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[SPONSORED] I Asked 8 Hard Questions to Great Eastern Takaful's CEO

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You know how content from insurance/takaful companies all kind of say the same things? "Protect yourself and your family in case anything happens", "Life is unexpected, be prepared", "Make sure your loved ones are taken care of"?

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Yeah, they're repetitive. And boring. Important stuff, sure, but boring.

So when I got the opportunity to interview Great Eastern Takaful's CEO, Shahrul Azlan Shahrman, **I told them I wanted more meat** if we proceed with a paid collaboration to promote their newest takaful product, i-Gr8 Harapan. I told them I don't do pure 'promotion' without interesting content about their new takaful product and the takaful industry in general.

Surprisingly, this jual mahal approach paid off. They approved all of my questions. Here they are, for your reading pleasure.

#Q1 – Who is i-Gr8 Harapan suitable and NOT suitable for?

I studied the [i-Gr8 Harapan product brochure](#). The i-Gr8 Harapan takaful, which is a term takaful* product, looks especially suitable for:



- **Muslims** (for the Badal Hajj**, Waqaf*** and Hibah**** services option)
- People aged **between 30 days – 70 years old**
- People looking for **at least RM100,000 in Basic Sum Covered** (and up to RM500,000)
- People seeking **higher Accidental death benefits** (up to 4x)
- People who can commit **~RM60•RM100+ in monthly contributions** (from RM2 a day)
- People who **don't want investment-linked takaful products** (me)
- People who want **term takaful but lazy to go medical check** (me)
- People who **don't have term takaful yet** (me)

* term takaful– when you die, your family/whoever you nominate gets a lump sum

** Badal Hajj – if you die before you do your hajj, Great Eastern Takaful can get Tabung Haji to send someone to hajj on your behalf so you get the pahala

*** Waqaf – donation for charity

**** Hibah – give the money to whoever you want, whether Muslim or non-Muslim, related or not related through nomination. You can also hibah to charity of your choice via assignment.

They said that this product is suitable for everyone (understandable answer), and added in: people living in Johor and working in Singapore (and similar arrangement) would especially benefit from this. Since they can get 4x the Basic Sum Covered (BSC) if they KO outside of Malaysia due to accident. So if your BSC is RM250,000, your nominees get RM1 million.

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You can find the full Accidental Death Benefit coverage in Page 6 in [the brochure](#).

Note: that if death is due to natural causes, your nominees get the BSC amount only (no darab darab).

#Q2 – The product is marketed as ‘at RM2 contribution per day’. What is the range of monthly contribution for someone who’d like to take the maximum BSC (RM500,000)?



The [i•Gr8 Harapan brochure](#) gave the below as an example:

- Name of person covered: Murshidi
- Gender: Male
- Age next birthday: 35 years old
- Smoking status: non•smoker
- Basic sum covered: RM250,000
- Monthly contribution: RM57.50 (less than RM2 daily)

RM250,000 BSC is nice, but RM500,000 is even better – RM500,000 is nicely 10x the annual income of someone who earns RM50,000 per year, or RM4,167 per month.



(10x annual income is the usual rule of thumb if you want to calculate how much to get for term takaful.)

Can I find out how much we should expect to pay if we want the max BSC, I asked. Sometimes we just want to know without the hassle of contacting an agent first. Maybe can give the amount for 25•35 years old, which is the majority of RoR audience?

Oh sure can can, they said. Here you go:

- Max RM500,000 BSC for Male Non•Smoker (Age 25•35) is RM105•RM115
- Max RM500,000 BSC for Female Non•Smoker (Age 25•35) is RM95•RM105

Good to know the price range, right? Easy for you to check around and compare.

Note: Four variables affect your monthly contribution amount:

- Sum covered – the higher the BSC you want, the higher the contribution
- Gender – higher for men (y’all display more risk tendencies)
- Age – higher if you’re older, obv
- Smoking status – higher if you smoke, also obv

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#Q3 – In the brochure, there is a section on rewards for underwriting surplus and investment profit. Can explain?

I'm referring to this section:

Rewards You with Underwriting Surplus and Investment Profit



With **i-Gr8 Harapan**, any underwriting surplus (if any) from the Tabarru' Fund after a suitable amount is held back for contingency purposes will be shared among the Participants and the Takaful Operator in the ratio of 50:50. Your share of the surplus will be payable to you via any medium that the Takaful Operator deems fit.

Any investment profit which derives from the Tabarru' Fund will be shared among the Participants and the Takaful Operator in the ratio of 50:50 and payable via any medium that the Takaful Operator deems fit. Any losses will be carried forward and accounted for before arriving at the underwriting surplus or deficit in the following year.

Note: The underwriting surplus and investment profits are determined yearly.

