the Insurance Company and Determining the Nature and the Location of the Insurance Company's Assets.
- D. Corporate Governance Rules.
- E. Risk management and internal control.

- F. Accounting Policies to be adopted by the Company and the Forms Required to prepare the Financial Reports and Statements.
- G. The documents that the insurance company must prepare and keep; in addition to the data and documents that the company required to provide to the Central Bank.
- H. Insurance business through electronic means.
- I. Micro insurance business.
- J. Professional Code of Conduct and Ethics for Insurance Companies and the necessary controls for dealing with the insurance company with its clients in a fair and transparent manner, including the procedures for examining the claims and complaints lodged against the insurance company and settling or settling them.
- K. Adoption of the necessary measures to combat money laundering and terrorism financing within insurance business.

#### **Article (25)**

Insurance companies licensed to transact the two types of insurance that stated in Article (4) of this law, when it comes into force the insurance company must separate between investments and provision of each type of them; and allocate a separate technical apparatus for each of them, pursuant to the terms and conditions pursuant to instructions issued for this purpose.

#### **Article (26)**

- A. Any change in the ownership of the insurance company or transfer of its shares whether through one or more procedures, directly or indirectly, shall not be permitted without the prior written approval of the Central bank if this transfer leads to the ownership of a person for an interest influencing the capital of the insurance company or leads to increase the percentage of this interest.
- B. The provisions of Paragraph (A) of this Article shall apply in case the transfer of shares or change in ownership is connected with related persons or linked with a relationship up to the third degree.
- C. Should an agreement or pledge to transfer the insurance company shares or to conduct a change in its ownership contrary to the provisions of paragraphs (A) and (B) of this Article, such an agreement or pledge shall not be executed with related authorities or be kept in their records
- D. If a transfer of shares or change in ownership is indeed executed contrary to the provisions of the previous paragraphs of this Article, the following should be taken into consideration:
  - 1. The owner of the shares, or the person in favor of whom the transfer is made may not collect any dividends or accrue any benefits as a result of this contribution or change in ownership, and they are also not entitled to vote in

person or by council, in the insurance company general assembly meetings or to run for nomination in the board membership in any form whatsoever.

2. The owner of the shares, or the person in favor of whom the transfer is made may not, dispose of those shares or ownership or any part of them, whether by sale, pledging, or otherwise, without obtaining prior written approval from Central Bank. The Central Bank may place a restraining notice on the ownership or shares.
- E. The Central Bank may for justifiable reasons grant an approval subsequent to the transfer of shares or change of ownership conducted contrary to the provisions of Paragraph (A) of this Article.

#### **Article (27)**

- A. The insurance company must provide the central bank with the forms of insurance contracts and their approved appendices for its business which prepared pursuant to the controls and conditions pursuant to instructions issued for this purpose, and the central bank may request the insurance company at any time to make an amendment to any of these forms if the interest of the insured and the beneficiaries or the soundness of the insurance sector dictates that.
- B. The insurance company must provide the insured and the beneficiary with a copy of insurance contract including all its data and appendices.
- C. Any insurance contract regulated in the Kingdom shall be issued in the Arabic language unless the Central Bank decides otherwise and for justified reasons.

#### **Article (28)**

- A. The insurance company shall transact reinsurance business in any of the licensed types of insurance in which was licensed for, on a condition that reinsurance premiums do not exceed the ratios pursuant to instructions issued for this purpose.
- B. The insurance company may reinsure inside or outside the Kingdom pursuant to the rules and conditions pursuant to instructions issued for this purpose.

#### **Article (29)**

The insurance companies shall establish one or more insurance pools to manage an insurance class or any transaction pursuant to the rules of procedure of each pool, on condition to prior written approval of the Central Bank for the establishment of any of them and pursuant to Instructions to be issued for this purpose.

**Article (30)**

- A. The insurance company licensed to transact Takaful business shall reflect this in its memorandum of agreement and articles of association, and shall appoint a committee called (Islamic Jurisprudence Supervision Board) consist of at least three persons through general assembly decision, and its opinion shall be obligated to the company.
- B. Islamic Jurisprudence Supervision Board shall assume the following duties:
1. Monitoring the compliance of the operations and the insurance company activities with Islamic Sharia rules and notifying the Central Bank of any violation committed by the insurance company.
  2. Reviewing insurance contracts and their terms, and all reinsurance agreements concluded by the insurance company to ensure them in line with Islamic Sharia rules.
  3. Provide an opinion on any matters pursuant to Instructions to be issued for this purpose.
  4. Any other duties assigned by the Board pursuant to Instructions to be issued for this purpose.
- C. The provisions of this law, regulations and instructions issued pursuant thereto shall apply to the insurance company licensed to transact Takaful business to the extent that it does not contradict with the nature of its business, and shall not be permitted to transact insurance business contradict to Islamic Sharia principles.
- D. The Central Bank shall issue the necessary instructions to regulate Takaful business, including the terms and procedures for the appointment and approval of the Islamic Jurisprudence Supervision Board and the conditions must be fulfillment by its members.

**Article (31)**

The insurance company may, with prior written approval of Central Bank, to transfer its insurance contracts, including the rights and obligations therein, to another insurance company that transact the same type of insurance, without approval of the insured and beneficiaries on condition to consider any requirements and restrictions linked with such approval. The insured has the right to request revoking insurance contract in exchange for the recovery of a portion of the insurance premium equal to the remaining contract period.

**Article (32)**

- A. Central Bank shall issue Instructions that stipulating the conditions that must be available in the company's external auditor, the scope of work, his duties, documents and reports that must be provided to the insurance company and Central Bank, and the dates for that, also the external auditor shall submit written disclose about his commitment to these instructions.
- B. If the external auditor is not appointed to audit insurance company's accounts during the first four months from the financial year, the Central Bank may appoint an external auditor and credit his fees to the expense of the insurance company.
- C. If the nominated external auditor apologized from work or was unable to do it for any reason, then the Insurance Company Board of Directors shall submit at least three external auditors to Central Bank, in order to select one of them within 14 days of the apology or disablement date.
- D. The Central Bank may appoint another external auditor to review and audit the insurance company's account if it necessary and the Central Bank shall determine the assigned task of that external auditor, their work period, and fees to the insurance company's expenses.

**Article (33)**

- A. The external auditor shall provide the insurance company board of directors and Central Bank with copies of the annual report of the audit outputs for the Insurance Company's accounts, demonstrating the real financial position for Insurance Company and any additional information or data on the status of the Insurance Company required by this law, regulations, and instructions to be issued for this purpose.
- B. The auditor shall submit to the Central Bank an immediate report, with a copy to the insurance company board of directors' chairman, in any of the following cases:
  - 1. If it was evident to him that the financial position of the insurance Company will not enable it to fulfill its obligations towards the Insureds, or that it will restrict its capability to comply with the financial requirements stipulated in this law, Regulations or Instructions issued pursuant thereto.
  - 2. If it was evident to him that a material deficiency exists in conducting the insurance company financial procedures, including the organization of its accounting registers.
  - 3. If refused or reserved the issuance of any certificate in respect of the income of the insurance company or its financial statements.
  - 4. If he decided to resign or declined his reappointment with the insurance company, due to unusual reasons.

