

The Law of Insurance No. (20) of 2005

**The Chairman of the Palestine Liberation Organisation;
The President of the Palestinian National Authority,**

Having reviewed the Amended Basic Law of 2003 and its Amendments;
Having reviewed the Law of the Commission of the Capital Market No. (13) of 2004 A.D.;

Having reviewed the Draft Law submitted by the Council of Ministers; and
Based upon what the Legislative Council has approved during its session which convened on October 5th, 2005; and

In the name of the Arab Palestinian People,

I hereby promulgate the following law:

Chapter I Definitions Article (1)

The following words and expressions mentioned in this Law shall have the meanings designated thereto hereunder unless the context determines otherwise:

The Minister: The Minister of Finance.

The Commission: The Commission of the Capital Market.

The Board: The Board of Directors of the Commission.

The insurance management: The management of insurance at the Commission.

Insurance business: The activity pertaining to the all types of insurance provided for in this Law, including the reinsurance and the

functions of the insurance agents, mediators and the specialists in life insurance (the actuaries) as well as any other activity related to the contract and business of insurance.

Insurance contract:

Any agreement or pledge in accordance with which the insurer adheres to pay to the insured or to the beneficiary to whose interest the insurance has been stipulated an amount of money, revenue, salary or any other financial indemnity in the event of the occurrence of the accident or the realisation of the risk specified in the contract, in return for a premium or any other financial payment which the insured pays to the insurer.

Reinsurance contract:

Any agreement or pledge between the original insurance company (the assigner company) and another company or companies (the re-insurers) in accordance with which the assigner company transfers to the re-insurers all or some of the risks to which it has adhered towards a third party in accordance with an insurance contract that it has originally taken responsibility for, in return for a specific amount which the assigner company pays to the re-insurers to be known as the premium of the reinsurance. In accordance with such contract, the re-insurers shall abide by the indemnifying of the assigner company for the damages which may be caused to it and which it has originally insured the third party against them.

The insurer:

The insurance company or the branch of the foreign insurance company which has obtained a license to exercise the insurance business in accordance with the provisions of this Law.

The Insured:

The person who has concluded the insurance contract with the insurer, or the beneficiary who has in the first place acquired the rights of the insurance contract, or to whom they were transferred in a legal manner.

The license:

The license of the exercise of the insurance business, which is issued in pursuance of the provisions of this Law.

The local insurance company:	Each company which is incorporated in Palestine and registered by the company registrar for the purposes of the performance of the insurance business.
The foreign insurance company:	Each company which is incorporated outside Palestine and registered by the company registrar for the purposes of the performance of the insurance business.
The branch:	The branch which is affiliated with the company and which performs the insurance business on behalf of the company and in its name and in pursuance of the license conditions.
The agent:	The person who is authorised to exercise the functions of the insurance agent on behalf of the company or one of its branches under a written authorisation from the company, including the acts of the agency of reinsurance.
The mediator:	The person who is authorised to exercise the functions of the insurance mediation between the insurer and the insured under a written authorisation from the insured including the acts of the reinsurance mediation.
The appointed insurance specialist (the actuary):	The person holding the certificate of an insurance specialist from one of the institutions recognised by the Commission and who has obtained a license therefrom to exercise the profession of the assessment of the value of the insurance contracts as well as the documents and accounts pertaining thereto and who is known as the “actuary” who is appointed to perform such task at the company.
The reserve of valid risks:	The amount which the insurer designates at the end of the fiscal year to cover the liabilities which may arise following the expiration of such year for insurance contracts that were issued prior to such date, but which are still valid.
The reserve of claims under settlement:	The amount which is designated at the end of the fiscal year to cover liabilities that have arisen from demands, a notification about which was made prior to the expiration of such year and which are still under settlement.
The margin of solvency:	The value of the assets of the company which exceed [the amount] required from it, thereby enabling it to satisfy its liabilities in full and pay the amounts of indemnities

immediately upon their maturity without such leading to the solvency of the company or its bankruptcy. The calculation of the margin of solvency shall be conducted in accordance with the policies of the Board of Directors of the Commission and the instructions of the Director General of the Management of Insurance pursuant to internationally recognised norms.

The certificate of solvency: The certificate issued forth by the management of insurance to the company and which states that it has complied with the requirements of the margin of solvency provided in this Law as well as the regulations and instructions issued in accordance with it.

The minimum amount of security: The amount which is equal to - at least - one third of the required margin of solvency. The management of insurance shall define the minimum limit of such amount by instructions to be issued forth therefrom.

The insurance fund: The total of assets which the company maintains for the security of the life insurance business with the exception of the entitlements of shareholders.

The auditor: The auditor of accounts who is legally licensed to work in Palestine and who is accredited by the management of insurance.

The motor vehicle: Each vehicle which moves along roads by automatic power of whatever type and the vehicle which is pulled or supported by a vehicle in case it was licensed therewith. The wheelchair shall be excepted therefrom.

The vehicle license: The official license issued forth by the Licensing Authority and which allows the moving of the vehicle along roads for a defined period of time.

The driving license: The official license issued forth by the Licensing Authorities and which allows its holder to drive a particular type or types of vehicles.

Heavy vehicles: Each vehicle whose gross weight exceeds four thousand kilogrammes, excluding each commercial vehicle that is licensed to transport seven passengers or more.

Light vehicles: Each private or public or commercial vehicle whose gross weight does not exceed four thousand kilogrammes.

Use of the vehicle: Travel by the vehicle, including its being driven and boarded as well as stepping out therefrom, their being pushed, pulled, handled, or repaired along the road by its driver or any other person outside the scope of his or her work. It shall also include the turning over or falling of the vehicle or the separation of any part thereof or from its cargo during the travel. The following shall be excepted from the use:

1. The loading or unloading or selling of goods or materials from the vehicle while it is being parked.
2. The vehicle which have been converted into engineering equipment in the work site, or subject to selling.

Road accident: Each accident that has resulted in the injury of a person with a physical damage due to the use of a motor vehicle, including the accidents resulting from the explosion or burning of the vehicle or a part of it or from another material of those materials necessary for its use. Also deemed to be a road accident is each accident that took place due to the damage of a vehicle that is parked in a prohibited place. Not to be deemed to be an accident is each accident that occurred due to the use of the mechanical power of the vehicle for a purpose other than that to which it is designated for the moving of the vehicle as well as each accident that occurred due to an action that has been made intentionally.

The injured: Each person who has suffered a physical damage due to a road accident. This includes the heirs of the deceased person.

Dependents: The spouse of the person as well as his or her parents and children under eighteen years of age unless he or she was pursuing his or her university education, or handicapped, provided that it is demonstrated.

The Fund: The Palestinian Fund for the Indemnity of the Injured in Road Accidents.

Chapter II

The Scope of the Enforcement of the Law

Article (2)

The provisions of this Law shall be enforced to all business of insurance. All companies, agents, mediators, insurance specialists and licensed actuaries, including the persons who bear relation to the insurance business as well as relevant matters, shall be subject to the provisions [of this Law].

Article (3)

1. The insurance business shall include the following branches:
 - A. Life insurance.
 - B. Health insurance.
 - C. Funds insurance (saving).
 - D. Fire insurance and risks associated therewith.
 - E. Transportation insurance and liabilities related thereto.
 - F. Accident insurance and insurance of and civil liabilities.
 - G. Insurance of the hulls [of ships] and their machines as well as liabilities associated therewith.
 - H. Insurance of the bodies of aircraft and their machines as well as liabilities associated therewith.
 - I. Motor vehicle insurance and liabilities associated therewith.
 - J. Insurance against career risks.
 - K. Other insurances.
2. The Council of Ministers shall issue forth the regulations necessary for the tackling of the other branches of the insurance business, such as the business of insurance pertaining to theft insurance against theft, personal accidents, abuse of the credit and engineering insurances, and any other types of insurance which are not provided under this Article and which the Council of Ministers deems in coordination with the Commission that it is necessary to tackle in a regulation.

Chapter III

The Duties, Capacities and Powers of the Commission

Article (4)

The Commission of the Capital Market shall regulate the businesses of insurance provided in this Law in order to:

1. Supervise and oversee the enforcement of the provisions of this Law and any laws, regulations and instructions pertaining to the insurance business, and take the measures and decisions and instructions necessary thereto.
2. In cooperation and consultation with the competent parties, put forward detailed policies for the enhancement and development of the insurance sector, set forth the regulations necessary for their implementation and take the measures and decisions necessary thereto within the parameters of its capacities which are defined in this Law.
3. In cooperation and coordination with the relevant parties, perform all that is necessary to make available the sphere appropriate for the growth and progress of the insurance sector in a manner effecting benefit upon the economic activity in Palestine.
4. Protect the rights of the insurers and beneficiaries from the insurance services and promote such services and accomplish the integrated competition between the insurers in a manner that safeguards their rights and interests through the enforcement of the laws, regulations, instructions and the general policy for the development of the insurance sector.

Article (5)

In implementation of the provisions of the Law of the Commission of Capital Market and based upon the decision of the Board, the Commission shall perform the following:

1. Set forth a regulation that includes the conditions and fees of the granting of the license to the insurance companies to exercise the insurance business as well as the documents, information and data which must be submitted in order to obtain it taking into consideration the provisions stated under Chapter VII of this Law.
2. Set forth a regulation for the imposition of fees in return for the services which the Commission renders to the companies, agents and mediators.
3. Put forward bases for the calculation of the insurance obligations and the technical reserves corresponding to them and define the method of the assessment of the assets of the company as well as the nature and distribution of the assets corresponding to the insurance obligations.
4. Put forward instructions for the defining of the margin of solvency and the minimum amount as well as the methods and means of their calculation and adopt forms, conditions and procedures for the issuance of the certificates of solvency.
5. Develop instructions for the bases in accordance with which the companies shall be allowed for reinsurance.
6. Set forth studies, research [papers], draft laws, regulations and procedures for the organisation of the insurance sector and for the achievement of supervision and

oversight, including for example but not confined to draft regulations in the following aspects:

- A. The methods of the calculation of the technical or accounting reserves which represent the obligations of the company.
 - B. The methods of the assessment of the assets of the company.
 - C. The nature of the distribution of the assets of the company which represent its insurance obligations and define their locations and the obligations that correspond to each one of them.
 - D. The methods of the calculation of the obligations of the company.
 - E. Arrangement of the reinsurance, including the information which the company must present in this regard.
 - F. Definition of the fees of licenses payable by the companies, insurance agents and mediators.
 - G. Definition of the level of prices or tariff pertaining to any type of insurance in the event the Commission deems it fit and expedient.
7. Issue forth and prepare publications and annual statistics about the insurance sector as well as media programmes for raising the awareness of businessmen and beneficiaries from the services of insurance about the importance of such services and their positive effect on the development of commerce, industry and national economy in general.
 8. Issue forth an annual report about the activities and accomplishments of the Commission as well as the developments taking place in the insurance sector. The report shall include the future plans of the Commission in regard of the insurance sector.
 9. Prepare draft decisions and instructions in the following aspects and present them to the Board for approval and issuance:
 - A. The procedures, conditions and forms required for the issuance of the certificate of solvency.
 - B. Prevention or limitation of the investment of funds gained from any category of insurance.
 - C. The percentage of the surplus which is distributed to the insured in the cases thus requiring.
 - D. The value of the securities required by the insurance agents and mediators.
 - E. The methods of bookkeeping, accounts, registers and documents of the company and insurance agents and mediators as well as the details required to be included on such documents.
 - F. The data and documents required to be submitted to the Board about any of the activities of the company and the stipulation that such documents be certified by professional persons and by members of the Board of Directors or by any functionary who is appointed by the instructions which the Board sets forth.
 - G. Dissemination of the data and information received in reports and registers in the manner which the Board approves, and distribution of such data and

information to the competent governmental authorities and to those concerned with the insurance business.

