



UM AL-QURA DECREES AND REGULATIONS

Frieday 27 Jumada I / 1435 – March the 28th, 1435

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The approval of the rules and procedures for the work of the committees for the adjudication of insurance disputes and vilations.

Council of Ministers,

Upon reviewing the transation incoming form the Royal Capinet No. 38005 dated 14/10/1434H, containing the

letter of the Minister of Finance No. 7394 dated

02/09/1434H including the draft of the Rules and

Procedures of the committee of adjudications pertaining to

the vilations of insurance vilations and disputes and upon

reviwing the Criminal Procedures issued via the royal

decree No. (M-1) dated 22/01/1435H.

and upon reviwing the Criminal Procedures issued via the

royal decree No. (M-2) 22/01/1435H.

and upon reviewing the Regulations of controlling the

cooperative insurance companies issued with the royal

decree No. (M/32) dated 02/06/1424H.

And upon reviewing the minutes No. (173) dated 15/03/1435H conducted by the experts commission in the coucile of ministers.

And upon reviewing the recommendation of the general committee of the ministers council No. (348) dated 05/04/1435H.

The following has been decided;

Approving the rules and procedurs of the committee of the adjudication of insurance disputes and viloations with the included form.

The signature of the Second Deputy Prime Minister.

The rules and procedures for the work of the committees for the adjudication of insurance disputes and vilations.

Article No. 1 :

The following terms and phrases wherever they are mentioned mean what is illustrated inforn of them unless other wise mentioned in other contexts:

The Minister: Minister of Finance.

The Governant: the Governant of the Saudi Arabian Monateral Authority " Now the Saudi Arabian Central Bank".

The system: The system of controlling the cooperative insurance companies.

Regulations: Rules and procedures of the works of the committees of adjudication of insurance disputes and violations.

The primary committee: the committees of insurance violations and disputes stated in article (twenty) of the regulations pertaining to insurance violations and disputes.

Appellate Committee: committee stated in article twenty two of the rules pertaining to investigate claims submitted by those involved on decisions of the primary committee.

Committees: Primary Committees and Appellate Committees.

Committees General Secretary: the general secretary of the committees of adjudication of insurance disputes and violations.

Ministerial Decree: the decree made by the minister according to the rules and regulations.

Article Two: claims of insurance violations and disputes shall be submitted by the beneficiaries to the primary committee according to the procedures stated in these rules and regulations, the ministerial decree will define the mechanism of claims submission channels.

Article Three:

claim shall be written according to claim sheet of one original and number of copies equal the number of defendant, the claim sheet shall contain the following data;
1 – Defendant full name and his job title and country/city of residence and his/her ID No. and the

number of the commercial Registration shall be contained in the claims he/she submitted.

2 . Defendant full name and the contact numbers and his/her residence address.

3 – The date of submitting the claim sheet.

4 – Claim subject in detail along with defining the orders and evidences containing the value of claim.

If the claim is submitted by an insurance company or reinsurance company to claim a redemption or an obligation of coverage, the claimer shall include refusal of the claim letter issued from the company claimed against or what confirms the passage of fifteen days from the date of the claim and shall submit a review letter and shall be indicated in the claim sheet.

The plaintiff shall attach with the lawsuit statement all the documents that prove his capacity or interest in the lawsuit.

If the claim is submitted by a legal agent he shall include a copy of the legal authorization letter and a copy of his ID.

Article 4: the committee shall conduct its session with the presence of all its members in the scheduled time and place according to what the ministerial decree states to review the claims forward to the committee and after listening to the sayings of the opponents and their defenses without violating what stated in article (8) of these rules.

Article 5:

All opponents or their agents shall be present in the stated appointments to review the claims in front of the committees, if the defendant is not present in one of the sessions after the informing is done, and he didn't

submit an apology letter accepted by the committee, the committee may make its decision to solve the dispute if it solvable or delete the claim, the defendant may reclaim, in order to reinvestigate them.

Article 6:

1 - The jurisdiction to consider cases of insurance disputes against insurance companies falls to the primary committees within whose territorial scope - the place of residence of the plaintiff- if he is a natural person, and the jurisdiction for the primary committees within whose scope the defendant's residence is located if the plaintiff is a legal person.

Article 7:

Approval can be done in front of committees with all the approval means including the electronic data or those emerged through computers or phone records or mobile phones SMSs.

Article 8: appellate committee shall be specialized in solving the disputes of claims submitted by beneficiaries from the decisions made by the primary committees.

Article 8:

The appellate committee is responsible for adjudication grievances submitted by those concerned against the decisions of the primary committees. The committee may be satisfied with the examining the decision in cases where the amount is less than fifty riyals.