- C. The Central Bank may ask the external auditor to submit directly and within period determined with any information necessary to monitor the business of the insurance company.

**Article (34)**

The insurance company board of directors shall submit its duly certified financial statements by the external auditor to the Central Bank within a period not exceeding two months from the end of the fiscal year, and the board of directors shall obtain a prior written approval from Central Bank before inviting the shareholders to the general assembly or presenting it to them.

**Article (35)**

- A. The insurance company may not decide to distribute any dividends to the shareholders unless it takes prior approval of the Central Bank, and the General Assembly of the insurance company may not decide to distribute any cash or physical dividends to the shareholders in excess of those approved by the Central Bank.
- B. The insurance company may not distribute dividends to shareholders before it covers all the establishment expenses and the expenses not related to tangible assets, or before writing off any losses incurred regardless of their type. Any of these expenses and writing off these losses could be covered upon central bank approval within five years.

**Article (36)**

- A. Subject to the provisions of Article (34) of this law, the insurance company board of directors, after the General Assembly has approved its annual financial statements for the ended fiscal year, shall comply with the following:
1. Publish its annual financial statements and the report of the external auditor in two local daily newspapers with the most widespread within two weeks from the date of approval, in addition to publish its consolidated financial statements in the Kingdom if it has branches outside the Kingdom.
  2. Display the end of year balance of accounts with a list of board of director's names on its website for at least three months during the financial year following the year ended .
- B. The branch of a foreign insurance company shall publish the annual financial statements of the parent company and its branches outside the Kingdom, in addition to its financial statements inside the Kingdom.

**Article (37)**

- A. The insurance company and any subsidiary shall be subject to inspection by the central bank or the external auditors appointed by Central Bank for this purpose at the expense of the insurance company. The insurance company and its subsidiaries are obliged to cooperate with them in order to enable them to perform their work in the proper manner.
- B. If the insurance company to be inspected is a branch or a subsidiary of a foreign insurance company, it shall be subject to inspection of the relevant authority in the country of its head office or regional head office pursuant to instructions issued for this purpose.
- C. The Central Bank and the external auditors appointed by Central Bank during their inspection of the insurance company and any subsidiary to engage an inspection pursuant to instructions will be issued for this purpose.
- D. The Central Bank could issue instructions enabling its inspectors and delegates to visit the offices of the insurance company and any of its subsidiaries, to examine its accounts, records and documents and to take necessary procedure to verify that its businesses and activities do not conflict with the provisions of this law, regulations and instructions issued pursuant thereto.

**Article (38)**

The Central Bank, at the expense of the insurance company, may assign any expert, consultant, or actuary to evaluate any aspects related to the insurance company business, or of its subsidiaries, or of any person or entity subject to the supervision of Central Bank pursuant to the provisions of this law, and each of them shall fully cooperate to enable him to perform his work, including allowing him to have access to any records, documents or data required for the purposes of preparing his report.

**Article (39)**

- A. The provisions related to mergers stated in the current Companies law shall be applied in all matters not particularly provided in this law, regulations or instructions issued by pursuant thereof .
- B. The merging methods of insurance companies are determined according to the type of insurance, pursuant to regulations will be issued for this purpose.

**Article (40)**

- A. The insurance company may not launch any procedure of merger without first obtaining a prior written approval from Central Bank and according to specific controls and conditions for this purpose.

B. The Central Bank appoints experts and specialists to the evaluation committee, to be formed pursuant to the provisions of the Companies law to finalize the merger process.

**Article (41)**

- A. Subject to the provisions of the Companies Law all the obligations, liabilities and assets of the merged insurance company shall be vested to the merging insurance company or resulting from the merger, without the need to obtain the consent of the insured, the beneficiaries, or any other person.
- B. The emerging insurance company or the result of the merger shall replace the merged insurance company in all matters and actions, including the lawsuits and judicial proceedings filed by or against it, and it is considered as legal and realistic successor to the merged company.

**Article (42)**

- A. The Central Bank may take any of the procedures or impose any of the penalties stated in Paragraph (B) of this Article in the following cases:
1. If the insurance company or any of its board members or employees committed a violation to the provisions of this law, regulations or instructions issued by pursuant thereof.
  2. If an insurance company or one of its subsidiaries or any of its board members or employees conducted any unsound and unsafe operations for the company or the insured.
- B. Subject to the provisions of paragraph (A) of this Article, and taking into account proportionality in the penalty, the Central Bank could take one or more measures or impose one or more penalties or both of the following:
1. Addressing a written warning to the insurance company.
  2. Instructing the insurance company to submit an appropriate plan of measures to be taken thereby to eliminate the violation and rectify the situation.
  3. Prohibit the insurance Company from issuing more insurance contracts.
  4. Impose a maximum for the insurance contracts total premiums amount that the insurance company can get.
  5. Maintain assets in the Kingdom, its value equals all the net liabilities of the company arising from its business or a percentage of such value.
  6. Restricting the insurance company from practicing any of its investment activities or liquidating its investments.
  7. Prohibit the insurance company from managing its assets or transferring any of its assets or funds outside the Kingdom.

8. Determine the activities and business of any of its subsidiary companies and specify aspects of ownership in those companies.
  9. Imposing a financial fine on the insurance company not less than one thousand dinars and not exceeding two hundred thousand dinars, the fine shall be doubled if the violation was repeated pursuant to instructions issued for this purpose.
  10. Request the insurance company to deprive any of its board members or employees from his bonuses and allowances.
  11. Request from the company or the head office of the foreign insurance company, depending on the case, to take the necessary measures to correct the administrative situation of the insurance Company, include Dissolving the general manager, the Authorized Manager or any of its employee.
  12. Dissolve company board of directors' chairman or any member.
  13. Dissolve the Authorized Manager of the company and appoint a proper temporary administrative committee, the central bank determines its authorities and fees, which are on the insurance company expense, maximum for six months' renewable for a maximum one year if necessity dictates.
  14. Dissolve the insurance company board of directors and appoint a proper temporary administrative committee, the central bank determines its authorities and fees, which are on the insurance company expense, maximum for six months' renewable for a maximum one year if necessity dictates
  15. Request the insurance company to sue any of its board of directors' members or employees.
  16. Suspending or revoking the License of the insurance company or the license to transact any type of insurance business types.
- C. The Governor shall take any of the decisions regarding the procedures or penalties mentioned in Clauses (1-8) of Paragraph (B) of this Article, and the Board shall take any of the decisions related to the procedures or penalties mentioned in Clauses (9-16) of that Paragraph.

