



OG/434/2023

24th December 2023

Chief Executive Officers

All Retail Banks

Manama

Kingdom of Bahrain

Dear Sir/ Madam,

New Requirements on Insurance Cover on Loans/Financing

With reference to the CBB's consultation (OG/375/2023) dated 12th November 2023 and the industry feedback, the CBB is hereby introducing new requirements in the Business and Market Conduct Module (Module BC) of the CBB Rulebook – Volumes 1 and 2 under Section BC-4.21 'Insurance Cover on Loans/Financing' to ensure that amounts recovered by retail banks from their customers, in respect of insurance on loans/financing, are not in excess of the cost borne by the banks of such insurance.

The new requirements shall be available on the CBB website under Ad-hoc Communications of Volumes 1 and 2 and will also be included as part of the upcoming CBB Rulebook update.

Should you have any queries on this matter, please contact your supervisory point of contact at the CBB.

Yours faithfully,

Rasheed M. Al-Maraj
Governor

cc: Bahrain Association of Banks
External Audit Firms