REPUBLIC OF SOMALILAND
NATIONAL INSURANCE AUTHORITY

Regulatory Booklet

A plain-language guide to the eight Insurance Regulations, 2026

Two pages on each regulation: scope, requirements, compliance steps and penalties
Based on the final drafts prepared for approval and publication in the Official Gazette

Hargeisa, Republic of Somaliland | September 2026

Contents

This booklet gives each regulation an identical two-page treatment. **Page one** explains the purpose, scope, key terms and mandatory requirements. **Page two** turns them into practical steps, roles, penalties and a quick-reference table. Article numbers in brackets point to the source text.

No.	Regulation	Pages
1	Licensing and Governance of Insurers and Reinsurers Regulations, 2026	3–4
2	Prudential, Capital Adequacy and Reinsurance Regulations, 2026	5–6
3	Insurance Pricing, Premiums and Rating Regulations, 2026	7–8
4	Insurance Intermediaries Regulations, 2026	9–10
5	Policyholders' Compensation Fund Regulations, 2026	11–12
6	Microinsurance Regulations, 2026	13–14
7	Health and Medical Insurance Regulations, 2026	15–16
8	General Accident and Occupational Health and Safety Insurance Regulations, 2026	17–18

Editorial Notes

- **Enabling law citations differ.** The Insurance Companies Law appears as Law No. 104/2023 in the Prudential, Compensation Fund, Intermediaries, Health and Accident/OHS drafts, but as Law No. 104/2022 in the Licensing, Pricing and Microinsurance drafts. The Intermediaries enacting clause also calls it the "Companies Act". Reconcile before Gazette publication.
- **The Sector Brochure draft is not included.** It contains only section headings and one market table, with no regulatory text to summarise.
- **Drafts, not law.** All eight are drafts awaiting Board approval and Gazette publication; figures, dates and article numbers are as printed in the drafts and may change.
- **Amounts** are in US dollars as stated in the drafts.

1. Licensing and Governance of Insurers and Reinsurers Regulations, 2026

Title & Code

Regulation	Licensing and Governance of Insurers and Reinsurers Regulations, 2026
Identification	Regulations No. ___ / 2026 (number assigned on Gazette publication); Final Draft for Approval; 49 Articles, 4 Schedules
Governing body	National Insurance Authority (NIA), under Law No. 92/2020 and the Insurance Companies Law (cited as No. 104/2022 in this draft)

Executive Summary

These Regulations set out the whole life of an insurance or reinsurance licence in Somaliland: who may apply, how NIA assesses an application, what a licensed company must keep doing every year, how its board must be governed, and how a licence is suspended, withdrawn or surrendered. They apply to every insurer, reinsurer, takaful or retakaful operator, microinsurer and foreign branch. Intermediaries are licensed under separate regulations. NIA applies the rules in proportion to a company's size and risk.

Key Definitions & Core Provisions

- **Licence:** personal to the licensee; it cannot be transferred, lent or used for another person (Art. 5).
- **Significant owner:** anyone holding 10% or more of shares, votes or economic interest, or with significant influence (Art. 4).
- **Key person:** a director, chief executive, senior manager, head of a control function, appointed actuary or auditor.
- **Approval in principle:** a conditional step only; it is not a licence and allows no insurance business (Art. 20).
- **Foreign branch:** a place of business of a foreign insurer not separately incorporated in Somaliland; it needs a licence, a head-office undertaking and a local principal officer (Art. 10).
- **Statutory deposit:** money lodged for policyholder protection, free of pledges and topped up when it falls short (Art. 29).

Mandatory Requirements

- No person may carry on, advertise or hold out insurance business, or use words such as "insurance" or "takaful" in a name, without NIA approval (Art. 5).
- Licence categories: long-term, general, reinsurance, takaful, micro and foreign branch; long-term and general business go in separate entities (Arts. 6, 8).
- Capital must be fully paid, unencumbered and from a lawful source; borrowed money does not count (Art. 11).
- Full ownership must be disclosed down to the natural-person owners, and all key people must pass the fit-and-proper test (Art. 12, Sch. 3).
- A board-approved five-year business plan with base and adverse scenarios is required (Art. 15).
- Board: majority non-executive, chairperson not the chief executive, and audit and risk committees in place (Art. 32).

- Outsourcing never transfers responsibility; the licensee keeps a registered office and its main regulatory records in Somaliland (Art. 28).

1. Licensing & Governance: Implementation, Compliance & Practical Insights

Operational Procedures & Steps

1. **Apply:** use the prescribed form, signed by two authorised persons, with the fee and the 18-item Schedule 2 checklist (Arts. 13–14).
2. **Assessment:** NIA confirms completeness; its decision period (90 days unless the Act says otherwise) starts only then (Arts. 18, 21).
3. **Approval in principle and inspection:** meet the conditions; NIA may inspect premises, systems and staff (Art. 20).
4. **Licence and start-up:** begin business within 6 months; display the licence and show its number on documents and websites (Art. 22).
5. **Every year:** pay the annual fee, file the Schedule 4 continuation return with a board attestation, and top up the statutory deposit within 15 business days if it falls short (Arts. 23, 29).

