



Positive Values to Thrive & Grow

# Director's Message



“ Let us reiterate our values of commitment, hard work and dedication. ”

Dear Colleagues,

Wish you all a blessed Ramadan!

The first half of the year has passed and reflecting on all that we have achieved we should be proud of our accomplishments as a company. As winner of the two prestigious awards, the Oman Insurer of the Year at the MENAIR Insurance Awards 2016 and General Takaful Company of the year at the 2nd Middle East Insurance Industry Awards, we have set new benchmarks.

These accomplishments are testimony to great teamwork, pushing boundaries to deliver excellent services and products and encouraging innovative thinking. Our mobile app, mInsurance has been a first of its kind in Oman and has brought simplicity and convenience to our customers. Our new Call Centre is fully operational and is supporting the needs of our customers by providing assistance. All of this highlights our customer-centric approach and it will continue to yield results if we remain committed and work together as a team.

So during this time, while we reflect on the positive and good let us reiterate our values of commitment, hard work and dedication to continue to take your company to greater heights.

Wish you and your family a prosperous and happy Eid.

**H.E. Shaikh Abdulrahman Mohamed Jabor M. Al Thani**  
Director

# Capital Market Authority Report

## Insurance sector performance in the Sultanate for the financial year 2015



### Introduction

The Capital Market Authority is pleased to present the annual Insurance Market Review for the year 2015 as insurance indicators reflect the developments in the insurance sector during the past year. The role of insurance sector and its importance to the national economy is attributed to the huge funds invested in this sector which were at the end of 2015 about RO 503 million. Direct gross premiums of the insurance market were RO 442 million. This report highlights the various aspects of the insurance market in the Sultanate.

### Economic Situation and its Impact on the Insurance Business in Oman

The economic development in Oman in the past five years had a positive impact on the performance of the insurance sector. The sector grew by 11% in 2015 compared to 2014. Direct gross insurance premiums were about RO 442 million in 2015 according to the audited financial statements with 12% growth in the five past years due to the impact of various types of insurance products. The sector has witnessed remarkable growth in 2015 thanks to the economic growth the Sultanate has witnessed during the past period. The indicators reflect the increased insurance awareness in the Omani community. The most salient indicators that reflect development in the performance of the insurance industry is the depth of the insurance sector which is evident in the contribution of the sector in the GDP of the Sultanate.

### CMA's Achievements in 2015

#### 1. Legislation and Development

The Directorate General of Insurance Supervision has achieved a number of missions in the legislative and regulatory aspects in line with the international standards such as amending the Unified Motor Insurance Policy, Insurance Emergency Fund, Rules for investment Linked Units, the Regulation for Aid of the Injured in Motor Vehicles Accidents. The Board of Directors approved the Insurance Brokers Regulation and setting the bases and standards for consideration and reviewing the applications for marketing life and non-life insurance products as well as the Regulation for Licensing Requirements for Insurance Agents.

#### 2. Onsite Audit

The Directorate General of Insurance Supervision has conducted onsite audit plan for 2015 as 3 insurers were audited during the year as well as follow up of the audit of 5 insurance companies and 10 brokers. Certain shortfall and deficiencies were noticed and were referred to enforcement department and others were granted grace period to rectify the situation. Onsite audit was conducted in agreement with the CMA's actuary. Visits to 4 insurance companies were conducted with the actuary as well as follow up of audit results of such companies.

### **3. Offsite Audit**

To ensure the financial solvency and positions of insurers and brokers offsite audit and technical reviews were conducted on the final audited accounts. The accounts were reviewed and reports were prepared on the solvency of insurance brokers and the debits and credits of insurers and brokers. The funds deposited with CMA as guarantee, whether bank deposits, shares, bonds or properties or investment funds, were updated in the electronic system. A report was prepared for investment portfolio of insurance companies and analysis of their performance. A detailed report was prepared on the circular on insurance of commercial vehicles of special use as well as a report on the losses the insurance companies had have suffered due to the rains in September 2015.

