

**Standards Notice pursuant to the Health Insurance Law (No 11 of 2013) of the Emirate of Dubai**  
**Standards Notice Number 1 of 2014 (SN 01/2014)**

Subject of this Standards Notice	Facilitation agreements between a Participating Insurer (PI) and a non-Participating Insurer (non-PI) in relation to Lower Salary Band (LSB) workers
Applicability of this Standards Notice	This Standards Notice applies to all insurance companies holding Dubai Health Insurance Permits who wish to enter into facilitation agreements subject to this notice
Purpose of this Standards Notice	To specify the essential clauses of any facilitation agreements between PIs and non-PIs in relation to LSB workers
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Publication date	10 November 2014
This document replaces	Not applicable
This document has been replaced by	Not applicable
Effective date of this Standards Notice	Immediately upon publication
Grace period for compliance	None

**Objectives of this Standards Notice**

- To advise insurance companies who are contemplating establishing facilitation agreements between PIs and non-PIs in relation to the insurance of LSB workers of the expected essential matters that DHA expects such agreements to address
- To ensure that any such agreements work to protect the interests of the PI, the non-PI and the consumer
- This Standards Notice is not intended to dictate the commercial terms of any such agreements

**Essential items of such agreements**

DHA Health Funding Department (HFD) requires all such agreements to contain clauses that address the following:

- a) The services (if any) that the non-PI will provide for which it will be remunerated by the PI together with terms of such remuneration;
- b) A clear statement that no introductory commission or any other form of remuneration will be paid by the PI (or any associated company) to the non-PI (or any associated company) in return for the introduction of the client by the non-PI to the PI;
- c) Reinsurance arrangements whereby the PI will cede risk to the non-PI (subject to the non-PI having a valid federal license to accept reinsurance business and to the PI retaining such percentage of the risk as stipulated by DHA);
- d) Extent of joint branding on insurance cards and any other documentation. This must clearly indicate against the PI name or logo "Insured by" and against the non-PI name or logo "Facilitated by";
- e) A non-compete clause that stipulates that the PI will not approach the non-PI client with the intention of procuring additional business, be that health insurance or any other line of business. However, should the client make an unsolicited approach to the PI, such approach can be entertained by the PI and will not be in breach of such clause;

- f) Arrangements to deal with existing client schemes subject to the agreement in the event that the PI lose its PI status or should the non-PI acquire PI status;
- g) The term of the agreement;
- h) Arrangements as to how ex-gratia payments that the non-PI may have made to its clients should it have insured them directly can be agreed with and made by the PI;
- i) Details of an agreement as to how complaints are to be dealt with, that is, whether they should be directed in the first instance to the non-PI or directly to the PI. In any event, a complaint about the PI will be logged by the PI in its complaint log and not as a complaint against the non-PI;
- j) A service level agreement wherein the PI agrees to jointly determined service levels that should be provided to the client in respect of the services it will provide;
- k) Arrangements regarding whether the client should deal with the non-PI for servicing matters or deal directly with the PI;
- l) In the case of either or both parties being a Takaful entity, agreement on the extent to which the facilitation agreement satisfies the requirements of Shari'a law in the opinion of the concerned Shari'a Boards.

#### Other terms

The parties to the agreement are free to include any other such terms and conditions in the facilitation agreement as they wish subject to any such terms and conditions not being in contravention of any laws of the United Arab Emirates, either Federal or of individual emirates

#### Approval

The parties must submit a copy of the agreement to HFD **before its execution** in order that it can confirm that all items listed above have been addressed. Any such confirmation does not constitute any determination by HFD of the legality of the agreement under UAE law