

# VISION

Takaful International Company | Quarterly Newsletter | March 2011 | Issue 16

## Special Interview with Mr. Younis Jamal Al Sayed



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Dear Readers,

Since the start of our first newsletter on 5th July 2005, we have pledged our commitment to inform and update you all about the developments and news in attaining Takaful international goals.

We are pleased to present the 16th edition of our quarterly newsletter 'Vision' with a fresh new look that reflects Takaful's Vision in line with the company's 22nd Anniversary and we hope it meets your expectations and would be glad to receive your comments and suggestions on the following email: [noor@takafulweb.com](mailto:noor@takafulweb.com)

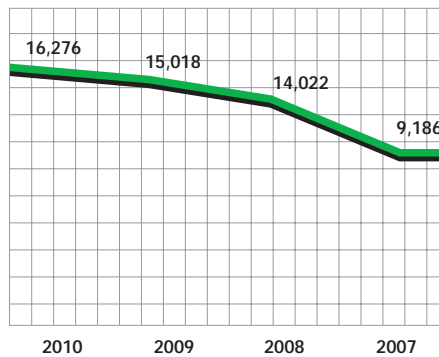
In closing, we wish you all a year filled with happiness and prosperity, blessed with love and success, enjoy your read!

Editor in chief,  
Noor Al Nasser

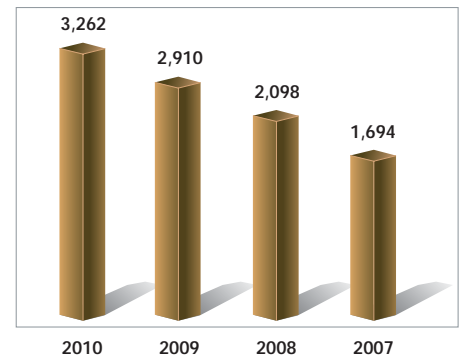
## Financial Results

| Particulars                                      | 4th Q  |        |        |       | GrowthRate Q4<br>2010/09 |
|--|--------|--------|--------|-------|--------------------------|
|  | 2010   | 2009   | 2008   | 2007  |                          |
| Gross Contributions                              | 16,276 | 15,018 | 14,022 | 9,186 | 8%                       |
| Underwriting Profits                             | 3,262  | 2,910  | 2,098  | 1,694 | 12%                      |
| Participants Net Surplus                         | 464    | 405    | 351    | 147   | 15%                      |
| Shareholders Net Profit                          | 167    | 155    | 98     | 76    | 8%                       |
| Net Unearned Contribution and Technical Reserves | 4,148  | 3,728  | 3,546  | 2,686 | 11%                      |

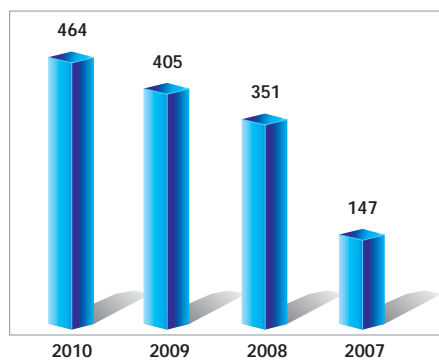
Gross Contributions



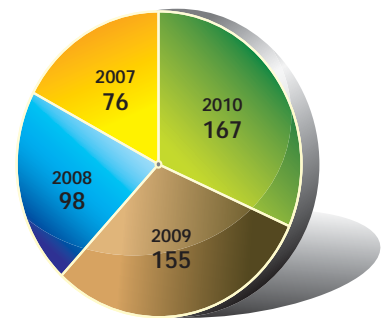
Underwriting Profits



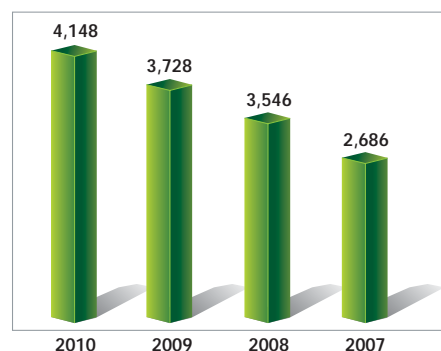
Participants Net Surplus



Shareholders Net Profit



Net Unearned Contribution and Technical Reserves



## About Insurance

The fundamental nature of insurance is based on the ideology of voluntary cooperation among group members, in order to hedge the possible future risks which may or may not take place, and distribute the losses amongst all members instead of only one. This cooperation stems from a person's need to protect himself and all his assets from potential danger, so in this frame people protect themselves as individuals and as a group.