**Article(٤٣)**

Upon the decision of suspension or revocation of the License for one class of insurance or more according to the provisions of item (16) of Paragraph (B) of Article (42) of this Law the following shall be implemented: -

- A. The Company shall be prohibited from concluding insurance contracts in the concerned class.
- B. All rights and obligations arising from contracts concluded prior to the suspension or revocation of the license, shall remain valid and effective, and the company shall remain responsible for such rights and obligations.

**Article(٤٤)**

If the insurance company has financial or administrative difficulties or has major losses in its financial position that affect the rights of the Insureds and the Beneficiaries, the chairman of the board of directors of the Company or any members thereof, shall notify the central bank immediately, otherwise he shall be liable in case of not notifying.

**Article(٤٥)**

A. The Board, in the event that the insurance company has financial or administrative difficulties or has significant impact on its financial position that affect the rights of the Insureds and the Beneficiaries, may take one or more of the following measures, if the Board deems that there is a possibility to correct its position and continue its business:

1. Using any of the capital elements of the insurance company to strengthen its financial position, including increasing its capital or reducing its subscribed capital and increasing it by subscribing to new shares or by using voluntary reserves or retained earnings, or by any other means the central bank deems appropriate.
2. Transfer all or some of the obligations, liabilities and assets of the insurance company to another insurance company after its approval and without the need to obtain the approval of the insured, the beneficiaries, or the debtors of the insurance company.
3. Restructuring insurance company debts and organizing its difficult financial situation through negotiating with its creditors for the purpose of reducing the insurance company's debt, if necessary, and setting plans to pay it off.
4. Take the necessary procedures to merge the Company with another Company, upon the approval of the Company with which the merger is sought.

B. The decisions and approvals issued by the Central Bank pursuant to the provisions of Clauses (2) to (5) of Paragraph (A) of this Article are the decisions that need to be issued pursuant to the provisions of the legislation in force by the insurance company's board of directors, its ordinary general assembly and its extraordinary general assembly for the purposes of implementing The procedures stipulated in that paragraph.

C. The issuance of the decision pursuant to the provisions of Paragraph (A) of this Article does not prevent the insurance company from practicing its business unless a decision is issued by the Central Bank to the contrary.

**Article(٤٦)**

Should it be decided to take any measure or to impose any penalty in accordance with Articles (42) and (45) of this law, the following provisions shall be observed:

- A. Any interested party may appeal the decision within thirty days as of the date the decision had been issued.
- B. The issuance of that decision shall not preclude civil and criminal accountability from taking place under the provisions of the legislation in force.
- C. The appeal pursuant to the provisions of this Article does not entail suspending the implementation of the decision, unless the court decides otherwise.

**Article(٤٧)**

- A. Decisions or procedures issued by the relevant authorities in the country in which its head office is located shall not apply to the branch of a foreign insurance company licensed to operate in the Kingdom, whether those decisions relate to bankruptcy, insolvency, liquidation, or the handling of the defaulted insurance company.
- B. The Central Bank, after verifying that any of the procedures stipulated in Paragraph (A) of this Article does not prejudice the right of the insured, the beneficiaries, or those dealing with the branch of the foreign insurance company in the Kingdom and does not affect the stability of the insurance sector in it, to agree to The implications of these procedures to include the branch of the foreign insurance company in the Kingdom in accordance with the arrangements determined by the Central Bank in the manner it deems appropriate.
- C. The provisions of this Article shall be applied on the subsidiary of the foreign insurance company in as much as they are applicable.

**Article(٤٨)**

- A. For purposes of implementing the provisions of item (4) of Paragraph (A) of Article (45) of this law, the Board shall form a committee to Rehabilitation restructuring the debts of the insurance company with experience and competence whose members do not exceed five members for a period of one year from the date of the decision issued and extendible, provided that the insurance company bears the fees for that committee.
- B. The Central Bank may authorize the Insurance Company's Debt Restructuring Committee to take in the name of the insurance company all the necessary measures to conclude the debt restructure. Without obtaining prior approval from the Central Bank, this committee may not perform, under penalty of nullity, any action affecting the interests of the insurance company's creditors. In this regard,

any sale outside the scope of the normal business practice of the company, donation, borrowing, lending, issuing guarantees, making any mortgage, or any other similar actions.

C. The Central Bank shall issue the necessary Instructions for restructuring and all other matters related thereto pursuant to the provisions of this law.

#### **Article(٤٩)**

A. Pursuant to the provisions of paragraph (B) of this Article, the following shall result upon the restructuring of debts from the date of issuing the decision until the date of issuing the decision of ending the debt restructuring by the Board:

1. Cessation, the prescription period that would prevent hearing any action regarding any due or current right or claim in favor of another party against the insurance company.
2. Cease, the cases and the judicial procedures filed against the insurance company.
3. Cease, the proceedings in any executive or procedural petition against the insurance company.

B. The provisions of the Items (2) and (3) of paragraph (A) of this Article shall be applied for three months just on the following:

1. The due or current rights or claims in favor of the insurance company against another party and on the cases, judicial procedures or executive petitions those filed by the insurance company against another party.
2. The due or current rights or claims in favor of guaranteed rights holders against the insurance company and on the cases, judicial procedures or executive petitions those filed by any guaranteed rights holder against the insurance company if it is related to the guaranteed right itself.

C. For the purposes of implementing this Law, the guaranteed rights holders means; the creditor who holds the guaranteed right by an associated right in rem on movable or immovable money.

#### **Article(٥٠)**

A. The restructuring of debts committee shall publish an announcement in two local daily newspapers with the most widespread for three consecutive working days at the expense of the insurance company; to call the creditors of the Company to submit data of the amount of their debts and its guaranties attached with documents proving such, within a period not exceeding thirty days as of the date the announcement was published, and this period become sixty days if the creditor resides outside the Kingdom, and the Board shall issue the Instructions those

necessary to clarify the fixing procedures of the submitting debts through that period.

- B. After fixing the debts, the restructuring of debts committee provide the Board its report and the restructuring of debts plan to take the approval about the plan, and it shall include a comprehensive working program that contains a statement to clarify the rights, liabilities, names of the creditors and the debtors of the insurance company and a proposal to settle the insurance company debts, with determining the rate and dates of payment those submit by the insurance company to the creditors, and any guaranties the insurance company will provide to them, the proposal shall also be include the operational, managerial and financial procedures necessary for restructuring of debts in a way that ensures the continuation of its business.
- C. In the case of disapproving the plan by the Board, the Board shall ask the restructuring of debts committee to adjust the plan or the Board take another appropriate procedure pursuant to the provisions of this Law.

