AIDA DISPUTE RESOLUTION WORKING PARTY QUESTIONAIRE

INSURANCE OMBUDSMAN SCHEMES

1) Name of Country

   Israel

2) Name and contact details of the author of the answer

   Peggy Sharon, Adv peggysh@levitansharon.co.il

3) Do you have an Insurance Ombudsman's Scheme to handle insurance disputes in your country?

   The Commissioner of Insurance is both regulator and Ombudsman (Hereinafter will be referred to as "the Commissioner"):

   The Commissioner is authorized by law to handle Public Complaints/Inquiries re Insurers or Insurance Agents.

   Inquiries are submitted to the Public Inquiries department at the Commissioner of Insurance in the Capital Market and Savings Division.

4) Is the scheme regulated by statute and subject to any independent review? (e.g. a review by a government statutory authority)

   The Commissioner is a part of the Ministry of Finance and is subject to reviews by its internal auditor and the state comptroller.

5) Are all insurers mandated to participate in the scheme or is it voluntary? (e.g. is participation a condition of their license to operate?)

Participation is mandatory as part of the state supervision mechanism.

6) List the classes or types of insurance on which the Ombudsman is authorized to adjudicate or make recommendations (e.g. health , social pensions , liability , motor , domestic , travel ins etc.)

- **In all issues re insurance, pension and provident funds on behavior of insurance companies, managing companies of pension funds and provident funds, insurance intermediaries and pension consultants.**

- **The handling of complaints of the public is designated to assist insureds and other customers of the controlled bodies, in fulfilling their rights, enhancing the enforcement over these bodies and finding faults in the markets of insurance and pension.**

- **Most of the complaints relate to insureds' rights re the purchase of the insurance, reporting duties and claims for insurance events.**

7) Can the Ombudsman adjudicate on both claims and underwriting disputes?

Yes.

8) What is the maximum amount in dispute, upon which the Ombudsman can adjudicate?

No maximum.

9) Are the Ombudsman's decisions binding on one or both parties or does the Ombudsman merely issue Recommendations?

The determination of the Commissioner of Insurance binds the controlled body and where the issue is relevant to a broad scope in the market, the Commissioner is authorized to publish a determination which applies to all Insurers (binding regulatory decision). However, the applicant may choose to file a claim in court, where he is not satisfied by the commissioner decision.

10) Is the applicant (claimant /insured) required to make any payment to lodge a dispute with the Ombudsman?

No.

11) Who pays the costs of the scheme?

No special costs. The scheme does not stand by itself - it is part of the general authority/responsibly of the Commissioner and his budget.

12) Is the Ombudsman's decision subject to any right of appeal and if so in what circumstances?

Yes, an appeal to the District Court (higher than the Magistrates Court)

13) What are the criteria that determine the Ombudsman's decisions? e.g. applicable law, fairness and reasonableness in all the circumstances, prior decisions as precedent?

Applicable law and fairness and reasonableness.

14) Do the parties have the option to litigate before, during or after the Ombudsman's involvement?

The Commissioner cannot deal with a matter which had already been brought before the Court, and the Court had started to hear the case.

Chris Rodd – Chair AIDA Dispute Resolution Working Party

Melbourne – Australia

November 2019

1678\226981

j:\1678\1-226981