Insurance companies play an important role in organizing and managing this framework, since insurance operates through pooling resources. The majority of insurance policies are provided for individual members of large classes, allowing insurers to benefit from the law of large numbers in which predicted losses, with the fee being dependent upon the frequency and severity of the event occurring.

In general, insurance is defined as the equitable transfer of the risk of a loss, from one entity to another, in exchange for payment in case of loss, in order to return the insured to the position he enjoyed before the loss occurred.

Despite all the definitions of insurance, it ultimately revolves around one clear goal which is to protect the insured and his or other properties from potential risks or harm.

Insurance today is being operated by specialized companies that deal with a large number of policy holders. The business model is simply to collect more premium and investment income than is paid out in losses, where the capital will stay reserved and the profit concept may be summarized in a simple equation: Profit = earned premium + investment income - incurred loss - underwriting expenses.

Insurance plays a major role in modern societies, besides the protection and safety nets insurance offer to society; it also supports the economic growth.

Insurance has various effects on society through many ways as will be discussed here:



• **Contribution to the total local profit:**  
Insurance serves a number of valuable economic functions that are largely distinct from other types of financial intermediaries, which contributes to the total profit and the development of the economy.

• **Compilation of savings:**  
The role of insurance is clearly shown in the compilation of national savings to finance the economy plans and is applicable to all types of insurance.

• **Protect the funds and the rights of the insured & investors:**  
Insurance companies are working to protect the rights of the insured and investors through the assets and investments of these companies, in addition to the provisions for unexpired risks and provision for compensation as well as provision for emergency and other aspects.

• **Employment of national manpower:**  
Insurance contributes in providing job opportunities either directly (through

companies, brokers and insurance agents) or indirectly (through Banks that practiced Bancaassurance – and other major companies that have departments relating to insurance)

• **Contributes in the stability of families and businesses:**

For Individuals: insurance provides the opportunity for individuals and families to return to their financial and social conditions they enjoyed before loss occurs.

For institutions: insurance compensation for losses occurred, provide companies the chance to continue working and producing, and that reflects positively on the business stability of the company, where the employee keeps his job, and continues to work normally before the loss occurs.

• **Safeguarding the future:**

Insurance has an essential role in securing the future, and from here its social importance arises; as Security of dependents is made possible through family assurance. It gives relief to helpless families after the death of the earning member of the family.

• **Removing fear:**

Insurance helps to remove various types of fear from peoples minds. The insured is secure in the knowledge that the protection of the insurance fund is behind him if any loss occurs. It thus creates confidence and eliminates worries which are difficult to evaluate, but the benefit is very real.

• **Reduction of the chances of loss:**

Insurance companies spend large sums of money with a view to finding out the reasons of fire accidents, theft and robbery and suggest some measures to prevent them. They also support several medical programmes in order to make the public safety minded. Without such loss prevention activities of insurance companies, the chances of loss would have been greater than they are at present.

**Resources:**

<http://forum.moe.gov.om/~moeoman/vb/showthread.php?t=215741>

<http://www.ilo.org/global/lang--en/index.htm#3>

<http://hubpages.com/hub/Importance-of-Insurance>



## Special Interview with Mr. Younis Jamal Al Sayed

In a special interview with Takaful International quarterly newsletter 'Vision' - Mr. Younis Jamal Al Sayed assured that the new strategy adopted by the company will focus on the quality of the services, innovative insurance solutions, and overseas expansion as the company will open a new branch in the State of Qatar shortly.

