



Compulsory Health Insurance in the Emirate of Dubai - What You Should Know

The Emirate of Dubai has followed its neighbour Abu Dhabi and introduced a compulsory health insurance for any person staying in Dubai - a new piece of legislation that you have probably already heard about.

By way of this client circular, we take the opportunity to give you a brief overview over the respective regulation, Dubai Law No. 11 of 2013 ("Dubai Health Insurance Law"). Thus, you can evaluate your company's status quo and timely adapt to the legal requirements of the Dubai Health Insurance Law.

How does the Dubai Health Insurance Law affect employment relationships?

The Dubai Health Insurance Law requests firms to take care of their employees' health insurance, provided the firm acts as the sponsor. The Dubai Health Insurance Law does not only apply to employers registered in the mainland but also to companies licensed in one of the free zones of Dubai.

The employer has to provide the health insurance for the entire sponsored staff by way of a group insurance.

What is the deadline for the implementation of the Dubai Health Insurance Law?

The Dubai Health Insurance Law became effective in February 2014 and stipulates three stages of implementation.

Companies employing 1,000 and more individuals had to fulfill the requirements of the Dubai Health Insurance Law until October 2014. Entities with 100

to 999 employees had to take out health insurance for their workers until July 2015.

At present, the Dubai Health Insurance Law is in its last stage of implementation. Thus, smaller enterprises with less than 100 staff members have to meet the provisions of the Dubai Health Insurance Law until 30.06.2016.

What happens if an employer fails to implement the Dubai Health Insurance Law on time?

Employers who are in default of complying with the requirements of the Dubai Health Insurance Law within the respective timeline could face sanctions. The authorities have various means at hand, such as imposing financial penalties or blocking the company's license.

From a practical point of view, you should keep in mind that as of the aforementioned dates you will only be able to apply for or renew an employee's residence visa if you can prove that you have arranged for a health insurance for the particular employee in accordance with the Dubai Health Insurance Law.

Who pays the insurance premium?

The insurance premium has to be entirely borne by the employer as the employee's sponsor and must not - even partially - be passed on to the employee.

Who takes out the insurance?

Contractual partner of the insurance company is the employer who has to sign up for a group insurance.

What is the scope of the insurance coverage?

The insurance package has to cover at least a minimum level of benefits, i.e. basic health care services in the Emirate of Dubai and emergency medical treatment within the entire United Arab Emirates.

The annual costs per employee for such basic insurance cover range from approximately AED 500 to AED 700. The respective annual claim limit amounts to AED 150,000.

Depending on the specific case, you can also select a policy with additional benefits, for example with a broader geographical coverage or a more extensive scope of health services.

Where can you find appropriate insurances?

Prior to taking out an insurance, you should ensure that the selected insurer maintains a subsidiary in the Emirate of Dubai.

In addition, the insurance company has to dispose of an official permit to offer policies in accordance with the Dubai Health Insurance Law.

The total monthly salary of the insured person is another criterion when selecting an insurance provider. Employees earning a monthly salary of more than AED 4,000 can be insured with 45 registered insurance companies at present. In contrary, you can insure workers with a remuneration of AED 4,000 or less with one of nine approved insurers only.

What can you do to best implement the Dubai Health Insurance Law?

At first, you should assess your current situation and check whether your company has already a group insurance in place and whether such insurance meets the requirements of the Dubai Health Insurance Law.

Should this not be the case, you should look for suitable insurance companies and determine which benefits the insurance policy is supposed to cover.

It can be advisable to discuss the specific insurance coverage with the individual employee. This applies in particular to special scenarios, such as the existence of preconditions or an upcoming family planning.

Last but not least, we recommend amending employee handbooks and - in cooperation with the concerned employee - the employment contracts so that they are in line with the Dubai Health Insurance Law and individual agreements respectively.

Do you have any questions?

Please do not hesitate to contact us for further queries. We are happy to assist any time!

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