

Takaful Hare or Tortoise Strategy



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HARE Strategy

 **SPEED**

 **UNBOUND ENERGY**

 **CONFIDENCE**



TORTOISE Strategy



- Ⓐ **STEADY**
- Ⓐ **CAUTIOUS**
- Ⓐ **DETERMINED**

EAGLE Strategy - Hybrid



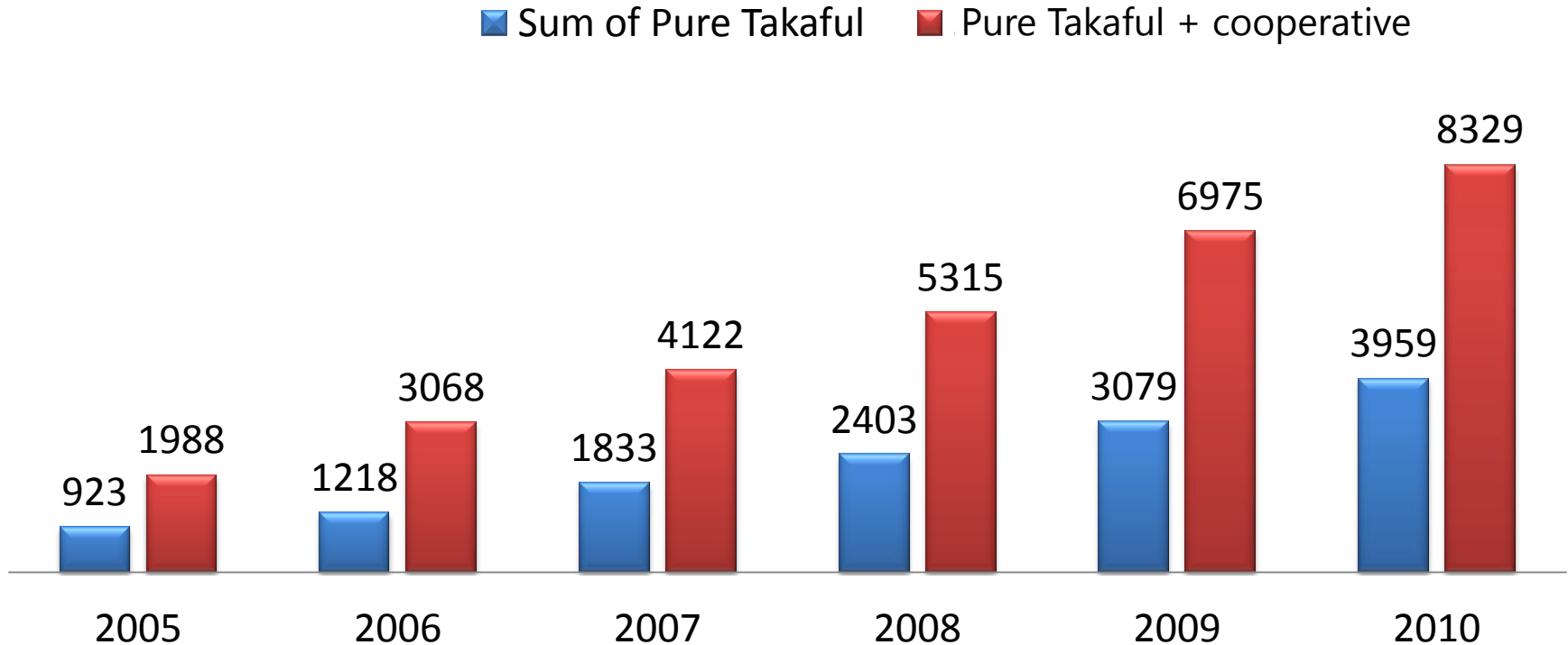
- Ⓐ **DETERMINED**
- Ⓐ **UNBOUND ENERGY**
- Ⓐ **CAUTIOUS**
- Ⓐ **LEAN**
- Ⓐ **PRECISE**



