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State control of insurance contracts

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Abstract---This study examines state control over insurance contracts. Its purpose is to prevent insurance companies from exploiting the weaker position of insured persons by drafting standard-form contracts that primarily serve the companies' own interests. These concerns require state intervention to regulate and supervise insurance activity, protect the rights of insured persons and beneficiaries under insurance contracts, and safeguard economic public order. To this end, the Algerian legislature has established specialized bodies and mechanisms designed to ensure effective control.

Keywords---insurance companies, insured person, insurance contract, state control.

I. Introduction:

Over the past two decades, the insurance sector in Algeria has experienced considerable growth for several reasons, foremost among them economic liberalization and the ending of the state monopoly over this activity under Ordinance No. 95-07 of 25 January 1995 on Insurance, as amended and supplemented. One of the main consequences of this development has been an increase in financial investment in the sector. Insurance companies have consequently emerged as an important economic force because of the revenues and profits they generate. This prompted the Algerian legislature to regulate state intervention in order to control the various operations carried out by insurance and reinsurance companies.

State control over insurance activity seeks to preserve economic public order. This includes safeguarding the rights of insured persons and shareholders, on the one hand, and monitoring capital movements within the sector, on the other. Accordingly, the state has extended its control to insurance activity as a whole, including insurance contracts, through specialized bodies responsible for verifying the compliance of insurance and reinsurance companies, and all other participants in insurance operations, with the laws and regulations laid down by the state for the organization and management

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1964

of the insurance sector.

The importance of this study, entitled "State Control of Insurance Contracts under Algerian Legislation," lies in the increasing incidence of corruption in both the public and private sectors. This provides a compelling reason to examine the legislative and regulatory provisions governing the insurance sector in order to prevent this phenomenon from spreading to insurance, as it has spread to comparable sectors such as banking.

The research problem concerns the legislative and regulatory provisions governing state control over the insurance sector in Algeria and the extent to which those provisions effectively achieve the fundamental objectives set by the legislature. Accordingly, the following legal question arises:
What is the current reality of control over insurance contracts in Algeria, and to what extent has the Algerian legislature established effective control over such contracts?

The nature of the subject requires the use of a descriptive approach to present its general concepts and define the overall framework of control over insurance contracts in Algeria. It also requires an analytical approach to examine the relevant legal provisions, on the one hand, and assess the practical reality of control over insurance contracts in Algeria, on the other. To address the research question, the study is divided into two chapters. Chapter One examines the scope of intervention in the control of insurance contracts, while Chapter Two examines the bodies responsible for controlling such contracts.

CHAPTER 1: Scope of Control over Insurance Contracts. To examine the limits and extent of control over insurance contracts, this chapter is divided into three sections. The first concerns the persons subject to control. The second examines substantive control over insurance contracts. The third addresses the types of control exercised over such contracts.

SECTION 1: Persons Subject to Control

1. Insurance and Reinsurance Companies
The Algerian legislature defines insurance and reinsurance companies as companies that underwrite and perform insurance and reinsurance contracts. In defining them, the legislature relies on the nature of the activity they carry out. Accordingly, insurance and reinsurance companies are defined by their engagement in insurance activity. (WWW.saa.dz)

1.1 Direct Insurance
In 2010, ten companies operated across all branches of insurance. Four public companies held 76% of the market, while six private companies held the remaining 24%.

- ✓ Algerian Insurance Company (SAA).
- ✓ Algerian Transport Insurance Company (CAAT).
- ✓ Algerian Insurance and Reinsurance Company (CAAR).
- ✓ Hydrocarbon Insurance Company (CASH).
- ✓ International Insurance and Reinsurance Company (CIAR).
- ✓ L'Algérienne des Assurances (2A).
- ✓ Alliance Assurances.
- ✓ Générale Assurance Méditerranéenne (GAM).
- ✓ SALAMA Assurances.
- ✓ Trust Algeria Insurance and Reinsurance Company.

1.2 Mutual Insurance Companies
There are two mutual insurance companies: CNMA and MAATEC.

- ✓ National Agricultural Mutual Insurance Fund (CNMA).
- ✓ Algerian Mutual Insurance Company for National Education and Culture Workers

(MAATEC).

