

MEMORANDUM OF UNDERSTANDING

**between the
Central Bank of Bahrain (CBB),
Kingdom of Bahrain
and the
National Association of Insurance Commissioners (NAIC),
the United States of America**

MEMORANDUM OF UNDERSTANDING

The Central Bank of Bahrain, Kingdom of Bahrain, and the members of the National Association of Insurance Commissioners (NAIC), recognizing the increasing international activity in insurance markets and the corresponding need for mutual cooperation between the relevant supervisory authorities as a means for improving their effectiveness in administering and enforcing the insurance laws of their respective jurisdictions, have reached the following understanding:

1. DEFINITIONS

For the purposes of this Memorandum of Understanding, the terms set out below have the assigned meanings unless the context requires otherwise:

Authority means:

- For the Kingdom of Bahrain, the Central Bank of Bahrain (CBB), the single integrated regulator of financial services industry,
- The National Association of Insurance Commissioners (NAIC), a non-profit Delaware corporation, acting on behalf of its members, who are the chief insurance regulatory officers in each of the fifty States, the District of Columbia and the U.S. territories.

Requested Authority means an Authority to whom a request under this Memorandum is addressed.

Requesting Authority means an Authority making a request under this Memorandum.

Laws, regulations and requirements means the provisions of the laws, or the regulations and requirements enacted in the Kingdom of Bahrain and the fifty States, the District of Columbia and the U.S. territories, for the purpose of regulating the business of insurance.

2. OBJECTIVES

- 2.1 This Memorandum sets forth the basis upon which the NAIC, acting on behalf of its members, and the CBB propose to provide for mutual assistance and the exchange of information for the purpose of facilitating the performance of insurance regulatory functions under the respective laws, regulations and requirements of the Kingdom of Bahrain and the fifty States, the District of Columbia and the U.S. territories. The purpose of the Memorandum is to help insurance supervisors maintain efficient, fair, safe and stable insurance markets in the Kingdom of Bahrain and the United States for the benefit and protection of policyholders, by providing a framework for cooperation, increased mutual understanding, the exchange of information and technical assistance to the extent permitted by laws, regulations and requirements.

- 2.2 The NAIC and the CBB agree to appoint respective contact officers for the purpose of improving relations between insurance regulators in the Kingdom of Bahrain and the United States; to exchange information and to educate members of the CBB and the NAIC on insurance regulatory practices in the respective countries; to foster open communication among regulators; and to encourage cooperation among regulators on matters of common interest.
- 2.3 The Authorities intend to:
- a. use their best endeavors to ensure that the fullest mutual assistance is provided within the terms of the memorandum; and
 - b. engage in consultations, as appropriate, on mutually agreeable approaches designed to enhance the integrity and efficiency of their respective insurance markets and the exercise of insurance market supervisory functions.
- 2.4 This Memorandum does not modify or supersede any laws, regulations and requirements in force in, or applying to, the CBB or members of the NAIC, or the jurisdictions in which they are authorized to regulate the business of insurance. Nor does it create directly or indirectly any enforceable rights.

3. SCOPE

- 3.1 The CBB and the NAIC propose to ensure that mutual assistance is provided to the other, subject to applicable laws and overall policy, in the areas of administration and enforcement of the laws, regulations and requirements relating to the business of insurance.
- 3.2 Contact officers from CBB and the NAIC should meet once a year at mutually agreeable locations, including during International Association of Insurance Supervisors (IAIS) meetings, but more meetings may be arranged by mutual agreement, if necessary. For all meetings of the contact officers, Authorities will provide language interpreters on an alternating basis.
- 3.3 The Authorities will provide mutual assistance periodically through:
- a. training held in the host country;
 - b. participation in internships with specific educational focus; and
 - c. educational seminars held in the host country.
 - d. provision of training manuals/material.
 - e. any other issues of common interest.
- 3.4 The CBB and the NAIC recognize the need and desirability of providing mutual assistance and exchanging information to assist each other in better understanding and otherwise coordinating compliance with applicable laws, regulations and requirements. However, assistance may be denied on the grounds of public interest.

4. REQUESTS FOR ASSISTANCE

- 4.1 Any request for assistance made under this Memorandum should be in writing, but in cases of urgency it may be oral and confirmed in writing within 10 days.
- 4.2 A request for assistance made under this Memorandum shall be addressed to one of the requested Authority's contact points listed in Annex 1, or that individual's nominee.
- 4.3 In deciding whether to accept or decline a request the requested Authority will, in particular, take account of:
 - a. matters specified by the laws and regulations in the country or jurisdiction of the requested Authority;
 - b. whether it would be contrary to the public interest of the requested Authority, or a member thereof, to give the assistance sought; and
 - c. the resources available to the requested Authority to deal with the request.

5. CONSULTATIONS AND WAIVER

- 5.1 The CBB and the NAIC will keep the operation of this Memorandum under continuous review and consult with a view to improving its operation and resolving any matters.
- 5.2 Where the specific conduct set out in the request for assistance may constitute a breach of a law, regulation or requirement in either the territory of the requesting or the requested Authorities, the relevant Authorities will consult in order to determine the most appropriate means for each Authority to provide assistance.
- 5.3 Any of the conditions of this Memorandum may be amended or waived by mutual agreement.

6. TERMINATION

- 6.1 This Memorandum will continue to have effect unless terminated by one of the Authorities by giving 30 days advance written notice to the other Authority that the understandings set out herein are no longer to have effect.

7. CONTACT OFFICERS

- 7.1 All communications between the Authorities should be between the principal points of contact listed in Annex 1 unless otherwise agreed.

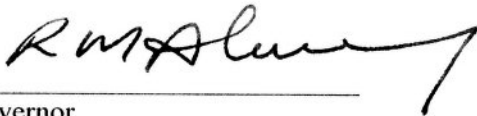
8. ENTRY INTO EFFECT

8.1 This Memorandum will be effective from the date of its signature by the CBB and NAIC.

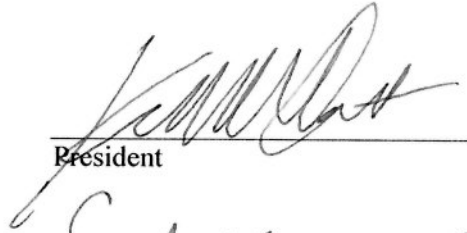
This Memorandum of Understanding is hereby entered into as evidenced by the signatures of the following representatives of the CBB and the NAIC.

FOR THE CENTRAL BANK OF
BAHRAIN

FOR THE NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS



Governor



President

Oct 7th, 2012

Date

Sept 17, 2012

Date