### **4. Training**

CMA is keen to achieve its regularity and supervisory role over the insurance sector by creating sound regulatory and supervisory environment in line with international practices and standards. Beside focusing on creating sound business environment through regulation and supervision, it focuses on developing the human resources by attracting the talents to the sector as upgrading the sector can only be achieved through qualifies and well trained national cadres. To this end, the Insurance Business Training Committee played a complementary role with insurance companies in attracting and enabling the national cadres. The Training Committee has executed 15 training programmes in 2015 with the aims of enhancing the technical skills and leadership skills covering topics such as underwriting, claims, reinsurance, motor vehicle, leadership and human resources. Furthermore, agreements were concluded with certified training institutes and centres in the Sultanate and abroad for quality training. 400 employees were trained at various levels at 26% of the employees working for the sector.

### **5. Database**

The Directorate General of Insurance Supervision has designed, in collaboration with the Department of Information Technology a database for insurance institutions containing financial, technical and administrative information and data on the sector which provides easy access to such data and information compared to the old method as it furnish to CMA and insurance companies access to such data and information. CMA is currently working, in collaboration with insurance institutions to create flexible electronic communication environment in line with best international practices for efficient transfer of data and information to and from the CMA.

# Acting CEO's Message

“This is a call for all of us to reconsider the question: What are my values?”

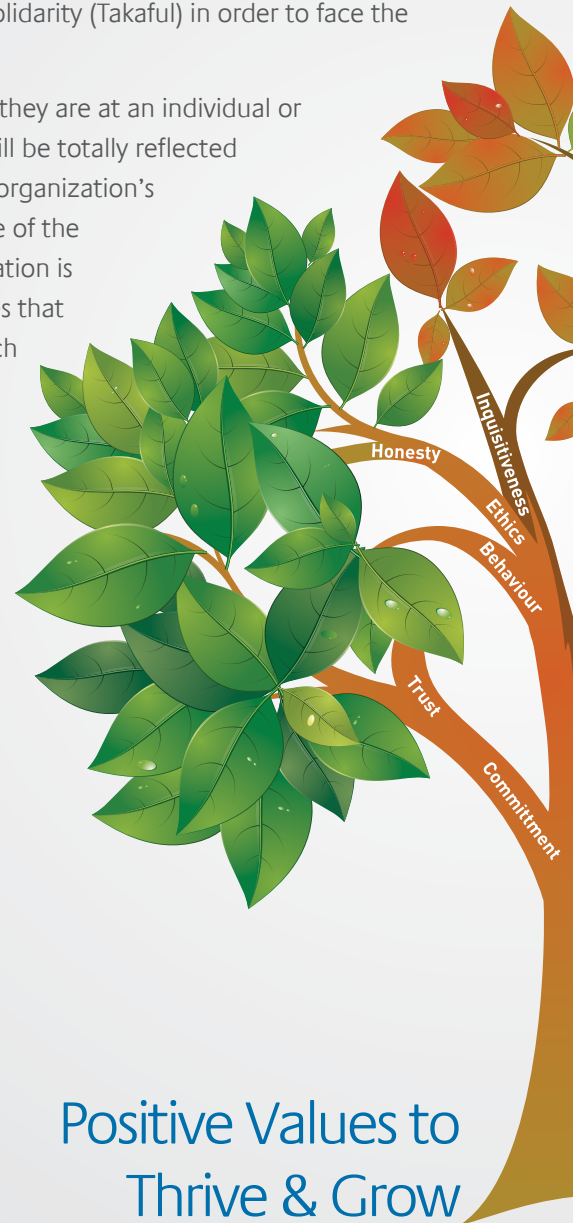


Dear Colleagues,

Since it's the holy month of Ramadan, which has a great impact on our behavior, it is the opportunity to talk about the values within us and of the company itself, especially since the company has been established to live up to the value of community solidarity (Takaful) in order to face the unfortunate fates.

These values, whether they are at an individual or organizational level, will be totally reflected in the individual's and organization's progress. The existence of the individual and organization is based on a set of values that are consistent with each other.

