



EDFIS/C/011/2010
26th April 2010

The Compliance Officer
All Insurance Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 3 (Insurance) – April 2010 Update

The April 2010 quarterly update to Volume 3 has now been incorporated in the website version of the Rulebook.¹

This letter highlights changes introduced this quarter. Licensees are required to note any policy changes. In addition, recipients who wish to update their hard copy folders should access the Central Bank of Bahrain ('CBB') website and print off the relevant pages for insertion into their folder.

All changes are highlighted in colour in the PDF versions of the Modules included on the CBB's website. All changes to the text of the previous version of Volume 3, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

Part A Modules

Contents Pages and Module History

¹ Volume 3 can be accessed from www.cbb.gov.bh : from the Home page, select 'Regulatory Functions' and then 'Laws & Regulations'. Alternatively, use the 'Quick Links' facility on the Home page to access the CBB Rulebook facility.

The contents page for each Module shows the date each section was last changed and provides a good reference tool to keep track of the latest updates along with the Module History.

Changes for April 2010

The changes for April 2010 are listed in the attached table.

Payment of Annual License Fees

All insurance licensees are reminded that they must comply with the requirements of Section AU-6.3. The due date for the 2010 annual license fees is 30th April 2010. When submitting their payment, insurance licensees should complete Form ALF, included under Volume 3 (Insurance)/Part B/Reporting Forms available on the CBB Website.

Further Information

Should you have any queries regarding these updates, you may contact the CBB Rulebook team at (rulebook@cbb.gov.bh), or the Director of Insurance Supervision on 17547302.

Yours faithfully,



Abdul Rahman Al Baker

Enclosure: Volume 3 Update Table.

CBB Rulebook (Volume Three) – April 2010 Update

PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
All Modules	N/A	Print off the Table of Contents page for each Module and the Module History Section when changes have been made.
AU	Authorisation	<p>AU-1.4.16A: Guidance provided on the definition of regulated services for insurance consultants. Print off updated AU-1.4: Page 4 of 5.</p> <p>AU-2.1.8: Clarified legal status for insurance brokers. Print off updated AU-2.1: Page 2 of 3.</p> <p>AU-4.1.2A: Added guidance on relevant loss adjusters associations used in evaluating expertise condition. Print off updated AU-4-1.: Page 1 of 1.</p> <p>AU-5.2.1: Added requirement for licensees to verify accuracy of information contained in form 3 (Approved persons).</p> <p>AU-5.2.2A and B: Clarified requirements when submitting Form 3. Print off updated AU-5.1: Page 1 of 2.</p> <p>AU-5.2.7 and 5.2.8: Clarified notification requirements when applying for Approved person status. Print off updated AU-5.1: Page 2 of 2.</p>
HC	High-Level Controls	<p>HC-3.1.2A: Added requirements for Managing Director. Print off updated HC-3.1: Page 1 of 1.</p> <p>HC-3.4.4: Clarified that the compliance function may not be combined with the internal audit function or any operational function as they are incompatible and may create a conflict of interest. Print off updated HC-3.4: Page 1 of 1.</p>
RM	Risk Management	<p>RM-7.5.7: Added a Paragraph dealing with restrictions on intra-group outsourcing. Print off updated RM-7.5: Page 1 of 1.</p>
FC	Financial Crime	<p>FC-3.1.10, 3.2.1, 4.2.3, 4.3.1: Updated name and e-mail of relevant authority to Financial Intelligence Unit. Print off updated FC-3.1: Page 2 of 2; FC-3.2: Page 1 of 1; FC-4.2: Page 1 of 2; FC-4.3: Page 1 of 1.</p>

CBB Rulebook (Volume Three) – April 2010 Update (continued)

PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
BR	CBB Reporting	BR-2.2.8: Added conflict of interest in notification requirements. BR-2.2.11(g): Amended name of bankruptcy legislation. Print off updated BR-2.2: Pages 2 and 4 of 4.
IM	Insurance Intermediaries & Managers	IM-2.1.7 and 2.1.8: Amended legal status of insurance broker and insurance consultant to be in line with amendments made to Module AU. Print off updated IM-2.1.

CBB Rulebook (Volume Three) – April 2010 Update (continued)

PART B FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
Glossary of Defined Terms		
Added definition for Managing Director		
Authorisation Forms		
Form 3	Application for Approved Person Status	Amended Declaration to be in line with other Volumes of Rulebook. Added certification from licensee on accuracy of information provided by applicant for approved person status. Amended type of acceptable identification document.
Reporting Forms		
	Instructions for Insurance Firm Return	Added instructions for completion of IFR 70.20.
Form ALF	Annual License Fee	Added license fees required for appointed representatives.