SECURING YOUR FUTURE THROUGH TAKAFUL/INSURANCE

As we mark National Financial Literacy Day (NFLD), BDCB encourages everyone to think about an important part of financial well-being: being prepared for the unexpected.

Financial security is not only about saving money. Unexpected events such as accidents, loss of income, illness, death, or property damage can significantly impact your finances.

Takaful/insurance can provide financial protection against certain risks. If an unexpected event occurs and is covered by the plan, it can help ease the financial burden.

Here are some key considerations to help you make informed decisions about protecting yourself and your loved ones:

1. **Understand the Purpose of Protection**
   Takaful/insurance may help with major medical expenses, accidents or other covered losses. This can reduce the need to use up savings, borrow money or sell assets during an emergency.

   It is not about expecting something bad to happen. It is about being financially prepared if it does.

2. **Assess Your Protection Needs**
   Protection needs vary by age, income, debts, family responsibilities, and stage of life. A young single person, for example, may have different needs from a parent or someone supporting elderly family members.

   Before choosing a takaful/insurance plan, identify what you need to protect, who depends on you financially and how much coverage you may need based on your circumstances.

3. **Choose Coverage Within Your Means**
   Review your income, expenses, savings, debts and existing commitments, including whether you have an adequate emergency fund to manage short-term financial shocks. With this in mind, make sure the takaful contribution or insurance premium you take on is affordable over the long term.

   The coverage you choose should fit within your budget without affecting essential expenses or other important goals.

4. **Understand Before You Commit**
   Takaful/insurance products and services differ in coverage, benefits, exclusions, costs, waiting periods, and claim conditions. Read the terms and conditions carefully, understand the claims

process and ask questions if anything is unclear. If you do not fully understand a product, take the time to clarify the details before committing.

Even if you are young or have savings, it is still important to ensure you have enough financial protection in place for your needs and circumstances. Unexpected events can quickly strain your savings, while takaful/insurance can help cushion the financial impact of certain losses.

Different takaful/insurance products and services are designed to meet different needs, including medical, life, motor, property and travel protection. This does not mean you need every type of coverage. What matters is choosing protection that fits your needs, circumstances, and budget. When considering the right coverage for you, remember to deal only with takaful operators or insurance companies licensed by BDCB.

National Financial Literacy Day (NFLD) is an annual financial literacy event led by Brunei Darussalam Central Bank (BDCB) and supported by the National Financial Literacy Council (NFLC). Among the objectives of this event are to:

1. Enhance the level of financial literacy in Brunei Darussalam;
2. Promote smart money management; and
3. Increase awareness of financial products and services available in Brunei Darussalam.

Together, we can create a financially literate and resilient society.