

## MEMBER'S ARTICLE

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### "TAKAFUL: THE PRIDE AND PLIGHT"

by Wan Intan Suhaila binti Wan Ahmad Ridzuan

Growing up - money; played a big part in my life. It dictated the experiences of my childhood and shaped who I am. My father lost his job amidst the 1998 financial crisis. It took him 8 years to finally started working again. That meant - money was in limited supply for a good part of my growing up. As a child - it made me feel so bad that I couldn't help my parents with money. I vowed to be a good student so that I could quickly get a good job and make a lot of money so that I can help out. When I was 16, I told my mother this, but instead of agreeing to it she told me that I shouldn't worry about making money. That I didn't need to have a lot of money to help her or people in general. That there are many ways you can make a difference to the people around you.



This stayed with me and was a determining factor in my deciding my career. I actually wanted to be a teacher or join some non-profit organisation. I wanted to help people for a living. But on the other hand, I also wanted to support my family financially. So, in the end - I decided I was going to join corporate, but I would find the most noble one. To me - insurance/takaful was it.

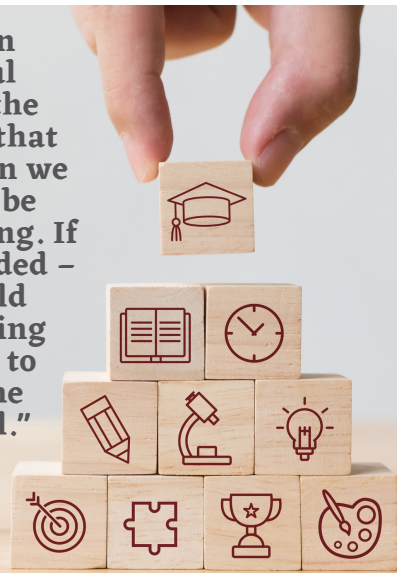
It is no secret that compared to our other financial services peers, a job in insurance/takaful pays less than our peers in banking or investment. But the idea that I would be a cog in a machine that helped families withstand financial problems was enough for me. As far as I was concerned, I had found my calling and I was super excited and proud of it.

Unfortunately, and much to my surprise, the people around me did not share that enthusiasm. Whenever I tell people that I work in a takaful company. The responses I get are awkward silences, worried looks or the presumption that I must be in the Actuarial department. This is then followed by my feeling inadequate when I tell them no - I am not in Actuarial.

This lukewarm response is actually substantiated by data. In 2019 - the penetration rate for takaful was reported to be 15%. That means out of every 10 people I meet; only 1 and half person would positively respond to the fact that I work in takaful. But more importantly, out of every 10 person we meet, only 1 and half person can withstand untimely death or sickness of the head of the family. What's more depressing is the 15% penetration rate hasn't moved for the past 5 years.

Every other takaful conference, meeting, task force that I've ever joined or participated in would bring up the issue of the lack of takaful awareness especially among the B40 segment. But to me, what this really represented was the lack of takaful education to the general public.

**"In my opinion, as an employee of a takaful company; we may be the expert on takaful. But that doesn't necessarily mean we are the best people to be doing the actual educating. If education is what is needed - then maybe, we should experiment collaborating with actual educators to teach people about the importance of takaful."**



Wan Intan Suhaila is the Head of Corporate Strategy at FWD Takaful and has a degree in Actuarial Science, with a minor in Business Administration.

She maintains that once a person has access to financial products and knowledge, he or she has a shot at getting out of poverty. She also believes that, as a community, financial inclusion would allow all Malaysians to be better prepared to withstand life's challenges and better positioned to help each other.







FWD Takaful's partnership with a social enterprise made up of teachers, Arus Academy – was that experiment. It is an experiment that is giving learning experiences that make me a better takaful practitioner and dare I say it, a better person. Here are some of the learnings I got from working with them.

First, Arus has a clear focus on creating impact. They are teachers at heart but they are willing to transform themselves to be whatever that is needed to be able to educate a student effectively; they are genuine counsellors and motivators but also impeccable project managers, researchers and innovative creators. Every feature of their programmes, was inspired by a thought process that ensures the students are better off. They constantly validate and test how their students respond to their methods. They are extremely open to feedback from various stakeholders. If something doesn't work – they will toss that out and quickly focus on finding something that does.



