



BAHRAIN MONETARY AGENCY

Form 1 (Phase 1): Application for a License (Application for a license to carry out regulated insurance services in the Kingdom of Bahrain)



Form 1 (Phase 1): Application for a License

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Form 1 (Phase 1): INSTRUCTIONS

PLEASE NOTE:

1. The application process for an insurance license consists of two parts: Phase 1 and Phase 2. For Phase 1, applicants for a license must submit a duly completed “Form 1 (Phase 1): Application for a License”, under cover of a letter signed by an authorised signatory of the applicant. Phase 2 in the application process consists of additional documentation required to be submitted by duly completing “Form 1 (Phase 2)”, following issuance by the BMA of a conditional approval for the insurance license. These application forms should be completed by referring to Volume 3 (Insurance) of the BMA Rulebook, in particular Module AU (Authorisation).
2. Complete all sections as fully as possible, attaching supporting documentation and continuation sheets where appropriate. The application should be written in ink in BLOCK CAPITALS or typed.
3. Failure to provide all the required information may result in significant delays in processing. The BMA does not accept responsibility for any loss caused to the applicant by any delay.
4. All documentation provided to the BMA must be in either the Arabic or English languages. Any documentation in a language other than English or Arabic must be accompanied by a certified English or Arabic translation thereof (see Paragraph AU-5.1.9).
5. If any question is not applicable given your particular circumstances, please clearly indicate by marking ‘N/A’, with an explanation as to why it does not apply. Please provide a full explanation for any question that cannot be answered at this stage. Please note that failure to provide the required information may prejudice an application and will cause delay.
6. The **original** completed form, together with supporting documentation, should be submitted to:

The Director, Licensing & Policy Directorate
Bahrain Monetary Agency
PO Box 27
Manama
Kingdom of Bahrain
7. Queries may be addressed to the Director, on +973 17 547605 (telephone), +973 17 537554 (fax) and albassam@bma.gov.bh (e-mail).
8. As part of Phase 1, the BMA will review the application and duly advise the applicant in writing when it has:
 - (a) granted the application, subject to further information to be submitted as part of Phase 2 of the process; or
 - (b) refused the application, stating the grounds on which the application has been refused and the process for appealing against that decision.
9. No person may undertake a regulated insurance service within or from the Kingdom of Bahrain unless duly licensed by the BMA (see Paragraph AU-1.1.1).
10. All applicants for insurance licenses must satisfy the BMA that they meet the minimum criteria for licensing, as contained in Chapter AU-2.
11. An insurance licensee must not carry on any commercial business in the Kingdom of Bahrain or elsewhere other than insurance business and activities directly arising from or incidental to that business (see Paragraph AU-1.1.10).



Form 1 (Phase 1): INSTRUCTIONS (continued)

12. Applicants are reminded that it is an offence under the Insurance Law, Decree No. (17) of 1987 and any regulations issued thereunder, to provide the BMA any information which is false or misleading in connection with the submission of this application or any related information.



Form 1 (Phase 1): DECLARATION

We certify that we have read and understood the provisions of the Insurance Law, Decree No. (17) of 1987 and any regulations issued thereunder. In particular, (i) we are aware that it is an offence under the above law fraudulently or negligently to provide to the Bahrain Monetary Agency (BMA) any information which is false or misleading in connection with an application for a license or otherwise; and (ii) we are aware that it is an offence to carry on the business for which a license is hereby sought without such license being granted.

We certify that the information given in answer to the questions above is complete and accurate to the best of our knowledge and belief and that there are no other facts relevant to this application of which the Agency should be aware. We also confirm that no business of the type for which this license is now sought will be carried on by us prior to obtaining such license.

We undertake to inform the Agency of any changes material to the application which arise while the Agency is considering the application (see Volume 3 of the BMA Rulebook, Paragraph AU-5.1.10). We further undertake that, in the event that the institution is granted the license which is hereby sought, we will notify the Agency of any material changes to or affecting the completeness or accuracy of, the information provided in Form 1 as soon as possible, but in any event no later than 21 days from the day that the changes come to our attention.

This declaration must be signed by at least two major proposed controllers (with an interest in the future licensee in excess of 10%). In the case of corporate controllers, the declaration must be signed by 2 directors and bear the corporate seal.

WHERE PROPOSED CONTROLLER IS AN INDIVIDUAL:

| | | |
|---------------------------------------|------------------------|-------|
| _____ | _____ | _____ |
| Name of applicant (please print name) | Signature of applicant | Date |
| _____ | _____ | _____ |
| Name of applicant (please print name) | Signature of applicant | Date |

WHERE PROPOSED CONTROLLER IS A CORPORATE BODY:

| | | |
|-----------------------|-----------------------|-------|
| _____ | _____ | _____ |
| Director (print name) | Signature of director | Date |
| _____ | _____ | _____ |
| Director (print name) | Signature of director | Date |
| _____ | _____ | _____ |
| Director (print name) | Signature of director | Date |
| _____ | _____ | _____ |
| Director (print name) | Signature of director | Date |



Form 1 (Phase 1): Contact Information

Please provide full contact details of person(s) with whom the BMA can communicate with, regarding this application.