He added saying that the Qatari market has become a promising market in the region, especially after being elected to host the

World Cup in 2022 and anticipate great progress in the insurance sector in 2011.

In light of this, following is the interview with Mr. Younis Jamal, CEO of Takaful International:

### 1. How would you summarize the company's financial results of 2010?

The company was able to overcome a lot of challenges and economic instability on a regional and international level and has achieved a remarkable growth for its financial year 2010. The company attained significant expansion in the proportion of total insurance contributions, which amounted to 8% over the same period of the year 2010 and insurance contributions amounted to BD 16.2 million compared to BD 15 million last year. Total revenues amounted to BD 8.7 million from BD 8.1 million compared to the same period last year, profits of insurance operations listed 12% growth were up to BD 3.26 million, compared to BD 2.91 million last year.

In general, the company's results confirm our ability to deal with all the variables of Bahrain insurance market and adapt to diverse indicators of financial markets, as exhibited by our achievements of 2010 which are in line with our strategy and vision of the future.

### 2. Is there any new market that you aim to expand in Bahrain or abroad in 2011?

The company has policies and clear strategies with regard to its internal & external expansion; I can state that the company has already started promoting its services to companies and institutions in the State of Qatar recently, after obtaining the license and all approvals from the concerned authorities, including Qatar Financial Centre.

We have set a suitable plan and the company is going ahead with implementing the strategic tactics and goals in expanding within and outside the Kingdom of Bahrain, as we aim to be present in various cities in the Kingdom along with expanding in the GCC, in order to provide the best services and insurance products featured.

The new branch will begin with offering a broad

range of products to corporate customers, that includes a wide range of commercial products and major accounts such as Property, Aviation, Marine, Engineering and Financial Institutions along with other services compatible with the foundations of Islamic Sharia.



### 3. How do you see the future of the insurance sector in this year 2011?

This year we expect to undertake a number of remarkable steps and changes in the insurance market while ensuring steady progress will continue, as the company seeks to acquire the largest segment of the insurance market and attract new business to the market considering we are a leading Islamic insurance company in the region.

We aim to provide high quality services in addition to the expansion pursued by the company locally & regionally which in return provides a good environment for company growth and an increase in the company's retained reserves which make us optimistic about the future of the insurance market.

### 4. What are the major electronic projects that you intend to do this year? And are there any new innovative products to rise above the competition bar in the market?

In line with the aspirations of Vision 2030 and

the development witnessed by the Kingdom of Bahrain, we decided to adopt an approach which encourages the development process on a permanent and continuous line with the current era.

We recently launched our new service "Takaful Online" via the website on the Internet; through which the customers can inquire and obtain quotations for various services, car insurance, travel and home as well as insurance to domestic, marine insurance and other insurance services. Documents are obtained and renewed electronically for reporting of claims and presenting new proposals to policyholders. In addition, we have launched the distinguished service of electronic auction via the Internet, which is the first in the region, which gives a quantum leap in insurance service away from the traditional auction. There are a host of other new services which we will present in the near future.

### 5. Statistics show that the premiums of health insurance are gradually rising each year worldwide. Does that affect the insurance industry?

Hospitals costs and all related health sector prices, have risen recently worldwide and reflect increase in the charges of medical treatment, consultation and tests in addition to the prices of medicines being up by 30% to 40%, which have correspondingly reflected in the reinsurers and the direct insurers sectors. This has occurred at a time when all citizens have become more aware of the importance of insurance and now consider health insurance a priority and necessity of the modern era.

Therefore the compulsory health insurance projects have been introduced earlier, and it is now being studied by the government. I am hopeful that the government will maintain the project on its priority list as it is a very important matter that will have a positive impact on the economy and citizens, as it will help the government and distribute the responsibilities to achieve the greatest rate of success.

## An electronic new service by Takaful International



### Why eTAKAFUL?

- ④ No need to wait in queues any more.
- ④ Fast online services.
- ④ Easy few steps.
- ④ Secured payment.
- ④ Direct online purchase.
- ④ All services are just a click away.
- ④ Immediate policy covers.
- ④ Online discounted prices.

