



## Lessons in Personal Finance – “Are your insurance policies genuine?”

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“Here you go, Mr. Ahmad, your renewed motor insurance policy!” said the insurance agent, handing Ahmad his documents after he has made his payment.

“Thank you very much for your service,” said Ahmad, “My friend was right to recommend you – you give great discounts!”

They laughed, and shook hands as Ahmad left the café where they had their short meeting. Back in his car, he had a final look at his documents to make sure he had everything. He noticed that he was given a photocopy of the policy only. Feeling happy that he had managed to renew his motor insurance at a good price, he thought nothing of it, and went about his day as usual.

Unfortunately, weeks later, Ahmad got into a minor car collision, leaving a nasty dent on his car. Intending to make insurance claims for the damages, he goes into the office of his insurance company, bringing his insurance policy along with him.

“What? What do you mean my insurance policy isn’t valid? I paid my hard-earned money to be insured for this! And now you’re telling me that I’m not covered?”

“Unfortunately, sir, your name and policy number is not in our system. May I have a look at your insurance policy?”

Ahmad hands over his insurance policy and notices the expression on the staff’s face change as she looked at it.

“One moment, sir”, she said as she left her desk. She returned with another member of staff, who introduced herself as the branch manager.

“Mr. Ahmad, unfortunately your insurance policy is not valid as it is not a legitimate document – it is a forged copy of our policies. I believe you may have been a victim of fraud. I’m sorry,” she said, as she hands him an original copy of the company’s insurance policy for a comparison. Indeed, he saw the differences in the two documents –the logos and the fonts. She was right – he had been fooled.

“What do I do now?” said Ahmad, feeling helpless.

“We need you to provide as much information as possible on the agent that you dealt with, so we can make an official report to the police. From there, they can take necessary action against the scammer,” said the branch manager.

With his head in his hands, feeling regret and anger, Ahmad couldn't help but think, “What could I have done differently to avoid this?”

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What could Ahmad have done to avoid a situation like this? It is often difficult for us to identify frauds. But here are some tips and information that may be useful:

**1. Ensure that you only deal with registered takaful operators, insurance companies and general insurance/takaful agents**

Did you know that all takaful operators, insurance companies and general insurance/takaful agents must be registered by the Autoriti Monetari Brunei Darussalam (AMBD)? To make sure that your agent is licensed, you may ask the agent to provide his/her certification from AMBD to verify his/her credentials. Alternatively, the list of insurance companies and takaful operators licensed by AMBD, as well as registered general insurance/takaful agents may be obtained through the AMBD App, which can be downloaded free of charge on both 'App Store' for iPhone users and 'Google Playstore' for Android users; or visit AMBD's website at <http://www.ambd.gov.bn>.

Members of the public who choose to deal with unlicensed and unregulated persons offering financial services or products will not have enforceable contracts, nor the protection afforded under the regulatory framework administered by AMBD. AMBD's regulatory framework aims to safeguard the interests of the public and consumers by ensuring that only competent and qualified persons are authorized to provide financial services in Brunei Darussalam. Any unregistered person carrying on insurance business in Brunei Darussalam shall be guilty of an offence and may be subject to penalties.

**2. Keep your documents safe!**

It is important that you keep your documents in a safe place. These documents will be needed in case any issues arise in the future. In Ahmad's unfortunate case, by keeping his documents, he has evidence that can be used to support that he was a victim of a fraud.

**3. Contact your insurer or takaful operator directly if you have any questions regarding your insurance/takaful policies.**

As with Ahmad's case, policies are normally discovered to be fake when trying to renew, file a claim or obtain information on the said insurance/takaful policy from the Insurance Companies/Takaful Operators.

Remember! It is not a normal practice for insurers/ takaful operators to issue and provide their customers with photocopies of the policies. If you have any doubts or notice dubious practices, you are

advised to contact your insurer or takaful operator directly. Although the story of Ahmad is fictional, we can all learn very real and practical lessons from it to become more informed financial consumers.

For more articles in the “Lessons in Personal Finance” series, you may visit the AMBD website at [www.ambd.gov.bn](http://www.ambd.gov.bn).

To report any fraudulent sale of insurance/takaful policies; or if your policy is confirmed to be illegitimate, please contact AMBD at 2233371; or email [info@ambd.gov.bn](mailto:info@ambd.gov.bn); or by visiting Financial Consumer Issues Services located at the Ground Floor, Dar Takaful IBB Utama Building, Bandar Seri Begawan.