



Worker's Protection Insurance Terms and Conditions



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1. The Cover

This Policy covers the **Covered Worker's** unpaid dues as a result of the Employer's insolvency or bankruptcy as declared by a final court order, to fulfil the following obligations under the Federal Decree by Law No. 33 of 2021 Concerning Regulating Labour Relations ("Labour Law"):

1. To provide **End of Service Remuneration to** Covered Workers under Article (132) of the Labour Law.
2. To pay Covered Workers **unpaid and accrued salary**.
3. To **repatriate Covered Workers** under Article (131) of the Labour Law.
4. In the event of death, the **repatriation of Covered Worker's mortal remains**.
5. In the event of work-related injuries and diseases, the Employer obligations per Articles 142 -153 of the Labour Law.

This Policy together with the Policy Schedule and Certificate(s) of Insurance provide evidence of the insurance the Employer has obtained to his Workers.

2. Definitions

Throughout this Policy, We, Us and Our refer to RAKINSURANCE. In addition, when in bold certain words and phrases are defined as follows:

Administrator means the relevant department at RAKINSURANCE who can be contacted for clarifications or questions regarding this Policy. The Administrator can be reached by phone on +971 72028801 or by mail at PO Box 506, Ras Al Khaimah, UAE.

Certificate of Insurance means the document identified by the Covered Worker's work permit number and issued by RAKINSURANCE Co. as proof of cover for the Worker and summarizing key aspects and conditions of the insurance policy.

Court means any competent court in UAE having jurisdiction over any dispute arising between the Worker and the Employer and having the power to order to pay the required coverage to the Worker as set forth in the Insurance Policy.

Court Order means a decision made by courts on labor disputes arising between the Employer and Worker.

Country of Origin means the country that issued a Covered Worker's valid passport.

Coverage Period means the duration of the valid work permit plus 90 days with a maximum of 63 months (including the 90 days) which incept at the start of the Work permit which is issued between the Policy Effective Date and the Policy Expiration Date as stated in the Policy Schedule (Declarations).

Employer every natural or juridical person employing one or more Workers in return for a wage of any kind whatsoever.

Employment Contract any agreement with determined or undetermined term concluded between the Employer and the Worker, whereby the latter commits to working for the Employer and under the management and supervision thereof in return for a Wage whose payment is committed by the Employer.

End of Service an end of service gratuity calculated and payable pursuant to Labour Law.

Establishment every economic, technical, industrial, or commercial unit where Workers are employed, aiming at producing or marketing goods or providing services of any kind and is subject to Labour Law and its executive resolutions.

Worker/Insured Worker/Covered Worker every male or female working in return for a Wage of any kind whatsoever for the Employer and under the management and supervision thereof, even if out of sight. The term shall also include Workers working for the Employer and subject to the provisions of the Labour Law and its executive resolutions, and who was issued a Certificate of Insurance identified by his/her Work Permit number.

Return Costs means the Return costs (Economic class or any other class set forth in the Employment Contract) to country of origin of the Worker who is seconded from his/her homeland or any other destination specified in the Employment Contract; this cost includes the return ticket (one way) for the Worker (as specified in the Employment Contract). It could also include the repatriation of the mortal remains of the Worker while employed by the Employer.

Wage/Salary whatever is given to the Worker in return for his service by virtue of an Employment Contract, whether in cash or in kind, on a yearly, weekly, daily, hourly, piece basis or in accordance with the production or on a commission basis.

The Wage shall include the cost-of-living allowance and every grant conferred upon the Worker in recognition of his honesty or efficiency should such sums be set in the Employment Contracts or the by-law of the Establishment or be customarily granted so as the Workers deem such grants as part of the Wage and not a donation. And it means and includes all overtime hours and weekly days off and the days of public holidays accrued annual leaves subject to Labour Law and its executive resolutions.

3. Insuring Agreement

Subject to the Coverage Limit per Covered Worker as stated in the Certificate of Insurance, the eligibility criteria and exclusions stated below as well as all other terms and conditions of this Policy, RAKINSURANCE will pay for each Covered Worker within/up to the limits mentioned in this Policy the claim amounts upon a competent Court Order.

4. Eligibility Criteria

The Worker is only covered under this Policy if he/she meets ALL of the following criteria:

1. The Worker has a valid Work Permit issued to the Covered Worker during the Policy Period; and
2. During the 12 months immediately prior to the Effective Date, neither (or both) the Worker nor the Employer must have had any prior knowledge or information about anything that could result in a claim under this Policy.

5. Exclusions

RAKINSURANCE shall have no liability under this Policy in the event of any of the following:

The liability of the Employer arises after the expiration of the Coverage Period.

The Covered Worker takes up employment elsewhere, in which case repatriation expenses shall not be paid. However, coverage for unpaid salary and end of service benefits will be still valid.

Any direct action by the U.A.E. government resulting in the Establishment's nationalization, seizure or insolvency of the Employer. The liability of the Employer arises from war, declared or undeclared, terrorism, insurrection, rebellion, revolution or military or usurped power, invasion, act of foreign enemy, acts of God, nuclear risks, energy risks, hostilities, civil war, rebellion, or civil commotion.

Any of the risks when such risk is covered by any other insurance, except in excess of that insurance after that claim is settled under the other insurance(s).

