



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Bancassurance/Bancatakaful

Applicable to:

1. Licensed insurers
2. Licensed takaful operators
3. Licensed banks
4. Licensed Islamic banks
5. Licensed investment banks
6. Prescribed development financial institutions

TABLE OF CONTENTS

PART A OVERVIEW	1
1 Introduction	1
2 Applicability	1
3 Legal provisions	2
4 Effective date	2
5 Interpretation.....	2
6 Related legal instruments and policy documents	5
7 Policy documents superseded	5
PART B BANCASSURANCE/BANCATAKAFUL ARRANGEMENTS AND GOVERNANCE PRINCIPLES	6
8 Bancassurance/bancatakaful arrangements	6
9 Oversight, accountability, management and control of risk in bancassurance/bancatakaful arrangements	7
PART C TRANSPERANCY AND DISCLOSURE	13
10 Disclosure and marketing to target customer segment	13
PART D TRAINING REQUIREMENTS FOR STAFF OF BANCASSURANCE/BANCATAKAFUL PARTNERS	16
11 Training for staff marketing bancassurance/bancatakaful products	16
PART E REPORTING	17
12 Submission of Statistics	17
PART F APPENDICES	18
Appendix I: Illustration of Guaranteed Cash Pay-outs in Marketing Materials	18
Appendix II: Submission Form of Statistics.....	19

PART A OVERVIEW

1 Introduction

- 1.1 Bancassurance and bancatakaful has evolved into a significant distribution channel for insurance and takaful businesses, particularly for life insurance and family takaful products. Diversification of distribution channels has widened consumers' accessibility to a wider range of insurance and takaful products to suit their diverse needs based on individual needs, risk appetites, financial goals and levels of financial capability. This in turn has contributed towards the broader objective of reducing the protection gap in Malaysia.
- 1.2 The requirements in this policy document are intended to:
- (a) ensure bancassurance/bancatakaful remains as a viable channel that is widely accessible for consumers to purchase insurance and takaful products;
 - (b) promote sound market conduct practices that safeguard consumers' interest through needs-based sales, disclosure and enhanced transparency; and
 - (c) promote market competitiveness and preserve consumer choice.
- 1.3 Towards this end, the policy document serves to enhance the bancassurance/bancatakaful channel and further strengthen safeguards in place to ensure the delivery of better consumer outcomes.
- 1.4 Making financial decisions can be a complex process and it may be difficult for consumers to appropriately weigh and consider their options when faced with a wide array of bancassurance/bancatakaful products, in particular, savings and investment-linked products. The tendency to focus more on the short-term returns, while not fully understanding the longer-term downside risks associated with more complex products, are among the key challenges faced by consumers. To mitigate this, transparency and disclosure requirements have been enhanced to help consumers make more informed financial decisions when considering the purchase of such products through the bancassurance/bancatakaful channels.

2 Applicability

- 2.1 This policy document is applicable to financial services providers (FSPs) as defined in paragraph 5.2.
- 2.2 The requirements in this policy document are applicable to existing and new bancassurance/bancatakaful arrangements, including renewal of bancassurance/bancatakaful agreements, unless otherwise specified.

3 Legal provisions

- 3.1 This policy document is issued pursuant to:
- (a) sections 47(1), 123(1), 143(1) and 266 of the Financial Services Act 2013 (FSA);
 - (b) sections 57(1), 135(1), 155(1) and 277 of the Islamic Financial Services Act 2013 (IFSA); and
 - (c) sections 41(1), 42C(1), 116(1) and 126 of the Development Financial Institutions Act 2002 (DFIA).

4 Effective date

- 4.1 This policy document comes into effect on 1 January 2023 with the exception of paragraphs 9.12 to 9.14, which shall come into immediate effect on the date of issuance of this policy document.

5 Interpretation

- 5.1 The terms and expressions used in this policy document shall have the same meanings assigned to them in the FSA, IFSA or DFIA, as the case may be, unless otherwise defined in this policy document.

- 5.2 For the purposes of this policy document:

“**S**” denotes a standard, an obligation, requirement, specification, direction, condition and any interpretative, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action;

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted;

“**annualised return**” refers to the estimated average annual return on the survival/savings benefits that a policyholder/takaful participant will receive over the period of the policy/certificate until its maturity with respect to the premium/contribution that the policyholder/takaful participant had paid;

“**apex entity**” refers to a financial institution that–

- (a) is not a subsidiary of another financial institution; or
- (b) is a subsidiary of a financial institution, and has one or more subsidiaries that is a licensed insurer or licensed takaful operator¹;

“**bancassurance/bancatakaful arrangement**” refers to any distribution or marketing arrangement or agreement (collectively referred to as “arrangement”) by licensed insurers or licensed takaful operators with licensed banks, licensed

¹ This will be the entity heading an insurance/takaful sub-group.

Islamic banks, licensed investment banks and prescribed institutions (collectively referred to as bancassurance/bancatakaful partners) that involves the sale/marketing of all types of insurance/takaful products including both individual and group policy/takaful certificate via the following means:

- (a) by the staff of the bancassurance/bancatakaful partners;
- (b) using the bancassurance/bancatakaful partners' distribution channels, including their call centers, internet, branches and marketing booths, as well as their third party service providers (such as those providing sales support services to the bancassurance/bancatakaful partners);
- (c) using the bancassurance/bancatakaful partners' customer database; and
- (d) the joint marketing of insurance/takaful products with the bancassurance/bancatakaful partners;

“bancassurance/bancatakaful partners” refers to a licensed bank, licensed Islamic bank, licensed investment bank and prescribed institution that has a distribution or marketing arrangement or agreement with a licensed insurer or licensed takaful operator;

“board” refers to the board of directors of a FSP or a financial holding company, including a committee of the board where the responsibilities of the board set out in this policy document have been delegated to such a committee;

“control function” refers to a function that has a responsibility independent from business lines to provide objective assessments, reporting and assurance on the effectiveness of a FSPs' policies and operations, and its compliance with legal and regulatory obligations. This includes the risk management function, the compliance function, and the internal audit function;

“financial holding company” refers to a company which:

- (a) holds an aggregate of more than fifty per cent of interest in shares of a licensed person, or has an aggregate interest in shares of fifty per cent or less but has control over a licensed person; and
- (b) has obtained the approval of the Bank pursuant to subsection 112(3) of the Financial Services Act 2013 or subsection 124(3) of the Islamic Financial Services Act 2013 to be a financial holding company of such licensed person;

“financial service provider” or **“FSP”** refers to:

- (a) a licensed insurer under the FSA;
- (b) a licensed takaful operator under the IFSA;
- (c) a licensed bank under the FSA;
- (d) a licensed Islamic bank under the IFSA;
- (e) a licensed investment bank under the FSA; and
- (f) a prescribed institution under the DFIA;

“high-risk segments” refer to segments of consumers which are more susceptible to the risk of harm or mis-selling, including:

