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## IIRA Reaffirms Takaful Financial Strength Rating of the Islamic Insurance Company

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**Manama, January 09, 2020**—The Islamic International Rating Agency (IIRA) has reaffirmed the Takaful Financial Strength (TFS) rating of The Islamic Insurance Company PLC ('TIIC' or 'the company'), Jordan, at 'A' (Single A). Outlook on the assigned rating is 'Stable.'

The Islamic Insurance Company is one of only two takaful operators in the Hashemite Kingdom of Jordan ('Jordan' or 'the Country'). Jordan Islamic Bank, the oldest and the largest Islamic Bank in Jordan, is the largest shareholder with a holding of 41.7% stake in the company. Over the years, the insurance sector has posted generally subdued growth and remains highly competitive in the face of general economic conditions.

Stemming from the tough economic environment and pressure on the insurance sector, earnings performance of TIIC has been strained since 2017 and is attributable to higher average claims experienced across the sector. Interim performance in 2019 also indicates persistent strain. Nevertheless, TIIC remained among the top 5 performing companies operating in Jordan.

Retakaful coverage and recovery has remained largely consistent with prior years; however changes were effected to the retakaful panel to ensure continued regulatory compliance in terms of composition. The company has maintained its superior capitalization as evidenced by reasonably high capital. Liquidity assets coverage of technical reserves also points to strong liquidity buffers.

The company's overall fiduciary score has remained in the range of '76-80', reflecting strong protection of the rights of various stakeholders. Moreover, TIIC has fully-instituted Shari'a oversight at the Board level, its highest governance body. Further articulation in the company's policy on surplus distribution, is recommended. There has been significant change at the helm of the organization, with elevation of the Deputy Managing Director as the head of the institution, indicating high probability of continuity in strategy.

For further information on this rating announcement, please contact IIRA at [iira@iirating.com](mailto:iira@iirating.com).