Responsibilities & Governance

- **Board:** ultimately responsible for strategy, solvency, claims, reinsurance and compliance; reviews the governance framework yearly (Art. 31).
- **Senior management and control functions:** implement policies; compliance, actuarial and internal audit have direct board access (Arts. 33, 35).
- **NIA:** assesses, licenses, inspects, keeps the public register and may publish major regulatory actions (Arts. 22, 44).
- **Auditor and actuary:** the external auditor must be approved by NIA, and the actuarial function advises on pricing, provisions and capital (Arts. 35–36).

Penalties & Non-Compliance Risks

- **Suspension** for lost licence conditions, capital or deposit shortfall, unpaid fees, false information or immediate risk to policyholders (Art. 40).
- **Withdrawal** for a false application, serious breach, insolvency or failure to remedy; liabilities to policyholders continue (Art. 41).
- **Sanctions and offences:** warning to disqualification; unlicensed business, falsified returns and misuse of policyholder funds are offences (Art. 43).
- **Review and appeal:** internal review or appeal is available, but a decision is not automatically stayed (Art. 44).

Summary Table

Stage	Key rule	Articles
Entry	Licence before trading; capital, owners and plan checked	5–22
Operate	Annual return, deposit upkeep, board attestation	23–24, 29
Change	Prior approval: new class, owners, directors, mergers	25–27
Exit	Approval to surrender; run-off plan; liabilities stay	30, 40–42
Existing insurers	Regularise licence within 6 months of commencement	45

Stage	Key rule	Articles
Governance	Non-executive majority; audit and risk committees; independent control functions	31–36

Company-specific licensing clauses (highlighted in the source draft): Arts. 5–23, 25–27, 30, 40–42, 45.

2. Prudential, Capital Adequacy and Reinsurance Regulations, 2026

Title & Code

Regulation	Prudential, Capital Adequacy and Reinsurance Regulations, 2026
Identification	Regulations No. ___ / 2026; Final Draft for Approval; 74 Articles, 8 Schedules
Governing body	National Insurance Authority (NIA), under Law No. 92/2020 and the Insurance Companies Law No. 104/2023

Executive Summary

This is the financial-strength rulebook. It tells insurers and reinsurers how to value assets and liabilities, hold minimum and risk-based capital, invest prudently, buy reinsurance, stress-test their business and report to NIA. It also sets a ladder of early intervention so problems are dealt with before policyholders are harmed. It applies to every licensed insurer and reinsurer (foreign branches as NIA directs) and to takaful operators with adaptations.

Key Definitions & Core Provisions

- **PCR (Prescribed Capital Requirement):** the greater of minimum paid-up capital and the total risk charge for underwriting, market, credit and operational risk.
- **CAR (capital adequacy ratio):** available capital divided by PCR, as a percentage.
- **Tier 1 / Tier 2 capital:** Tier 1 is permanent top-quality capital (at least 70% of PCR); Tier 2 may not exceed 30% (Art. 24).
- **ORSA:** the board-approved Own Risk and Solvency Assessment, covering at least three future years (Art. 52).
- **Technical provisions:** the full value of policy obligations (unearned premium, unexpired risk, outstanding claims and IBNR) before reinsurance (Arts. 14–16).
- **Control levels:** CAR thresholds at 150%, 100%, 75% and 50% that trigger progressively stronger supervisory action (Arts. 29–32).

Mandatory Requirements

- Minimum paid-up capital: USD 3 million (general or long-term); USD 5 million (composite or professional reinsurer); security deposit of 20% of it (Sch. 1).
- Keep CAR at or above the 150% target; 100% is the Solvency Control Level (Arts. 29–30).
- No dividends or related-party payments while below 150% (Art. 26).
- Hold unencumbered admissible assets at least equal to gross technical provisions and liquid assets for 90 days of outflows (Arts. 36, 40).
- Reinsurers must be rated BBB-/Baa3 or better, with no more than 40% with one group; catastrophe cover to a 1-in-100-year event (Sch. 6).
- Notify material events at once, within 24 hours if urgent (Art. 11).
- Currency matching: at least 80% of liabilities in each material currency backed by assets or hedges in that currency (Art. 39).
- Net single-risk exposure normally capped at 10% of available capital; fronting and finite reinsurance need prior approval (Art. 47, Sch. 6).
- Keep records supporting valuations and returns for at least ten years (Art. 10).

2. Prudential, Capital & Reinsurance: Implementation, Compliance & Practical Insights

Operational Procedures & Steps

1. **Value:** prepare a prudential balance sheet reconciled to the IFRS accounts; the appointed actuary certifies provisions annually (Arts. 12, 19).
2. **Measure:** compute PCR and CAR; monitor monthly and project 12 months ahead (Art. 33).
3. **Reinsure:** submit the reinsurance programme 60 days before inception; obtain the executed treaty within 90 days (Sch. 6).
4. **Stress-test:** quarterly scenarios; annual ORSA filed within 30 days of board approval (Arts. 52–53).
5. **Report:** quarterly return within 30 days; audited IFRS accounts and actuarial reports within 90 days of year end (Sch. 7).
6. **Notify:** report control-level breaches, reserve deterioration, reinsurer default or investment breaches at once (Art. 11).

