



GENERAL REQUIREMENTS MODULE

MODULE	GR: General Requirements
CHAPTER	GR 9: Appointed Representatives

GR-9.1 Appointed Representatives

GR-9.1.1 Insurance firms must register its appointed representatives with the CBB in accordance with Chapter AU-1.3A. Insurance brokers and insurance consultants are not allowed to be appointed by insurance firms to act as appointed representatives nor are they allowed to appoint appointed representatives.

GR-9.1.2 An appointed representative may only represent one Takaful firm and one conventional insurance firm. An appointed representative may be a natural person, a CBB licensee or a commercial entity not licensed by the CBB who offers insurance products as a representative of a licensed insurance firm complementing the sale of its products and services.

GR-9.1.3 Insurance firms that appoint appointed representatives take full responsibility for the actions of their appointed representatives and must ensure the following:

- (a) The appointed representatives and ‘designated individuals’ in the case of incorporated entities acting as appointed representatives have good conduct and have the experience and qualifications consistent with the licensee’s internal policies relevant to employees undertaking similar functions;
- (b) The appointed representatives do not subcontract any of the activities undertaken on behalf of the insurance firm;
- (c) The appointed representatives do not approach clients for the renewal of policies originally sold through them;
- (d) Compliance with CBB law and relevant regulations by their appointed representatives for the activities undertaken on the licensee’s behalf;



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GR-9.1 Appointed Representatives (continued)

- (e) The relationship between the licensee and its appointed representatives must be governed by an agreement that addresses, among other matters, the following:
- i. Adherence to the licensee's internal policies in respect of customer safeguards including avoidance of conflicts of interest and adequate disclosures to customers regarding terms of the insurance policy;
 - ii. Effective handling of customer complaints and prompt and timely escalation of the complaints to the insurance firm and maintenance of records for the same;
 - iii. The arrangements for receipt of premiums/contributions (see Paragraph GR-9.1.6);
 - iv. Where a person acts as appointed representative for more than one insurance firm, it must ensure reasonable segregation of business and confidential data attributable to different licensed principals in order to mitigate conflicts of interest;
 - v. Adequate recourse, legal or otherwise, to the appointed representative in case of its non-compliance with the CBB law and regulations; and
 - vi. Access to the CBB, its appointed experts, the insurance firm and its external auditors to all information and records relevant to the insurance activities undertaken by the appointed representatives on behalf of the insurance firm.
- (f) Perform periodic reviews of the arrangements with appointed representatives, their quality of service and compliance with CBB requirements.

- GR-9.1.4 For purposes of Subparagraph GR-9.1.3 (a), the CBB recognises the following minimum or equivalent (as agreed with the CBB) qualifications for appointed representatives:
- (a) For general insurance, the Award in General Insurance from the Chartered Insurance Institute (CII) 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 (CII) and the Bahrain Institute of Banking and Finance (BIBF).

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GR-9.1 Appointed Representatives (continued)

GR-9.1.5 Paragraph GR-9.1.3 (a) does not apply to appointed representatives who offer insurance products as a representative of a licensed insurance firm complementary to the sale of its products and services, e.g. travel agents, car dealers and retailers of goods. In such cases, licensees' arrangements with appointed representatives should include alternative training needs.

GR-9.1.6 Insurance firms must ensure that appointed representatives that are natural persons must not receive premiums/contributions directly from policyholders, and the amounts must be paid directly to the insurance firms. Appointed representatives, other than natural persons must remit the premiums/contributions received no later than (15) calendar days from the date of the receipt of such amounts.