



2014

# ANNUAL REPORT



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*MTA was established in November 2002 under the Malaysian Societies Act of 1966. The objectives of MTA are essentially to promote the interests of its members and to supervise self-regulation within the Takaful industry.*

# Mission

To **provide leadership** on issues bearing on the industry's collective strength and image, **locally and internationally** to benefit the industry as a whole.

- *Sustainably profitable and growing Takaful industry in Malaysia.*
- *An industry that can be trusted and recognised as contributing to society and the economy.*
- *An economic and public policy climate conducive to a flourishing industry.*
- *A trade body recognised as providing active leadership and an authoritative collective voice for the Takaful industry.*

# Vision

*MTA was established to foster cooperation and mutual understanding amongst its registered members, whilst furthering the interests of the Takaful concept*

Promote and represent the interests of members and also the foundation of a sound Takaful structure with cooperation

Represent the Malaysian Takaful industry to government, regulators and policy makers in locally and internationally, driving effective public policy and regulation.

Institute strategic alliances and co-operation with other similar associations both locally and internationally.

Advocate high standards of services within the industry and provide useful information to the public about Takaful.

Promote the benefits of Takaful to the government, regulators, policy makers and the public.

Collect, collate and publish statistics and any other relevant information relating to Takaful to members



# **Chairman's Message**



On behalf of the Management Committee, I am pleased to present the Annual Report of the Malaysian Takaful Association (MTA) for year 2014

#### **TAKAFUL MARKET PERFORMANCE 2014**

2014 has been a challenge for the industry players. Family Takaful business from January to December 2014 generated RM 3,437.2 million of gross contributions from New Business, a decrease of 3.5% from RM 3,563.5 million registered in 2013. Group Ordinary Family business registered a 4.8% decrease to RM 1,629.5 million from RM 1,712 million in year 2013 and Individual Ordinary Family Business registered a reduction of 23.8% to RM 1,022 million from RM 1,341 million in 2013 million.

General Takaful was promising with the sector registering Gross Written Contribution of RM 2.169 million, an increase of 13.1% over the same period in 2013 (2013: RM 1,918 million). After nearly a decade of accelerated growth, the Malaysian Takaful industry saw a much slower growth of 2.3%. The contraction was anticipated by the industry due to a stricter personal financing term which consequently impacted the Takaful credit cover.

I am pleased to note that the industry was adequately buffered against a more challenging climate and had taken pre-emptive remedial measures and strategies in meeting the challenge.

#### **SKIM BERKELOMPOK BANTUAN RAKYAT 1 MALAYSIA (i-BR1M)**

The Malaysian Government's Bantuan Rakyat 1 Malaysia (BR1M) program that came with Takaful protection (i-BR1M) to certain categories of recipients saw the Malaysian Takaful Association (MTA) taking centre stage in co-ordinating and executing the i-BR1M for the Consortium of MTA members. Ten Takaful Operators were appointed and tasked by the Ministry of Finance with the responsibility to execute and manage the program by introducing the benefits of Takaful protection to nearly four million BR1M recipients.

The I-BR1M scheme provided Takaful protection to 3,949,194 BR1M recipients, covering 56.6% of the total BR1M recipients of 6,973,409. The I-BR1M launch which took place on 22 February 2014 at Sekolah Menengah Aminudin Baki Kuala Lumpur was graced by the Prime Minister of Malaysia Dato' Seri Najib Tun Abdul Razak. At the event, i-BR1M payments for claims were made to the beneficiaries of i-BR1M certificate holders.

#### **PROTECTION GAP STUDY**

In an effort to further carry the coverage of Takaful to the masses, MTA commissioned a "Protection Gap Study" to detect the 'Gap' in Takaful/Insurance coverage of the Malaysian population at large. Given the lack of information on the subject, member companies of MTA shared the resources and individual company data to ensure the successful conclusion of the study.

The objectives of the Protection Gap Study are:

- To estimate the protection needs and protection gap of working adults (economically active) in Malaysia against the financial consequences of death based on the profile of Malaysian residents;
- To identify products which are not available in the industry for both Takaful and insurance to address this gap;

- To highlight potential gaps between the industry's existing product offerings and current consumer demand and needs.

The three key components considered in the study were;

- The estimated protection gap in Malaysia, by market segments.
- Key reasons underlying the protection gap.
- Potential strategies to minimise the protection gap.

The result of the study, encapsulated in the report 'The Story of Gap: Charting Takaful Growth in Malaysia' is the first of many reports MTA plans to publish or to collaborate with industry partners.

### **ENVIRONMENT SCAN**

MTA in the objective to gauge as accurately as possible the level of awareness of general segments of population with regard to Takaful commissioned an 'Environment Scan' on all strata of society nationwide. The outcome of the research presented MTA direction towards having a structured and planned awareness campaign for the industry.

### **MTA MEDIA VISITS**

Media visits were organized to New Straits Times and BERNAMA in 2014. The visits enhanced the relationship between the media and the Takaful industry thus bringing about better understanding and in the process generated more coverage of the industry in the news.

### **REVIEW OF INTERTAKAFUL OPERATORS AGREEMENT AND MTA CONSTITUTION**

MTA is undertaking the review of the MTA Constitution and ITA in view of the changes of the legislation, regulations and other developments of the industry. The review session commenced in September 2014 and is targeted to be completed in 2015. The last revision made to the MTA's Constitution was in 2011 while the ITA has not been reviewed or amended since 2009. The review exercise will be led by MTA Regulatory and Risk Subcommittee (RRSC). The purposes of the review of the ITA are:

- i. To meet and ensure compliance with the new regulatory implementation and changes such as the Islamic Financial Services Act 2013 (IFSA), Competition Act 2010, Personal Data Protection Act 2010 and etc.;
- ii. To review and update to be in line with the current needs of MTA agreed guidelines especially on Agency registration and regulations; and
- iii. To revisit and clarify the operational aspect of both documents in line with the current expectation of MTA member companies.

### **JOINT WORKING COMMITTEE (JWC) TO THE NEW MOTOR COVER FRAMEWORK**

A joint collaboration between Persatuan Insurans Am Malaysia (PIAM) and MTA saw the provision of a public service for those who sought immediate roadside assistance in the event of a road accident. The introduction of the Accident Assist Call Centre (AACC) was established towards this and a dedicated tele-service line manned by customer service officers operating 24 hours daily was offered. The service provided immediate access to emergency assistance in the event of an accident or breakdown to policyholders / certificate owners. The service will also extend to assist those who needed answers to basic common enquiries relating to motor policies/ certificates.

The Motor tariff saw an increase in the rates on the 15<sup>th</sup> of February 2014, the third revision in the four-year adjustment plan. The revision did not affect the commercial lines of business.

The new motor cover framework has a two-pronged strategy, mainly being to enhance efficiency in the provision of motor cover by the industry with a gradual price adjustment that will ensure that the public are able to purchase motor insurance at affordable contributions.

Under the framework, premium adjustments are to take effect from 1 January 2012 over a period of four years. The adjustments will be small and implemented gradually in stages.

## **REVISED GUIDELINES ON MINIMUM QUALITATIVE CRITERIA (MQC) FOR FAMILY TAKAFUL AGENCY FORCE**

In line with the objective of MTA to promote self-regulation for common interests among members, Guidelines on Minimum Qualitative Criteria (MQC) for Family Takaful Agency Force was established. The aim was to set minimum industry standards on recruitment, monitor the movement of agents between Takaful operators, establish training and production requirements, set promotion criteria and persistency ratios. In this pursuit, the Association in 14 April 2014 introduced revised Guidelines on Minimum Qualitative Criteria (MQC) for Family Takaful Agency Force. The revision saw the increase of minimum first year persistency from 80 to 85 percent which was in line with the given adjustment period for MTA member companies who imposed a lower first year persistency level prior to the issuance of the guidelines.

## **GOODS AND SERVICES TAX (GST)**

The Government's introduction of GST effective from 1 April 2015 will witness, the abolishment of the current sales and service tax. This will be replaced by tax based on the value added concept, GST. The rate for the GST is fixed at 6%. The new sales tax structure directly impacts the industry. For the Family Takaful business, it will be placed under an exempt model whereby Family Takaful contribution will not be subjected to GST. Meanwhile, contribution paid for General Takaful certificates will be subject to the standard GST rate of 6%. Nonetheless, there are some General Takaful benefits offered under the Family Takaful certificates such as accidental benefits, hospital and surgical benefits and critical illness (non-accelerated), which will be subject to the standard GST rate of 6%.

MTA has met up with the Royal Customs Malaysia Department, together with BNM, LIAM and PIAM on several occasions to discuss on the outstanding operational matters on GST.

## **TAKAFUL TAXATION ISSUES**

The tax legislation relating to Takaful business have been amended through the Finance Act 2007 to cater for the concept of Takaful and to ensure that the industry does not suffer any tax impediments compared to its conventional counterparts. However, there were ambiguities and new issues arising from the change in legislation that needed clarification and resolution. MTA has met and communicated the issues and proposal to the Ministry of Finance (MOF) and Inland Revenue Board Malaysia (IRBM). The issues centred mainly on the capital allowances for assets under shareholders' fund, tax deduction on management expenses (Mudharabah model), single tier dividend exemption included under surplus transferred and withholding tax.

## **LIFE INSURANCE AND FAMILY TAKAFUL FRAMEWORK (CONCEPT PAPER)**

The industry (MTA and LIAM) took the initiative to establish a Joint Taskforce in order to engage BNM on the provisions and the intention of the proposed LIFE Concept paper. The engagement process enabled all parties to have a healthy discussion and is moving towards the direction envisioned by BNM. Card.

## **INDUSTRY COLLABORATIONS**

A number of notable collaborations with industry partners were initiated in 2014.

- i. Joint LIAM-MTA Taskforce Life Insurance and Family Takaful Framework : Concept Paper
- ii. Joint PIAM/MTA Taskforce on Liberalization
- iii. Market Pool for Large Risks
- iv. Development of National Occupational Skill Standard (NOSS) with Ministry of Human Resource and AIF
- v. Celik Muamalah Program with YADIM
- vi. Personal Data Protection Act Joint Task Force with MTA, LIAM and PIAM.

## INDUSTRY INITIATIVES

Various initiatives were undertaken by MTA Subcommittees in 2014:

- i. MTA Lectures/Briefing with Institutions of Higher Learning
- ii. MTA Social Media (Facebook, Instagram)
- iii. Hospital and Surgical Takaful Underwriting Guide
- iv. Guidelines Relating to the Management Expenses for General Takaful Business
- v. Guidelines on Category of Referred Agent.
- vi. Development of Retakaful Wording
- vii. Microtakaful Definition

## MTA'S MARKET PRESENCE

To further strengthen the MTA market presence, MTA organized and/or participated in a number of events.

- i. Takaful Rendezvous 2014 held at InterContinental Hotel on 12-13 November 2014 jointly organized by MTA and Asia Insurance Review.
- ii. 3<sup>rd</sup> Annual APAC Bancassurance Forum organized by Fleming Gulf on 24 – 25<sup>th</sup> September 2014 at InterContinental Hotel
- iii. MTA CEO's Dialogue – Global Islamic Finance Forum (GIFF) held on 2<sup>nd</sup> to 4<sup>th</sup> September 2014 at Sasana Kijang
- iv. Konvesyen Perunding Takaful 2014 organized by MTA on 14<sup>th</sup> June 2014.
- v. ISRA-MTA Takaful Thematic Workshop held on 16<sup>th</sup> May 2014 at Lanai Kijang
- vi. Re-takaful Technical Workshop and Liqa' ASA Peringkat Kebangsaan 2014 organized by ASAS and BNM on 4<sup>th</sup> June 2014.

