



Address by:

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INSURANCE AND TAKAFUL DAY 2019

Theme: "Protect and Save with Insurance and Takaful"

Date: 18 October 2019 | 19 Safar 1441

Venue: Times Square Shopping Complex

BISMILLAHIRRAHMAANIRRAHIIM
Alhamdulillah Rabbil 'Alamin
Wassalatu Wassalamu 'Ala
Asyrafil Ambiya 'Walmursaleen
Sayyidina Muhammadin Wa'ala alihi
Wasahbihi Ajmain
Wa Ba'adu

YM Haji Osman bin Haji Md Jair, Chairman of the Brunei
Insurance and Takaful Association;

AMBD colleagues

Insurance and Takaful executives

Distinguished guests

Ladies and gentlemen

**ASSALAMUALAIKUM WARAHMATULLAHI
WABARAKATUH**

Introduction

1. Good morning ladies and gentlemen. I am honoured to be with all of you here to officiate this year's Insurance and Takaful Day. This is an important event for the takaful and insurance industry as it brings together industry players, consumers as well as other stakeholders together to call attention to the importance of insurance and takaful.

2. This year's theme of "Protect and Save with Insurance and Takaful" emphasizes the ability of insurance and takaful to provide protection against financial loss, as well as to provide a venue to channel savings for financial future goals. This simple concept allows the industry to be in a position to provide peace of mind to businesses and households in a world that is increasingly unpredictable.

Insurance and Takaful Industry

Ladies and gentlemen,

3. The industry has recorded a steady increase of gross premiums of 60% to BND 294.7 million over the last 10 years. At the same time, the number of life policies has also increased by 133% and the amount of sum assured stands at BND6.3 billion. Endowment policies, in particular, continue to be popular with a tri-fold increase over the last 5 years. These statistics show that insurance and takaful is being seen as a viable option for savings.

4. Meanwhile, on the protection front, over the last 5 years, premiums for property business have increased by 52% to BND23.3 million. During the same period, the industry had paid out BND3 million to businesses and households whom have experienced losses due to fire, flooding, burglary, etc. This figure is a testament to the support that is offered by insurance and takaful in protecting the people, and cushioning them from what would otherwise be severe consequences from tragedies and accidents. Having said that, I firmly believe that the

insurance and takaful can still expand and develop its protection to a larger audience.

Transparency and Awareness in the Industry

Ladies and gentlemen,

5. The first avenue for development that I would like to highlight today is in transparency and awareness. A portion of our society has yet to fully grasp the nuances of insurance and takaful. We often hear misconceptions regarding the fundamentals of insurance and takaful, such as: why should premiums be charged annually when no claims have been made; or, why is there a need for excess when premium has already been paid; and so on. That is why today's engagement is important in eradicating such misconceptions. For this, I would like to applaud BITA and the industry in their efforts towards public engagement and awareness.

6. Whilst on the topic of increasing awareness and transparency, AMBD has been consulting the industry on increasing transparency and disclosure when marketing their products and services. Following this, we have

recently issued Guidelines on Product Transparency and Disclosure. These guidelines ensures that the industry conveys their products and services in a manner that is relatable and easily understood. When information is made readily available, consumers become better informed as well as better protected.

7. Furthermore, as of this year, the industry has been tasked to disclose their financial statements. This is to enhance market discipline and give a clear view of its business activities, performance and financial position.

8. Notwithstanding this, AMBD and the industry had also agreed to focus efforts on enhancing consumer access and experience. In this digital era, we are increasingly seeing how technology and Fintech can be used to advance in these two main areas. I am happy to note that the industry has invested money, time and resources and established good foundations in broadening their reach to customers with the launch of enhanced websites and mobile applications. To further support this goal, AMBD have consulted the industry on the parameters that will act as

guidance for online distribution of insurance and takaful products and services. It is hoped that as consumers' understanding and experience improve, take-up of insurance and takaful can increase and in turn, reduce pressure on household budgets.

[Sustainability in the Takaful and Insurance industry](#)

Ladies and gentlemen,

8. It would be remiss of me not to touch upon another pressing global issue that is impacting the financial sector; that is of sustainability. Living in a world with finite resources, growing empirical evidence mounts towards the need for a sustainable way of living. As consumer demand for sustainable products and services increases, the demand for Environmental, Social and Governance (ESG) disclosures by companies also increase and the financial sector is not exempt from this.

9. In fact, ESG underpins The United Nations Environment Programme "Principles of Sustainable Insurance" set forth in 2012. In this context, Sustainable

Insurance is a strategic approach where all activities in the insurance value chain are done in a responsible and forward-looking way considering risks associated with ESG issues. In 2017, the Sustainable Insurance Forum (SIF) identified 3 sustainability priorities for the sector, which are: Natural Disasters, Climate Change and Access and Affordability.

9. In this regard, AMBD is ensuring we stay informed of the developments of sustainability in the financial sector and urge the industry to continually consider sustainability and environmental impacts in their strategic business approach.

Conclusion

Ladies and gentlemen,

10. Let me conclude my remarks by extending my thanks to the organising committee for inviting me to be the Guest of Honour. I commend the organisers and participants for their efforts today and look forward to more developments in the Takaful and Insurance industry in the areas of transparency and sustainability.

With the kalimah BISMILLAHIRRAHMAANIRRAHIM

I am pleased to officially launch the BITA awareness video.

Thank you.

**WABILLAHITTAUFIQ WALHIDAYAH WASSALAMU'ALAIKUM
WARAHMATULLAHIWABARAKATUH**