Responsibilities & Governance

- **Board:** solvency, risk appetite, investment and reinsurance policy; CEO, CFO and actuary certify returns quarterly (Arts. 6, 33, 59).
- **Appointed actuary:** independent advice to the board; must report a deficiency without delay (Art. 7).
- **NIA:** examines, sets capital add-ons, gives directions and may appoint skilled persons at the entity's cost (Arts. 62–66).
- **Reinsurance intermediaries** must be licensed; using one does not relieve the cedant of due diligence (Art. 48).

Penalties & Non-Compliance Risks

- **Intervention ladder:** restrictions grow as CAR falls; below 50% NIA may suspend, transfer the portfolio or start resolution (Art. 32).
- **Sanctions:** direction, penalty, restriction, suspension, licence action or prosecution (Art. 67).
- **False or incomplete certification** is itself a breach (Art. 59).
- **Add-ons and disallowance:** NIA may add capital, disallow assets or reinsurance credit and require collateral (Art. 63).
- **Dividends** are blocked below 150% CAR, and no transition may allow a distribution below a milestone (Arts. 26, 68).

Summary Table

CAR level	Status	Presumptive response
150% or more	Target level	Normal supervision
100% to <150%	Early warning	No distributions without non-objection
75% to <100%	Solvency Control breach	Immediate notice; restoration plan
50% to <75%	Capital Restoration	Severe restrictions; injection or run-off prep

CAR level	Status	Presumptive response
Below 50%	Minimum Capital Control	Protective, administration or licence action

Existing insurers: gap plan in 90 days; 75% in 6 months; 100% in 12; 150% in 18 (Sch. 8).

3. Insurance Pricing, Premiums and Rating Regulations, 2026

Title & Code

Regulation	Insurance Pricing, Premiums and Rating Regulations, 2026
Identification	Regulations No. ___ / 2026; Final Draft; 66 Articles, 5 Schedules
Governing body	National Insurance Authority (NIA), under Law No. 92/2020 and the Insurance Companies Law (cited as No. 104/2022 in this draft)

Executive Summary

These Regulations make sure premiums are sound, transparent and fair. They cover how boards govern pricing, what makes a rate acceptable, when rates must be filed with or approved by NIA, special rules for classes such as compulsory motor and occupational insurance, and how premiums are quoted, collected, receipted and refunded. They apply to insurers, reinsurers, takaful operators, intermediaries and anyone who designs, quotes, collects or refunds premiums.

Key Definitions & Core Provisions

- **Core standard:** every rate must be adequate, not excessive and not unfairly discriminatory (Art. 14).
- **Prior approval / file-and-use / use-and-file:** the three filing routes, from "wait for NIA's approval" to "use first, file within 10 business days" (Arts. 23–24).
- **Fair value:** a reasonable link between price and benefits, cover, service and expected claims (Art. 9).
- **Equivalent new business price:** what a new customer with the same risk would pay; renewals must not exceed it for personal and micro products (Art. 21).
- **Technical premium:** the amount needed to cover expected claims, expenses, reinsurance, cost of capital, risk margin and reasonable profit (Art. 4).
- **Pricing algorithm:** any statistical, machine-learning or rules-based system that sets or influences a premium; it must be validated and explainable (Arts. 4, 11).

Mandatory Requirements

- A written, board-approved pricing policy with the Schedule 1 contents, reviewed at least yearly (Art. 7).
- Actuary certification for long-term, health, mandatory and other specified classes (Art. 8).
- Never price by race, clan, ethnicity, religion or political opinion, or by unjustified proxies (Art. 16).
- Quotations must state total premium, fees, key cover terms and validity; retail products need a key facts statement (Art. 41, Sch. 3).
- Cover starts only when premium is received, unless an approved arrangement applies; no mandatory-insurance certificate without payment (Art. 42).
- Keep pricing records at least ten years (Art. 13).
- Discounts and loadings need documented criteria and may not push a premium below a technical or regulatory floor (Art. 20).
- Compulsory motor rates need prior approval; no rebate, commission or free cover may cut the effective premium below an approved floor (Art. 32).

- Foreign-currency premiums only where the law permits, with the exchange-rate basis stated (Art. 48).

3. Pricing, Premiums & Rating: Implementation, Compliance & Practical Insights

Operational Procedures & Steps

1. **Classify:** confirm whether the product is prior approval, file-and-use (usable after 30 days) or use-and-file (Arts. 23–24).
2. **File:** prepare the 12-item rate filing with an actuarial memorandum, impact analysis and board approval (Sch. 2).
3. **Wait for NIA:** review starts when the filing is complete; about 45 days is indicative, and silence is never approval (Art. 27).
4. **Collect:** issue official receipts; intermediaries hold premium in a segregated account and remit within 7 business days (Arts. 43–44).
5. **Monitor and refund:** yearly pricing adequacy report (Sch. 4); pay undisputed return premium within 15 business days (Arts. 46, 51).
6. **Handle disputes:** keep a procedure for disputed quotations, charges and refunds, with written explanations and corrections (Art. 49).

