

Market and Benchmark Insight Report for Bahrain — 2022

Competitive benefit norms for mid-market employers in Bahrain

Introduction

Nexus is a client-focused full-service insurance brokerage operating in Qatar and across the GCC region. We provide independent employee benefit advice to over 400 Corporate clients, enabling them to select and offer the appropriate employee benefit insurance program to their employees.

This document considers:

- Bahrain benefits landscape
- The Social Insurance System in Bahrain
- Typical benefit design and implementation
- Adviser remuneration

We are proud to be an Asinta Partner and hope this document is of use to you.

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1. Bahrain Benefits Landscape

Employee benefits help recruit and retain employees and shape an employers' brand. In Bahrain, benefit levels vary by sector and salary levels and vary substantially based on a company's attraction and retention goals, benefits philosophy, and corporate culture. However, considering the variability of practices, a few objective factors do help map out some patterns.

1.1 Sector and Profession

Benefits vary widely according to industry type.

For example, we see more generous benefits for "professionals" such as lawyers, consultants, bankers, and other lucrative professions. On the other hand, non-professional services – such as retail and hospitality sectors benefits are more limited.

1.2 Salary and Position

While most companies offer the same level of benefits to all employees (Expats notwithstanding), some will provide a higher tier of benefits to Senior Executives and Technical Professionals.

2. Social Insurance in Bahrain (SIO)

The Bahrain Government offers a wide-ranging social "safety net" to its populace. Where a percentage is paid by employer and employee by law at fixed percentage. Below mandatory benefits that are compulsory by law:

- Insurance against old age, disability, and death
- Insurance against employment injuries
- Insurance against temporary disability by reason of sickness or maternity
- Insurance against unemployment; (For Bahraini and expat workers)
- Insurance for the self-employed and those engaged in liberal professions
- Insurance for employers
- Family Allowances
- Other branches of insurance which fall within the scope of social security
- Pension for Bahraini Employees





3. Insured Benefits – Design and Typical Costs

The most popular insured employee benefits and their typical levels of cover are shown below.

Benefit	Comment/Cost	Lower Quartile Approach	Mid Quartile Approach	Upper Quartile Approach
Medical Insurance	<p>A typical policy will include inpatient or hospitalization insurance and outpatient insurance with riders such as dental, optical and maternity cover. In addition, there will likely be emergency evacuation cover and you can opt for worldwide coverage through an international health insurance plan.</p> <p>Estimated premium ranges; Lower BD 67 – 72</p> <p>Median BD 300 – 500</p> <p>Upper BD 600 – 900</p>	Covered but estimated annual policy limit between BD 2,000 and 7,500. Cover limited to Bahrain only with a restricted network.	Estimated annual policy limit between BD 10,000 and 25,000. Regional and local cover with General network. Outside area emergency cover.	Estimated annual policy limit between BD 50,000 and 100,000. Worldwide cover with comprehensive network. Outside area emergency cover.
Accidental Death & Disability	Lump-sum benefit for death and disability coverage due to an accident. Typically also includes emergency medical treatment expenses.	Not covered, or only senior staff covered. (It is covered by SIO if accidental)	All staff covered at a limit equal to 24 months' average salary.	All staff covered. Sum insured equal to 36 months' average salary.
Life and Total Permanent Disability Insurance	Lump-sum benefit in case of death, accidental death, and disability and usually amount to a multiple of employee's salary.	Not covered, or only senior staff covered. (It is covered by SIO if accidental.)	All staff covered with limit equal to 24 months' average salary.	All staff covered at a limit equal to 36 months' average salary.

4. Setting Up Policies

Supplemental medical insurance must be packaged alongside either accidental death & disability or life cover with a licensed life insurer in the province in which the policyholder (the employer) is registered.

- Typically requires 20–30 employees to set up a supplemental medical plan
- The exception being purely private medical plans which can be arranged on a stand-alone basis



5. Onboarding and Policy Administration

Onboarding and Communication

A key element in implementing a new benefits plan is ensuring that employees know what is available.

Nexus provides:

- Staff presentations
- Benefit communication packets, including an employee handbook
- Access to benefits and claims portals giving employees access to their plan via web-based and mobile apps
- Ministry of Health primary health care exemption, which will save employers BD 72 annually per employee of (MOH) charges for ex-pat employees

Policy Administration

Nexus provides full policy administration, including answering any questions you may have about claims and ensuring policies are up to date.

Nexus bases the administration on an in-house developed IT platform, which gives us the updated status of any process at any given moment.

For employers, we provide secure access to a web-based portal that is directly connected to our central IT system giving your Nexus broker access to all client insurance policies, invoices, and claims.

6. Advisor Remuneration

Nexus bases its costs on the requirements of the client and the time spent providing that service. Commissions payable on insured policies is the typical market practice, but Nexus accommodates fee-based remuneration when preferred.

When looking at fees, we consider:

Time required to set up any new policies

- The total number of policies to manage
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- The total number of policies to manage
- Time required to administer the policies
- Frequency of pre-determined face-to-face client

meetings and conference calls

- Whether there is the need to assist your employees directly
- The size of policies (expected claims volumes) under management

7. Nexus Overview

With Nexus Financial Services Qatar, you interact with highly experienced insurance specialists who understand the best local practices and insurance solutions and customize your service experience.

Nexus also offers the following value-added services:

- Benchmarking
- Consulting and benefit design
- Program setups/implementations/gathering and processing application documentation
- Communication of benefits and coverage to all members
- Processing and claims monitoring, managing census additions/deletions, and any plan endorsements
- Managing any form of dispute or servicing issues with providers
- Individual advising and private solutions for employees (where top-ups and/or other needs are identified outside of the corporate benefit)
- Providing periodic status reports on the program performance (claims analysis if appropriate/available):
 - Advising on claim management issues and cost containment
 - Access and introductions to third-party experts in a wide variety of disciplines (will writing, critical illness, wealth creation, health checks/wellness programs, diet, exercise)



8. About Nexus

The company was established in 2006 by Nexus' Founder and Chairman Mahmoud Nodjoumi through a management buy-out of the distribution arm of Zurich International Life in the Middle East (in the region since 1989). With over thirty years of experience in the Gulf Cooperation Council (GCC), Nexus Group operations are located in Dubai, Abu Dhabi, Bahrain, Qatar, Kuwait, and Jordan to deliver professional and high-quality service to our clients.

Each member of the Nexus Group is appropriately regulated for providing life insurance, savings plans, employee benefits, general insurance, and various classes of commercial insurance.

Nexus Financial Advisers LLC (NFA) is also part of the Nexus Group. NFA is an investment advisory firm regulated in the UAE by the Securities and Commodities Authority (SCA), offering a suite of products to corporate and individual clients from a broad range of international and domestic product providers.

The Nexus group of companies (Nexus Group) includes:

- Nexus Insurance Brokers LLC (UAE)
- Nexus Financial Services WLL (Bahrain)
- Nexus Financial Services WLL, QFC Branch (Qatar)
- Nexus Financial Services (Insurance Brokers) LLC (Kuwait)
- Nexus Insurance Brokers LLC (Jordan)

8. Contact Details



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