Article 9:

1 – Claims shall be viewed from the perspective of what is submitted of claims or by written orders or what is delivered during the pleadings and settlement according to the relevant regulations of disputes settling insurance disputes and violations.

2 – The decisions of the Primary Committee shall be issued by the majority, If the votes are equal, the side with which the head of the committee voted shall prevail.

and its decisions may be appealed to the Appeals Committee within thirty days from the date specified for delivering the decision.

3 - The decisions of the Appeal Committee shall be issued by the majority, If the votes are equal, the side with which the head of the committee voted shall prevail.

Its decisions are final and can't be appealed to any other party.

4 - The decision must include the names of each of the chairperson and members of the committee that issued it, the date of its issuance, the names of the litigants and

their attorneys, a statement of their presence or absence, an overall presentation of the facts of the case, the litigants' requests, a brief summary of their defenses, the reasons, rationale and text of the decision.

Article 10:

The committees have the right to adjudicate the claims of any of the litigants- submitted before them- for compensation for all the expenses, whether in the case itself or in a separate case.

Article 11:

No hearing shall be conducted in insurance disputes after 5 years have passed from the due date, unless there is an excuse accepted by the committee.

Article 12:

The provisions of the law of pleading and the law of criminal procedures-as the case may be- shall be applied to every thing that is not specifically provided for in these rules, to the extent with the nature of the cases presented.

Article 13:

The General Secretariat under the supervision of the General Secretary the following tasks:

- 1 . Admin. Works and conducting researches, studies, and support consultations.
- 2 . Registration of claims and organizing them and numbering them and recording the

correspondences, appointments, and communications.

3 . Suggesting cocilation procedures to be approved by the Minister.

4 . Classifying the decisions issued by the committee in preparation for publication.

5 . Conducting an annual statistics for the committee works.

6 . Any other procedures within the same tasks according to the Ministerial Decree.

Article 14:

The Minister of Finance shall make the required decision for these regulations.

Article 15:

Prosecutors represent before the committees in cases of insurance violations that they are competent to look into in accordance with the provisions of the system, those employees who are nominated by a decision of the governor or whomever he authorizes to do so.

Article 16: These regulations shall be applied after 15 days from its publication in the official newspaper.

Article 17:

In exception from article (8) and paragraph (2) from article (9) of these regulations,

The appeals committee shall consider (audit) appeal requests submitted within thirty days from the date of enforcement of these rules in the following cases;

1 . Cases in which judgments were issued by the courts of the Board of Grievances that states that the court is not responsible for grievance from the primary committees' decisions as a result of the issuance of Royal Decree No. A/148 dated in 3/12/1431H with a condition of not executing the decree.

2 . Cases about which decrees have been issued from the primary committee before the issuance of the Royal Decree No. (M/3) dated 27/05/1434H stating the adjustment of regulations- and no one has complains about it in front of the court of the Board of Grievances during the period of time stated according to the regulations as a result of the issuance of the royal decree No. (148/A) dated 03/12/1431H with the condition not executing the decision.

3 . Cases about which decisions from the primary committees have been issued after the issuance of the royal decree and before applying those regulations with the condition of not executing this decision.

The executive regulations for the state's real estate rental and evacuation system issued by Royal Decree No. (M / 61) dated 9/18/1427 AH

Chapter One)

Terms of rental

First Article: -

Taking into account what is stated in article No. 1 of the State rental properties and its evacuation, the government agency may rent what it needs to be rented with the following conditions;

- 1- The availability of financial funds in the budget of that agency in need of rental.
- 2-The unavailability of suitable real estate for the agency wishing to rent.
- 3-The rented real estate should be utilized for the purpose it was rented for.
- 4-The space of the rented property should be to the limit its needed to utilized by the agency planning to rent, and the price for the rent should be on the market price limit. Negotiation with the owner should be done to decrease the price.

Article 2:

The agency shouldn't rent a property for the accommodation of its employees unless the law permit that.

Article 3:

If the agency is planning to rent a property that has no legal document, the following should be taken into account;

- 1-not finding a property that has a legal document.

2-the owner of the property that has no legal document is not able to have a legal document for a reason out of his hand.

3-Having a permission from the Ministry of finance before signing the contract and before renewing it.

4-The Duration of the rent should be renewable in accordance with the controls stipulated in the real estate law and its eviction, and in accordance with the controls stipulated in this regulation.

5-Ensure - before concluding the contract - that there is no real estate with a legitimate deed that meets the conditions.

Article 4:rented property should meet the conditions of safety and security. Lessor should provide a report for the Civil Defense and from an engineering office that confirms the safety of the building and its suitability to the activities its rented for, and this condition should be done at the beginning of each contracting year.

Article 5: with accordance with what is stated in paragraph (B) of Article (3) of the law, the owner of the property should not be one of those whom legally shouldn't be deal with in renal issues, until the period of that legal refusal is over.