Responsibilities & Governance

- **Board:** owns pricing governance; commercial targets never override actuarial or fair-treatment duties (Art. 6).
- **Actuary or pricing officer:** certifies adequacy and discloses limits and conflicts (Art. 8).
- **NIA:** may approve, suspend or vary rates, set tariffs and corridors, and order refunds or re-rating (Art. 53).
- **Intermediaries:** hold premium in trust, remit on time and deduct commission only if authorised (Art. 44).

Penalties & Non-Compliance Risks

- **Directions:** stop use, refile, notify or refund customers (Art. 57).
- **Sanctions:** warning to licence action, on the insurer and on directors, actuaries or intermediaries at fault (Art. 58).
- **Offences:** knowingly using an unapproved mandatory rate, falsifying a filing, misusing premium money or issuing false evidence of insurance (Art. 59).
- **Review and appeal:** internal review or appeal is available, but does not automatically stay a decision (Art. 60).

Summary Table

Key date or rule	Requirement
Inventory of all rates	File within 6 months of commencement (Art. 61)
Compulsory motor insurance	Fully operational 31 January 2027; rates filed 60 days before or 14 days after publication (Art. 62)
Occupational insurance	Pricing filed before the designated start date (Art. 63)
Renewal notices	Show new and old premium and the right to seek another quote (Art. 21)

Key date or rule	Requirement
NIA rate review	About 45 days from a complete filing; may be extended (Art. 27)

Transitional technical help and provisional rating corridors run for the first 15 months (Art. 63).

4. Insurance Intermediaries Regulations, 2026

Title & Code

Regulation	Insurance Intermediaries Regulations, 2026
Identification	Regulations No. ___ / 2026; Final Draft for Approval; 60 Articles, 7 Schedules
Governing body	National Insurance Authority (NIA), under Law No. 92/2020 and the Insurance Companies Law No. 104/2023 (see editorial note)

Executive Summary

These Regulations license and supervise everyone who sells, advises on or services insurance without carrying the risk: brokers, reinsurance brokers, agents, bancassurance and digital intermediaries, aggregators, loss adjusters and assessors, surveyors, claims-settling agents and third-party administrators. They set capital, competence and conduct standards and, above all, strict rules for protecting client money. The rules follow the function performed, whatever the title or technology.

Key Definitions & Core Provisions

- **Broker vs agent:** a broker acts mainly for the customer; an agent acts for the appointing insurer and must say so (Arts. 7–8).
- **Client money:** premium, claim and refund money held for others; it is trust property, not the licensee's (Art. 26).
- **Third-party administrator (TPA):** runs enrolment, providers or claims without carrying risk (Art. 11).
- **Loss adjuster vs assessor:** the adjuster works for the insurer; the assessor works for the claimant (Art. 10).
- **Bancassurance intermediary:** a bank or microfinance institution that distributes insurance; banking decisions must stay separate from insurance decisions (Arts. 8, 41).
- **Digital intermediary / aggregator:** compares or sells insurance online; rankings and sponsored placement must be explainable and disclosed (Art. 42).

Mandatory Requirements

- No regulated activity without the right licence; an insurer may not use an unlicensed person (Art. 5).
- Capital, security and professional indemnity at Schedule 4 levels, kept at all times (Art. 15).
- Fit and proper status and continuing training: 15 hours a year for brokers, technical heads and adjusters; 8 for agents (Sch. 3).
- Client money in a separate account titled "Insurance Client Money Account", reconciled monthly; shortfalls restored at once and reported within 24 hours (Arts. 26, 28).
- Disclose capacity, insurers represented and remuneration; assess the customer's needs before advising (Arts. 31–32).
- Complaints acknowledged in 2 business days and answered in 15 (up to 30 if justified); records kept 7 years (Arts. 37, 46).
- Commission may come out of client money only after premium clearance and contractual entitlement; customer fees need advance disclosure (Art. 30, Sch. 5).

- Prior approval is needed for ownership changes, new directors, technical heads or compliance officers, mergers and new categories (Art. 19).

4. Insurance Intermediaries: Implementation, Compliance & Practical Insights

Operational Procedures & Steps

1. **Apply:** submit the Schedule 2 documents, fit-and-proper declarations and fee; NIA may interview and inspect (Arts. 14, 17).
2. **Licence:** approval in principle, pre-licensing inspection, then a one-year licence renewed before expiry (Art. 18).
3. **Open the trust account:** obtain the bank's written acknowledgement that the money is not subject to set-off (Art. 26).
4. **Serve customers:** disclose status, record needs, give key facts, confirm cover in writing and issue receipts (Arts. 31–34).
5. **Report:** quarterly business return in 30 days, client-money return in 15, audited accounts in 90 days (Sch. 6).
6. **Change and exit:** obtain prior approval for material changes; surrender only with approval after client money is reconciled and transferred (Arts. 19–20).

Responsibilities & Governance

- **Licensee's board and compliance officer:** governance, conflicts, outsourcing and fair treatment (Arts. 21–24).
- **Insurers:** remain responsible for appointed agents acting within their functions (Art. 41).
- **Auditors:** report client-money breaches or going-concern doubts to NIA without delay (Art. 22).
- **Adjusters, TPAs and claims agents:** act only within their licence and written mandate (Arts. 10–11, 44).