## ACKNOWLEDGEMENT

*In closing, I wish to record my sincere appreciation to Encik Zainudin Ishak for his service, commitment and dedication in leading MTA during his tenure as MTA Chairman from September 2012 to January 2015. It is indeed an honour for me to assume the Chairmanship to continue his efforts and I would like to thank the Members of the Management Committee for the support and trust to lead MTA.*

*I wish also to record my sincere appreciation to all member companies and their representatives for their service, commitment and dedication for their support to MTA's initiatives and activities. Their continued commitment and determination has become the catalyst for the Association to move forward.*

*Lastly, I wish to thank my appreciation to the Secretariat team for their hard work and dedication for carrying duties in ensuring smooth operations and activities of the Association.*

**Ahmad Rizlan Azman**  
Chairman

# **Management Committee**





From Left: Standing  
Encik Ahmad Rizlan Azman, Encik Mohd Raizal Rais, Encik Azim Mithani, Tuan Haji Ab Latif Abu Bakar,  
Encik Muhammad Fikri Mohamad Rawi

From Left : Sitting  
Encik Ahmad Ruhaizad Hashim, Encik Ng Hang Ming, Encik Azli Munani, Encik Zainudin Ishak,  
Encik Zafri Abd Halim

## Management Committee



**Encik Ahmad Rizlan Azman**  
*Chairman*  
Etiqua Takaful Berhad



**Encik Zainudin Ishak**  
*Chairman (2013-2014)*  
HSBC Amanah Takaful  
(Malaysia) Berhad



**Encik Muhammad Fikri  
Mohamad Rawi**  
*Deputy Chairman*  
Sun Life Malaysia Takaful  
Berhad



**Encik Wan Azman Wan  
Mamat**  
*Deputy Chairman*  
(2013-2014)  
AIA PUBLIC Takaful Bhd.



**Encik Zafri Abd Halim**  
*Treasurer*  
Great Eastern Takaful  
Berhad



**Encik Ng Hang Ming**  
*Committee Member*  
ACR ReTakaful Berhad



**Tuan Haji Wan Mohd  
Fadzlullah Wan Abdullah**  
*Committee Member*  
Hong Leong MSIG Takaful  
Berhad



**Encik Salim Majid Zain**  
*Committee Member*  
MAA Takaful Berhad



**Encik Azim Mithani**  
*Committee Member*  
Prudential BSN Takaful  
Berhad



**Encik Marcel Omar  
Papp**  
*Committee Member*  
Swiss Re ReTakaful



**Tuan Haji Ab Latif Abu  
Bakar**  
*Committee Member*  
Takaful Ikhlas Berhad



**Encik Ahmad Ruhaizad  
Hashim**  
*Committee Member*  
(2014)  
MNRB Retakaful Berhad



**Dr Mohamed Rafick Khan**  
*Committee Member*  
(2013-2014)  
Munich Re Retakaful



**Encik Azli Munani**  
CEO/Executive  
Secretary



# **Management Committee Report**

The Management Committee is pleased to present the highlights of the activities and key issues dealt by MTA in the year 2014.

### SKIM BERKELOMPOK BANTUAN RAKYAT 1 MALAYSIA (i-BR1M)

Under the guidance of BNM, the Association has been tasked by the Ministry of Finance with the responsibility to provide Takaful cover for the eligible BR1M recipients. As the body that coordinates and executes the i-BR1M for the Consortium, the Association launched an awareness program with the objective to ensure i-BR1M recipients, their immediate family members and the general population at large.

I-BR1M was launched on 22 February 2014 at Sekolah Menengah Aminudin Baki Kuala Lumpur by Prime Minister Dato' Seri Najib Tun Abdul Razak. In conjunction with the launching, there was a MTA's i-BR1M booth with participation from member companies.



### Goods and Services Tax (GST)

The Government has announced that the GST will be introduced effective from 1 April 2015 at the rate of 6%. The current sales tax and service tax will be abolished and will be replaced by tax based on the value added concept, GST.

For the Family Takaful business, it will be placed under an exempt model whereby Family Takaful contribution will not be subjected to GST. Meanwhile, contribution paid for General Takaful certificates will be subject to the standard GST rate of 6%. Nonetheless, there are some General Takaful benefits offered under the Family Takaful certificates such as accidental benefits, hospital and surgical benefits and critical illness (non-accelerated), which will be subject to the standard GST rate of 6%.

The Association has met the Royal Customs Malaysia Department and BNM together with LIAM and PIAM several times to discuss on the outstanding operational matters on GST. Among of the issues discussed were the proposed GST treatment for payments, sales tools and agency related expenses offered to Takaful agents, self-billing arrangements, unidentifiable monies, time of supply for commissions received in respect of transitional policies, benefit to agents and electronic invoicing. The Association will continue to work with the relevant parties to discuss implementation issues of GST.

### Takaful Taxation Issues

In line with the growth, the tax legislation relating to Takaful business have been amended through the Finance Act 2007 to cater for the concept of Takaful and to ensure that the industry does not suffer any tax impediments compared to its conventional counterparts. However, there were ambiguities and new issues arising from the change in legislation that needed clarification and resolution. The Association has met and communicated the issues and proposal to the Ministry of Finance (MOF) and Inland Revenue Board Malaysia (IRBM). The issues were centred on capital allowances for assets under shareholders' fund, tax deduction on management expenses (Mudharabah model), single tier dividend exemption included under surplus transferred and withholding tax.

In addition, subsequent to the Malaysian Budget 2015, there were amendments to the Income Tax 1967 that related to the Takaful industry. The amendments were as follows:

- Subsection 60 (10A) and 60AA (15) - The tax exemption was granted to insurers and Takaful operators on investment income earned from the fund deferred annuity. However, there is no provision to clarify the tax treatment relating to losses arising from the deferred annuity fund.
- Section 60 (11) and Section 60AA (23) - There is no definition of "cost of acquiring and Aware" (CAR) as a reference to the insurance and takaful industry.
- Subparagraph 3 60AA (5) (b) (viii) of this provision (*sharing of profit distributed or credited to the participant or shareholders' fund for general Takaful fund*) is too broad and does not specify the type of Takaful model that should be adopted Operator.
- Subparagraph 4 60AA (9) (b) (iii) and (iv) shareholders' funds is always at loss as the commission expenses and management fees are always exceeded wakalah received by shareholders' funds.
- Subparagraph 60AA (9) (b) (iv) of this provision is too broad and does not specify the type of Takaful model that should be adopted Operator.
- Subparagraph 60AA (9)(a) (vi) - Actuarial / underwriting surplus transferrable to the Shareholders' Fund.
- Subparagraph 60AA(9)(a) (iii) – LHDN noted that there is no possibility of e tax neutrality for Wakalah fees in connection with the Family Takaful under Section 60AA(9)(a) (iii) because in life insurance fund, there is no similar tax on the item. The tax deductibility for management and commission expenses attributable to Family Takaful will be disregard.

The Association has written to MOF and LHDN to seek clarification on the newest tax regulation for Takaful. The clarifications were about the following:

- The retrospective effect to the previous years' tax computation of the Takaful operators with regard to the Wakalah Fee in connection with the Family Takaful fund.
- Clarifications of the basis used to segregate the management expenses incurred in the Shareholders' fund are due to Family Takaful fund and General Takaful business. Certain allocation bases, namely, numbers of inforce policies or total Takaful contribution received, were used to split the expenses between the 2 businesses.
- Transitional issue on the actuarial surplus from the Family Takaful fund transferrable to the shareholders' fund for those Takaful operators who have financial period ending spanning over the effective date.

The Association will continue to pursue the outstanding matters to ensure the implementation and transition is smooth.

### **Online Takaful Agency Registration System (OTARS) Enhancement**

Subsequent to the Online Takaful Agency Registration System (OTARS) in January 2013 in replacing the manual E-form system, an enhancement of the OTARS went live by ISM in April 2014. The current module was improved to cater for the operational needs. New functions such as Enquiry for TBE result and renewal functions were introduced to facilitate member companies in the registration of agents. To further cope with the Personal Data Protection Act (PDPA), the OTARS enhancement was upgraded to make visible the details of agents viewed by users from other companies.

The OTARS enhancement operations were released on 1 April 2014 and the feedback from users were gathered for further improvements.

### **PDPA Joint Taskforce Meeting LIAM, PIAM and MTA**

PDPA joint taskforce meeting comprising members from Persatuan Insurans Am Malaysia (PIAM), Association of Malaysia (LIAM) and MTA were held on 3 March 2014 at LIAM Boardroom. The objective of the meeting was to discuss on the Insurance / Takaful PDPA Code of Practice.

## Malaysia Airlines

### (1) Malaysia Airlines MH370

Malaysia Airlines Flight 370 was a scheduled international passenger flight that disappeared on 8 March 2014, while flying from Kuala Lumpur International Airport near Kuala Lumpur, Malaysia, to Beijing Capital International Airport in Beijing, China. The aircraft, a Boeing 777-200ER, was carrying 12 Malaysian crew members and 227 passengers from 15 nations.

MTA has issued a press release to extend its heartfelt condolences to the families of those on board MH370. In the release, the Association also ratified that as some of those on board were Takaful certificate holders and member companies will assist and expedite the claim process.

A meeting between MTA and Bank Negara Malaysia (BNM) was held on 20 August 2014. The objective was to present the information requested by BNM such as the following:

- i. The financial exposure/ implication;
- ii. Takaful operators who had already paid the claims and total claims paid (in RM); and
- iii. The exact total number of cases.

### (2) Malaysia Airlines MH17

Malaysia Airlines Flight 17 was a scheduled international passenger flight from Amsterdam to Kuala Lumpur that crashed on 17 July 2014 after being shot down, killing all 283 passengers and 15 crew on board. As an industry, MTA member companies compiled statistics on the claims payable under this tragedy.

MTA issued a press release stating that member companies were considering waiving the standard claims requirement to assist in speeding up the claim payment once the beneficiaries have been confirmed. The association understands that Takaful certificates have exclusion clauses, but the affected family members may want to contact MTA member companies directly if the special circumstances are given to Flight MH17.

Following the crash incident, a survey was carried out on 21 July 2014 to member companies in order to compile the information on Takaful certificates held by the passengers and crew of the MH17 crash victims. Overall, there are six (6) Takaful operators that have possible claims of MH17 victims.

## Collaboration National Occupational Skills Standard (NOSS) by Ministry of Human Resources, Jabatan Pembangunan Kemahiran (JPK) with MTA

The collaboration between Asian Institute Finance (AIF), JPK and MTA has extended into the development of the new NOSS and currently the NOSS workshop is for General Takaful Underwriting. The panel members are required to attend brainstorming workshops in order to identify, analyse and develop the Occupational Competencies required for the job to be carried out effectively and efficiently by the industry practitioners. NOSS promotional activities and Memorandum of Understanding (MoU) will take place by end of year 2014.

## Working Committee on Shariah Structured Training Module

In 2014, the Shariah Compliance Subcommittee (SCSC) of MTA proposed to develop a Shariah Structured Training Module to Staff and Agents. The objective was to provide the industry a standardized and structured Shariah training to all staff of Takaful Operators, agents and students, in order to introduce the basic outlook of Shariah principles and related subjects and issues in Takaful industry.

Moving forward, to receive recognition from accreditation agency and/or international universities/bodies whose expertise is in the area of Shariah principles and Islamic finance. The Working Committee discussion is still going on and MTA's SCSC will engage with related parties to this initiative if necessary

### Review of Inter Takaful Operator Agreement and MTA Constitution

MTA is in the midst of reviewing the MTA Constitution and ITA in view of the changes of the legislation, regulations and other material requirements of the industry. The review session began on September 2014 and was targeted to complete in 2014. The last revision made onto the MTA's Constitution was in 2011 while the ITA was not reviewed or amended since 2009. The review exercise will be led by MTA Regulatory and Risk Subcommittee (RRSC). The purposes of the review of the ITA are as the following:

- i. To meet and ensure compliance with the new regulatory implementation and changes such as the Islamic Financial Services Act 2013 (IFSA), Competition Act 2010, Personal Data Protection Act 2010 and etc.;
- ii. To review and update with the current needs of MTA agreed guidelines especially on Agency registration and regulations; and
- iii. To revisit and clarify the operational aspect of both documents in line with the currently needs of MTA member companies.

### Joint Working Committee (JWC) to Enhance Efficiency in Motor Claims Settlement Process

A joint collaboration between Persatuan Insurans Am Malaysia (PIAM) and MTA saw the provision of a public service for those who sought immediate roadside assistance in the event of a road accident. The introduction of the Accident Assist Call Centre (AACC) was established towards this and a dedicated tele-service line manned by customer service officers operating 24 hours daily was offered. The service provided immediate access to emergency assistance in the event of an accident or breakdown to policyholders / certificate owners. The service will also extend to assist those who needed answers to basic common enquiries relating to motor policies/ certificates.

In promoting the AACC, the JWC has been actively conducting promotional events s below mentioned.

- 5 - 7 Sept 2014 - MAI – Lafarge Automotive and Logistics Safety Exhibition on (AACC Promotion)
- 26 January 2014 (Sg Besi Toll Plaza) - Distribution AACC leaflets
- 5 July 2014 (Putra Heights) - Distribution AACC leaflets to Hilux Club
- 2 August 2014 (DUKE Highway Toll Plaza) - Distribution AACC



In the event of a road accident  
**Call Accident Assist at 1-300-22-1188 for**

- Roadside assistance
- Guide to obtain towing services to approved workshops
- Enquiries on motor insurance/ takaful claim

**Operating 24 hours**



*Accident Assist*  
**1-300-22-1188**

A call centre service by:



### MTA Lectures / Briefing with Institution of Higher Learning

With the MOU signed with University Sains Islam Malaysia (USIM), INCEIF and Universiti Sultan Zainal Abidin (UniSZA), the LDSC subcommittee has lined up a series of industries lectures at these



universities. It was a successful activities and the objective is to spread the awareness of Takaful in students' level before entering the work life environment.