6. How to file a Claim

The claim must be filed through the offices of RAKINSURANCE within 90 days of the 1st day of the reporting / escalating the dispute incident to RAKEZ's attention by the labor / employee.

The Ministry of Human Resources and Emiratization or a Competent Court will make its determination of the validity of the claim under the below mentioned covers.

1. End of Service Remuneration.
2. Unpaid and accrued salary
3. Repatriation costs.
4. In the event of death, repatriation costs of the mortal remain.
5. Costs related to work related injuries and diseases.

If it is a valid claim, its findings and supporting material will be conveyed to the Administrator at RAKINSURANCE with a request for RAKINSURANCE to pay the claim for collection by the Insured /claimant.

If the determination to pay has been made by Court Order, a copy of the Court Order and supporting material shall be likewise conveyed to the Administrator at RAKINSURANCE with a request to pay the claim to RAKINSURANCE where the complaint was first filed.

No person or entity other than the claimant shall have any legal or equitable right, remedy or claim of insurance proceeds and/or damages under or arising out of this Policy, except in the event of death or mental and physical incapacity of the Insured Worker when such rights shall accrue to the benefit of the Insured Worker's legal heir(s) or a trustee appointed by law.

7. General Conditions

CONFORMITY TO LAW: Any provision of this Policy which, on the Policy Effective Date, conflicts with the laws of the United Arab Emirates will be amended to conform to the laws.

MISREPRESENTATIONS, FRAUD AND OUR RIGHT TO RESCIND: This Policy will exclude coverage for any Worker who has concealed or misrepresented any material fact or circumstance concerning the evidence of the Employer Liability or claim for coverage under this Policy and determined to be so by law. If The Worker was not entitled to have received claim payment, then RAKINSURANCE Co. shall be entitled to recover from The Worker the amount paid. This condition remains subject to Article No. 1033 of Law No. 5 of year 1985 on the Civil Transaction Laws of the UAE.

RIGHT OF RECOURSE: RAKINSURANCE also has the right to recover any paid claim amounts from the defaulting Employer by all contractual and legal means.

In the event of the Employer's insolvency, RAKINSURANCE would seek to recover from the liquidators.

LEGAL ACTIONS: All legal actions against RAKINSURANCE must be initiated within the timeline defined by Article No. 1036 of Law No. 5 of year 1985 on the Civil Transaction Laws of the UAE

JURISDICTION AND GOVERNING LAWS: UAE Courts have jurisdiction over any disputes arising from the execution of this Insurance policy and UAE laws shall be applicable. An Arabic copy of this Insurance Policy shall prevail if there is any contradiction with a copy in any other language.

8. Additional Conditions

1. The Covered Worker may not assign or transfer this protection at any time to any other company or any other institution. The Coverage is intended solely for The Covered Worker's benefit. Nothing in this Policy shall be construed to create, or give rise to, any rights against RAKINSURANCE for any third party.

2. The coverage for a Covered Worker will not lapse should the ownership of the Establishment change and the claims if any will be subject to Labour Law and its executive resolutions.

3. The Worker who has a valid Work Permit issued prior to the Policy Inception Date but applied for and approved post Policy Inception Date will have coverage no earlier than the Policy Inception Date, in which case the Coverage Period will expire on the Work Permit expiry date plus 60 days.

4. This Policy is issued in two versions Arabic and English and in case of any conflict the Arabic version will prevail.

5. Insurance Validity Period After Visa Cancellation: Insurance remains valid post 90 days of Visa Cancellation or expiry, whichever comes earlier.

There shall be a Master Service Agreement to be signed upon firm order, between RAKEZ and RAKINSURANCE forming part of the Policy, governing the provisions of the Policy and implementation of the program as a whole.

It shall also include but not limited to Review of Policy performance, Provision for mutual cancellation and Arbitration proceedings per UAE Law.

9. Claims Handling Procedures

- i. The Labor Dispute Department of RAKEZ is expected to record any complaints being received from the Covered Workers. If the complaint is not resolved as per RAKEZ policies, then RAKEZ will issue a NOC to refer to the competent authority/ courts.
- ii. Complaints to the Policyholder involving claimable losses which are filed by the Covered Worker must be notified to RAKINSURANCE within 90 days of the first day of reporting / escalating the dispute incident to RAKEZ's attention by the Covered Worker.
- iii. RAKINSURANCE expects to receive the court order for the Employer to pay if the judgement is in favour of the Covered Worker. If the Employer fails or is unable to comply with the order, due to the employer being declared bankrupt or insolvent, RAKINSURANCE shall receive notice to compensate the Covered Worker i.e. to pay the claim. This claim shall be paid only upon the Covered Worker signing the transfer of his rights to RAKINSURANCE to recover from the Employer.
- iv. Once the claim is paid to the Underlying Insured, RAKINSURANCE shall submit a demand notice to the Employer or the employer's court-appointed liquidator or restructuring if the Employer is insolvent. In-house legal counsel shall be used to commence the legal action or an appointment of outside counsel on an ad hoc basis.
- v. Any claim payable under the benefit Repatriation costs are directly payable to RAKEZ. The procedure as per schedule 3 is to be observed in the event of a claim.