

Saudi Arabian Monetary Authority

HEAD OFFICE

General Department of Insurance Control

التاريخ: ١٤٣٨/١١/٢٥ هـ

Circular

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الموافق: ٢٠١٧/٠٨/١٧ م

المرفقات:

Chief Executive Office

Subject: Accuracy of Claims Experience Data

Further to SAMA's circular # 122 on 'Medical Expenses Insurance – Actuarial Pricing 2017', it has been brought to SAMA's attention that the claims experience data being provided by insurance companies (or on their behalf by Third Party Administrators) to policyholders is sometimes not consistent with the actual claims experience. SAMA considers this as inappropriate and anti-competitive, and where it becomes aware of such instances, SAMA will be taking vigorous action against such companies.

In order to promote accuracy of the above claims experience data, each company must adhere to the following procedures:

1. The Company's hierarchy for signing off on the Claims Experience Form (attached) should be clearly documented and approved by the Company management.
2. The Internal Audit function must carry out a quarterly assessment of the accuracy of the Claims Experience Forms provided by the Company to policyholders. The findings of the Internal Audit must be properly documented, and must be submitted to the Company management.
3. SAMA will perform spot-checks to assess the accuracy of the Claims Experience Forms provided by the Company to policyholders. During these visits, the findings of the Internal Audit must be made available to SAMA's inspection team.
4. SAMA expects that the Company will introduce measures to automate the completion of the Claims Experience Form in order to reduce the risk of errors or omissions.

Yours sincerely,

Hesham Tashkandi
General Director of Insurance Control

To:

- Insurance Companies
- Insurance Brokers
- Insurance Agents
- Insurance Claims Settlement Specialist (Third Party Administrators)
- Appointed Actuaries

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