### **PIAM-MTA Joint Committee on Motor Vehicle Theft and Claims Cost Control**

Pertaining to the rise in motor vehicle thefts and claims cost control (MVTCC), a meeting was held between Bank Negara Malaysia (BNM), Persatuan Insurans Am Malaysia (PIAM), Life Insurans Association of Malaysia (LIAM) and MTA on 14 February 2014. Among others, the meeting discussed the issues on general business related to Motor Vehicle Theft and Claims Costs Controls. Currently, the MVTCC has recognized five (5) initiatives i.e. Industry Motor Claims Framework (IMCF), Motor Theft Reduction Initiatives, Review Repair Times and Labour Rates, Motor Vehicle Scoring System (MVSS), and Industry Fraud Database in resolving the matter. The initiatives have been recognized and WC was established to find solutions to the initiatives.

### **Retakaful Pool for Large and Specialised Risk (LSR)**

In view of the leakages of Takaful risk to the conventional reinsurance, MTA member companies are conducting research on the establishment of LSR Retakaful pool. In addition, the Association was told that only 10% of the underlying assets under Sukuk and Islamic REITS are covered by Takaful Operators with the balance going to insurers.

The pool is a Retakaful pool i.e. accepting risks from cedants on the basis of facultative Retakaful. The idea of the pool was suggested prior to the leakages issue discussed in the 2nd Retakaful Dialogue 2014. The pool will be based on metric pool concept and will cover on Property and Engineering line of business for Large and Special Risk (LSR) and Non-LSR. The pool will cover Malaysia, but could be extended to other SEA countries.

On the sustainability of the pool, three (3) suggestions were listed to cover the issue of pool's sustainability.

- i. Compulsory cession to the pool;
- ii. Facultative Facility; and
- iii. Individual Facultative

### **MTA Social Media**

The MTA Facebook was launched by the Pemangku Raja Perak, Raja Nazrin Shah (now Sultan Perak, Sultan Nazrin Shah) on the Takaful Starnite in March 2014. The Instagram account was also created for a specific photo contest that ran for the Takaful StarNite 2014.

The objective of creating the Facebook for MTA was to update and increase the Takaful awareness to the public.



### **Second Retakaful Dialogues**

The second Retakaful dialogue was held on 22 January 2014 which was a continuation of the 1st Retakaful Dialogue held in 2011. The objective of the dialogues was to discuss issues surrounding the placement of Takaful risks with Retakaful operators. This dialogue is an initiative from the MTA General Takaful Subcommittee (GTSC) to further understand the placement of Takaful risks in the areas of the availability of Retakaful capacity and the availability of competitive terms that matches with the risk appetites of the direct Takaful operator.

# BNM's Initiatives

## **Working Group on Replacement of certificate (ROC) / Policy (ROP)**

Under BNM's initiative, a Working Group meeting was held on 23 September 2014 and BNM has requested the Working Group for MTA and Life Insurance Association of Malaysia (LIAM) to establish a Joint Technical Committee (JTC). The objective of MTA-LIAM JTC is to come up with an inter-industry agreement on replacement of certificates by the end of November 2014. Currently, the JTC discussions are still ongoing and in the midst of finalising the agreement.

## **Joint LIAM-MTA Taskforce on the Life Insurance and Family Takaful Framework (LIFE) Concept Paper)**

Further to the issuance of the Life Insurance and Family Takaful Framework concept paper in year 2013, MTA and LIAM took the initiative to establish a Joint Taskforce in order to identify the immediate measures or quick wins under the proposed LIFE Concept paper that can be adopted by industry. The agreed quick wins are Agency Financing Scheme (AFS), online product offering, Balance Scorecard (BSC) – monetary and non-monetary compensation and definition of full-time agents. Currently, the Joint Taskforce is coming up with the proposal on Harmonisation/ Minimum Allocation Rate (MAR) and Balanced Score Card.

## **Joint PIAM-MTA Task Force on Liberalization**

On September 2013, a proposal on Liberalization was forwarded to the industry by BNM. As the implementation of the liberalisation has been scheduled for 2016, PIAM and MTA have been working together in preparing for the de- tariff process and liberalisation of the motor, fire and agency sectors. The industry has been working hard in preparing and discussing on how to develop a robust and detailed Roadmap for the industry to effectively deal with the requirements. Currently, the industry is working close with the appointed external consultant to assist in drawing up a detailed paper to submit to BNM.

## **Implementation of E-Payment**

BNM is driving the adoption of electronic payment in the financial services sector. MTA member companies are currently working to fully migrate to e-payment for payments to agents and staff and are working towards full e-payment modes for payments to statutory bodies, utility companies and panel hospitals. Options will also be given to claimants to receive their benefits via e-payment. E-payments, which offer a more efficient, secure and cost effective means of transferring funds over paper-based payments is one of the strategic tools earmarked under the Financial Sector Blueprint to support greater economic efficiency and productivity.

To ensure smoothly implementation of e-payment, BNM has requested bi-monthly and quarterly reports on the progress of implementation. In addition, there were several engagement session with BNM to obtain direct feedback and commitments from the industry players to discuss all the operational issues on this e-payment. There was also a dialogue session held 7 July 2014 with the representative from the Takaful agent on matters relating to e-payment implementation. The objective is to seek some suggestions directly from the agents on how to make a smooth transition from cheque to e-payment.

## **Adoption of Critical Illness (CI) Definition**

BNM has suggested for the adoption of standardized critical illness definition by all Takaful operators, and all life and general insurers. The objective of the standardization is as a base to promote a uniform adoption of standard definitions for the industry. The scope of the CI Definitions includes the maximum limit of 36 types (out of 39) and the standard definition to be adopted. The expectation of the implementation of the guide to be in line with the implementation of Schedule 9 of the Financial Services Act 2013 (FSA) and Islamic Financial Services Act 2013 (IFSA).

**Organisation for Economic Co-operation and Development Standard for Automatic Exchange of Information (AEOI)**

BNM has organized a meeting with Mr Peter Green, the Head of International Tax, Business and International Tax Group of the UK Treasury (Her Majesty's Treasury). The objective of the meeting was to discuss further the OECD Standard for Automatic Exchange of Information (AEOI) and the development on AEOI internationally. Mr Peter Green shared the information on the implementation of AEOI in Malaysia based on UK's experiences and those of others they have been working with. This meeting provided a good opportunity for the industry to get further clarification on any issues or concerns in relation to the implementation of AEOI in Malaysia.

**Foreign Account Tax Compliance (FATCA)**

With regards to the implementation of FATCA in Malaysia by the US government, BNM has invited the MTA to the briefing session by PriceWaterhouse Cooper (PWC) to the Inland Revenue Board (IRB) on the proposed system as the alternative to meet the requirement of FATCA when it comes into force in 2014.

**BNM Compliance Concept Paper Engagement Session**

BNM has published a concept paper on Compliance. A discussion was organised on the 19 of November 2014 with the Takaful / insurance industry. The objective of the discussion session was to seek the industry's thoughts on the requirements and providing an opportunity for discussion on the particular areas.



# Developments of New Guidelines for the Takaful Industry

## Guidelines on the Persistency Measures for the Takaful Industry

MTA Guidelines on The Persistency Measures for The Takaful Industry has been approved by the Management Committee of MTA. The objectives of the guidelines are to promote a uniform adoption of persistency measures for Takaful industry and also to determine the consistent outline of Persistency Measurement for all MTA member companies.

## Hospital and Surgical Insurance / Takaful Underwriting Guide

The Joint Technical Committee on Medical and Health has reviewed the Hospital and Surgical Insurance/Takaful Underwriting Guide as requested by BNM. This is to ensure the guide will address the escalating claims cost and promote healthy market practises without impeding product innovation while aligning the requirements with current market practices. In summary, the guide will set as:

- i. The minimum basic standards and controls for the transaction of hospitalisation and surgical insurance / Takaful business by the general, life and Takaful operators.
- ii. A recommended underwriting guide for hospitalisation and surgical insurance / Takaful underwriters to help them have a basic understanding of the principles used in underwriting hospitalisation and surgical insurance/takaful risk as to avoid adverse or anti-selection.
- iii. To ensure fair treatment of policyholders/participants and reduce disputes through the standardisation of definitions used in hospitalisation and surgical insurance policies / Takaful certificates.

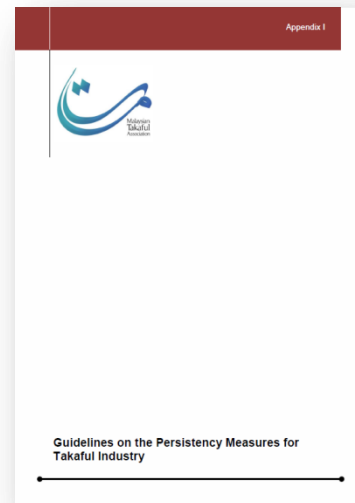
The expectation of the implementation of the guide to be in line with the implementation of Schedule 9 of the Financial Services Act 2013 (FSA) and Islamic Financial Services Act 2013 (IFSA).

## Regulations Relating to the Management Expenses for General Insurers/Takaful Operations (RRME)

The Guidelines are based on the existing guidelines of the Persatuan Insurans Am Malaysia (PIAM) with some rectification for industry compatibility. This is to ensure consistency and harmonised guidelines between the Takaful operators and insurance companies. The Guidelines are introduced to self-regulate the General Takaful industry in respect of management expenses to ensure a level playing field and healthy General Takaful environment.

## Guidelines on Category of Referred Agent

The guidelines on category of referred agent were published on November 2014 in order to protect Takaful Operators in agent recruitment besides to ensure the quality of agents in the Takaful Industry. This category of referred agent is in line to the requirement in the MTA Guidelines, the Islamic Financial Services Act (IFSA) 2013, and other Acts of law in Malaysia.



**Revised Guidelines on Minimum Qualitative Criteria (MQC) For the Family Takaful Agency Force**

In line with the objective of MTA to promote self-regulations for common interest among members, Guidelines on Minimum Qualitative Criteria (MQC) for Family Takaful Agency Force was established to prescribe minimum industry standards on recruitment and movement of agents between Takaful operators, training requirements, production requirements promotion criteria and persistency ratio. In this pursuit, the Association in 14 April 2014 introduced revised Guidelines on Minimum Qualitative Criteria (MQC) for Family Takaful Agency Force. The revision saw the increase of minimum first year persistency from 80 to 85 percent which is in line with the given adjustment period for MTA member companies who have imposed a lower first year persistency level prior to the issuance of the guidelines.

# Research & Development of the Industry

## Protection Gap

MTA has initiated a study on the Protection Gap in the Takaful and Insurance Industry. Actuarial Partners Sdn Bhd (AP) has been appointed as the consultant to conduct the study. Basically, the objectives of the study are:

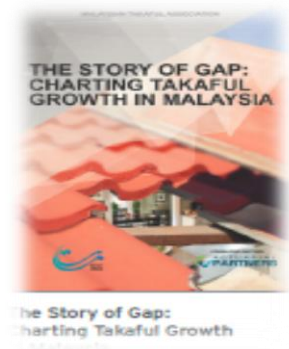
- To identify the protection gap and protection products available in the market;
- To estimate the protection needs and protection gap of working adults (economically active) in Malaysia against the financial consequences of death based on the profile of Malaysian residents.

To highlight potential gaps between the industry's existing product offerings and current consumer demand and needs.

The Launching of the Protection Gaps Study was held on 27 June 2014 at Lanai Kijang BNM.

### i. Promoting the Protection Gap Report (The Story of Gap : Charting Takaful Growth in Malaysia)

The Sub Committee took the responsibility to plan and implement the promotion of the protection gap report. The report is a collaboration with Actuarial Partners consulting Sdn Bhd (AP) who have estimated the protection gap in Malaysia as at 2012. The Protection Gap is targeted for working adults in Malaysia against the financial consequences of death, critical illnesses and disability. The study only took into account the financial needs up to retirement age. The financial needs beyond retirement age and any potential savings gap are excluded from this study. In addition, medical protection and the protection provided by general Takaful or general insurance business.



Protection Gap in Malaysia in 2012



The average gap per working person is RM200,000

The average sums assured for takaful policy in Malaysia is RM50,000.

The actual gap per person will vary depending on the individual's family financial needs.

Key finding: The Story of Gap: Charting Takaful Growth in Malaysia

## Report Launch

This report was launched by the Deputy Finance Minister, Y Bhg Dato Seri Ahmad Maslan on 27 June 2014 at Multi-Purpose Hall, Lanai Kijang, and Bank Negara Malaysia. The soft copy is available on the MTA Website.



