



IIRA Maintains the Takaful Financial Strength Rating of the Islamic Insurance Company

Manama, September 09, 2025 —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 Plus). The outlook on the ratings is 'Stable'.

TIIC is the first takaful operator in the Hashemite Kingdom of Jordan and is licensed as a life and non-life takaful company, with a market share of 4.8% in terms of gross written contributions. The Company seeks to build an integrated digital business model that keeps pace with the requirements of the next phase of growth and enhances the quality of its services and the sustainability of its business. A number of projects and initiatives undertaken are aimed at modernizing technical infrastructure and developing innovative digital channels for customer service, including an archiving system, workflow management, improving the company's website, mobile application, online platform, social media management, and others.

In 2025, the Central Bank of Jordan has made amendments to the pricing of compulsory Motor Third Party Liability (MTPL) framework while maintaining the premium ceiling which is expected to improve the negative profitability of the MTPL segment.

TIIC's total underwritten premiums grew by 8.5% YoY to JD37.5mn in 2024 - above the Jordanian Insurance Sector's growth rate of 7.6%. The motor and family takaful segments led growth, accelerating by 14.6% and 9.2% respectively and hence maintaining the uptrend in their share in total contribution at 41.3% and 31.0% (2023: 39.1% and 30.7%). Meanwhile, relatively smaller segments such as fire, engineering and marine also demonstrated traction with YoY growth of 14.3% and 32.2%, allowing for modest improvement in terms of diversification of premium base. On the other hand, the downtrend in loss-making medical segment was carried onto 2024 as well, with this segment declining 6.3% YoY and its share in total premiums edging down to 17.3% from 20.0%. In H1'2025, TIIC's underwritten premiums enhanced by 14.4% vis-a-vis H1'24 - again mainly due to motor and family takaful segments. The management expects to register around 10% growth in the current year driven further by motor and family takaful as key segments, while the marine sector could also register noteworthy growth.

TIIC's risk profile is supported by strong reinsurance coverage provided by a diversified panel of retakaful operators. Risk profile of the reinsurance panel is considered sound as all reinsurers are rated in the 'A' band. In 2025, there was no change in terms of ratings of reinsurers nor the capacities and limits under retakaful arrangements.

The Solvency Ratio at 191% as of June 2025, remains above the regulatory requirement of 150%, as well as being superior to the competitors in the Jordanian Insurance Sector. In 2024 and during H1'25, technical reserves outpaced the increase in liquid assets. Consequently, the liquid asset coverage of technical reserves edged down. However, with consistent focus on collection performance, insurance debt in relation to gross contributions eased to 11.4% from 12.7%.

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Policyholders' Fund (PHF) registered net deficit in 2024 as higher claims mainly due to MTPL insurance impacted profitability despite better investment income, albeit declining in H1'25, compared to H1'24. On the other hand, Shareholders' Fund's profitability continued to improve in 2024 and H1'25. Recent amendments to the pricing of mandatory MTPL insurance pricing for the year 2025, is expected to reduce the motor segment's deficit modestly, as per management representation.

The Company contributes to serving the local community through various activities, a recent example of which was the agreement with King Hussein Cancer Foundation to provide care insurance to cover cancer treatment at the King Hussein Cancer Center, and thus expanding the scope of cancer insurance coverage among the insurance products offered by TIIC to its customers. On the environment front, the Company contributes to protecting the environment by recycling paper and documents due for destruction with specialized companies to save energy and reduce metal emissions. In addition, the employees are directed to rationalize printing.

The executive management of the Company led by Mr. Reda Dahbour plays a pivotal role in embedding sustainability into the company's strategic vision and operational framework which ensures that the business remains agile, future-ready, and aligned with stakeholder expectations. Thus, the management has transformed sustainability into a central driver of growth, resilience, and competitive advantage.

The overall fiduciary score has been reaffirmed in the range of '76-80', reflecting strong protection of the rights of various stakeholders. The Board of Islamic Insurance Company is led by H.E. Mr. Issa H. Murad and comprises 11 members vis-a-vis regulatory requirement of at least 7 members. Following the induction of 5 new members during 2024, there has been no change in the Board so far in 2025. The Board members from diverse backgrounds bring well-rounded experience in Islamic banking and insurance sector. There are 7 non-independent members and 4 independent members. The Company is in compliance with regulations and CBJ Governance directives. Improvement in resources of the Internal Audit Function is noted positively. The Shari'a Supervisory Board and Board Shari'a Control Committee form the main bodies responsible for Shari'a Governance with the latter dedicated to allocation towards technical reserves, distribution of surplus, and investment profits.

For further information on this rating announcement, please contact us at iira@iirating.com