Takaful International, the leading Islamic insurance company, has announced yesterday in a press conference held at its main office in Seef District, the launch of their new service 'e-takaful' through its website [www.etakaful.bh](http://www.etakaful.bh).

This clearly shows that the company continues to innovate and improve all its insurance products and services in order to ease all procedures for customers and keep pace with the current era.

Mr. Abdul Aziz Al Othman, Deputy General Manager of the company said that the insured can obtain quotations for various services such as car, travel, home, domestic and marine insurance and other insurance services online.

It is also possible to obtain the documents electronically for renewal of all policies, with the possibility of reporting of claims as well as customer suggestions are welcome. Further features allow review of policies and claims and for updating personal data, all via the website [www.etakaful.bh](http://www.etakaful.bh)

In addition, the customers can retrieve policy quotes in a few minutes, by filling the form of the insurance service, and paying the premium through a protected webpage; after completing the form, all data will be sent and the policy will be delivered to the insured in no time by express mail service (private) to any place within the Kingdom of Bahrain.



**takaful** التكافل  
**Online!** أون لاين

[www.etakaful.bh](http://www.etakaful.bh)

## The First of its Kind in the Region, Takaful International Launches 'e-bidding system'



Takaful International, the leading Islamic Insurance Company, has recently announced the launch of its new 'e-bidding service'; days after launching their insurance e-services via its website [www.etakaful.bh](http://www.etakaful.bh).

"This new service, which is the first of its kind in the region, emphasizes the role of the company's leadership position in serving the insurance industry in the Kingdom, and aims towards greater transparency in the transaction of insurance in line with the highest standards of corporate governance in order to provide auction service – for the salvage of cars and goods- in a simple, convenient and secure means, using the latest modern technology".

Mr. Essam Al Ansari, General Manager assured that the company continues to innovate and improve all insurance products and services in order to facilitate all procedures for customers using the latest electronic technology.

Mr. Al Ansari further stated that the service is available to all individuals and institutions in all categories, to access the website and to bid the appropriate price for the various goods and vehicles affected by traffic accidents or mishaps. All the auctioned goods and vehicle will have sufficient

details and pictures as well as the opening and the closing bid prices of the auction can be obtained. Furthermore, customer enquiries or information requests will be replied to via email through the company's website [www.etakaful.bh](http://www.etakaful.bh).



He added that this approach would greatly reduce the time and effort exerted in traditional auctions to be replaced with the modern electronic, innovative and effective e-bidding service.

**Sold**

**e-Bidding, Click and visit Takaful Bidding System**

## Annual General Meeting



Following the Annual General Meeting, Takaful International announces 12% profit growth in insurance operations

Takaful International held their 21st Annual General Meeting in L'Hotel in Seef Area. During the course of the meeting the announcement concerning the company's financial statement for the year ended 31st December 2010 was approved in the presence of officials and representatives from Central Bank of Bahrain, Ministry of Industry and Commerce and Bahrain Bourse.

On this occasion, Mr. Bara'a A. Al-Qenaie -Chairman of Takaful International, stated that the company had achieved significant growth in the proportion of total insurance contributions, which amounted to 8% over the same period of the year 2010 and insurance contributions amounted to BD 16.2 million compared to BD 15 million last year.

He added: "The company's results confirm our ability to deal with all the variables of Bahrain insurance market and adapt to diverse indicators of financial markets, as exhibited by our

achievements of 2010 which are in line with our strategy and vision of the future"

On the other hand Mr. Younis Jamal Al Sayed-CEO of Takaful International, remarked on the company's achievements in 2010 and the steps taken in the promotion of insurance activities by offering new services to individuals and institutions to commensurate with their needs and in collaboration with regional and international partners.

## Bahrain Insurance Association Elects New Board



Bahrain Insurance Association (BIA) held its Annual General Assembly Meeting of shareholders at the Gulf Hotel in Bahrain in the presence of officials and representatives of the Central Bank of Bahrain.

The General Assembly has elected members of the Board for its next term 2011-2013 to continue providing the best services to the insurance sector.

