

Takaful Concepts, types and products

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Takaful Concepts, types and products..

- Basics of Takaful
- Different Takaful concepts in Takaful industry: Re-Takaful, Micro Takaful, etc.
- Takaful products worldwide and their Marketing Strategies

Islam has provided a list of “Don’ts” for doing business.

We only have to check that our transaction doesn’t contain any of those “Don’ts”

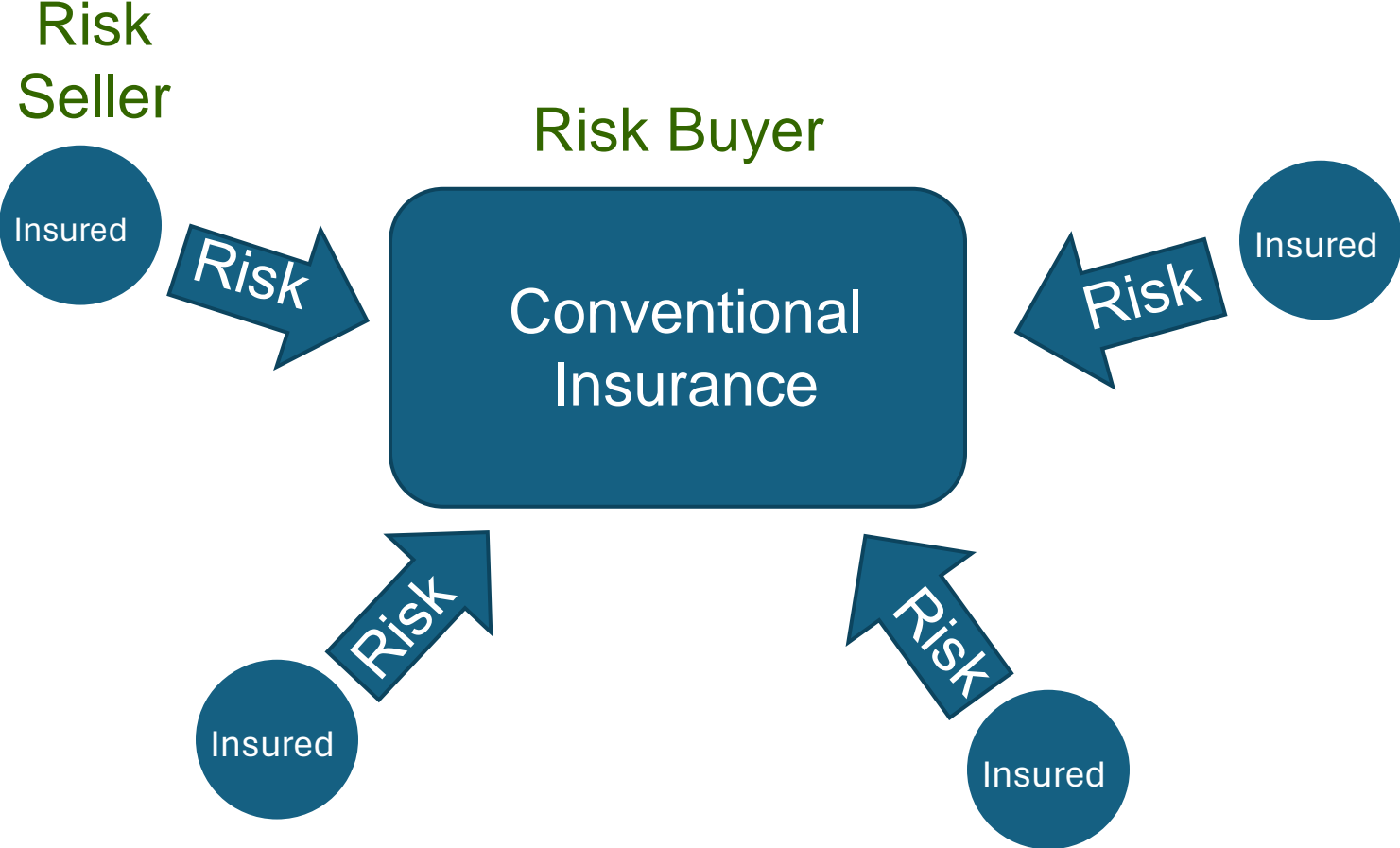
This alone is prove enough for it being in accordance with Shariah principles