#### **Article(๑๑)**

- A. The committee shall prepare its report regarding the restructuring plan in a period not exceeding fifteen days as of the date the debt was fixed with the committee, and shall call the creditors to approve the plan by publishing an announcement in at least two local daily newspapers with the most widespread, provided that it is approved by creditors that represent at least three quarters of non-preferred debt and without collaterals, and this plan becomes binding on all creditors of the insurance company, including the creditors who did not submit their data and who disapproving the plan according to the provisions of Article (50) of this Law.
- B. The non- preferred debt and without guaranties those submitted according to the provisions of Article (50) of this Law shall be adopted to take an approval from the creditors pursuant to the rate stipulated in paragraph (A) of this Article, without affect to the right of any creditor to resort the judiciary and object to what has been determined of his debt or to fix his debt if it was submitted after the period stipulated in Article (50) of this law.

#### **Article(๑๒)**

- A. In the case of approving the restructuring of debts plan by the creditors according to the provisions of Article (51) of this Law, the restructuring of debts committee shall submit this plan to the Board to issue a decision to commence the implementation of it.
- B. In the case of disapproving the restructuring of debts plan by the creditors according to the provisions of Article (51) of this Law, the restructuring of debts

committee shall submit a report about that to the Board to take the appropriate procedure pursuant to the provisions of this Law.

**Article(๑๓)**

- A. The debt restructuring ends by a decision from the board if the implementation of the debt restructuring plan is completed, and in this case the work of the insurance company's debt restructuring committee ends, and a new board of directors is elected for the insurance company pursuant to the provisions of the Companies Law, and in this case the following shall be considered:
1. Any precautionary or executive seizures and any urgent or executive decisions those taken in the lawsuits and transactions referred to in the Items (2) and (3) of paragraph (A) of Article (49) of this Law shall be canceled, and such cases and transactions shall continue to be suspended by the virtue of the Law.
  2. If the insurance company fails to fulfill its specific obligations according to the debt restructuring plan towards claimants or those acquired a judiciary provisions, then in this case they are entitled to re-proceed with their claims and transactions after adjusting their claims submitted therein to match what was decided for them according to the debt restructuring plan.
- B. The debt restructuring shall be cancelled by a decision from the Board, if during the implementation of the debt restructuring plan an evident becomes about it is not beneficial.
- C. If the debt restructuring plan was cancelled by a decision, then the Board shall take an appropriate procedure pursuant to the provisions of this Law, and in all cases; the implementation of the provisions of paragraph (A) of Article (49) of this Law shall be continued until taking another procedure by the Central Bank pursuant to the provisions of this Article.

**Article(๑๔)**

- A. The Central Bank shall be the only relevant authority to issue a decision to liquidate any insurance company.
- B. The decision to liquidate the insurance company is issued in any of the following cases:
1. If it is not possible to correct the insurance company's conditions pursuant to the provisions of Article (45) of this Law, and its continuation would affect the rights of the insureds and beneficiaries.
  2. If the insurance company is exposed to conditions those materially affect its financial position and prevent it from continuing to conduct its business.
  3. If a decision of revoking the License of the insurance company was issued.

- C. The provisions in this Law, Regulations and Instructions issued by the virtue thereof, shall apply to the liquidation of the insurance company, also the provisions related to liquidation stated in Companies Law shall be applied as much as not contradict with those provisions.
- D. The provisions of paragraph (B) of Article (12) of this Law shall be applied if the Central Bank decide to liquidate a branch of foreign insurance company.

**Article(๑๑)**

- A. The decision of liquidate the insurance company that issued from the Board shall be appealable to the Administrative Court within thirty days as of the date of its publication in the Official Gazette, provided that the appellant shall satisfy any of the following requirements:
  - 1. Owning not less than (5%) of the subscribed capital of the insurance company.
  - 2. Being a creditor of the insurance company of not less than (5%) of the total debts required from the insurance company.
- B. If the Administrative Court decides to overrule the liquidation decision, the insurance company's board of directors must comply with any special requirements or conditions decided by the board.
- C. Notwithstanding the stipulations of any other legislation, the appeal according to paragraph (A) of this Article shall not suspend the liquidation procedures.

**Article(๑๖)**

- A. As of the date of the issuance of a decision of liquidation, the insurance company's board of directors, the general assembly, and the general manager shall lose all duties and authorities as assigned pursuant to the legislation in force and pursuant to the memorandum and articles of association of the insurance company and the by-laws thereof. And the Board shall appoint a liquidator for the insurance company, who shall manage the operations of the Company, protect the properties and assets thereof, represent the Company against another party, and to sign on behalf of the Company on contracts and transactions until its dissolution. The Board also has the right to dismiss or replace the liquidator in any phase of liquidation.
- B. The Board shall determine the legal fees of the liquidator, and the guarantee that should be submitted to the insurance company.
- C. The liquidator may form a committee of at least three members, and the Board shall choose the Head of committee between them, and in this case; the terms and conditions for appointing the liquidator shall be applied to each one of them, and the committee's decisions are issued by the majority, and it has the right to distribute its authorities between the Head of committee and any of its members.

- D. Anyone appointed as a liquidator or his representative if the liquidator is a legal person, shall fulfill the following:
1. The qualifications and experience those determined pursuant to Instructions issued under the provisions of this law.
  2. Shall not be in a relationship with any member of the insurance company's Board of Directors or its General Manager or spouse of any of them up to the forth degree or a working relationship.
  3. shall not be one of the creditors or debtors of the company.
  4. Shall not be one of the insurance company's Employees, or one of its Advisors, or a member of the Board of Directors of any Company that the insurance company owns or had owned during the two years prior the date of issuance of the liquidation decision.
  5. Was convicted with a felony or a misdemeanor infringing integrity, trustworthiness and public morals, classified as an Insolvent or declared bankrupt.

**Article:(°∨)**

The company must deliver to the liquidator all money, records and papers related to the company, and the liquidator must view the policies, contracts, financial data and bank accounts of the company.

**Article:(°^)**

The following shall result upon issuing the liquidation decision- :

- A. Stopping the company from practicing its business, provided that its legal personality continues and is represented by the liquidator until the completion of the liquidation works.
- B. add the phrase (under liquidation) to the name of the Company on all its documents and correspondences.
- C. Suspend any authorization or signatory rights issued by the Company. The liquidator shall exclusively be authorized to grant any authorizations or signatory rights required in the liquidation procedures.
- D. Cessation, for one year starting from the date of the issuance of the liquidation decision, of the prescription period that would prevent hearing any action regarding any current or due right or claim in favor of the Company.
- E. Accruing the deadlines for fulfilling all debts owed to the insurance company, including deferred debts that are not due, whether ordinary or secured by mortgage.

