



Address by:

Yang Mulia

Dato Paduka Haji Mohd Rosli bin Haji Sabtu,

Managing Director, AMBD

## **TAKAFUL AND INSURANCE DAY 2013**

**Theme: "Protection is Everyone's Responsibility"**

Date: 14 November 2013

Venue: ILIA Theatre, CIBFM

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

YM Madam Helen Yeo, Chairperson of the General Insurance Association of Brunei Darussalam (GIAB);

YM Puan Hajah Lily binti Haji Kula, Deputy Managing Director (Regulatory) of Autoriti Monetari Brunei Darussalam (AMBD);

Insurance and Takaful executives;

Senior AMBD officials;

Distinguished guests;

Ladies and gentlemen;

**ASSALAMUALAIKUM WARAHMATULLAHI**

**WABARAKATUH**

**AND A VERY GOOD MORNING,**

1. I am delighted to be here with you all this morning, in celebrating this year's Takaful and Insurance Day. First and foremost, I would like to take this opportunity to thank the Organising Committee for inviting me as the Guest of Honour and to deliver the opening address.

2. Since the year 2007, the East Asian Insurance Congress cities had recognised "Takaful and Insurance Day" to be a day for the industry to promote public awareness, as well as showcase its products and services. The chosen theme for Bandar Seri Begawan this year is, "**Protection is Everyone's Responsibility**". The theme portrays the symbiotic relationship between the takaful and insurance providers whom provide protection on one side, and the public consumers who seek these products and services on the other side. What is more important is that it also reminds us of the necessary need for all, especially the stakeholders to be involved, and to be responsible in the effort to promote awareness and understanding on the importance of protection.

Ladies and gentlemen,

3. I understand this year's event will be a special and momentous one for the takaful and insurance industry as mentioned earlier by Madam Helen. This year's Takaful and Insurance Day marks the soft launch of the newly formed Brunei Insurance and Takaful Association, in short "BITA". Its members will comprise of all the registered takaful operators and insurers in Brunei Darussalam, thereby fulfilling the legal requirements under the Takaful Order, 2008 and Insurance Order, 2006.

4. BITA will provide an important platform for member companies, to foster closer cooperation and ties, amongst its members and related counterparts; as well as offering an avenue for their common interests to be heard and represented at both domestic and international levels. I trust that BITA will continue to carry on the good work of GIAB and play an active role in furthering the progress and development of the takaful and insurance industry, thereby contributing to the economic development of the nation as a whole.

Ladies and gentlemen,

5. Today, the takaful and insurance industry in Brunei Darussalam comprises of 4 takaful operators, 9 insurers, 1 broker,

1 adjuster and over 600 agents. The industry assets contribute to about 5% of Brunei Darussalam's total financial assets. Since the Insurance Order was enacted in 2006, total premium has grown by 65%, driven largely by general business. This is primarily due to motor business, which is a compulsory coverage by law, and therefore mainly reflects the increasing number of motor vehicles on the road.

6. As of third quarter 2013, there are over 150,000 family takaful plans and life policies in force, which roughly translates to 38% of the total population of Brunei Darussalam. For other types of insurance policies, such as education and medical, market penetration remains relatively low. What these statistics have highlighted was that, there is indeed great potential for increase and higher penetration in the takaful and insurance industry in the country.

7. What are the reasons for this state of play? I believe the lack of understanding and appreciation of the benefits of takaful and insurance would be high on the list. There is still much to be done to improve public awareness and understanding on takaful and insurance products and services. Greater public awareness will lead to better informed consumers, who in turn would be in a better position to make appropriate decisions, thereby hopefully resulting in less misunderstandings and complaints. This is

something which we, the regulators and the industry players, need to look into. We can work together for example, to design and implement appropriate programmes and activities to improve awareness and educate the public on the benefits of protection.

Ladies and gentlemen,

8. AMBD, as the regulator of this industry, strives to ensure a fair, safe and stable takaful and insurance sector for the benefit and protection of participants and policyholders. In this regard, as one of its major initiatives, AMBD will further enhance its efforts in promoting financial literacy in the country, including in the area of takaful and insurance. Mostly recently, these efforts include conducting a pilot Takaful and Insurance Survey as well as preparing information pamphlets for the general public.

9. The Takaful and Insurance Survey was initiated in October this year, with the main objective of assessing the level of takaful and insurance awareness; level of customer satisfaction with current services; and future takaful and insurance needs in Brunei Darussalam. To date, we have received encouraging response from the public. We hope to share our full findings once the exercise is completed.

Ladies and gentlemen,

10. Moving on to market players and its intermediaries, I note that there have been many efforts undertaken by various companies in promoting awareness of their products including through roadshows, exhibitions, conducting public talks and advertisements. At this juncture, I would like to underscore the need for greater transparency and clarity of contracts provided by takaful operators and insurance companies, to ensure that the general public are well informed and aware of the contracts that they entered into. I sincerely hope all these efforts will help to increase more market participation in takaful and insurance.

11. Equally, consumers too play an important role in understanding and keeping abreast with the development of takaful and insurance products and services. By doing so, consumers can get the comfort and peace of mind that they are receiving the right protection and services available to them.

Ladies and gentlemen,

12. I am confident that our collective efforts can narrow the expectation gap between consumers and market players, and thus will help to promote increased market participation, spurring innovation and promoting healthy competition.

13. To conclude, I would like to once again express my warmest thanks to GIAB for their kind invitation and for successfully organising this event. Last but not least, I would also like to record my heartiest congratulations on the establishment of BITA. I believe that this will be the start of many productive industry collaborations and wish you all the best in your future endeavours.

Thank you.

**WABILLAHIT TAUFIQ WALHIDAYAH WASSALAMU'ALAIKUM  
WARAHMATULLAHIWABARAKATUH**