



Part V: Innovations in Takaful Products

What's New in Takaful's Products Range?

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The Langham Hotel, London

... is a Millea Group company



- Established in 1879
- London, Paris and N.Y. offices opened in 1880
- Mille Holdings, Inc. created in 2002
- Total Assets: USD 132.62 billion
- S&P Rating: AA
- Overseas Network: 36 countries and 260 Cities
- Non-life, Life, Takaful and Asset Management as core business
- Medical Services, Risk Consulting, Road Assistance, etc.

Tokio Marine (continued)



Strong commitment to Takaful business

	Saudi Arabia	Bahrain	Malaysia	Singapore	Indonesia
Tokio Marine	D		D	R	D
HSBC	D		D	D	
Prudential	D		D		
AIG		D			
AVIVA			D		
Allianz					D
Hannover Re		R			
Munich Re			R		

* Source: Speaker's Own D: Direct Takaful Operator R: Retakaful Provider

Tokio Marine (continued)



Takaful Joint Venture with Hong Leong Group in Malaysia

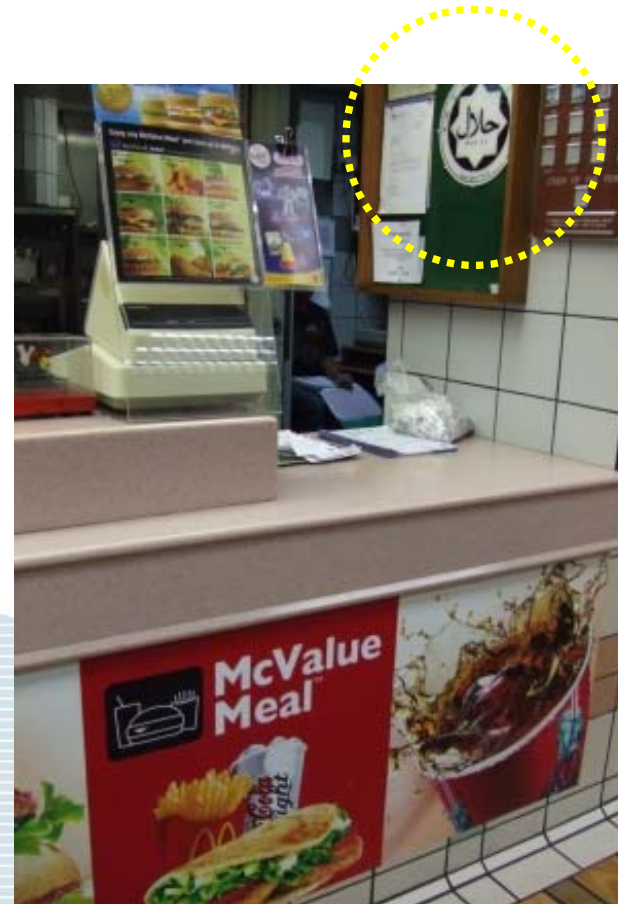


Takaful - is it just for Muslims?

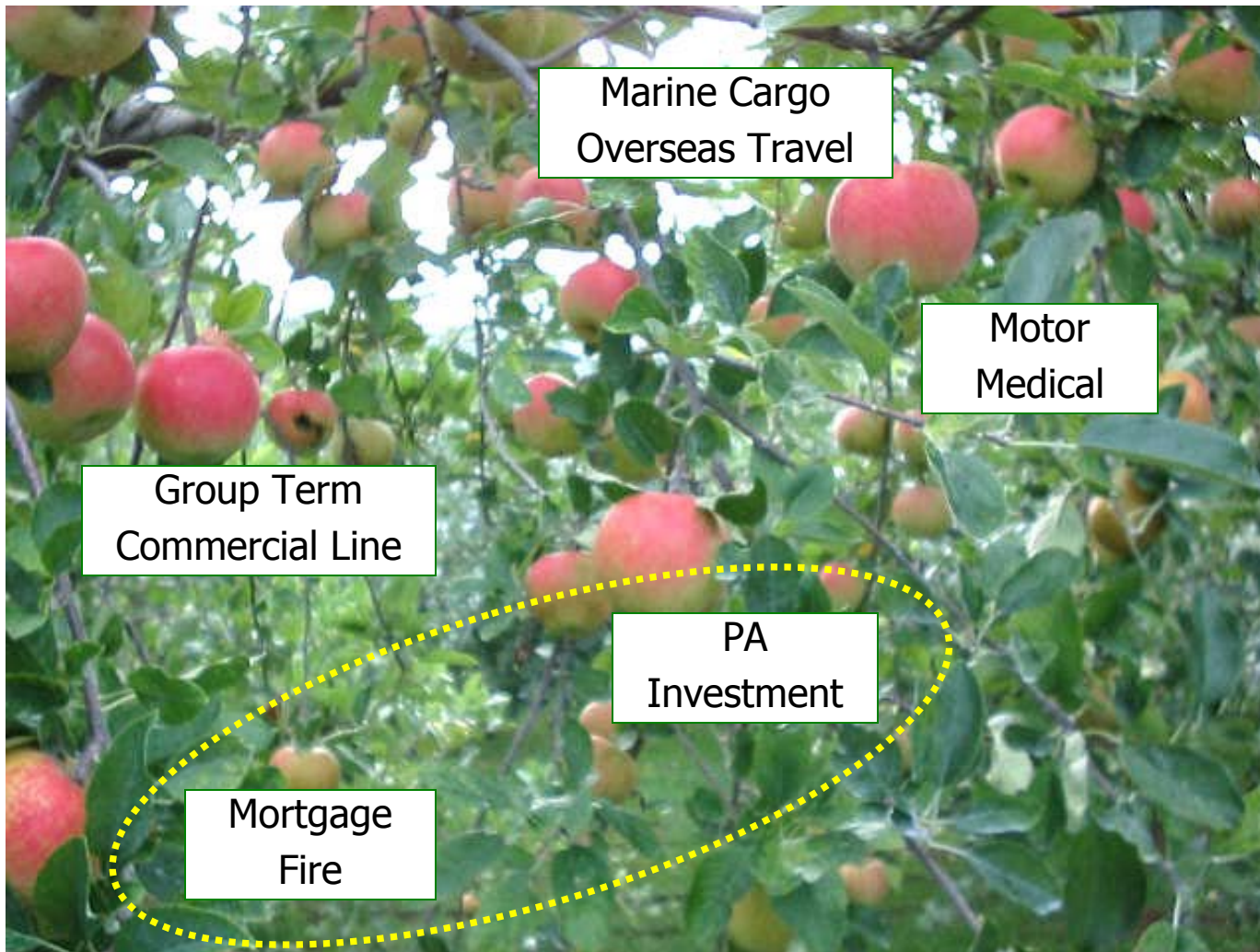
- Takaful was originally invented by and developed for the convenience of Muslims
- In reality, not an inconsiderable number of non-Muslims also enjoy the comfort of being participants of Takaful schemes
- It would be more appropriate for us to define Takaful simply as Takaful – not as Islamic Insurance nor Islamic alternatives of insurance
- Takaful should be widely promoted to All people as an effective, fair and transparent measure of risk mitigation