10. Define the bases of the distribution of the surplus designated for the holders of insurance contracts in the cases that so require.
11. Set forth instructions for the statement of the bases which must be followed in the keeping and organisation of account books, registers and documents for the companies, agents and mediators as well as define the data and details which must be entered on such documents.
12. Disseminate the data and information stated in the books and registers of the company in the manner which the Board recommends and send them to the relevant official authorities and any other parties concerned with the insurance business.
13. Put forward instructions in accordance with which the companies shall adhere to the submission of the following information:
 - A. The data and information stated in the books, registers and documents of the company and any other information related to the operations of the company, including data on the insurance contracts which it issues forth as well as their types and reinsurance and expenses of the company, in addition to any information about the activities of any company of joint ownership with the insurance company or with which it is associated therewith in any form whatsoever.
 - B. Information about the management of the company and its director general and heads of departments therein as well as its technical staff and its auditors, in addition to information about any modifications proposed for such functions.

Article (6)

Based upon the decision of the Board, the Commission may exercise the following powers:

1. Prevent or restrict the investments of the company in particular fields.
2. Put forward the conditions on the granting of the license to the insurance agents and mediators as well as insurance experts and define the qualifications and expertise which they shall be required to meet, including life insurance specialists (the actuaries).
3. Issue forth orders to the companies, agents and mediators in order to oblige them to comply with the provisions of the Law as well as regulations and instructions subject to the penalties provided in this Law.
4. Appoint a specialist on life insurance or on any other type of insurance, or a legal auditor to audit the business of any company, and evaluate its positions and submit a report thereon. The company shall afford the rates of the auditing as well as the fees of the insurance specialist which the Commission defines. The

Commission shall be entitled to publish the report or a summary thereof in the fashion which it deems fit.

5. Not approve the appointment of the director general of the company or any of the senior functionaries therein or the accredited insurance agent or the auditor due to unavailable necessary competence or experience by them.
6. Develop regulations or bylaws that oblige the insurance companies operating in Palestine of reinsurance at the local reinsurance companies and define the applicable bases and rates of reinsurance.
7. Develop regulations or bylaws for the imposition of the obligatory insurance against particular risks and define its general conditions and provisions and limits of responsibility therein.
8. Set forth a professional code of conduct to be complied with by all companies and agents and mediators upon the putting forth of the terms and conditions of the insurance contract and upon dealing with the insured.

Article (7)

The Commission shall form a committee to supervise and monitor the insurance from within and without the Commission, provided that the Insurance Consortium be represented therein, and shall authorise it with its powers which it deems appropriate in this regard.

The General Management of the Insurance

Article (8)

1. For the implementation of the objectives of the Commission, for the regulation and oversight over the insurance business and for the preservation of the entitlements and interests of the insured, the Insurance Management shall assume on the basis of the Law of the Commission of the Capital Market and this Law the powers and responsibilities necessary for the implementation of the duties assigned thereto.
2. Registers shall be drawn up inside the General Management of the Insurance that shall remain open to the public in order to view their contents. These shall include:
 - A. A general register including the titles and addresses as well as financial and basic information about the companies operating in Palestine and about the agents, mediators and specialists on life insurance who are licensed by the Commission.
 - B. An independent register for each company that includes the audited annual accounts as well as detailed information and data about the company, including the insurance premiums, indemnities, claims, assignments of contracts, investment, deposits and technical reserves which the company keeps in addition to any other information or facts necessary for the protection of the insured.
 - C. An independent register for each insurance agent, mediator or specialist on life insurance, in which the information and facts related to them shall be

recorded as is defined in instructions issued forth by the Insurance Management.

The Director General of the Management Article (9)

The insurance management shall be presided by a Director General who shall enjoy the following powers:

1. Assign the managerial body of the Commission to initiate investigation to obtain the information required and expedient for the oversight and supervision over the insurance business and for the control of the enforcement of the Laws, bylaws, instructions and orders.
2. The Director General of the Insurance Management or the person whom he or she delegates shall be entitled to verify at any time all the transactions, registers and documents of the company, agents and mediators.
3. For the purposes of ensuring the adherence of the companies, agents and mediators to the provisions of this Law, the Director General of the Insurance Management shall have the right to request that companies as well as insurance agents and mediators or those wishing to obtain a license provide him or her with the following:
 - A. Accounts and books of the company and the books of the insurance agents and mediators in the manner provided for in the Law and any information about the financial status of the company, agents and mediators as well as about any company having a relation of ownership with the insurance company or is associated therewith. The Director may request the certification of such information or the obtaining of a certificate on its validity from a party which he or she defines.
 - B. The general and special conditions and the rates of premiums related to particular types of insurance contracts. The Director General may request such information prior to the conclusion of any insurance contract.
 - C. Any other information pertaining to the subject of the investigation.
4. In the event information are available to the Director General of Insurance, or he or she has an adequate reason for scepticism that the company has not paid its obligations or that it is likely to fail to do so or that it will not be able to preserve the margin of solvency prescribed in the Law, the Director General of the Insurance Management following the referring of the issue to the Board and receiving of its instructions may request that the company take within a limited period of time one or more of the following measures, as he or she deems fit. Such measures may be permanent or temporary.
 - A. Completely cease the performance of new insurance business, or halt the exercise of a specific type or category of insurance business.
 - B. Put forward a particular limit for the income of the company from insurance premiums.

- C. Liquidate its investments in a specific category or a specific item within a particular period of time.
 - D. Keep assets in Palestine the value of which equals all or a particular amount of its obligations arising from its business in Palestine.
 - E. Take any other measures in accordance with the definite instructions of the Council.
5. The measures detailed in Paragraph (4) under this Article shall be taken in the following cases:
- A. In case the company fails to implement any article in this Law or the regulations and instructions issued forth in accordance with it.
 - B. In case the Director General of the Insurance Management deems that the proceedings of the company which are necessary for the reinsurance against the risks which the company affords are insufficient or that the company does not take such proceedings.
 - C. In case the company commits a grave contravention of the presentation or the programme of work submitted to the Director General of the Insurance Management whilst it had obtained the license based upon such programme.
6. To request that the auditor of the company provide him or her with the information which he or she deems to be necessary for the oversight and auditing of the company's business, provided that the auditor submits such information within the period of time which the Director General of the Insurance Management defines. In the event the company's main office is outside Palestine, the information which must be submitted by the auditor to the Director General of the Insurance Management shall be restricted to the company's business in Palestine only.
7. To request that the company provide him or her within a period of time not exceeding thirty days with information about the commissions which the company pays to the insurance agents and mediators. If it appears on the basis of the information sent from the company or others that the commissions paid to the agents and mediators exceed the reasonable limit, the Director General of the Insurance Management may following the presentation of the issue to the Board and obtaining of its approval request in writing that the company reduce the commissions which it pays in regard of all or some types of the insurance, within a defined period of time not exceeding two months from the date of the request.
8. The Director General of the Insurance Administration, based upon the decision of the Board, set forth instructions to prevent the payment of in-kind commissions to the agents and mediators or the payment of them in the form of loans before the company or the agent receives the premiums related thereto.
9. For the purposes of the investigation provided in the Law, the Director General of the Insurance Management may by himself or herself, and may delegate a person representing him or her, to perform the following:

- A. Enter the offices of the company or any other offices which he or she suspects that they contain documents and registers related to the insurance contracts and certificates of shares or any other document related to the insurance business, provided that the entry is conducted at the times of the company's function.
- B. Request that any functionary at the company or at any party having a relation of ownership with the insurance company or is associated therewith present the books, documents and registers which he or she has and which include the requested information.

Article (10)

1. The auditor must submit a report within a maximum period of three days to the Director General of the Insurance Management in the following cases:
 - A. In the event the auditor deems that the financial status of the company may negatively impact its ability to satisfy its obligations towards the insured or its capacities to meet the financial requirements provided in the Law or the instructions and orders issued forth in accordance with.
 - B. In the event the auditor sees a grave defect in the financial system and the oversight system or in the accounting registers of the company.
 - C. In case he or she has kept any certificate that is related to the financial data of the company and its income which he or she is requested to submit in accordance with the Company Law or this Law.
 - D. In case the auditor decides to resign or not accept the appointment of him or her again in the company.
2. The auditor must provide the company with a copy of the report referred to in Paragraph (1) under this Article on the same date of its submission to the Director General of the Insurance Management.

Chapter IV

Article (11)

Each legitimate economic interest that benefits the person without the occurrence of a particular danger shall be subject to insurance.

Article (12)

The following conditions which are stated in the insurance document shall be invalid:

1. The condition which stipulates the revocation of the right to insurance due to the contravention of the laws unless the contravention entails an deliberate offence.
2. The condition which stipulates the revocation of the right of the insured due to his or her delay in the reporting of the accident insured against to the parties required

to be notified [thereof] or in the submission of documents, in case it appears that the delay was due to an admissible excuse.

3. Each condition that is typed but does not appear in a visible manner and which was related to a case of those which lead to nullity or revocation.
4. The condition of arbitration in the event it is stated in the document amongst its general conditions that are typed, not in the form of a special agreement that is separate from the general conditions.
5. Each other arbitrary condition the contravention of which does not bear an effect in the occurrence of the accident insured against.

Article (13)

1. An agreement may be concluded as to exempt the insurer from the security in the event the beneficiary admits his or her liability or pays a security to the aggrieved party without the consent of the insurer.
2. An agreement may not be concluded as to exempt the insurer from the security in the event the declaration of the beneficiary is restricted to a physical fact, or in the event he or she proves that the payment of the security was in the interest of the insurer.

Article (14)

The insurer, in the event it has paid an indemnity for the damage, may replace the insured in the actions which belong to the insured before the person who has caused the damage from which the liability of the insurer resulted by the security which it has paid, unless the person who has caused the unintentional damage is not from the ascendants or descendants or the spouse of the insured or a person for whose actions the insured is liable.

Chapter V

The Obligations of the Insured and Insurer

The Obligations of the Insured

Article (15)

The Insured shall adhere to:

1. Pay the amounts agreed upon on the date defined as such in the contract.
2. Declare at the time of the conclusion of the contract of all the information which the insurer requests to know in order to assess the risks which it assumes.
3. Notify the insurer of necessary matters which lead to the increase of such risks during the period of the contract.

Article (16)

1. In the event the insured conceals under an ill intention a matter or submits an incorrect statement in a manner that reduces the relevance of the risk insured against or leads to the change of its subject matter or in the event he or she violates by means of fraud of the satisfaction of what he or she has pledged to do, the insurer shall be entitled to request the annulment of the contract. It may also demand the payment of the due premiums prior to such request.
2. In case fraud or bad intention is dispelled, the insurer must upon the request to annul the contract return to the insured the premiums which have been paid or return from them the amount which was not afforded in meeting a particular risk.

