

# **AUTHORISATION MODULE**

<b>MODULE</b>	<b>AU: Authorisation</b>
<b>CHAPTER</b>	<b>AU-1: Authorisation Requirements</b>

## AU-1.3A Registered Appointed Representatives

**AU-1.3A.1** In accordance with Resolution 11 issued under Article 74 of the CBB Law, a person may not be appointed by a licensed principal as an appointed representative, without being registered as such with the CBB.

**AU-1.3A.2** For the purposes of Paragraph AU-1.3A.1, an appointed representative is defined as an agent, who is not licensed by the CBB as insurance firm, insurance broker or insurance consultant, appointed by an insurance firm (licensed principal) as its representative according to the rules in Chapter GR-9.

**AU-1.3A.3** For the purposes of Paragraph AU-1.3A.1, an insurance firm must submit a confirmation that the appointed representative meets the criteria for appointment and the licensee will be able to meet the on-going requirements stipulated in Chapter GR-9.

**AU-1.3A.4** Insurance firms must notify the CBB when an arrangement with an appointed representative is terminated within 5 working days of such termination.

**AU-1.3A.5** Should the appointed representative fail to comply with the requirements outlined in Chapter GR-9 the CBB may cancel the registration status if it deems necessary to do so (see Chapter EN-9).

<b>MODULE</b>	<b>AU: Authorisation</b>
<b>CHAPTER</b>	<b>AU-4: Registration Conditions</b>

## AU-4.1 Condition 1: Relevant Expertise

**AU-4.1.1** Actuaries, and loss adjusters and appointed representatives seeking registration must satisfy the CBB that they have relevant expertise and qualifications. They must hold appropriate professional qualifications from a relevant, recognised professional body.

AU-4.1.2 For actuaries, all Fellows (or members of equivalent status) in good standing of the Society of Actuaries (USA), the Institute and Faculty of Actuaries (UK) or the American Academy of Actuaries or any other similar body with mutually reciprocal licensing arrangements with any of these bodies, will satisfy the requirement in Paragraph AU-4.1.1.

AU-4.1.2A For loss adjusters, all Fellows (or members of equivalent status) in good standing of the Chartered Institute of Loss Adjusters (CILA), the European Federation of Loss Adjusting Experts (FUEDI), the National Association of Independent Insurance Adjusters (NAIIA) or the Canadian Independent Adjusters' Association (CIAA) or any other similar body with mutually reciprocal licensing arrangements with any of these bodies, will satisfy the requirements in Paragraph AU-4.1.1.

AU-4.1.3 In the case of corporate persons wishing to provide actuarial or loss adjuster services, the CBB expects management and other staff collectively to have sufficient appropriate professional qualifications to ensure a professional level of service.

AU-4.1.4 The above requirement does not oblige actuaries or loss adjusters to be residents of the Kingdom of Bahrain, in order to be registered by the CBB. Non-resident actuaries and loss adjusters wishing to practice in Bahrain may seek registration on the same basis as resident actuaries and loss adjusters.

AU-4.1.5 For purposes of Paragraph AU 4.1.1 and as outlined in Chapter GR-9, the minimum qualifications of appointed representatives recognised by the CBB are:

- (a) For general insurance, the Award in General Insurance from the Chartered Insurance Institute (CH) and the Bahrain Institute of Banking and Finance (BIBF); and
- (b) For long term insurance, the Award in Financial Planning from the Chartered Insurance Institute (CH) and the Bahrain Institute of Banking and Finance (BIBF). [This Paragraph was deleted in XX 2023].

AU-4.1.6 For appointed representatives, upon written application to the CBB, equivalent or higher qualification from an internationally recognised insurance institute may be acceptable, provided it substantially covers the core syllabuses of the minimum qualifications outlined in Paragraph GR-9.4.5B. [This Paragraph was deleted in XX 2023].

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## AU-4.1 Condition 1: Relevant Expertise (Contd.)

<b>AU-4.1.7</b>	<p><del>In the case of corporate persons, the appointed representative must designate the individuals that will act on their behalf. Such individuals must meet the minimum qualifications outlined in Paragraph GR-9.1.5B. [This Paragraph was deleted in XX 2023].</del></p>
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## AU-4.2 Condition 2: General Suitability

**AU-4.2.1** Actuaries, and loss adjusters and appointed representatives seeking registration must satisfy the CBB that the proposed registrants are generally suitable to operate as such.

AU-4.2.2 In the case of natural persons, the CBB will have regard to the fitness and propriety of the proposed registrant, using the Rules and Guidance contained in Section AU-3.1.

