CHOOSING THE RIGHT PROTECTION: A TAKAFUL AND INSURANCE GUIDE FOR MICRO-, SMALL- AND MEDIUM-SIZED ENTERPRISES (MSMEs)

Every business faces different risks, so there is no one-size-fits-all approach to takaful or insurance. In conjunction with National Financial Literacy Day (NFLD) 2026, Brunei Darussalam Central Bank (BDCB) encourages MSMEs to make informed decisions about protecting their businesses by understanding their risks and choosing coverage that meets their needs.

With a range of takaful and insurance products available, MSMEs are encouraged to speak directly with takaful operators and insurance companies that are licensed by BDCB to learn more about their options. When considering the available products, here are some key points to keep in mind:

- **Identify key risks that could affect your business**
  Begin by understanding the specific risks your business may face based on its industry, size, operations and location. These may include property damage, equipment breakdown, theft, cyber incidents, business interruption, employee-related risks or liability arising from interactions with customers and third parties. Identifying these risks can help you determine the type and level of protection your business may need.

- **Focus on coverage, not just cost**
  While affordability is important, the lowest takaful contribution or insurance premium may not always provide the protection your business needs. Compare the scope of coverage, coverage limits, exclusions, deductibles or excess, and any additional benefits offered. Choosing appropriate coverage can help reduce the financial impact of unexpected events and support business recovery.

- **Understand your coverage**
  Before making a decision, take time to understand what is and is not covered. This includes the scope of coverage, exclusions, coverage limits, deductibles or excess, and the claims process. Ask questions if anything is unclear and compare the options available to help you make an informed decision and ensure that important risks are not left uncovered. If you are unsure about the type or level of protection your business may need, speak directly with a takaful operator or insurance company licensed by BDCB for further guidance.

- **Review and update regularly**
  Your business needs may change as your business grows, expands into new markets, purchases new equipment, hires more employees or introduces new products and services. Review your takaful or insurance coverage regularly, particularly when significant changes occur, to ensure your protection remains adequate and to avoid gaps or unnecessary duplication in coverage.

Selecting suitable takaful or insurance coverage is an important part of managing business risks and building long-term resilience. By understanding the risks your business faces, knowing what your coverage provides and reviewing your protection as your business evolves, you can make more informed decisions and be better prepared when unexpected events occur.

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.