



UAE INSURANCE AUTHORITY CIRCULAR: COVID-19

We previously issued an article relating to the impact of COVID-19 on businesses, with a broad focus on business interruption and event cancellation.¹

Turning to the more pragmatic and immediate effects of the outbreak, on 8 March 2020, the UAE Insurance Authority (IA) issued Circular No. (3) of 2020, “concerning the precautionary measures and preventative procedures for maintaining public safety and health and controlling the spread of the coronavirus (COVID-19)”.

¹ <https://www.hfw.com/COVID-19-Business-Interruption-and-Event-Cancellation-Mar-20>

Broadly, Circular No. (3) of 2020 deals with two distinct areas:

- 1) the IA is seeking to ensure that insurance companies remain operational and able to service the needs of their insureds during this period; and
- 2) at the same time, the IA is concerned to ensure that both employees and customers of insurance companies are not unnecessarily exposed to the virus and that the requisite precautions and preventative measures are taken.

To achieve both aims, the IA has requested insurance companies in the UAE to take a number of practical steps including to:

- put in place a policy relating to support for insureds affected by the virus, noting that the insurance company will remain responsible for any decisions taken in this regard, taking into account its financial position and solvency, along with its liabilities;
- activate an emergency recovery plan to ensure business continuity, requiring, at a minimum, insurance companies to:
 - Prepare a list of employees required by the insurance company in order to maintain business continuity;

- Ensure that the sufficient equipment is provided to enable employees to work remotely; and
- Ensure that the insurance company has the requisite funds/budget approvals to maintain such business continuity.

- follow the conditions and instructions issued by the UAE authorities, including as regards quarantine requirements relating to travel;
- permit employees to work from home/remotely, whether displaying symptoms or as a precautionary measure, in addition to considering increased support in flexible working hours for working mothers;
- recommend cancellation of all events requiring gatherings in the workplace and instead encourage use of video conferencing or other communication technology;
- ensure that the required levels of cleanliness and sterilisation are applied in all of the insurance company's facilities; and
- publish a telephone number for emergencies and for any queries from employees.

Insurance companies should refer to the full text of the Circular for the complete list of requirements.

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