

DIAMOND PARTNERS



PLATINUM PARTNERS



GOLD PARTNERS



A future for Takaful in the UK?



Bradley Brandon-Cross
Chief Executive
Salaam Halal insurance

4th International Takaful Summit
14-15 July 2010



Who is Salaam Halal insurance?

The UK's first independent, fully Shariah compliant, insurer

Principle Insurance Holdings Ltd

1) Principle Insurance Company Ltd

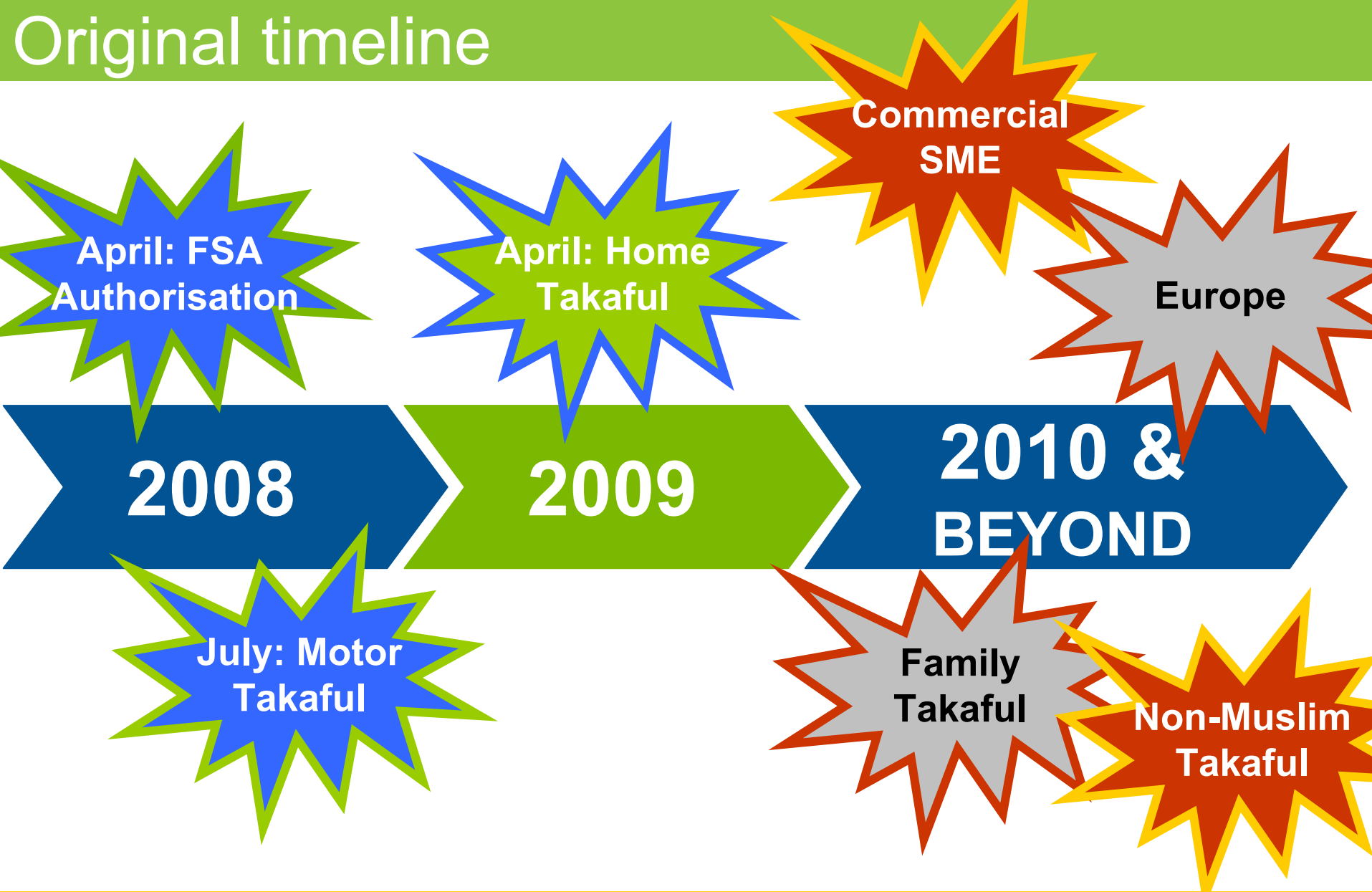
- Authorised by the UK FSA

2) Principle Marketing Services Ltd

- Authorised by the UK FSA
- Salaam Halal insurance



Original timeline



Always plan to build a multi-product & multi-channel business on back of personal lines products & customers

What Actually Happened.....