Penalties & Non-Compliance Risks

- **Protective action:** NIA may freeze client money, bar new business or appoint a supervisor at once (Art. 50).
- **Sanctions:** warning to withdrawal, disqualification and restitution to customers (Art. 53).
- **Offences:** unauthorised intermediation, misappropriation of client money, falsification and breaching a suspension (Art. 53).
- **Restitution:** NIA may order refunds of premium or fees, reinstatement of policies, reconsideration of claims and compensation (Art. 53).

Summary Table

Category	Paid-up capital	Security deposit	Indemnity (claim/total)
Insurance broker	USD 50,000	USD 10,000	USD 500,000 / 1,000,000
Reinsurance broker	USD 100,000	USD 25,000	USD 1,000,000 / 2,000,000
Corporate agent	USD 10,000	As directed	USD 100,000 / 200,000
TPA / claims-settling agent	USD 50,000	USD 10,000*	USD 500,000 / 1,000,000
Individual technical licensee	Not applicable	As directed	USD 100,000 / 200,000

**If handling money. Existing licensees may have up to 12 months to meet new capital levels (Art. 56).*

5. Policyholders' Compensation Fund Regulations, 2026

Title & Code

Regulation	Policyholders' Compensation Fund Regulations, 2026
Identification	Regulations No. ___ / 2026; Final Draft for Approval; 75 Articles, 7 Schedules
Governing body	National Insurance Authority (NIA), under Law No. 92/2020 and the Insurance Companies Law No. 104/2023; run through a Fund Management Committee

Executive Summary

These Regulations create a statutory safety net for people whose insurer fails. The Fund is paid for by a levy on insurers and pays eligible claimants up to set percentages and caps, preferring to keep cover going or transfer it rather than pay cash. An optional Motor Accident Account can later help victims of uninsured or unidentified vehicles. The Fund is a last resort, not a guarantee of every insurance promise.

Key Definitions & Core Provisions

- **Protected policy:** a valid direct insurance or takaful contract with a licensed insurer, connected to Somaliland (Art. 26).
- **Eligible claimant:** individuals, small enterprises (turnover up to USD 500,000), qualifying non-profits, group members and protected third parties (Arts. 3, 27).
- **Default and compensation declaration:** NIA's finding that an insurer has failed, and the notice that opens claims (Arts. 33–34).
- **Gross direct written premium:** the levy base, before reinsurance (Art. 3).
- **Insurer Failure Compensation Account:** the ring-fenced account for levies and recoveries, kept apart from NIA's own funds (Art. 7).
- **Motor Accident Account:** a separate last-resort account for death and injury caused by uninsured or unidentified vehicles, active only after an NIA activation notice (Arts. 56–57).

Mandatory Requirements

- Pay the ordinary levy of 0.25% of gross direct written premium, quarterly, within 15 days of quarter end; special assessments may add up to 0.50% (ceiling 0.75%) (Sch. 1).
- Late levy is a debt and bears interest at the Central Bank policy rate plus 5 points (Art. 21).
- Register with the Fund and file premium data within 60 days of commencement (Art. 70).
- Never say or imply that the Fund guarantees solvency or unlimited compensation (Art. 5).
- Failed insurers and administrators must hand over policy, claims and asset records (Art. 37).
- Levies are non-refundable and cannot be withheld because of a dispute (Arts. 20, 25).
- Excluded from protection: directors, controllers and related parties; banks and insurers; large enterprises (except compulsory third-party injury); reinsurance (Sch. 3).
- The Fund targets 3% to 5% of average annual gross direct written premium, reviewed yearly by an actuary (Art. 23, Sch. 1).
- Claims tainted by fraud, collusion or serious illegality are not compensated (Art. 31).

5. Policyholders' Compensation Fund: Implementation, Compliance & Practical Insights

Operational Procedures & Steps

1. **Declaration:** NIA determines default and publishes the compensation declaration in the Gazette, online and in the media (Arts. 33–36).
2. **Claim:** claimants apply free of charge in the Schedule 4 form, ordinarily within 12 months (up to 3 years for good cause) (Arts. 39–40).
3. **Decision:** within 60 days, or 15 working days for straightforward micro, funeral or emergency claims (Art. 46).
4. **Review:** reconsideration may be sought within 30 days by an officer not involved in the first decision (Art. 47).
5. **Payment and recovery:** paid by priority under Schedule 5; the Fund then recovers from the estate (Arts. 50, 53–54).

Responsibilities & Governance

- **Fund Management Committee:** chaired by the NIA Chairman or designate; meets quarterly; quorum of four (Arts. 11, 14).
- **NIA Secretariat:** runs claims, finance and recovery; annual audit, actuarial review and report within 4 months (Arts. 16, 63–65).
- **Insurers:** pay levies, file returns and keep claims-ready data (Arts. 19–20).
- **Fund and liquidator:** share claim and recovery information, avoid duplicate payment and compromise only where prudent (Art. 55).

