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# VISION

TAKAFUL  
INTERNATIONAL  
التكافل الدولية

Quarterly Newsletter

July 2010

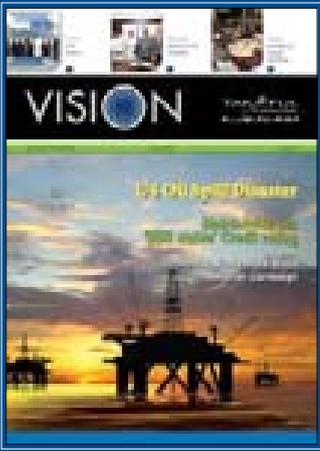
Issue 14

## US Oil Spill Disaster

### Takaful International Maintains its 'BBB' Stable Credit Rating

#### *Takaful 's Third Blood Donation Campaign*





Editorial Team :  
Corporate Communication  
takaful@takafulweb.com  
www.takafulweb.com

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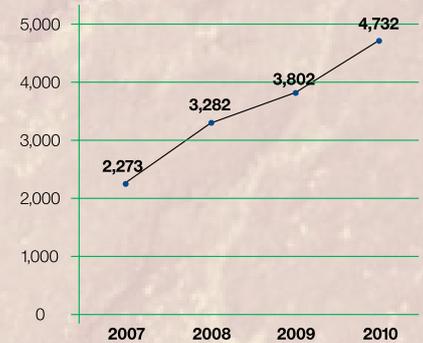
# Financial Results

Particulars	2007 Q1	2008 Q1	2009 Q1	2010 Q1	Growth Rate Q1 2009/10
Gross Contributions	2,273	3,282	3,802	4,732	24%
Underwriting Profits	515	537	806	794	-2%
Participants Net Surplus	74	171	190	192	1%
Shareholders Net Profit	17	28	34	26	-22%
Unearned Contribution and Technical Reserves	2,686	2,966	3,728	3,843	3%

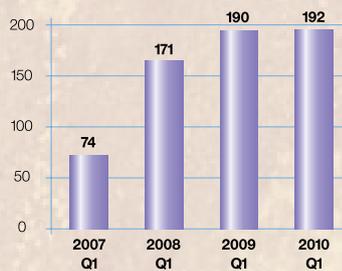
### Underwriting Profits



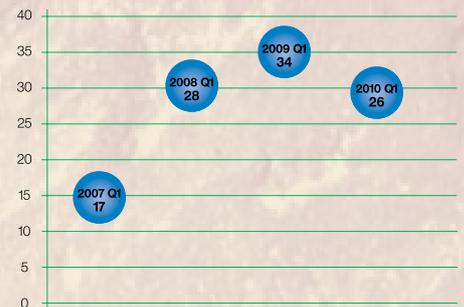
### Gross Contributions



### Participants Net Surplus



### Shareholders Net Profit



### Unearned Contribution and Technical Reserves



## Takaful Centers - Riffa



Riffa Branch was established in 2007 as it is located in the central governorate. This step comes in response to the futuristic vision and continued steady growth of Takaful International, and towards its goal; to serve the largest segment of customers and clients.



In 2010 the branch was converted into a service center, where it offers all Takaful services; motor, property, family Takaful and health care and travel insurance along with other services, not to mention the existence of specialized departments in the settlement of insurance claims.





## Oil Spill - Insurance Implication

The blame game for the recent British Petroleum (BP) oil rig accident and subsequent oil spill is just getting started as are the insurance implications of this disastrous event, according to underwriters and other observers. "It's going to take several years to sort out the various liabilities and what resources in terms of insurance assets and other assets each player is going to contribute," said John Nevius, a shareholder at Anderson Kill & Olick in New York and an expert in environmental insurance coverage.

