BANK NEGARA MALAYSIA

SIXTEENTH ANNUAL REPORT OF THE DIRECTOR GENERAL OF TAKAFUL 2000

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Mission

We are committed ...

to create an efficient, progressive and comprehensive Islamic financial system that contributes significantly to the effectiveness and efficiency of the Malaysian financial sector while meeting the economic needs of the nation.

(Islamic Banking and Takaful Department)

towards total quality supervision of the takaful operators and takaful intermediaries; promoting financial system stability; and fostering a sound and progressive takaful industry.

(Insurance Supervision Department)

BANK NEGARA MALAYSIA

Letter of Transmittal

Yang Berhormat Tun Daim Zainuddin,
Minister of Finance,
Malaysia.

Yang Berhormat Tun,

In accordance with the requirements of section 56 of the Takaful Act 1984, I have the honour to submit for presentation to Parliament, the Sixteenth Annual Report on the administration of the Takaful Act 1984 and other related matters during the year ended 31 December 2000.

Respectfully submitted,

Dato' Dr. Zeti Akhtar Aziz
Director General of Takaful

Kuala Lumpur
1 March 2001

CONTENTS

APPENDICES		**Page**

TABLES

Administration of the Act

The Takaful Industry Performance

Family Takaful Business

General Takaful Business

CHARTS

Preface

The Sixteenth Annual Report of the Director General of Takaful 2000 provides a review of the performance and developments of the Malaysian takaful industry during the year 1999/2000, and the administration of the Takaful Act 1984 (Act) by Bank Negara Malaysia (BNM). It also reports on other related responsibilities of the Director General of Takaful (Director General).

The Report is divided into the following three chapters: -

Chapter 1	-	*Administration of the Act*
Chapter 2	-	*Policies and Developments*
Chapter 3	-	*The Takaful Industry Performance*

Chapter 1 highlights the experience of BNM in year 2000 in administering the Act in several key areas, such as registration of takaful operators, licensing of takaful intermediaries, opening of new branches, submission of statutory accounts, asset management and compounding of offences.

Chapter 2 touches on developments in the takaful industry during the year 2000, including measures taken by BNM and the takaful operators to strengthen the industry. It also includes efforts taken to foster greater cooperation among the takaful operators in the region and to promote takaful business internationally.

Chapter 3 reviews the performance of the takaful industry. It contains a detailed analysis of the performance of family and general takaful business during the year 1999/2000 based on the statutory accounts and actuarial reports of the takaful operators for the 2000 financial year.