Penalties & Non-Compliance Risks

- **Insurers:** late, false or withheld levy or returns may bring interest, penalty, licence action and civil recovery (Art. 68).
- **Claimants:** fraud means rejection, recovery with interest and possible prosecution (Arts. 31, 47).
- **Anyone:** misuse of Fund money or breach of confidentiality is sanctionable (Art. 68).
- **Review:** claimants may seek reconsideration and then appeal; a review does not suspend a levy or recovery (Art. 69).

Summary Table

Protected category	Paid	Maximum
Compulsory motor / employers' liability: death or injury	100%	USD 50,000
Micro insurance	100%	USD 10,000
Long-term insurance	90%	USD 50,000
Health and medical	100% emergency; 90% other	USD 15,000
Other general insurance	90%	USD 25,000
Unearned premium	90%	USD 2,500

Deductibles and other recoveries apply first (Sch. 2). Motor Accident Account, once activated: up to USD 25,000.

6. Microinsurance Regulations, 2026

Title & Code

Regulation	Microinsurance Regulations, 2026
Identification	Regulations No. ___ / 2026; 80 Articles, 5 Schedules
Governing body	National Insurance Authority (NIA), under Law No. 92/2020 and the Insurance Companies Law (cited as No. 104/2022 in this draft)

Executive Summary

These Regulations bring low-income and underserved people into regulated insurance through simple, affordable products with limited, defined benefits. Only an authorised insurer may carry the risk; cooperatives, mobile operators, lenders or employers may distribute but not promise benefits from their own funds. The rules are proportionate but insist on fair value, plain language, fast claims and easy redress. They cover conventional microinsurance and microtakaful, including digital and group sales.

Key Definitions & Core Provisions

- **Microinsurance:** insurance for low-income or underserved people, within Schedule 1 limits and approved by NIA as micro (Arts. 4, 16).
- **Specialist microinsurer vs conventional insurer:** the first is licensed mainly for micro business; the second needs written NIA approval (Arts. 7–10).
- **Index-based insurance:** pays on an objective, verifiable trigger without proof of individual loss (Art. 23).
- **Key facts statement:** a two-page summary given before enrolment (Art. 27).
- **Microtakaful:** Shari'ah-compliant microinsurance under an approved takaful model, with the operating model and surplus treatment disclosed (Art. 24).
- **Group and credit-linked policies:** group members keep their rights if the group holder fails to remit; credit cover may not exceed the outstanding debt (Arts. 22, 34).

Mandatory Requirements

- NIA approval is needed for the insurer and for every product before sale (Arts. 8, 17).
- No splitting a risk to escape the limits in Schedule 1 (Art. 16).
- No waiting period for accidental death or injury; other waiting periods no longer than a quarter of the term or 6 months (Art. 30).
- At least a 30-day grace period and a 14-day cooling-off right (Arts. 31–32).
- Pay valid claims within 10 business days (5 for index claims); rejections must give reasons and allow 30 days to seek review (Arts. 51–52).
- Complaints acknowledged in 2 business days, answered in 10 (up to 20); no retaliation (Art. 54).
- Exclusions must be necessary and prominent and may not make the main benefit illusory; the insurer must prove an exclusion it relies on (Art. 29).
- Digital sales: essential terms before consent; no airtime or mobile-money debit without specific consent stating amount and frequency (Art. 42).

- Personal data is used only for the stated insurance purpose and never sold or used for unrelated marketing without consent (Art. 62).

6. Microinsurance: Implementation, Compliance & Practical Insights

Operational Procedures & Steps

1. **Approval to operate:** apply with a three-year plan, target-market study and capital evidence (Arts. 11–12).
2. **Product filing:** submit the 15-item Schedule 2 package with wording, pricing memo and customer testing (Art. 18).
3. **Appoint and train:** written agreements with each intermediary; training before any sales; premium remitted within 5 business days (Arts. 37–40).
4. **Sell:** give the key facts, obtain recorded consent, and issue a receipt (Arts. 27, 47–48).
5. **Review and report:** annual product review, quarterly and annual returns, and records kept 7 years (Arts. 25, 63, 65).

Responsibilities & Governance

- **Insurer:** fully responsible for intermediaries, group policyholders, platforms and outsourced providers (Art. 44).
- **Board:** micro strategy, fair outcomes and financial soundness (Art. 61).
- **NIA:** approves, supervises, may cap remuneration and publishes market indicators (Arts. 41, 66–67).
- **Group policyholders:** account for premiums, protect member data and avoid conflicts of interest (Art. 21).

Penalties & Non-Compliance Risks

- **Corrective directions:** stop or change a practice, refund, reopen claims or replace intermediaries (Art. 69).
- **Suspension** of a product or channel, or withdrawal of approval; existing policies stay valid (Arts. 70–71).
- **Offences:** unauthorised risk-carrying, misappropriated premium, falsified records or obstruction (Art. 72).
- **Restitution:** NIA may require refunds, reopened claims and payment of benefits with interest where authorised (Art. 73).