## Environment Scan Report on the Awareness on Takaful

To retain growth momentum and build market share in a complex and increasingly competitive environment, MTA knew it needed to increase public awareness focusing on youth market segment on Takaful products through active engagement for long term growth. Thus it is imperative for MTA to assess current awareness of youth in order to devise effective marketing strategies to engage with existing and potential policyholders.



## Retakaful Wording

This WC was established to look into general Retakaful wording issues. The main objectives of these subcommittees were the development of a standard RT-wording for Malaysia, its global promotion through GTG (Global Takaful Group) and the review of the Retakaful model (e.g. pooling arrangement; surplus sharing) as a basis for Retakaful wording. A draft Retakaful wording for proportional treaties was developed by October 2010. Currently, the WG has recognized two (2) issues that should be addressed to the industry, namely, the legal entity issues and the wording of Retakaful contract

The WG has planned to brief the market on the development of the RWWC to the public during The Takaful Rendezvous 2014. Industry opinion and comments would be collected and their views would be incorporate in the model and wording.

## Microtakaful Definition

An initiative, which is supported by Bank Negara Malaysia (BNM), is taken by MTA Microtakaful Working Committee to look into Microtakaful Definition in order to come out with suitable definition and to collect industry statistics. Currently, the Working Committee is in the final stages of completing proper industry guidelines on Microtakaful Definition. Moving forward, it will be made as a guide in the Takaful Industry on how to develop and market Microtakaful to the low-income households. It is as part of the Takaful operators' long-term growth in order to improve penetration rate. Microtakaful is also intended to support government initiatives to provide coverage to low-income household with an affordable contribution.

## Conferences & Exhibitions

### Collaboration with Yayasan Dakwah Islamiah Malaysia (YADIM)

Yayasan Dakwah Islamiah Malaysia (YADIM) organised a nationwide awareness program called “Celik Muamalah” with the theme “Mentransformasi Ummah ke Arah Celik Muamalah”. The main objective of the program was to provide a comprehensive understanding to all Muslims on the Islamic Financial system including the financing, investment and Takaful. MTA was actively involved in providing the speaker for the Symposium and Kembara Muamalah.

One of their main events took place in May 2014 titled “Konvensyen Muamalah Kewangan” with the theme “Kasih sayang Disemai Perpaduan Dituai”. Various topics were discussed during the convention such as capital markets, Islamic finance, entrepreneurs as well as Takaful.



### Takaful StarNite 2014 Dinner and Awards Night

Takaful industry's practitioners joined hand in hand in organizing Takaful StarNite 2014 in honor of the nation's Takaful operators. More than 750 guests consisting of Takaful operators and industry players were invited to attend the event which was held annually.

Once again, the event was graced by His Royal Highness The Crown Prince of Perak Darul Ridzuan, Raja Dr. Nazrin Shah Ibni Sultan Azlan Muhibbuddin Shah (now Sultan Perak, DYMM Sultan Nazrin).

Besides showing significant achievement toward the nation's Takaful industry, the event also saw the launch of MTA's Facebook page which was aimed to be a means of information channel for Malaysian Takaful Association with the goal of creating closer ties between the industry and the public.

A total of 19 award categories were presented that night, including the Best Individual Agent, the Best Corporate Agent, the Best Banca Takaful Producer, the Best Banca Takaful Operator, the Best Takaful Agency Operator, the Best Takaful Young Manager, as well as Corporate Social Responsibility Award. Two new awards are introduced this time namely the Best Financial Institution – Banca Takaful and the Best Takaful Broker (Family and General Takaful).

In showing its full support for organizing the event, and the Takaful industry as a whole, HSBC Amanah Takaful (Malaysia) Sdn. Bhd, Prudential BSN Takaful Berhad, and Sun Life Malaysia Takaful Sdn Bhd are proud to be the Emerald sponsors for the awards night, followed by AIA PUBLIC Takaful Bhd, Etiqa Takaful Berhad, Great Eastern Takaful Berhad and Takaful Ikhlas Sdn Bhd who respectively become the Topaz sponsors for the event.





### The Future of Global Takaful

On 18 – 19 February, MTA partnered Fleming Gulf in The Future Global Takaful event held at The Royale Chulan Hotel KL. This event brought together distinguished personnel from operators and Shari'ah leaders to discuss and benchmark crucial issues on how to seize new opportunities and make it effective for the region. The agenda was packed with in-depth interactions, keynote presentations and interactive panel discussions.



### 3rd Annual APAC Bancassurance Forum

On 24-25 September 2014 MTA also partnered Fleming Gulf in the 3rd Annual APAC Bancassurance Forum at Inter-Continental Hotel. This event brought together distinguished personnel from banks and insurance organisations to discuss the issues of bancaassurance models, manpower, regulatory framework that affects partnership as well as product development of bancaassurance.

### MTA CEOs Dialogue - Global Islamic Finance Forum (GIFF)

Global Islamic Finance Forum 2014 (GIFF 2014) was held on 2<sup>nd</sup> to 4<sup>th</sup> September 2014. AIBIM was honored to be the host association for GIFF 2014. MTA CEOs Dialogue was held on 3rd September 2014 at Sasana Kijang, Bank Negara Malaysia in conjunction of GIFF 2014,

The dialogue discussed on the findings of the report recently launched by MTA The Story of the Gap: Charting Takaful Growth in Malaysia. The discussion deliberated on the Protection Gap in Family Takaful and the potential growth for General Takaful in Malaysia. There was a launch of EY's Global Takaful Insights 2014: Market Updates.



### **The Takaful Rendezvous 2014**

The Takaful Rendezvous (TTR) 2014 that has been organized by the Association in collaboration with Asia Insurance Review (AIR). The two days event was held at Intercontinental Hotel, Kuala Lumpur.

The event attracted 153 attendees (including the speakers) and the majorities were industry practitioners. The Takaful Rendezvous retains its status as a notable event where experts all over the world gathered to contribute, discuss and brainstorm to develop as well as to establish Takaful to be more competitive in the current market. Through this event, MTA established a platform for local and international takaful and re-takaful industry in Malaysia to build their network and promote Malaysian takaful and re-takaful practices and principles to the international market.



### **Seminar on "Reforming the Civil Law Act 1956"**

The Attorney General's (AG's) Chamber organized a seminar on reforming the Civil Law Act 1956 on 6 - 7 May 2014. The seminar aims to provide a standardized approach on granting and formula assessment of damages in personal injuries and fatal accidents under the Civil Law Act 1956 [Act 67]. In addition, the participants will also be revealed to the scope of application on the common law and English equity in Malaysia as well as the harmonization of Sharia law

### **Technical Briefing by Bestinet Sdn Bhd on 'Online Foreign Workers Insurance / Takaful Through Foreign Workers Centralised Management System (FWCMS)**

Bestinet Sdn Bhd organized a technical briefing session on 4 September 2014 regarding the online transaction for the foreign workers insurance / Takaful through FWCMS. The briefing session aimed to provide member companies the detail specifications and processes as well as understanding of the requirement of the system

### Konvensyen Perunding Takaful (KPT 2014)

KPT 2014 was held successfully on 14 June 2014 at Hotel Istana, Kuala Lumpur with the theme “Ilmu & Akhlak: Asas Kecemerlangan Perunding Takaful. This event was organized by MTA and collaboration with IBFIM with AIA Public Takaful as the platinum sponsor of the event. The annual event was attended by 362 participants from different background with speakers from the Takaful industry.

The conference focuses on the development and enhancement the level of professionalism of Takaful agents through a sustainable strategy and human capital development framework in line with the core principles and values of Islam. Additionally, the conference is a great platform for the agents and practitioner to discuss on the service excellence, opportunities and challenges in the Takaful business. This is parallel with Malaysia aspirations towards making the Takaful industry as a strong and visible major component of the financial and service sector.



### Dialogue session with the Financial Mediation Bureau (FMB)

There was a dialogue session with FMB held on 12 June 2014. The purpose of the dialogue is to understand the types of misrepresentations and remedies that may be applied in handling dispute cases. It is envisaged that the industry will have a consistent interpretation and implementation in adhering the required and desired pre-contractual disclosure and representations for Takaful contracts. The dialogue session **was** participated by Persatuan Insurans Am Malaysia.

### ISRA MTA Takaful Thematic Workshop (TIPS)

The International Shari’ah Research Academy for Islamic Finance (ISRA) with the collaboration of MTA organized the ISRA-MTA Takaful Thematic Workshop on research titled, “Takaful Benefit Protection System from Shariah Perspectives” at Lanai Kijang, Bank Negara Malaysia on 16 May 2014. The main objective of the workshop was to gather key personnel of various takaful operators and regulators to discuss the main findings and results of the research, whose main focus is to revisit the current practice of takaful benefit protection system and proposing an alternative model for takaful benefit protection system.

The workshop was well attended by various levels of practitioners, ranging from chief executive officers (CEOs) to heads of Shariah departments and Actuaries of local and international takaful operators. Representatives from Bank Negara Malaysia (BNM) and Perbadanan Insurans Deposit Malaysia (PIDM) also attended the event.



Subsequent to this workshop, ISRA in collaboration with MTA, has prepared a proposal paper based on PIDM’s TIPS. The objectives of this paper are as follows:

- i. To share MTA members’ view on TIPS based on the observation of TIPS’s payment process.



- ii. To give solutions and recommendations to ensure that TIPS follow the nature of Takaful process, which is based on underlying Shariah principles.

#### **ReTakaful Technical Workshop and Liqa' Asas Peringkat Kebangsaan 2014**

The Association of Shariah Advisors in Islamic Finance Malaysia (ASAS) and Bank Negara Malaysia had organized a Re Takaful Technical Workshop on 4 June 2014. This workshop was held together with ASAS's annual program i.e., Liqa' ASAS Peringkat Kebangsaan 2014. The workshop aims to provide comprehensive understanding of the Re - Takaful operations and updating Shariah Advisors on current issues.

#### **The Third National Ijtima' (Gathering) of The Association of Shariah Advisor in Islamic Finance Malaysia (ASAS) and Iftar Ramadhan 2014**

ASAS had organizing its third National Ijtima' 2014 on 17 July 2014. This year Ijtima' focusing on the issues of "*Penstrukturan Produk Deposit Patuh Shariah Berdasarkan Akta Perkhidmatan Kewangan Islam 2013*". The objectives of this year Ijtima' are as follows:

- i. To update the latest developments and impact of Islamic Financial Services Act 2013 of deposit products in Islamic finance industry; and
- ii. To ensure all ASAS members are competent and responsible in their given mandate as the Shariah Advisory as the requirement in Islamic Financial Services Act 2013 and BNM's Shariah Governance Guidelines 2011.

# Industry Collaborations

## **Collaboration between INCEIF and MTA**

The MOU signing ceremony took place on 17 March 2014 between INCEIF and MTA primarily for Student Placements. However, to take the collaboration to next level, INCEIF proposed to organize an Executive Masterclass on Takaful for Senior Management of Takaful Operators who is the members of MTA. This workshop can be beneficial to the industry and in turn, help connect Bank Negara Malaysia's intention to further progress in the globalized Islamic Finance area.

## **Collaboration with Agensi Kaunseling dan Pengurusan Kredit (AKPK)**

Train the Trainer (TTR) POWER Program with AKPK was successfully organized in 2 sessions which were on 9 April and 23 April 2014 respectively. There were a total number of 38 participants from various Takaful Operator took part in the program. The program was very beneficial and useful to be applied as an added value to the Takaful consultant.

## **Collaboration with Universiti Sains Islam Malaysia (USIM)**

USIM invited MTA to participate in the seminar organized by their final year student. The seminar was held on 27 September 2014 and MTA representative, Encik Khairil Anuar Bin Mohammad Anuar, Head of Risk Management and Compliance from Hong Kong MSIG Takaful Berhad attended as speaker. He presented on the topic entitled Future Financial Crisis: Mere Myth or Managed Risk.

## **The Reducing Car Theft Initiative Workshops & Feedback on Non Ideal Claims Process Workshop**

PEMANDU and VTREC has organized the third Workshop Session on the Process Improvement at The Thistle, Port Dickson, Negeri Sembilan from 23rd, 24th and 25th June 2014. The workshop participants were divided into 4 groups Claims, Ports, Borders and Workshop and each group will discuss and suggest solutions in reducing car theft crime rate.

## Courtesy Visits and Talks

### Meeting with West African Bank of Development (BOAD)

On 25 September 2014, the Islamic Corporation for the Development of Private Sector had arranged a meeting between MTA and West African Bank of Development. The agenda of the meeting knowledge based session pertaining to capacity building in Islamic finance related matters.

### Visit from University Technology MARA Kedah



On 26 November 2014, MTA received a visit from 77 students majoring in Business Administration with 2 liaison officers from UiTM Kedah. The purpose for the visit was to develop as well as to expose the students for an understanding of the industry. The students were briefed about the career opportunity in the Takaful industry. It was an educational visit for the students as they were exposed on how the takaful system worked and what the products and services that were being served to the public.