1.3 Specialized Insurance Companies

There are two specialized insurance companies: CAGEX and SGCI. Together, they account for only 0.5% of insurance turnover, mainly from export credit insurance:

- ✓ Algerian Export Insurance and Guarantee Company (CAGEX).
- ✓ Real Estate Credit Guarantee Company (SGCI).
- ✓

2. Reinsurance Companies

Reinsurance is an operation whereby an insurance company, known as the ceding company, itself obtains insurance from another company, known as the reinsurer or cessionary, in respect of part of the risks it has assumed.

Only one company is exclusively dedicated to reinsurance: the Central Reinsurance Company (CCR). It provides reinsurance in marine, non-marine, and transport lines. On behalf of the state, the CCR also manages the national natural-disaster programme (CAT-NAT), which was established after the earthquake of 21 May 2003. The company recorded turnover of DZD 10 billion in 2020. Its capital also increased substantially, from DZD 5 billion in 2008 to DZD 13 billion in 2009. (www.ccrdz.dz)

3. Insurance Brokers

The diversity of insurance companies and of the services they offer, together with intense competition among them to dominate the insurance market and attract the largest possible number of insured persons, created a need for intermediaries between insurers and insured persons.

3.1 General Agents

More than 560 general insurance agents operate outside insurance companies' direct networks in order to provide local distribution services. In 2010, they accounted for more than 20% of insurance companies' production. (Article 253 de l'ordonnance n° 95-07 , 1995)

Some companies, particularly private companies, rely more heavily on general agents than on their own employees. This is the case with CIAR, where general agents generate 75% of turnover.

3.2 Brokers

There are 30 brokers, all of whom are domestic, because the law prohibits international brokers from carrying on their activities directly in Algeria.

In 2020, brokers accounted for 6% of insurance companies' production, compared with 2% in 2002. (l'assurance, 2018)

The average turnover generated by brokers reached DZD 82 million in 2006, well above the average generated by ordinary points of sale. This is explained by the fact that brokers are more active in the corporate market, where average contractual premiums are higher.

The Algerian insurance market is undergoing rapid transformation. The various amendments to Ordinance No. 95-07, which further liberalized the sector, are intended to create new prospects for development. (95-07, 1995)

4. Banks

Algeria introduced bancassurance under Law No. 06-04 of 20 February 2006, which authorized banks, financial institutions, and equivalent entities to distribute insurance products. Bancassurance is a form of intermediation that allows an insurer to distribute its products through banks.

- ✓ The insurance products concerned are limited to the following:
- ✓ Credit insurance.
- ✓ Insurance of persons.
- ✓ Insurance against basic household risks.
- ✓ Agricultural insurance.

The period from 2008 to 2010 was marked by the implementation of several bancassurance

1966

agreements:

- ✓ SAA entered into partnerships with two public banks: the Local Development Bank (BDL) and the Bank for Agriculture and Rural Development (BADR).
- ✓ Through its subsidiary Cardif, the BNP Paribas banking group partnered with CNEP Banque to establish a joint bancassurance subsidiary.
- ✓ CAAT and CAAR concluded a partnership with the External Bank of Algeria (BEA) in May.

SECTION 2: Substantive Control over Insurance Contracts

The state seeks to regulate insurance activity and subject its participants to control. It also seeks to provide the necessary protection to the insured, as the weaker party, against insurance companies that enjoy a strong economic, technical, and legal position. This protection has two dimensions. The first is purely legal and consists in reviewing the insurance policies marketed by insurance companies in order to identify any unfair terms. The second is economic protection.

1. Control over Insurance Documents

Insurance companies market their insurance services through printed, pre-drafted contract forms that set out the cover offered to insurance consumers. Persons wishing to obtain such cover must approach the insurance company that issued the forms, either directly or through insurance brokers legally authorized for that purpose, in order to conclude the final insurance contract.

Insurance policies contain general terms applicable to insurance operations of the same class, together with special terms relating to each individual insurance transaction. Regardless of the form or classification of the policy, an insurance company may not issue it without first obtaining the approval of the supervisory authority.

This mechanism makes it possible to review the insurance policies issued by insurance companies and to maintain a degree of balance between the contractual obligations of the parties. The supervisory authority may invalidate unfair terms and require the use of standard terms. (95-07 A. 2., 1995)

A. Invalidating Unfair Terms

To protect the insured, the Algerian legislature has adopted general provisions governing insurance contracts in Articles 619 to 625 of the Civil Code, in addition to the special legislation governing insurance contracts.