Summary Table

Class	Maximum benefit	Annual premium	Term
Life, funeral, accident, disability	USD 10,000	USD 300	Up to 5 years
Health and medical	USD 5,000	USD 300	1 year
Property, fire, crop, livestock	USD 15,000	USD 500	1 year
Credit life	Debt, max USD 10,000	USD 500	Credit term
Income interruption	USD 5,000	USD 300	1 year

Existing schemes notify NIA in 30 days and submit a plan in 90 days; community schemes carrying risk must authorise, partner, transfer or stop (Arts. 75–76).

7. Health and Medical Insurance Regulations, 2026

Title & Code

Regulation	Health and Medical Insurance Regulations, 2026
Identification	Regulations No. ___ / 2026; Final Draft; 96 Articles, 8 Schedules
Governing body	National Insurance Authority (NIA), under Law No. 92/2020 and the Insurance Companies Law No. 104/2023

Executive Summary

These Regulations govern private and takaful health insurance from product design to claims and exit. They cover approval of products, fair underwriting, provider networks, pre-authorisation, claims deadlines, protection of health data and cyber security, fraud control and prudential duties. Part XII also establishes a single Somaliland Health Insurance Fund and an independent Agency to run it, alongside private cover. They apply to insurers, takaful operators, administrators, intermediaries, sponsors and providers.

Key Definitions & Core Provisions

- **Comprehensive medical insurance:** a label reserved for cover including emergency, outpatient, diagnostics, inpatient and surgical care and medicines (Art. 17).
- **Limited-benefit products:** hospital cash, dental-only and similar cover; must be described as supplementary (Art. 17).
- **Pre-authorisation:** prior approval for listed services; it does not guarantee payment where fraud is involved (Art. 41).
- **Health Insurance Fund and Agency:** the national pooled fund and the body that collects contributions and pays accredited providers (Arts. 82–83).
- **Health insurance administrator:** an independent third party running enrolment, claims or provider networks; needs NIA approval (Art. 12).
- **Network access plan:** a filed, yearly-reviewed plan of service maps, capacity and gaps, so access is real and not just advertised (Art. 37).

Mandatory Requirements

- Prior NIA approval for every health product and material variation (Art. 14).
- Policies and summaries in plain Somali (and English or Arabic if used); ambiguity is read in the insured's favour (Art. 16).
- Emergency stabilisation covered from day one, without pre-authorisation or waiting period (Art. 18).
- Waiting periods: general up to 30 days; condition-specific and maternity up to 12 months; newborns covered from birth for at least 30 days (Arts. 19, 26).
- Free-look of at least 14 days; grace period of at least 30 days (Arts. 28, 32).
- Network providers may not balance-bill beyond disclosed cost-sharing (Art. 44).
- Mental-health and substance-use benefits may not carry more restrictive limits than comparable physical-health benefits (Art. 20).
- Health data is confidential; sponsors and employers receive eligibility and aggregate figures, not identifiable diagnoses (Arts. 59–60).

- Report the medical loss ratio under Schedule 8 until NIA prescribes minimums (Art. 69).

7. Health & Medical Insurance: Implementation, Compliance & Practical Insights

Operational Procedures & Steps

1. **Authorise:** obtain NIA approval to start or expand health business; administrators need their own approval (Arts. 7, 12).
2. **File the product** with actuarial support and a network access plan (Art. 14, Sch. 3, 5).
3. **Contract providers:** credential them and use Schedule 6 terms (Art. 38).
4. **Enrol:** give the summary and benefit table (Sch. 4) and a membership card with live eligibility check (Arts. 16, 32).
5. **Handle claims:** acknowledge in 3 business days; decide in 15 (30 if review is documented); clinician-led reviews; urgent appeals usually within 24 hours (Arts. 46, 49).
6. **Report:** file Schedule 8 returns and promptly report material adverse events, claims backlogs and breaches (Art. 77).

Responsibilities & Governance

- **Board and health officers:** fair outcomes, solvency, clinical governance; a medical director may be required (Arts. 8–9).
- **Administrators and providers:** act within delegated authority and accepted tariffs (Arts. 12, 44).
- **NIA, Ministry and Agency:** NIA sets Fund financial standards; the Ministry defines the benefit package; the Agency collects and pays (Art. 83).
- **Sponsors and employers:** remit premium promptly and receive only eligibility and aggregated data (Arts. 34, 60).

Penalties & Non-Compliance Risks

- **Sanctions:** warning, penalty, suspension, product ban, disqualification or referral for prosecution (Art. 80).
- **Redress:** refund, reinstated cover, corrected waiting-period credit or continued treatment (Art. 80).
- **Officers** who authorised or failed to prevent a breach may be proceeded against (Art. 80).
- **Fraud:** upcoding, phantom billing, kickbacks and fabricated claims are prohibited and may lead to payment suspension, recovery and referral (Arts. 74–76).

Summary Table

Item	Standard
Urgent / non-urgent pre-authorisation	Ordinarily 2 hours / 2 business days (Art. 41)
Claim acknowledgement and decision	3 business days / 15 (30 if documented) (Art. 46)
Complaint answer	Acknowledge 3 business days; final 15 (up to 30) (Art. 55)
Late payment interest	Central Bank policy rate + 5 points (Art. 50)
Data breach notice to NIA	Ordinarily within 72 hours (Art. 64)

Item	Standard
National Health Insurance Fund (Part XII)	Phased membership starting with civil servants, uniformed forces and large employers (Art. 85)

Existing insurers notify NIA in 30 days; products and contracts comply within 6 months (Art. 90).