The reasonable period stipulated in Paragraph (c) (of Article Three) shall be determined

By the law, according to the circumstances, by the leasing agency, this should be explained to the lessor when requesting the repair.

Article 6:

First: Unless the agreement is intended otherwise
The renting agency should-during the renting period-
perform the regular preventive
Maintenance to avoid any damage that may occur to the
building and its components and to avoid any damages
to equipment's in it, and checking devices and
equipment according to the instructions of the technical
manuals and the manufacturers' manuals
and repairing the damages caused to it as a result of
using it.

Second: The lessor - for the duration of the contract - is
obligated to conduct remedial maintenance (corrective
and regenerative) of the basic equipment of the leased
property, at his own expense, without claiming any
compensation or claiming remuneration.

Third: The lessor - for the duration of the contract - is
obligated to maintain the electric and hydraulic
Elevators via a specialized company and at his
expenses.

Forth: The government agency wishing to lease must
clarify the provisions contained in the previous clauses.

(Chapter Two)

Leasing procedures

Article 7:

A) Advertisement in newspapers, according to the controls stipulated in Article 4 of the system, is restricted to the buildings and real estate to be leased. This does not include other support services such as furniture, maintenance and operation, or security guards and other things that should be announced about independently according to the government tender and procurement law.

B) The announcement should include general and not restricted standards that can be applied to a certain property.

Article 8: taking into account the terms and conditions stated in the articles five and six the renting agency may ask the owner to make the adjustment it think necessary with the following conditions;

1-The absence of a suitable property that matches the required conditions and specifications.

2-These additions should not result in a change in the shape of the building or its main essential infrastructure to it.

3-The total fee should not exceed the authority of the agency stipulated in Article (fifteen) of the law.

Article nine: among the committee members for checking the property on of the engineers or the professional technicians from the renting agency

employees. An assistant can be acquired from other agencies if that not available within the renting agency.

Article Ten:

The starting date of the contract should be from the dated of receiving the property free from every obstructions After completing the contracting procedures stipulated in the law and approving the rental decision.

Chapter Three Rental Period

Article 11:

First: when conducting what is stated in paragraph (A) of Article (7) of the law, the followings should be considering:

1-The renting period should not be less than one year and should not exceed three years. It can be renewed or extended.

2- To stipulate in the contract to renew automatically unless one of the parties informs the other of his unwillingness to renew it before (one hundred and eighty) days from the end of the contract or at the end of the renewed period.

3- If the renting period – according to paragraph (A) of this Article (Nine years) then another suitable property should be looked for. The contract should not be renewed or extended more than that unless there is no other suitable property available

in price and standards. And that should be agreed upon with the Ministry of Finance.

4-The contract value is to be paid in equal installments every instalment would be () Riyals at the beginning of every contacting year.

Second: Upon the agreement of both parties- the contract can be extended after its end for another period that should be less than the previous period and with the same conditions.

Three: The leasing agency may extend the contract without the approval of the lessor of the following conditions: -

1. The contract should state that the agency has the right to extend the contract without the permission of the owner.
2. The extension should be after the first period only.
3. The extension period should not exceed three years.
4. The contract should state that it is permissible to increase the renting wage for a percentage of 5% of the first price if the extension is for one year. And should not exceed 10 % of the first year price if the extension is more than one year.
5. If the price exceeds the authorization of the agency stated in article (15) of the law, the extension should be conducted with the agreement of the Ministry of Finance.

Fourth: Government entities should be restricted to the periods agreed upon in this article.

Article Twelve: -

If the government agency wishes to rent a property to be established with the lessor according to standards and specifications agreed upon from the two parties, the followings should be considered: -

A- Those procedures are to be published in the newspaper as a general competition according to the terms and conditions of the public competition.

B- The terms and specification of the building to be established – that its renting price exceeds two Hundred thousand Riyals are to be sent as well as the justifications of other rentals activities to the Ministry of Finance. Before publishing it in a Public Competition and should consider if that of the interest of the government Public Treasury, or if owning the property will achieve that interest according to the terms stated in Article 41 of the Government Competition and Procurement Law.

C- The contract period will start from the date the lesser agency receival of the building free of any malfunctions and upon a report stating the starting date.

D- The period of this contract should not exceed twelve years, and shouldn't be renewed and extended.

E- With the exception of the period, such kind of contacts are subject to all the terms and conditions that regulate the government renting contracts stated in the law of the government properties renting and evacuation and subject to this law.