**EAGLE SOARS ABOVE THE
STORM**

**Whereas Other Birds Take
Shelter**

Takaful Industry Growth – E&Y

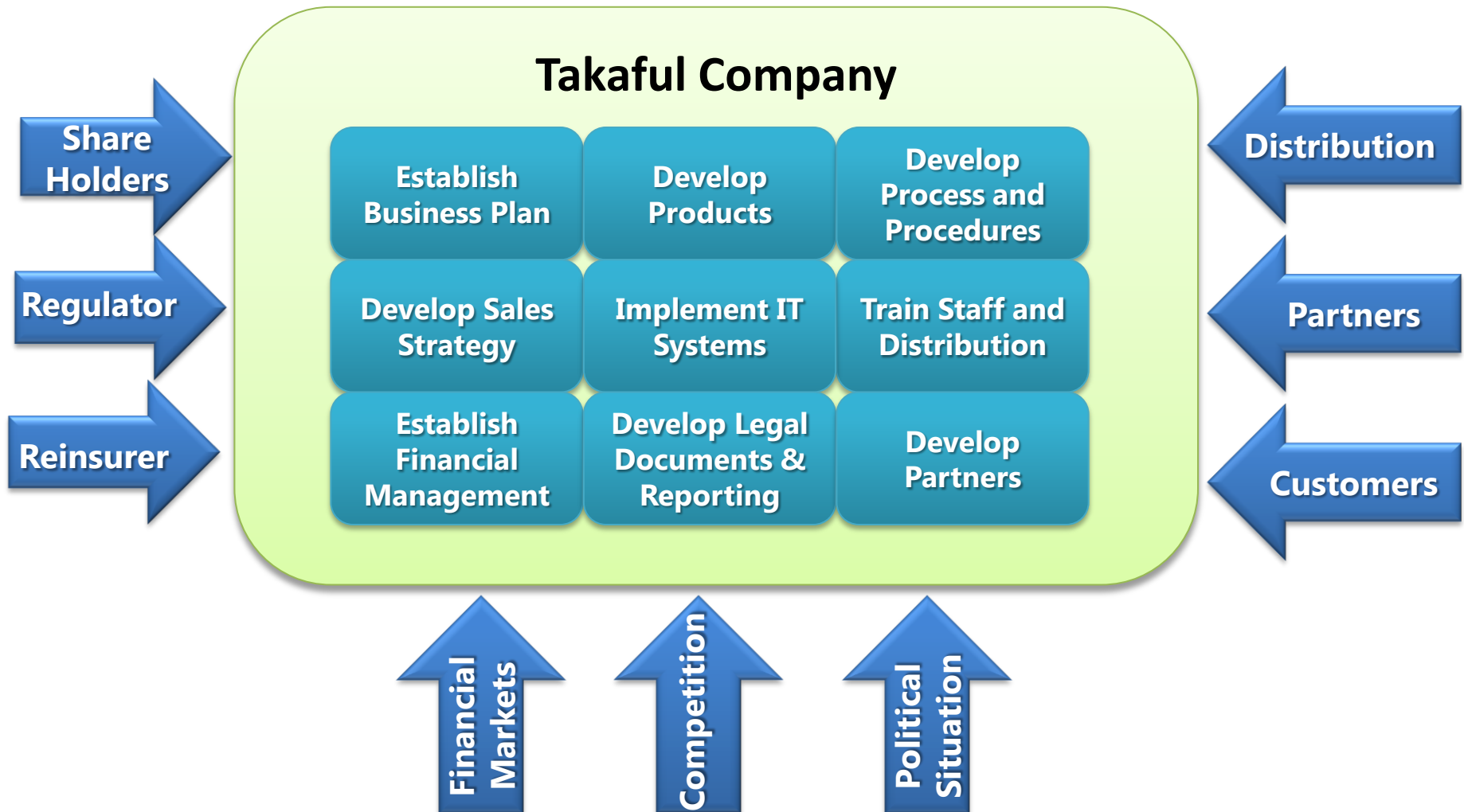


Above Figures in US\$m

Excluding Saudi cooperative contributions, total Takaful Contributions were expected to be reach US\$7b by 2012.