The Obligations of the Insurer

Article (17)

The insurer shall adhere to compensate the insured for the damage resulting from the occurrence of the insured risk in accordance with the provisions pertaining to each type of insurance.

Article (18)

The insurer must pay the due security or amount to the insured or beneficiary in the manner agreed on upon the realisation of the risk or maturity of the date allotted in the contract.

Article (19)

The obligation of the insurer shall exert its effect in the insurance from the civil liability unless the aggrieved party demands the beneficiary following the occurrence of the accident from which such liability has arisen.

Article (20)

The insurer may not pay to any person other than the aggrieved one (all or some of) the amount of indemnity agreed upon so long as the aggrieved party has not been indemnified for the damaged caused to him or her.

Article (21)

1. The liabilities arising from the insurance contract shall be revoked by prescription following the expiration of five years from the occurrence of

the accident from which those liabilities arose, without taking any measure to claim them.

2. Nevertheless, the period mentioned in the previous paragraph shall not be effective:
 - A. In case the insured conceals the data pertaining to the risk insured against, or presents incorrect or inaccurate data except from the day on which the insurer learns about it.
 - B. In case the accident insured against occurs except from the date on which the concerned parties know about its occurrence.

Chapter VI

Provisions Pertaining to Some Types of Insurance

Article (22)

Each agreement that contravenes the provisions mentioned under this Chapter shall be void, unless such is in the interest of the insured or in the interest of the beneficiary.

The Mutual Cooperative Insurance

Article (23)

Several persons may perform the business of the mutual cooperative insurance through their participation in cash shares in order to indemnify the person from among them who is aggrieved, whether in the body or in the properties or in the civil liability. In case the capital is not sufficient for the indemnity of the damage, the shareholders shall, each in the amount of his or her share, pay the amounts necessary for the remedy of the damage.

Each member in this system shall be deemed to be insured by means of cooperation.

An agreement may be reached on the investment of such funds and the outcome of investment shall be distributed to the members in accordance with the agreement reached.

Fire Insurance

Article (24)

1. In the fire insurance, the insurer shall be responsible for all the damages arising directly from a fire or for the outset of a fire that can develop into a complete fire, or for the risk of a fire that can be realised.
2. The obligation of the insurer shall cover the damages which are an inevitable result of the fire, and in particular the damage caused to the insured properties due to the taking of rescue methods or preventing of the spread of the fire.

Article (25)

1. The insurer shall be responsible for the damages of the fire which takes place because of a non-deliberate error by the insured or beneficiary.
2. The insurer shall not be responsible for the damages which the insured or beneficiary causes intentionally or deceptively even though it agrees to otherwise.

Article (26)

The insurer shall be responsible for the damages of the fire which is caused by dependents of the insured, whatsoever the type and extent of their error.

Article (27)

The insurer shall be responsible for the damages resulting from the fire even if such fire has arisen from a defect in the insured property.

Article (28)

1. The person who insures a property or interest at more than one insurer must notify each one of them of the other insurances and the value of each one of them and the names of the insurers other than it.
2. The amount of insurance (in the case of multiple insurers) must not exceed the value of the insured property or interest.

Article (29)

In case a property or interest is insured at more than one insurer with amounts exceeding in their total the value of the insured property or insured, each insurer shall be obliged to pay a portion that equals the rate between the value of the insured property or interest and the total amounts of insurance, provided that the total payment [given] to the insured does not exceed the value of the damage caused to him or her by the fire.

Article (30)

Fire insurance which is concluded on the movable property of the insured *en bloc* and which are present at the time of the fire in the places which he or she occupied shall have its impact extended to the properties owned by the members of his or her family and the persons annexed to him or her service and reside with him or her.

Article (31)

1. In case the insured property is under a mortgage or insurance or other in-kind securities, such entitlements shall transfer to the security due for the insured by virtue of the insurance contract.
2. In case such entitlements are registered or notified to the insurer, he or she may not pay what he or she is obliged of to the insured except upon the consent of such creditors.
3. In case the insured property is seized or such property is placed under custody, the insurer may not in case it is thus notified pay to the insured any thing of what he or she is obliged to.

Life Insurance

Article (32)

In life insurance, the insurer shall adhere to pay to the insured or to the beneficiary upon the occurrence of the accident insured against or the maturity of the date provided in the insurance contract the amounts agreed upon in the contract without need to prove the damage caused to the insured or the beneficiary.

Article (33)

1. For the enforcement of the contract of insurance on the life of a third party, the written agreement of the third party shall be required prior to the conclusion of the contract. In the event he or she is not eligible, the contract may not be effective except on the agreement of his or her legal representative.
2. Such agreement shall be necessary for the validity of the transference of the right to benefit from the insurance or the validity of the mortgage of such right.

Article (34)

The insurer shall be discharged from his or her obligation to pay the amount of insurance in the event the person insuring his or her life commits suicide. Nonetheless, the insurer shall adhere to pay to whom the right devolves an amount that equals the value of the insurance reserve.

In the event the reason behind suicide is an illness that deprived the sick person of his or her will, the whole obligation of the insurer shall remain effective. The insurer must prove that the person insuring his or her life has died of suicide. The beneficiary must prove that the person insuring his or her life was at the time of committing his or her suicide deprived of will.

Article (35)

1. In the event the life insurance covers a person other than the insured, the insurer shall be discharged from his or her obligations once the insured has deliberately caused the death of such person, or the death has been caused based upon an agreement or incitement or assistance from him or her.
2. In the event the life insurance is in the interest of a person other than the insured, such person shall not benefit from the insurance in case he or she deliberately caused the death of the person whose life is insured, or the death has been caused based upon an agreement or incitement or assistance from him or her. In case what is caused by such person was a mere commission to cause the death, the insured shall have the right to replace the beneficiary with another person, even if the beneficiary accepts the insurance that had been stipulated for his or her benefit.

Article (36)

1. In the life insurance, an agreement may be made in that the amount of insurance be paid, either to a particular person or persons, or the insured shall appoint them at a later time.
2. The insurance shall be deemed to be concluded for the interest of specific beneficiaries in case the insured demonstrates in the document that the insurance is concluded for the interest of his or her spouse or children or descendants, those who were born and those who have not been born yet, or for his or her heirs without mentioning their names. In the event the insurance is in the interest of the heirs, those shall have be entitled to the amount of the insurance, each one of them according to the rate of his

or her share in the hereditament. Such right shall be proven to them even if they abandoned the hereditament.

Article (37)

The insured who has adhered to paying periodical premiums may break up the contract at any time by a written notice which he or she sends to the insurer stating his or her wish thereof. He or she shall be acquitted from subsequent premiums.

Article (38)

1. The erroneous data nor the mistake in the age of the person who concluded the insurance on his or her life shall not result in nullity of the insurance, unless the real age of the insured exceeds the prescribed limit provided in the bills of insurance.
2. In the event the erroneous data or the mistake results in that the agreed premium is less than the payable premium, the amount of insurance must be reduced in the amount equal to the percentage between premium agreed upon and the payable premium on the basis of the real age.
3. In case the premium agreed to be paid is larger than that which must be paid on the basis of the real age to the person who is insuring his or her life, the insurer must return the increase which he or she obtained, and to reduce the following premiums to the limit which is consistent with the real age of the insured.

Article (39)

In the life insurance, the insurer who has paid the amount of the insurance shall have the right to replace the insured or the beneficiary in his or her rights before the person who caused the insured accident or before the person responsible for such accident.

Article (40)

The amounts agreed to be paid upon the death of the insured shall not enter in his or her estate and his or her creditors shall not have a right therein. However, they may restore the premiums which he or she paid in case this does not conform to the financial status of the insured.

Article (41)

1. In the lifelong contracts which are concluded without stipulation that the insured stays alive for a particular period of life, and in all the contracts in which it is stipulated that the amount of indemnity is paid following a specific number of years, the insured once he or she has paid at least three annual premiums may replace the original document with a document that is paid in return for a reduction in the value of the amount of the indemnity unless an agreement provides otherwise.
2. The life insurance shall not be subject to reduction in the event it was temporary.

Liability Insurance

Article (42)

The insurer shall afford the losses and damages which the persons for whom the insured bears a civil responsibility whatever the nature and risk of the errors of those person. He or she shall also afford the losses and damages resulting from the properties and animals which are in the custody of the insured.

Article (43)

The insurer shall not be demanded [to pay] indemnity in the event the insured causes damage to a third party unless the aggrieved third party directs to him or her a conciliation application or lodges a suit at law against him or her.

Article (44)

The insurer shall afford the litigation expenses that result from each suit at law that is filed on the basis of liability against the insured.

Article (44)

The aggrieved shall have the right to demand the insurer directly within the limits of the damage caused to him or her as well as the value of insurance prescribed in the contract.

Chapter VII

Companies of Insurance and Reinsurance

The Incorporation of the Company

Article (46)

1. No person may exercise the insurance business unless they are a Palestinian public shareholding company that is registered in Palestine in accordance with the laws

and that is licensed in accordance with this Law and the regulations and instructions issued in accordance with it, or are a foreign company that is registered and licensed to work in Palestine under this Law and the regulations and instructions issued forth in accordance with it. Any insurance contract or agreement concluded by an insurer that does not meet the condition provided under this Article shall be void in an absolute manner.

2. All shares are required to be nominal and at least 51% of which shall be owned by Palestinian persons on a permanent basis.
3. The insurance contract shall be drawn up in Palestine in the Arabic language for all types of insurance. An accurate translation of the contract may be included in another language. In the event of difference in regard of the interpretation of the contract, the Arabic text shall be adopted.

Article (47)

In a manner that does not contradict the provisions of this Law, the provisions of the Company Law shall be enforced to the companies of insurance and reinsurance.

The Registration of the Company

Article (48)

1. The Commission shall put forward a bylaw that describes the procedures of incorporation and conditions which must be fulfilled by the incorporators.
2. The company may not commence the exercise of its business unless it is registered on the designated register. In addition, it may not exercise any branch of insurance other than those with which it was registered.
3. Each insurance contract that has been concluded in contravention of the provisions under the two previous paragraphs shall be deemed to be invalid. Such invalidity may not be remonstrated against the insured persons or beneficiaries from the contracts which the company has issued unless their ill intention is proven.

Article (49)

1. The company must notify the Commission of each amendment or modification that is introduced to the data of the application for incorporation, bylaw, licence of exercise, contracts or documents attached therewith.
2. In the event the amendment or modification mentioned in the Paragraph above addresses the bases of the operations of insurance or the privileges, restrictions and conditions which the insurance contracts vest, the

company must, in case it exercises operations of life insurance or composition of funds (saving), submit along with the notice a certificate from an actuary expert registered by the Commission which states that the prices, benefits, restrictions and conditions are correct and executable.

3. Such amendments or modifications may not be implemented except following their approval by the Commission. The expiration of thirty days from the date on which the Commission was notified of the notice without a decision thereon been issued shall be deemed as an agreement to the amendments or modifications.
4. The approved amendments shall be published in the Palestinian Official Gazette at the expense of the company.