Article 622 of the Civil Code provides that the following terms contained in an insurance policy are null and void:

B. Imposing Standard Terms

Under Article 227(1) of the Insurance Law, the supervisory authority is legally empowered to require insurance companies to use standard terms. (KUKULA – DESCELERS Michel, 2009)

The supervisory authority has the power to assess both legality and suitability. From the insured's perspective, it examines whether insurance policies comply with the law and whether their provisions are appropriate. This control protects insured persons against insurance companies whose economic and legal power enables them to impose contractual terms on the insured public. Because insurance contracts are subject to mandatory public-order rules, the insured may not depart from the standard terms imposed by the supervisory authority, whether by agreement with the insurer or unilaterally. (Ismail)

2. Solvency of Insurance Companies

Solvency denotes the permanent financial capacity of insurance and reinsurance companies to meet the sums payable under insurance contracts. In other words, these companies must at all times be able to discharge the obligations they have undertaken toward insured persons and policyholders as those obligations fall due. (95-343, 2013)

The solvency of insurance companies means maintaining a permanent financial capacity to cover losses and claims, thereby enabling those companies to meet their obligations toward insured persons when due. (Sainrapt, 1996)

The importance of solvency lies in the following considerations:

Protecting the interests of insured persons by settling the amounts due to them on time.
Ensuring the success, survival, and continuity of insurance companies because of their economic and social importance.
The solvency of insurance companies is based on three basic rules, summarized as follows:

- ✓ Rules for valuing technical provisions.
- ✓ Rules governing the representation of technical provisions.
- ✓ Rules governing the establishment of the solvency margin.

The solvency margin contributes to the economic protection of insured persons by ensuring that insurance benefits are paid when insured risks materialize. It also enables insurance companies to remedy budgetary deficiencies, whether at the time of establishment or during the conduct of their activities.

SECTION 3: Types of Control over Insurance Contracts

Insurance contracts are subject to permanent and comprehensive control by specialized bodies in order to protect insured persons and establish a degree of balance between the insurance company and the insured.
Control begins before the insurance contract is concluded, through the authorization mechanism required for engaging in insurance activity. Through this mechanism, the supervisory authority verifies in advance whether the contract models that the company intends to underwrite comply with the laws and regulations governing insurance and whether the company is capable of meeting its contractual obligations. This is known as administrative control.
Control continues during performance of the contract in order to ensure that insurance companies fulfil their obligations toward the insured and remain continuously capable of doing so. This subsequent form of control is known as technical control.

1. Administrative Control of Insurance

Insurance companies and brokers are subject to two forms of administrative control. The first applies at the establishment stage. In Algeria, the power to grant authorization belongs to the Minister of Finance. The second is control during management, which ensures that companies and brokers comply with the applicable regulatory rules.

1.1 Administrative Control for Authorization

To acquire the legal authority required to carry on their activities, insurance companies and brokers must obtain authorization by submitting an application and an administrative file to the competent Minister of Finance.

1.2 Authority Competent to Grant Authorization

The authority responsible for granting authorization differs from one country to another. In Algeria, the Minister of Finance is competent to grant authorization. Whether the applicant is an insurance company or a broker, authorization is granted by decision of the Minister of Finance after consultation with the National Insurance Council. (96-267, 2007)
Under Article 204, insurance and/or reinsurance companies may carry on their activities only after obtaining authorization from the Minister of Finance under the conditions laid down in Article 218 below.
They may carry out only the operations for which they have been authorized. (95-07 A. 2., 1995)
Withdrawal of authorization is a measure taken by the authority that granted it following the control process. Authorization is generally withdrawn where a company ceases activity, is dissolved, enters judicial settlement proceedings, or is declared bankrupt. In addition, other circumstances may require the full or partial withdrawal of authorization (Article 220 of Ordinance No. 95-07, as amended by Article 37 of Law No. 06-04):
Except in cases of cessation of activity, dissolution, judicial settlement, or declaration of bankruptcy, authorization may be withdrawn in whole or in part only for one of the following reasons:

1968

1. The company does not operate in accordance with the legislation and regulations in force or with its articles of association, or one of the essential conditions for authorization is no longer satisfied;
2. The company's financial position is insufficient to enable it to meet its commitments;
3. The company deliberately applies increases or reductions that are not provided for in the tariffs communicated to the supervisory authority in accordance with Article 233 below;
4. The company does not commence its activity within one (01) year from the date on which authorization is notified, or it ceases underwriting insurance contracts for one (01) year.
The treatment of insurance contracts already in force is determined by an order of the Minister of Finance withdrawing the authorization.