- (a) individuals earning a monthly income of up to RM5,000;

- (b) individuals who are buying or intends to buy an insurance, takaful or an investment product for the first time;
- (c) students; and
- (d) retirees;

“insurance/takaful savings products” refer to life insurance/family takaful products which provide benefits on survival to maturity or during the policy/takaful certificate term which includes both guaranteed and non-guaranteed pay-outs (this excludes payment of surrender benefits), and shall include investment-linked and annuity policies/takaful certificates;

“licensed person” refers to a licensed insurer or/and a licensed takaful operator;

“persistence rate” refers to the percentage of policies or takaful certificates that remain in force over the total number of new policies or takaful certificates issued within the exposure period;

“senior management” refers to the chief executive officer and senior officers of a FSP; and

“vulnerable consumer”² refers to a financial consumer who:

- (a) has the capacity to make his/her own decisions but may face challenges in accessing financial services or may require assistance to engage in financial services, for example, a person with disabilities³, a person experiencing cognitive impairment but who still has the intellectual capacity to make decisions, or a senior citizen⁴;
- (b) has a low ability to withstand financial shocks, for example, a person who is overly indebted or has low or no savings;
- (c) is experiencing or has experienced adverse life events which has resulted in temporary or longer-term financial hardship, for example, temporary loss of income, job loss, or the death/total permanent disability of the main breadwinner; or
- (d) has inadequate level of financial literacy or experience in using financial services or products, or poor language skills, for example, a person who only speaks a language other than Malay/English, or is illiterate.

² In the event the definition of “vulnerable consumer” in this policy document differs from the definition of “vulnerable consumers” under the policy document on the Fair Treatment of Financial Consumer (revised FTFC) to be issued by the Bank, the definition of “vulnerable consumers” under the revised FTFC shall apply for the purpose of this policy document.

³ Refers to persons with a long term:

1. hearing impairment;
2. visual impairment;
3. speech impairment;
4. physical impairment; or
5. learning impairment, such as dyslexia or low spectrum Autism (Autistic Spectrum Disorder), but who still has the intellectual capacity to make decisions with guidance from FSPs.

⁴ Refers to individuals aged 60 years and above.

6 Related legal instruments and policy documents

- S** 6.1 This policy document must be read together with other relevant legal instruments and policy documents that have been issued by the Bank, in particular:
- (a) Policy Document on Operating Cost Controls for Life Insurance and Family Takaful Business issued on 24 December 2019 (BNM/RH/PD 029-19);
 - (b) Policy Document on Fair Treatment of Financial Consumers issued on 6 November 2019 (BNM/RH/PD 028-103) **(FTFC PD)**;
 - (c) Policy Document on Shariah Governance issued on 20 September 2019 (BNM/RH/PD 028-100);
 - (d) Policy Document on Investment-Linked Insurance Business issued on 11 January 2019 (BNM/RH/PD 029-36);
 - (e) Policy Document on Corporate Governance issued on 3 August 2016 (BNM/RH/PD 029-9) **(CG PD)**;
 - (f) Policy Document on Introduction of New Products by Insurers and Takaful Operators issued on 15 May 2015 (BNM/RH/STD 029-10) **(INP PD)**;
 - (g) Policy Document on Prohibited Business Conduct issued on 15 July 2016 (BNM/RH/PD 028-21);
 - (h) Paper on Approach to Regulating and Supervising of Financial Groups issued on 21 May 2014 (BNM/RH/NT 029-5);
 - (i) Policy Document on Introduction of New Products issued on 7 March 2014 (BNM/RH/STD 028-5);
 - (j) Policy Document on Related Party Transactions issued on 28 June 2013 (BNM/RH/GL 018-6);
 - (k) Guidelines on Product Transparency and Disclosure issued on 31 May 2013 (BNM/RH/GL 000-3);
 - (l) Guidelines on Proper Advice Practices for Life Insurance/Family Takaful Business issued on 17 August 2012 (BNM/RH/GL 010-16);
 - (m) Guidelines on Complaints Handling issued on 17 December 2009 (BNM/RH/GL 000-4);
 - (n) Guidelines on Medical and Health Takaful Business issued on 17 September 2007 (BNM/RH/GL/004-11);
 - (o) Guidelines on Prohibitions Against Unfair Practices in Takaful Business issued on 12 July 2007 (BNM/RH/GL/004-2);
 - (p) Guidelines to Control Operating Costs of General Insurance Business issued on 3 July 2007 (BNM/RH/GL 003-7);
 - (q) Guidelines on Unfair Practices in Insurance Business issued on 3 July 2007 (BNM/RH/GL/003-6); and
 - (r) Guidelines on Medical and Health Insurance Business issued on 26 August 2005 (BNM/RH/GL/003-20).

7 Policy documents superseded

- S** 7.1 This policy document supersedes the following documents:
- (a) Guidelines on Bancassurance issued on 17 June 2010 (BNM/RH/GL 003-25);
 - (b) Guidelines on Bancatakaful issued on 17 June 2010 (BNM/RH/GL 004-18); and
 - (c) Circular on Marketing of Bancassurance/Bancatakaful Products issued on 24 December 2008 (BNM/RH/CIR 008-8).

PART B BANCASSURANCE/BANCATAKAFUL ARRANGEMENTS AND GOVERNANCE PRINCIPLES

8 Bancassurance/bancatakaful arrangements

- G** 8.1 A licensed person may enter into bancassurance/bancatakaful arrangements with any number of bancassurance/bancatakaful partners.
- S** 8.2 A licensed person must notify the Bank in writing of any new bancassurance/bancatakaful arrangements entered into by the licensed person at least 14 calendar days prior to the commencement date of such arrangements and submit to the Bank, the following information together with the notification:
- (a) name of bancassurance/bancatakaful partner(s);
 - (b) products to be marketed or distributed by the bancassurance/bancatakaful partner(s); and
 - (c) the period of the arrangement.
- S** 8.3 With respect to paragraph 8.2(b), the licensed person shall include the following in its submission of information to the Bank:
- (a) name of the product(s);
 - (b) type of coverage of the product(s); and
 - (c) confirmation that the information on the product(s) has previously been submitted to the Bank as part of the product submission requirements under the INP PD.
- S** 8.4 With respect to the termination of bancassurance/bancatakaful arrangements between a licensed person and its bancassurance/bancatakaful partner, the licensed person must notify in writing its policyholders/takaful participants and the Bank, no later than seven days from the date of cessation of the bancassurance/bancatakaful arrangement (including non-renewals of such arrangement).
- S** 8.5 In relation to paragraph 8.4, a licensed person shall send a direct notification to policyholders/takaful participants in writing via appropriate means, of the new point of contact for customer service and for their policies/takaful certificates servicing.
- G** 8.6 Direct notification by a licensed person to policyholders/takaful participants referred to in paragraph 8.5 may include automatically-generated SMS, emails or push notification via customer portals or mobile applications.
- G** 8.7 A licensed person should endeavour to obtain an acknowledgement of receipt from the policyholders/takaful participants upon the notification sent.