The Insurance License

Article (50)

1. The registration of the company in itself shall not be deemed to be a license for the exercise of the insurance business.
2. The company which wishes to exercise the insurance business in Palestine must obtain a licence for the exercise of such business, after having paid the legal fees.
3. The Commission shall prepare a regulation that states the procedures and documents required for the obtaining of the licence.

Article (51)

1. Following the submission of the papers required for obtaining the licence, the Director shall submit a report to the Commission within a period of time that does not exceed thirty days and which shall include his or her opinion regarding the fulfilment of the conditions for the granting of the licence as well as the types of insurance which he or she deems that the company may exercise. The Committee may approve the granting of the licence and define the types of insurance which the company shall be permitted to exercise. It may also reject the application based upon a justified decision, provided that its decision is issued forth in any of the two cases within thirty days from the date on which it receives the report of the Director.
2. In case the Commission agrees to the granting of the licence, the Director shall prepare the licence certificate and publish its content in the Palestinian Official Gazette following the payment of the legal fees.

Article (52)

1. The duration of the license shall last for one year commencing from the date of its being granted until the end of the Gregorian year. The part of the year shall be deemed to be a whole year for the purposes of the fees. The licence shall be renewed on an annual basis by a request which the company submits to the

Director at least thirty days prior to the commencement of each Gregorian year. The Director shall prepare the certificate of the renewal of the license following the payment of the fees.

2. In the event the company does not submit the request for the renewal of the license within the period of time provided in Paragraph (1) above, it may not issue forth new insurance documents following the expiration of such period. In this cases, the company shall be deemed to be suspended from operation and shall be given a respite of ninety days to submit the request for renewal. In the event the company does not submit such request, the Commission shall issue forth a decision to annul the licence based upon the recommendation of the Director.
3. The licence shall be renewed in case the company submits a request thereto with the legal respite of time provided under this Article.

Article (53)

The company must show on the official papers issued forth by it that it is licensed to exercise the business of insurance or reinsurance as well as the number and date of its registration on the company register at the Commission.

The Cessation of the Licence

Article (54)

Based upon the Director's recommendation, the Commission may cease the implementation of the licence for one or more type(s) of insurance for a period not exceeding one year in any of the following cases:

1. In the event company contravenes the provisions of this Law or the bylaws or decisions issued forth in accordance with it, or contravenes the provisions of any law that relate to the business of insurance.
2. In case the insurer abstains from the implementation of a legally executable provision.
3. In case any matter that necessitates the increase of the deposit is introduced to the financial status of the company due to the decrease of its value and the company refrains from completing the deficit within the period which the Commission defines.
4. In case the company incurs in any year losses that exceed half of its capital but is not able to reduce such loss to less than that within the fiscal year following the realisation of such loss.

Article (55)

In the event of the cessation of the licence, the Director shall notify the decision to the company. The decision must be justified and must state the period and date from which the cessation commences.

Article (56)

1. In case the licence is ceased, the company may not issue forth new insurance documents for those types which are ceased.
2. All the rights and liabilities pertaining to the documents of insurance issued prior to the cessation shall remain valid as if the company performs the insurance business.

Article (57)

The company whose licence is ceased may submit an application to the Commission through the Director in order to return the licence to it, provided that the application is supported with documents which prove the termination of the reason due to which the licence has been ceased. The Commission shall be entitled to accept the application or reject it by a justified decision.

Article (58)

In the event the company does not remove the reason which has led to the cessation of its licence for any type of insurance under the provisions of Article (83) below within the period which the Commission has prescribed, its licence shall be annulled for such type by a decision from the Commission.

Chapter VIII

The Properties of Insurance Companies and their Liabilities

Article (59)

The insurance companies must reinsure the insurance operations which they conclude in Palestine at one of the reinsurance companies which the Commission approves on the basis of rates, on the definition and designation of the date of the commencement of their validity of which, a decision is to be issued forth by the Commission.

Article (60)

The company shall be prohibited from commencing its business on the basis of the link between the amount of the premium which the bearer of the document pays (wholly or partly) and the number of documents which are payable on a particular date.

Excepted from this shall be the profits which are distributed to the bearers of documents which the life insurance companies and the composition of funds (saving) issue forth from the surplus which the actuary expert defines following the conduct the examination mentioned under Article (82) below.

Article (61)

1. Each company that exercises insurance of life and composition of funds (saving) must allocate in Palestine properties the amount of which shall at least be equal to the amount of the arithmetical liability prior to the bearers of documents and beneficiaries therefrom for the operations which the company conclude and execute in Palestine, on the condition that the value of such properties is not less than fifty thousand Jordanian Dinars or its equivalent in the legal currency.
2. Such properties must be completely separate from the properties pertaining to the other insurance operations.
3. The persons other than the insured and beneficiaries from the documents of the insurance of life and composition of funds (saving) may not make seizure on such properties.

Article (62)

1. Each company which exercises insurance operations other than those provided under Article (61) above must present to the Commission a deposit which the Commission defines in order to meet its liabilities before it commences business, on the condition that the deposit of foreign companies is as double much as the deposit of Palestinian companies.
2. The Commission shall define the amount of the deposit provided in the previous Paragraph.

Article (63)

The deposit provided under Article (62) above shall consist of the following:

1. 25% in cash as minimum to be deposited in the bank in the name of the company for the order of the Commission. The Commission may decide to raise such percentage in case it deems a justification thereto.
2. The remainder of the deposit shall be in the form of shares and bonds at Palestinian shareholding companies or bonds issued forth by the Government of Palestine or municipalities or official public institutions.

The sign of mortgage upon such shares and bonds shall be placed for the order of the Commission and shall be accepted for the purposes of the deposit on the basis of its nominal or market value, any of which is lesser.

3. Notwithstanding any other provision in other items of legislation, the Commission shall be entitled to appoint the approved banks in Palestine in which deposits shall be deposited.

Article (64)

Based upon the company's request, the Commission may agree to the replacement of any type of non-cash deposits with another type, provided that the value of the new deposit is not less than the value of the original one.

Article (65)

The bank may not dispose of the deposit available at it or any portion thereof except based upon a definitive judgement issued forth by a Palestinian specialised court or by a written permission from the Commission, provided that it publishes an announcement in two local daily newspapers at least twice prior to the delivery of the deposit or disposing thereof during a period of not less sixty days.

Article (66)

1. The beneficiaries from the documents of insurance which the company concludes and executes in Palestine shall have a privilege over the properties designated under Articles (63, 64 and 65) above.
2. In rank, such privilege shall follow the privilege prescribed in the Civil Law.

Article (67)

Each of the company and the bank at which the deposit is available must notify the Commission of any decrease that is introduced to the value of the deposit within a period of time not exceeding seven days from the date on which the decrease commences to occur. The Director may request from the company and bank at any time the information which he or she deems necessary in regard of the deposit and they must submit it to him or her within the period of time which he or she allocates for them.

Article (68)

1. The Commission must request that the company complete the value of the deposit in case it decreases from the limit prescribed thereto in accordance with the provisions of this Law for any reason whatsoever.
2. The company must complete the value of the deposit within a maximum period of sixty days from the date on which it receives the Commission's request. Otherwise, it shall be subject to the cessation of the implementation of the company licence in accordance with the provisions of this Law.

Article (69)

The company must:

1. Keep the margin of solvency in relation to all its businesses in conformity with the instructions issued forth by the Commission.
2. Maintain the minimum amount for the security in relation to all its businesses.
3. Keep in Palestine the properties and reserves in the amount which the Commission defines.
4. Keep in each fiscal year a reserve for the pending claims as well as those under settlement in accordance with the instructions issued forth by the Commission.

Article (70)

The employees of the company must be Palestinians. However, it may employ foreigners who are specialists in the insurance business upon the approval of the director.

Article (71)

1. The Chairman and members of the Board of Directors of any insurance company that is active in Palestine as well as its Director General or his or her deputy or representative or any department manager or head of section shall be prohibited from receiving any commission from any business of insurance.

2. The member of the Board of Directors of the insurance company or the Chairman of the Council or its Director General may not perform any act that is competitive with its business or take part in the management of another company that is similar or competitive therewith.

Chapter IX

The Registers and Accounts of the Companies of Insurance and Reinsurance

The Registers of the Company

Article (72)

- A. The company must keep the following registers for each branch of insurance:
 1. The register of documents, in which all documents which the company concludes, including a statement of the date of the submission of the application, the addresses of the bearers of documents, the date of the conclusion of each document, duration of insurance, its amount, and the modifications and changes introduced thereto.
 2. The register of indemnities, in which all claims which are submitted to the company are registered, including a statement of the date of the submission of each claim, the name of the document bearer, the aggrieved person, the beneficiary and his or her address, number of document, the amount of the reserve prescribed for the accident and the date of the payment of the indemnity. If rejected, the date and reasons behind the rejection shall be mentioned.
 3. The register of agents, in which the company documents the name and address of each agent who works for it.
 4. The register of agreements, which shall include all the agreements which the company concludes, including a statement of the names and addresses of the entities with which it concludes them, the date of the conclusion of each agreement, the date of its expiration, changes introduced thereto, and any other data which the company deems to be important in regard of the agreement.
 5. The register of appropriated money, which shall be indicated by the Commission. In it shall be stated the employed funds which the property to be appropriated in Palestine must include as well as the modifications introduced to the composition of such funds. The funds relating to the operations of life insurance and composition of funds (saving) as well as other operations of insurance must be registered separately.
- B. The reinsurance companies shall abide by the keeping of the two registers mentioned in Paragraphs (4 and 5) under this Article only.

The Fiscal Year of the Company and its Accounts

Article (73)

The fiscal year of the company shall commence from the beginning of the Gregorian year and shall terminate upon its expiration.

Article (74)

1. The company must keep special accounts for each branch of insurance separately.
2. The Commission may assign the company to keep a special account for one or more type(s) of insurance operation(s) which are included under one type.

Article (75)

1. The company must submit to the Commission on an annual basis and on the date which it defines the data and accounts made clear below:
 - A. The budget.
 - B. The account of profits and losses.
 - C. The account of the distribution of profits.
 - D. The account of revenues and expenditures for each branch of insurance separately.
 - E. A summary of the agreements on reinsurance.
 - F. A statement of the properties of the company which must be available in Palestine in accordance with the provisions of this Law, to be supported by the documents which the Commission requires. Such data must be enclosed with a report on the company's business in Palestine during that year.
2. Such data shall be prepared in conformity with the forms which the Commission defines and shall include all the operations conducted by the company in Palestine as well as abroad separately.
3. Such data and papers must be signed by the Chairman of the Board of Directors of the company and its Financial Manager. The data pertaining to life insurance as well as composition of funds (saving) must also be signed the actuary expert.

Article (76)

1. An auditor to be chosen by the General Assembly of the company from among those registered on the register of the Commission shall review the accounts of the company.

2. One auditor may not audit the accounts of more than one insurance company.
3. The auditor may not be a functionary at the company or a director thereof or a member on its Board of Directors.
4. The company must place under the disposition of the auditor all the books, documents and data which he or she deems to be expedient in order to perform his or her task.

