



PRESS RELEASE

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FOR IMMEDIATE RELEASE

INSURANCE COMPANY MAKES HISTORY BY SHARING PROFITS WITH CLIENTS

Two Year Old Takaful Insurance of Africa Marks Yet Another Milestone

NAIROBI, April 7th 2013 – Takaful Insurance of Africa Limited (TIA), the region’s first takaful-based operator, made history again, Saturday, by becoming the first insurance company in Kenya and East Africa to share its profits with clients.

At the event attended by over 500 of the company’s clients, brokers and agents, TIA announced that from gross premium income of just over One Hundred and Seventy Eight Million Kenya Shillings (KES 178 Million) and underwriting profit of Twenty Six Million Kenya Shillings (KES 26 Million) in 2011, they would share Sixty Percent (60%) or Fifteen Million Six Hundred Thousand Shillings (KES 15.6 Million) of the underwriting profit, with its 4000 Clients who did not make any claims during the year.

“It is my great pleasure and honour to declare Takaful Insurance of Africa’s first Surplus of 15.6 Million Shillings-a first for the insurance industry in Kenya and East Africa and a feat that we are truly proud of”, noted Company Chairman, **Eng. Abdirahman Sheikh**, as he handed cheques to some of the 4000 clients who were eligible for a share of the profits.

While congratulating the company for its achievements, the Governor of Wajir County, **H.E. Ahmed Abdullahi** challenged the company to devolve its services to the county level, as a key instrument for social stability and poverty alleviation for rural communities.



Governor Abdullahi remarked: “From a leadership perspective, my belief in the takaful model of insurance, is rooted in its great potential for social good and even poverty-alleviation in the rural and far-flung corners of our country-of which my County of Wajir is a good example. I therefore celebrate your success and challenge you to devolve your services-we are ready to welcome you!”.

The sharing of profits also known as surplus distribution is a key feature of the takaful-based insurance model, on which Takaful Insurance of Africa operates and which has been in wide use in Sudan, North Africa and the Middle East since 1979.

Unlike conventional insurance, it is based on social solidarity-a key tenet of Shariah compliance. For this reason, when a surplus is declared, it is distributed on a pro-rata basis amongst policyholders who have not made any claims, in the year under cover. It is then up to the policyholders to decide on what to do with the surplus. They have three options: take the surplus cheque; have the surplus invested on their behalf by the company or roll-over the surplus towards their future premiums.

Also speaking during the event, Company CEO, **Mr. Hassan Bashir** revealed that the company had been granted a licence by the Retirement Benefits Authority (RBA), to start a Shariah-compliant Pension scheme, to be known as the TIA Pension Scheme.

Alongside this, the Insurance Regulatory Authority (IRA) also granted TIA, a further license to “transact long term insurance business or family takaful”, known in conventional insurance as life insurance, further diversifying the company’s offering to serve a wider client base beyond its core Muslim base.

“Takaful Insurance of Africa’s products and services while based on Shariah-compliance, are open to people of all faiths who believe in a cooperative model of insurance, that is both ethical and fair to all involved. For this reason, we invite Kenyans of all backgrounds to take up policies with us, to see the difference we are making”, remarked the Company CEO, Mr. Hassan Bashir.

Indeed, Takaful Insurance is making a difference in the insurance industry, registering Four Hundred and Thirty Million Kenya Shillings (KES 430 Million) in gross premiums in 2012, representing a One Hundred



and Forty Two Percent (142%) growth from its 2011 gross premium of One Hundred and Seventy Eight Million Kenya Shilling (KES 178 Million).

With just two years in existence, the company's gross premium income is higher than that of 10 established insurance companies in an industry with 43 companies.

TIA has set ambitious growth targets for 2013 and beyond, with gross premiums for the year expected to reach the Nine Hundred Million Shillings (KES 900 Million) mark.

The company will also be expanding into the newly created counties, with an initial focus on counties in the former North Eastern, Upper Eastern and Coastal regions of Kenya. This will be complimented by a push into the regional market, with a focus on Somaliland, Somalia, Tanzania and Uganda before proceeding to Ethiopia and Rwanda.

These efforts coupled by the company's product diversification from its current non-life business, to pension and family takaful (life business) will see the company become a key regional player in the insurance industry, if its achievements in its brief two year history are anything to go by.

About Takaful Insurance of Africa

Founded in 2008 and licensed in March 2011, by the Insurance Regulatory Authority (IRA), Takaful Insurance of Africa Limited (TIA) is a dynamic insurance company responsible for pioneering the Takaful concept, a new and ethical perspective to the insurance industry in Kenya and the region.

The Takaful concept is based on the Shariah principles of togetherness, cooperation and mutual solidarity where each participant or member contributes a given premium which is pooled into a general fund managed by TIA on behalf of the members. It is operated under the concept of mutual guarantee where both risks and rewards in the form of underwriting surpluses are shared among members or policy holders.

Through the principle of Tabarru' or donation, the members allow the company to pay any loses suffered by participants contributing to the pool. Any surplus left from the pooled funds after payment of claims and other expenses is used to grow the reserves and is distributed among members. This is referred to as "surplus profit".



TIA has four branches, 50 employees and a network of over 80 intermediaries including Agents, Banks and Brokers across the country. It was awarded with a Special Award by the industry for innovation and increasing the penetration of insurance in Kenya through its products.

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