

**Enforcement Bulletin pursuant to the Health Insurance Law (No 11 of 2013) of the Emirate of Dubai**  
**Enforcement Bulletin Number 1 of 2015 (EB 01/2015)**

Subject of this Enforcement Bulletin	Update on enforcement measures taken by Health Funding Department (HFD)
Applicability of this Enforcement Bulletin	This Enforcement Bulletin will be of interest to all who are subject to the Law and compliance with it
Purpose of this Enforcement Bulletin	To update the health insurance market, healthcare providers and the general population of the actions that have been taken by HFD to enforce the Law since its inception
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This document replaces	Not applicable
This document has been replaced by	Not applicable
Effective date of this Enforcement Bulletin	Not applicable
Grace period for compliance	Not applicable

**Preamble**

During the 20 months since the implementation of the Law on 14 February 2014 HFD has been extremely active with implementation projects including registration and monitoring of 45 insurers, 24 TPAs and 131 intermediaries as well as issuing 25 regulatory notices, working on a premium pricing regulation model, a healthcare provider pricing model and a unified health insurance policy wording, not to mention the regular daily work of answering the questions submitted via [isahd@dha.gov.ae](mailto:isahd@dha.gov.ae) by both insurance market participants, healthcare providers, employers and the public

Our team has also been working closely with healthcare providers by way of the establishment of groups wherein the views of providers are being represented

We have also been very active in collation of data from PIs, other insurers and TPAs in order to measure and ensure that the enrolment of the target population is proceeding to plan

During this implementation phase we have also been increasingly active in enforcement of the Law, albeit that we have not until now publicly announced our activities. This Bulletin should make clear that we have been very active in enforcement on both a proactive and a reactive basis.

**Enforcement approach: both proactive and reactive**

Market participants are becoming increasingly confident that when they notify HFD of actual or suspected malpractice or illegal activity they can do so in the knowledge that their anonymity will be preserved. This has allowed us to investigate such reports and act decisively and quickly. We continue to encourage and benefit from this activity

We are also very proactive in identifying malpractice, investigating and taking appropriate action.

**Objective of this Enforcement Bulletin**

The objective of this bulletin is to make all health insurance market participants aware of the enforcement measures undertaken by HFD over the period and to assure all concerned that we are indeed enforcing the Law and that the degree of

enforcement continues to escalate, including naming of parties (either publicly or in closed sessions) who are in severe or repeated breach of the Law

### Companies who may appear in the record of enforcement actions

The regulatory responsibilities which the Law places upon HFD relate primarily to regulation of health insurance market participants and TPAs. Therefore the majority of enforcement actions will relate to these two sectors. However, whilst healthcare **providers** are regulated from a licensing and service delivery perspective by Health Regulation Department, they may also appear in the HFD Enforcement Bulletin if they have breached any aspect of the Health insurance Law

### Types of violation

The following is a list of the most common types of violation that we are identifying:

- Foreign insurers (unlicensed locally) marketing directly into the Emirate of Dubai;
- Third party administrators marketing health insurance schemes in contravention of federal law;
- Unlicensed intermediaries marketing in or into the Emirate of Dubai.

### Enforcement actions

Details of all enforcement actions are included in Appendix A.

### Complaints are not part of this communication

What is **not included** are the outcomes of the complaints made to HFD via the online iPROMeS system which is seeing increasing traffic mainly from insured members but also from employers as well as market participants. These complaints generally include information of a personal and confidential nature and are not for publication. However, the performance of insurers, TPAs and intermediaries is subject to scrutiny by way of their complaints procedures, complaints logs and annual complaints report which must be submitted to HFD by 7 January each year. HFD will publish performance figures in these areas during 2016.