This picture is courtesy of FWD Takaful

Secondly, they are very in touch with the people that they want to help. Every single person in Arus gets to have interactions with students. I believe this allows everyone across Arus to keep the sense of urgency in their mission, to see exactly who their mission is serving, and to see the results of their effort – be it failures and successes. I also believe this is how the entire team of Arus is able to be genuine in their interactions with the students. In the programs they run, you can feel it in the air – that everything revolves around making the student feel comfortable and safe. As a result, students open up and allow themselves to be completely invested in the programme.

Arus fights for quality education opportunities for under-privileged students because they vehemently believe that every child has a right to an education. As a takaful operator, we fight to give families a fighting chance to withstand financial hardships because we believe that a death in the family shouldn't be the beginning of a troubled life of any family. We're both fighting for social causes we believe in. But dare I say this – as takaful operators – if we want to change the trajectory of the takaful penetration rate in the next 5 years; we must change our ways and emulate the mindset of a social enterprise. We too must sharpen our focus on impact and get in touch with the people we aim to serve.

What happens if we don't? What is the big deal? If the penetration rate has been stagnant, how come life as you and I know in the takaful industry continues to be the same?

**"I'll be the first to admit that right now, in this moment - I am privileged enough to not be living through the consequences of the lack of family takaful."**



This picture is courtesy of FWD Takaful



But the recent financial literacy program that we ran at Projek Perumahan Rakyat in Kuala Lumpur was a rude awakening for me. There, I saw; not just one or two families, but an entire community overridden with financial hardships that was triggered by either death, sickness or disablement in the family. This financial hardship then escalates to children dropping out of schools, drug problems, domestic violence and mental anguish. So you see, when takaful penetration rates do not improve - more and more grieve stricken communities plunge into darkness. That - is the big deal.

When we were there, we met a group of kind and respectful teenagers. These teens who still smile, still hopeful and still fighting for a better life. When I found out some of them dropped out of school, my heart sank. But I also understood why.

How can a girl keep going to school and much less focus on her English homework, when her father is no longer working because he suffered a stroke? Imagine the distress of seeing your father in that state. Imagine the turmoil of having to figure out how to take care of your parents without any financial means. Imagine the anxiety of not knowing where to get the next meal for you, your brothers and sisters. Imagine the fear of not being able to pay for water and electric bills. Imagine the shattered sense of hope. This is not just a depressing fictional cautionary tale. This is the reality of her life, a life without family takaful.



Her reality is actually a reflection of our shortcomings. As an industry and society, we have failed to educate and empower her father to get family takaful. We had failed to illustrate to him that family takaful can help keep the lights and water running for a few more months or years, in his absence or sickness. That family takaful can help pay for school fees, books, uniforms for a few more months or years after he is gone. It can pay for the rent for a few more months or years. Most importantly, it can buy his sons and daughters more time; the time to grieve his passing or come to terms with his sickness - more critically, the time to get the tools to get out of the state of poverty.

**"For every generation of family that we fail to educate, is a generation of family without family takaful. For this, the next generation will pay for it with their future, and so will the next and the next and so forth. Until and unless, one generation is empowered - untimely death, illness and disablement in the family - will continue to rob the quality of the future of the next generation."**

So, I hope you realize; that the role you have in the takaful industry means something to society. No matter how or why we ended up working in takaful, I hope you recognize that it is a gift and a form of privilege, that our work enables us to be charitable, that we can extend a financial life line to others even when we don't necessarily have a lot of money ourselves.

**"They say it takes a village to raise a child. My question to you is how many takaful employees, agents, partners and advocates does it take to protect a child from growing up into poverty?"**

As a takaful practitioner, are you going to be one of them who will use your skills, time, effort and voice to figure this out? Will you do your part in breaking the cycle of poverty? Today - I'm asking you to do so, urgently. Because time is ticking away and somewhere out there in our town and our city, there is surely a 14 year old girl fighting for her dreams and ambitions to get out of poverty, but will head towards it anyway because her family is without family takaful. Please, don't let her fight this good fight alone.