According to Marla Donovan, vice president of product development at Burns & Wilcox, workers compensation, excess casualty and liability, environmental and contingent business interruption are a few of the coverages that could be triggered by this event, but she expects the worst-case scenario. "All liability coverages will be triggered," said Donovan. "This is an enormous property damage loss." BP and the exploration company Transocean, and potentially Cameron International Corp. and Halliburton Co., are expected to have numerous payouts to deal with. These payouts will include coastal property owners, businesses along the Gulf Coast, and families of the lost rig workers, just to name a few. Gulf Coast shrimpers, a Mississippi seafood company and stranded rig workers have already filed suits.

BP's chief executive officer Tony Hayward has told news outlets that the company will honor all legitimate claims arising from the disaster. However, it is still anyone's guess as to what the total cost of this event will be to reinsurers and how these costs will eventually trickle down to the insurance industry. BP is self-insured but their total amount of self-insured retention (SIR) is unknown. Reinsurers will still be on the hook for a substantial amount. "Every major reinsurer in the world is involved in this claim," said Donovan. "Swiss Re, Munich Re, Gen Re, Partner Re – everyone has a piece of this."

Partner Re has already come out and estimated that its losses will be in the \$60 million to \$70 million range, but Donovan and Nevius agree these are modest amounts at this point in time. However, it is important for the reinsurers to come forward with their potential liability so it doesn't look like they are dodging the situation. "Usually the estimates are about one third of what it ends up being," said Donovan. "But no one that is participating can remain silent. It is standard for them to indicate how much they are involved and that is absolutely what is happening."

As insurers wade through the complications of this event, the insureds are seeking respite and trying to save their businesses. The weak economy forced many insureds to cut back on coverage that they didn't think they needed, such as environmental

coverage, which could be crucial during this crisis. "Environmental coverage is not a requirement most of the time like general liability," said Gina Jones, director of environmental programs at Burns & Wilcox in Centennial, Colo. "In this economic situation, insureds don't want to pay for something they don't have to." Jones says that has left many business owners on the Gulf Coast vulnerable to the cost of the environmental impact of this situation.

"We have had a lot of calls from people and businesses that are uninsured for environmental exposures and are looking to buy after the fact, but it's too late," Jones said. "We can only help them going forward but a lot of insureds take the stance this isn't going to happen again." Business income and business interruption are other huge liabilities because of this incident and could be covered on an environmental liability policy if the insured added business interruption coverage, says Joe Boren, CEO of Iron shore's environmental division and John O'Brien, president of the environmental division. "Business interruption is an area that a lot of pollution policies have, and there is an option to purchase the coverage," said O'Brien. "But a lot of insureds do not purchase it because they think it won't affect them."

However, said Boren, many businesses will see differently after this event. "Those in the hospitality industry [along the Gulf] are starting to get cancellations because of the pollutant incident and they may go look at their insurance policies and see they have no pollution coverage", Boren said. "This is going to lead people in commercial property business to say I have a gap in coverage because I didn't think I need it, and guess what, I need it. The industry should start to see that."

Jones said this incident highlights why it is important for underwriters to discuss the importance of all of their potential exposures with insureds. "If this teaches anyone anything it is that every one of our clients has an environmental exposure," she said. "It is real. If agents aren't talking about environmental exposures or insuring a particular risk, they are putting their E&O at stake because an insured could go back and say they weren't told they need pollution coverage."

Iron shore has formed a rapid response team of industry experts and has them on the Gulf Coast to answer liability questions about the incident and provide guidance from an insurance perspective.

Since it is the only insurance carrier with an office in New Orleans, Iron shore has also been able to help workers on the ground make sure they have their liabilities covered. "We know that whenever you have a crisis like this, there is a lot of contractors out working and they may look at their insurance policies and say 'I need more limits to take on a project like this! We wanted them to know we are available 24/7 if they need assistance,'" said Boren. "There are also people that aren't presently environmental contractors who are being used in that way to work on the spill, such as fisherman. Other people include those who are in related fields but are not environmental contractors and may not have environmental insurance at all and want to protect themselves."

