



Address by:

Yang Mulia

Awg Yusof bin Haji Abd Rahman,

Managing Director, AMBD

INSURANCE AND TAKAFUL DAY 2018

Theme: “Insurance and Takaful Do Matter”

Date: 5 October 2018

25 Muharram 1440

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;

YM Hajah Rashidah binti Hj Sabtu, Acting Deputy Managing Director (Regulatory & Supervision) of Autoriti Monetari Brunei Darussalam;

Insurance and Takaful executives

AMBD senior officials

Distinguished guests

Ladies and gentlemen

ASSALAMUALAIKUM WARAHMATULLAHI

WABARAKATUH

AND A VERY GOOD MORNING

1. First and foremost, I would like to thank BITA for inviting me to officiate this event. I am happy to note that this annual event continues to be celebrated by East Asian Insurance cities across the region to promote and strengthen the insurance and takaful industry.

2. BITA's chosen theme of "Insurance and Takaful Do Matter" is an emphasis of its importance to everyone, households and businesses alike. The protection that insurance and takaful can provide against financial losses is invaluable, not just from a financial perspective but from a social welfare standpoint as well. A family home destroyed by a fire can be rebuilt with insurance and takaful, but without it, the family would have to deal with the additional burden of unexpected expenses and displacement.

3. In addition, life insurance and family takaful can also assist with a family's financial planning. A consultation with a licensed financial planner or life insurance agent can help

identify gaps in one's finances which can be covered by life insurance or family takaful. Parents can find out how much to save for their children's education or for their retirement commensurate to their earnings.

4. Looking at other instances where insurance and takaful matters, I would like to highlight the impact of natural disasters to economies and all levels of society affected. This year, we have seen Typhoon Mangkhut incurring USD25 million in insured losses in Macau while settlements incurred following the Osaka earthquake in June have reached USD769 million. Following that, we are increasingly hearing about the impact of cyberattacks and the pressing need for cybersecurity measures. In fact, reports indicate losses from cyberattacks are expected to outstrip that of natural disasters. Such risks are complex and often difficult to quantify or anticipate, but we have seen that insurance and takaful matters to many businesses and economies as it has an important role in their risk mitigation strategy by offering cybersecurity coverage, natural catastrophe mechanism, political risk coverage and so on.

Ladies and gentlemen,

5. I am pleased to share that from 2011 to 2017, AMBD have seen an 11.2% growth in industry premiums. Additionally, the number of policies has also increased from 347,282 in 2011 to 593,143 in 2017. Insurance penetration had increased from 1.37% in 2011 to 1.61% in 2017.

6. A contributing factor to the increase in life insurance and family takaful was due to AMBD's requirement for insurance or takaful for unsecured financing. At the same time, there has been an uptake in local capacity to underwrite large and complex risks. At a glance, these numbers seem to indicate a rising awareness among the general public of insurance and takaful. However, I believe there is much more for BITA and its members to do to improve awareness and simplify processes involved in order for us to achieve the targeted penetration rate of 2.0% by 2022.

7. I commend the work carried out to date by industry players in promoting awareness. However, we should also take the time in ensuring the processes in place are easy to

comprehend and transparent. There is a lingering perception that insurance and takaful is difficult to understand and cannot be compared easily. Therefore, I reiterate my recommendation from last year for the industry to not focus their awareness efforts merely for the sake of a sales exercise, but with a view to educate consumers on end-to-end processes and empower them to make informed decisions.

8. I would also like to highlight my past recommendation for companies to leverage on technology in improving their processes and awareness efforts. I understand it is not an overnight process and requires considerable investment, but I believe the benefits that technology would be worthwhile. Today's launch of the QR code for BITA's website is a welcome endeavour.

9. Insurtech is a growing segment within the fintech space and has brought about many interesting innovations. With insurtech, there are companies that offer pay-as-you-go car insurance, almost instant claims settlement, online insurance brokers, insurance policy management and so on. I hope the industry can also explore likewise.

10. In a market this size, I believe that BITA members should find synergies and areas of collaboration to achieve a credible scale and platform to encourage and promote the development of new products and services. A product targeted to improve the welfare of Bruneians and residents, either in the area of savings or health protection, would be most welcomed. Furthermore, a collaborative approach could help achieve the right scale for new technologies rather than being developed by individual companies. Nonetheless, all these would require good cooperation and coordination, strong leadership and governance, renewed focus on improving quality of products and services and more specialised human talent.

Ladies and gentlemen,

11. Looking towards the future, we cannot be complacent. The intricacies of insurance and takaful requires AMBD, industry, consumers and other relevant stakeholders to play their part. I am happy to share that we have already laid out strong foundations towards achieving financial literacy with strengthened market players and qualified intermediaries. In the years to come, we expect to see more

changes, from a regulatory and market development view, which may be painful but nonetheless essential. I hope that we continue to work together to strive towards greater development for the betterment of the society and economy.

12. On that note, I will end my remarks. I would like to once again thank the organising committee for inviting me to the Guest of Honour and commend organisers and participants alike for their efforts today and wish everyone a productive day.

With the kalimah BISMILLAHIRRAHMAANIRRAHIM

13. I am pleased to officially launch the QR Code of BITA's website.

Thank you.

**WABILLAHITTAUFIQ WALHIDAYAH WASSALAMU'ALAIKUM
WARAHMATULLAHIWABARAKATUH**