Article (77)

1. The company must present to the Commission an annual report from its auditor, in which he or she demonstrates that the budget, account of profits and losses, revenues, expenditures, existent pledges, reserves and properties available in Palestine have been prepared in the correct manner, and that they represent the financial status of the company on the basis of its other books and data which were placed under his or her disposition.
2. The auditor must notify the Commission of any deficit or error or contravention which he or she notices during his or her examination, in the event the company does not complement the deficit or correct the error or remove the causes of the contravention within thirty days from the date on which it was thus notified.
3. In respect of the existent pledges in relation to the operations of life insurance and composition of funds (saving), the actuary expert shall assess these for the company.

Article (78)

1. The company must notify the Commission of the date and location of the convention of the General Assembly and its agenda by fifteen days prior to the convention. It must also present to the Committee a certified copy of each report that is presented to the shareholders or bearers of documents as well as the minutes of the general meeting of the shareholders within thirty days following the convention.
2. The representative of the Committee shall attend the general meeting but shall not have a countable vote.

Article (79)

The Commission shall have the right to access the books and registers of the company in order to ensure that it implements the provisions of this Law. Such

access shall take place in the main office of the company and shall be conducted by inspectors from the Commission. The Commission may also require that the company correct and complement any information or report or statement that has been submitted to it by the company.

Article (80)

The company may request that the Commission correct any information or report or statement that it has presented to it. The committee shall be entitled to order that it be conducted or reject it based on a justified decision.

Chapter X Special Provisions on the Operations of Life Insurance and the Composition of Funds (Saving)

Article (81)

The companies which exercise the business of life insurance and the composition of funds (saving) may not distinguish between any documents belonging to the selfsame type in relation to the prices of insurance or the amount of profits which are distributed to the bearers of documents or other conditions, unless such distinction is a result of the difference in the possibilities of life. The following shall be excepted therefrom:

1. Reinsurance documents.
2. The documents pertaining to insurance under special conditions on the life of the members of one family or a group of individuals connected by one profession or work or any other social relationship.
3. The documents related to insurance with large amounts or long periods that enjoy particular reductions, which are approved by the Commission.

The Commission may licence the company to issue documents with reductions in case it finds a reason thereto.

Article (82)

1. The companies prescribed under this Chapter must examine the financial status of these two types which they exercise as well estimate the value of existent pledges for each one of them at least once every three years through an actuary expert. Such estimation shall cover all the operations which the company has concluded.

2. Such estimation must be conducted whenever the company wants to examine its financial status in order to determine the percentages of profits which are distributed to the shareholders or bearers of documents.
3. The Commission may request that such estimation be conducted at any time prior to the elapse of the three years, provided that at least one year has expired from the last date of examination.
4. The Commission shall issue forth instructions concerning the definition of the data which the estimation of the actuary expert must include.
5. The company must forward a copy of the report to the Commission within three months from the date on which the examination was conducted to be attached with an approval by those in charge of the management of the company, including the validity of the data and information stated thereon.

Article (83)

In the event it appears to the Commission that the report of the actuary expert does not convey the reality of the financial status of the company due to the adoption of erroneous bases in the estimation, it may decide to redo the examination provided under this Chapter at the expense of the company.

Article (84)

1. The companies which are provided under this Chapter may not deduct any portion of their funds in return for their pledges arising from the insurance documents in order to distribute it in the capacity of a profit to the shareholders or the bearers of documents or to pay any amount that deviates from its liabilities under the documents which it has issued forth.
2. The distribution of profits shall be restricted to the amount of the surplus fund which the actuary expert defines in his or her report following the conducting of the necessary examination.
3. In the implementation of the provisions of this Article, the properties of the company in Palestine as well as abroad may be deemed to be one unit.

Article (85)

The companies provided under this Chapter shall be prohibited from lending those in charge of their [the companies'] management or functionaries, whether by a real mortgage security or by a personal security, unless the company has

free funds from the net of its profits that exceed the funds which must be available in accordance with the provisions of Articles (63 and 64) above.

Article (86)

Notwithstanding the provision under Article (85), the company may grant loans to the bearers of documents, including its functionaries provided that they do not exceed the value of the retrieval of the document.

Article (87)

In the event of the bankruptcy of any of the companies provided under this Chapter or their liquidation, the due amounts for each bearer of a document whose duration has not expired shall be assessed in the amount equalling its own arithmetical reserve on the day of the ruling for bankruptcy or liquidation to be calculated on the basis of the technical rules for the tariff of the premiums and the bases for the conclusion of the document and the bases for the composition of the technical reserve.

Chapter XI

The Examination of the Business of Companies

Article (88)

1. The Commission may examine the business of the company in case it finds reasons that cause it to believe that the rights of the document bearers are subject to loss or that the company has become to be subject to inability to satisfy its liabilities or that it has contravened any provision under the Law.
2. Such examination may also be conducted if requested by a number of shareholders representing ten percent of the bearers of the documents of life insurance and composition of funds (saving) provided that a period of not less than three years has elapsed on the issuance of their documents.
3. The company must present to the Commission any information or data or documents which it requests while it is conducting the examination.

Chapter XII

The Foreign Insurance Companies

Article (89)

The foreign insurance company may not exercise the insurance operations in Palestine except after it obtains a license. The foreign insurance company shall exercise its business through a branch belonging to it provided that such a branch be registered as a company in Palestine in pursuance of the Law, on the condition of reciprocal treatment.

Article (90)

1. The provisions prescribed under this Law shall be enforced to the branches of foreign companies.
2. The branch of the foreign insurance company must have a power of attorney from the company that is certified in accordance with the legal rules and which provides for the authorisation of the branch with the following powers and rights:
 - (A) The power to issue forth insurance contracts and their supplements, provided that the company be responsible for the contracts which its branch issues forth in Palestine.
 - (B) The right to represent the company before courts as well as official and unofficial bodies in Palestine.
 - (C) Receiving of admonitions as well as all notices and correspondence forwarded to the company.
 - (D) Providing the Commission with the information pertaining to the business of the foreign company.
 - (E) The power to pay indemnities resulting from the risks insured under the documents of insurance which it issues forth on behalf of the foreign company.
 - (F) Keeping of accounting registers and books that are independent for the business of the company in Palestine, including its conclusive accounts, in pursuance of the provisions of this Law as well as the bylaws and instructions issued in accordance with it.

Article (91)

The branch of the foreign company that is active in Palestine may not calculate from among its expenditures liable to deduction from its income which is subject to tax more than 5% (five percent) from the total premiums realised annually from its business in Palestine to contribute to the expenses of the main office, including the administrative and technical services which the office renders.

Article (92)

The branch of the foreign company must maintain the margin of solvency and the minimum amount for security in relation to all insurance business which it exercises.

Chapter XIII

The Transference of Documents, Cessation of Business, Merging, Annulment of License and Cancelling of Registration

The Transference of Documents

Article (93)

In case the company decides to transfer its documents along with the rights and liabilities arising therefrom, it must submit an application thereon to the Commission to be enclosed with the following documents:

1. A copy of the transference contract to be signed by the representatives of the parties to the contract.
2. A copy of the reports on the basis of which the contract has been concluded. In the event the transference of liabilities pertaining to life insurance and composition of funds (saving), a report from an actuary expert who is licensed by the Commission must be enclosed.
3. A statement of the assets and adversaries of each company to be attached with a declaration signed by the Chairman of the Board of Directors of the company that confirms the validity of the items included on the statements.

The Commission may also request any other data or clarifications necessitated by the examination of the application.

Article (94)

The application for transference shall be published in the Official Gazette as well as in at least two local daily newspapers including the following data:

1. That the company has submitted an application to the Commission for the transference of its documents along with its due rights and liabilities.
2. The title of the company to which the documents and liabilities are transferred.
3. Inviting of the bearers of documents and beneficiaries therefrom and each interested party to submit their challenges to the Commission within thirty days from the date of publication in the transference application.

4. Any other data which the Commission deems necessary to be made clear for the public.

Article (95)

1. The Commission shall issue forth its decision on the approval of the transference in case it appears that it does not damage the interest of the bearers of documents and beneficiaries therefrom and the creditors of the company. Such decision shall be published in the Official Gazette and shall be presented in the confrontation of the bearers of documents and beneficiaries therefrom as well as the creditors of the company.
2. The deposit of the company which has transferred some or all of its insurance documents shall remain to be existent and seized for the order of the Commission for a period of time not exceeding ninety days following the completion of the legal procedures of transference.
3. The rights and liabilities which were owned by the local company shall devolve to the transferee company in relation to the transferred documents taking into consideration the provisions pertaining to the conveyance of ownership.

The Cessation of Business

Article (96)

In the event the company decides to cease its business in one or more branch(es) of insurance and wishes to discharge its properties relating to such branches, it must submit to the Commission an application that is attached with the following documents:

1. [A document/documents] proving that it has finally discharged itself from its liabilities for all the current documents for the branch or branches which it has decided to cease its business in them, or that it has transferred its documents to another company in the manner detailed under Chapter I in this Part.
2. [A document/documents] proving that it has published in at least two local daily newspapers in accordance with the conditions which the Commission defines an announcement which shall appear in each one of them at least three times, between each one of which is a period of fifteen days, about its resolution to submit an application to the Commission three months after the date of the last announcement to discharge its properties or a portion thereof in Palestine. Such announcement shall include an invitation of the bearers of documents and others concerned

to submit their challenges to the Commission within a period the deadline of which is the day on which the aforementioned application is submitted.

Article (97)

The Commission shall decide to respond to the company's application in the event nobody submits a challenge against it within the period of time stated in Paragraph (2) under Article (96). If a challenge is submitted within that period, however, the application shall not be adjudicated except after the conclusion of an agreement or issuance of a final judgement in regard of such challenge. Nonetheless, the Commission may permit the discharge of the properties of the company on condition of preserving an amount that equals its liabilities towards the person submitting the challenge, including the expenditures which may be required for the preserving of any of the company's assets.

The Merging of Insurance Companies

Article (98)

The company, in the event it decides to merge with other companies, must perform the following:

1. Submit an application thereon to the Commission, to include the reasons behind the merge as well as be enclosed with:
 - The decision of the irregular general assembly concerning the approval of the merge.
 - The report of the actuary expert or the insurance expert which supports the merge and [states] that it does not cause damage to the rights of the bearers of documents.
 - A report from the accounts auditor on the financial status of the companies prior to the merge along with a certified statement of their assets and liabilities.
2. The Director shall submit the application for the merge along with the reports and data enclosed with it to the Commission. In case the Commission approves the merge in principle, the Director shall form a committee to assess the value of movable and immovable assets as well as their actual value of the each company of those wishing to merge. In addition, he or she shall define the method of the formation of the committee and its powers in a manner that safeguards the protection of the rights of shareholders, bearers of documents and beneficiaries.
3. All this shall be added to the procedures which must be followed in accordance with the Company Law in force.