- S** 8.8 A FSP must take necessary measures to modify, amend, supplement or unwind any bancassurance/bancatakaful arrangement to which it is a party to be in line with the requirements of this policy document, including when directed to do so by the Bank.
- S** 8.9 Licensed persons must submit all notifications on bancassurance/bancatakaful arrangements to Jabatan Penyeliaan Insurans dan Takaful of Bank Negara Malaysia⁵.

9 Oversight, accountability, management and control of risk in bancassurance/bancatakaful arrangements

Roles and responsibilities of board and senior management of FSPs

- S** 9.1 The board of FSPs shall ensure that the governance arrangements for the management of its bancassurance/bancatakaful business (including internal governance structures, policies, procedures and controls) are consistent with the requirements set out in the CG PD, FTFC PD, Introduction of New Products and INP PD, respectively.
- S** 9.2 Towards this end, the FSP's board shall approve the FSP's internal governance structures, policies, procedures and controls with respect to the formulation of the bancassurance/bancatakaful arrangement⁶, the implementation and monitoring of bancassurance/bancatakaful arrangements, as well as the design and distribution of bancassurance/bancatakaful products.
- S** 9.3 In relation to paragraph 9.2, FSPs must ensure that its internal policies, procedures, and controls shall include:
- (a) the establishment of quantifiable parameters and key performance indicators (KPIs)⁷ relevant to the specific risks bancassurance/bancatakaful channel presents to consumers; and
 - (b) clarity on specific accountabilities of the respective parties to the bancassurance/bancatakaful arrangement such as:
 - (i) licensed persons to be accountable for the design of bancassurance/bancatakaful products that are appropriate to the needs of the targeted consumer segment and to ensure regular review of the entire product lifecycle⁸ of each of its bancassurance/bancatakaful products based on both qualitative and quantitative assessments. This

⁵ Submissions shall be made online via the Online Submission of Applications and Notifications ("eApps") system unless otherwise specified.

⁶ For example, FSPs' criteria and guiding principles for the formulation of bancassurance/bancatakaful agreements.

⁷ For the avoidance of doubt, the KPIs may also be linked or tied to specific accountabilities as stipulated in paragraphs 9.3(b)(i) and (ii). For example, taking into consideration historical data, persistency rate, complaints, claims experience, etc. in monitoring sales practices.

⁸ The entire product lifecycle refers to the entire product-related process from the product design until the termination of the product i.e. by virtue of claims, surrender or maturity.

includes taking into consideration historical data, persistency rate, complaints, claims experience, appropriate consumer profiling and any other relevant factors; and

- (ii) bancassurance/bancatakaful partners to be accountable for providing quality sales leads (i.e. undertake data-driven consumer profiling) to ensure more targeted matching of bancassurance/bancatakaful products to its consumer base.

- G** 9.4 With respect to paragraph 9.3(a), examples of specific risks bancassurance/bancatakaful presents to consumers include risks arising from inappropriate:
- (a) product design;
 - (b) financial and non-financial incentive structures for sales staff;
 - (c) customer profiling; and
 - (d) sales and marketing practices such as inadequate customer fact find or financial need analysis carried out resulting in unsuitable product recommendations, product pushing to the masses, inadequate disclosure of key information, misleading or inaccurate information provided to customer e.g. on the non-guaranteed portion of returns for bancassurance/bancatakaful products.
- S** 9.5 The board and senior management of FSPs shall be jointly accountable to ensure that the bancassurance/bancatakaful products marketed and sold, as well as bancassurance/bancatakaful arrangements entered into, do not result in poor consumer outcomes.
- S** 9.6 The board of FSP shall provide adequate oversight on the implementation of the internal policies, procedures, and controls referred to in paragraph 9.3 by the senior management of FSP to ensure that the FSP's practices are aligned with its internal policies, procedures, and controls.
- S** 9.7 With respect to bancassurance/bancatakaful arrangements concluded at the group level⁹, the board of a FSP and the board of the apex entity or group entity¹⁰ shall ensure that the bancassurance/bancatakaful arrangement entered into:
- (a) complies with the policy document on Related Party Transactions and the Bank's letter dated 31 January 2019 on "Intercompany Charges Paid to Related Entities";
 - (b) is in line with the requirements under the policy documents issued by the Bank and the FSP complies with the relevant requirements, including:
 - (i) the requirements under the CG PD; and
 - (ii) the requirements and expectations on Shariah governance (in the case of bancassurance/bancatakaful arrangements involving Islamic financial business; and

⁹ Such as at the apex entity level i.e. the parent company, financial holding company or regional entity level.

¹⁰ Refers to the apex entity i.e. parent company or financial holding company approved by the Bank.

- (c) shall not affect or limit the ability of any locally incorporated subsidiary of an apex entity or within the financial group to comply with local laws and regulatory requirements, including the ability to comply with Shariah requirements at the point of entering into the bancassurance/bancatakaful arrangement and during the course of such arrangement.
- G** 9.8 In relation to paragraphs 9.7(b) and (c), an example of non-compliance is where an exclusive bancassurance arrangement entered into by a group level entity¹¹ or a bancassurance partner, with a licensed insurer, preventing an Islamic subsidiary within the financial group from offering takaful products to its customers due to the exclusive tie-up with a licensed insurer.
- S** 9.9 The senior management of FSPs shall ensure that the management and control of risks associated with the operation of bancassurance/bancatakaful business is consistent with the requirements set out in the policy documents on Introduction of New Products, INP PD, CG PD as well as FTFC PD.
- S** 9.10 The senior management of FSPs shall ensure that the operations of its bancassurance/bancatakaful business, development of bancassurance/bancatakaful products throughout the entire product lifecycle as well as any bancassurance/bancatakaful arrangement entered into does not directly or indirectly promote unethical conduct by staff, such as improper targeting of consumers and pushing unsuitable products to consumers.
- G** 9.11 In relation to paragraph 9.10, an example of indirectly promoting unethical conduct by staff includes the setting of unrealistic or unreasonably high sales targets by FSPs which results in a bias towards higher revenue-generating products. This is likely to result in unhealthy sales practices by bancassurance/bancatakaful agents (e.g. poor product recommendations and focusing on commission-based sales), which may ultimately lead to lower persistency rate.

Safeguards with respect to upfront fees paid by licensed persons to bancassurance/bancatakaful partners

- S** 9.12 A licensed person shall ensure that any upfront fees paid to its bancassurance/bancatakaful partner by the licensed person, or any other party on its behalf, is fully borne by the licensed person's shareholders' fund.
- S** 9.13 In relation to paragraph 9.12, an upfront fee shall include any type of fees related to or forming the upfront fees¹², paid by the licensed person or paid by any party on behalf of the licensed person¹³ to a bancassurance/bancatakaful partner for the purposes of entering into or pursuant to a bancassurance/bancatakaful agreement with the said bancassurance/bancatakaful partner.

