

## MIMBC Helping Set-up Takaful Firm in West Africa

Lack of stability and board level disagreements harms Takaful industry in region



**Eyeing Iranian markets:** Mohamed Iqbal Mankan, Founder & Managing Director at UAE-based MIM Business Consultants (MIMBC)

Last year, we spoke to Mohamed Iqbal Mankan whose company UAE-based MIM Business Consultants (MIMBC) was a new comer on the insurance consultancy scene. Today, apart from offering consultancy services to clients locally, he is using his expertise to help set up a new Takaful company in West Africa. As Founder and Managing Director of the company with 44 years of Insurance experience behind him out of which 38 years were in the UAE insurance industry, Mankani helps local clients with their overall insurance requirements, he helps them make sure coverage is adequate; he looks at the price and advises them accordingly. He also works closely with insurers. Insurers consult him to set up their marketing teams or advise them on their products and their reinsurance programs; as such he has good connections with the reinsurance industry as well. With good experience in the Takaful industry, Mankani's expertise is in demand, especially in East and West Africa. "I'm working on a project to set up a Takaful company in West Africa. It's part of a very large group. MIMBC is working with them as consultants," he said. Today MIMBC has between 15 and 20 clients which Mankani cultivated through his insurance industry connections that he built over the past four decades.

Mankani said that in some African countries the Muslim population can be

as high as 80% to 90% as such the growing demand for Islamic insurance: "All we have to do is take the management expertise and technical expertise over there and set it up. I remain on board as an advisor to these companies." He said that his company is looking forward to working closely with the Iranian market once the sanctions are lifted: "I recently came back from a fact finding trip to Iran where I noticed a big demand for reinsurance support." Mankani said, "During my visit I met with some very senior figures in Iran's insurance industry and had a very good chat with them." He said there is a lot of demand in the Iranian market and once sanctions are lifted then they will start working on it.

Mankani said that the Takaful industry is today where it was five years ago, it has not developed or progressed when compared to conventional insurance. He said the little profit these companies show comes more from the investment side, mostly investments in real estate: "Out of 10 Takaful companies in the UAE and I think two or three are making a profit and that also from investments." Mankani blames this poor result on the lack of stability pointing out that every few years Takaful companies change their general managers which means that people will not have the confidence to deal with them. He said every two or three years a new name comes on the

scene to head a Takaful company, many hardly have any experience, whereas conventional insurers enjoy stability to a large extent and are doing well. In the Takaful industry, Mankani said, there is continuous interference from the board: "If you want to run a company it should be left in the hands of the professionals. Board members cannot run companies. They're not insurance people." He said in 2013 alone three to four Takaful companies changed their general managers because of disagreements at the board level.

Mankani said the UAE insurance authority should set up a committee to look at the workings of Takaful companies with the purpose of guiding and helping them "Islamic insurance demands a lot of transparency and I think there is no transparency these days. A lot of questions have to be asked, there has to be a lot of accountability and the UAE insurance authority should get involved and set up committee to investigate the working of the Takaful operators," he said. He said the insurance authority should properly guide Takaful companies. "I don't think they will change unless some new rules are introduced or some authority steps in and tries to take control of the workings of these companies," said Mankani.

MIM continues to focus primarily on the UAE market with the exception of helping set up companies in Africa. He said that as a small company they want to take it step by step, but if someone calls them for a consulting job from say Oman or Saudi Arabia they would definitely like to go there. "Ours is a small company, at this stage I think UAE is our base, we would like to strengthen ourselves over here first and then gradually move on," Mankani said. The UAE insurance market produced Dh 26 billion-worth of premiums in 2013, making it bigger than the Saudi market. Growth is greater in the life insurance and bank insurance sectors. Mankani said that there is great confidence in the UAE insurance market with Lloyd's and many Lloyd's brokers opening up at the Dubai International Financial Center (DIFC). He said that the main reinsurers are using Dubai as a base not only for the UAE market, but also as a springboard to the wider MENA region and the Indian sub-continent.