**** Source E&Y – World Takaful Report 2012,**

Takaful Business Environment



Takaful Company Capabilities

Business Management

Products & Marketing	Channel Management	Operations Management	Finance	Support Services	Enterprise Services
Products & Pricing	Sales	New Business	Billing & Collections	Actuarial	Company Admin
Product Configuration	Commissions & Compensation	Underwriting	Payments	Reinsurance	Risk Management
Marketing & Branding	Channel Support	Contract Admin	Investment & Reserves	Information Technology	Partners & Procurement
Customer Education		Claims	General Ledger	Documents & Records	Human Resource Mgmt
Advertising		Customer Services	Financial Reporting	Stakeholder Reporting	Project Management

Technology Vendor

Business Management					
Products & Marketing	Channel Management	Operations Management	Finance	Support Services	Enterprise Services
Products & Pricing	Sales	New Business	Billing & Collections	Actuarial	Company Admin
Product Configuration	Commissions & Compensation	Underwriting	Payments	Reinsurance	Risk Management
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Technology Partner

Business Management					DIRECT
					SUPPORT
Products & Marketing	Channel Management	Operations Management	Finance	Support Services	Enterprise Services
Products & Pricing	Sales	New Business	Billing & Collections	Actuarial	Company Admin
Products Configuration	Commissions & Compensation	Underwriting	Payments	Reinsurance	Risk Management
Marketing & Branding	Channel Support	Contract Admin	Investment & Reserves	Information Technology	Partners & Procurement
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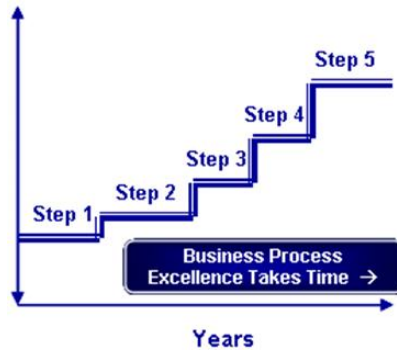
Takaful – Key Challenges



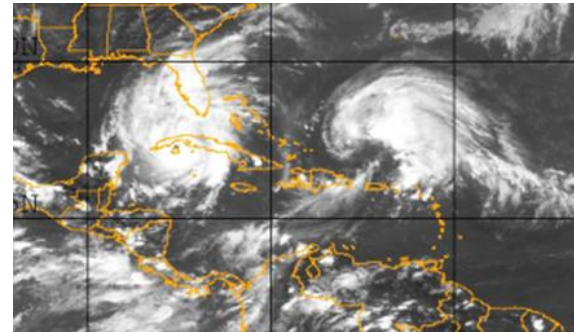
Competition



Expertise



Regulatory Evolution



Climate Risk

Competition – Conventional Insurance

MATURED



VS

EMERGING



Ⓐ **Utilise CAPTIVE CUSTOMER / PARTNER Base**

Ⓐ **Bank**

Ⓐ **Mortgage Finance**

Ⓐ **Large Brokers**

Ⓐ **Hospital (Apollo Hospitals, India – Apollo Munich)**

Ⓐ **Airline (Air Asia, Malaysia – Tune Insurance)**

Use Technology For Speed & Precision With Industry Integration

Synergy - Takaful & Industry

Bank Protects Money



Takaful Protects



Ⓐ Self Service

Ⓐ By Customer, Agent, Re-Takaful, Regulator

Ⓐ Reduce Operating Cost

Ⓐ Self-Service Requires:
Awareness, Engagement and Benefits

Ⓐ Mobile Technology
Customer Service & Interaction Management

- ☐ Customer Service Portal
- ☐ Distribution Channel Portal
- ☐ On-The-Spot Contract