AU-4.2.3 In the case of corporate persons, the CBB will have regard to the corporation's reputation, financial soundness, and business conduct. The CBB will also review closely linked entities against the same criteria, using the definition of close links contained in Module GR.

<b>MODULE</b>	<b>AU: Authorisation</b>
<b>CHAPTER</b>	<b>AU-5: Information Requirements and Processes</b>

## AU-5.5 Cancellation of Authorisation

### *Voluntary Surrender of a License or Closure of a Branch*

#### AU-5.5.1

In accordance with Article 50 of the CBB Law, insurance licensees wishing to cancel their license or cease activities for a branch must obtain the CBB's written approval, before ceasing their activities. All such requests must be made in writing to the Director, Insurance Supervision Directorate, setting out in full the reasons for the request and how the business is to be wound up.

#### AU-5.5.2

Insurance licensees must satisfy the CBB that their customers' interests are to be safeguarded during and after the proposed cancellation. The requirements contained in Module GR regarding cessation of business must be satisfied.

#### AU-5.5.3

Failure to comply with Rule AU-5.5.1 may constitute a breach of Article 50(a) of the CBB Law. The CBB will only approve such requests where it has no outstanding regulatory concerns and any relevant customers' interests would not be prejudiced. A voluntary surrender will not be accepted where it is aimed at pre-empting supervisory actions by the CBB. A voluntary surrender will only take effect once the licensee, in the opinion of the CBB, has discharged all its regulatory responsibilities to customers.

### *Cancellation of a License by the CBB*

#### AU-5.5.4

As provided for under Article 48 (c) of the CBB Law, the CBB may itself move to cancel a license, for instance if a licensee fails to satisfy any of its existing license conditions or protecting the legitimate interests of customers or creditors of the licensee requires a cancellation. The CBB generally views the cancellation of a license as appropriate only in the most serious of circumstances, and generally tries to address supervisory concerns through other means beforehand. See also Chapter EN-7, regarding the cancellation or amendment of licenses, including the procedures used in such instances and the licensee's right to appeal the formal notice of cancellation issued by the CBB.

#### AU-5.5.4A

Cancellation of a license requires the CBB to issue a formal notice of cancellation to the licensee concerned. The notice of cancellation describes the CBB's rationale for the proposed cancellation, as specified in Article 48(d) of the CBB Law.

#### AU-5.5.4B

Where the cancellation of a license has been confirmed by the CBB, the CBB will only effect the cancellation once a licensee has discharged all its regulatory responsibilities to clients. Until such time, the CBB will retain all its regulatory powers towards the licensee and will direct the licensee so that no new regulated insurance services may be undertaken whilst the licensee discharges its obligations to its clients.

<b>MODULE</b>	<b>AU: Authorisation</b>
<b>CHAPTER</b>	<b>AU-5: Information Requirements and Processes</b>

## AU-5.5 Cancellation of Authorisation

**AU-5.5.5** In the case of insurance brokers and insurance consultants, the requirements relating to professional indemnity coverage must be observed (see Paragraph GR-10.1.8).

### *Approved Persons*

**AU-5.5.6** In accordance with Paragraph AU-5.2.6, insurance licensees must promptly notify the CBB in writing when a person undertaking a controlled function will no longer be carrying out that function. If a controlled function falls vacant, the insurance licensee must appoint a permanent replacement (after obtaining CBB approval), within 120 calendar days of the vacancy occurring. Pending the appointment of a permanent replacement, the insurance licensee must make immediate interim arrangements to ensure continuity of the duties and responsibilities of the controlled function affected. These interim arrangements must be approved by the CBB.

AU-5.5.7 The explanation given for any such changes should simply identify if the planned move was prompted by any concerns over the person concerned, or is due to a routine staff change, retirement or similar reason.

AU-5.5.8 The CBB may also move to declare someone as not ‘fit and proper’, in response to significant compliance failures or other improper behaviour by that person: see Chapter EN-8 regarding the cancellation of ‘fit and proper’ approval

### *Registered Persons*

**AU-5.5.9** Registered actuaries, and loss adjusters ~~and appointed representatives~~ wishing to cancel their registration status with the CBB must obtain the CBB’s written approval. All such requests must be made in writing to the Director, Insurance Supervision Directorate.

AU-5.5.10 The CBB may itself cancel the registered status of an actuary, or loss adjuster ~~or appointed representative~~ should the registered person fail to comply with registration conditions outlined in Chapter AU-4: see Chapter EN-9 regarding the cancellation of registration.