Contributions by Global Financial Groups

- Security
- Cost Efficiency
- Quality of Services
- Overseas Network
- Asset Management Skills




Product Development from Lower Hanging Fruits



Products Range (continued)

A trial to develop the first Composite Takaful product


- A combination of MRTT and Long-term Fire Takaful



Comprehensive Mortgage Takaful

Comprehensive Mortgage Takaful

New in Malaysia
Your financial burden will be mitigated in the event of Death or Total Permanent Disability (TPD) of the houseowner and loss or damage to your house due to fire or other named perils.



What is Takaful?
Takaful is a concept of mutual guarantee which is in compliance with Shariah principles. Contributions collected from participants are pooled together to provide for the benefits in the event of losses suffered by any of its members or participants. Hong Leong Tokio Marine Takaful Berhad (HLTM Takaful) as a Takaful operator is entrusted to properly invest and manage this mutual fund.

What is HLTM Takaful's Comprehensive Mortgage Takaful (HLTM Takaful-CMT) plan?
This is the first composite Takaful scheme in Malaysia. In the event of Death or Total Permanent Disability (TPD) of the houseowner, or the occurrence of fire or named perils on the house, you and/or your family members may have to continue servicing the outstanding financing of your house. With our HLTM Takaful-CMT plan, the financial burden arising from the occurrence of any of the above events is covered on a long term basis.

How does our HLTM Takaful-CMT plan provide the coverage for the various perils?
Our HLTM Takaful-CMT is a single contribution plan. In the event of Death or TPD, a reducing Takaful benefit is payable from the Risk Fund. The payable amount is expected to match the outstanding mortgage. Our HLTM Takaful-CMT also has a special feature where you, as the Certificateholder or your nominee will be paid the excess from the accumulated Participant's Fund, if any.
In the event of damage caused by fire or named perils during the coverage period, our HLTM Takaful-CMT plan provides Takaful benefit. The payable amount will be made from the Risk Fund to the Master Certificateholder or to the participant (if financing is completely settled). The named perils include explosion, impact damage by road vehicles or animals, flood, windstorm, aircraft damage, bursting or overflowing of domestic tanks, apparatus or pipes et cetera.

Exclusions to the Takaful coverage
The Death or TPD benefit shall not be payable if the Death is due to or arising from suicide or attempted suicide and/or other causes prohibited by civil, criminal laws and/or by Shariah. Under such circumstances, only the value of the Participant's Fund at the time of Death will be payable.
No benefit shall be paid if the TPD is due to AIDS, strike, riot, war, aerial activity other than as a fare-paying passenger of a scheduled air flight or the influence of intoxicants.
For fire or named perils coverage, benefits will not be paid if the loss or damage is caused by war, mutiny, riot, acts of terrorism and other specified events.

How is the Participant's contribution allocated?
An upfront wakalah fee will be deducted from the single contribution made by the Participant. The wakalah fee goes into the Operator's fund to cover operating costs. The balance of the Participant's single contribution will go into a savings account (Participant's Fund) from which periodic donations (tabarru') will be made into the Risk Fund.