### MTA Visit to NSTP

Corporate Communication Subcommittee had organised a courtesy visit to the News Straits Times at Balai Berita on 14 August 2014. The entourage was led by MTA Chairman. The MTA entourage was greeted by key personnel from Editorial Department of Media Prima Group.

It was a lively open discussion between the two parties regarding Takaful, branding and publicity especially on Takaful industry recent report "The Story of Gap: Charting Takaful Growth in Malaysia".



### MTA Visit to Bernama Studios



Corporate Communication Subcommittee organised a courtesy visit to Malaysian National News Agency (BERNAMA) on 16 October 2014. The entourage was led by MTA Chairman, Encik Zainudin Ishak and MTA Corporate Communication Subcommittee Chairman, Encik Muhammad Fikri Mohd Rawi. The MTA entourage were greeted by key personal from Editorial Department of BERNAMA led

by Datuk Zulkefli bin Salleh, Editor-In-Chief and Datuk Zakaria Abd Wahab, Deputy Editor-In-Chief Domestic News.

**Industry Visit to Institut Jantung Negara (IJN) – 4 November 2014**

MTA, in collaboration with IJN, has organised an industry visit to IJN. The objective of the visit is for IJN to reintroduce themselves to all Takaful and Retakaful Operators, especially in terms of latest technology, services and facilities offered by IJN..





## Fostering Relationship Activities

In effort to foster relationship among the member companies, MTA has organized several sports activities. It was also aimed to promote healthy and balanced lifestyle between work and recreation. These events were well participated by member companies. The sport and recreational activities were as follows

- **Inter Takaful Operator Bowling Tournament 2014**

Date : 5 April 2014  
Venue : Endah Parade  
Co Organiser : Etiqa Takaful Berhad



- **Inter Takaful Operator Badminton Tournament 2014**

Date : 26 April 2014  
Venue : Sports Affair Cheras  
Co Organiser : Great Eastern Takaful Berhad



- **Inter Takaful Operator Futsal Tournament 2014**

Date : 24 May 2014  
Venue : Ferro Futsal Subang  
Co Organiser : Takaful Ikhlas Berhad



## Conclusion

The Management Committee would like to record its appreciation to all MTA member companies for the support and cooperation rendered to the Association. The accomplishments we have achieved would not have been possible without the unity and commitment from all the members. MTA looks forward to the continuous support and participation from the industry as it takes on greater challenges to further promote the industry.

# **MTA**

# **Subcommittees**

Shariah Compliance	<ul style="list-style-type: none"> <li>• Endorse and validate relevant documentation for Association's initiatives, new products and services, including contracts, agreements or other documents.</li> <li>• Assist and advise relevant parties on Shariah matters that serves the Association, such as its legal counsel, auditor or other consultants upon request.</li> </ul>
Alternative Distribution	<ul style="list-style-type: none"> <li>• Support and facilitate development and implementation of industry business performance and practises particularly on the penetration rate and market share of Takaful against the combined Takaful and Insurance industry.</li> <li>• Formulate activities related to promotion, marketing and development of new industry products.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• To contribute to the development of accounting, tax, investment and financial reporting for Takaful industry by close working relationship accounting bodies.</li> <li>• To communicate on a regular and timely basis with members on issues and developments affecting Takaful practise in terms of accounting, tax and investment.</li> </ul>
Learning and Development	<ul style="list-style-type: none"> <li>• To recommend the continued improvement and delivery of the learning and development programs to staff and intermediaries of the Takaful industry.</li> <li>• To formulate and coordinate Learning and Development activities, seminars and programs for staff and intermediaries.</li> </ul>
Family Takaful	<ul style="list-style-type: none"> <li>• To initiative and carry out research for the industry in creating wider range of innovative Family Takaful plans and business environment;</li> <li>• To create cohesiveness and synergies of operational, environment between TOs to increase the market share of Takaful</li> </ul>
General Takaful	<ul style="list-style-type: none"> <li>• Initiative and carry out research and development for the industry in creating wider range of innovative General Takaful plans and business environment.</li> <li>• To create cohesiveness and synergies of operational; environment between TOs to increase the market share of Takaful</li> </ul>
Corporate Communication	<ul style="list-style-type: none"> <li>• To plan and strategize public relations with MTA.</li> <li>• To organizing public relation functions for MTA.</li> <li>• To keep an eye on the industry developments and prepare industries matters.</li> <li>• To hande public relations and media relations regarding industries issues.</li> </ul>
Takaful Agents Registration Regulation Board	<ul style="list-style-type: none"> <li>• To monitor the process and development of agent registration activity requirements and compliance stated in MTA Inter-Takaful Agreement.</li> <li>• To recommend to the Management Committee on agency registration related development and issues in the industry.</li> </ul>

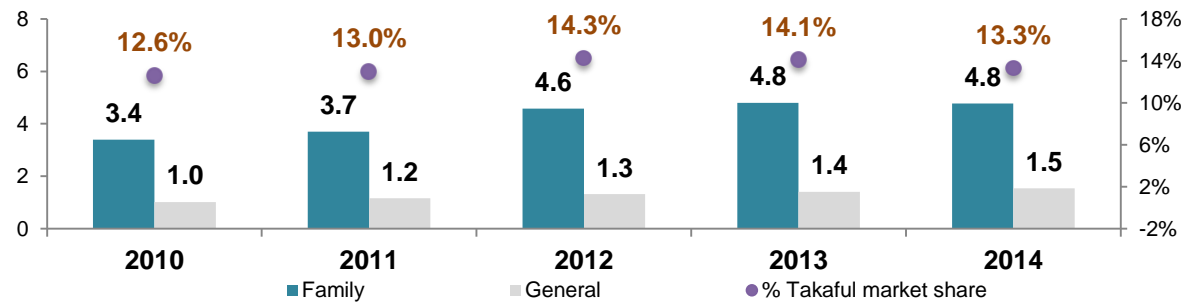
	Members	Takaful Operators
Corporate Communication	<b>Encik Muhammad Fikri Mohamad Rawi</b>	<b>MTA MC</b>
	Encik Mohd Rosli Abd Aziz	AIA PUBLIC Takaful Bhd.
	Puan Zarina Idris	Great Eastern Takaful Berhad
	Encik Norkamarulazman Nordin	Etiqa Takaful Berhad
	Encik Mir Fariz Mir Ishak	Hong Leong MSIG Takaful Berhad
	Puan Irza Salwani Mirzal	HSBC Amanah Takaful (Malaysia) Berhad
	Puan Monashalyza Kassim	Prudential BSN Takaful Berhad
	Puan Mala Patmarajah	Syarikat Takaful Malaysia Berhad
	Puan Rozieana Jamaluddin	Takaful Ikhlas Berhad
	Ms Wong Shuk Mei	Sun Life Malaysia Takaful Berhad
	Ms Ng Lay Peng	MAA Takaful Berhad
	Puan Nor Hasmizah Ahmad Ziad	AmMetLife Takaful Berhad
Family Takaful	<b>Encik Azim Mithani</b>	<b>MTA MC</b>
	Mr Leem Why Chong	Syarikat Takaful Malaysia Berhad
	Ms Lim Chin Har	Sun Life Malaysia Takaful Berhad
	Puan Nora Ishak	Etiqa Takaful Berhad
	Ms Ong Mei Ting	Hong Leong MSIG Takaful Berhad
	Encik Yahya Adnan Ahmad	HSBC Amanah Takaful (Malaysia) Berhad
	Encik Shuharli Rusmanov	MAA Takaful Berhad
	Mr Andy Chee	MNRB Re Takaful Berhad
	Encik Nor Azman Zainal	Prudential BSN Takaful Berhad
	Mr Chin Ing Chian	AIA PUBLIC Takaful Bhd.
	Ms Charlene Lee	Munich Re ReTakaful Berhad
	Puan Azilah Ayup	AmMetLife Takaful Berhad
	Puan Nur Zalifah Mohd Nushi	Great Eastern Takaful Berhad
	Tn Hj Rozhan Yusof	Takaful Ikhlas Berhad
	Encik Mohammad Nizam Bin Yahya	Swiss Re Retakaful
General Takaful	<b>Encik Marcel Omar Papp</b>	<b>MTA MC</b>
	Encik Nazri Mohamad	Sun Life Malaysia Takaful Berhad
	Puan Noorizam Bt Md Nooruddin	Etiqa Takaful Berhad
	Encik Noor Mazhuari Bin Zakaria	Hong Leong MSIG Takaful Berhad
	Mr Tung Chee Lim	HSBC Amanah Takaful (Malaysia) Berhad
	Encik Hazruddin Hassan	MAA Takaful Berhad
	Puan Norzita Tajul Halim	MNRB Re Takaful Berhad
	Encik Mohd Azizi Mohd Amin	Prudential BSN Takaful Berhad
	Mr Vidhyanandh A/L Benjamin Samue	Syarikat Takaful Malaysia Berhad
	Puan Zarina Mohd Sahim	Takaful Ikhlas Berhad
	Encik Delil Khairat	Swiss Re ReTakaful Berhad
Finance	<b>Encik Zafri Ab. Halim</b>	<b>MTA MC</b>
	Encik Mohd Raizal Mohd Rais	AIA PUBLIC Takaful Bhd.
	Puan Nur'Aini Sum Binti Abdullah / Encik Wan Mohamad Nazree Abu Bakar	Etiqa Takaful Berhad
	Mr Chew Chin Lim	Sun Life Malaysia Takaful Berhad
	Encik Hazmin Zainal	Prudential BSN Takaful Berhad
	Mr Chen Jean Jong	HSBC Amanah Takaful (Malaysia) Berhad
	Puan Rafidah Abdul Jamal	Hong Leong MSIG Takaful Berhad
	Mr Suppiah A/L Poongavanam	MAA Takaful Berhad
	Mr Lee Hin Sze	Syarikat Takaful Malaysia Berhad
	Puan Ruzaimawati Binti Marzuki	AmMetLife Takaful Berhad
	Puan Rozita binti Ali	Great Eastern Takaful Berhad
	Puan Fauziah Hassan	Takaful Ikhlas Berhad
	Encik Razak Noordin	ACR ReTakaful Berhad
	Mr Goh Teck Keong	Swiss Re ReTakaful Berhad
Alternative Distribution	<b>Encik Ahmad Rizlan Azman</b>	<b>MTA MC</b>
	Encik Rohailan Ramlee	AIA PUBLIC Takaful Bhd.
	Encik Nubli Ahmad	Sun Life Malaysia Takaful Berhad
	Encik Rudy Che Lamin	Etiqa Takaful Berhad
	Encik Wong Kam Peng / Ms Julie Liw Pin Chen	Hong Leong MSIG Takaful Berhad
	Encik Yassir Azlin Bin Abdul Ghafar	HSBC Amanah Takaful (Malaysia) Berhad
	Puan Norhasima Baharudin	Prudential BSN Takaful Berhad
	Encik Wan Mohd Fairuz Bin Mohd Yusoff	AmMetLife Takaful Berhad
	Mr Mark Anthony	Syarikat Takaful Malaysia Berhad
	Encik Abdullah Abdul Mutalib	Takaful Ikhlas Berhad
	Encik Ahmad Fauzee Bin Yahaya	MAA Takaful Berhad