Takaful vs. Insurance

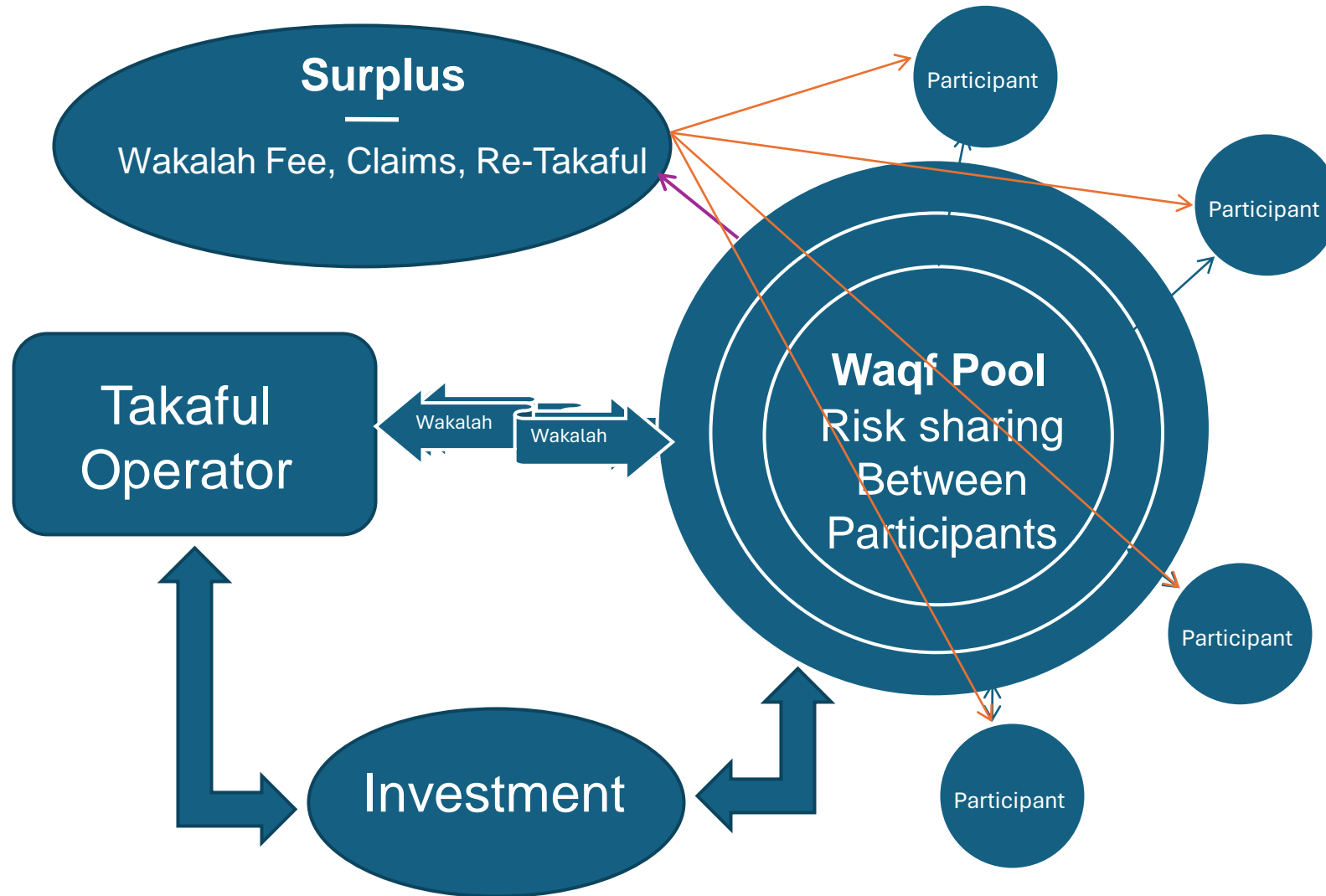
The Shariah Aspect

As per the dictionary Conventional Insurance is a '***Risk Transfer Mechanism***' whereas Takaful is a '***Risk Sharing Mechanism***'.

