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PROMOTING TAKAFUL AROUND THE GLOBE

Role of Insurance Intermediaries

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TAKAFUL AND RETAKAFUL RELEVANCE TODAY



- Takaful needs no introduction in countries with predominance of believers; what about the rest of the world?
- Takaful accepted in form all over; what about in substance?
- Are the regulators facilitating Takaful?
- Trained Professionals in Takaful; do we have self sufficiency here?
- Inter relationship between Shariah Scholars and Insurance Scholars; do they understand each other's expectations?
- Capacity; is there a match between demand and supply?

ROLE OF INTERMEDIARIES IN INSURANCE IN GENERAL



Direct Brokers:

- Bring customers and insurers together
- Managing Risks for customers
- Product Innovation
- Right solutions for right exposures
- Sourcing best products at optimum prices
- Widening Distribution base for insurers
- Training and Development

ROLE OF INTERMEDIARIES IN INSURANCE IN GENERAL... Cont'd



RI Brokers:

- Bring Reinsurers and insurers together
- Vetting of Securities – on ongoing basis
- Sourcing capacity for insurers
- Right balance sheet protection advisory for insurers
- Product innovation coupled with capacity mobilisation
- Administering insurance – Managing Agencies

ROLE OF INTERMEDIARIES IN TAKAFUL



Direct Brokers:

- The same role as they perform for insurance in general; and
- Spreading the concept of takaful amongst the public in general – both believers and non believers
- Arranging Takaful for customers in need

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RI Brokers:

In addition to those performed for insurance in general:

- Sourcing Retakaful capacity
- Incentivising Conventional Reinsurers to diversify into Retakaful
- Technical Support to Start up Takaful Companies
- Introduction of products suitable to takaful
- Innovating Facultative Solutions for Mega Risks

CONCEIVING TAKAFUL CONCEPTS



- Conceptualising Takaful in different markets
- Selling the idea to potential investors
- Feasibility Studies – viability of takaful
-
- Takaful Models to be adopted - based on shareholders' tastes and market outlook
- Offering Technical/ Logistical Support
- Conveying Regulatory Framework from developed takaful markets
- Contribution in generating fresh Retakaful Capacity

SHARIA'H COMPLIANT PRODUCT STRUCTURING



- Stressing on substance, not forms
- Monitoring the operations – Sharia'h supervision
- Adaptability to changing needs
- Protecting the Promoters – Focussing on ERM

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SOURCING RETAKAFUL CAPACITY



- Bringing the markets closer
- Sourcing from different territories – helps spread the risk
- Benefits of Healthy Retentions – for policy holders and shareholders
- Innovating Retakaful Structuring for the benefit of the Takaful pool

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EXPLORING INVESTMENT OPPORTUNITIES



- Locating Sharia'h compliant funds
- Sourcing for the benefit of the Takaful pool
- Monitoring Compliance and well being of funds
-
- Identify investment opportunities
- Innovation and Diversification in investment funds

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TRAINING AND WORKSHOPS



- Shortage of talent and expertise
- Wide variations in practice
- Differences of opinion amongst different schools
-
- Need for Uniformity in practice
- Training and Workshops can help

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SUMMARY

- Takaful and Retakaful – Increasingly relevant today
- Areas of improvements in principles and practice of takaful are plenty

Intermediaries can play a big role by

- Better conceptualisation of Takaful
- Innovative Product structuring
- Sourcing adequate Retakaful Capacity
- Identifying Investment opportunities
- Training and Development



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