	Members	Takaful Operators
Shariah Compliance	<b>Tn Hj Ab Latiff Abu Bakar</b>	<b>MTA MC</b>
	Encik Mohd Asri Omar	AIA PUBLIC Takaful Bhd.
	Ustaz Mohamad Saifudin bin Gahnehman	Sun Life Malaysia Takaful Berhad
	Ustaz Ahmad Zaiem Ismail	Etiga Takaful Berhad
	Ustaz Khairil Anuar B Mohammad Anuar	Hong Leong MSIG Takaful Berhad
	Ustaz Khairul Anuar Hassan	HSBC Amanah Takaful (Malaysia) Berhad
	Encik Mohamed Ashghar Mohamed Ashraff	MAA Takaful Berhad
	Tn Hj Zaharan Abdul Aziz	MNRB Retakaful Berhad
	Puan Yusaini Yusof	Prudential BSN Takaful Berhad
	Ustaz Ahmad Murshidi Ahmad Mukhtar	Great Eastern Takaful Berhad
	Ustaz Omar Mohamed / Ahmad Ekhwan Ahmad Raffie	Syarikat Takaful Malaysia Berhad
	Ustaz Abdullah Mohsin Al-Saqqaf	ACR Retakaful Berhad
	Encik Fidrus Sukor	Swiss Re ReTakaful
	Ustaz Wan Jemizan W. Deraman	Takaful Ikhlas Berhad
	Ustaz Mohd Fazli Masri	AmMetLife Takaful Berhad
	Ustaz Mohd Husni Mohd Hafiz	Munich Re ReTakaful Berhad
Learning & Development	<b>Tn Hj Wan Mohd Fadzlullah Wan Abdullah</b>	<b>MTA MC</b>
	Mr Rokbi Hassan	AIA PUBLIC Takaful Bhd.
	Encik Muhammad Adli Alias	Etiga Takaful Berhad
	Encik Mohd Sidek Ahmad	Hong Leong MSIG Takaful Berhad
	Mr Sivaperumal a/l Seerangan	MAA Takaful Berhad
	Ms Grace Yeoh	Prudential BSN Takaful Berhad
	Encik Mas Akmar Rizal bin Mansor	AmMetLife Takaful Berhad
	Encik Aznal Ali	Great Eastern Takaful Berhad
	Tn Hj Ismail Basar	Takaful Ikhlas Berhad
	TN Hj Mohd Suhaimi Ahmad	Syarikat Takaful Malaysia Berhad
Regulatory and Risk	<b>Mr Ng Hang Ming</b>	<b>MTA MC</b>
	Ms Anita Menon	Prudential BSN Takaful Berhad
	Encik Mohd Farrish Bin Khalid	Takaful Ikhlas Berhad
	Puan Shazlyna Abdullah	Syarikat Takaful Malaysia Berhad
	Puan Syahriza Senan	Great Eastern Takaful Berhad
	Puan Joanna Zakaria	Etiga Takaful Berhad
	Ms Joy Tey Hong Teng	HSBC Amanah Takaful (Malaysia) Berhad
	Puan Alina Binti Abdul Hamid	Hong Leong MSIG Takaful Berhad
	Puan Siti Marina Mansor	AmMetLife Takaful Berhad
	Encik Fidrus Sukor	Swiss Re ReTakaful
	Encik Ruzani Idris	MAA Takaful Berhad
	Puan Alia @ Aliyah Ayub	AIA PUBLIC Takaful Bhd.
Takaful Agency Regulations & Registration Board	<b>Encik Ghulam Hussain b Mahmud Khan</b>	<b>Etiga Takaful Berhad</b>
	Encik Fauzul Nizam Mohamed Zain	AIA PUBLIC Takaful Bhd.
	Mr Koo Kian Song	Sun Life Malaysia Takaful Berhad
	Encik Ariff Azhan Abd Ghani	Great Eastern Takaful Berhad
	Ms Janice Wong Siew Kheng	Hong Leong MSIG Takaful Berhad
	Encik Azam Mohd Yusof	HSBC Amanah Takaful (Malaysia) Berhad
	Encik Saiful Nizam Esahak	MAA Takaful Berhad
	Encik Shahrul Azlan Shahrman	Prudential BSN Takaful Berhad
	Encik Mohd Suhaimi bin Ahmad	Syarikat Takaful Malaysia Berhad
	Tn Hj Rozhan Yusof	Takaful Ikhlas Berhad
	Puan Foziah Yassin	AmMetLife Takaful Berhad

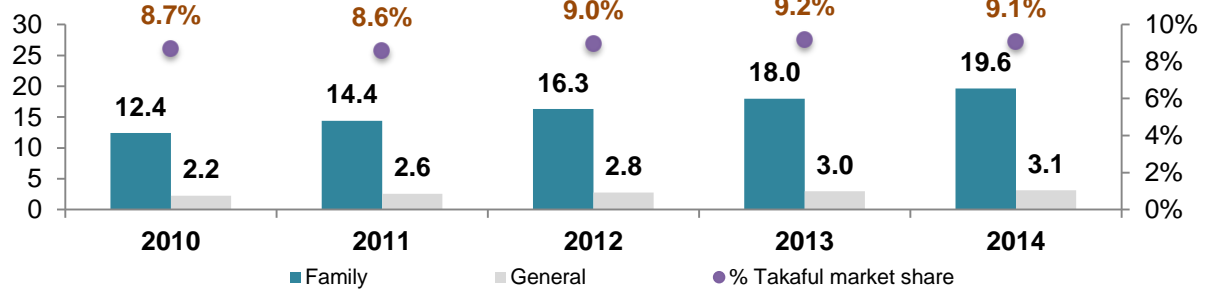


# **Takaful Industry Statistics**

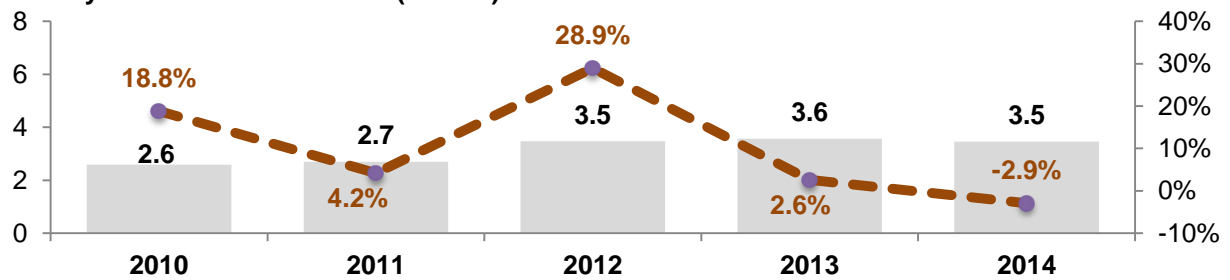
### Net Contributions Income (RM'bil)



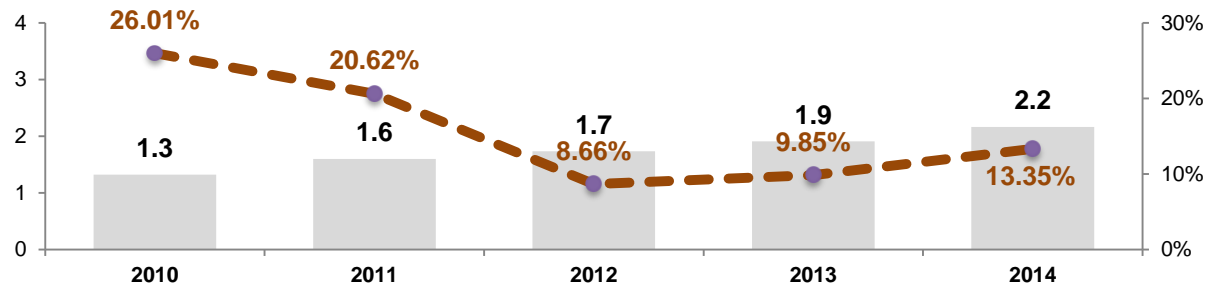
### Takaful Fund Assets (RM'bil)



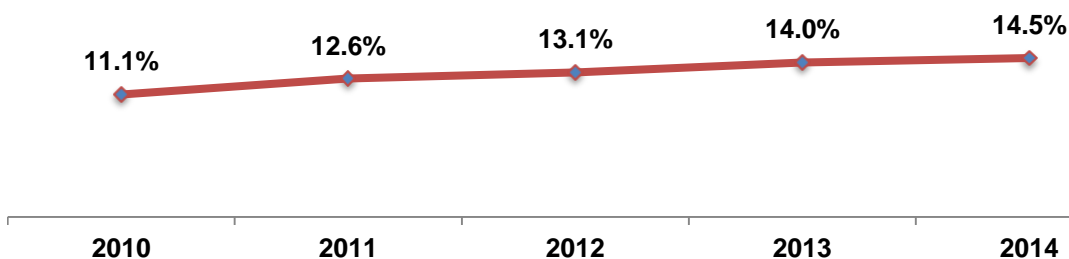
### Family Takaful New Business (RM' bil)



### General Takaful : Gross Contributions (RM'bil)



### Family Takaful : Penetration Rate

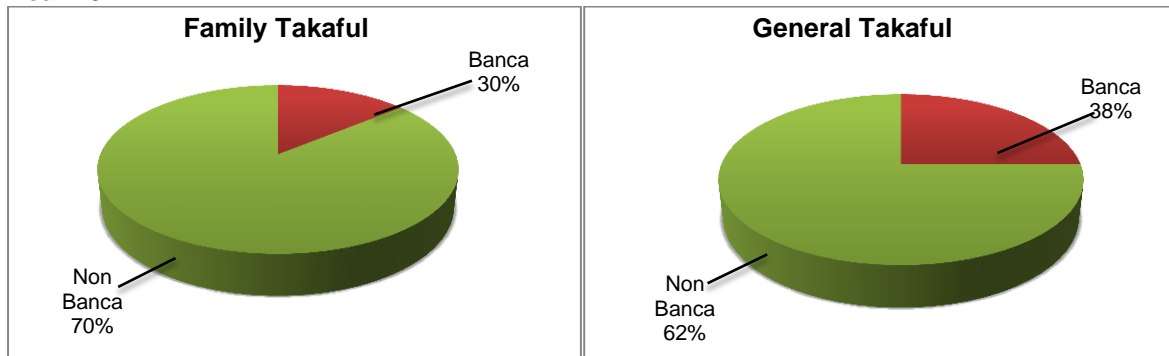


# **Takaful Agency Registration**

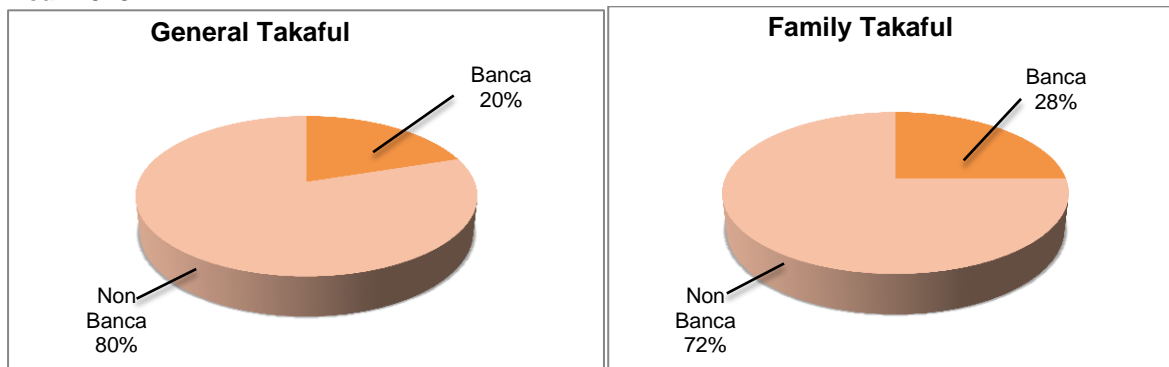
## New Agent Registration for the year 2014 and 2013

Category	Family Takaful		Variance	General Takaful		Variance	Total		Variance
	2014	2013		2014	2013		2014	2013	
Banca	6,171	4,046	-2,125	419	131	-288	6,590	4,177	-2,413
Non-Banca	14,258	10,213	-4,045	687	516	-171	14,945	10,729	-4,216
Total	20,429	14,259	-6,170	1,106	647	-459	21,535	14,906	-6,629

## Year 2014

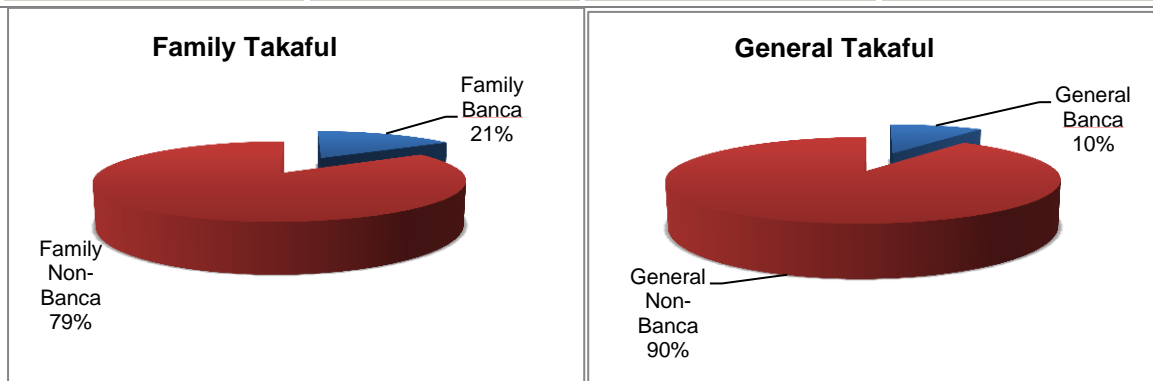


## Year 2013



## Registered Individual Agents – Breakdown by Categories

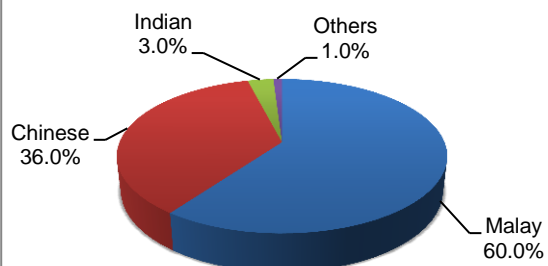
Category	Banca	Non-banca	Total
Family	13,321	50,592	63,913
General	1,489	13,577	15,066
Total	14,810	64,169	78,979