Jones said Burns & Wilcox is also able to provide coverage for environmental contractors looking to assist with the clean-up efforts along the Gulf, and the company has been receiving many calls and submissions for that exposure. Iron shore is also coordinating efforts with environmental contractors in different parts of the country that it doesn't insure with those working on the Gulf Coast. "If we insure the company or not is irrelevant to us," said O'Brien. "We are just trying to match up resources where there is tremendous need for these resources. This is an unprecedented national emergency and doing what's right is way more important than just worrying about your own business."





## *Takaful International Maintains its 'BBB' Stable Credit Rating*

Takaful International Company has maintained its credit rating “BBB” stable performance as approved by the international credit rating agency Standard & Poor’s and financial strength rating for the company is long-term with a stable outlook. This underlines the restoration of the company’s financial strength and ability to cope with financial volatility in the market while ensuring growth in all spheres of insurance activity.

In this regard, Mr. Younis J. ALSayed, Chief Executive of Takaful International expressed his joy for such an achievement which reflects the level of performance par excellence as well as enhancement of opportunities in insurance investment and assertion to engage in large-scale projects to meet aspirations of the company being consistent with its vision.

He said: “We are proud of maintaining Takaful International Co. in this category, in spite of the current world economic crisis in insurance and financial markets and are honored to be the first and only Takaful Company in the Kingdom of Bahrain to be presented in this category, which symbolizes the solid foundation of our insurance.”

Mr. Younis commended the efforts of the qualified Bahraini staff in the insurance sector and various departments which undertake high risks to provide insurance solutions and necessary innovative Islamic protection. He stated, “There is no doubt,

the remarkable success and ability to maintain in this prestigious category, is due to the remarkable teamwork, professional ethics and work dedication of concerned staff members.”

He added: “I’ve had great support extended to us by leading international reinsurance companies through the reinsurance agreements established with reputed world-class companies, which aided to gain more customer confidence and the ability to fulfill contractual insurance obligations.”

Standard & Poor’s is one of the oldest and most prominent credit rating agencies in the world with humble beginnings in 1860 and covers more than 150 years experience in the credit rating and research in the field of investment, risk assessment and offer the latest information and analysis on the global financial market.



## Visiting the Minister of Oil and Gas Affairs

A delegation from Takaful International visited Bahrain's Oil and Gas Affairs minister, Mr. Abdul-Hussain Bin Ali Mirza. The company delegates were welcomed by Mr. Mirza, who has hailed the efforts of Takaful International in supporting the national economy by providing its various insurance products and services which meet the needs of all economic sectors as well as individuals. He also praised the successful achievements of Takaful in the local and international markets.

## And Another to Awal Gulf

A delegation from Takaful International has visited Awal Gulf Manufacturing, with the aim of deepening the cooperation and strong business ties between the two companies in different fields. During the visit, Mr. Adel Hussain Matar, Chief Executive of Awal Gulf has hailed the services and products provided by Takaful, which meets the requirements of the modern era.



## Visit places with complete peace of mind

**Travel Takaful**, from Takaful International, promises the financial protection you need on a business trip or a vacation abroad, by covering all related medical expenses.

### Benefits of Travel Takaful:

- Medical & Emergency Assistance
- Personal Assistance Services
- Loss of Documents & Flight Delays
- Personal Accident
- Civil Liability Benefits

### *Under the Sponsorship of Takaful International, Eskan Bank Organizes “Self Development Workshop”*

Sponsored by Takaful International and in cooperation with the Bahrain Institute of Banking, Eskan Bank organized a workshop about “Self Development” in the banking industry, which was held in Mercure hotel in Manama. A significant number of Eskan Bank staff from various positions and departments, attended the workshop.

The workshop was given by Ms. Vijaya Movala - Bahrain Institute

of Banking and Finance (BIBF), where she gave a detailed explanation about sales, team work, targeting & achieving goals. Moreover, she has confirmed the importance of having a positive work ethic which will enhance the worker’s overall performance.

At the end of the workshop, all participants were divided into groups and given activities to support the concept discussed in this workshop.