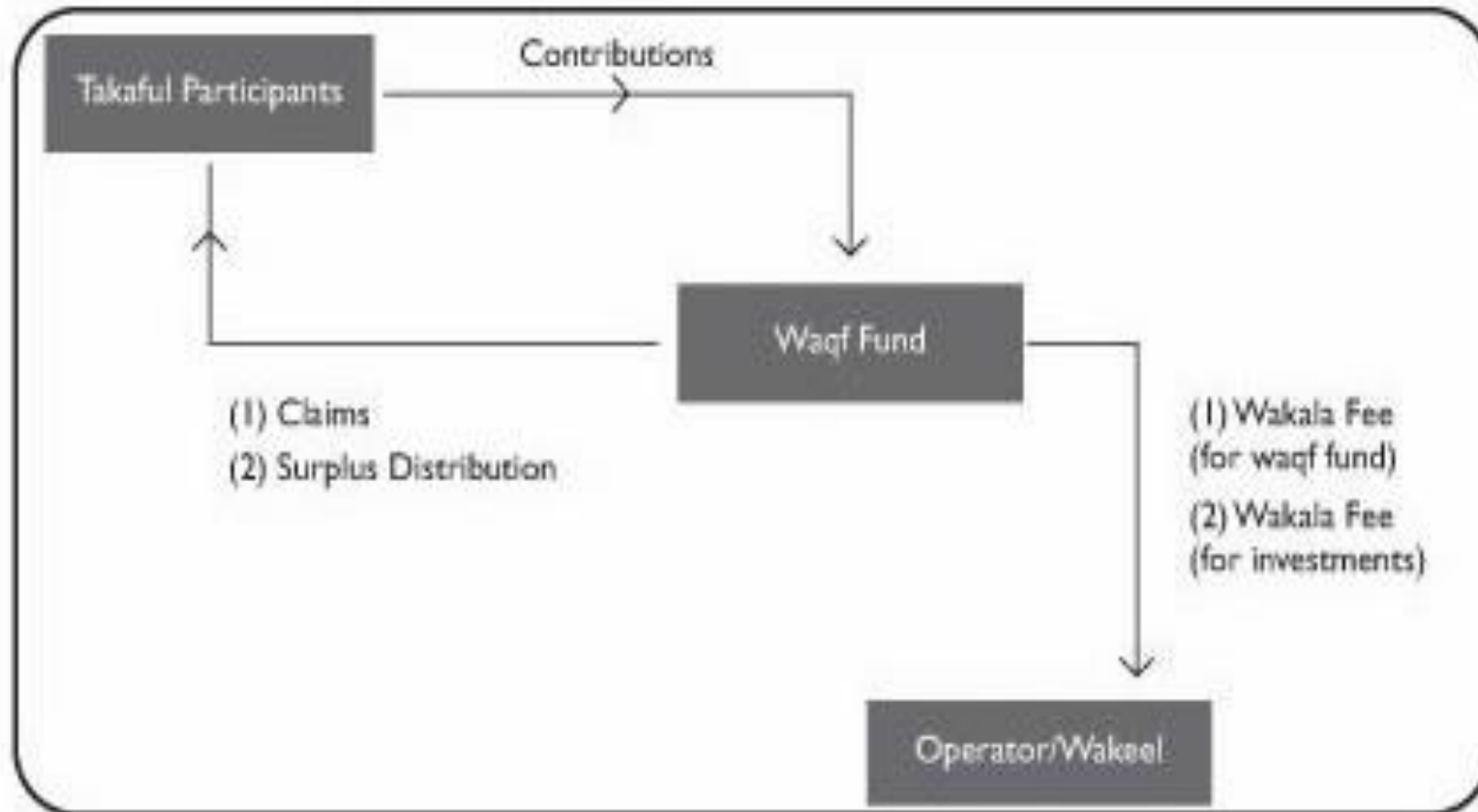
The Conventional Insurance process



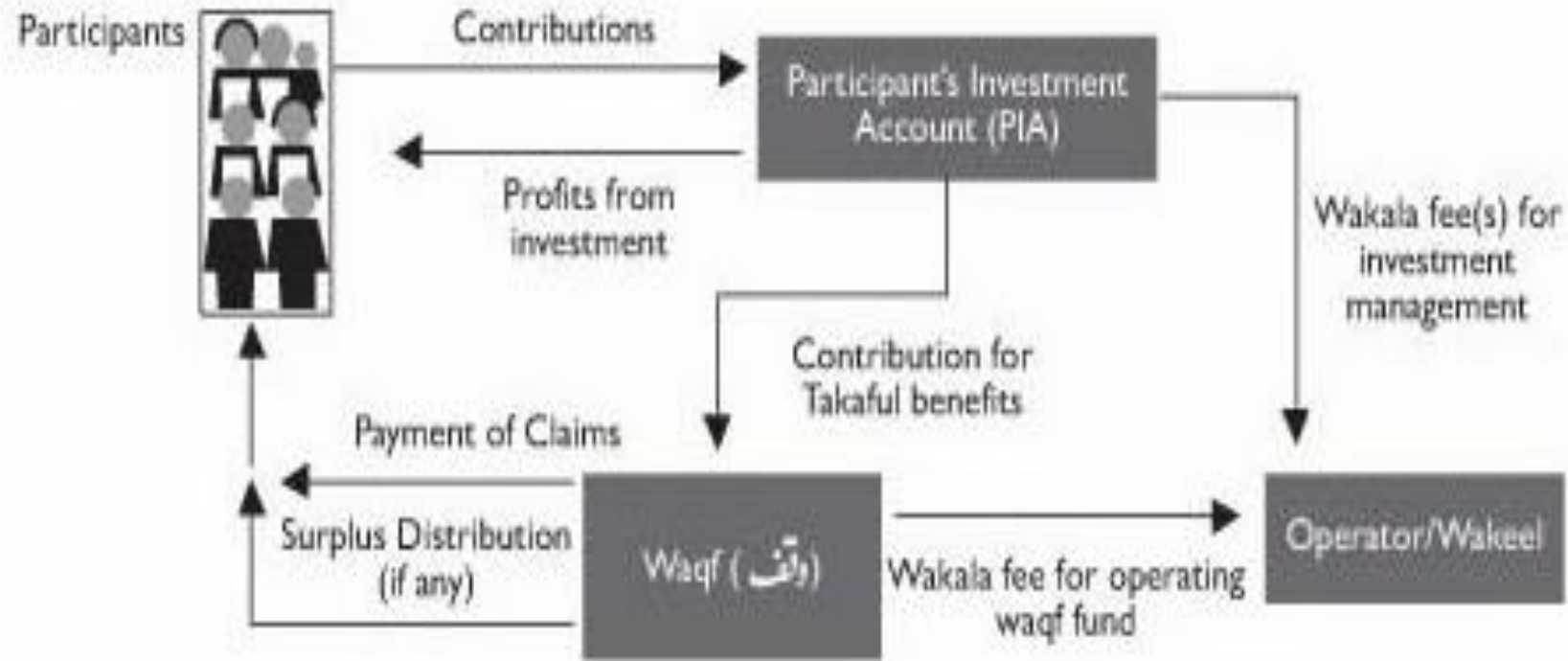
The Takaful process



General Takaful Process



Family Takaful Process



Models for Takaful

- Mudarabah
- Wakalah
- Wakalah – Waqf (Hybrid)
- Cooperative Model used in Saudi Arabia

Section	Takaful	Conventional Insurance
Investment of contributions	Shariah compliant investment monitored by Shariah Board	No Islamic regularity restriction
Underwriting profits	No provision for underwriting profit	Insurance companies will make profit if the claims are lesser than the premium
Claims	Payable from the Waqf pool.	Payable from overall fund of the company
Surplus	Could be given to the Participants	Belongs to Company Shareholders
Deficit	Qardh-al-Hasan is given to the Waqf pool.	Financed from shareholders fund i.e. company

Co-Takaful Mechanism

- Clients Consent
- Co-Takaful under lead of Takaful company
- Co-Takaful under lead of conventional co.
- Co-Takaful claims handling

ReTakaful

- Background
- Current key players
- Constraints & Issues
- Recent developments

Micro Takaful

- Background
- Current key players
- Constraints & Issues
- Recent developments

How to sell Takaful

- Creating awareness
- Offer vs Sales
- Market Conduct
- Follow ups
- Client servicing & retention

BancaTakaful – What and Why

- History of banca
- Success of banca
- Why/How so successful
- Pre-requisites for channel
- Possible structure, pros and cons

Banca - Products

- Successful banca products
 - Using technology
 - Ease of providing service
- What works and what does not
 - Marketing for banca

