



EDFIS/C/014/2009
15th April 2009

The Compliance Officer
All Insurance Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 3 (Insurance) – April 2009 Update

The April 2009 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

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.

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.

Changes for April 2009

The changes for April 2009 are listed in the attached table.

Updated Statutory Reporting Forms

The April 2009 update includes revised quarterly statutory reporting forms (Forms IFRQ(C), IFRQ (T)) as well as updated Instructions for the Insurance Firm Return. For all future reporting, insurance licensees should use the updated forms now available on the CBB Website.

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 2009 annual license fees is 30th April 2009. 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 2009 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-2.1.8: Amended the legal status of insurance broker to no longer allow the establishment of new licensees as single person company. Print off updated AU-2.1: Page 2 of 3.</p> <p>AU-6.3.12 and 6.3.12A: Clarified the rules regarding annual license fees to be paid by new licensees in relation to the first year in which the license has been granted.</p> <p>AU-6.3.16: Deleted Paragraph waiving annual fees for insurance licensees in run-off and whose license has been restricted to servicing existing business. Print off updated AU-6.3: Page 2 of 2.</p>
GR	General Requirements	GR-3.1: Clarified the rules governing the request for CBB no-objection on any dividend proposed. Print off updated GR-3.1.
CA	Capital Adequacy	<p>CA-6.1.1: Clarified non-application of localisation requirements to unit-linked products. Print off updated CA-6.1: Page 1 of 2.</p> <p>CA-8.4.8 and 8-4.9: Paragraph 8.4.8 deleted on funding of deficit for Family Takaful funds. Print off updated CA-8.4: Page 2 of 4.</p>
BR	CBB Reporting	BR-2.2.14: Added notification requirement for when an approved person ceases to occupy a controlled function. Print off updated BR-2.2: Page 4 of 4.

CBB Rulebook (Volume Three) – April 2009 Update (continued)

PART B FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
Authorisation Forms		
Form 1	Application for a License	Additional licensee details requested for application for overseas licensee.
Form 2	Application for Authorisation of Controller	Minor corrections and updates made.
Form 3	Application for Approved Person Status	Address updated on form and request for job description for requests originating from existing insurance licensees.
Reporting Forms		
	Instructions for Insurance Firm Return	Clarified that any income statement figures reported as part of the IFRQ quarterly reporting should be for the full period year to date (and not restricted only to the quarter figures).
IFRQ(C)	Insurance Firm Quarterly Return (conventional principles)	Date return submitted to be entered on cover sheet. Minor changes made to IFR 20.70 And 20.72. Added IFR 50.10 (linked business) to quarterly reporting.
IFRQ(T)	Insurance Firm Quarterly Return (takaful principles)	Date return submitted to be entered on cover sheet. Minor changes made to IFR 20.70 And 20.72. Added IFR 50.10 (linked business) to quarterly reporting.
ALF	Annual License Fee	Name of Licensee or Registered Person to appear on cover sheet.