

## Islamic Finance news talks to leading players in the industry



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by the trust our partners are putting in Takaful Re and generating business. The team is dedicated to the values and provides the best service we can to these companies. Our strategic shareholders are investing a large amount of capital, directing the management and strategy and supporting the team.

### What are the factors contributing to the success of your company?

Many factors are serving Takaful Re in addition to the previous strengths – the Takaful market is growing very fast, the boom in Islamic finance, the past and expected growth of the Middle and Far East economies, and of course the quality of our service and excellent rating ('BBB' "stable" from Standard & Poor's).

### What are the obstacles faced in running your business today?

The main obstacle is the conventional mindset; some of the operators are not sufficiently aware about the volume and capabilities of the existing reTakaful capacities. We need a kind of "cultural revolution" to convert the conventional mindset to Takaful. Our main communication message for this year is: "Think Takaful – Act Takaful".

We can also add the level of competition reached by all our Middle and Far East markets, which makes underwriting good business very difficult; and as a re-Takaful operator, we have the ethical duty to make our policyholders fund profitable, which is different from the conventional as they can compensate any technical loss by the investment profits.

### Where do you see the Islamic finance industry in, say, the next five years?

Islamic finance is now at a very critical point, as we are seen positively as an ethical and not speculative industry. We have to leverage on this, especially with the current crisis. If we adopt the right strategies and direct our business to fulfill our customers' needs, I'm sure Islamic finance will have a bright future. We have to be sure to comply with our values, be innovative and adopt the best standards. Corporate governance shouldn't be a problem if we are committed to our values, as our religious beliefs prevent us from any speculation, "illegal" or "unethical" trading.

### Name one thing you would like to see change in the world of Islamic finance.

Takaful companies must work hand in hand with regulators in order to have a legal framework for Takaful in all Muslim countries. With the Shariah scholars, Accounting and Auditing Organization for Islamic Financial Institutions and Islamic Financial Services Board, we need to go ahead in the harmonization of Shariah and accounting standards.

As professionals, Takaful operators need to establish themselves as a powerful group, to draw up macroeconomic strategies and action plans to make Takaful one of the main drivers for the development of the insurance industry in our emerging markets. Targeting 5% average penetration rate (premium as a percentage of gross domestic product) should be our main objective for the coming decade.<sup>(2)</sup>

### Could you provide a brief journey of how you arrived where you are today?

My background before being a reinsurance underwriter was macro economics and planning, and I graduated with a master's degree from Grenoble University, France, and later completed a master's in insurance. After working for several years and in different positions with my previous company, I was approached in 2005 to head Takaful Re's full operation. Takaful Re being the first full-fledged re-Takaful operator with large capital and fully dedicated to the Islamic companies, the assignment was a very challenging opportunity.

### What does your role involve?

As a CEO, my function includes all strategic aspects, business planning and development, marketing and promotion of Takaful and re-Takaful capacities and capabilities, company and policyholders' investments, and managing day-to-day our resources especially our human capital. I have to make sure that Takaful Re's operations are Shariah compliant, provide the best service and generate surplus to our Takaful partners as well as acceptable ROE (return on equity) to our shareholders.

### What is your greatest achievement to date?

The greatest achievement was to position Takaful Re as a reference for all the new re-Takaful who entered the market after us, and to be now among the top re-Takaful companies; Takaful Re is the reference and source of information about Takaful companies and industry.

### Which of your products/services deliver the best results?

As a re-Takaful operator we are writing general, medical and family Takaful. Over all, our business is technically profitable, but considering the severe competition and the low pricing, non proportional treaties and family Takaful are the most profitable businesses.

### What are the strengths of your business?

The key strength of our business is our commitment to our Takaful values, the teamwork and the support received from our shareholders, especially Arab Insurance Group.

The synergy between the three components is serving the capital and policyholders in a very efficient manner. Our commitment is rewarded