Name: _____

Title: _____

Capacity¹: _____

Tel: _____

Fax: _____

E-mail: _____

¹ (e.g., professional adviser to the applicant, proposed director of applicant)



Form 1 (Phase 1): Checklist

| Document | Attached |
|--|--|
| 1. If the applicant is an existing registered company, a copy of the applicant's commercial registration (Q II.3) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 2. If the applicant is an existing corporate body, a certified copy of a Board resolution, confirming the decision to seek a BMA insurance license (Q II.4)) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 3. If the applicant is part of a regulated group or an overseas (branch) applicant, a letter of non-objection to the proposed license application from the applicant's home supervisor (Q II.5) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 4. Application for Authorisation for Controller (Form 2) (Q V.1) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 5. Application for Approved Person Status (Form 3) for all members of the Board of directors of the proposed licensee (Q.VI.1). | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 6. Proposed organisation chart (Q.VI.2) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 7. Business Plan (Q. VII.3) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 8. Copies of the audited financial statements of the applicant's major shareholder and/or group (in the case of a branch applicant, of the head office) for the 3 years immediately prior to the date of application (Q. VII.4) | Yes <input type="checkbox"/> No <input type="checkbox"/> |



Form 1 (Phase 1): Section I – License Type

| Please select applicable license type | | | | |
|---|------------------------------------|--|--------------------------------------|--|
| | Domestic (D) Branch (B) | Conventional principles (CP) Takaful (TA) | General (G) Long Term (L) | Limited to Reinsurance² Yes No |
| 1. Insurance Firm (including captive insurer) (AU-1.1.13) | | | | |
| 2. Insurance Broker (AU-1.1.16) | | | | |
| 3. Insurance Consultant (AU-1.1.19) | | | | |
| 4. Insurance Manager (AU-1.1.22) | | | | |
| 5. Insurance Exchange Operator (AU-1.1.23) | | | | |

² Limited to reinsurance refers to companies that do not accept any direct business, i.e. do not deal directly with policyholders but only with other insurance companies.



Form 1 (Phase 1): Section II – Licensee Details

1. Proposed name of licensee

2. If the applicant is a corporate body, date of incorporation

3. If the applicant is an existing registered company, a copy of the applicant's commercial registration must be attached. (AU-5.1.5 (d), or (e)).

Attached

Yes ☐

No ☐

Not Applicable ☐

4. If the applicant is an existing corporate body, a certified copy of a board resolution of the applicant, confirming its decision to seek a BMA insurance license must be attached (AU-5.1.5 (f)).

Attached

Yes ☐

No ☐

Not Applicable ☐

5. In the case of an applicant that is part of a regulated group or an overseas (branch), a letter of non-objection to the proposed license application from the applicant's home supervisor, together with a confirmation that the group is in good regulatory standing and is in compliance with applicable supervisory requirements, including those relating to capital and solvency requirements must be attached (AU-5.1.5 (h) or (i)).

Attached

Yes ☐

No ☐

Not Applicable ☐



Form 1 (Phase 1): Section III – Legal Status (commercial registration)

Please select one ✓

| | | |
|--|--|----------------------|
| <p>1. Type of company (Ref. Section AU-2.1)</p> <ul style="list-style-type: none"> <i>Insurance Firm (includes takaful/retakaful and reinsurance firms)</i> | <p>B.S.C</p> | <p>Branch</p> |
| <ul style="list-style-type: none"> <i>Insurance Broker</i> | <p>Bahraini Single Person Company</p> | <p>B.S.C</p> |
| <ul style="list-style-type: none"> <i>Insurance Consultant</i> | <p>W.L.L</p> | <p>Branch</p> |
| <ul style="list-style-type: none"> <i>Insurance Manager</i> | <p>Sole Proprietor -ship</p> | <p>B.S.C</p> |
| <ul style="list-style-type: none"> <i>Captive Insurance Firm</i> | <p>Bahraini Single Person Company</p> | <p>Branch</p> |
| | <p>B.S.C</p> | <p>W.L.L</p> |
| | <p>B.S.C</p> | <p>Branch</p> |
| | <p>SPV</p> | |



Form 1 (Phase 1): Section IV – Insurance Business

1. Please select the classes of insurance you propose to undertake (insurance firms and insurance brokers only).

General Business

| | | |
|----------------------------------|------------------------------|-----------------------------|
| Fire and Property | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Aviation and Marine | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Motor | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Liability | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Engineering | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Medical (short term \leq 1 yr) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Miscellaneous | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Long Term Business

| | | |
|--|------------------------------|-----------------------------|
| Life | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Investment linked insurance | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Long Term Medical and Permanent health | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Other

Please specify _____

2. Does the applicant wish to establish a branch or subsidiary outside Bahrain?

Yes ☐ No ☐

If yes, please provide details

3. On which date does the applicant wish to start insurance activities in Bahrain?



Form 1 (Phase 1): Section V – Controllers (Owners)

| | |
|--|---|
| <p>1. Please complete the Application for Authorisation for Controller (Form 2) in respect of all controllers (GR-5).</p> <p>List all names (including any previous names) of all beneficial controllers (owners) and ultimate beneficial controllers, (current & proposed) together with the percentage and nature of control (e.g., number and class of shares) (to be) held directly or on their behalf (publicly held corporations need only list those beneficial shareholders owning over 10% of their shares).</p> <p>Name: _____</p> <p>Nature of control: _____</p> <p>Shareholder <input type="checkbox"/> Other (please specify) <input type="checkbox"/> _____</p> <p>Percentage of control: _____</p> | <p>Form 2 Attached</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Name: _____</p> <p>Nature of control: _____</p> <p>Shareholder <input type="checkbox"/> Other (please specify) <input type="checkbox"/> _____</p> <p>Percentage of control: _____</p> | <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Name: _____</p> <p>Nature of control: _____</p> <p>Shareholder <input type="checkbox"/> Other (please specify) <input type="checkbox"/> _____</p> <p>Percentage of control: _____</p> | <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Name: _____</p> <p>Nature of control: _____</p> <p>Shareholder <input type="checkbox"/> Other (please specify) <input type="checkbox"/> _____</p> <p>Percentage of control: _____</p> | <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>If additional beneficial controllers please complete an additional sheet</p> | |



Form 1 (Phase 1): Section VI – Management and Board Details

1. Please complete an Application for Approved Person Status (Form 3) for all members of the Board of directors of the proposed licensee.

Attached

Yes ☐

No ☐

Not Applicable ☐

2. Provide details of the management structure (organisation chart) and proposed staff of the company.

Attached

Yes ☐

No ☐

Not Applicable

3. *(For companies using a management company only).*

Name of the insurance management company's employee who will act as General Manager (this person must be an "approved person" of the Bahrain licensed insurance manager).



Form 1 (Phase 1): Section VII – Financial Resources

1. Detail below the proposed paid in and authorised and share capital or any other form of capital and the method of capitalisation. (Module CA).

2. Detail the origin of source(s) of funds to support the insurance licensee.

3. Business Plan (see guidance under Appendix I)

Attached

Yes ☐

No ☐

4. Copies of the audited financial statements of the applicant's major shareholder and/or group, (in the case of a branch applicant, of the head office) for the 3 years immediately prior to the date of application (AU-5.1.5 (k) or (l))

Attached

Yes ☐

No ☐

Not Applicable ☐



Form 1 (Phase 1): Section VIII – Accounts

1. When will the company produce its first set of audited accounts?

Provide justification if year end is different than 31 December.

Year end _____

If other than 31 December, please provide justification.



Form 1 (Phase 1): Section IX – Captive Insurers only

1. Is a management company to be used for the day-to-day management of the captive?

Yes ☐

No ☐

2. If the company is not fully funded in the formative years what provision is there in effect if there are early heavy losses?



Form 1 (Phase 1): Appendix I – Business Plan Requirements (AU-5.1.6)

Business Plan (AU-5.1.6)

Attach a business plan that includes, as a minimum, the following:

Background

- History of the applicant and its shareholders
- Reasons for applying for a license in Bahrain

Financial Projections

Financial projections and all related assumptions, covering at least the first 3 years of operations of the applicant following licensing. These should include, where appropriate:

- Forecast profit and loss account, broken down into a technical account and non-technical account;
- Forecast balance sheet;
- Stress and scenario testing and
- A calculation of the risk gap and explanation of the resources available to meet it should the need arise (**captive insurers only**).

Risk Management

An assessment of the risks that the applicant is likely to incur (including risks that may be incurred through its appointed representatives or managers).

An explanation of the applicant's strategy for managing those risks.

Market Research

The applicant's strategy and market objectives.

Confirmation that the financial projections are and should be consistent with any market research and actuarial studies. Market research and actuarial studies should be identified. Where this is not provided an explanation must be provided.

Description of all products and methods of marketing and distribution.



**Form 1 (Phase 1): Appendix I – Business Plan Requirements (AU-5.1.6)
(continued)**

Operations

A summary of any proposed portfolio transfers together with an actuarial valuation establishing the transfer value.

The investment policy to be adopted by the applicant together with the names of any investment managers, where applicable, to be utilised.

A narrative, consistent with the financial projections provided, outlining exposures to be underwritten, reinsurance to be obtained and the dividend policy to be pursued (where known).

A summary of the reinsurance programme, detailing (a) reinsurers; (b) credit worthiness of the reinsurer(s) supported by rating from an international rating agency; and (c) attachment points.

A summary of any fronting arrangements, detailing (a) fronting insurers; (b) credit worthiness of the reinsurer(s) supported by rating from an international rating agency; and (c) commission structures.

A summary of how loss reserves are to be calculated and accounted for.

Details of any other business to be undertaken.

Board of Director and employees

Proposed board and senior management.

Recruitment and training policies.