¹¹ Such as apex entity i.e. parent company, financial holding company or regional entity.

¹² Includes fees referred to by other terms such as service fee, facilitation fee, etc.

¹³ Such as apex entity i.e. the parent company, financial holding company or regional entity, etc. paying the upfront fee on behalf of the licensed person and subsequently requiring a repayment from the licensed person.

- S** 9.14 The upfront fee paid by the licensed person shall include an upfront fee payable at the point of entering or during the course of the bancassurance/bancatakaful agreement¹⁴.
- G** 9.15 For the avoidance of doubt, paragraph 9.12 applies prospectively in respect of new and existing bancassurance/bancatakaful arrangements, as well as to renewals of existing bancassurance/bancatakaful arrangements.
- G** 9.16 Licensed persons should incorporate conditions or appropriate targets tied to the payment of upfront fees that are aimed at:
- (a) ensuring all parties to the bancassurance/bancatakaful arrangement delivers quality sales; and
 - (b) preventing misaligned incentives from developing.
- G** 9.17 With respect to paragraph 9.16, good practices observed include establishing minimum persistency rate thresholds that the bancassurance/bancatakaful partner must meet and providing for clawback mechanisms on fees paid pursuant to the bancassurance/bancatakaful arrangement when such thresholds are not met. Conversely, poor practices observed includes a bancassurance/bancatakaful arrangement that tie minimum sales targets and business volume thresholds to the payment of upfront fees given that such targets tend to incentivise higher sales without sufficient focus on ensuring quality sales.

Ensuring quality of sales

- S** 9.18 For non-credit products¹⁵, a licensed person shall establish robust internal policies, procedures and controls in relation to its bancassurance/bancatakaful persistency rate. This shall include:
- (a) a monitoring framework to adequately measure, monitor and escalate persistency issues; and
 - (b) the role of risk management or compliance and internal auditors in reviewing and monitoring the effectiveness of the licensed person's internal policies, procedures and controls in relation to bancassurance/bancatakaful persistency rate.
- S** 9.19 The senior management of licensed persons shall ensure the monitoring framework referred to in paragraph 9.18(a), is implemented and carried out effectively.

¹⁴ For example, upfront fees agreed to be paid in tranches during the course of the bancassurance/bancatakaful arrangement.

¹⁵ Refers to all life insurance, family takaful, general insurance and general takaful products other than credit-related products such as mortgage-reducing term assurance, mortgage reducing term takaful, personal reducing term assurance and personal reducing term takaful products.

- G** 9.20 For the avoidance of doubt, a licensed person may use all three control functions, i.e. risk management, compliance and internal audit, in reviewing and monitoring the effectiveness of its internal policies, procedures, and controls in relation to bancassurance/bancatakaful persistency rate.
- S** 9.21 A licensed person must carry out a review of its internal policies, procedures, and controls in relation to its bancassurance/bancatakaful persistency rate based on its internal risk assessment, at least once in every two years. Based on the outcome of these reviews, a licensed person shall implement measures to minimise the risk of low persistency arising from its bancassurance/bancatakaful products, including reviewing the appropriateness of product design and sales practices of its bancassurance/bancatakaful products.
- G** 9.22 With reference to paragraph 9.21, a licensed person should carry out a review of its internal policies, procedures, and control in relation to its persistency rate more frequently where its bancassurance/bancatakaful business has more complex products or is being sold to vulnerable consumers, particularly to those in high-risk segments.

Clear accountability between licensed persons and bancassurance/bancatakaful partners

- S** 9.23 A FSP must ensure that the bancassurance/bancatakaful arrangements clearly stipulate the accountabilities and responsibilities of both the licensed person and the bancassurance/bancatakaful partner respectively and collectively in the bancassurance/bancatakaful arrangements. Where possible, these accountabilities and responsibilities shall be measurable and subject to close monitoring by the FSPs.
- S** 9.24 In relation to paragraph 9.23, the FSPs must ensure that the bancassurance/bancatakaful arrangement include a clear delineation of responsibilities between the licensed person and the bancassurance/bancatakaful partner, particularly with respect to the resolution of customer complaints, customer queries, after-sales services and claims settlement process.
- G** 9.25 Examples of accountabilities and responsibilities of the FSPs referred to in paragraph 9.23 that may be stipulated in the bancassurance/bancatakaful arrangement are as follows:
- (a) the quantifiable parameters, KPIs and accountabilities established in FSPs internal policies, procedures and controls under paragraph 9.3;
 - (b) ensuring that the design of bancassurance/bancatakaful products focuses on the needs of the consumers and have a clear and appropriate target segment for each product;
 - (c) use sound research methods, including data analytics, to ensure needs-based sales to the identified target market is carried out more accurately;

- (d) conducting comprehensive product training to ensure the bancassurance/bancatakaful staff has the relevant skills and expertise to market the product;
- (e) conducting an independent review of the sales process and practices, taking into consideration consumers' complaints, sales staff feedback, follow-up calls and mystery shopping;
- (f) make reasonable efforts to follow-up with policyholders/takaful participants on missed/non-payment of premiums/takaful contribution;
- (g) ensuring the appraisal and monitoring of bancassurance/bancatakaful staff performance is carried out in an effective manner i.e. does not promote unethical conduct and improves bancassurance/bancatakaful persistency rate;
- (h) ensuring proper management of customer information i.e. obtaining customer's explicit written consent for the processing of customer information, ensuring the confidentiality of customer's information is maintained at all times, proper disposal of customer's information when no longer in use, etc.; and
- (i) collating and maintaining the number of customer complaints.

PART C TRANSPARENCY AND DISCLOSURE

10 Effective disclosure and marketing to target customer segment

- S** 10.1 In ensuring marketing names used for life insurance/family takaful products are not misleading to consumers, FSPs shall use the word “insurance or takaful”, whichever is applicable, in its marketing name (e.g. ABC Wealth Insurance, XYZ Wealth Takaful) or prominently state below the marketing name that “This is an insurance or takaful product”, whichever is applicable, for all non-credit life insurance/family takaful products offered under the bancassurance/bancatakaful arrangement.
- S** 10.2 For non-credit life insurance/family takaful products sold via bancassurance/bancatakaful telemarketing, FSPs shall incorporate in its telemarketing call script that “This is an insurance or takaful product”, whichever is applicable. FSP must ensure that the above is made prominently clear during the conversation with the consumer.
- S** 10.3 FSPs shall send a notification directly to policyholders/takaful participants via appropriate means, upon conclusion of a bancassurance/bancatakaful sale, to inform policyholders/takaful participants that they have “*purchased an insurance or takaful product from [the name of the licensed person]*”.
- G** 10.4 Direct notification to policyholders/takaful participants referred to in paragraph 10.3 may include automatically generated SMS, emails or push notification via customer portals or mobile applications.
- G** 10.5 FSPs may endeavour to obtain an acknowledgement of receipt from the policyholders/takaful participants upon the notification sent.
- S** 10.6 For the avoidance of doubt, FSPs must comply with the requirements under paragraphs 10.1 to 10.3 in respect of all existing and new non-credit life insurance/family takaful products offered under the bancassurance/bancatakaful arrangement.
- S** 10.7 For insurance/takaful products with guaranteed features, such as guaranteed survival benefits during the policy/takaful certificate term and/or guaranteed maturity benefits, FSPs shall prominently display the annualized returns alongside the disclosure of any guaranteed feature under the policy/takaful certificates in all of its marketing materials (including product disclosure sheet, sales illustration and brochures) that contain any illustration of returns.
- S** 10.8 For the avoidance of doubt, the disclosure of annualized returns referred to in Paragraph 10.7 must be clearly visible and legible in the said marketing materials, and shall not be displayed at the bottom of the page and in an obscure manner e.g. in footnotes or in small fonts.

