

## Policy Directive pursuant to the Health Insurance Law (No 11 of 2013) of the Emirate of Dubai

### Policy Directive Number 2 of 2015 (SN 02/2015)

Subject of this Policy Directive	Health insurance policies (“top-up policies”) providing additional benefits to a main policy
Applicability of this Policy Directive	This Policy Directive applies to all permitted health insurance companies, health insurance claims management companies and health insurance intermediaries marketing in or into the Emirate of Dubai
Purpose of this Policy Directive	To detail the policy of Health Funding Department (HFD) in relation to policies effected to provide benefits additional to a main policy
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Publication date	15 November 2015
This document replaces	Not applicable. However it supercedes Policy Directive 02-2014 issued on 24 September 2014 in respect of top-up policies only
This document has been replaced by	Not applicable
Effective date of this Policy Directive	Immediately upon publication
Grace period for compliance	None

#### Preamble

Since implementation of the Law, HFD has received an increasing number of enquiries relating to the establishment of policies designed to provide benefits which are additional to the benefits provided under a main policy. This Policy Directive details the circumstances when such policies are allowable and in what form.

Policy Directive 02-2014 issued on 24 September 2014 stated that with effect from 1 January 2015 all new policies (Essential Benefit Plans or enhanced plans) must comply with the minimum benefits standards.

This Policy Directive amends the earlier one to the extent that top-up policies will not be subject to that Policy Directive but shall be governed by this one.

#### Reasons for top-up policies

There are several reasons why someone may require a top-up policy including to provide:

- A higher annual aggregate limit (AAL) or higher sub limits (SL);
- Wider geographic scope of coverage;
- Cover for risks not otherwise included within the main policy;
- Cover for health insurance benefits excluded by the main policy;
- Extension of benefits covered under the main policy

#### Prerequisite condition for an insured member to purchase a top-up policy

Where an individual is subject to the Law and must hold a policy that meets or exceeds the minimum requirements of the Essential Benefits Plan, the individual must have in place such a policy in order to effect a top-up policy. **There is no exception to this rule**

The issuer of the top-up policy must obtain documentary evidence in the form a certificate of insurance issued by the issuer of the main policy where the main policy is issued by another insurer. Where the issuer of the top-up policy is also the main policy insurer this requirement does not apply

### Benefits to be provided

The benefits under a top-up policy must be additional to those of the main policy and not duplicate them. For example, if an insured member has an AAL under the main policy of 250,000 AED and wishes to benefit from an overall AAL of 1 million AED, the top-up policy must provide an additional 750,000 AED. As another example, if the main policy covers treatment in UAE only and the insured requires cover in Europe, the top-up policy must exclude cover in UAE

Cover for risks not covered under the main policy (such as hazardous sporting activities) or for benefits excluded under the main policy (such as treatment of congenital conditions) or for extension of benefits under the main policy (such as additional physiotherapy sessions) can be included in the top-up policy

### Pricing of top-up policies

The underwriting and pricing of top-up policies must be such as to ensure that only the additional benefits are charged for

### Marketing and issuance of top-up policies

Top-up policies may only be issued in Dubai where the insurer holds a Dubai Health Insurance Permit (HIP). Likewise, no insurer who wishes to market top-up policies in or into the Emirate of Dubai by whatever means may do so unless it holds the HIP. **The provisions of Standards Notice 04-2015 on marketing standards apply in full**

### Top-up policies and coinsurance

Top-up policies can have their own coinsurance or deductible levels. However, a top-up policy cannot be used to reduce the coinsurance of the main policy

### Coincidence of policy effective dates

There is no requirement that the policy effective date of the main and top-up policy must coincide

### Priority of benefits

In all cases, claims must be applied first to the main policy. Thus, where the main policy has unutilized monetary limits, any claims must be applied to the main policy. Once the limits under the main policy are exhausted, claims can be offset against the top-up policy

Where the top-up policy is providing an extension to benefits (such as additional physiotherapy sessions) the number of sessions under the main policy must be utilized first

Where benefits are not provided for or are excluded under the main policy, claims can be offset immediately against the top-up policy

Where the top-up policy covers treatment in geographic areas beyond those of the main policy, treatment may be provided in such areas and the costs covered under the top-up policy. There is no compulsion to receive treatment in the geographic area of scope covered by the main policy

### Claims administration

Claims for all top-up policies must be administered through the eClaimLink portal

### Product registration

All top-up policies must be registered on the product registration system that is currently under development once it is available

### Policies purchased in foreign jurisdictions

HFD has no objection to residents utilizing policies that they have purchased abroad. However, such residents must still meet the requirement to have a locally issued policy that at least covers the minimum requirements

HFD will have no jurisdiction to protect consumers holding such foreign policies and will not entertain complaints against the issuer of such policies or the use of such policies in the UAE

The priority of benefits rule above does not apply to such policies

**The marketing of such policies in or into the Emirate of Dubai is prohibited** as detailed in Standards Notice 04-2015 on marketing standards issued 25 October 2015

### Residence visa issuance

Top-up policies on their own will not satisfy the visa issuance requirements which require the individual to hold a health insurance policy that meets or exceeds the minimum requirements of the Essential Benefits Plan

### Member Register requirement

Top-up policies do not have to be registered on the Member Register at present but all insurers will be required to do so commencing 1 March 2016

### Lower Salary Band (LSB) workers

We do not envisage top-up policies for LSB workers being required. However if an LSB worker does require such a policy it may only be issued by a Participating Insurer

### Payment of premiums

Premiums may be paid by the individual or by his or her sponsor. We do not expect insurers or intermediaries to use top-up policies as a means of shifting the burden of payment for benefits under a main policy from the sponsor to the employee and we will be monitoring the market closely, issuing regulations if necessary