

The Republican Decree of Law No.37 of 1992
On Supervision and Control of Insurance
Companies and agents – as amended

The law contains 80 Articles which are in eleven Chapters.

Article 3 provides that the law applies to all insurance and reinsurance companies and agents operating in the Republic of Yemen.

Types of Insurance according to Article 4 are:-

- Life insurance;
- Fire insurance;
- Marine, land and aviation insurance;
- Capital guarantees;
- Accident insurance; etc.

Insurance and reinsurance companies and agents are subject to this law, the law on commercial companies and other related laws and regulations which are in force.

Insurance and reinsurance companies must be established in the form of joint- stock companies, provided that their capital is not less than YR (15,000,000), and Yemeni shareholders own not less than 75% of the company capital, and the majority of the Board of Directors are of Yemeni nationality.

Foreign insurance companies can do insurance business in Yemen only in the field of reinsurance, whether through their own Branches or through Yemeni agents.

Insurance companies must deposit in the name of the Minister of Industry and Trade, an amount equal to 10% of paid up capital, in a bank named by the Minister himself.

According to Article 17 an insurance company cannot conduct any reinsurance business, unless it has

- to be of Yemeni nationality and residing in the Republic of Yemen;
- to be of good conduct and reputation;
- has not been convicted of crime or offence;
- has full legal competence;

However, no person can conduct any insurance business, unless he has obtained license according to the law and regulations.

Articles 23 through 30 specify procedures for licensing insurance companies

- If the company assigned all its insurance documents to another company;
- If the company merged with another company;
- If the company business activities stopped for any reason stated by law.