- S** 10.9 With respect to Paragraph 10.7, where guaranteed cash pay-outs are offered as part of an insurance/takaful product, FSPs shall not express or illustrate in absolute value or as a percentage, the total or cumulative amount of the guaranteed cash pay-out payable to policyholder/takaful participant. Appendix I of this policy document provides a non-exhaustive list of expressions or illustrations of guaranteed cash pay-outs that are permitted and not permitted for this purpose.
- S** 10.10 FSPs must also include the following statement *“The premiums/contributions that you pay contribute to both the savings and protection elements of the product, e.g. death benefits. If you are looking for financial products with savings element, you may wish to compare annualised returns of this policy/takaful certificate with the effective returns of other investment alternatives.”* in the marketing materials referred to in Paragraph 10.7.
- S** 10.11 Disclosure of any product features of an insurance/takaful product shall not be expressed or illustrated in a manner:
- (a) which can mislead a customer or result in the customer misinterpreting the insurance/takaful product features; or
 - (b) that could lead to inappropriate comparison with the returns of banking deposit or investment products, including, but not limited to, fixed deposits and unit trusts.
- S** 10.12 In respect of non-participating and medical and health insurance/takaful products (applicable to both basic policies/takaful certificates and riders), a licensed person shall disclose the commissions borne by policyholders/takaful participants, expressed both in terms of the actual amount and as a percentage of premiums/takaful contributions payable for each policy/takaful certificate year in the product disclosure sheet.
- S** 10.13 In the case of products which combine both insurance/takaful and banking elements, the licensed person shall unbundle the insurance/takaful element¹⁶, and FSPs shall disclose the commissions and charges/expenses in accordance with the requirements in paragraph 10.12.
- S** 10.14 In relation to the sales and marketing of insurance/takaful savings products via the bancassurance/bancatakaful channel, to mitigate the risk of poor targeting of consumers, FSPs shall ensure that for insurance/takaful savings products sold to vulnerable consumers, particularly those who are identified as high-risk segments:
- (a) the bancassurance/bancatakaful partner’s sales supervisor shall approve the product recommendation; and
 - (b) FSPs shall carry out the following additional measures:
 - (i) notify and obtain acknowledgment from the customer about the purchase of the insurance/takaful savings product(s) within 15 calendar days from the date of purchase, and key information including policy/takaful certificate coverage, opt-out option, free look period, exclusions and waiting period (if any) through any means of direct

¹⁶ With the exception of Perlindungan Tenang products.

communication such as emails, short messaging system (SMS) or social messaging applications;

- (ii) if no acknowledgement of understanding is received from a customer arising from the notification to the customer under paragraph 10.14(b)(i), FSPs shall conduct follow-up calls to the customer over the next 15 calendar days. In this regard, FSPs must perform at least three non-consecutive call attempts¹⁷. These follow-up calls must be conducted by an independent party such as a staff who is not directly or indirectly involved in the sales and marketing process of the said sales; and
- (iii) where the customer has decided to withdraw, discontinue his/her policy/takaful certificate, FSPs shall ensure the process is accessible and convenient for the customer. This shall include prompt refund of premium/takaful contribution paid, where applicable.

- G** 10.15 In carrying out the requirement under paragraph 10.14(b)(i), FSPs may also have in place measures to address the risks of certain segments of consumers who are not able to access the electronic notification or disclosure sent via platforms such as SMS, emails or social messaging applications (e.g. senior citizens, those with disabilities or those who have no internet access).

¹⁷ At minimum, all three follow-up call attempts shall not be made on the same day.

PART D TRAINING REQUIREMENTS FOR STAFF OF BANCASSURANCE/BANCATAKAFUL PARTNERS

11 Training for staff marketing bancassurance/bancatakaful products

- S** 11.1 FSPs must ensure that staff of bancassurance/bancatakaful partner or its appointed third-party service providers involved in the marketing and providing advice on insurance/ takaful products must pass the following examinations and obtain the relevant qualifications before they are allowed to sell/market bancassurance/bancatakaful products:
- (a) Pre-Contract Examination for Insurance Agents (PCEIA) and the Takaful Basic Examination (TBE) for distribution of insurance and takaful products; respectively; and
 - (b) Certificate Examination in Investment-Linked Life insurance (CEILLI) for distribution of investment-linked products.
- S** 11.2 Staff of a bancassurance/bancatakaful partner or the appointed third-party service providers shall comply with:
- (a) the continuous professional development requirements (CPD) as required;
 - (b) the code of conduct and ethics applicable to insurance agents registered with Persatuan Insurans Am Malaysia (PIAM) and/or Persatuan Insurans Hayat Malaysia (LIAM), and takaful agents registered with the Malaysian Takaful Association (MTA); and/or
 - (c) the minimum of eight hours of annual CPD training requirement for sales/marketing of only mortgage reducing term assurance/mortgage reducing term takaful and other credit-related insurance/takaful products.
- S** 11.3 For insurance/takaful products marketed through the call centre of the bancassurance/bancatakaful partner or a third-party call centre engaged by the bancassurance/bancatakaful partner, only the team leader is required to comply with the relevant minimum qualification and annual CPD requirement set out in paragraphs 11.1 and 11.2.
- S** 11.4 In relation to paragraph 11.3, FSPs must ensure that team leaders in call centres¹⁸ are responsible for ensuring all staff conducting marketing calls are practicing appropriate and consistent communication. This shall include ensuring proper adherence to call scripts and processes for handling queries as well as effective escalation of more complex queries to team leaders.

¹⁸ This includes in third-party call centres engaged by bancassurance/bancatakaful partners.