Work values are the principles, teachings and ethics & professional regulations that determine employee's behaviour.



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These values guide him in the right way to do his work and to play a role in the productivity system that he belongs to which is considered as an impregnable fence that will protect him from failures and mistakes and prevents him from committing any action contrary to his conscience, or is incompatible with his principles.

Then what are the values that the company needs in order to expand its presence to create a healthy work environment and maintain a positive work atmosphere that ensures a focus on productivity and continuous improvement in the quality of its work.

I would like to share with you some of the legacy of prophethood in work-related values:

**((Allah loves that whenever any of you does something, he should excel in it.)) – motivate accuracy**

**((He who deceives is not of us)) - motivate integrity**

**((Part of someone being a good Muslim, is his leaving alone that which does not concern him.)) – control curiosity**

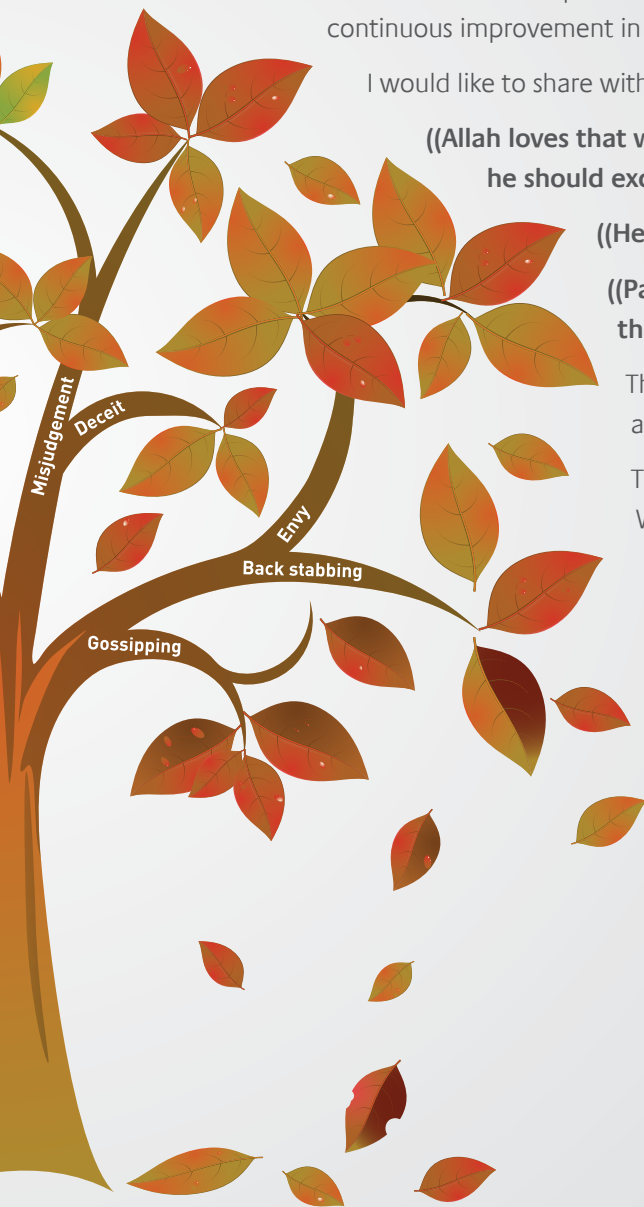
There are many others but we have no room to mention them all. The only purpose here is to highlight whatever is important.

This is a call for all of us to reconsider the question:  
What are my values?

Best Regards,

**Usama Al Barwani**  
Acting CEO

Congratulations to  
**His Majesty Sultan Qaboos bin Said**  
and the people of Oman on the occasion  
of the 46th Renaissance Day.



# COO's Message

“ The benefit of having a Risk Management regime helps the Insurance Company in aligning risk appetite and corporate strategy. ”



Dear Colleagues,

## **Enterprise Risk Management & Insurance Industry**

In Corporate world, there is a question often asked as to what makes a business venture successful? Is it the Capital or the Business Strategy, the manpower or is it the Technology?

