



ISD/505/2023  
4<sup>th</sup> October 2023

**Chief Executive Officer**  
All Insurance Firms  
Manama  
Kingdom of Bahrain

Dear Sir/Madam,

**Re: Enhancing the Compliance Function and Being Client Centric**

This has reference to the meeting held on 4<sup>th</sup> October 2023, during which the following items were discussed:

1. Elevating the Compliance function within the licensees; and
2. Enhancing the quality of services provided to clients.

In this regard, kindly find attached Appendix A, summarizing the discussion points under each item above, along with the required assessment /review to be undertaken by the licensee. The licensee is expected to report the following to the CBB with regard to each of the discussion points in the Appendix:

1. A briefing of the current status / practices at the licensee for each of the points, which must be submitted to the CBB on a date not later than **31<sup>st</sup> December 2023**; and
2. The results of the assessment / review required as per Appendix A, including any gaps identified, plan to close the gaps, along with the timeframe required to achieve the same. The above must be submitted to the CBB on a date not later than **31<sup>st</sup> March 2024**.

Yours sincerely,

**Elham Ebrahim Taleb**  
Director - Insurance Supervision Directorate



### **Appendix A: Enhancing the Compliance Function and Being Client Centric**

Item Ref.	Item	Required Action
<b>A.</b>	<b><u>Elevating the Compliance function within the licensees.</u></b>	
<b>A.1</b>	Tone from the top must be established with regard to the importance of the Compliance function.	Assess the role of the Board in relation to compliance function, and the process followed to spread the Board's views of the importance of compliance with all relevant regulations within the whole organization and its staff members.
<b>A.2</b>	The compliance function must have sufficient team, in line with the size and nature of the licensee activities.	Assess the sufficiency of staffing in the Compliance function.
<b>A.3</b>	Proper Compliance framework and policies.	Review the Compliance framework and policies and ensure that the same is comprehensive of all regulatory requirements of all relevant regulatory authorities and is implemented within the whole organization.
<b>A.4</b>	Assessing the efficiency of the Complaint handling function including sufficiency of procedures & processes for complaints handling	Review the Licensee's complaint handling function, including policies and procedures, and conduct an assessment as to the efficiency of the current procedures and processes in terms of resolving the complaints for the years 2022 and 2023.
<b>A.5</b>	Proper training on compliance / AML issues and complaint procedures to all front office staff, call center staff, and others who interact with customers.	Review the training plan for the years 2023 / 2024 for all relevant staff members and confirm to the CBB that the said training is imbedded within the training plan.
<b>A.6</b>	Report to the Board or relevant Board committee on compliance / AML issues and complaints.	Review the compliance/AML and complaints reporting to the Board, ensure that the same is comprehensive, regular, and timely.
<b>B.</b>	<b><u>Enhancing the quality of services provided to clients.</u></b>	
<b>B.1</b>	Tone from the top must be established with regard to ensuring the best service quality is provided to all clients and disseminating the client centric mindset and culture within the organization.	Assess the role of the Board in relation to setting a wide organization perception of the quality of products and services provided to customers.



Item Ref.	Item	Required Action
B.2	Proper policies on quality of products/ services.	Review the policies pertaining to the quality of products and services provided to clients, in terms of its sufficiency and comprehensiveness.
B.3	Easy & simple processes for the offering, delivery, and recognition of services & products.	Conduct an exercise to assess customer satisfaction with the quality of the Company's products and services, and the ease of processes for delivering such products and services.
B.4	Assessment of new staff members	Assess the recruitment process of staff to ensure that the process is built around the idea of being customer centric.
B.5	KPIs on quality services and reputational risk.	Review the KPI for all relevant staff members and confirm to the CBB that KPIs in relation to providing quality are in place for all relevant staff members.
B.6	Staff remuneration and reward policy.	Review the staff remuneration and reward policy and ensure that it is linked to KPIs on quality of service.
B.7	Proper training in client dealing and servicing to all front office staff, call center and others who interact with customers.	Review the training plan for the years 2023 / 2024 for all relevant staff members and confirm to the CBB that the above is imbedded within the training plan.
B.8	Product/service agreement with customers must be customer centric and must be fair to both the customer & the licensee and must not be biased to preserve the rights of the licensee only.	Undertake a comprehensive review of client agreements to ensure that its conditions are fair to both the customers and licensee, and that it protects the interests of the clients.