8. General Accident and Occupational Health and Safety Insurance Regulations, 2026

Title & Code

Regulation	General Accident and Occupational Health and Safety Insurance Regulations, 2026
Identification	Regulations No. ___ / 2026; Final Draft for Approval; 82 Articles, 8 Schedules
Governing body	National Insurance Authority (NIA), under Law No. 92/2020 and the Insurance Companies Law No. 104/2023

Executive Summary

These Regulations do two jobs. First, they set product and conduct standards for general accident lines such as personal accident, money, fidelity, burglary and liability cover. Second, they introduce mandatory Occupational Health and Safety (OHS) insurance in phases, completing by 30 April 2028, giving workers no-fault benefits for work injury, disease and death. They apply to insurers, takaful operators, intermediaries, employers, contractors and medical providers.

Key Definitions & Core Provisions

- **Designated employer:** an employer covered by a sector commencement notice or Schedule 2 (Art. 5).
- **No-fault benefit:** paid without proving anyone's negligence; cover is a minimum a policy may exceed (Art. 32).
- **Occupational injury:** a work accident, occupational disease or death arising out of or in the course of employment (Art. 5).
- **Principal contractor:** the party controlling a site, who must verify contractors' cover (Art. 26).
- **General accident categories:** personal, group, money, fidelity, burglary, glass, travel and liability cover; a product's name must show its true class (Sch. 1).

Mandatory Requirements

- Employers must insure every covered worker before deployment and pay the full premium; nothing may be deducted from wages, and any waiver is void (Art. 23).
- Minimum benefits include: death 60 months' earnings (USD 10,000–50,000); temporary incapacity 75% of earnings for up to 52 weeks; medical care with no deductible; funeral USD 1,000 (Sch. 3).
- Insurers issue a certificate within 5 business days; employers display it and keep a worker register (Art. 27).
- Policies run at least 12 months; 30 days' notice to employer and NIA before cancellation (Art. 29).
- Report fatalities and serious incidents within 24 hours, with a written report in 5 business days (Art. 48).
- Insurers may not decline an eligible mandatory risk to avoid a tariff or high-risk trade (Art. 30).
- Policies may not exclude cover for ordinary negligence, and blanket warranties or basis-of-contract clauses are prohibited (Art. 19).

- Cover runs from a worker's first moment of work and includes casual, agency, apprentice and migrant workers (Art. 24).

8. General Accident & OHS Insurance: Implementation, Compliance & Practical Insights

Operational Procedures & Steps

1. **Find your phase** in Schedule 2 and watch for NIA's readiness notice, issued 60 days before each phase (Art. 76).
2. **Buy the policy** and declare payroll, workers and hazards; update material changes within 10 business days (Arts. 23, 28).
3. **Display and verify:** post the certificate, keep the register and check contractors' cover (Arts. 26–27).
4. **Prevent:** run a risk assessment and prevention programme; report incidents (Arts. 44, 48).
5. **Claims:** acknowledge in 3 business days; decide simple claims in 20 and complex in 30; pay undisputed sums at once (Art. 53).
6. **Recover and return to work:** insurers support rehabilitation and workplace accommodation; recurrence or aggravation may reopen a claim (Arts. 59–60).

Responsibilities & Governance

- **Employer:** insure, declare, display, prevent and report; a principal contractor is answerable for site cover (Arts. 23, 26).
- **Insurer:** approved wording, filed rates, claims capacity and prevention services (Arts. 9, 46, 62).
- **NIA:** verification system, readiness notices and coordination with labour, health and finance ministries (Arts. 22, 27, 31).
- **Medical providers and adjusters:** act promptly and impartially within their mandate (Art. 63).

Penalties & Non-Compliance Risks

- **Employer without cover:** directly liable for at least the Schedule 3 benefits; compliance directions, permit or procurement consequences, referral for enforcement (Art. 69).
- **Insurer breaches:** claim payment with interest, refunds, added reserves, product or licence action (Art. 70).
- **No safety net:** the Compensation Fund does not cover an uninsured employer (Art. 69).
- **Regularisation:** existing wording may not be used to cancel cover, restart waiting periods or reject earlier claims (Art. 75).

Summary Table

Phase and deadline	Designated sectors (summary)
Phase 1: 31 July 2027	Construction, mining and quarrying, energy, explosives and chemicals, ports, heavy industry
Phase 2: 31 January 2028	Road transport, warehousing, manufacturing, fishing, waste, agriculture, security, hospitals
Phase 3: 30 April 2028	All other employers: commerce, hospitality, education, offices, domestic work, small enterprises

Phase and deadline	Designated sectors (summary)
Minimum benefits	Death 60 months' earnings; permanent total 72; temporary 75% for up to 52 weeks (Sch. 3)

Existing accident policies are amended at renewal and within 6 months at the latest (Art. 75).