

**FROM:** Julian James  
**LOCATION:** Gallery 12  
**EXTENSION:** 6677  
**DATE:** 19 August 2004  
**REFERENCE:** Y3375  
**SUBJECT:** JORDAN: DIRECT BUSINESS  
**SUBJECT AREA(S):**  
**ACTION POINTS:** Underwriters and Brokers to Note  
**DEADLINE:** Immediate

The purpose of this market bulletin is to advise the Market that no direct business may be written, with the exception of aviation business that has been granted an exemption and individual life, medical or personal accident cover.

Lloyd's has recently received clarification from the Jordanian regulator, on what business may be written. Under the Jordanian Insurance Regulatory Act No. (33) of 1999 (the 'Act'), all assets (moveable or immovable) and liabilities situated or arising in Jordan must be insured in Jordan by insurers who are both established and registered in the Kingdom. Lloyd's is neither established nor registered in the Kingdom.

The only exceptions to the above are:

- Aviation risks which may be exempt from this requirement. Here, an application must be made by the aviation operator concerned to the Jordanian Insurance Commission, who may recommend to the Council of Ministers that an exemption be granted. However, we have been advised by the Jordanian Insurance Commission that they are unlikely to recommend any exemptions.
- Where an individual may obtain life, medical or personal accident cover from an insurer located outside of Jordan (i.e. a direct assured placement). Please note, however, Article 27 Paragraph (B) of the Act does not permit any organisation or company operating in Jordan to insure its employees (whether life, medical or personal accident insurance) with an insurance company located outside Jordan.

Although local brokers should be aware what business Lloyd's as an unregistered insurer may write, Worldwide Markets is introducing controls to ensure compliance. We have instructed Xchanging that no direct Jordanian business may be processed, with the exception of (1) aviation business (details of the exemption must accompany the documentation presented to Xchanging) and (2) individual life, medical or personal accident insurance (as obtained in the manner described above).

Lloyd's underwriters are permitted to transact reinsurance business.

If you have any queries regarding this matter, please contact any of the following:

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This bulletin has been sent to active underwriters and the Compliance Officers of Lloyd's brokers and managing agents and for information, to the LMBC, LMA and LMUA.

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