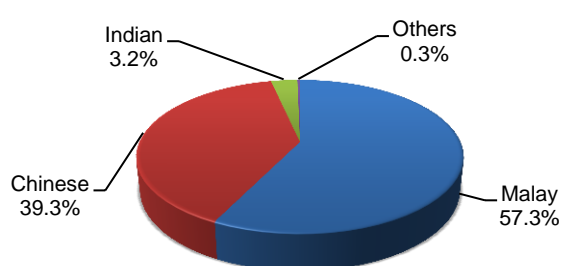
## Registered Individual Takaful Agents as at December 2014 – Breakdown By Ethnic Group

Category	Malay	Chinese	Indian	Others	Total
Family	39,550	21,394	2,217	752	63,913
General	8,553	5,974	477	62	15,066
<b>Total</b>	<b>48,103</b>	<b>27,368</b>	<b>2,694</b>	<b>814</b>	<b>78,979</b>

Family Takaful Agents by Ethnic Group



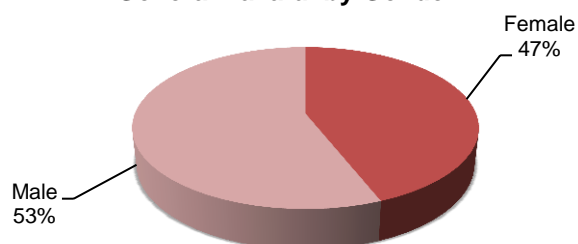
General Takaful Agents by Ethnic Group



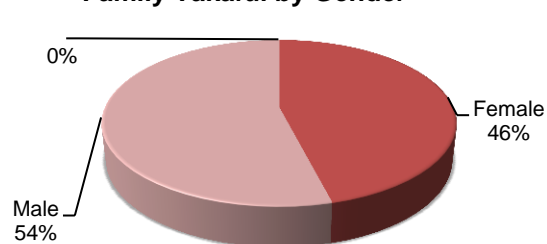
## Registered Individual Takaful Agents as at December 2014 – Breakdown By Gender

Category	Below 25	26-35	36-45	46 & above	Total
Family	5,462	2,720	18,098	12,631	63,913
General	242	5,085	5,329	4,347	15,066
<b>Total</b>	<b>5,704</b>	<b>32,805</b>	<b>23,490</b>	<b>16,978</b>	<b>78,979</b>

General Takaful by Gender



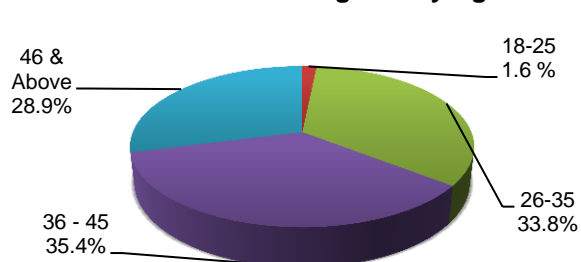
Family Takaful by Gender



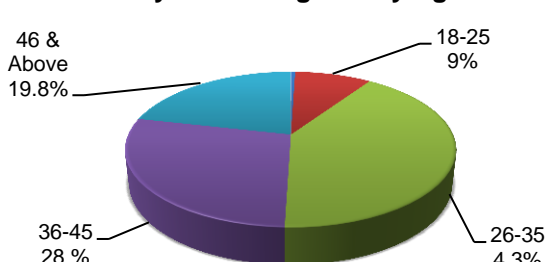
## Registered Individual Takaful Agents as at December 2014 – Breakdown By Age Bands

Category	Below 25	26-35	36-45	46 & above	Total
Family	5,462	2,720	18,098	12,631	63,913
General	242	5,085	5,329	4,347	15,066
<b>Total</b>	<b>5,704</b>	<b>32,805</b>	<b>23,490</b>	<b>16,978</b>	<b>78,979</b>

General Takaful Agents by Age



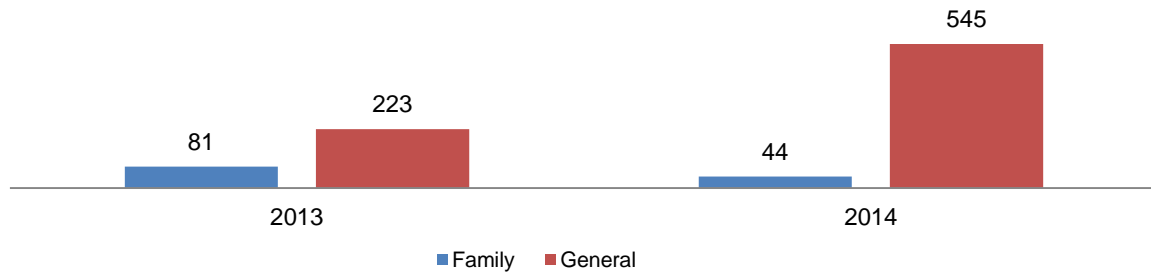
Family Takaful Agents by Age





**New Registration of Corporate Takaful Agents as at 31 December 2014**

Category	2014	2013
Family Takaful	44	81
General Takaful	545	223
<b>Total</b>	<b>589</b>	<b>304</b>

**New Registrations of Family and General Corporate Agents****Total New Registration of Corporate Takaful Agents as at 31 December 2014 and 2013**

Category	2014	2013	Total
Family	44	81	125
General	545	223	768
<b>Total</b>	<b>589</b>	<b>304</b>	<b>893</b>

**Total New Registration of Corporate Takaful Agents by Category at 31 December 2014**

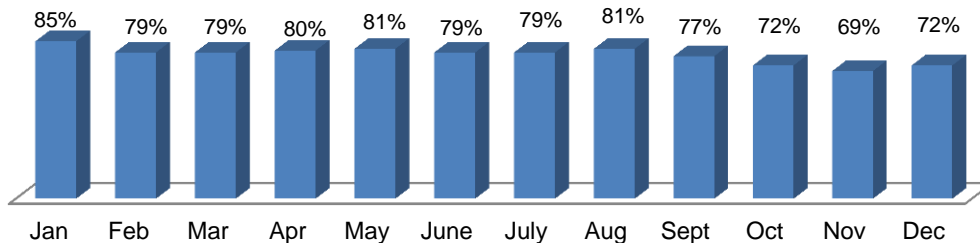
Category	Banca	Non-banca	Total
Family	5	3	8
General	39	542	581
<b>Total</b>	<b>44</b>	<b>545</b>	<b>589</b>

# **Takaful Basic Examination Statistics**

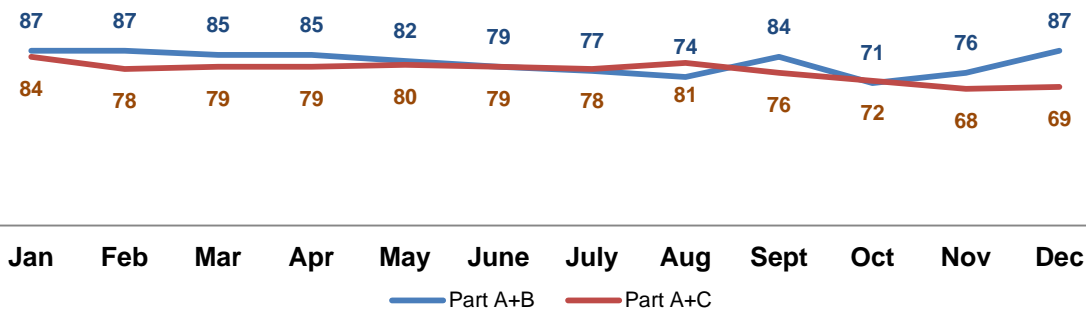
## TBE Registration and passing rate by structure from January to December 2014

Exam Structure	Registered	Absent		Sat	Passed	
		No	%		No	%
Part A and B	2,577	377	15	2,200	1,789	82
Part A and C	28,848	4,666	16	24,292	18,581	76
Part B	1,008	87	9	921	824	89
Part C	393	20	5	373	347	93
Total	32,826	5,150	16	27,786	21,550	78

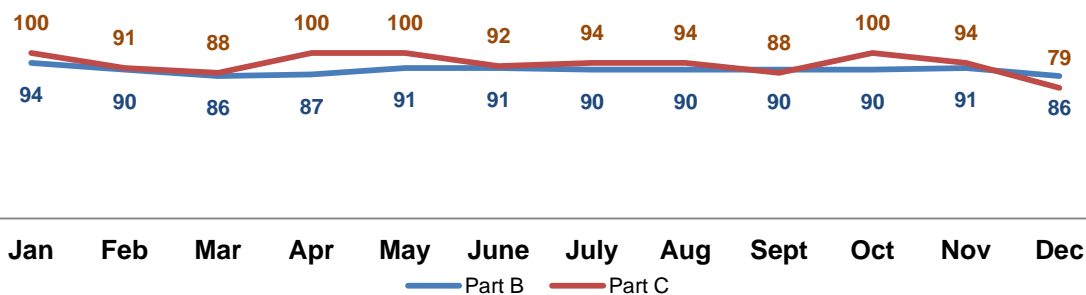
Passing Rate January 2014 to December 2014



Passing Rate (%)



Passing Rate (%)



### Passing rate comparison by qualifications from January to December 2014

	SPM				
	Part A and B	Part A and C	Part B	Part C	TOTAL
Registered	1,474	13,293	613	220	15,600
Absent	220	2,282	58	13	2,573
Sat	1,254	11,001	555	221	13,031
Passed	1,004	7,484	496	192	9,176
- Passing Rate %	80	68	89	87	70
	STPM				
Registered	46	580	9	5	640
Absent	5	89	1	0	95
Sat	41	491	8	5	545
Passed	32	372	6	4	414
- Passing Rate %	78	76	75	80	76
	Diploma				
Registered	534	7,720	225	115	8,594
Absent	80	1,237	18	6	1,341
Sat	454	6,483	207	109	7,253
Passed	352	4,917	184	102	5,555
- Passing Rate %	78	76	89	94	77
	Degree				
Registered	471	6,611	143	44	7,269
Absent	64	914	8	1	987
Sat	407	5,697	135	43	6,282
Passed	371	5,219	124	41	5,755
- Passing Rate %	91	92	92	95	92
	Others				
Registered	52	664	18	9	743
Absent	8	88	3	1	100
Sat	44	576	15	8	643
Passed	39	495	15	8	557
- Passing Rate %	89	86	100	100	87
	GRAND TOTAL				
Registered	2,577	28,868	1,008	393	32,846
Absent	377	4,610	88	21	5,096
Sat	2,200	24,248	920	386	27,754
Passed	1,798	18,487	825	347	21,457
- Passing Rate %	82	76	90	90	77

# **Member Companies**





**ACR Retakaful Berhad**

Unit A-12A-10, Level 12A  
Menara UOA Bangsar  
5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur  
Tel : 03-2299 2288  
Fax : 03-2299 2289  
<http://www.acrretakaful.com>



**AmMetLife Takaful Berhad**

12th Floor, Menara AmMetLife  
No 1 Jalan Lumut  
50400, Kuala Lumpur  
Hotline: 1-300-88-8800  
Fax: +603-2171 3000  
Email: [Customercare@ammethlife.com](mailto:Customercare@ammethlife.com)  
<http://www.ammethlife.com/takaful>



**AIA PUBLIC Takaful Bhd.**

Level 14, Menara AIA  
99, Jalan Ampang  
50450 Kuala Lumpur  
Malaysia  
Hotline : 1 300 88 8922  
Tel : (603) 2037 1333  
Fax : (603) 2056 3690  
Email : [my.customer@aiapublic.com.my](mailto:my.customer@aiapublic.com.my)  
<http://www.aiapublic.com.my/>



**Etiqa Takaful Berhad**

Level 19, Tower C  
Dataran Maybank  
No 1 Jalan Maarof  
59000 Kuala Lumpur  
Hotline: 1-300-13-8888  
Tel: 03-2297 1888  
Fax: 03-2297 1800  
Email: [info@etiga.com.my](mailto:info@etiga.com.my)  
<http://www.etiga.com.my>



**Great Eastern Takaful Berhad**

Menara Great Eastern  
303 Jalan Ampang  
50450 Kuala Lumpur  
Hotline : 1-300-13-8338  
Tel : 03-4259 8338  
Fax : +603 4259 8808  
Email : [i-greatcare@i-great.com.my](mailto:i-greatcare@i-great.com.my)  
<http://www.i-great.com>