PART E REPORTING

12 Submission of Statistics

- S** 12.1 For the purpose of licensed persons reporting to the Bank on the monthly/quarterly/annual statutory returns on new life insurance/ family takaful business premiums/takaful contributions and gross direct premiums/takaful contributions for general insurance/takaful business by distribution channels, all business (including credit-related business) generated through bancassurance/bancatakaful arrangements described in paragraph 5.2 shall be reported as premiums/takaful contributions generated.
- S** 12.2 Licensed persons are required to submit statistics on bancassurance/bancatakaful business to the Bank¹⁹ on an annual basis by 31 January each year, which will include all business generated through bancassurance/bancatakaful arrangements in the forms as provided in Appendix II comprising:
- (i) Form Banca – G1 – applicable for general insurance business (Statement of Gross Direct Premiums Generated through Bancassurance);
 - (ii) Form Banca – GT1 – applicable for general takaful business (Statement of Gross Direct Takaful Contributions Generated through Bancatakaful);
 - (iii) Form Banca – G2 – applicable for general insurance business (Statement of Policies Generated through Bancassurance);
 - (iv) Form Banca – GT2 – applicable for general takaful business (Statement of Takaful Certificates Generated through Bancatakaful);
 - (v) Form Banca – L1 – applicable for life insurance business (Statement of Gross Premium Income Generated Through Bancassurance);
 - (vi) Form Banca – FT1 – applicable for family takaful business (Statement of Gross Takaful Contribution Income Generated through Bancatakaful);
 - (vii) Form Banca – L2 – applicable for life insurance business (Statement of New Business Generated through Bancassurance); and
 - (viii) Form Banca – FT2 – applicable for family takaful business (Statement of New Business Generated through Bancatakaful).

¹⁹ Submissions will be via the current existing arrangement e.g. via Integrated Submission Platform of the STATSmart Portal, unless otherwise specified.

PART F APPENDICES

Appendix I: Illustration of Guaranteed Cash Pay-outs in Marketing Materials

The following are non-exhaustive examples of illustrations of Guaranteed Cash Pay-outs in marketing materials that FSPs are permitted and not permitted to provide in complying with the requirement in Paragraph 10.9:

- FSPs shall not make statements and references in marketing materials such as “Total 200% of guaranteed cash payments as a percentage of basic sum insured”, “Guaranteed cash payments of up to 70% of total premium payable”, “Guaranteed rewards of up to 70% of total premium payable” or “Receive up to RM75,000 in guaranteed returns” in marketing materials.
- FSPs may illustrate the periodic guaranteed cash pay-out offered by the product but shall not illustrate the total or cumulative amount of all such pay-outs, in an absolute value or as a percentage.

PERMITTED

You are entitled to the following benefits:

Annual Premium	Guaranteed cash pay-out (RM)	
	Year 5 - 10	Year 11 - 20
RM1800	90	180
RM3600	180	360

PERMITTED

You are entitled to the following benefits:
Based on a premium payable/sum insured of RM10,000

Policy year	Guaranteed cash pay-out (RM)
5	1500
10	2000
15	3500

NOT PERMITTED

You are entitled to the following benefits:

Policy year	Guaranteed reward (RM)
5	1500
10	2000
15	3500

TOTAL

7000

Cumulative absolute amount, and use of word “reward”.

NOT PERMITTED

Receive up to **10%** of your total premium payable or receive a total of **200%** of your basic sum insured:

Policy year	Guaranteed return
5	2%
10	3%
15	5%

TOTAL

10%

Cumulative percentage amount, and use of word “return”.

Legend: Not permitted

Issued on: 30 June 2022

Appendix II: Submission Form of Statistics

(i) Form Banca – G1

Name of Company:

Statement of Gross Direct Premiums Generated through Bancassurance From 1 January 20xx to 31 December 20xx

Type of Bancassurance Arrangements	Fire	Medical & Health	Motor	Personal Accident	Others	Total
(i) On panel for credit-related business						
(ii) Direct marketing:- ¹						
(a) Call centres (in-house) ²⁰						
(b) Outsourced telemarketing ²¹						
(c) Branches ²²						
(d) Internet ²³						
(e) Marketing booths ²⁴						
(f) Direct mailing ²⁵						
(iii) Others ²						
Total (1)³						
Total gross direct premiums of the insurer (2)⁴						
Ratio of (1)/(2) (%)						

¹ Refers to bancassurance arrangements that fall under the definition of “bancassurance arrangement” under paragraph 5.2. The figure in this row shall be the sum of the figures in items (a)-(f).

² Refers to bancassurance arrangements (other than direct marketing) that fall within the definition of “bancassurance arrangement” under paragraph 5.2.

³ The total figure shall be the same as the figure reported in respect of gross premiums generated through bancassurance partners as defined under paragraph 5.2 in the statutory returns submitted

²⁰ Bancassurance partner’s internal call centres conducting telemarketing.

²¹ Telemarketing outsourced to be conducted on behalf of bancassurance partners.

²² Bancassurance sales concluded either in the branch (i.e. walk-ins) or by bank staff outside the branch (e.g. meeting at customers’ convenience)

²³ Bancassurance sales concluded on bancassurance partners’ websites or online portals, etc.

²⁴ Bancassurance sales concluded via campaigns in shopping malls, fairs, corporate offices, etc.

²⁵ Direct mailing includes mails or e-mails of brochures, flyers, newsletters, etc. to existing and potential consumers in the bancassurance partners’ customer database.

to the Bank on gross direct premiums for general insurance business by distribution channel for the corresponding period.

⁴ The figures in this row shall be the same as the corresponding figures reported in Form G6 of the statutory returns.

Signature _____

Name _____
Chief Executive Officer

Date _____

(ii) Form Banca – GT1

Name of Company:

**Statement of Gross Direct Takaful Contributions Generated through Bancatakaful
From 1 January 20xx to 31 December 20xx**

Type of Bancatakaful Arrangements	Fire	Medical & Health	Motor	Personal Accident	Others	Total
(i) On panel for credit-related business						
(ii) Direct marketing:- ¹						
(a) Call centres (in-house) ²⁶						
(b) Outsourced telemarketing ²⁷						
(c) Branches ²⁸						
(d) Internet ²⁹						
(e) Marketing booths ³⁰						
(f) Direct mailing ³¹						
(iii) Others ²						
Total (1)³						
Total gross direct takaful contributions of the takaful operator (2)⁴						
Ratio of (1)/(2) (%)						

¹ Refers to bancatakaful arrangements that fall under the definition of “bancatakaful arrangement” under paragraph 5.2. The figure in this row shall be the sum of the figures in items (a)-(f).

² Refers to bancatakaful arrangements (other than direct marketing) that fall within the definition of “bancatakaful arrangement” under paragraph 5.2.

³ The total figure shall be the same as the figure reported in respect of gross contributions generated through bancatakaful partners falling under paragraph 5.2 in the statutory returns submitted to the Bank on gross direct contributions for general takaful business by distribution channel for the corresponding period.

²⁶ Bancatakaful partner’s internal call centres conducting telemarketing.

²⁷ Telemarketing outsourced to be conducted on behalf of bancatakaful partners.