Article (99)

1. In the event the Commission approves the committee's report, the merge shall be announced in the Palestinian Official Gazette as well as in two local daily newspapers on two consecutive days. Each concerned person shall have the right to submit a challenge to the Commission within thirty days from the date on which the first announcement was published.
2. The merging companies must allow the insured to view the agreement in accordance with which the merge was completed in order to verify its provisions. Such agreement shall remain exhibited for view at the main office of each of the merging companies for a period of one month from the date of the publication of the agreement on the merge.
3. In case the challenge is not admitted within thirty days from the date of its submission, the person submitting the challenge shall have the right to objection before the competent Court of First Instance against the decision of merge within fifteen days from the date on which he or she was notified of the refusal.
4. Following the settlement of challenges and completion of the merge procedures, the legal procedures shall be commenced for the transference of rights and liabilities to the company with which the merge was conducted. The licence of each merging company shall be deemed to be annulled by default. In addition, the merging company as well as the company with which the merge has been completed shall be exempted from the fees of the conveyance of ownership and taxes and all fees resulting from the merge.
5. All the rights and liabilities of the merging company shall transfer to the company with which the merge is conducted in pursuance of the provisions of the Law.

The Annulment of the Licence and Cancellation of the Registration

Article (100)

The license shall be annulled and the registration of the company cancelled from the register in any of the following cases:

1. In case the licence or registration appears to have been performed in an illegal manner.
2. In case the company has persisted on the contravention of the provisions of this Law or the bylaws or decisions enforcing it.
3. In case it is proven to the Commission in a definitive manner that the company is not able to satisfy its liabilities, or that it continuously neglects the implementation of its due claims in an illegal manner.
4. In case the company does not complement the deficit in its paid capital despite its being thus demanded.
5. In case the company does not keep in Palestine the properties that must be appropriated under the provisions of this Law and has not complemented them within one year despite its being thus demanded.

6. In case the company refrains from the submission of its books and documents for review or examination which the Commission conducts.
7. In case the company ceases the exercising of its activity in Palestine for a whole year.
8. In case a judgement is passed ruling for the declaration of the bankruptcy of the company.

Article (101)

In addition to what is stated under Article (100) above, the Commission may annul the licence of insurance granted to the branch of the foreign insurance company in any of the two following cases:

1. In case the branch does not achieve total annual premiums that equal four as much as the value of the deposit in relation to its business in each type of insurance which it exercises in Palestine.
2. In case the branch does not achieve profits for its business in Palestine for a period of three consecutive years by a percentage of not less than 7.5% (seven and a half) of the total annual premiums in each type of insurance which it exercises.

Article (102)

In the event it is proven that the company has issued forth a decision to liquidate it[self] voluntarily or a decision has been issued forth by the competent court to liquidate it or its bankruptcy has been declared, its license shall be deemed to be annulled by default.

Article (103)

The decision on cancellation shall not be issued forth except following the notification of the company in writing so that it submits the aspects of its defence in writing within thirty days from the date of the notice.

Article (104)

The cancellation shall be conducted either wholly or partially by a decision from the committee and shall be published in the Palestinian Official Gazette. The effect of the partial cancellation shall only apply to the operations provided for in the decision.

Article (105)

The decision ruling for the cancellation of the registration of the company shall result in the prevention of the company from the commencing of business in the insurance branches provided for in the decision.

Article (106)

1. The Commission shall be entitled to permit the company to continue the commencing of the existent operations at the time of cancellation and annulment of the licence under the conditions which it deems proper. It may also decide to liquidate the business of the company.
2. The liquidation shall be conducted in conformity with the rules which the Commission decides so as to include the satisfaction of the liabilities of the company under the supervision of a committee to be appointed by the Commission.

Chapter XIV

Insurance Agents, Mediators, Experts and Investigators

Insurance Agents

Article (107)

No person may perform the acts of an insurance agent except after the meeting of the conditions below:

1. To have obtained a licence from the Commission to exercise the acts of the insurance agents after passing the examination put forward by the Commission.
2. To have obtained a written appointment from the company which has appointed him or her as an agent thereof.
3. The papers of the office and the forms used in the business of the insurance agent shall bear expressions indicating his or her capacity as an insurance agent.
4. To identify himself for herself as an insurance agent to each person who submits an application for an insurance document. He or she must inform the insurance applicant of the name of the company for which he or she works as an agent.

Article (108)

In the event an insurance agent abides under an agreement with the company not to work as an agent except for such company and not to refer any insurance contract to [any company] other than that company, he or she must record on the papers of the office as well as the forms used in his or her business that he or she is an abiding agent for that company.

Article (109)

No company may appoint an agent thereof unless he or she meets the conditions provided in Clauses (B, C, and D) under Article (121) below.

Article (110)

The insurance agent must keep independent accounts books for the following types of insurance:

1. An independent account for all the premiums paid to the company for the insurance documents other than life [insurance document], including the funds paid to and due for the insured. Such accounts shall be named in all the financial registers kept by the agent under the accounts of the insurance other than life [insurance].
2. An independent account for all the premiums paid to the companies in accordance with the life insurance documents, including the funds paid to and due for the insured. Such accounts shall be named in all the financial registers kept by the agent under the accounts of life insurance.

Article (111)

The agent may not conclude an insurance document between any person and the insurer except in case a written agreement is established between him or her and the insurer, the conditions of which state that the agent is obliged of the following:

1. To deposit the amounts which he or she collects from the insured in an independent account of the company with which he or she is contracted.
2. To transfer to the insurer until the fifteenth of each month the amounts which he collected from the insured during the previous month.

Article (112)

1. All the funds of the agent which were transacted in the insurance business shall be registered in the relevant accounts register with the exception of the commissions paid to the agent as well as the amounts which he or she earns in return for services pertaining to the documents of insurance.
2. No person shall be entitled to demand a right or obtain a right due for him or her from an agent from any appropriated amount for any reason from such accounts prior to the satisfaction of all the claims due by such amounts.

Article (113)

The Commission shall be entitled to issue forth instructions obliging the agents to submit guarantees to safeguard their liabilities. It may also oblige them to submit insurance documents on their own professional responsibility, the

conditions of which shall be defined by the Commission, as well as the amount of insurance which it covers and the limits of responsibility which it includes.

Article (114)

The insurance agent may not accept any amount of money regarding an application for insurance unless the company has admitted such application or in case the amount is enclosed with a complete application for insurance. In the case of the renewal of the document of insurance, the admittance of amounts from the client shall be restricted to the company's approval of the renewal.

Article (115)

In the event the insurance agent accepts a complete insurance proposal which the client submits in the intention to conclude an insurance document or in case the agent accepts to renew an insurance document based on the client's will but he or she has not been authorised by the company to issue forth the insurance document, he or she must provide the client with a temporary certificate for a period of not more one month in which he or she mentions that it is issued under this Article and includes the following data:

1. The name and address of the client.
2. The amount paid by the client and the date on which it was received by the agent.
3. The insurance proposal or the renewal of the document or the proposal accepted by the company in relation to the premium of the document.
4. The name of the company with which the insurance contract will be signed, or the name of the company which has admitted the insurance proposal.
5. A declaration that the admittance of the agent shall not be deemed in itself as an insurance document.
6. Any data which the Commission requests to be included on the certificate based upon the recommendations of the Director.

Article (116)

1. The premiums paid to the insurance agent in relation to the renewal of an insurance contract based upon the company's will or in regard of an insurance proposal that has been admitted by the company shall be deemed as if having been paid to the company.
2. The insurance company shall be deemed to be fully responsible for the acts of its accredited agent in respect of the insurance business and shall be responsible before the insured for the policies which are issued by the agent.

Article (117)

1. The Commission may annul the licence of the agent completely or in relation to a branch of insurance in any of the following cases:
 - A. In case the agent requests that his licence be annulled.
 - B. In case an order is issued forth to liquidate the agent or to appoint an official receiver for him or her or in case a decision is taken to liquidate him or her voluntarily or an order is issued forth to seize his or her properties or an order is issued forth to declare his or her bankruptcy.
 - C. In case the agent violates a substantial condition of the licence.
 - D. In case the agent violates the provisions of the Law or the agreement concluded between him or her and the company because he or she has not deposited the funds which he collected from the insured in an independent account or has not transferred them to the insurer until the fifteenth of the month following the month during which he or she collected them.
 - E. In case the agent lacks any of the conditions of the licence after it was granted to him or her.
2. The licence of the agent shall not be annulled except after allowing him or her a reasonable opportunity to present his or her defence before the Commission.
3. The annulment of the agent's licence shall result in his or her immediate cessation of the conducting of the insurance business in accordance with the decision of annulment.

Article (118)

The insurance mediator or reinsurance mediator may not exercise his or her business unless his or her name is entered on the designated register at the Commission.

Article (119)

The provisions of Articles (123) and (127) below shall be enforced upon the business of insurance mediators in terms of the conditions of their registration on the relevant register as well as the renewal of such registration and its cancellation.

Article (120)

The insurance companies may not admit local operations by insurance mediators unless they are registered on the designated register at the Commission. Excepted from this shall be functionaries at the production section at the insurance companies upon the time of the promulgation of this Law.

The Actuary Experts

Article (121)

1. The actuary experts may not exercise their business unless their names are included on the designated register at the Commission. Each person whose name is entered on such register shall be required:
 - A) To be holding an academic degree in the actuary sciences for any of the universities or institutes or associations of the actuary experts, or a certificate which the Commission accredits.
 - B) Not to have been convicted with the criminal penalty or with a penalty restraining freedom due to [the commission of] a crime involving trust or moral turpitude unless he or she has been re-incapacitated.
 - C) A ruling declaring his or her bankruptcy must not have been issued against him or her unless he or she is re-incapacitated.
 - D) An impediment to his or her eligibility should not be taking place.
2. The registration of non-Palestinian actuary experts shall [take place] on condition that they have been licensed to exercise the profession abroad.

Article (122)

1. The actuary expert shall be registered on the register of the actuary experts following the approval of the Commission and payment of the prescribed fees.
2. The name of the actuary expert shall be deleted from such register by a decision from the Commission in the event he or she misses any of the conditions of registration or based upon his or her request, or in case it has been proven that he or she presented incorrect data as a result of a deliberation or grave negligence or repeated non-adherence to the technical bases required for his or her business.

The Advisory Insurance Experts

Article (123)

The advisory insurance experts may not exercise their business unless their names are registered on the designated register at the Commission. The person whose name is entered on such register shall be required:

1. To be holding one of the academic degrees in insurance from one of the recognised universities, or another certificate approved by the Commission or to have obtained a high qualification along with experience in the insurance activity, the duration of which is not less than ten years including five years in management.
2. To meet the conditions detailed in Clauses (B, C, and D) under Article (121) above.

Article (124)

In case the advisory expert is a judicial person, the conditions mentioned under Article (123) above must be available in the legal representative of such judicial person.

Article (125)

1. The expert shall be included on the register following the approval of the Commission and payment of the prescribed fees.
2. The registration shall be deleted by a decision from the Commission in the event the expert misses one the conditions of registration or based upon his or her request or in case it has been proven that he or she presented incorrect information that is required under the provisions of this Law as a result of a deliberation or grave negligence or repeated non-adherence to the technical bases required for his or her business.

Article (126)

Any expert may not be assigned with the business of advisory expertise of insurance before courts or in the fields of arbitration or others unless he or she is entered on the register.

The Inspection Experts for the Assessment of Damages

Article (127)

1. The expert of inspection and assessment of damages may not exercise his or her business unless he or she is entered on the designated register at the Commission.
2. The request for registration or renewal shall be submitted to the Commission in accordance with the conditions which it decides.
3. The registration shall last for a period of three years that are renewable following the payment of the legal fees.
4. The person whose name is to be included on the register of the experts of inspection and assessment of damages shall be required to meet the conditions related to the qualification and experience put forward by the Commission in addition to the Clauses (B, C and D) under Article (121) above.