**HSBC Amanah Takaful (Malaysia) Berhad**

8<sup>th</sup> Floor, North Tower  
No. 2, Leboh Ampang  
50100, Kuala Lumpur  
Hotline: 1-800-88-9659  
Fax: +603-2031 0833  
Email: [contacttakaful@hsbc.com.my](mailto:contacttakaful@hsbc.com.my)  
<http://www.takaful.hsbcamanah.com.my>



**Hong Leong MSIG Takaful Berhad**  
Level 5, Tower B, PJ City Development,  
No.15A, Jalan 219, Seksyen 51A  
46100 Petaling Jaya, Selangor  
Tel : +603 7650 1800  
Fax : +603 7620 6730  
Email: [ReachUs@takaful.hongleong.com.my](mailto:ReachUs@takaful.hongleong.com.my)  
<http://www.hlmsigtakaful.com.my/>



**MAA Takaful Berhad**  
8<sup>th</sup> Floor  
566 Jalan Ipoh  
51200, Kuala Lumpur  
Hotline: 03-6287 6666  
Tel: 03- 6287 6666  
Fax: 03- 6259 0088  
Email: [MAAWebadmin@maa.my](mailto:MAAWebadmin@maa.my)  
<http://www.maatakaful.com.my>



**MNRB Retakaful Berhad**  
9<sup>th</sup> Floor Bangunan Malaysian Re  
No.17, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur  
Tel : +03-2096 7007  
Fax : +03-2096 8007  
Email : [enquiry@mnr-retakaful.com.my](mailto:enquiry@mnr-retakaful.com.my)  
<http://www.mnr-retakaful.com.my>

**PRUDENTIAL BSN**

TAKAFUL

**Prudential BSN Takaful Berhad**  
Brand and Communications  
Level 8A, Menara Prudential  
No. 10 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : +03-2053 7188  
Fax : +03-2026 7688  
Email : [customer@prubsn.com.my](mailto:customer@prubsn.com.my)  
<http://www.prubsn.com.my>



**Munchener Ruckversicherungs-Gesellschaft  
(Munich Re Retakaful)**  
Suite 13.1, Level 13  
Menara IMC, 8 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : 603 - 2380 8421  
Fax : 603 - 2032 5955  
<http://www.munichre.com/en/reinsurance/business/non-ife/retakaful/default.aspx>



**Sun Life Malaysia Takaful Berhad**  
Level 11, 338  
Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur  
Hotline : 1-300-88-5055  
Tel : 03-2612 3600  
Fax : 03-2614 3550  
Email : [wecare@sunlifemalaysia.com](mailto:wecare@sunlifemalaysia.com)  
<http://www.sunlifemalaysia.com>



**Swiss Reinsurance Company Ltd.**

**(Swiss Re Retakaful)**

Suite 28-01, 28th Floor

Menara Keck Seng

No.203, Jalan Bukit Bintang

55100 Kuala Lumpur

Malaysia

Tel : +603 2118 3800

Fax : +603 2118 3811

<http://www.swissre.com/reinsurance/insu>



**TAKAFULmalaysia**

**Syarikat Takaful Malaysia Berhad**

Menara Takaful Malaysia

No.4, Jalan Sultan Sulaiman

50000 Kuala Lumpur.

Hotline : 1300-8-TAKAFUL(825 2385)

Tel : +603-2268 1984

Fax : +03-2274 0237

Email : [csu@takaful-malaysia.com.my](mailto:csu@takaful-malaysia.com.my)

<http://www.takaful-malaysia.com.my>



**Takaful Ikhlas Berhad**

IKHLAS Point,

Menara 11A, Avenue 5

Bangsar South,

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : +03-2723 9696

Fax : +03-2723 9998

Email : [ikhlascare@takaful-ikhlas.com.my](mailto:ikhlascare@takaful-ikhlas.com.my)

<http://www.takaful-ikhlas.com.my>

# Photo Gallery



i-BR1M Launching  
22 February 2014  
Sekolah Menengah  
Aminudin Baki,  
Kuala Lumpur







ISRA MTA Takaful Thematic Workshop (TIPS)  
16 May 2014  
Lanai Kijang, Bank Negara Malaysia



The Future of Global Takaful Conference  
18 February 2014, Royale Chulan Hotel





Takaful StarNite 2014, 20 March 2014, Royale Chulan Hotel





Inter Takaful Operator Bowling  
Tournament 2014,  
5 April 2014  
Endah Parade







Inter Takaful Operator Badminton  
Tournament 2014,  
26 April 2014  
Sport Affair, Cheras







Inter Takaful Operator  
Futsal Tournament 2014,  
26 April 2014  
Sport Affair, Cheras





Launch of The Story of Gap :  
Charting Takaful Growth In Malaysia  
27 June 2014  
Lanai Kijang, Bank Negara Malaysia





Karnival Kewangan Islam  
Celik Muamalah by YADIM  
28 May – 1<sup>st</sup> June 2014  
Universiti Kebangsaan Malaysia,  
Bangi, Selangor





Financial Mediation  
Bureau (FMB)  
Dialogue Session  
12 June 2014  
Menara Takaful  
Malaysia







Konvensyen Perunding Takaful 2014  
14 June 2014  
Istana Hotel



Accident Assist Call Center Leaflet Distribution  
Toll Sungai Besi, 26 Jan 2014



Hilux Club, 5 July 2014



Toll Batu Plaza, 2 August 2014







MTA CEOs Dialogue – Global  
Islamic Finance Forum (GIFF)  
2 September 2014  
Sasana Kijang



MTA Visit to NSTP  
14 August 2014



MTA Visit to  
BERNAMA  
16 October 2014





MTA Visit to Institut Jantung Negara  
4 November 2014  
IJN



MTA-PIDM Briefing Session:  
Takaful Insurance Benefits  
Protection System  
(TIPS)  
19 November 2014  
PIDM





The Takaful Rendezvous 2014  
12-13 November 2014  
Intercontinental Hotel , Kuala Lumpur



# **Publications**



CONFERENCE REPORT –  
TAKAFUL RENDEZVOUS

## Takaful aspires towards greater goals

The Malaysian Takaful Association and Asia Insurance Review recently co-hosted The Takaful Rendezvous 2014 as (re)takaful operators converged in Kuala Lumpur to renew ties and find new ways to further industry growth.

► By **Ridwan Abbas**

**T**he Takaful Rendezvous 2014 saw creative ideas put on the table as takaful providers seek to provide solutions for an ageing society – a growing reality facing many countries around the world.

In discussing how to ensure financial sustainability in old age, Mr Nizam Yahya, Client Manager (Asia) at Swiss Re Retakaful said family takaful operators could meet some of the needs of an ageing society through its surplus sharing mechanism.

“Part of the surplus distribution in takaful plans can be set aside for people to use in their older years, and thus the surpluses can have a direct positive benefit for society,” he said.



Mr Nizam  
Yahya



Dato' Majid  
Mohamad

Meanwhile, Dato' Majid Mohamad, Managing Adviser, MBM Advisers, put forward the idea of annuities linked to employee benefit schemes.

“The cash rebates from group plans can be diverted to the annuity pot of employees rather than giving it directly to them,” he said.

He also advocated the idea of “annuity homes”, where annuities can be used to cover the cost of long-term care.

### Time for Takaful 2.0 in Malaysia

This year, Malaysia marks 30 years since the first takaful company was set up in the country. And following 30 years of existence, the time is ripe for the country's takaful sector to “take the next leap forward”, said Bank Negara Malaysia's Director of Islamic Banking & Takaful Department, Wan Mohd Nazri Wan Osman in his keynote address



Wan Mohd  
Nazri Wan  
Osman

at the Rendezvous.

He put forward three possible strategies that could elevate the sector to the next level of development – designing products that meet the critical needs of today; empowering consumers; and enhancing industry collaboration.

In dealing with the critical needs of consumers, Mr Wan Mohd Nazri identified medical and retirement products for an ageing population; and coverage for start-ups and SMEs as two areas where takaful companies can look to address.

He also spoke on the need to empower consumers, especially through digital engagements to reach out to the younger generation, to allow them to make “educated choices” regarding their protection needs.

“We should move the understanding of takaful beyond just that of an alternative to insurance, so the industry needs to show its value-added proposition,” he said.

Finally, Mr Wan Mohd Nazri encouraged closer collaboration between industry players in meeting challenges such as talent management, product innovation and enhancing appreciation for takaful among others.

### Understanding buying behaviour in family takaful

Customer centricity is a pertinent theme for life players today and the ability to discern emerging customer trends is a powerful tool for takaful operators. In a special address by alternative distribution specialists ReMark, Ms Na Jia, Chief Marketing Officer at ReMark International pointed out today's changing buying behaviour, including the importance of the digital channel to facilitate customer research.

Likewise, takaful operators can leverage big data to enhance their strategic understanding of customers and create longer-lasting relationships through providing more customised solutions, she said.



Ms Na Jia





CONFERENCE REPORT –  
TAKAFUL RENDEZVOUS

However, she added that the agency remains an important channel in many of the emerging markets, including Malaysia.

**Expanding the retakaful scope**

A panel discussing the prospects of retakaful acknowledged that growth has been steady, even if not as rapid as the direct business.



Mr Ng Han Ming

In looking at the way forward, Mr Ng Han Ming, CEO at ACR ReTakaful, said retakaful operators are increasingly moving beyond mere capacity providers to becoming real partners of takaful operators to come up with innovative solutions.

On the theme of expanding takaful's presence in the area of large risks, Mr Mohd Idzuddin Zakaria, Chief Executive Officer, AIG Re-Takaful Berhad, said there was a genuine willingness for international (re) takaful operators to participate in this area, though the industry needs to improve its competence and credibility in underwriting these risks to enhance market confidence.



Mr Mohd Idzuddin Zakaria

He added there needs to be genuine commitment towards risk management, a consistent and disciplined approach to underwriting, and a dedicated service and sales infrastructure within the takaful environment in order to further develop this market.



Mr Mahomed Akoob

Mr Mahomed Akoob, Managing Director, Hannover ReTakaful, delved into the question of whether retakaful has the potential to thrive. Acknowledging that the market has yet to really flourish, he noted that projections on (re)takaful needs to be at more realistic levels.

While there is untapped potential coupled with growing interest by regulators to engage the industry, several factors need to be rectified in order to realise the opportunities. These include commitment on the part of takaful operators to seek the retakaful option when ceding, the need for more technical pricing, and achieving economies of scale and cost, among other things, he said.

**Greater momentum for retakaful contract certainty**

In a separate presentation, The Malaysian Takaful Association (MTA) gave an update on the considerable progress in its work to achieve greater contract certainty in the international retakaful market through developing a standard wording for general retakaful agreements.

Mr Marcel Omar Papp, who heads the working committee on this industry-led project, said retakaful contracts typically adopt the wordings used in a reinsurance



Mr Marcel Omar Papp

contract and hence do not capture the crucial differences between conventional reinsurance and retakaful. Thus, retakaful operators leave themselves open to potential liability risks as well as reputational risks.

He added that the working committee sees that the wording correctly reflects the relationship between the various parties involved in a retakaful agreement and the mechanism used. Further, the wording would also clearly define the roles and responsibilities of various parties involved in a retakaful agreement.

The MTA plans to come up with a draft retakaful wording framework soon which would be disseminated for feedback from global industry practitioners as well as the Shariah fraternity.

**Riding on changing trends**

In a panel discussion at the Rendezvous, speakers also discussed the opportunities available to takaful operators arising from changing consumer behaviour.

Mr Erwin Noekman, Vice Chairman of the Indonesia Takaful Association (AASI) said the prevalent use of mobile phones in Indonesia has served as a useful tool to further the reach of microtakaful in the country.



Mr Erwin Noekman

"There are probably more mobile phones than the total number of people in Indonesia and we have found them useful in promoting microtakaful amongst the large numbers of street vendors in the cities," he said.

He added that takaful was a natural fit for micro schemes given the values of mutual cooperation and assistance promoted in Islamic insurance.



Mr Kamaruddin Ali

Mr Kamaruddin Ali, Head of Takaful Business, Consumer Banking at CIMB Islamic said technology is the major driver of changing consumer needs and advocated greater straight-through processing of takaful products, especially through the banking channel.

On the corporate side, issues surrounding cyber security and the rise in CAT events which threatens business continuity, are among the things driving insurance buying behaviour of businesses, said Mr Ahmad Mahfuz Ismail, CEO of Marsh Takaful Brokers, as he sketched the demands in the corporate market.



Mr Ahmad Mahfuz Ismail

The Takaful Rendezvous 2014 was co-organised by Asia Insurance Review and the MTA.





MALAYSIAN TAKAFUL ASSOCIATION

# THE STORY OF GAP CHARTING TAKAFUL GROWTH IN MALAYSIA



CONSULTING PARTNER:  
**ACTUARIAL  
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# Malaysian Takaful Dynamics

A 30th anniversary preview edition

November 2014





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