²⁸ Bancatakaful sales concluded either in the branch (i.e. walk-ins) or by bank staff outside the branch (e.g. meeting at customers’ convenience)

²⁹ Bancatakaful sales concluded on bancatakaful partners’ websites or online portals, etc.

³⁰ Bancatakaful sales concluded via campaigns in shopping malls, fairs, corporate offices, etc.

³¹ Direct mailing includes mails or e-mails of brochures, flyers, newsletters, etc. to existing and potential consumers in the bancatakaful partners’ customer database.

⁴The figures in this row shall be the same as the corresponding figures reported in Form GT5 of the statutory returns.

Signature _____

Name _____

Chief Executive Officer

Date _____

(iii) Form Banca – G2

Name of Company:

**Statement of Policies Generated through Bancassurance
From 1 January 20xx to 31 December 20XX**

Type of Bancassurance Arrangements	Fire	Medical & Health	Motor	Personal Accident	Others	Total
(i) On panel for credit-related business						
(ii) Direct marketing ¹						
(a) Call centres (in-house) ³²						
(b) Outsourced telemarketing ³³						
(c) Branches ³⁴						
(d) Internet ³⁵						
(e) Marketing booths ³⁶						
(f) Direct mailing ³⁷						
(iii) Others ²						
Total						

³² Bancassurance partner's internal call centres conducting telemarketing.

³³ Bancassurance partner's internal call centres conducting telemarketing.

³⁴ Bancassurance sales concluded either in the branch (i.e. walk-ins) or by bank staff outside the branch (e.g. meeting at customers' convenience)

³⁵ Bancassurance sales concluded on bancassurance partners' websites or online portals, etc.

³⁶ Bancassurance sales concluded via campaigns in shopping malls, fairs, corporate offices, etc.

³⁷ Direct mailing includes mails or e-mails of brochures, flyers, newsletters, etc. to existing and potential consumers in the bancassurance partners' customer database.

¹ Refers to bancassurance arrangements that fall under the definition of “bancassurance arrangement” under paragraph 5.2. The figure in this row shall be the sum of the figures in items (a)-(f).

² Refers to bancassurance arrangements (other than direct marketing) that fall within the definition of “bancassurance arrangement” under paragraph 5.2.

Signature _____

Name _____
Chief Executive Officer

Date _____

(iv) Form Banca – GT2

Name of Company:

**Statement of Takaful Certificates Generated through Bancatakaful
From 1 January 20xx to 31 December 20XX**

Type of Bancatakaful Arrangements	Fire	Medical & Health	Motor	Personal Accident	Others	Total
(i) On panel for credit-related business						
(ii) Direct marketing ¹						
(a) Call centres (in-house) ³⁸						
(b) Outsourced telemarketing ³⁹						
(c) Branches ⁴⁰						
(d) Internet ⁴¹						
(e) Marketing booths ⁴²						
(f) Direct mailing ⁴³						
(iii) Others ²						
Total						

³⁸ Bancatakaful partner's internal call centres conducting telemarketing.

³⁹ Telemarketing outsourced to be conducted on behalf of bancatakaful partners.

⁴⁰ Bancatakaful sales concluded either in the branch (i.e. walk-ins) or by bank staff outside the branch (e.g. meeting at customers' convenience)

⁴¹ Bancatakaful sales concluded on bancatakaful partners' websites or online portals, etc.

⁴² Bancatakaful sales concluded via campaigns in shopping malls, fairs, corporate offices, etc.

⁴³ Direct mailing includes mails or e-mails of brochures, flyers, newsletters, etc. to existing and potential consumers in the bancatakaful partners' customer database.

¹ Refers to bancatakaful arrangements that fall under the definition of “bancatakaful arrangement” under paragraph 5.2. The figure in this row shall be the sum of the figures in items (a)-(f).

² Refers to bancatakaful arrangements (other than direct marketing) that fall within the definition of “bancatakaful arrangement” under paragraph 5.2.

Signature _____

Name _____
Chief Executive Office

Date _____

(v) Form Banca – L1

Name of Company:

**Statement of Gross Premium Income Generated through Bancassurance
From 1 January 20xx to 31 December 20XX**

Type of Bancassurance Arrangements	Class of business ¹	Type of product ²	Basic or rider	Individual or group	Premium Income	
					Single Premium Policies	Annual Premium Policies
Credit-related						
(i) On panel for credit-related business						
(ii) Others ³						
Subtotal						
Non-credit related						
(i) Direct marketing ⁴						
(a) Call centres (in-house) ⁴⁴						
(b) Outsourced telemarketing ⁴⁵						
(c) Branches ⁴⁶						
(d) Internet ⁴⁷						

⁴⁴ Bancassurance partner's internal call centres conducting telemarketing.

⁴⁵ Telemarketing outsourced to be conducted on behalf of bancassurance partners.

⁴⁶ Bancassurance sales concluded either in the branch (i.e. walk-ins) or by bank staff outside the branch (e.g. meeting at customers' convenience)

⁴⁷ Bancassurance sales concluded on bancassurance partners' websites or online portals, etc.

(e) Marketing booths ⁴⁸						
(f) Direct mailing ⁴⁹						
(iii) Others ³						
Subtotal						
Total (1)						
Total gross premium income of the licensed insurer (2)⁵						
Ratio of (1)/(2) (%)						

¹ Refers to the class of business, i.e. participating, non-participating, or investment-linked.

² Refers to type of policies, for example, whole life, temporary, medical and health, endowment, universal life etc.

³ Refers to bancassurance arrangements (other than direct marketing) that fall under the definition of “bancassurance arrangement” under paragraph 5.2.

⁴ Refers to bancassurance arrangements that fall under the definition of “bancassurance arrangement” under paragraph 5.2. The figure in this row shall be the sum of the figures in items (a)-(f).

⁵ The figures in this row shall be the same as the corresponding gross direct premium figures reported in Schedule 1 of Form L1-1 of the statutory returns.

Signature _____

Name _____
Chief Executive Officer

Date _____

⁴⁸ Bancassurance sales concluded via campaigns in shopping malls, fairs, corporate offices, etc.

⁴⁹ Direct mailing includes mails or e-mails of brochures, flyers, newsletters, etc. to existing and potential consumers in the bancassurance partners' customer database.

(vi) Form Banca – FT1

Name of Company:

**Statement of Gross Takaful Contribution Income Generated through Bancatakaful
From 1 January 20xx to 31 December 20XX**

Type of Bancatakaful Arrangements	Class of business ¹	Type of product ²	Basic or rider	Individual or group	Takaful Contribution Income	
					Single Takaful Contribution Certificates	Annual Takaful Contribution Certificates
Credit-related						
(i) On panel for credit-related business						
(ii) Others ³						
Subtotal						
Non-credit related						
(i) Direct marketing ⁴						
(a) Call centres (in-house) ⁵⁰						
(b) Outsourced telemarketing ⁵¹						
(c) Branches ⁵²						

⁵⁰ Bancatakaful partner's internal call centres conducting telemarketing.