How will the contribution in the Participants' Fund and Risk Fund be invested?
Both funds will be invested in compliance with Shariah principles. The investment profits (in case of Participant's Fund, after deduction of the Operator's share) shall be kept in the respective funds.

How are surpluses, if any, from the Risk Fund treated?
Any surplus exceeding reserves may be donated by the Operator to charities selected by the Operator as advised by the Operator's Shariah Advisory Committee.

What happens if the Risk Fund is insufficient to pay for the benefits?
The Operator will provide a benevolent loan (Qardhul Hasan) to ensure continued solvency of the Risk Fund to pay the benefits. This loan will be repaid in time from emerging surpluses that may arise in the Risk Fund in subsequent periods.

Eligibility

Term	Minimum : 5 years Maximum : 30 years (subject to expiry age of 65 years)
Entry Age	Minimum : 18 years old Maximum : 60 years old
Sum Covered	Minimum : RM 70,000.00 (subject to underwriting approval)

What would be the acceptance procedure to participate?
You are only required to fill in a simple Application Form. However, HLTM Takaful may require additional information from you if deemed necessary. This may include a medical examination, the cost of which, will be borne by HLTM Takaful.

Notes:

- You should satisfy yourself that the plan will best serve your needs and that the contribution payable under the contract is an amount you can afford.
- This leaflet is merely for brief information and is not intended to be the basis of a contract of Takaful. The information contained in this leaflet may be changed without prior notice. The precise benefits, terms and conditions and other details of coverage are set out in the Master Certificate.
- In the event of any dispute or ambiguity arising out of the Bahasa Malaysia translation in this leaflet, the English version shall prevail.

For more information, email us at ReachUs@hitm.hongleong.com.my or visit our website www.hitmt.com.my.

Hong Leong Tokio Marine Takaful Berhad

Products Range (continued)

CPIL (Capital Protection Investment Linked)

- 3 years investment with capital protection upon maturity
- Collaboration with Citibank Berhad as the structure provider
- Over RM 100 million (USD 30 million equiv.) sales in the first offer

HL Tokio Marine Takaful unveils capital protection plan

■ By Jeeva Arulampalam
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HONG Leong Tokio Marine Takaful Bhd has launched its first Capital Protection Investment-Linked scheme, with Citibank Bhd providing protection on the principal.

This new scheme is a three-year syariah-compliant principal protected investment benchmarked against the performance of two asset classes; real estate indices and commodities.

"This product's returns will be benchmarked against two property-related indices, European Public Real Estate Index and the Tokyo Stock Exchange HEIT Index, whereas the underlying commodities are oil, copper and zinc," said Hong Leong Tokio Marine Takaful chief executive officer Ezamshah Ismail at the product launch yesterday.

The investment-linked scheme will either be property- or commodity-biased, based on the best performing class with the highest return.

Ezamshah said the commodities basket was chosen due to the strong demand and supply backed by the Chinese and Indian economies, while high rental demand in Japan would allow the index to grow further.

"Back testing on the investment returns of this product was 15 per cent per annum. Hopefully, we can achieve similar returns," he said. Citi Malaysia country head for markets and banking Sanjeev Nanavati said this product had the highest participation rate in the market of 70 per cent compared to others, with roughly a 40 per cent participation.

He added that the product had

been approved by syariah scholars locally and in the Gulf, which helped in ensuring the harmonisation and building of ties between Malaysia and the Middle East.

While Ezamshah said there is no limit set on the fund size yet, the minimum fund size is equivalent (in ringgit) to US\$10 million (RM35.2 million) based on the product's brochure.

Initial investment starts at RM10,000 up to a maximum of RM2 million per investor. The takaful protection is up to 125 per cent of single contribution should death occur during the three-year term.

The product, distributed through Hong Leong Bank, has an upfront fee of 3 per cent.

Ezamshah said the scheme was suitable for investors who would want to invest in a global structure but were unsure due to the rapid changing market environment.



Ezamshah (centre) fielding questions at the product launch. Looking on is Sanjeev (right) and Hong Leong Bank general manager, wealth management, Karen Ng

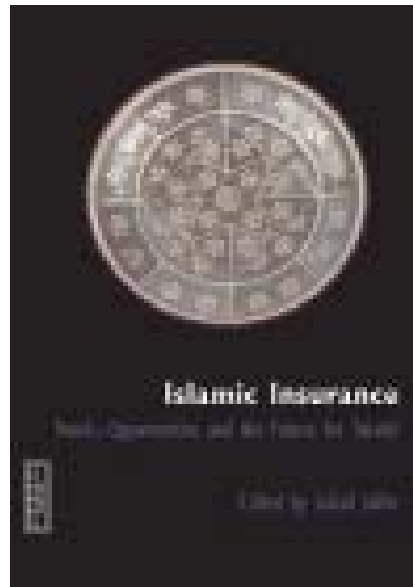


Thank you for your attention



Reference

“Islamic Insurance - Trends, Opportunities and the Future of Takaful”
Edited by Sohail Jaffer (Euromoney Books)



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