



EDFIS/C/034/2021  
20<sup>th</sup> June 2021

**The Chief Executive Officer / General Manager**  
All Insurance Firms  
Manama  
Kingdom of Bahrain

Dear Sir/Madam

**Re: Digitalizing Motor Insurance Process**

As part of the Central Bank of Bahrain's (CBB) ongoing initiatives towards financial digital transformation and to promote better clients' experience in the Kingdom of Bahrain, the CBB requests all insurance firms to implement digital channels in serving its customers/policyholders in Motor insurance policy, without requiring the customer presence in the company's premises (whenever applicable).

The CBB would like all insurance firms to fully appraise and prepare themselves for such transformation by upgrading its IT system and update its policies and procedures to reflect/implement the digital transformation process in Motor insurance.

Therefore, the CBB requests all insurance firms to adhere to the following phases in implementing this transformation process:

**1. New and Renewal Insurance Business:**

All insurance firms should consider one or more digital channels (to issue/renew motor insurance policy to its customers **no later than 31<sup>st</sup> July 2021**).

Furthermore, insurance firms should disclose the motor policy benefits, terms, conditions and exclusion in clear and fair manner. The digital means used or selected to sell the product, should require the customers to read and understand its terms and conditions and to provide electronic version of the policy once the policy is issued.

Moreover, the insurance firms must provide the customer with electronic version of the policy in each renewal and to **highlight** to the customer the main terms and conditions, including but not limited to, applicable excess, depreciation and place of repair before issuing the motor policy.

## **2. Payment Method:**

Insurance firms must facilitate all payments/settlements with their customers by providing secure and approved online payment methods to collect the premiums, deductible, depreciation etc. no later than 31st July 2021.

## **3. Motor Insurance Endorsements:**

Insurance firms must enable its customers to make amendments/endorsements to their motor policy through digital channels **no later than 30<sup>th</sup> September 2021**.

For clarity the endorsements are including but not limited to transfer ownership, cancel the policy, change the registration number of the vehicle or to change the type of the coverage.

## **4. Motor Claims:**

Insurance firms must digitalize/automate the claims process to enable their customers to initiate/open motor claims and to get the status of their claims digitally, including automated alerts and messages.

Therefore, insurance firms are required to offer digital application to automate the claims process **no later than 31<sup>st</sup> December 2021**.

## **5. Complaints**

Insurance firms must allow its customers to raise or submit complaint through digital channels, which should show the status of the complaint **no later than 31<sup>st</sup> December 2021**.

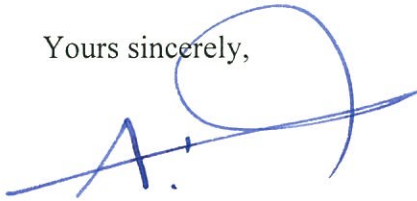
Insurance firms are reminded to comply with Section BC-4 'Customer Complaints Procedures' of Business and Market Conduct Module of the CBB Rulebook (Volume 3) all the time.

## 6. Fees and Charges:

Insurance firms are required to be transparent in disclosing the applicable and agreed fees and charges to its customer and to make it available in the company's website for the customer easy reference **no later than 31<sup>st</sup> December 2021**.

Failure to comply with the above directions may lead the CBB to take the necessary enforcement measures against the insurance firm as outlined in Module EN (Enforcement) of the CBB Volume 3 Rulebook.

Yours sincerely,



**Abdul Rahman Al Baker**