

Combining financial solidity  
with innovative solutions



## Munich Re (Retakaful Branch)

Munich Re's global retakaful hub  
and centre of competence

## Munich Re (Retakaful Branch)

is a fully-fledged retakaful operator licensed by Bank Negara Malaysia in December 2007. Based in Kuala Lumpur, we are set up to be Munich Re's international retakaful hub. We were the first operator to apply a pure wakala model for both family and general takaful activities. It addresses the specific needs of Islamic societies by using the Group's exceptional expertise and assets in providing viable techniques to implement the rules set by shari'a scholars. This not only fosters mutually profitable growth in local markets, but also benefits the development of the global takaful industry. In addition, our clients profit from the excellent financial solidity and technical expertise of Munich Re. Our sincere efforts were recognised as we received the Most Outstanding Retakaful Company 2009 award at the Kuala Lumpur Islamic Finance Forum in 2009. In 2010 we were voted the Best Retakaful Service Provider by Islamic Finance news, followed by the Best Retakaful Company Europe & North America at the Takaful Summit in London in 2011.

## Ratings of Munich Re

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Standard & Poor's AA- (Very Strong)

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Fitch AA- (Very Strong)

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Moody's Aa3 (Excellent)

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A.M. Best A+ (Superior)

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Munich Re Kuala Lumpur (Retakaful Branch), operates as an independent branch of Munich Re.

As a branch, it has the full and unconditional financial backing of Munich Re. The ratings are shown in the table above, underlining that Munich Re (Retakaful Branch) is one of the financially strongest retakaful operators worldwide.

## *Our vision*

*We strive to combine Munich Re's first-class financial strength and technical expertise with a profound understanding of Islamic economics and takaful techniques to bring the takaful industry to the next level of its development.*

## Munich Re

Munich Re is one of the world's leading reinsurers and stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. Its scope extends far beyond the role of a pure risk carrier to include risk prevention, risk management and a wide range of training and consulting services. Especially when clients require solutions for complex risks, Munich Re is a much sought-after business partner. Our success is based on a solid capital base and in-depth risk knowledge – qualities from which our clients benefit. We invest heavily in order to maintain our lead in the knowledge stakes, and our staff in reinsurance possess unique global and local knowledge. This strength has earned us top rankings in client surveys. With its integrated business model of reinsurance, primary insurance and international health, the Group has over 47,000 staff throughout the world.

### **Risk management is our strength**

Our entrepreneurial passion for seeing change as opportunity and never standing still have made us an industry frontrunner. We consistently expand and enhance our risk competence through our global network and exchange of knowledge with selected cooperation partners. This is how we produce solutions that are both forward-looking and sustainable. Solutions for tomorrow's world.

## A passion for risk management

We at Munich Re (Retakaful Branch) are firmly convinced that there is ample space for innovation and optimisation. The requirement of shari'a compliance is a constant driver to avoid simple copying of existing products and practices. Not only are we allowed to use risk management; we are called on to constantly use our reason to find new ways and solve the tasks posed by reality.

The Holy Prophet told a Bedouin who asked him whether he should tie his camel or leave it untied, trusting to the will of God. (s.w.t.): "Tie it first and then leave it to God. (s.w.t.)

## General retakaful

Munich Re (Retakaful Branch) pioneers a pure wakala model in general retakaful and combines shari'a-compliant alternatives for existing covers with support for operators who strive to venture into new fields of business.

Within our first year, we

- became a main player in Southeast Asia;
- established our knowledge leadership role in retakaful matters such as operational models and surplus distribution;
- implemented our first project on a large affinity group scheme.

Apart from the shari'a-compliant treaty bouquets on all main lines of business, we constantly

- develop new products that increase penetration in the target markets;
- apply the wakala approach to risk-sharing solutions in order to make use of reduced moral risk or information costs;
- tailor solutions for affinity groups and their multi-fold and complicated demands, making use of the solidarity inherent to the idea of takaful through Munich Re's flexibility;
- support technically demanding products that were previously out of reach of takaful operators;
- strive to expand the realm of shari'a-compliant coverages and refrain from conventional retrocession.

To make full use of Munich Re's expertise, we maintain a Centre of Competence for Retakaful at headquarters as the second pillar of our retakaful set-up.

## Family retakaful

Munich Re (Retakaful Branch) operates on a pure wakala model and covers all family takaful risks plus attaching riders.