The members of the Assembly have highlighted the role played by the Kingdom of Bahrain in developing the insurance sector, which contributes directly to strengthening the role of the Kingdom in enriching the economy regionally and globally.

During the meeting, Mr. Younis Jamal Al Sayed was elected as the Chairman of the Board of Directors, and Mr. Waleed Mahmoud has been

elected as the Vice-Chairman. Also, Mr. Stephen Wagstaff has been assigned as the Board Secretary and Mr. Mohammed Radhi as Financial Treasurer. Additional five members of the board have also been elected which are: Mr. Khalid Al Shaikh, Mr. Joseph Rezo, Mr. Fadi Al Khateeb, Mr. Jaffar Jahrami and Mr. Fouad Aziz.

It is worth mentioning that the BIA plays a main role in discussing and coordinating with insurance companies as well as the Central Bank of Bahrain, along with other Associations and specialized institutions. In addition, the BIA arrange different insurance activities such as organizing workshops and seminars, that aims to increase the awareness of the importance of insurance, besides its role in building a firm Bahraini society. The Association also contributes by studies, plans and recommendations for the progress of the insurance industry in the Kingdom of Bahrain.



## Takaful International Company and Anadolu Medical Center sign an Exclusive Cooperation Agreement



Takaful International Company signed a mutual cooperation agreement with Anadolu Medical Center in Turkey, which is one of the largest and most highly acclaimed hospitals in Eurasia and will provide a wide range of medical services for Takaful International customers in one of the most specialized medical centers. Anadolu Medical Center has a specialised medical team in all disciplines including Oncology, Cardiac Care, Women's Health and IVF, Neurological Sciences, Surgical Sciences and Orthopedics. It is also considered among the top hospitals in the world that uses the 'Cyberknife Radiosurgery' technology in the field of oncology, which is currently one of the most secured ways to treat tumors without any surgical intervention, as it is designed to destroy tumours with minimal damage to the tissues surrounding it.

Commenting on this agreement, Mr. Younis Jamal Al Sayed, the CEO of Takaful International said: "Signing this agreement enhances Takaful services, especially coverage of health insurance, and we are pleased with this joint cooperation with such a large medical center that works in strategic partnership with JOHN HOPKINS MEDICINE, which is consistently ranked amongst the best hospitals in the United States by U.S. News & World Report's "America's Best Hospitals" annual survey.

# ANADOLU<sup>H</sup>

In Affiliation with  
JOHNS HOPKINS MEDICINE

## Highest Technology & Medical Excellence

**With patients from over 70 countries worldwide, Anadolu Medical Center enhances its VIP medical services to the Gulf region**

- Full time Arabic speaking staff on-site
- State-of-the-art facilities and experienced board certified physicians
- Latest technology to fight cancer
- Treating most complicated pediatric & adult cardiovascular cases
- High-tech Bone Marrow Transplantation Unit with hotel comfort for the patients
- Internationally experienced IVF team providing Pre-Genetic Diagnosis (PGD)
- 24/7 Personal assistance by International Patient Services
- Free medical second opinion
- Travel and visa assistance

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www.anadolumedicalcenter.com

## Takaful International Congratulates TRUST RE on its 10th Anniversary



A delegation from Takaful International has visited TRUST RE, with the aim of congratulating them for the company's 10th year anniversary.

During the visit, Mr. Abunahel, Chief Executive of TRUST RE welcomed the delegates from Takaful International and has hailed the strong relationship between the two companies.



Protecting the most precious

## Takaful International celebrates Bahraini Women's Day

In celebration of honoring Bahraini women, the company distributed flowers to all female employees for their dedicated contribution to the Takaful business and overall to the Bahraini society.

This gesture is in line with the company's belief of the major role women play in all financial and social aspects.

On this occasion, Mrs. Noor Al Nasser - Corporate Communication Manager emphasized on the importance of women's role in improving the society and praised the active role of all female employees in increasing productivity and developing business prospects.

Moreover, the company distributed flowers to all female insurers on that date and they were most appreciative and thankful for this pleasant gesture.