They said:

- **If there are surplus and investment profit from the Tabarru' Fund, they will give 50% of the money back to certificate owners via bank transfer (the other 50% is their portion)**
- If there are fund deficit, Great Eastern Takaful will pump in money to the fund as a loan, no extra contribution needed or expected from certificate owners

This is quite a nice arrangement for a non-investment-linked product, no?

#Q4 – The product looks like it will be distributed purely from agents. Any plans to create direct distribution channels* for it?

*direct distribution channel – where you subscribe it directly, usually online, without agent as intermediary.

They confirmed that yes, the product will be distributed via their 5000-strong agent force, BUT will be available online at the [Great Eastern Takaful website](#) in the future.

Why, I asked.

They explained that this particular product with this many benefits is **limited edition**, and **only available from September-October 2018**. Two months only.

Why, I asked again.

Need to manage risks, they said. Takut kena abuse.

How often do you get fraud cases, I asked.

"We take it seriously," said Shahrul Azlan, "That's why we have to follow through specific procedure for claim payout. This is because the money in the Tabarru' Fund belongs to all contributors and we want to make sure that we pay out only genuine claims."

Fraud cases are one of the reasons why contributions can be priced so high. Don't be so selfish and make life harder for the rest of us who just want to be covered.

So how is the iGr8 Harapan going to be different from the online product, I asked.

No Accidental Death Benefit, they said.

Fair enough. I understand how businesses need to apply risk management strategies.

So yup if you're shopping around for term takaful, know that this particular product, iGr8 Harapan, have extra benefits in September-October 2018 only. Check it out here [product page](#).

#Q5 – What's something you didn't realise before you joined the Takaful industry?

That it's both sad and fulfilling, said the CEO.

Shahrul Azlan told us a story when he personally delivered a compensation check to a family after the certificate owner's passing. It was a crying fest, with lots of declarations on how the money will be used to fund the sibling's education.

I asked the other Great Eastern Takaful staff members who joined the interview if they had the same experience. Some of them nodded, and shared their own stories. It seems like the experience is one of those unforgettable life experiences. I can imagine, especially if the person who died was the primary breadwinner. It's like their love carried on. Sebak jugak la.

"Oh, I also notice that usually after these cases, we get requests from the family members to be covered or to top up their certificates," Shahrul Azlan added.

I can imagine that too.

#Q6 – What are some challenges specific to the Takaful industry?

I won't lie – the conversation took a slight racial turn after asking this question. Everyone on the Great Eastern Takaful team confirmed while Takaful products are mainly created to be appealing for the Muslim market, it's hard to market takaful to the Bumis (most of them Muslim in Malaysia, as you know).

Some key highlights:

- **Bumis tend to view takaful as a luxury**, not a necessity. They'd use their disposable income to buy things first rather than subscribing to takaful protection.
- Non-Bumis tend to understand the need for protection better. **Bumis like to give excuses**, like not having enough money. The lack of long-term planning is obvious (I won't touch on macro-level contributing factors, like economic policies here)
- Around 30% of Bumis who do participate in takaful would **stop paying within the first year**. The persistency rate (I guess you can liken it to drop-out rates) is much lower than non-Bumis
- Bumis give **less priority to term takaful**, which usually benefits the family. If they have takaful, they'd get medical card and personal accident. Those don't usually give out a high enough payout upon death (Note: guilty as charged. I have medical card and PA takaful, but not personal protection. Dammit I hate that I fit the stereotype here)

I have no excuses for my race. Just have to be better so we're all better collectively, as Malaysians.

Bumis reading this, share with us what you think. Why do we not take takaful seriously?

#Q7 – There are a few takaful providers in Malaysia all trying to capture the biggest market share. What differentiates Great Eastern Takaful against the rest?

Great Eastern (the big brother of Great Eastern Takaful) has been operating for 110 years, they said. Their reputation, and thus ours, is solid.

Good answer. A company operating that long must know a thing or two about staying in business. You'd want them to be around when you/your family need to make the claim.

Then I asked about their company culture. They proudly pointed out their 2018 slogan, 'Our Time is Now!' (I noticed it everywhere while entering the office also).



The CEO said he even received the slogan as a birthday gift. That's him posing with it with his colleagues, in his office.



Why did the company pick 'Our Time is Now!', I asked.

Because we want to make our mark in the takaful industry now, he said. Takaful products usually require specific period of time to be completed. We did this one (i•Gr8 Harapan) in shorter period, because 'our time is now' (laughter ensued).

How often do you repeat the slogan, I asked.

Too many times, they laughed again.

I've never had this fun of a chat with top-level management of a takaful company, I tell you.

#Q8 – Tell us something about the takaful industry that many people don't know

Apparently, there's a friendly competition going on among takaful companies operating in Malaysia. All 11 CEOs get together under something called 'Race for Cover' campaign, which aims to get more Malaysians (and especially Bumis) covered. Everyone got together for this noble cause, but obviously each one wants to win and capture the most market share.

Somehow this part is really funny to me lol.

Last Words

As we wrapped up our conversation, all I could think of was: