

# FAQ's

## Conversion of Composite Licence to Single Licences



### 1) Why does Syarikat Takaful Malaysia Berhad (“STMB”) require a conversion of its Composite Licence to Single Licences?

The conversion of STMB’s composite licence to single licences is in accordance to the Islamic Financial Services Act 2013 (“IFSA”) which requires composite licensed takaful operators to convert their businesses to single licences and split the Family and General Takaful businesses under two different business entities with effect from 1 July 2018. This is due to the different risk characteristics and nature of the businesses.

### 2) What are the objectives behind this legislative requirement?

The objectives behind this requirement are to accord greater focus on core areas of expertise amongst the takaful operators in addition to minimizing risks deriving from areas of business where expertise and skills are limited. The conversion exercise is also imposed to ensure continuous stability in the takaful sector with a pool of sound and efficient industry players.

### 3) What are the outcomes of STMB’s conversion from Composite Licence to Single Licences?

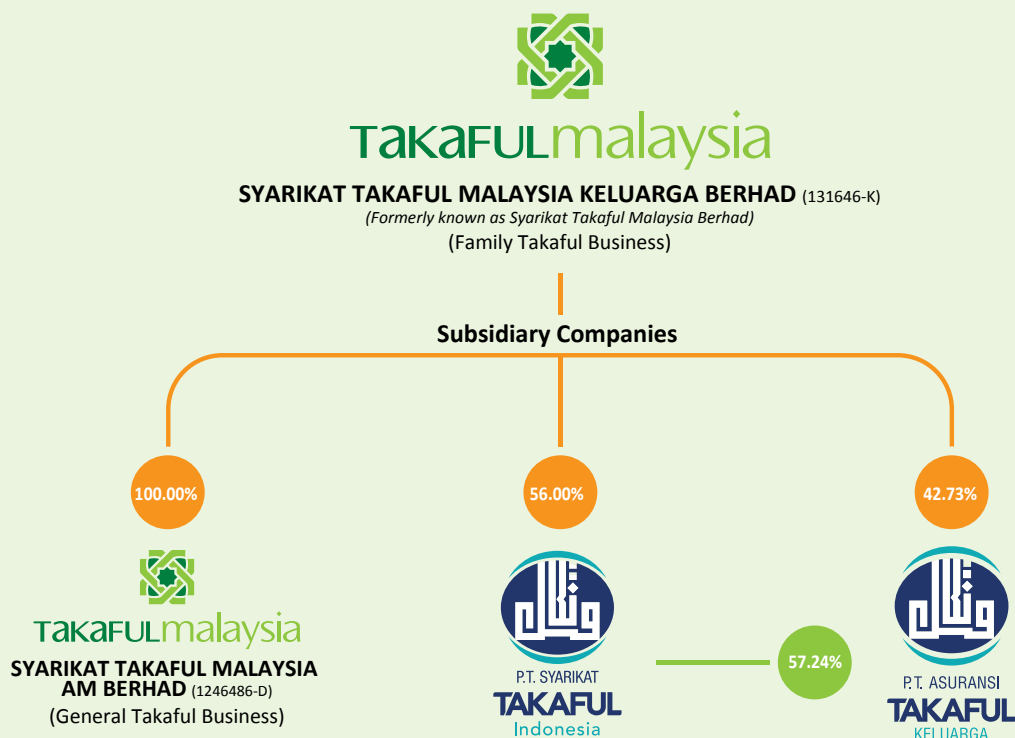
STMB as a composite licensed takaful operator for its Family and General Takaful businesses is required to convert its composite licence to single licences and split the company into two (2) entities to manage the Family and General Takaful operations separately.

The Ministry of Finance (“MOF”) and Bank Negara Malaysia (“BNM”) have approved the conversion of STMB’s composite licence to single licences in accordance to the IFSA and granted the following two (2) new entities.

Before the Conversion Exercise	After the Conversion Exercise
<ul style="list-style-type: none"> <li>Composite Licence</li> </ul>	<ul style="list-style-type: none"> <li>Single Licences</li> </ul>
<ul style="list-style-type: none"> <li>Syarikat Takaful Malaysia Berhad (“STMB”)</li> </ul>	<ul style="list-style-type: none"> <li>A Family Takaful business licence is granted to STMB under a new name of <b>Syarikat Takaful Malaysia Keluarga Berhad (“STMKB”)</b> (Formerly known as Syarikat Takaful Malaysia Berhad) as a holding company to manage the Family Takaful business</li> <li>A new company which is a wholly-owned subsidiary of STMKB by the name of <b>Syarikat Takaful Malaysia Am Berhad (“STMAB”)</b> to manage the General Takaful business</li> </ul>

#### 4) What is the new Corporate Structure after the conversion exercise?

The new Corporate Structure after the conversion exercise is as follows.



#### 5) Will there be any changes to the certificates and the terms and conditions following the conversion exercise?

The existing terms and conditions of your takaful certificate contract(s) such as contributions, benefits and coverage will not be affected. You will continue to enjoy the great benefits and quality service offered to you.

#### 6) Will the takaful certificates continue to be protected by the Malaysia Deposit Insurance Corporation (PIDM) following the transfer of the General Takaful business from STMKB to STMAB?

Yes, all takaful certificates will continue to be protected by the Malaysia Deposit Insurance Corporation (PIDM) under the Takaful and Insurance Benefits Protection System (TIPS). The TIPS protection of takaful certificates is subject to the applicable requirements and limits set by PIDM.

#### 7) How will the customers and intermediaries be notified on the conversion exercise?

Our customers and intermediaries will be duly notified via digital platforms such as emails, our corporate website, customer and intermediary online portals as well as an announcement in major newspapers.

#### 8) When will the conversion of the Composite Licence to Single Licences takes into effect?

The conversion exercise will take into effect from 1 June 2018.

#### 9) Will STMB remain as a subsidiary of BIMB Holdings Berhad?

Yes, STMB under the new name of Syarikat Takaful Malaysia Keluarga Berhad ("STMKB") will remain as a subsidiary of BIMB Holdings Berhad.

#### 10) Who shall I contact for any enquiries or further clarification?

Please contact our Customer Service at **1-300 88 252 385** or email us at **csu@takaful-malaysia.com.my**. Alternatively, click [here](#) to submit your enquiries.