United Arab Emirates

Mandatory health insurance for dependents

Executive summary
The Dubai Health Authority is in the process of rolling out mandatory health insurance for all foreign residents in Dubai. This initiative aims to cover all categories of residents and is linked to their immigration status.

Background
The Dubai Health Authority rolled out mandatory health insurance for foreign nationals in three phases:
► Companies with over 1,000 employees
► Companies with 100-999 employees
► Companies with less than 100 employees and employees who have sponsored dependent visas

The first two phases are already in place and are linked to the issuance of residence permits. The third phase is due to be implemented by 30 June 2016.

Key changes
As of 1 July any new application or renewal application for an employment residence permit or a dependent residence permit will require proof of medical insurance. Compliance will be required to process work permits but health insurance is universally required, even if the individual’s permit is not up for renewal. Companies and individuals need their policies in place to avoid penalties.

The Dubai Health Insurance Law stipulates that at least basic coverage must be provided and they have outlined the features of such coverage. Health plans that provide these features are known as an “Essential Benefits Plan” and typically cost between 500-700 AED (approx. 130 – 190 USD) per month.

Next steps
By 1 July every employee and dependent in the Dubai is mandated to have health insurance. Employers are responsible for ensuring that their employees have coverage but are not responsible for family members. While many companies will offer this as a benefit to employees, technically the “sponsor” is responsible for the insurance which means that employees who have sponsored resident permits for their dependents are ultimately responsible for ensuring their dependents have health cover.

Although details of the fines have not been published, they are expected to be higher than the cost of insurance to encourage compliance.
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