1.3 Administrative Control during Operations
Administrative control during operations consists in monitoring and reviewing the books and records that companies are required to maintain. Its purpose is to assess compliance with administrative requirements through the documents and information submitted to the supervisory authority within the prescribed time limits.
a) Accounting
Insurance and/or reinsurance companies, as well as insurance brokers, must maintain books and registers whose list and prescribed forms are determined by decision of the Minister of Finance.
b) Documents to Be Submitted to the Supervisory Department
Insurance and reinsurance companies, as well as branches of foreign insurance companies, must submit the following documents to the Insurance Supervision Commission: (20-02-2008, 2008)
Budget.
Detailed report on activities.
Reinsurance programme.
Portfolio and accounts reports, together with the report of the Board of Directors submitted to the General Meeting.
Statements for each class of insurance.
Statements relating to multiple operations.
General information concerning the company's name, address, and date of establishment.
A list of the countries in which the companies maintain business relationships in the field of reinsurance.
A list of branches in operation and the dates of their administrative authorization.
A list of agreements in force relating to insurance contracts and to financial and professional management.
Cases in Which Insurance Companies Must Refer Matters to the Supervisory Authority. These cases are as follows:
The general terms of an insurance policy, or any other document serving the same purpose, must be submitted for approval to the supervisory authority, which may require the use of standard terms.
Where draft tariffs for non-compulsory insurance are prepared, they must be notified to the supervisory authority before they are implemented.
Agreements with banks and financial institutions for the distribution of insurance products must be submitted to the supervisory department, including where either party terminates the agreement. (2007, 2007)
Insurance companies, agents, and brokers are required to join the professional association approved by the Minister of Finance, including the Association of General Agents and the Association of Brokers.
The importance of prior control over the conclusion of insurance contracts through the authorization mechanism appears in two respects. First, it enables the sovereign state to organize and define its relations with insurance companies and to prevent them from departing from the general framework of the economic policy established by the state to achieve and preserve the public interest. Insurance companies are a fundamental pillar in financing economic and social development projects. (André)

2. Technical Control of Insurance

Control of insurance companies is not limited to administrative control. Their financial capacity is also monitored through the establishment and review of reserves, provisions, and technical liabilities. Insurance and reinsurance companies must establish appropriately calculated provisions in order to strengthen their ability to fulfil their obligations toward insured persons and policyholders. Because insurance companies may incorrectly estimate the value of losses to be paid, or because losses may arise after the close of the financial year, they must allocate additional funds to cover any potential shortfall in the provisions established for outstanding claims. This mandatory supplementary provision is recalculated each year.

CHAPTER 2: Bodies Responsible for Controlling Insurance Contracts

Several considerations have led the state to impose comprehensive and continuous control over insurance contracts. First, the contractual imbalance between the insured and the insurer requires intervention by the supervisory authorities in order to protect the weaker party.
Second, insurance companies occupy a strong financial position and influence economic activity because they are major providers of funding for development projects.

SECTION 1: Administrative Bodies

To achieve the objectives of control over insurance contracts, the legislature established administrative bodies under Ordinance No. 95-07 on Insurance, alongside the Minister of Finance, as well as consultative bodies responsible for monitoring insurance companies' compliance with the legislative and regulatory provisions governing the insurance sector generally and insurance contracts in particular.

- ✓ The Minister of Finance

The Ministry of Finance is the supervisory authority responsible for the insurance sector. The Minister of Finance represents the executive authority at the sectoral level and is responsible for organizing the sector and undertaking any measures likely to contribute to the development of the national insurance market and to the achievement of the objectives set by the government programme.
Under the provisions of Insurance Law No. 06-04, the Minister of Finance retains the power to exercise control, including:
The power to grant authorization. (Décret exécutif 96-267)
The power to impose sanctions.
The Structure Responsible for Insurance within the Ministry of Finance
This structure consists mainly of the Insurance Directorate and insurance inspectors:
a) Insurance Directorate
The Insurance Directorate is responsible for state control and supervision of the insurance sector. It forms part of the General Directorate of the Treasury, one of the central administrative structures within the Ministry of Finance. The Directorate implements the control process managed by the Insurance Supervision Commission and performs a range of tasks through its sub-directorates. (28-11-2007, 2007)
b) Insurance Inspectors
Article 212 of the Insurance Law establishes a special category of officials responsible for supervising insurance and/or reinsurance companies, branches of foreign insurance companies, and authorized insurance brokers. These officials are sworn insurance inspectors, without prejudice to the other forms of control provided for by the same law and by the regulations in force. Executive Decree No. 10-298 lays down the special statute applicable to officials belonging to the Treasury, Accounting, and Insurance corps within the administration responsible for finance.

