



FRA Issues Binding Rules for Digital Issuance and Distribution of Insurance Policies

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Introduction

In alignment with Egypt's national strategy to expand the digital economy and modernize non-banking financial services, the Financial Regulatory Authority (the "**FRA**") has issued Decision No. 199 of 2025 (the "**Decree**") regulating the digital issuance and distribution of insurance policies through digital channels. The Decree forms part of the FRA's broader digital transformation framework, reinforcing the legal foundations introduced by Law No. 155 of 2024 (the Unified Insurance Law) and Law No. 5 of 2022 regulating the use of financial technology (FinTech) in non-banking financial activities.

The Decree is supported as well by a package of regulatory decisions issued in 2023 governing digital identity, electronic contracting, information system governance and outsourcing models in the financial sector.

This move comes amid a growing market shift under FRA's supervision toward remote service delivery and digital onboarding solutions in the insurance sector.

The Decree has been published in the Egyptian Gazette on 25 September 2025 and entered into force on 26 September 2025. It governs the digital transformation of insurance operations, including policy issuance, marketing, and distribution, while imposing compliance obligations on insurers and intermediaries.

The Decree repeals FRA Board Decision No. 122 of 2015, which previously permitted limited online issuance of standardized insurance products, while maintaining the enforceability of FRA Chairman's Decisions Nos. 729, 730 and 902 of 2016 concerning digital issuance and microinsurance distribution, but only to the extent they do not conflict with the new framework.

We shall guide you through the key highlights of the Decree as follows:

FRA Approval and Implementation Framework

Insurance companies may issue insurance policies digitally **only after obtaining prior approval from the FRA**. To qualify, insurers must submit a comprehensive application demonstrating:

- A structured process for digital issuance and policy lifecycle management;
- A documented onboarding journey ensuring customer awareness of coverage terms and exclusions;
- Compliance with FRA Decisions concerning digital identity, electronic signatures and outsourcing governance;



- Integration of the insurer's database with FRA systems to enable real-time supervisory access.

The FRA retains discretion to request additional documentation, assess system readiness and verify compliance history. Notably, FRA may also reject applications where the applicant has been subject to sanctions, regulatory measures, or unresolved supervisory concerns within the two years preceding the submission.

Premium Collection Rules

Premiums for digitally issued policies must be paid directly into the insurer's accounts, through:

- Payment terminals assigned to the distributor;
- The insurer's own non-cash payment channels; or
- Electronic-payment methods (bank cards, direct debit, etc.).

Intermediaries may not collect premiums into their own accounts.

Operational obligations and Protection of Policyholders

The Decree introduces a set of rules when issuing digital insurance policies, these rules must include in particular:

1. Contract Terms – The terms governing the relationship between the insurer and the marketing/distribution entity, or the terms for customers applying directly for policies.
2. Information Display – The minimum data and guidance that must appear on the digital application screen.
3. Disclosure Requirements – Policy conditions that must be disclosed and included in any printed version.
4. Coverage Activation – Insurance coverage becomes effective only after the insurer receives the first premium payment.
5. Distributor's Role – The distributor may only enter basic customer data through the digital system and cannot amend policy terms; all modifications must be made by the insurer. The insurer must digitally verify the customer's national ID, phone ownership, and AML status each time a policy is issued, and customers must notify the insurer of any data changes.
6. Liability Disclaimer – Customers must be clearly informed that the distributor acts solely as a marketing channel, not responsible for policy terms or claims; liability lies entirely with the insurer.
7. Customer Support – The insurer must maintain a call center dedicated to digital policyholders, providing assistance and handling complaints, with the hotline and email printed on the policy.

Regulated Digital Distribution Channels

The Decree authorizes insurers to distribute products directly through their own platforms or indirectly through approved third parties, including:

- Licensed digital insurance brokers;
- Banks subject to Central Bank of Egypt supervision;



- Egypt Post and Nasser Social Bank;
- Telecom companies and e-commerce platforms;
- Airlines and transport-linked distributors;
- Any additional channels approved under FRA microinsurance regulations.

Further, a copy of the contract between the insurer and the distributor must be submitted to FRA, detailing:

- Types of policies;
- Confidentiality obligations;
- Distribution and marketing plans;
- Points of sale; and
- Financial and contractual obligations of each party.

Concluding Insight

This Decree introduces a scalable regulatory framework that supports digital transformation in Egypt's insurance sector. It encourages technology-driven market expansion, enhances supervisory oversight and strengthens operational resilience. The framework is also expected to unlock new growth opportunities in Insurtech partnerships, bancassurance and ecosystem-based insurance distribution, while fostering greater market transparency and trust.