- F. Stopping the validity of all debt interest from the date of issuance of the liquidation decision, unless the interest on these debts is secured by mortgages or guarantees.
- G. Cease, for three months, the cases and the judicial procedures filed by the Company or against it unless the liquidator decides that the liquidation procedures and preservation of the insurance company's funds, assets and rights require continuing to proceed with them before the end of this period.
- H. Prohibit proceeding with or accepting any executive transactions against the insurance company unless they are at the request of any of the owners of the guaranteed rights and related to that guaranteed right, in this case no measures are taken in these transactions for a period of three months from the date of the liquidation decision.
- I. Preventing any lawsuits against the company for a period of three months from the date of issuance of the liquidation decision, provided that this period is not counted within the prescribed period of failure to hear the lawsuit regarding any rights or claims of creditors or any other persons towards the insurance company under liquidation.

**Article(๑๙)**

- A. All mortgages and guarantees placed on any of the properties or rights of the Company that took place during three months prior to the date on which the liquidation decision was issued, shall be considered null. This period shall be one year if the mortgage or guarantees are in favor of a person whom is related to the company.
- B. Any decision to attach any of the property of the Company or right before the issuance of the liquidation decision shall be revoked, unless this decision was based on the request of a secured rights holders and related to the guaranteed right itself.

**Article(๒๐)**

The liquidator shall take all decisions and procedures that he deems necessary to complete the liquidation process, pursuant to the instructions issued for this purpose, including the following:

- A. Managing the operations of the Company within the limits required for the liquidation proceedings.
- B. Appointing any of the experts and persons to assist in the execution of the liquidation procedures, appointing special committees and delegate to them any of the functions and authorities assigned to the liquidator, and issuing the necessary decisions to complete the liquidation procedures.

- C. Appointing one or more attorneys to represent the Company under liquidation in any claims or judicial procedures related thereto.
- D. Accepting arbitration or reaching settlement agreements with creditors and debtors and any other parties related to the insurance company.

**Article(٦١)**

- A. The liquidator must take all necessary legal and judicial measures to protect and collect the rights and claims of the insurance company, whether inside or outside the Kingdom.
- B. Notwithstanding any contrary agreement, the liquidator may take all the measures, he deems necessary to protect the rights of the Company, including- :
  - 1. Canceling any action, revoking any contract concluded by the Company, or reclaiming any sum paid by the Company during the three months prior to the issuance of the liquidation decision if these actions constitute a privilege to a specific person over the creditors of the Company. This period shall be one year if the Company has an ownership interest with that person or related thereto. The privilege shall be considered established if the disposal or the action was affected without compensation or with partial compensation, or if it entailed the valuation of property or a right at other than its real or prevailing market value .
  - 2. Canceling any action or revoking any contract concluded by the Company with a person that relates to it, or reclaiming any sum paid by the Company to him within the three months preceding the issuance of the liquidation decision.
  - 3. Terminating the employment of any of the employees of the Company and paying all sums owed to them .
  - 4. Terminating any contract concluded by the Company with any person before the elapse of the duration of the Contract.

**Article(٦٢)**

For the purposes of implementing the liquidation, a person shall be considered related to the Company in any of the following two cases:

- A. Where the person is a significant shareholder, has an effective interest in it, a member of the insurance company's board of directors, an employee thereof, or has a common business interest with any of them.
- B. where he is a spouse of any of the persons referred to in Paragraph (A) of this Article, or a relative of any of them or relative to the spouse to the third degree, or if he has a common business interest with any of them.

**Article(٦٣)**

- A. The liquidator must within thirty days as of the date of the issuance of the liquidation decision, publish in a conspicuous space in at least two daily newspapers with the most widespread a notification to the creditors of the need to submit their claims against the Company, whether they were due or not, within two months in the case of creditors resident in the Kingdom and three months in the case of creditors resident abroad.
- B. The notification shall be republished in the same manner immediately upon the lapse of the fourteen-day period from the date of the publication of the first announcement. The period for the submission of claims shall be calculated from the publication date of the first announcement.
- C. If the liquidator is convinced that the creditor has a legitimate excuse for not being able to submit his claim within the period stipulated in paragraph (A) of this Article, or if the claim was submitted by any of the insured or the beneficiaries, in this case, it shall be accepted, provided that, in all cases, it does not exceed six months from the date of the liquidation decision
- D. The period from the date of the issuance of the liquidation decision to the date on which the first announcement stated in paragraph (A) of this Article, shall not be calculated as a part of the period during which any action regarding any rights or claims of creditors towards the Company under liquidation is prevented from being heard.

**Article(٦٤)**

The Central Bank shall issue instructions specifying the procedures and dates for issuing the liquidator's decisions regarding the claims of the insured, the beneficiaries, and all other creditors.

**Article(٦٥)**

- A. The Amman Court of First Instance shall have jurisdiction over all rights cases filed against the company under liquidation, and all cases brought against it that are pending before the courts are referred to it on the date of the liquidation decision.
- B. Any interested party can appeal the liquidator's decisions and procedures before the Amman Court of First Instance within thirty days from the day following the date on which he was notified of the decision or within the sixty days following the date of its publication in two local daily newspapers with the most widespread, whichever is shorter.

**Article(၆၆)**

If the liquidator submits a request to the relevant court to make a precautionary seizure or to take any of the precautionary or urgent measures pursuant to the provisions of the legislation in force, he shall be exempted from attaching a guarantee with his request if approved.

**Article(၆၇)**

The liquidator, upon a prior approval from the Central bank, may borrow, in the name of the Company under liquidation, the funds needed to enable the liquidator to complete the liquidation proceedings; the liquidator may mortgage any of the assets of the Company or rights to guarantee any such loan.

**Article(၆၈)**

The liquidator, upon a prior written approval from the Central bank, or based on the request of a group of ordinary creditors whose debts exceed (50%) of the total regular debts, Paying the debt secured by a mortgage, removing the pledge sign for the pledged money, and returning it to the liquidation account.

**Article(၆၉)**

The liquidator, after obtaining the approval of the Board, may take any of the following two measures without the need to obtain the approval of the insured, the beneficiaries, the creditors, or any other party:

- A. An agreement with one or more insurance companies to sell all or some of the insurance company's assets under liquidation, its rights and obligations, including any other obligations or rights of any kind, without the need to comply with any procedures stipulated in any other legislation.
- B. Selling all or any of the insurance company's assets under liquidation and its rights in a public auction according to special procedures specified by instructions issued for this purpose.

**Article(၇၀)**

If the insurance company under liquidation finds any bonds as it is considered trustworthy or guardian of it, or similar cases, these bonds are not considered among the assets of the insurance company under liquidation and are returned to their owners, provided that they pay all the obligations incurred by them towards the insurance company.

