Many international insurers developing their regional operations have chosen Bahrain as their regional base.

The insurance industry in Bahrain is well served by a number of service providers including 32 brokers, 29 actuaries, four insurance consultants, 12 loss adjusters, four insurance managers, seven insurance ancillary services, four representative offices and 26 insurance appointed representatives.

The insurance sector is regulated and supervised by the Central Bank of Bahrain (CBB), which since 2002 has functioned as the single regulator for the entire financial system. The CBB covers areas such as licensing requirements, capital adequacy, risk management, business conduct, reporting and disclosure requirements, as well as enforcement actions.

Like many regulatory authorities, Bahrain differentiates between captive insurers, and insurance firms whose business does not generally originate from within their owning group.

The CBB’s capital and solvency requirements are lower for captives than for other categories of insurer, though the CBB also monitors the ‘risk gap’ between policy liabilities and available assets. However, capital and solvency requirements for captives are increased where liability risks are included, due to the possibility of third party claimants.

The CBB licenses insurance managers and there are specific differences in the governance, management and systems and controls requirements for captives to take account of this.

More information on captive insurance in Bahrain can be found at www.cbb.gov.bh/index.php