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**Kingdom of Saudi Arabia  
Cooperative Health Insurance Council  
Secretariat General**

No. ....

Date: .....

Attch. ....

**Cooperative Health Insurance Law  
Issued by Royal Decree no. M/10 dated 01/05/1420 H  
And the Council of Minister's resolution no. 71 dated 27/04/1420 H**

**Article (1)**

This Law aims at providing health care and organizing it to non-Saudi residents of the Kingdom. It may be applied to Saudi citizens on the basis of a resolution by the Council of Ministers.

**Article (2)**

The cooperative health insurance coverage includes all of those to whom such coverage applies and their families in accordance with paragraph (b) of Article (5).

**Article (3)**

With the observance of the application phases explained in paragraph (b) of Article (5) and the provisions of Articles (12) and (13) of this Law any body sponsoring a resident must participate in favor of the resident in the cooperative health insurance.

A residence permit shall be granted or renewed only after obtaining the cooperative health insurance policy which covers the length of the residence permit.

**Article (4)**

The Cooperative Insurance Council shall be constituted under the presidency of the Minister of Health and membership of the following:

- a. A representative at the level of deputy of the Ministry of Interior, Ministry of Health, Ministry of Labor and Social Affairs, Ministry of Finance and National Economy and

Ministry of Commerce who shall be nominated by their respective areas.

- b. A representative of the Council of the Saudi Chambers of Commerce and Industry to be nominated by the Minister of Commerce; and a representative of the cooperative health insurance companies to be nominated by the Minister of Finance and National Economy in coordination with the Minister of Commerce.
- c. A representative of the health private sector; and two (2) representatives of the other government health sectors to be nominated by the Minister of Health in coordination with their respective sectors.

#### **Article (5)**

The Health Insurance Council shall supervise the application of this Law and shall have particular rights to:

- a. Preparation of the bylaws for this Law.
- b. Issuance of decisions necessary to organize the changing matters related to the application of the provisions of this Law including determining the phases of its application, specifying the family members of a beneficiary who are included in the insurance and the methodology and percentage of participation of each of the beneficiary and the employer in the subscription in the cooperative health insurance, and establishing the ceiling of such subscription based on a specialized study of the insurance accounts.
- c. Qualifying cooperative insurance companies to operate in the cooperative health insurance field.
- d. Approving of the health facilities providing cooperative health insurance services.
- e. Establishing the financial remuneration for qualifying cooperative insurance companies to operate in this field, and the financial remuneration for approving the health facilities to provide cooperative health insurance services, after obtaining the opinion of the Ministry of Finance and National Economy.
- f. Issuing the financial schedule for the Health Insurance Council income and expenditure including the wages and

- rewards of its staff after obtaining the opinion of the Ministry of Finance and National Economy.
- g. Issuing the bylaws organizing the work process of the Council.
  - h. Assigning a Secretary General for the Council based on nomination by the Minister of Health; and forming a secretariat general and determining its tasks.

**Article (6)**

Expenses needed by the of the Health Insurance Council to perform its work and the wages and rewards of its staff from the income obtained in accordance with paragraph (e) of Article (5) as may be agreed upon by the Ministry of Health and the Ministry of Finance and National Economy.

**Article (7)**

The cooperative health insurance policy shall cover the basic health services as follows:

- a. Medical check-up, outpatient treatment and medications.
- b. Protective measures such as: vaccination and mother and pediatric care.
- c. Laboratory and x-ray tests required for each case.
- d. Hospitalization and medications including delivery and operations.
- e. Tooth and gum treatment except orthodontics and dentures.

These services, however, shall not violate the provisions of the Social Insurances Law nor what the companies, establishments and individuals provide for their staff where the health services are more comprehensive than those provided for in this Law.

**Article (8)**

The employer may expand the scope of the cooperative health insurance services by additional addendums at an additional cost to include other diagnostic and treatment services not provided for in the above Article.

**Article (9)**

Arrangement of the matters related to health preventive measures which those included in insurance are to be subjected to, including check-ups and

vaccination during the period that precedes the issuance of the health insurance shall be made by a decision of the Minister of Health.

**Article (10)**

The employer shall cover the expenses of treatment of the insured during the period that falls between the date of the need for treatment and the date of subscription in the cooperative health insurance.

**Article (11)**

- a. The health service included in the cooperative health insurance policy, when needed, may be provided by government health facilities against financial charges to be borne by the cooperative insurance provider. The Health Insurance Council shall identify the facilities to provide such services and the charges thereof.
- b. The Minister of Health, in coordination with the Minister of Finance and National Economy shall determine the procedures and controls of collecting the financial charges provided for in the previous paragraph.

**Article (12)**

Treatment of the government employees covered by this Law and their families shall be provided by the government health facilities if they are employed and sponsored directly by the area that employs them and if their contracts provide for their right to receive medical treatment.

**Article (13)**

By a decision of the Health Insurance Council, companies and establishments which own qualified medical facilities may be exempted from subscribing in the cooperative health insurance for those services that they provide for their staff.

**Article (14)**

- a. If the employer does not subscribe to the cooperative health insurance, or fails to pay its subscription premiums regarding a workman and his family according to this Law, the employer shall be obligated to pay all the premiums due, in addition to a financial penalty which does not exceed the amount of the yearly subscription

and the possibility of forbidding it, permanently or temporarily, from recruiting expatriate labor.

- b. If any cooperative company violates any of its obligations specified in the cooperative health insurance policy, it shall be required to pay such obligations and compensation for the damages that may have occurred as a result of such violation, in addition to a penalty of no more than five thousand Saudi riyals for each individual included in the violated policy.
- c. A committee, or more, shall be formed by a decision of the Chairman of the Health Insurance Council including a representative of each of the following:
  - 1. Ministry of Interior.
  - 2. Ministry of Labor and Social Affairs.
  - 3. Ministry of Justice.
  - 4. Ministry of Finance and National Economy.
  - 5. Ministry of Health.
  - 6. Ministry of Commerce.

The Committee shall look into violations of the provisions of this Law and recommend the suitable penalty. The penalty shall be signed by the Chairman of the Health Insurance Council. The regulatory bylaw shall define such committee.

Appealing against this decision may be raised with the Board of Grievances within sixty days as of the date of notification.

#### **Article (15)**

A resident who is not included in a work sponsorship shall take place of the work owner in the obligations of the latter in accordance with this Law.

#### **Article (16)**

The Ministry of Health shall control the quality of the health services provided for the beneficiaries under the cooperative health insurance.

#### **Article (17)**

The Cooperative Health Insurance Law shall be applied through Saudi qualified cooperative insurance companies operating in the same manner as that of the National Company for Cooperative Insurance (NCCI) and in

accordance with the contents of the Decision of the Senior Scholars Commission no. (51) dated 04/04/1397 H.

**Article (18)**

The Minister of Health shall issue the regulatory bylaw for this Law within a maximum of one year as of the date of its issuance.

**Article (19)**

This Law shall be published in the official gazette and shall be enforced after ninety days of the issuance of the regulatory bylaw. Provisions related to establishing the Health Insurance Council and its competencies shall be deemed valid as of the date of its publishing.