⁵¹ Telemarketing outsourced to be conducted on behalf of bancatakaful partners.

⁵² Bancatakaful sales concluded either in the branch (i.e. walk-ins) or by bank staff outside the branch (e.g. meeting at customers' convenience)

(d) Internet ⁵³						
(e) Marketing booths ⁵⁴						
(f) Direct mailing ⁵⁵						
(iii) Others ³						
					Subtotal	
					Total (1)	
					Total gross premium income of the licensed insurer (2)⁵	
					Ratio of (1)/(2) (%)	

¹ Refers to the class of business, i.e. ordinary family or investment-linked.

² Refers to type of takaful certificates, for example, endowment, temporary, medical and health etc.

³ Refers to bancatakaful arrangements (other than direct marketing) that fall under the definition of “bancatakaful arrangement” under paragraph 5.2.

⁴ Refers to bancatakaful arrangements that fall within the definition of “bancatakaful arrangement” under paragraph 5.2. The figure in this row shall be the sum of the figures in items (a)-(f).

⁵ The figures in this row shall be the same as the corresponding gross direct takaful contribution figures reported in Schedule 1 of Form FT1-1 and Form FT1-2 of the statutory returns.

⁵³ Bancatakaful sales concluded on bancatakaful partners’ websites or online portals, etc.

⁵⁴ Bancatakaful sales concluded via campaigns in shopping malls, fairs, corporate offices, etc.

⁵⁵ Direct mailing includes mails or e-mails of brochures, flyers, newsletters, etc. to existing and potential consumers in the bancatakaful partners’ customer database.

Signature _____

Name _____
Chief Executive Officer

Date _____

(vii) Form Banca – L2

Name of Company:

**Statement of New Business Generated through Bancassurance
From 1 January 20xx to 31 December 20XX**

Type of Bancassurance Arrangements	Class of business ¹	Type of product ²	Basic or rider	Individual or group	Number of policies		Sum Insured		Premiums	
					Single	Annual	Single	Annual	Single	Annual
Credit-related										
(i) On panel for credit-related business										
(ii) Others ³										
<i>Subtotal</i>										
Non-credit related										
(i) Direct marketing ⁴										
(a) Call centres (in-house) ⁵⁶										
(b) Outsourced telemarketing ⁵⁷										
(c) Branches ⁵⁸										
(d) Internet ⁵⁹										
(e) Marketing booths ⁶⁰										

⁵⁶ Bancassurance partner's internal call centres conducting telemarketing.

⁵⁷ Telemarketing outsourced to be conducted on behalf of bancassurance partners.

⁵⁸ Bancassurance sales concluded either in the branch (i.e. walk-ins) or by bank staff outside the branch (e.g. meeting at customers' convenience)

⁵⁹ Bancassurance sales concluded on bancassurance partners' websites or online portals, etc.

⁶⁰ Bancassurance sales concluded via campaigns in shopping malls, fairs, corporate offices, etc.

(f) Direct mailing ⁶¹										
(ii) Others ³										
				Subtotal						
				Total (1)					5	5
				Total new business of the licensed insurer (2)⁶						
				Ratio of (1)/(2)						

¹ Refers to the class of business, i.e. participating, non-participating, or investment-linked.

² Refers to type of insurance policies, for example, whole life, temporary, medical and health, endowment, universal life etc.

³ Refers to bancassurance arrangements (other than direct marketing) that fall under the definition of “bancassurance arrangement” under paragraph 5.2.

⁴ Refers to bancassurance arrangements that fall within the definition of “bancassurance arrangement” under paragraph 5.2. The figure in this row shall be the sum of the figures in items (a)-(f).

⁵ The aggregate of single and annual new business premiums shall be the same as the figure reported in respect of new life business premiums generated through bancassurance partners that fall under the definition of “bancassurance arrangement” under paragraph 5.2 in the statutory returns on new premiums for life insurance business by distribution channel for the corresponding period.

⁶ The figures in this row shall be the same as the corresponding figures reported in Form L6 of the statutory returns.

Signature _____

Name _____
Chief Executive Officer

Date _____

⁶¹ Direct mailing includes mails or e-mails of brochures, flyers, newsletters, etc. to existing and potential consumers in the bancassurance partners' customer database.

(viii) Form Banca – FT2

Name of Company:

**Statement of New Business Generated through Bancatakaful
From 1 January 20xx to 31 December 20XX**

Type of Bancatakaful Arrangements	Class of business ¹	Type of product ²	Basic or rider	Individual or group	Number of certificates		Sum Participated		Contributions	
					Single	Annual	Single	Annual	Single	Annual
Credit-related										
(i) On panel for credit-related business										
(ii) Others ³										
Subtotal										
Non-credit related										
(i) Direct marketing ⁴										
(a) Call centres (in-house) ⁶²										
(b) Outsourced telemarketing ⁶³										
(c) Branches ⁶⁴										
(d) Internet ⁶⁵										
(e) Marketing booths ⁶⁶										

⁶² Bancatakaful partner's internal call centres conducting telemarketing.

⁶³ Telemarketing outsourced to be conducted on behalf of bancatakaful partners.

⁶⁴ Bancatakaful sales concluded either in the branch (i.e. walk-ins) or by bank staff outside the branch (e.g. meeting at customers' convenience)

⁶⁵ Bancatakaful sales concluded on bancatakaful partners' websites or online portals, etc.

⁶⁶ Bancatakaful sales concluded via campaigns in shopping malls, fairs, corporate offices, etc.

(f) Direct mailing ⁶⁷										
(ii) Others ³										
<i>Subtotal</i>										
Total (1)									5	5
Total new business of the licensed takaful operator (2)⁶										
Ratio of (1)/(2)										

¹ Refers to the class of business, i.e. ordinary family or investment-linked.

² Refers to type of takaful certificates, for example, endowment, temporary, medical and health etc.

³ Refers to bancatakaful arrangements (other than direct marketing) that fall under the definition of “bancatakaful arrangement” under paragraph 5.2.

⁴ Refers to bancatakaful arrangements that fall under the definition of “bancatakaful arrangement” under paragraph 5.2. The figure in this row shall be the sum of the figures in items (a)-(f).

⁵ The aggregate of single and annual new business contributions shall be the same as the figure reported in respect of new family business contributions generated through bancatakaful partners that fall under the definition of “bancatakaful partners” under paragraph 5.2 in the statutory returns on new takaful contributions for family takaful business by distribution channel for the corresponding period.

⁶ The figures in this row shall be the same as the corresponding figures reported in Form FT5 of the statutory returns.

Signature _____

Name _____
Chief Executive Officer

Date _____

⁶⁷ Direct mailing includes mails or e-mails of brochures, flyers, newsletters, etc. to existing and potential consumers in the bancatakaful partners' customer database.