



CLARIFICATION ON TRANSLATION REQUIREMENTS FOR INSURANCE POLICIES

The UAE Insurance Authority has recently issued Administrative Decision No. 140 of 2019 Concerning the Exclusion of Some Insurance Policies From the Requirement of Being Written in the Arabic Language (the Decision). The Decision has served to clarify which classes of insurance policy must be translated into Arabic.

Pursuant to Article 28(1) of the Federal Law No. 6 of 2007 (as amended) (the Insurance Law), all insurance policies issued in the UAE were required to be in Arabic. The fine for failing to issue a policy in Arabic was set at AED 50,000 (see Fine No. 18 in Cabinet Resolution No. (7) of 2019 Concerning the Administrative Fines Imposed by the Insurance Authority).

While it was permitted to attach translations to the Arabic policy, the Insurance Law explicitly states that the Arabic version would prevail over any translations.

However, Article 28(4) of the Insurance Law empowers the Director General of the Insurance Authority to exempt certain insurance policies from the requirement to be written in Arabic. This power has been exercised in the Decision.

Article 1 of the Decision specifically excludes the following policies from the requirement to be written in Arabic:

- (1) *“Marine hull, and the related machinery, their missions, equipment and the related liabilities insurance.*
- (2) *Aviation hull insurance and the likewise, and the related machinery their missions, equipment and the related liabilities insurance.*
- (3) *Satellites, balloons and spaceships, and the related machinery, their missions, equipment and the related liabilities insurance.*
- (4) *Oil Insurance, including all insurance that is normally considered oil insurance.*
- (5) *Insurance policies of an international nature which are required to be written in the English language”*

While the policies referenced at (1) – (4) relate to specific lines, the “policies of an international nature” referenced in subsection (5) could potentially capture a number of different classes of insurance. Until further clarity is provided on the interpretation of subsection (5), the above list should be considered non-exhaustive and open to interpretation.

In summary therefore:

- For underwriters issuing policies which are specifically referenced above, the clarification provided by the Decision will be seen as welcome news and should lead to further clarity on the issuance and interpretation of these policies.
- For all other policies, underwriters should continue to ensure that these policies are issued in Arabic. They should also be mindful that the Arabic version, rather than any other version, will prevail in the event of any dispute on interpretation of the policy.

If you would like to discuss further, please do not hesitate to contact the author of this briefing or your usual HFW contact.



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