## APPENDIX A

### Record of enforcement actions

Item	Date/month	Subject entity	Violation	Action taken	Outcome
1	March 2014	TPA	A free zone located TPA was acting as a <i>de facto</i> insurance company by designing, marketing, pricing, underwriting, branding and administering health insurance plans under its own name. An international and locally licensed insurer carried the risk but did not have any details of the insured members.	The TPA was instructed to restrict its activities to those stipulated in Federal Insurance Authority Board Resolution (9) of 2011 Article 4(5) and Article 6(1)	The TPA complied and restricted its activities as ordered
2	April 2014	TPA (x3)	The three TPAs had continually delayed compliance with submitting their HIP applications for a period of over 6 months	The subjects were placed under a Close Scrutiny Order for a period of 2 months	The subjects eventually complied with the HIP registration requirements
3	September 2014	Insurance company	A non-PI was reported to be actively marketing to employers in respect of LSB workers, contrary to the Law	The company was called to a Compliance Meeting to explain the violation. The company was warned not to repeat the violation	The company withdrew its quotations and desisted from the illegal activity
4	October 2014	TPA	Actively marketing health insurance schemes to employers and introducing business to insurers in contravention of Federal Insurance Authority Board Resolution (9) of 2011 Article 4(5) and Article 6(1)  Lack of transparency in dealings with PIs regarding their HIP status	Official warning issued	The subject desisted from its activities and agreed to report to HFD on a weekly basis
5	December 2014	UK based health insurer marketing into Dubai	A UK based health insurer (with a local insurance partner) was found to be marketing itself directly into the UAE via its website and other materials as a health insurance provider in UAE	The insurer was subject to a Compliance Meeting and was ordered to restructure its website and marketing materials	The subject complied with all instructions such that the local insurer was clearly identified as the insurer of products designed by the foreign insurer
6	December 2014	Health clinic	The Subject had been operating as a health insurance claims management company (TPA) in contravention of Health Insurance Law (No 11 of 2013) of the Emirate of Dubai and had not applied for a Dubai Health Insurance Permit although it had submitted an application for a Federal Insurance Authority License;  The Subject, via its website, had been marketing TPA services and health insurance plans, the latter activity being in contravention of Federal Insurance Authority Board Resolution (9) of 2011 Article 4(5) and Article 6(1)	Enforcement Notice issued	The subject ceased its illegal activities and took down its website
7	January 2015	UK based health insurer marketing into Dubai	A UK based health insurer (with a local insurance partner) was found to be marketing itself directly into the UAE via its website and other materials as a health insurance provider in UAE	The insurer was subject to a Compliance Meeting and was ordered to restructure its website and marketing materials	The subject complied with all instructions such that the local insurer was clearly identified as the insurer of products designed by the foreign insurer
8	February 2015	Unlicensed TPA	A TPA operating in DHCC was found to be doing so without a Dubai HIP	The TPA was called to several meetings to discuss the violation	The TPA ceased its claims management operations two months later
9	February 2015	TPA (x5)	We were notified that some TPAs were charging fees to healthcare providers for empanelment and ancillary services which did not appear to be within the services allowed by TPAs under Federal Insurance Authority Board Resolution (9) of 2011 Article 4(5) and Article 6(1)	The TPAs concerned were advised that HFD would not allow such practices unless the TPA produced written assent from the Federal Insurance Authority	No TPA produced the required assent

10	June 2015	Unlicensed foreign intermediary	A business (unlicensed in UAE as an intermediary and without a Dubai Health Insurance Permit) had delivered a health insurance product "Roadshow" in Dubai targeting pilots and displaying the logo of a locally licensed insurer on a flyer inviting people to attend	The intermediary was ordered to cease marketing activities in the Emirate of Dubai  The locally based insurer was advised not to allow its brand to be used in such a way	The subject ceased its marketing activities in the Emirate of Dubai and removed its literature from locations in Dubai  The locally based insurer confirmed that it would not allow itself to be involved with unlicensed intermediaries
11	August 2015	Insurance company	An employee of a non-PI insurance company had requested introduction fees from a PI whilst negotiating a facilitation agreement contrary to Standards Notice SN 01/2014	The company was called for a Compliance Meeting to explain the violation. The company was advised to abide by the SN and provide proper training for its employees.	The employee was removed from his position relating to marketing health insurance business
12	September 2015	Unlicensed company marketing itself as an insurance company	A company with a DuBiotech FZ license and a Dubai office was discovered as having an active website that promoted health insurance products to UAE residents despite having no Federal Insurance Authority License and no Dubai HIP	The company's COO was contacted and warned that its activities were illegal. The case is pending.	The subject has removed its website and is due to attend an Enforcement Meeting
13	September 2015	Unlicensed broker	A JLT-based company (being a shareholder in a HIIP registered broker) was discovered to be actively promoting itself as an insurance broker in its own right despite having no Federal Insurance Authority License and no Dubai HIIP	The company and its subsidiary broker were called to an Enforcement Meeting and instructed to remove the offending website and desist from the illegal activity	The company removed its website.  Pending a decision on penalties
14	September 2015	TPA	Actively marketing health insurance schemes to employers and introducing business to insurers in contravention of Federal Insurance Authority Board Resolution (9) of 2011 Article 4(5) and Article 6(1) (this was a second offence)	Final warning issued	The subject desisted from its activities and submitted a commitment from its Director to comply
15	September 2015	Locally registered insurance company	A locally registered Takaful company was discovered to be marketing the products of a foreign entity not registered or licensed in UAE including highlighting the foreign entity's brand	The local insurer was called to a Compliance Meeting and was told to desist from marketing the unlicensed foreign company's products other than through the local company's own distribution channels and to make clear in its marketing materials all relationships and licensing matters	The local insurer agreed to comply
16	September 2015	Locally registered insurance company and a foreign domiciled partner	Complaints were received at DHA that a locally licensed insurer was fronting a foreign health insurance related entity but that the foreign partner was actively promoting itself in UAE as offering health insurance products including online quotations.	Both the local insurer and representatives of the foreign entity were called to a compliance meeting and told that there must be no marketing of the foreign entity's products other than through and in the name of the local insurer	Both the local insurer and the foreign entity's representatives agreed to comply
17	October 2015	Insurance company	HFD identified that a company was using the term "DHA Preferred Insurer" in one item of its marketing materials	The insurer was ordered to desist from using the term and to withdraw from circulation all materials	The insurer complied in full and revised its marketing material vetting procedures