



Address by:

Yang Mulia

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Managing Director, AMBD

TAKAFUL AND INSURANCE DAY 2017

Theme: "Know Your Insurance/Takaful"

Date: 18 October 2017

27 Muharram 1439

Venue: The Mall, Gadong

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

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

YM Puan 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. I am honoured this morning to join you once again to celebrate the annual Takaful and Insurance Day. From the onset, I would like to thank Brunei Insurance and Takaful Association (BITA) for inviting me to officiate the event this morning.

Ladies and Gentlemen,

2. This year's theme "Know Your Insurance or Takaful" is a very simple yet powerful theme. It is widely acknowledged that the major challenge facing the takaful and insurance industry is a lack of awareness by the population **coupled with poor perception**. It is undoubtedly a very important message and reminder, not just to customers and takaful and insurance providers, but also to the society at large.

3. For customers, it emphasises the need to engage and promote customers' empowerment with information and

knowledge regarding the ins and out of their insurance policy or takaful certificate in order to satisfy themselves that they have obtained the most appropriate protection and level of coverage that suits their needs. It also means that they know beforehand what is expected of them and what they can expect from their insurance or takaful provider should they need to make a claim.

4. The consumers, however, in understanding your rights, must seek to get relevant information about insurance or takaful products, their costs and benefits, processes and documentation involved in the insurance/takaful cycle, and more importantly, the rights and responsibilities of the various parties to an insurance/takaful contract. This will also promote greater awareness among consumers about the means and avenues for redress in the event of dispute or dissatisfaction with any insurance product or service.

5. In a study on the Takaful and Insurance Industry, undertaken by AMBD at the end of 2016, it was found that customers place great importance on the need to understand the product through interacting with

intermediaries or direct sales channels when purchasing life insurance or family takaful before making a decision.

6. This, in turn, means that insurance and takaful providers should provide the necessary tools to help empower their customers and inculcate trust in their services. This could include simplifying their sales processes, spending a few extra minutes with their customers to ensure the customer is well informed of their products and services, or to follow-up with customers and confirm that they understand their insurance policy or takaful certificate.

7. To the society at large, the theme means empowering individuals and businesses with the understanding that insurance and takaful play an integral part of their lives. Without motor insurance or takaful, motorists would not be able to drive their cars on the road. This would also mean that public transportation and the logistics industry would not be able to work as efficiently. Many professionals, such as doctors, lawyers or consultants, would not be able to carry out their jobs without worry if there was no professional indemnity insurance. We see a growing trend

in Brunei Darussalam of people using courier services and postal services to send and receive goods from abroad. Would these people and businesses be willing to send or receive goods from unseen parties without the comfort or protection of insurance or takaful in case the goods get lost in transit, or against seller or buyer's fraud? These are just some of the examples of how takaful and insurance plays a part of our everyday lives without us knowing so.

Ladies and gentlemen,

AMBD places high importance on consumer education and financial inclusion. We support the ambition of His Majesty's Government in nurturing Bruneians to adopt a savings culture. The Total Debt Service Ratio (TDSR) measure is an example of this. AMBD has also been embarking on a series of awareness campaigns on financial services spanning banking, credit bureau, capital markets and insurance, with the intention to raise awareness. At the same time, it is of great importance that AMBD does not stand alone in the pursuit of enhancing consumers' understanding of financial products and services. Instead, to be effective and to ensure a wider scope of coverage of

financial education, there must not only be collaboration and cooperation among relevant agencies, but also commitment in achieving the vision of a financially literate generation.

We strongly believe that sustained consumer education programmes are vital for the development of the insurance and takaful industry in Brunei Darussalam. While it may not translate into immediate sales, it is a sustainable strategy for ensuring the growth of a business portfolio, driven by empowered and more informed consumers.

Ladies and gentlemen,

8. With the technology in the market place growing at a fast pace, consumers are made more aware of what's happening around. Insurers and takaful operators have a crucial role to harness technology and adapt to consumer needs apart from traditional methods. There is a need for new business models and fresh thinking on how we can serve our policyholders better. Today, consumer education, can be seen at its best when using technology. Knowledge is transferred as simple as using social media and mobile

applications. This will also provide consumer empowerment.

9. Insurance and takaful personnel, and intermediaries must be equipped with such technical knowledge and relevant qualifications to fulfil their important role in the market. It is beyond selling products and services, including by establishing a good rapport with consumers, and indirectly serving the nation. This is such a significant part to play and I believe all insurance agents and takaful personnel can make a difference.

10. On this note, I wish you all productive deliberations, not only today, but in your continuous endeavour to realise your theme for the event.

With the kalimah BISMILLAHIRRAHMAANIRRAHIM

11. I am pleased to officially launch the Video Animation for Insurance/Takaful Awareness.

Thank you.

**WABILLAHITTAUFIQ
WALHIDAYAHWASSALAMU'ALAIKUM
WARAHMATULLAHIWABARAKATUH**