We are the most innovative family retakaful operator and have developed new retakaful solutions that are not mere copycats of conventional reinsurance, thus setting the stage for a new era in Islamic reinsurance.

### **We take solidarity literally:**

- We operate a global pool covering worldwide family retakaful for optimal risk diversification. A sophisticated annual surplus distribution method ensures company-specific and intergenerational equity.
- Additionally, our clients profit from a unique shari'a-compliant pooling concept for large risks.
- We give takaful operators access to a truly 100% shari'a-compliant supply chain:
- We do not use conventional retrocession. This ensures that ceded takaful business does not finally end up on the books of conventional reinsurance companies.
- We do not accept conventional life insurance business in our retakaful pool, giving our clients peace of mind that our pool is free of haram elements.
- We are the first retakaful operator worldwide to offer a fully shari'a-compliant catastrophe excess-of-loss cover.

## Shari'a Committee

**Prof. Dr. Younes Soualhi**

(Chairman)

Malaysia Shari'a Advisor

**Sheikh Essam Ishaq**

Bahrain Shari'a Advisor

**Azman Ismail**

Malaysia Shari'a Advisor

Our operation is closely supervised by our honourable Shari'a Committee that represents the two main regions of the current takaful landscape – Southeast Asia and the Middle East.

This ensures that our operation is shari'a-compliant at all times regardless of the local school of thought.

It is our strategy to have scholars with an in-depth understanding of modern finance and risk management tools. Our practitioners, in turn, acquired an acknowledged shari'a understanding (CIMA, Ph. D.).

Only by interlinking our expertise from both angles can our innovative approach succeed.

Following the credo that shari'a compliance is an innovation driver, our shari'a approach is flexible only when it comes to developing new ideas, but not in terms of simple adaptation of conventional solutions.

*“Munich Re is a pioneer in providing innovative retakaful business operations, but Shari'a compliance remains our first and foremost priority.”*

## Contact



**Mr. Tobias Frenz**  
CEO Munich Re (Retakaful  
Branch)  
tfrenz@munichre.com



**Dr. Ludwig Stiftl**  
Head of Retakaful Centre  
of Competence, Munich  
lstiftl@munichre.com

## Munich Re (Retakaful Branch)

### Office

Munich Re (Retakaful Branch)  
Suite 13.1 Level 13, Menara IMC  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

Tel.: +60 (3) 23808500

Fax: +60 (3) 20325955



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Münchener Rückversicherungs-Gesellschaft

Königinstrasse 107

80802 München

Germany

Tel.: +49 89 3891-0

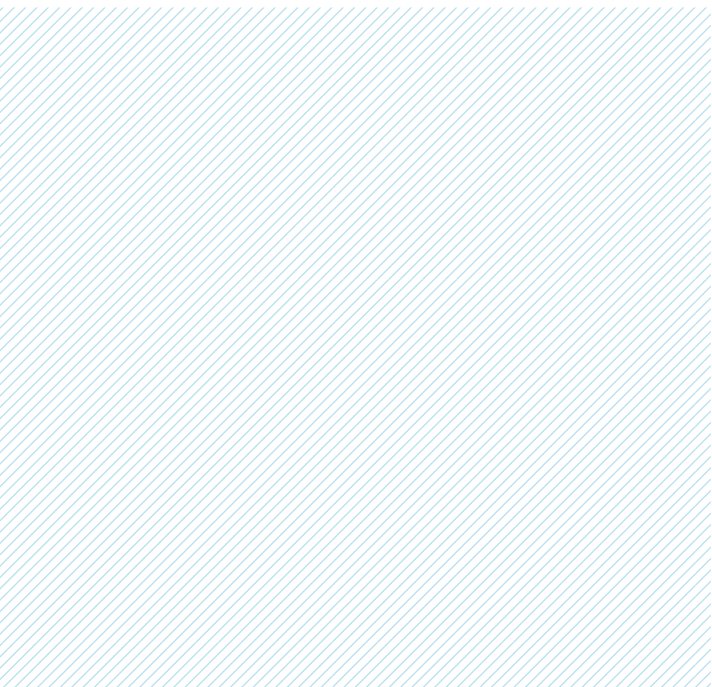
Fax: +49 89 399056

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Münchener Rückversicherungs-Gesellschaft  
Königinstrasse 107, 80802 München, Germany