**Article(٧١)**

- A. The insured or the beneficiary of the insurance contract is entitled to benefit from the “cut through” clause item, and no party may object to its activation.
- B. For the purposes of implementing the provisions of Paragraph (A) of this Article, the condition of “cut through” means the condition contained in the reinsurance contract which dictates the liability of the reinsurer within the limits of his share of the reinsured loss he has towards the insured and the beneficiary in cases where the insurer is unable to fulfill his obligations towards the insured Or the beneficiary, such as liquidating the insurance company, so that a direct relationship is established between the reinsurer and the insured and the beneficiary.

**Article(٧٢)**

The use of the technical provisions required to be kept with the insurance company pursuant to the provisions of this law and the regulations and instructions issued pursuant to it is limited to the payment of the rights of the insured and the beneficiaries, and any amount obtained by the insurance company according to the reinsurance arrangements is considered part of these provisions.

**Article(٧٣)**

- A. The liabilities and debts due from the insurance company under liquidation shall be paid in the following order:
1. The expenses incurred by the liquidator, including the liquidator’s fees, employees’ salaries during the liquidation period, and the loans that obtained pursuant to the provisions of this law and the Instructions issued pursuant thereto.
  2. The entitlements of the officers and employees of the insurance company due during the six-month period preceding the issuance of the liquidation decision.
  3. What remains of the rights of the insured and the beneficiaries of insurance contracts after using the technical provisions amounts pursuant to the provisions of Article (72) of this law.
  4. Amounts paid by the fund established under the provisions of Article (79) of this law to the insured and the beneficiaries of insurance contracts concluded with the insurance company under liquidation.
  5. Any taxes, fees, allowances and returns due to the treasury.
  6. The entitlements of ordinary creditors, including the rights of reinsurers, debts not covered by guarantees, and any other rights.
  7. Shareholders' entitlements.

- B. It is not permissible to pay any amount to any class of creditors except after paying the full debts of the highest priority category and paying debts according to the priority in the same class.
- C. If it is not possible to fully pay the debts of a class of creditors or one of the debts within the same category, the amount shall be divided among the creditors of that class or debt within the class, with a fine division.

**Article(٧٤)**

- A. The liquidator shall complete the liquidation process within three years from the date of the liquidation decision, and it may be extended with the approval of the Board for the period it deems appropriate.
- B. The liquidation procedures end, and the insurance company will dissolve by a decision of the Board, and the dissolution decision is notified to the Companies Control Department to cancel its registration, and the Companies Controller must publish the insurance company's dissolution decision in two daily local newspapers with the most widespread, and the insurance company is deemed to have expired from the date of publishing the termination decision in the Official gazette.

**Article(٧٥)**

The Central Bank shall keep the insurance company's books and documents under liquidation for a period of five years from the date of dissolution of the insurance company.

**Article(٧٦)**

If it becomes evident to the Central Bank that there are movable or immovable property or remaining rights of the insurance company under liquidation after the issuance of the decision to dissolve them, the council may appoint a new liquidator or assign the former liquidator for the purposes of disposing of those assets or collecting those rights and settling them pursuant to the provisions of this law.

**Article (77)**

A-

1- Any notice or decision issued by a liquidator shall be served according to the provisions of this law to the person concerned by delivering it to him personally or to his legally representative or by sending it by registered mail to the person's last address field with the insurance company under liquidation, and notification may be done by modern technology, including E-mail.

2- If notice is served by registered mail, such notice shall be deemed to have been served to the person concerned 15 days after the notice was placed in registered mail if the addressee resides in Jordan or 30 days after the notice was placed in registered mail if the addressee outside Jordan.

3 - it shall suffice to establish the service mentioned in item (2) of this paragraph if evidence that the notice was placed in the mail with the correct address is establish, unless the liquidator or court is convinced that the addressee has not received the notice.

B- If service according to the provisions of Paragraph (A) of this Article is not possible, the liquidator must publish the notice to be served in two daily local newspapers with the most widespread at least twice. The publication fees shall be borne by the person concerned such publication shall be considered as a legal notice from all standpoints.

### **Article (78)**

The provisions stipulated in this law relating to the liquidation of an insurance company shall apply to insurance companies that are decided to liquidate before the provisions of this law come into effect pursuant to the provisions of the Insurance Regulatory Act No. (33) Of 1999 and its amendments, provided that this does not affect the legal positions that were established before the entry into force of this law.

### **Article (79)**

A- Establish a fund for the compensation of insureds or beneficiaries if a decision is issued to liquidate an insurance company and the insufficient assets of the insurance company under liquidation are insufficient to pay the obligations owed by it to the insured and the beneficiaries.

B -The Board shall issue the necessary instructions to use the funds to finance the measures taken pursuant to the provisions of item (2) to (4) of paragraph (A) of Article (45) of this law if the cost of those procedures is less than the cost of the liquidation decision.

### **Article (80)**

A- A fund shall be established pursuant to the provisions of this law to compensate those affected for death, bodily injury, and moral damages resulting from them and medical treatment expenses arising from motor accidents that are not covered by compulsory insurance, in the following two cases:

1- When there is no valid insurance contract covering the civil liability arising from the use of the vehicle.

2- When the identity of the vehicle causing the damage is not verified, or when the owner of that vehicle or its driver is unknown.

B-The fund established under the provisions of Paragraph (A) of this Article is considered the legal successor to the fund established under the provisions of the Insurance Regulatory Act No. (33) Of 1999, and its amendments and the instructions issued pursuant thereto.

### **Article (81)**

A- Each of the two funds established under the provisions of Articles (79) and (80) have legal personality, and each of them in this capacity possesses movable and immovable funds and performs all legal actions necessary to achieve its objectives, including contracts conclusion and accepting aid, donations, grants and donations, provided approval is obtained. The Council of Ministers if it is from a non-Jordanian source and it has the right to litigate and appoint any lawyer for this purpose.

B- An instructions shall be issued to determine the contributions resulting from the insurance sector in these two funds from insurance companies, the insured, or the beneficiaries upon concluding insurance contracts, receiving compensation, or any other cases or sources of contributions. The instruction also defines the provisions for organizing the affairs of these two funds and the procedures for collecting their contributions. In addition, exchange from them and all other matters and provisions related to them.

C- Each of the two funds may legally replace what has been paid in place of the beneficiary in the face of any person entitled to the beneficiary to claim what he received from the fund.

### **Article (82)**

A- Providers of insurance services are licensed by the Central Bank pursuant to principles and conditions that regulate their work and control them pursuant to instructions issued for this purpose. They shall not be registered with the relevant authorities without prior approval from the Central Bank.

B- The activities of insurance service providers shall include those of

1- Actuaries.

2- Insurance agents.

3- Insurance brokers.

4- Reinsurance brokers, to carry out insurance brokerage business between the insurance company and the reinsurance company.