Article (128)

The provisions of Article (123) above shall be enforced upon the experts of inspection and assessment of damages in terms of the conditions of their registration on the relevant register and the renewal of such registration and its cancellation.

Article (129)

The insurance companies may not seek assistance from experts of inspection and assessment of damages other than those included on the Commission's register. Excepted from this shall be the cases which require a special technical experience.

The Insurance Investigators

Article (130)

1. The insurance investigator may not exercise his or her business unless he or she is registered on the designated register at the Commission.
2. The insurance investigator shall conduct investigation on the conditions and circumstances of the claims as well as examine their causes and the extent of injury and damage. He or she may record the statements and obtain all reports and take photographs of persons and places and any other matters pertaining to his or her business. The concerned authorities shall abide by enabling him or her to perform his or her business.
3. The provisions of Articles (123, 127) above shall be enforced upon the business of insurance investigators as well as the conditions of their registration on the relevant register and renewal of such registration and its cancellation.

Chapter XV

The Palestinian Union for Insurance Companies

Article (131)

Under this Law, a union to be called the (Palestinian Union for Insurance Companies) shall be established and shall have the independent judicial personality.

Article (132)

1. All the insurance companies which are active in Palestine shall be members at the Union by default. They shall select from among them a temporary board of directors for a period of time not exceeding one year.
2. The Union shall be deemed to be the legal representative of the insurance companies before the official and unofficial departments as well as all concerned parties in relation to the general issues and matters of insurance within the limits of the provisions, acts and powers defined by the bylaw of the Union which is to be issued forth as per this Law.
3. The temporary board of directors shall prepare the bylaw which shall enter into force following the Commission's approval thereof.

Article (133)

The Union shall exercise its functions and activity to regulate the insurance business, particularly the professional conduct of members as well as maintain the traditions and ethics of the exercise of the profession and define the minimum limits of the prices of optional insurance in a manner conforming to the international prices of such insurances.

Article (134)

The Union shall assume the regulation of the relations between members in regard of the settlement of the cases of joint and restored indemnities as well as partnership insurances and set forth mechanisms for the settlements of accounts amongst them.

Article (135)

In order to perform its functions, the Union shall have the power to recommend to the Commission that penalties be imposed on the members that contravene the decisions of the Union or the conducts of the profession. It shall also be entitled to recommend that the license of members for one or more type(s) of insurance be ceased.

Article (136)

The Union shall provide the Commission with a copy of any decision which the General Assembly of the Union or its Board of Directors takes within fifteen days from the date on which the decision was issued. The copy shall also be certified by the Head of Union.

Chapter XVI

The Insurance of Motor Vehicles

Article (137)

No person may use a motor vehicle, or allow any other person to use it or to cause such unless the vehicle possesses a valid insurance license that conforms to the provisions of this Law.

Article (138)

The insurance document shall be conforming to the provisions of this Law in case it has been issued forth by an insurer that was licensed to work by the Commission and covers any physical damage resulting from a road accident that is inflicted upon those mentioned below:

1. The owner of the vehicle and its driver against any liability they incur for any person who is inside or outside the vehicle.
2. The owner of the vehicle who drives it or another person who drives it upon permission by him or her like any other injured [person].

Article (139)

The duration of insurance on the document may not exceed the validity period of the vehicle's licence.

Article (140)

The insurer or the insured may not annul the insurance document or invalidate it as long as the licence of the vehicle is valid except in the following two cases:

1. Conveyance of the ownership of the vehicle in accordance with the provisions of the Law of Traffic.
2. Bringing of a certificate from the Licensing Authority which states the annulment of the vehicle's licence or its invalidation.

Article (141)

The insurer may not put forward in the insurance document any provision which restricts the use of the vehicle in terms of:

1. The age of persons who drive the vehicle.
2. The condition of the vehicle, with the exception of the vehicle whose licence has expired for a period exceeding ninety days.
3. The number of persons onboard the private vehicle only.
4. The times and areas where the vehicle is used.
5. The branding of the vehicle with distinguishing marks other than those which must be branded under the Law.
6. A valid driving licence regardless of the period of time that has elapsed on its issuance.

Article (142)

In case the insured or owner sells the vehicle, he or she must deliver the original document and notify the insurer in writing within thirty days from the date of selling.

Article (143)

1. In case it is proven that the insured or new owner has contravened the provisions of Article (142) above and any of whom is affected with a physical damage resulting from a road accident that occurred to the vehicle within the period provided for under that Article, the insurer shall be exempted from the liability for indemnifying him or her.
2. In all cases, the right of the injured from the third party shall remain existent towards the insurer following the expiration of the period mentioned under Article (142) above.

Chapter XVII

The Responsibility for Indemnity

Article (144)

1. Each person who uses a motor vehicle or permits its being used shall be asked to indemnify the injured for each physical, material or immaterial damage resulting from a road accident in which the vehicle took part.
2. The responsibility of the person using the vehicle or that permitting its being used shall be complete and absolute for the indemnification of the injured regardless of whether there was an error by him or her or by the injured or not.

Article (145)

The insurer and the insured or the Fund shall be asked (as occasion may require) to indemnify the injured who was affected by a physical, material or immaterial damage as a result of the road accident.

Article (146)

The following provisions shall be valid in the event more than one vehicle take part in the road accident:

1. The driver of each vehicle shall be responsible for the physical damages which affected the passengers onboard his or her vehicle.
2. The drivers shall be jointly responsible for the indemnity of each person who was injured outside each one of their vehicles which took part in the road accident. Amongst themselves, however, the burden of indemnity shall be equally distributed.
3. For the implementation of Paragraph (2) under this Article, physical touch shall be required to take place between the vehicles themselves or between one of them and the injure. For the availability of the touch, the touch between the vehicles or between one of them and the injured shall be sufficient.

Article (147)

1. In the event a road accident in which one or more heavy vehicle takes place with one or more light vehicle, the insurers of the heavy vehicle shall pay to the insurers of the light vehicle fifty percent of the indemnity for the physical damages resulting from the accident.
2. The insurers of the heavy vehicle shall be jointly responsible towards the insurers of the light vehicle and shall afford amongst themselves the burden of liability in an equal manner.

Article (148)

The driver of the vehicle, its owner, the person allowing its being used, the injured or his or her heirs must inform the insurer or the Fund (as occasion may require) of the occurrence of the road accident within thirty days from the date on which the accident took place or from the date on which he or she was able to report the accident.

Article (149)

The injured shall not be entitled to an indemnity in any of the following cases:

1. The person who deliberately caused the occurrence of the road accident.
2. The person who has driven his or her vehicle or utilised it to commit a crime or misdemeanour.
3. The person who has driven the vehicle without an insurance that was valid at the time of the accident or contravened the conditions of the insurance document.
4. The person who drove the vehicle without permission from its owner or legal disposer and the person who knew that it is driven in such a manner.
5. The person who drove the vehicle without a driving licence or with a driving license that does not allow him or her to drive a vehicle of the same type or drove it with a licence whose validity has expired a period exceeding one year ago, or during the period of his or her being deprived from driving based upon a decision issued by a legally competent authority.
6. The owner or disposer of the vehicle who allowed another person to drive it without the vehicle having a valid insurance or in case the insurance does not cover the road accident in which any of them was injured during the driving, whether the injured was inside or outside the vehicle.
7. Notwithstanding the provisions of Paragraph (6) above, in the event the driver was injured in a road accident while he or she was driving the vehicle upon permission of its owner or disposer, but the vehicle does not have a valid insurance or has an insurance that does not cover the accident without his or her knowledge and it was unreasonable that he or she knows about it, he or she shall have the right to demand indemnity from the Fund like any other injured person.

Article (150)

In the event the road accident leads to the death of the affected driver who is not entitled to an indemnity under this Law, the dependents from among his or her heirs shall have the right to demand indemnity from the Fund in pursuance of the provisions of this Law.

Chapter XVIII

The Damages which Necessitate Indemnity

Article (151)

The injured person shall have the right to file a lawsuit to demand for the physical, material and immaterial damages which affected him or her due to the accident against the insurer and insured together or against the insurer or the Fund only.

Indemnity for the Immaterial Damage

Article (152)

The indemnity for the immaterial damages resulting from the road accident shall be as follows:

1. Fifty [Jordanian] Dinars for each one percent of the percentage of the permanent disability.
2. Forty Dinars for each night which the injured spends at hospital or any medical facility for treatment because of the road accident.
3. Five hundred Dinars for the surgical operation or operations which were conducted on the injured because of the road accident and which necessitated that he or she stay at hospital.
4. In the event the injured is not entitled to an indemnity in accordance with Paragraphs (1, 2, and 3) under this Article, he or she shall be entitled to an indemnity not exceeding five hundred Jordanian Dinars or its equivalent in the legally circulated currency.

Article (153)

The total amount of indemnity for the immaterial damages may not exceed ten thousand Jordanian Dinars or its equivalent in the legally circulated currency.

Article (154)

In the event the accident leads to the death of the injured, the amount to be paid to his or her heirs shall be fifty percent of the maximum limit mentioned under Article (153) above, from which the share of the dependent heirs shall be deducted in accordance with the certificate of succession of the deceased.

Indemnity for the Material Damage

Article (155)

Upon the calculation of the indemnity for the loss of income and the loss of the capability of [gaining the] income, the income which exceeds the double of the average of wages in the economic field to which the injured belongs shall not be taken into consideration in accordance with the latest publication issued forth by the Palestinian Central Bureau of Statistics.

Article (156)

In the event the road accident leads to the inability of the injured to perform his or her work, he or she shall be entitled to 100% (one hundred percent) of his or her daily wage throughout the duration of his or her temporary disability, provided that the duration of disability does not exceed two years from the date of the accident.

Article (157)

Upon the calculation of the indemnity for the loss of ability to future gain, a deduction shall be conducted in return for immediate payment.

Article (158)

1. In case the injured is a minor, the court must decide that the amount ruled for be deposited at a bank in the name of the injured until he or she reaches the age of maturity.
2. Based upon the request of the legal representative of the minor, the court may decide to grant the representative the right to disburse a monthly amount to maintain the minor until he or she reaches the age of maturity in the event the condition of the injured thus requires.

Article (159)

The action to demand indemnity for the damages resulting from the road accident shall become subject to prescription in case it is not lodged within three years from the date on which the accident took place or the date of the obtaining of a final medical report if the period exceeds the three years mentioned above.

Chapter XIX Urgent Payments

Article (160)

In accordance with the provisions of this Law, the person in charge of indemnity must pay to the injured an urgent payment within thirty days from his or her being thus notified by the plaintiff [including] the following amounts:

1. The necessary expenses which the injured has disbursed for treatment because of the accident, including the expenses of his or her staying at hospital as well as the expenses which must be disbursed for his or her treatment and nursing because of the accident.
2. Monthly payments which suffice to meet the requirements of his or her living as well as the living of his or her dependent family members and the requirements of necessary treatment and nursing which must be disbursed to him or her due to the accident.
3. Upon the determination of the monthly payment, the income of the injured within the three months that preceded the date of the accident shall be taken into account. The income which exceeds two doubles of the average of wages mentioned under Article (155) above shall not be taken into consideration.