Chapter four

End of contract and the property evacuation

Article 13:- the rent contract ends in the following cases:-

- a) The end of the period agreed upon in the contract and the lessee has no desire to renew or extend the contract.
- b) If the property is not usable due to construction defects or hazardousness.
- c) If it is confirmed that the lessor had probed any employee of the lessee agency by himself or by someone else directly or indirectly.
- d) If the public interest requires the termination of the contract.

Article 14:-

The lessor would be informed of the lessee unwilling to renew or extend the contract during the period agreed upon in the contract in a letter addressed to the lessor address registered in the lessee agency or by writing an acknowledgment to inform the lessor the unwilling for renewal or extension.

Article 15:-

The termination of the contract shall take place before the end of the lease term and the evacuation of the rented building for the reason that the building is not usable any more or if there are any malfunctions or dangerousness in its establishment in the cases stated in article 8 of the Government Renting and evacuation Regulations through a decision from the related Minister or from the Head of the Independent Agency according to an official documents. Provided that the committee formed upon the Council of Ministers decree No.1264 dated 11/11/1397H. according to its authorization to investigate the reasons beyond the evacuation of the building.

Article 16:-

Taking into consideration the terms stated in Article (9) of the law, the lessor will not be compensated for the remaining period of the contract when the property is being evacuated before the end of the period agreed

upon for the reason of technical malfunctions or for an expected danger of using it.

Without breaching the provisions of Article 7 of the state's system of renting real estate and vacating it, its permissible if needed the remaining of the lessee in the property for a period exceeding to 180 days but not exceeding one year, where the lessor would be payed the amount agreed upon plus 5% of the annual amount 'til the date of evacuation, with the condition of stating that in the contract.

Article 18: without contradiction with what is stated in article 17 of this law, at the end of the contract and upon the evacuation of the building according to the procedures agreed upon, the lessor has no right to claim any amount that exceeds what is agreed upon by claiming auto renewal.

Article 19:

First: in case of compensation cases stated in paragraphs (A, B, and C) of Article 9 of the law that the works don out of the lessor knowledge.

Second; the lessee can fix any thing in the building and return it as it is when at the beginning of the rent and that would be considered as compensation.

Chapter 5

General Provisions

Article 20: building rented for educational purposes concerning the rental price would be dealt with as the

way of dealing with the schools stated in article 15 paragraph B.

Article 22: Government Agencies when renting shouldn't exceed the financial accreditations allocated.

Article 23: to consider the public interest that determines that renting is better than buying or building a property.

Article 24:

The lessee should take into account obtaining certificates of clearance of all public services until the date of signing the contract.

Article 25: lessee should show the Ministry of Finance a proof that the building is new, or if that it is being used by another government entity, or it is a replacement of another building being evacuated and showing the justification of the evacuation and showing the date of the end of contract.

Article 26:

If the government entity is willing to rent a building as an alternative of another occupied one, this should be illustrated in the initial leasing form. It is not permissible to overlap between the terms of the two contracts of any period that exceeds three months as a maximum permitted for transport and processing purpose.

Article 27:

Considering the government authorization in renting issues, if the lessee is interesting in adding buildings to the desired property, surveying and estimation would be for the available building and an independent contract would be issued for the additional buildings. Surveying and estimation would be conducted to the additional buildings with an independent form an append contract would be issued that includes the amount of renting and the dates of usage and the append contract would be added to the contract when renewed to be one contact.

Article 28:

The lessee can not ask for an additional amount for the rent during the validity of the contract and when renewing it. Regulations stated in article 7 if he insists in or increasing the amount evacuating the building, evacuation would be done after the end of the regular additional periods.

29: It is not allowed to rent a property rented previously from another government agency for a reason of the owner to increase the price, as long as the price evacuated in the level of the market normal price.

Article Thirty:- if the owner changed his decision to rent his property to the Government agency, after the approval of the Ministry of Finance for the contracting procedures, then the government agency should return the evaluation form and clarify that to the Ministry including the justification of the owner decision to stop the renting contract.

Article Thirty On:-

The Government agency should not evacuate the property that fulfil its needs and look for another property until the end of the period agreed upon on article No. 11 of this law or upon the request of the owner unless there is an essential reason for the evacuation of the property and upon the approval of the Ministry of finance.

Article 32:- the lessor will not be compensated or increase the price for him for fixing works that may prevent the utilization of the property during the contract period.

Article 33:- the government law for the property renting and evacuation will applied on all government agencies except the entity that have an exceptional law.

34- these regulations will be applied on the renting procedures abroad including the kingdom embassies, attaches, consulates and its offices abroad without any contradictions with the government regulations.

35:- the unified renting contract released from the Ministry of Finance will be applied on all contracts.

36- these regulations will be valid from the starting date of validity on the new rental contract or those renewed.

Article 38: These regulations will be published on the official newspaper and be valid from the date its published and would revised every five years.

FEMALE SECTION

القسم النسوي