5- Loss adjusters, to carry out losses settlement work for insurance purposes, including detection of damages, verification of the cause of loss and the surrounding circumstances, and determination of the amount of compensation.

6- The inspectors, to carry out inspection work for insurance purposes, including inspecting the property to be insured, assessing its value, determining the maximum expected financial loss when the risk occurs, and submitting proposals to improve means of protection from risks.

7- Consultants, to provide insurance advice.

8- Bancassurance, the licensed bank sells and markets insurance products on behalf of the insurance company.

9- insurance business management, to manage the business of the insurance company, reinsurance company, or any fund that provides its members or beneficiaries with insurance benefits such as those provided by the insurance contract pursuant to the agreement concluded with any of them for this purpose.

10- Any other insurance services specified by the Central Bank

C- If the insurance service provider is a legal person, the provisions of Articles (19-21) of this law shall apply to it.

D- The licensure requirements for a foreign insurance service provider company that does not operate in Jordan shall define “headquarters companies and representation offices” and specify rules for regulating their activities and supervising them pursuant to instructions issued for this purpose.

E- It shall be specified by instructions for the cases and conditions in which it may be permitted to grant approvals for the conduct of insurance service providers for non-residents in the Kingdom.

### **Article (83)**

A- Insurance service providers, while transact their business, shall be subject to the regulations and supervision of the Central Bank, and they must submit any data or statement requested by the bank within the period specified by the bank.

B- Insurance companies and insurance service providers are obligated to disclose to their clients any of the commissions or fees related to the service provided, whether at the expense of the customer or the insurance company.

### **Article (٨٤)**

An insurance company shall be prohibited from dealing with any insurance service provider that is not licensed by the Central Bank.

### **Article (٨٥)**

The provisions of Articles (11), (42) and (45) of this law shall be applied to the insurance business management company and its board of directors or management Committee and its manager and the rest of its employees to the extent that they do not conflict with the nature of its business.

**Article (٨٦)**

The Central Bank may impose a fine of not less than one thousand dinars and not exceeding one hundred thousand dinars on any of the insurance service providers when they violate the provisions of this law and the regulations and instructions issued pursuant thereto.

**Article (٨٧)**

- A- The Governor shall form one or more committees designated (Insurance Dispute Resolution Committee) which shall be responsible for examining and deciding complaints concerning by any insurance activities. The committee's decisions shall be binding on a company and any other entity licensed under this law, if the complainant is satisfied.
- B- The duties and authorities of the committee and other matters relating to it shall be specified in instructions issued for this purpose
- C- The submission of any complaint concerning insurance activities to the Insurance Dispute Resolution Committee suspension of the prescription period statute of limitations.
- D- Complaints brought before the Insurance Dispute Resolution Committee formed under the Insurance Business Regulation Law No. 33 of 1999 and its amendments should be transferred to the committee stipulated in this Article.

**Article (88)**

Insurance companies and insurance service providers must observe full confidentiality in all matters concerning the services, it provides. It shall be prohibited from providing any information on such services and on any beneficiary therefore in other than cases permitted by this law. This prohibition shall remain in effect even if the relationship between the entity and the person to whom it has provided a service is terminated for any reason.

**Article (89)**

Any employee or previous employee of insurance companies and insurance service providers or any of their former employees shall be prohibited from providing any information or data about the insured or the beneficiaries, or enabling others to have access to such information and data in situations other than those permitted under this law, such prohibition shall apply to anyone who by virtue of his profession, position or work, directly or indirectly, may have access to such data and information, including employees of the Central Bank, external auditors, and any person that the Central Bank assigns to evaluate any aspects related to the insurance business of the bodies subject to its control pursuant to the provisions of this law.

**Article (90)**

The following shall be exempted from the provisions of Articles (88) and (89) of this law:

- A- The Central Bank when it performs its activities and duties under the provisions of this law.
- B- Insurance companies, insurance service providers, and any other entity approved by the Central Bank when information on insurance contracts is exchanged.
- C- Any entity engages in insurance activities or insurance services in cases where the entity wishes to provide evidence of its right in a judicial dispute between it and its client regarding any transaction related to insurance contracts or insurance services
- D- An external auditor or actuary who is required to disclose any information or data pursuant to this law and instructions issued thereunder.

**Article (91)**

- A- All information and individual data provided to the Central Bank pursuant to the provisions of this law shall be confidential information and data, which no person or authority may acquire except through the collected statistical data that the bank publishes from time to time.
- B- The Central Bank may exchange information on the insurance sector with authorities and institutions that regulate and supervise the financial sector in Jordan and abroad at the international level and with authorities concerned with combating insurance fraud, provided that reciprocity and provided such entities provide sufficient guarantees that the secrecy of the information provided to them will be safeguarded.

**Article (92)**

A person who has violated the provisions of Articles (88) and (89) of this Law shall be punished with imprisonment for a period of no less than six months, a fine of not less than ten thousand dinars and not more than fifty thousand dinars, or with both penalties.

**Article (93)**

- A- Pursuant to the provisions of this law, a professional federation named, the (Jordan Insurance Federation) shall be established , and have the status of a legal person with financial and administrative independence, so that should acquire movable and immovable property and carry out all legal actions required to achieve its objectives, including the conclusion of contracts and acceptance of assistance, donations, grants and gifts, provided that The approval of the Council

of Ministers if it is from a non-Jordanian source, and has the right to litigate and appoint any lawyer for this purpose.

- B- The federation is considered the legal and de facto successor to the Jordanian Federation of Insurance Companies established under the Act No. 33 of 1999 Regulating Insurance Businesses and its amendments. Insurance companies and reinsurance companies are all members of this union by law.
- C- The duties and responsibilities of the federation, the provisions and procedures for its general assembly, the formation of its board of directors, the meetings of each of them, its membership fees, its annual subscription, its financial resources, disciplinary measures against its members, and other administrative and financial affairs, including the foundations of governance and auditing, according to a Regulation issued for this purpose.

**Article (94):**

- A- In implementation of the provisions of the unified insurance card agreement for the movement of cars across Arab countries (the orange card), a regional office called (the unified office) shall be established pursuant to the provisions of this Law, to carry out the tasks mentioned in that agreement.
- B- The provisions and procedures for managing the Unified Office, its financial resources, the Central Bank's supervision over it and other administrative and financial affairs, and any other duties assigned to it by the Central Bank, shall be determined by a Regulation to be issued for this purpose.

**Article (95):**

- A- The Central Bank shall charge the following Fees:
  1. An Annual fee payable by the Insurance and reinsurance Company, a percentage of which shall not exceed (4.5) per thousand of the gross written premiums, according to the calculation mechanism determined by the Central Bank for this purpose.
  2. An annual fee collected from entities other than insurance companies that are subject to the supervision of the central bank pursuant to the provisions of this law
  3. License application fee.
  4. A fee for granting the license to a company.
  5. A fee for approval to open a branch of the company.
  6. A fee for granting the license to a foreign insurance company and insurance service provider that does not operate in Jordan (headquarters companies and representative offices).