- ✓ The Insurance Supervision Commission

The Algerian legislature established the Insurance Supervision Commission under the aforementioned Law No. 06-04 as the authority responsible for insurance control. Article 209 of that law provides as follows:
An Insurance Supervision Commission shall be established to act as the supervisory authority through the structure responsible for insurance within the Ministry of Finance.

State control over insurance and reinsurance activity shall be exercised by the aforementioned Insurance Supervision Commission and shall have the following objectives:
Protecting the interests of insured persons and beneficiaries under insurance contracts by ensuring the regularity of insurance operations and the solvency of insurance companies;
Promoting and developing the national insurance market with a view to integrating it into economic and social activity.
a) Composition of the Insurance Supervision Commission
Under Article 209 bis of Ordinance No. 95-07, as amended and supplemented, the Insurance Supervision Commission consists of five (5) members, including the chairperson, selected for their expertise, particularly in insurance, law, and finance. Article 209 bis 2 of the same Ordinance further provides that:
The nominal list of members of the Insurance Supervision Commission shall be established by presidential decree on the proposal of the Minister of Finance.
The Commission consists of:
Two (02) judges proposed by the Supreme Court.
One (01) representative of the Minister of Finance.
One insurance expert proposed by the Minister of Finance.
The members of the Commission receive allowances in amounts determined by regulation.
b) Operation of the Insurance Supervision Commission
The Commission adopts its decisions by a majority of the votes of the members present. In the event of a tie, the chairperson has the casting vote.
The Commission has a General Secretariat whose powers and rules of organization and operation are determined by order of the Minister of Finance.
The operating expenses of the Insurance Supervision Commission are borne by the state budget.
The allocated appropriations are entered in the budget of the Ministry of Finance.
The chairperson of the Insurance Supervision Commission is the authorizing officer for these appropriations.
These appropriations are intended to cover:
Operating expenses.
Allowances paid to the members of the Insurance Supervision Commission.
Equipment expenditure.
Any other expenditure connected with the Insurance Supervision Commission's activities.
The Commission's internal rules determine the procedures governing its organization and operation.
The procedures for implementing this Article shall be specified by regulation.
Articles 4 and 6 of Executive Decree No. 08-113, which define the powers of the Insurance Supervision Commission, provide that qualified insurance inspectors shall ensure the compliance and legality of insurance and reinsurance operations. They verify that insurance and/or reinsurance companies, branches of foreign companies, and all insurance operators comply with the legislative and regulatory provisions governing insurance. (08-113)

SECTION 2: Judicial Bodies
Judicial control over insurance contracts raises the question of which courts have jurisdiction: the ordinary courts or the administrative courts. Unlike administrative control, judicial review is not automatic; it is initiated through legal proceedings.

1. Territorial Jurisdiction
Territorial jurisdiction in insurance disputes is determined by a mandatory general rule laid down in insurance legislation.
General Rule
The general rule under the Insurance Law provides that all disputes concerning the determination and payment of compensation due must be brought before the court of the insured's place of residence, whether the insured is the claimant or the defendant, in accordance with Article 26(1) of the Insurance

Law. (95-07 O. n., 1995)
This rule is mandatory. The parties may neither agree to depart from it nor include a contrary term in the insurance policy, because the rule concerns public order. Its purpose is to protect the insured from incurring additional travel expenses in order to appear before the court of the insurer's place of establishment.