### *Takaful International Signing an Agreement with CrediMax*

Takaful International Co. signed an agreement with CrediMax which is a leader in the issuance and acceptance of credit cards in the Kingdom of Bahrain, which offers CrediMax credit card holders discounts when buying insurance policies through their cards.

Moreover, this agreement offers all CrediMax credit card holders a 10% exclusive discount for one year on various “Takaful” insurance services. Furthermore, the credit card holder will get additional 10% on any further discounts and offers by “Takaful”; such as Motor insurance and home Takaful.





## Seminar About Bancassurance

A seminar on bancassurance was given by Ms. Noor Al Haji, Assistant Manager of Personal and Business Development at Takaful International, where she discussed the ways to translate the bancassurance effectiveness to benefit both the bank and insurance organizations.

An impressive number of delegates from various local and regional Banks, insurance and reinsurance companies attended the event and interacted to participate in stimulating debates by the end of the session.

## Congratulations

Mrs. Huda Al Awadhi has been awarded a MERIT in the Chartered Institute of Personnel & Development; Certificate in Personal Practice (CPP).



## Social Committee Dinner

Takaful International organized a gala dinner for the social committee members, appreciating all their work and unlimited efforts in organizing many social and cultural activities held in the company.



### Takaful Third Blood Donation Campaign

### حملة التكافل الدولية الثالثة للتبرع بالدم



نظمت شركة التكافل الدولية وبالتعاون مع بنك الدم المركزي، حملة التكافل الثالثة للتبرع بالدم والتي لاقت قبولاً من جميع منسوبي الشركة.

وقالت مديرة العلاقات العامة والإعلام بالشركة السيدة نور الناصر "إن هذه الحملة السنوية التي تقام للسنة الثالثة على التوالي تتبع من مبادئ التكافل والتعاون وهو عبارة عن ترسيخ للعمل التطوعي وخدمة إنسانية نبيلة وواجب وطني وإنساني وصحي". وقد اثنت السيدة نور على هذه المبادرة الإنسانية و شكرت الإداريين و الموظفين على استجابتهم السريعة ومساهماتهم في التبرع بالدم والتي لها الأثر البالغ في إنقاذ حياة الآخرين.

Takaful International Co. organized its Third Blood Donation campaign for its employees in association with the Central Blood Bank of the Kingdom of Bahrain. In light of this campaign, Mrs. Noor Al Nasser, Corporate Communication Manager stated that blood donation is an honorable human duty encouraged by our Islamic principles. "Our support of health care programs in different fields and activities is an affirmation of the company's vision on how important and necessary it is to contribute and serve the community we live in. The donation will save the lives of many patients and is considered a beneficial factor to the donator's health as well"



### Takaful International Annual Staff Party

### التكافل الدولية تقيم حفلةها السنوي

Takaful International Company held its annual staff gathering for all employees and their families at the Elite Resort & Spa, which was attended by Mr. Younis J. Al Sayed, CEO and Executive Management. The staff and their families enjoyed the event, which included fun competitions and a raffle with a number of prizes.

Mrs. Noor Al Nasser, Manager - Corporate Communication, informed that this gathering which the company organizes each year aims to strengthen bonds between the employees and develop a sense of family among all the staff of Takaful outside of working hours.

أقامت شركة التكافل الدولية حفلةها السنوي للموظفين وعائلاتهم الكريمة وذلك في فندق ومنتجع إليت وبحضور كل من السيد يونس جمال السيد الرئيس التنفيذي والإدارة التنفيذية. وقد استمتع الموظفون وذويهم ببرنامج الحفل الذي اشتمل على المسابقات المسلية والسحب على عدد من الجوائز القيمة.

حيث أكدت السيدة نور الناصر مديرة العلاقات العامة والإعلام بأن هذا الحفل التي تقيمه الشركة سنوياً من شأنه أن ينمي روح الأسرة الواحدة بين جميع موظفي التكافل، وتوطيد أواصر الأخوة والتواصل الاجتماعي بين الموظفين خارج نطاق العمل.