**April: FSA
Authorisation**

**April: Home
Takaful**

2008

2009

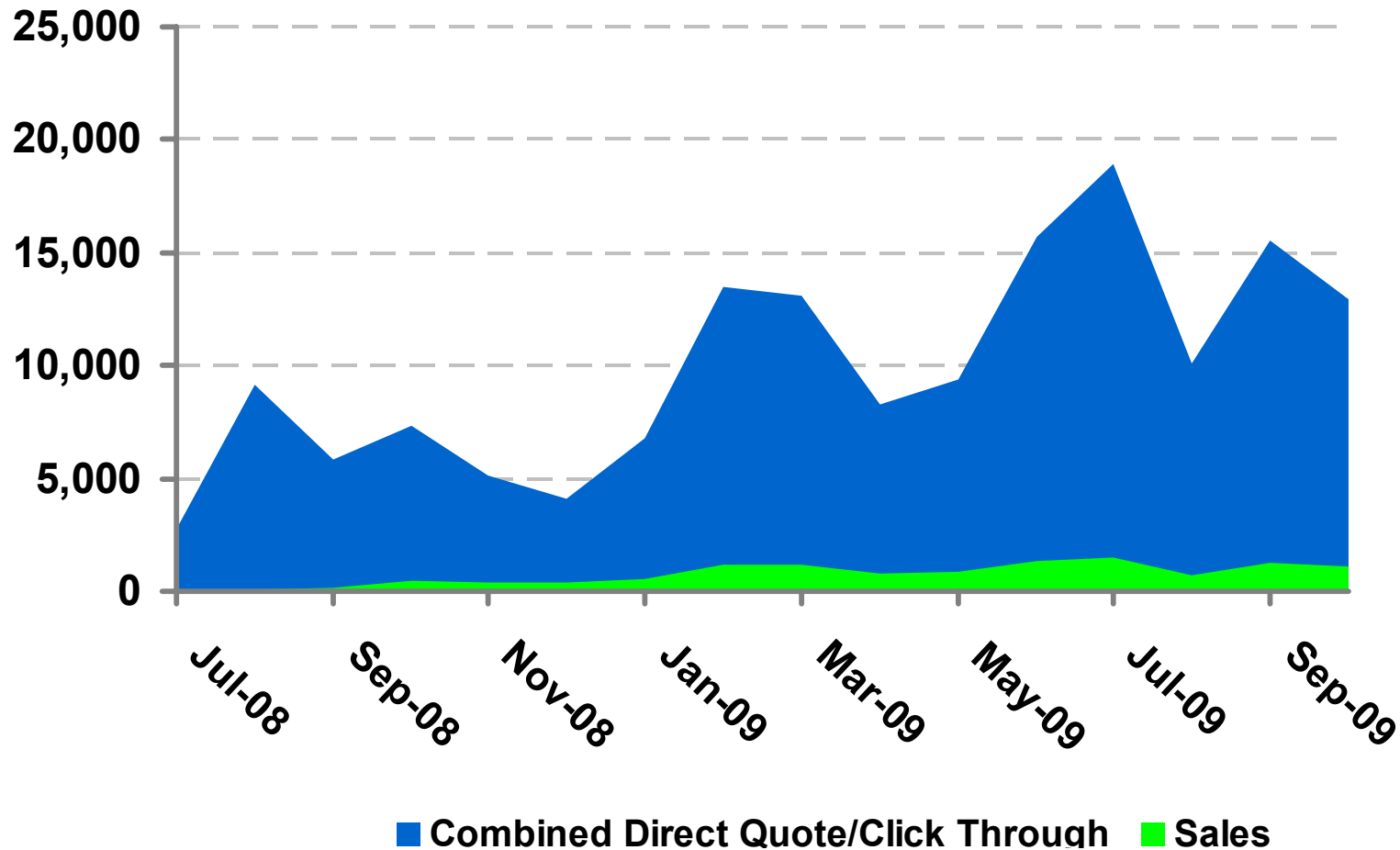
**July: Motor
Takaful**

**October:
Solvent
Run-off**

*Danger of breaching minimum solvency capital –
entered solvent run-off in October 2009*