2. Subject-Matter Jurisdiction
Subject-matter jurisdiction refers to the authority of a court to hear a specific category of dispute. It concerns the allocation of cases among different judicial bodies according to the nature of the matter. The respective jurisdiction of the ordinary courts and the administrative courts must therefore be determined.
In civil and commercial proceedings, subject-matter jurisdiction over insurance disputes is determined by reference to the legal nature of the contract itself.
- ✓ Jurisdiction of the Ordinary Courts
- ✓ Jurisdiction of the Administrative Courts

SUBSECTION 3: Consultative Bodies
The control exercised by consultative bodies forms part of modern consumer-protection mechanisms and policy trends. These bodies play an active role by assisting administrative and judicial authorities in performing their control functions. Although several consultative bodies exist, two are particularly important in relation to control over insurance contracts:
The National Insurance Council and the Unfair Contract Terms Committee.
1. National Insurance Council
Under Article 274 of Ordinance No. 95-07 of 25 January 1995, as amended and supplemented, the National Insurance Council is a consultative body chaired by the Minister of Finance. It is consulted on matters relating to the status, organization, and development of insurance and reinsurance activity. On its own initiative or at the request of the Minister of Finance, it may also prepare preliminary drafts of legislative or regulatory texts falling within its competence.
Matters may be referred to the Council by its chairperson or at the request of a majority of its members.
b) Operation of the National Insurance Council
The Minister of Finance determines the agenda for each session of the Council and informs all members at least fifteen (15) days before the meeting. The recommendations adopted at each session are recorded in minutes and transmitted to the Ministry of Finance in the form of an annual report on the general state of the insurance sector. The report is then transmitted to the Prime Minister through the Minister of Finance.
The Council is financed by contributions from insurance companies and brokers.
The Council's secretary prepares the draft budget and submits it to the National Insurance Council for approval. The budget includes the following items:
Operation of the National Insurance Council through its committees
Article 275 of Ordinance No. 95-07 of 25 January 1995 on Insurance, as amended and supplemented, provides that the Council may establish one or more specialized committees from among its members.
The first committee established was the Authorization Committee under Article 7 of Executive Decree No. 95-339 of 30 October 1995, which defines the powers, composition, and operation of the National Insurance Council. It was followed by three committees established by three decisions dated 3 November 1998:
3. Committee for the Protection of Insured Persons' Interests.
4. Committee for the Development and Regulation of Tariff Markets.
5. Legal Committee.
2. Unfair Contract Terms Committee
Modern methods of reviewing contractual terms have emerged to protect vulnerable parties to standard-form contracts characterized by a clear imbalance between the contracting parties. Traditional rules for protecting the weaker party are insufficient to establish a reasonable balance between

contractual obligations. One contemporary consumer-protection mechanism is the consultative Unfair Contract Terms Committee, established under Article 6 of Executive Decree No. 06-306. The Decree defines the essential elements of contracts concluded between economic operators and consumers and identifies the terms considered unfair. The Committee therefore supports consumer protection against abusive practices by professionals. (-306, 2006)

4. Conclusion:

This study concludes that the role of control bodies differs according to whether the control exercised is technical or administrative. The more dynamic the controlled activity becomes, the broader and more intensive the role of those bodies must be. In many cases, the control authority must intervene to address a situation either within a particular insurance company or across the sector as a whole, depending on the circumstances. Strengthening control over insurance contracts and achieving the objectives underlying insurance operations require granting specialized institutions greater latitude and adopting legislation that protects insured persons and beneficiaries.

To further strengthen control over insurance contracts and achieve the objectives underlying insurance operations, specialized bodies should be granted broader powers to exercise control, and special legislation should be adopted to protect insured persons and beneficiaries. In this regard, the study proposes the following recommendations:
A clear framework should be developed for the risks to which insurance companies may be exposed, and those companies should receive assistance in the field of risk management.
The functions of the Insurance Supervision Commission, as the specialized sectoral regulatory authority in the field of insurance, should be clarified. It should also be granted powers broader than those held by the Minister of Finance so that it can exercise comprehensive control over insurance operations rather than limiting its control to the period after the activity has commenced. The Commission should further be empowered to impose strict sanctions on persons who violate the laws governing insurance contracts.

The role of consultative bodies such as the National Insurance Council should be expanded. Courts should be required to consult them in all insurance-related disputes. The consultation procedure may be made mandatory without making the courts legally bound by the opinions issued. Such a procedure would help identify the most appropriate solutions and develop effective mechanisms for safeguarding the rights of insured persons.

Specialized bodies should be granted greater latitude in exercising control, and special legislation should be adopted to protect insured persons and beneficiaries. These measures would further strengthen control over insurance contracts and help achieve the objectives of insurance operations.

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