We have seen examples of highly Capitalized Companies with possibly the best technology, great human resources and a matching Business strategy going down. Lehman Brothers acquired five Mortgage lenders and initially the acquisition made great Corporate News and a tremendous Business decision. What Lehman brothers didn't scrutinize is that two of these major lenders were giving loans without full documentations. As the US real estate market collapsed in early 2007, the demise of Lehman brothers became one of biggest examples of Corporate Strategy going horrendously wrong.

The real learning in this case is that every action of a corporate comes with inherent risks and it is essential that a Company is able to identify, measure and finally mitigate these risks. This in a nutshell is Risk Management and in a larger sense 'Enterprise Risk Management'.

Risk management in Insurance Company is often confused with its Core work of insuring and Managing Risks. The difference lies in the fact

that when an Insurance Company carries the Business of Insurance, it manages the risks of OTHERS. Enterprise Risk Management on the other hand is Managing OUR OWN Risks.

Historically, the reason for the emergence of ERM lies in catastrophic events such as Natural catastrophes, Human-made catastrophes, Companies in distress (arising out of both underpricing and dramatic under-reserving) and Financial crises. These events of low probability and high severity led to grim realization of systematic risk for the insurance industry. It was therefore felt that the insurance industry needed not just capital increase but also a more efficient and effective Risk Management approach. This was the beginning of Risk Management in insurance.

The purpose of risk management is to proactively establish programs and processes that support business objectives while protecting the organization's assets—its employees, property, income and reputation—from loss or harm, at the lowest possible cost. An organization's risk management plan requires the development and maintenance of an ongoing process that enables identification, analysis, evaluation and treatment of risks that may impact the organization.

Risk is an event that can impact the Company's ability to achieve its objectives, whereas Controls are set of systems, process or techniques that are put in place to manage or mitigate risk events. The risks can broadly be classified into Insurance Risks, Credit Risks, Market Risks and Operational Risks. To measure these risks, the Company needs to have an internal control framework through which it identifies & categorizes the risks, looks at its

materiality and possible effects. It should then put in place Key control indicators, measure the likelihood of the occurrences of the risk events and finally its impact on the Company.

Enterprise Risk Management doesn't guarantee that a Company will not be impacted by an event or will be free from risks. However ERM improves Risk responses and recognizes & acts upon emerging situations and most importantly reduces operational surprises and losses. The benefit of having a Risk Management regime helps the Insurance Company in aligning risk appetite and corporate strategy. It eventually links Growth, risks and returns.

**Ajay Srivastava**  
Chief Operating Officer



# Al Madina Takaful participates in the IFN Oman Dialogue and Seminar

Al Madina Takaful, Oman's first Takaful provider participated in the IFN Oman Dialogue and Seminar hosted by RED money and Islamic Finance News, a one-day double formatted event targeting both the local and international communities to converge and assist in the continued development of the Islamic financial markets in the Sultanate of Oman.

The Al Madina Takaful stall helped enhance awareness on products and services at the event and introduce participants to Al Madina Takaful's products and services. The closed-door, roundtable style sessions focused on the opportunities available in the Omani market for both capital raising and investment in the Shariah compliant space. A series of key-note addresses, presentations, panel discussions and case-studies highlighted the benefits and opportunities currently available in Oman.

Gautam Datta, of Al Madina Takaful was among the industry elites to be part of the thought-provoking

exclusive session, along with local regulators and industry practitioners and international key players in the industry.

"This is an important forum and presents insights and perspectives on the challenges and opportunities facing the industry. It is wonderful for Al Madina Takaful to be part of this platform as an industry-leader and to share in ideas and collaborate toward developing a roadmap for the future" said, Usama al Barwani, Acting CEO, Al Madina Takaful.

“The Al Madina Takaful stall helped enhance awareness on products and services at the event and introduce participants to its products and services.”

# Another successful Medical Insurance Campaign at A'Saffa Farm



Al Madina Takaful organized a Road Show on 11th April, 2016 at the premises of A'Saffa Foods SAOG.