Motor Quotes/Sales

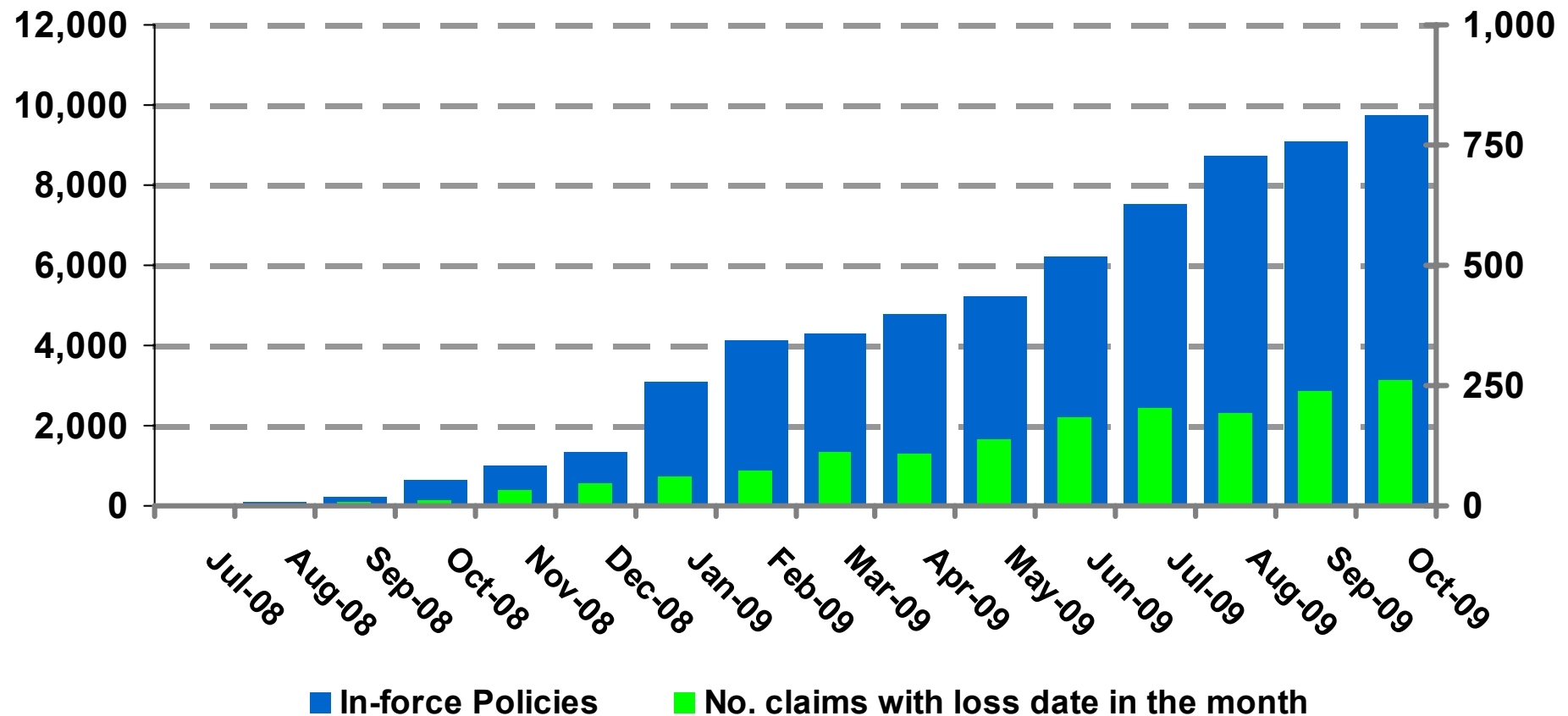
Combined direct quotes + web 'click throughs' from 'soft' launch on July 2008 to run-off point on October 2009.



With price comparison websites generating quotes was never an issue – sales conversion rates ca. 8%

Motor Policies & Claims

Policies in-force over the period from launch July 2008 to Run-off October 2009



Claims – particularly third party injury – generated motor loss ratio in excess of 160%

What Happened Next?

- ❖ **Looked at achieving early Finality for shareholders**
 - **Sale**
 - **Part VII Transfer**
 - **>27 counter-parties**
- ❖ **Existing shareholder**
 - **Acquiring PICL and PMSL for cash**
 - **subject to FSA approval**
- ❖ **Relaunch plan 2011**

Actual capital was always less than required – leading to truncated plans and no follow through

'Salaam Mk 1'



- ❖ Good brand recognition
- ❖ Quote volumes
- ❖ First to market
- ❖ Unique & pioneering data/IPR



- ❖ Time & cost to launch
- ❖ Capital gap
- ❖ Run before we could walk
- ❖ Over-ambitious plans

Over ambitious plans drove speed and cost – versus capital preservation and test and learn

The Future

- ❖ **Motor & Home Insurance –**
Price comparison websites remain crucial
- ❖ **Mosque & Public Buildings Insurance –**
Underpinning community based approach
- ❖ **Field based business development –**
Building relationships within community
- ❖ **Motor Counter Fraud Tools –**
Propensity for fraud too widespread
- ❖ **Community must stand up and embrace Islamic Finance**

There is a future but based on communication and incremental growth – no big bang!



Thank you



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