- ☐ Corporate Self-Service Portal
- ☐ Mobile Claims & Service Apps
- ☐ Re-Takaful Integration

CREATE NEW PLAYING FIELDS

STEVE JOBS



TONY FERNANDES

Ⓐ **Aggressive Pricing**

Ⓐ **Conventional / Competition
Product Cloning**

Ⓐ **Need Focussed Products**

Ⓐ **Industry Integrated
Products**



Ⓐ Product Innovation

Ⓐ Banca-Takaful (Part Of Total Wealth Management)

Ⓐ Small & Medium Enterprise (SME) Protection

Ⓐ Micro-Takaful Linked To Micro-Credit

Ⓐ Direct – To – Customer Insurance

Online / No Agents Commission / Quick Claims Processing

☐ Launch Product Variants On-The-Fly

☐ On-The-Spot Direct-Debit

☐ Mobile Integration For MicroTakaful

☐ Online Insurance

Ⓐ “PRE-PAID INSURANCE”



Renewable Packets - 2 Yr / 5 Yr / 10yr

Products For Short Term Covers

Suitable For Young / Non-Resident Generation On Move

Ⓐ Pay As You Use (Motor Takaful)

Ⓐ Highlighted as Critical Challenge By Takaful Industry Watchers (Like E&Y, PWC)

Ⓐ Recent Comment – Takaful Association, Malaysia

Perpetual Challenge

- Shortage of talent
- Staff pinching
- Higher wages without difference in productivity and efficiency

Ⓐ Employ EXPERTISE Rest AUTOMATE

Ⓐ Automation

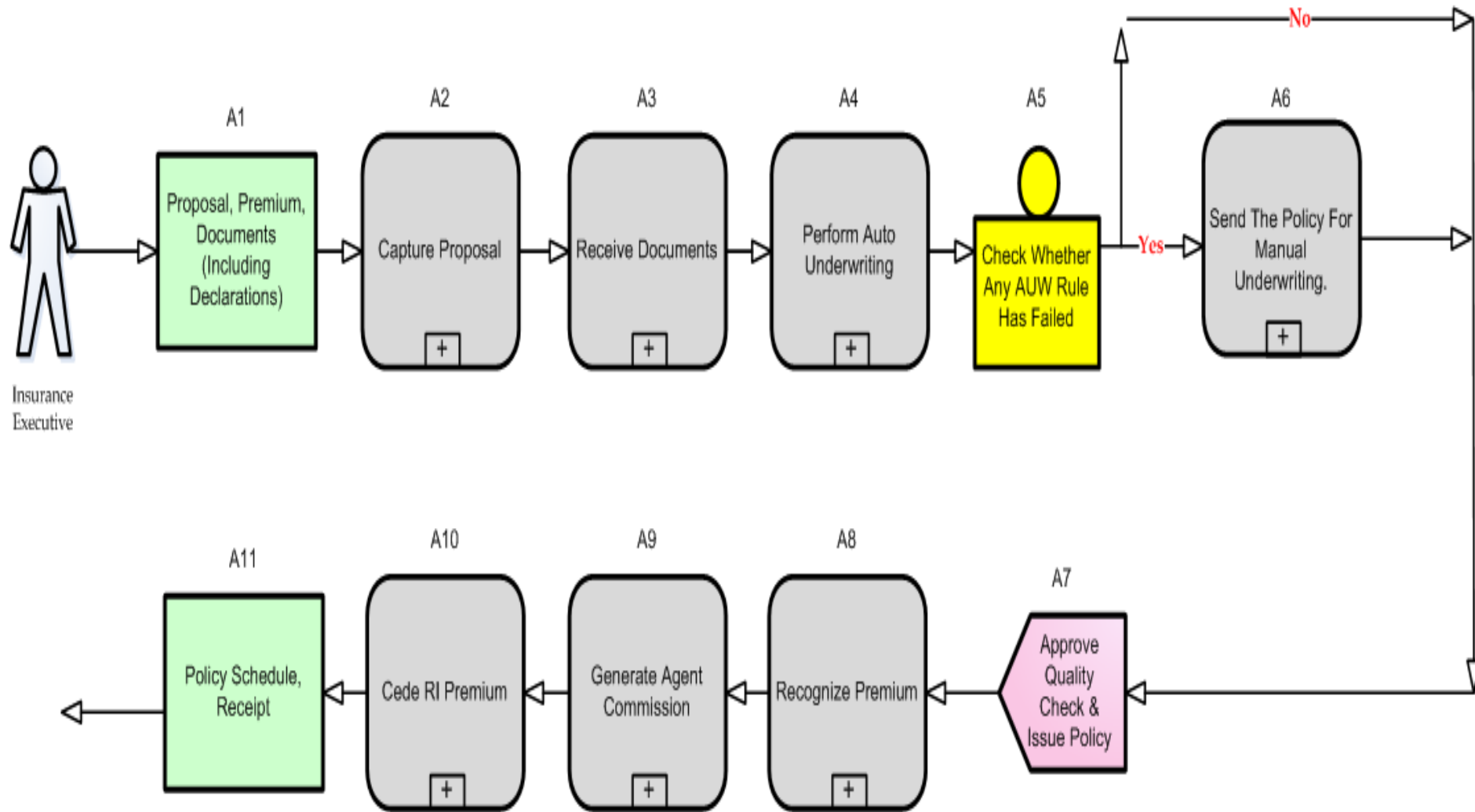
Ⓐ Configurable Business Processes & SOP (Interesting, Interactive & Collaborative)