A'Saffa Foods S.A.O.G, established in 2001, is the largest fully integrated poultry project and the largest Food processing plant in the Sultanate of Oman, located in Thumrait, Southern Dhofar Region. A'Saffa produces 21 million naturally-fed and hand slaughtered chickens a year and also offers a range of Frozen Vegetables, Frozen Fruits, Frozen Fruit pulp and Frozen processed sea food.

It was an interactive, inspirational and memorable session to spread the brand awareness and company products to the Employees of A'Saffa Foods.

Mr. Ahmed Berham, Asst. Manager demonstrated the salient features, benefits of our Group Medical Product to the audience and was well received and

appreciated by the employees of A'Saffa

Mr. Ranganathan C., Head-Business Strategy (Life & Medical), educated the audience on the Medical Product and emphasized on the excellent after sales services provided by AMT. The support services was provided by Mr. Balakrishnan Nair-Branch Manager, Salalah.

# The IT Journey at Al Madina Takaful

“As technology continues to be the critical ingredient in AMI’s success, IT will be the tip of the spear in enabling new revenue streams and employee satisfaction.”



I joined Al Madina Insurance’s (AMI) to set up and manage the IT Infrastructure during July 2006; 10 years ago. Then onwards technology has become one of the elements blended in the journey supporting; guiding and enabling the business team and processes.

As a startup, we used the servers and applications hosted in Bahrain but the model was not successful enough to cope with our dynamic, service oriented and customer focused requirement. We faced difficulties in delivering the policy, servicing the customers, bringing the necessary documents in time etc. In 2008, to remedy this we established our base server and application farm in Oman.

The management was very keen on building up a unique online network for instant sales and services. We launched our own branded front end Collaborator ‘Tameenet’ in the year 2010 and started first real-time policies in the Sultanate.



The management realized the importance and its uniqueness, and more investments have taken place and now it has become the company's brand which contains Product Configurator, Tariff engines, policy administration, servicing, claim intimation, back office, survey, tracking, work flow, credit validation and control, online delivery, alerts, business intelligence, Document management etc. It has a real-time integration with all the back end applications like Core Insurance, Call Centre etc.

In March 2015, AMI decided to showcase their retail products in a B2C model and launched web, mobile and interactive kiosk platforms to make the offerings more innovative. It is fully integrated with the nation's secured payment gateway.

All the branches and service kiosks are centrally connected and are form the corporate network over the Internet. The services are ensured with the help of Service Level Agreements by the providers. We made

Tameenet very specifically for the intermediaries and they are accessing the system using their internet access from anywhere and anytime.

#### **Innovative thinking for new solutions**

We believe in moving away from the 'traditional roles as cost centers and technology facilitators' to 'crucial positions as revenue generators'. Moreover, for the departments within the organization it helps impact and improve business outcomes by enabling the use of innovative technologies to engage with target audiences in new and exciting ways.

#### **Achievements**

- Motor policy issuance with a lesser turn-around-time of 3 minutes.
- Customers can purchase policies online and get it serviced from all over Oman.
- Business users get real-time status on production and claims.



- Systems are integrated with external parties and complied with regulator's requirements.
- Business Intelligence Dashboards and Actuarial systems are made available over the Internet.
- Budget vs actual is real-time for trend and fast decision-making.
- All possible measures are taken to control the Physical threats, Data Leakage etc.
- 100% conversion from Conventional to Takaful (Year 2014) with zero business downtime.

### Day-to-day challenges

The rapid introduction of new and constantly evolving apps for smartphones, tablets and other Wi-Fi enabled devices into the workplace is creating a sea of change in the way work is conducted. Since employees spend a good portion of their day using their mobile devices to handle everything from socializing to paying bills, they also want to conduct business on those devices with the same freedom they do on their company-sanctioned PCs or laptops.

### Team, a driving force

Determination of the team is the key behind all the

success. We are an eight member team covering all aspects of the business applications and enterprise network. They are well aligned, target oriented and self motivated.