- B- The amount of each of the above fees shall be determined pursuant to a regulation issued for this purpose.
- C- Instructions shall state the amount of fees for services the Central Bank provided for the implementation of this Law, regulations and Instructions issued for its pursuant thereto.

**Article (96):**

Whoever violates the provisions of this Law, Regulations or Instructions issued pursuant to this Law shall be subject to a fine not less than one thousand dinars, and not exceeding four hundred thousand dinars other than Insurance Companies and Insurance Services Providers pursuant to Instructions issued for this purpose.

**Article (97):**

Fines imposed shall be collected pursuant to the provisions of this Law from the Central Bank and transferred monthly to a Fund established pursuant to the provisions of Article (79) of this Law.

**Article (98):**

The compulsory insurance may be imposed against certain risks, by pursuant of Regulations determine the general conditions and provisions and all other matters related thereto.

**Article (99):**

The fiscal year of the insurance company shall commence on the first day of January of each year, and shall end on the thirty first day of December of the same year.

**Article (100):**

Insurance companies shall exchange information on their insurance contracts with the aim of limiting committing any violation of the provisions of this Law, Regulations and Instructions issued pursuant to the Law and other legislation related, including preventing benefits from being obtained between insurance companies, Central Bank and any other bodies pursuant to instructions issued for this purpose.

**Article (101):**

All entities subject to the Central Bank supervision according to this Law and instructions issued by virtue thereof shall obtain the approval of the Central Bank to employ Non-Jordanian employees, the Central Bank is authorized to determine the number or ratio of non-Jordanian employees relative to the total number of employees of any of the entities mentioned in this Article.

**Article (102):**

No entity subject to the Central Bank supervision according to this Law and instructions issued by virtue thereof may not employ a former employee of the Central Bank during the two years following the termination of his service without obtaining a prior written approval from the Central Bank.

**Article (103):**

- A- All entities subject to the Central Bank supervision shall adjust its situation to comply with this Law provisions and Instructions issued by virtue thereof when it come into force, within the period pursuant to Instructions issued for that purpose.
- B- Companies and Insurance Services providers who are licensed before this law's come into force shall be deemed legally licensed by the bank, provided they adjust their situations within a period pursuant to this law and regulations, instructions and decisions issued thereof. Otherwise, the license of the company shall be revoked by decision of the board, and the license of any insurance services provider shall be deemed legally revoked and the provider shall be prohibited from engaging in any insurance activity subject to legal liability.

**Article (104):**

- A- All entities subject to the provisions of this Law may maintain, for the period specified by the Law, a microcopy (microfilm or other modern technological instrument) instead of the original registers' records, statements, documents, correspondence, telegrams, notices and other papers relevant to its financial transactions, these microcopies shall have the originals' conclusiveness as to proof, provided that the provisions of the Electronic Transactions Law are observed.
- B- Insurance business are considered commercial by virtue of their own nature, regardless of the capacity of the contracting client or dealer with entities pursuant to the provisions of this Law, whether civil or commercial, and the provisions of the Trade Law shall apply to them.

**Article (105):**

All Ministries, Governmental Departments, Public Corporations and companies in which the Government holds shares that benefit from insurance business, shall submit any data or information related to the insurance arrangements they obtain or which they will obtain, requested by the Central Bank during the period it determined.

**Article (106):**

- A- The Central Bank shall publish the Decisions related to suspension, revocation, reinstatement of the License, and the Decisions related to the merger, acquisition, rehabilitation, liquidation or revocation of the Company, in the Official Gazette and in two local daily newspapers with the most widespread, provided that the Central Bank will bear the expenses thereof.
- B- Central Bank shall publish a statement that the Company committed a violation to the provisions of this Law, Regulation, Instructions or Decisions issued by virtue thereof, in a manner commensurate with the nature and size of the violation and the action taken regarding it.

**Article (107):**

- A- The Central Bank or any of its employees shall not be responsible for any action, act or omission that caused harm to others if this results when implementing the functions and responsibilities of the Central Bank and within the limits of its authorities stipulated in this Law, Regulations, Instructions and decisions issued pursuant thereto, and the Central Bank covers any costs related to follow-up that is for any entity, even after the work of the employee has ended.
- B- The provisions of Paragraph (A) of this Article shall not apply if the action, act, or refrain constitutes gross negligence or was in bad intention.
- C- The liquidator shall not be responsible for any checks drawn up in implementation of the liquidation proceedings, if it is proven that he has sufficient funds to cover those checks at the date of their issuance.

**Article (108):**

The provisions of the Law of Companies in effect, or any other Law shall apply to the insurance business and the entities pursuant to the provisions of this Law to the extent that such provisions are not conflict with the provisions of this Law and the Regulations and Instructions issued pursuant thereto.

**Article (109):**

- A- The Council of Ministers shall lay down the necessary regulations for the implementation of the provisions of this Law.
- B- The Central Bank shall issue the instructions which it deems necessary for implementing the provisions of this Law, and the Governor shall issue the necessary decisions for implementing the provisions of this Law, Regulations and Instructions issued pursuant thereto.

C- The Governor may delegate to any of his deputies or both or any employee of Central Bank any of his authorities stipulated in this Law, Regulations and Instructions issued pursuant thereto.

**Article (110):**

A- The Insurance Regulatory Act No. (33) of 1999 and amendments shall be repealed, However the Regulations, Instructions and Decisions, issued by virtue thereof, shall remain in effect until repealed or replaced.

B- From the effective date of this law, the supervision of insurance sector transfer to central bank as will as the implementation of the work tasks and decisions issued accordance with Insurance Regulatory Act No. (33)of 1999 and amendments along with the regulations and instructions issued.

C- Any phrase denoting (Insurance Sector Regulatory Commission) or (Insurance Commission) or (Insurance Administration) shall be replaced by the phrase (Central Bank), and by any phrase indicating (Board of Directors of the Insurance Commission) with the phrase (Board of Directors of the Central Bank), and replaced with any phrase The term (Director General of the Insurance Commission) is indicated by the phrase (Governor of the Central Bank), wherever these phrases are mentioned in the Regulations, Instructions and Decisions issued under the Insurance Regulatory Act No. (33) of 1999 and its amendments and in any other legislation.

D- Notwithstanding what is stated in the Central Bank of Jordan employee system, the council may take the procedures and decisions it deems appropriate to appoint employees from the Insurance Administration at the Ministry of Industry, Trade and Supply at the Central Bank.

**Article (111):**

The Prime Minister and Ministers shall be entrusted with the implementation of the provisions of this Law.