Ⓐ Use Analytics : Sharper, Broader & Deeper (Handle Velocity, Volume & Variety)

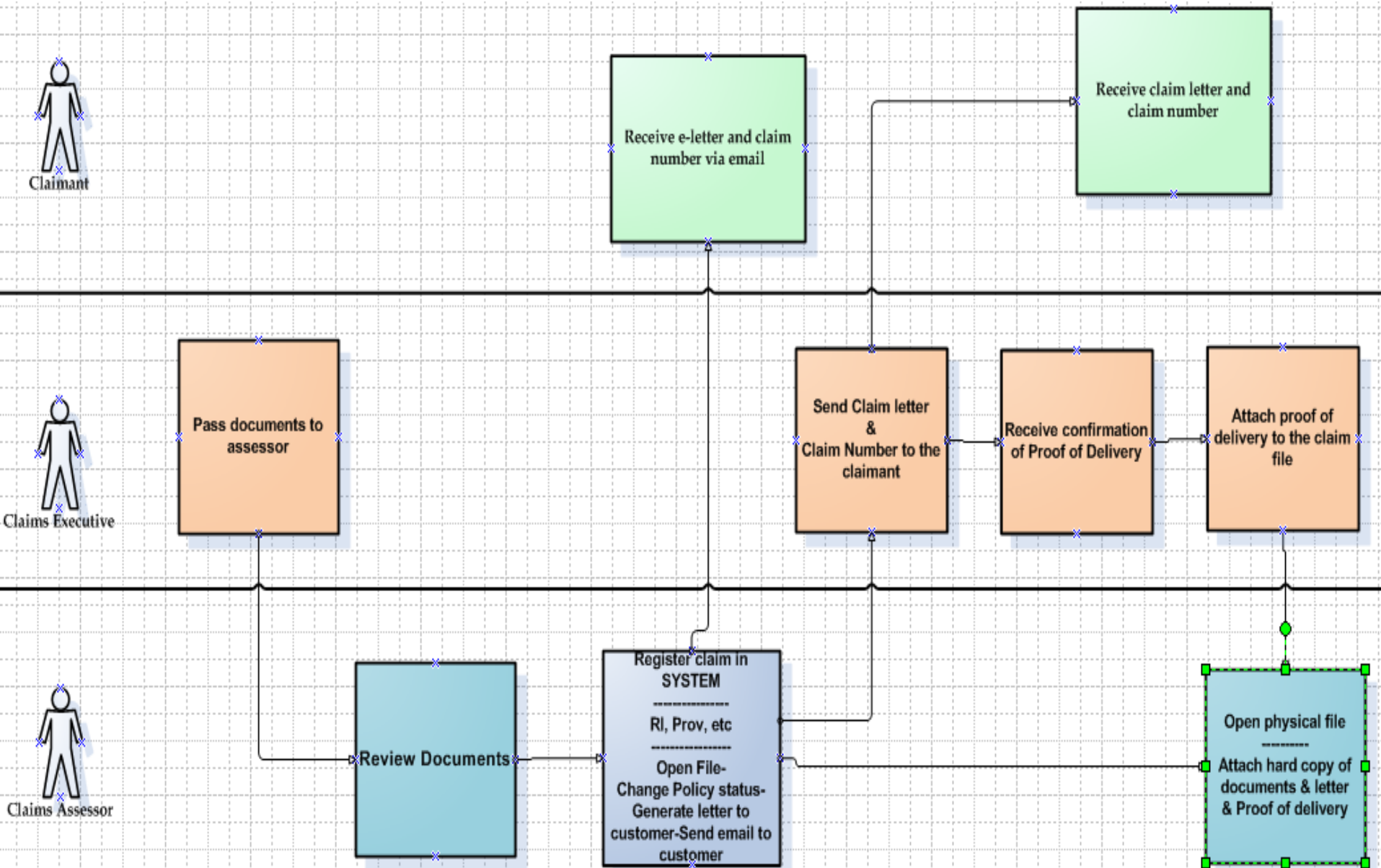
- ☐ Sales Force Automation
- ☐ CRM
- ☐ Business Intelligence

- ☐ Business Analytics
- ☐ Predictive Analytics
- ☐ Big Data

Takaful Expertise (Contd.)



Takaful Expertise (Contd.)



Regulator's Focus : Market Stability & Consumer Protection

- Ⓐ **Takaful Operators Association (Family/General)**
- Ⓐ **Cushion & Cost Sharing For Industry Challenges**
 - Ⓐ Resource Pinching / Unhealthy Competition / Agent Ethics
- Ⓐ **Help Balance Market Control & Market Expansion**
- Ⓐ **Build & Suggest Improvements & Innovations**

Ⓐ Recently Highlighted Inter-Regional Sharing

Bahrain: Make IFSB regulations mandatory, says senior CBB official

Malaysia-based Islamic Financial Services Board's rules and regulations should be made mandatory to bring the industry to the next level

Technology Partner Quick in Implementing Industry Practices

Example - Takaful Accounting



PARTICIPANT'S FUND	INVESTMENT FUND	TABARRU FUND	OPERATORS FUND
Proposal Deposit	Adventurous Fund	Mortality Charge	Wakala
Premium Deposit	Balanced Fund	Claims	Commissions
Payables	Savings Fund	ReTakaful	Service Fees

