

## Bahrain: CBB revising takaful model to accelerate growth

Source: eWeekly Takaful | 16 Oct 2013

The Central Bank of Bahrain (CBB) is working on revising the existing takaful model to attract new entrants to the local market and better protect consumers, said Executive Director for Financial Institutions Supervision Abdul Rahman Al Baker on the sidelines of an industry conference last week.

"The new model also aims at facilitating faster growth of the takaful business in Bahrain while protecting the interest of all stakeholders," Mr Al Baker told reporters at the second annual Middle East Takaful Forum (METF 2013), though no specific details were provided.

Earlier in his keynote address, he provided key insights into improving the soundness of the regulatory and supervisory framework for takaful players in the region to create a platform for long-term growth.

"During the past eight years, the takaful industry has recorded growth rates of around 20%, indicating high growth potential in years to come due partly to the present low rate of takaful market penetration globally," he said.

In Bahrain, the takaful industry is one of the fastest growing segments of the overall insurance sector, he added.

Mr Al Baker said as of the end of last year, total takaful premiums in the country had reached BHD49.8 million compared to BHD40 million in 2011, a growth of 25%.

"Overall, the takaful market has grown by almost 12 times in term of premiums compared to 2003.

"This growth is mainly due to the increasing demand for Shariah-compliant insurance, rising public awareness, entrance of international players and enabling legislation that promotes the development of takaful in Bahrain," Mr Al Baker said.

"Takaful premiums contribute almost 22% of the overall gross premiums of the insurance industry in Bahrain, and the outlook for growth of this segment of insurance is very promising.

"During the past three years, we have observed positive changes in the mix of takaful contributions, as family takaful has gained ground from overall total takaful premium. The family takaful share increased to 20% of the gross takaful contributions last year compared to 10% in 2009," he added.