Article (161)

In case the period of the thirty days which is defined under the previous Article has expired but the person in charge of the indemnity did not pay the urgent payment, the plaintiff may submit an application for urgent payment to the judge of urgent cases or to the court authorised to hear the action.

Article (162)

The judge shall appoint a session to examine the application within one week from the date on which it was submitted, taking into consideration the giving of the defendants a period of fifteen days for the submission of a pleading from the date on which they were notified with the bill of application.

Article (163)

The rules of notification provided for under the Law of Civil and Commercial Procedure shall apply in the examining of the application.

Article (164)

1. The plaintiff must appear before the judge to discuss the application with him or her.

2. The judge must hear preliminary evidence about the responsibility for the indemnity.
3. In the event the judge finds that the plaintiff is entitled to an indemnity in accordance with the provisions of this Law, he shall issue forth his decision during the selfsame session unless he deems a necessity for adjournment in order to summon another person to examine him or her, or for the presenting of any additional piece of evidence in regard of a particular issue.
4. In case the judge decides to consent to the plaintiff's application, he must assign for him or her a deadline to submit the original bill of his or her action before the competent court.

Article (165)

The total of the monthly payments may not exceed twelve payments from the date of the decision.

Article (166)

The disbursement of the monthly payments shall be ceased in the event the plaintiff does not deposit his original action within the period assigned for him or her in accordance with Paragraph (4) under Article (164) above or in the event it has been deposited then non-suited.

Article (167)

1. An additional application for the satisfying of urgent payments or an application for the amendment of the previous decision may not be admitted unless six months have elapsed on the date of the previous decision and the circumstances have changed, thereby justifying the issuance of a new decision.
2. Each application for the issuance of a decision to amend the previous decision shall be submitted to the selfsame judge who adjudicated the previous application or to the court before which the original action is being heard.

Article (168)

1. The decision issued on the application of the urgent payment shall be included under the expedited enforcement and subject to appeal within seven days from the date on which it was issued.

2. The decision issued forth by the Court of Appeals shall be final and not subject to cassation.
3. All the amounts paid to the plaintiff shall be part of the total indemnity due for the injured upon the demonstration of responsibility.

Article (169)

In case the total of urgent payments paid to the plaintiff exceeds the amount ruled for in the original action, or in case the court ruled for the dismissal of the action by a final judgement, the defendant who has paid the urgent payments shall have the right to demand them from the plaintiff or the person responsible for the damage or the Fund.

Chapter XX

The Palestinian Fund for the Indemnity of the Injured in Road Accidents

Article (170)

Under the provisions of this Law, a fund to be named (the Palestinian Fund for the Indemnity of the Injured in Road Accidents) is to be established and shall have the independent judicial personality.

Article (171)

A board of directors shall assume the management of the Fund and to be composed of:

1. The Under-secretary of the Ministry of Finance as a Chairman.
2. The Director General of the Insurance Management.
3. The Director General of the Palestinian Fund for the Indemnity of the Injured in Road Accidents.
4. The representative of the insurance consortium in Palestine to be appointed by the Consortium's Board of Directors.
5. An insurance expert to be appointed by the Commission.

Article (172)

1. The resources of the Fund shall consist of a percentage of the fees of the compulsory insurance to be defined by the Commission for each document.
2. The insurance companies shall abide by the transferring of the percentage mentioned in Paragraph (1) above to the Fund on the date defined by the Commission. In the event the company fails to do so, the Commission shall have

the power to impose a fine for delay upon the company. Such fine shall devolve to the resources of the Fund.

Article (173)

With the exception of the driver, the Fund shall indemnify the injured person who is entitled to an indemnity in accordance with the provisions of this Law and who cannot demand indemnity from the insurer due to one of the following reasons:

1. In case the driver who caused the accident was unknown.
2. In case the driver was not in possession of an insurance under the provisions of this Law.
3. In case the insurer was under liquidation.
4. In case the driver was in possession of an insurance but it does not cover the accident in question because of:
 - A) The use of the vehicle for a purpose that contravened that defined in its licence.
 - B) The driving of the vehicle by the driver without a driving licence or with a licence that does not permit him or her to drive the same type [of vehicle].
 - C) In case the insured did not pay the insurance premium on the allotted and agreed deadline.
 - D) In case fraud or deception is conducted by the insured or in case he or she conceals substantial facts when he or she received the insurance document.
 - E) Any other case in which the document does not cover the liability to indemnity in accordance with the provisions of this Law.

Article (174)

The injured in the cases mentioned under Article (173) above shall have the right to obtain indemnity from the Fund in the same manner by which he had the right obtain it from the insurer, including the payment of the expenses of the treatment of the injured at hospital as well as the urgent payments.

Article (175)

1. The Fund shall have the right to demand the amounts paid by it because of the accident from one of those mentioned below:

- A) The person who is not entitled to an indemnity under the provisions of Article (149) above.
 - B) The person who did not have a valid insurance at the time when the accident took place, with the exception of the person who had an annual insurance whose validity expired within thirty days prior to the date of the accident.
 - C) The person who was in possession of an insurance that does not cover the accident according to the cases mentioned in Paragraph (4) under Article (173) above.
 - D) The owner or disposer of the vehicle.
2. The right to demand, whether in respect of the Fund or amongst the persons taking part in the accident, shall be subject to the provisions of civil liabilities.
 3. The Fund shall be exempted from the payment of the judicial fees.

Article (176)

The Fund shall be a privileged creditor to the insurer under liquidation through the amounts which it has paid due to the accident.

Article (177)

In case the Fund was unable to fulfil its liabilities towards the injured, the Ministry of Finance shall pay such deficit from the general account of the Treasury.

Chapter XXI

Penalties

Article (178)

1. The company which exercises the insurance business before it obtains the licence, or during the period of the cessation of the licence or after its being annulled, or following the issuance of a decision not to renew it, shall be penalised with a fine of not less than three thousand Jordanian Dinars or its equivalent in the legally circulated currency and not exceeding ten thousand Jordanian Dinars or its equivalent in the legally circulated currency. Its Director General or the director of branch (as occasion may require) shall also be punished with either or both the fine or the confinement for a period of time not exceeding two years. The penalty shall be aggravated in the event of repetition, provided that it does not exceed the double of its maximum limit.
2. The contracts which the company issues under Paragraph (1) above shall be deemed to be effective against the company as well as the third party with a good

intention. The company shall adhere to the indemnifying of the insured with the good intention for all the losses to which he or she is subjected due to the illegality of the contract.

Article (179)

1. Each person who issued insurance contracts in contravention of the provisions of this Law shall be penalised with either or both confinement for a period of not less than one month and not more than six months or a fine of not less than three thousand Jordanian Dinars, or its equivalent in the legally circulated currency, and not more than seven thousand Jordanian Dinars, or its equivalent in the legally circulated currency.
2. Each person who exercised the business of the agency or mediation of insurance without having obtained the legal licence shall be penalised with either or both confinement for a period of not less than one month and not more than three months or a fine of not less than five hundred Jordanian Dinars, or its equivalent in the legally circulated currency, and not more than two thousand Jordanian Dinars, or its equivalent in the legally circulated currency.
3. The contracts which are issued under Paragraphs (1 and 2) under this Article shall be deemed to be effective against the person who has issued them as well as the third party with a good intention. The person who has issued them shall adhere to the indemnifying of the insured with the good intention for all the losses to which he or she is subjected due to the illegality of the contract.

Article (180)

1. The company which has infringed the provisions of this Law as well as the regulations, instructions and orders pertaining to the commissions shall be penalised with a fine of not less than three thousand Jordanian Dinars, or its equivalent in the legally circulated currency, and not more than seven thousand Jordanian Dinars, or its equivalent in the legally circulated currency.
2. In the even the insurance agent or mediator contravenes the provisions of this Law as well as the regulations, instructions and orders pertaining to the commissions, he or she shall be penalised with a fine of not less than one thousand and five hundred Jordanian Dinars, or its equivalent in the legally circulated currency, and not more than three thousand Jordanian Dinars, or its equivalent in the legally circulated currency.

Article (181)

Each person who has impeded or prevented the Director General of the Insurance Management or any functionary at the Commission from performing their tasks in order to implement this Law, or has intervened in order to prevent them from obtaining the information required to perform their tasks, or has refrained from providing them with such information shall be penalised with

either or both confinement for a period not exceeding three months or a fine of not less than one thousand and five hundred Jordanian Dinars, or its equivalent in the legally circulated currency, and not more than ten thousand Jordanian Dinars, or its equivalent in the legally circulated currency.

Article (182)

In reference of which a special provision has not been stated, each person who contravenes the provisions of this Law or the bylaws, instructions or decisions issued forth in accordance with it shall be penalised with a fine not exceeding fifteen thousand Jordanian Dinars.

Chapter XXII Conclusive and Transitional Provisions

Article (183)

1. Insurance of the movable and immovable properties present outside Palestine or the movable properties imported into Palestine may not be conducted at an insurance company outside Palestine.
2. The insurer may be entitled to reinsurance inside or outside Palestine.

Article (184)

The Commission may propose a draft law in order to impose the compulsory insurance against some risks.

Article (185)

The Director must present to the Commission within six months from the date on which this Law enters into force the draft bylaws relating to the conditions and requirements of the granting of the licence of life insurance and other as well as the other draft bylaws which must be issued for the enforcement of this Law.

Article (186)

All the instructions, decisions, orders and notices issued by the Commission or the Director General of the Insurance Management shall be forwarded to the concerned person on his or her chosen address in Palestine via registered, express or special mail or by facsimile or by personal delivery against a receipt, or by all means of notification effective under the Law. The date of delivery shall be deemed to be the seventh day from the date of the depositing of the letter in the mail or from the date of the facsimile or the telex.

Article (187)

All the decisions, instructions and orders issued by the Commission and the Director in accordance with the provisions of the Law shall be published in the Official Gazette.

Article (188)

1. In respect of the persons working in the insurance sector in Palestine prior to the enforcement of this Law, the licences issued forth to them shall remain effective in the event they are valid. They shall be renewed under the selfsame conditions effective at the time they were issued for a period of time not exceeding one year from the date of the enforcement of this Law.
2. The persons mentioned in Paragraph (1) must reconcile their positions in accordance with the conditions and requirements of this Law within the original or additional period prescribed in that Paragraph.

Article (189)

The Council of Ministers shall issue forth the bylaws necessary for the implementation of the provisions of this Law.

Article (190)

1. All the orders and provisions issued forth by the authorities of the occupation in regard of insurance shall be repealed.
2. All that contradicts the provisions of this Law shall be repealed.

Article (191)

All competent authorities – each one within its sphere of jurisdiction – shall implement the provisions of this Law which shall enter into force by thirty days following its publication in the Official Gazette.

Promulgated in the city of Ramallah on October 13th, 2005 Anno Domini,
Corresponding to Ramadan 10th, 1426 Anno Hegira.

Mahmoud Abbas

**Chairman of the Executive Committee of the Palestine Liberation
Organisation;**

President the Palestinian National Authority