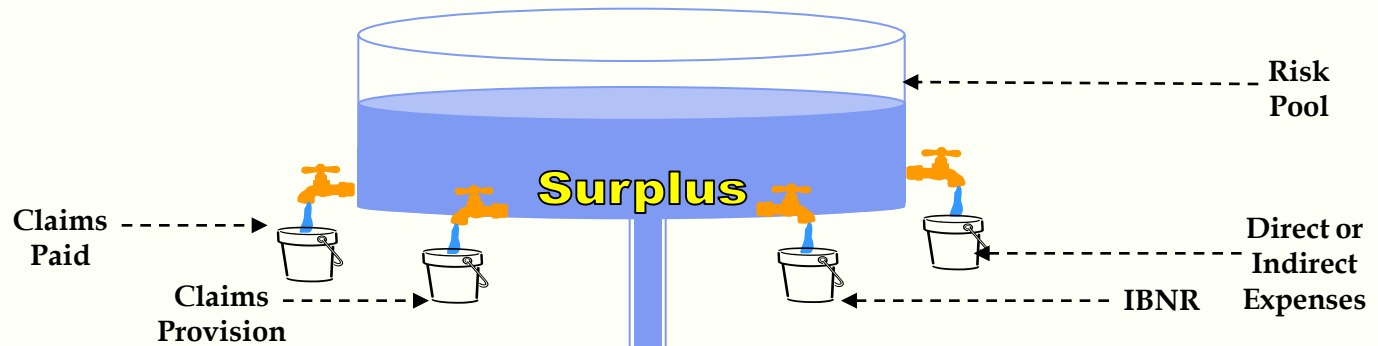
Surplus Distribution →

Individual
Investment
Accounts

Contributions
/ Top-Up

Charge
Dripping

Wakala Fee



AA MWakala

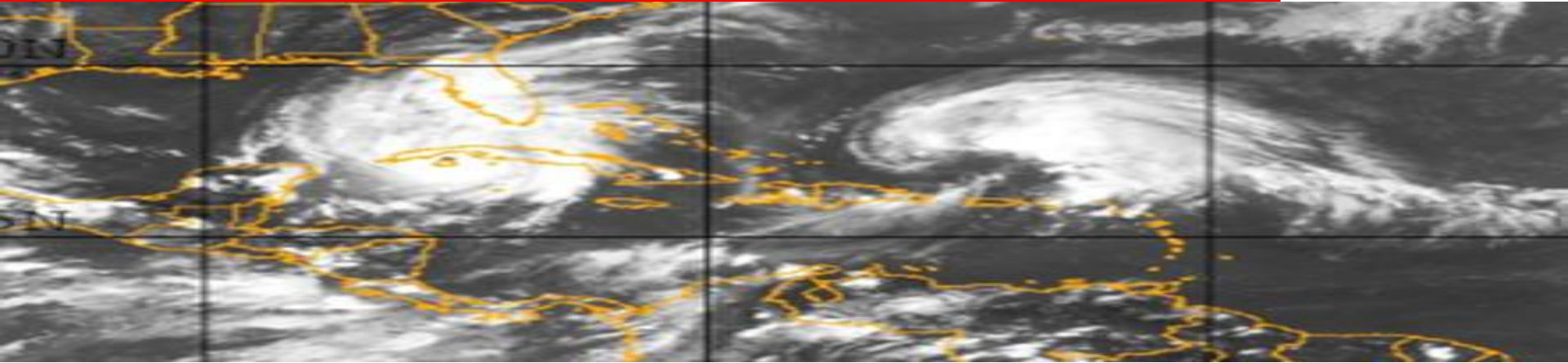
Control
Operator's
Share

50 : 100

Operator's
Share



Participant's
Share



- Ⓐ More Storms coming to East, SE Asia**
 - Munich Re / German Aerospace Centre**

- Ⓐ Re-Pricing By Reinsurance**
 - Affecting Property Insurance Business**

Business Intelligence / Business Analytics / Predictive Analytics



It took them just SEVEN hours to reach their goal

AND SOAR ABOVE THE STORM



- 1. CREATE NEW PLAYING FIELDS**
- 2. UTILISE CAPTIVE CUSTOMER BASE**
- 3. EMPLOY EXPERTISE, REST AUTOMATE**
- 4. FIST STRONGER THAN A FINGER**
- 5. QUICKLY ADOPT BEST PRACTICES**
- 6. SOCIAL MEDIA POWER**

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THANK YOU!

from

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