### Current Status

There are creative initiatives that have happened over these years which resulted in:

- Tremendous growth in online sales and distribution;
- Exciting efficiency and quality service;
- Necessary analytics and projections.

However, if closely observed there is still room for creative enablers that the business is anxiously looking for:

- To address and cop-up with the dynamic work culture;
- Specific customer relations;
- Process automation;
- Availability;
- Accurate decision making etc.

Continuous improvements are taking place for various business processes targeting completion as per plan and putting them into production. The core



application upgrade is in its implementation path achieving 'the milestones', 'completion in time' and 'less or nil downtime' are set as aggressive targets.

#### **Future Plans**

Automation using Artificial Intelligence (AI) would be the game changer in terms of process efficiency in the business world especially for the Insurance Industry. There is no surprise if you meet a robot as an insurance agent the same way how a normal human agent assists you in filling the proposal forms, reminding you of the renewal and taking care of your claims process.

As technology continues to be the critical ingredient in AMI's success, IT will be the tip of the spear in enabling new revenue streams and employee satisfaction.

#### **Girish Gopinath**

Sr. Manager – Information & Technology Department



# Al Madina Takaful launches two new kiosks to reach out to its customers.

Al Madina Takaful has been expanding its portfolio of products and services and finding new ways to reach out to its customers. The two new kiosks launched are at The Walk (The Wave) first floor, near Spinney's and the second one is in Panorama Mall, Ground Floor, Entrance Gate No. 4. Both of these kiosks are ready to help and guide customers choose the right

insurance and get to know more about the different product offerings. Expanding its network is part of Al Madina Takaful's business plan to be closer to where its customers are.

# Ranganathan. C

Head – Business Strategy (Life & Medical)

It gives me immense pleasure to take this opportunity to speak to Al Madina family through this newsletter and share few things about my experience with the company. I firmly believe that every experience, good or bad, is a priceless collector's item and I have been lucky to have great experience while being part of Al Madina.

It was 2007 when I joined Al Madina and we just started our operations. It wasn't easy entering an arena which was overwhelmed by established insurers who were both aggressive and were not willing to give up any space on their turf. However, we were able to sail Al Madina through turbulent times by adapting to market conditions and maneuvering our strategy as we moved further.

Initially I started as Head of Sales and also took responsibility of Life and Medical underwriting to steer Al Madina in becoming one of the leading insurers. I was part of the team that coined all processes and procedures for Life and Medical underwriting for the company which are still intact and have become benchmark for the industry.

I can without a doubt claim that Al Madina is one of the few companies in the country with professional management and operations setup. By adopting best



market practices from across the globe and recruiting fine resources with proven record in insurance, Al Madina is a force to reckon with when it comes to insurance business in the country.

To provide optimum service levels of underwriting and claims, we brought the top reinsurers from the global market on our panel which enabled us to write business efficiently. Top reinsurance backing also safeguards us and our customers from any unforeseen catastrophe.

I expect Al Madina to reach new boundaries and keep raising service level benchmark for itself and its peers in the industry. We will continue to be robust in our processes and provide innovative insurance solutions to our loyal customers. Excellence is the gradual result of always striving to be the best and I can assure you that we will strive to be and remain the best.

Thank You.



## The Road to Success

Qasim Ali Khalfan Al Ghaferi

Insurance is considered as a vital and vast sector with all its multiple fields. The insurance sector has shown remarkable growth over the past years in the Sultanate and it is one of the pioneering fields in the labor market because it is considered as an opportunity for each person eager to work in this sector to ensure a bright future.

Hence, Mr. Qasim Ali Khalfan Al Ghaferi developed his capabilities and expanded his expertise. Since the beginning of his career, Qasim worked very hard to diversify his skills. He started in the insurance industry in 2009 as an insurance clerk. Then he joined several training courses that helped him in his career and hone his skills as well. Qasim received a professional fellowship certificate in insurance. He also worked to identify his objectives till it become a reality. Today, he is one of the trustworthy branch managers and he succeeded in marketing and management in his new role.

Qasim's success is credited to his teammates and managers who helped him reach this stage through constant support and encouragement.