Product Development

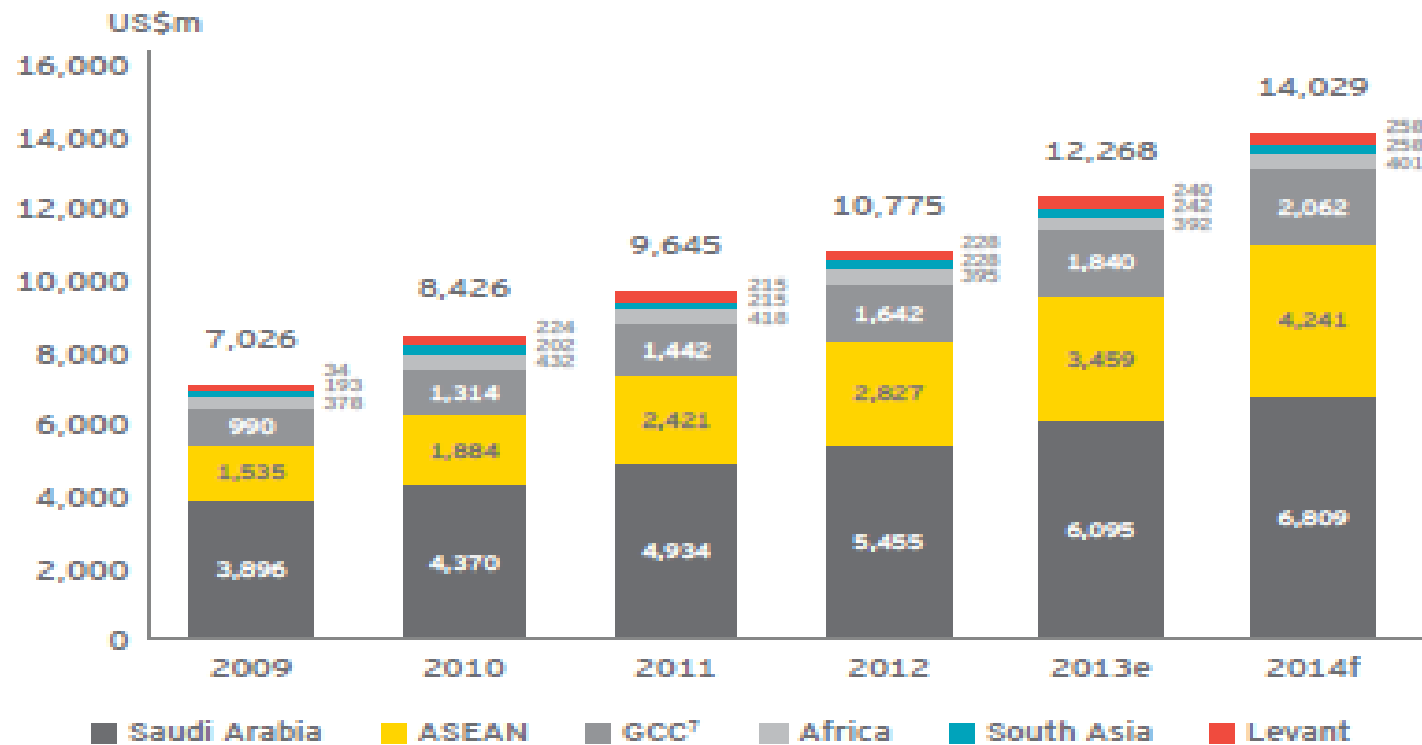
- What is a successful product
- Who designs and develops
- Competitive strategy / USP
- Market segmentation
- Continuous innovation

Takaful Worldwide

- Statistics
- Global Takaful Growth
- Future Prospects

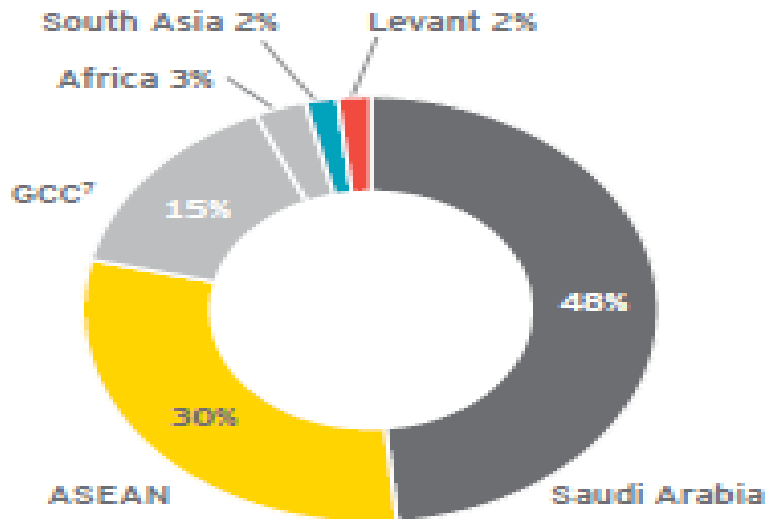
Global Takaful Numbers

Chart 4: Global gross takaful contributions by region, 2009-14f⁶



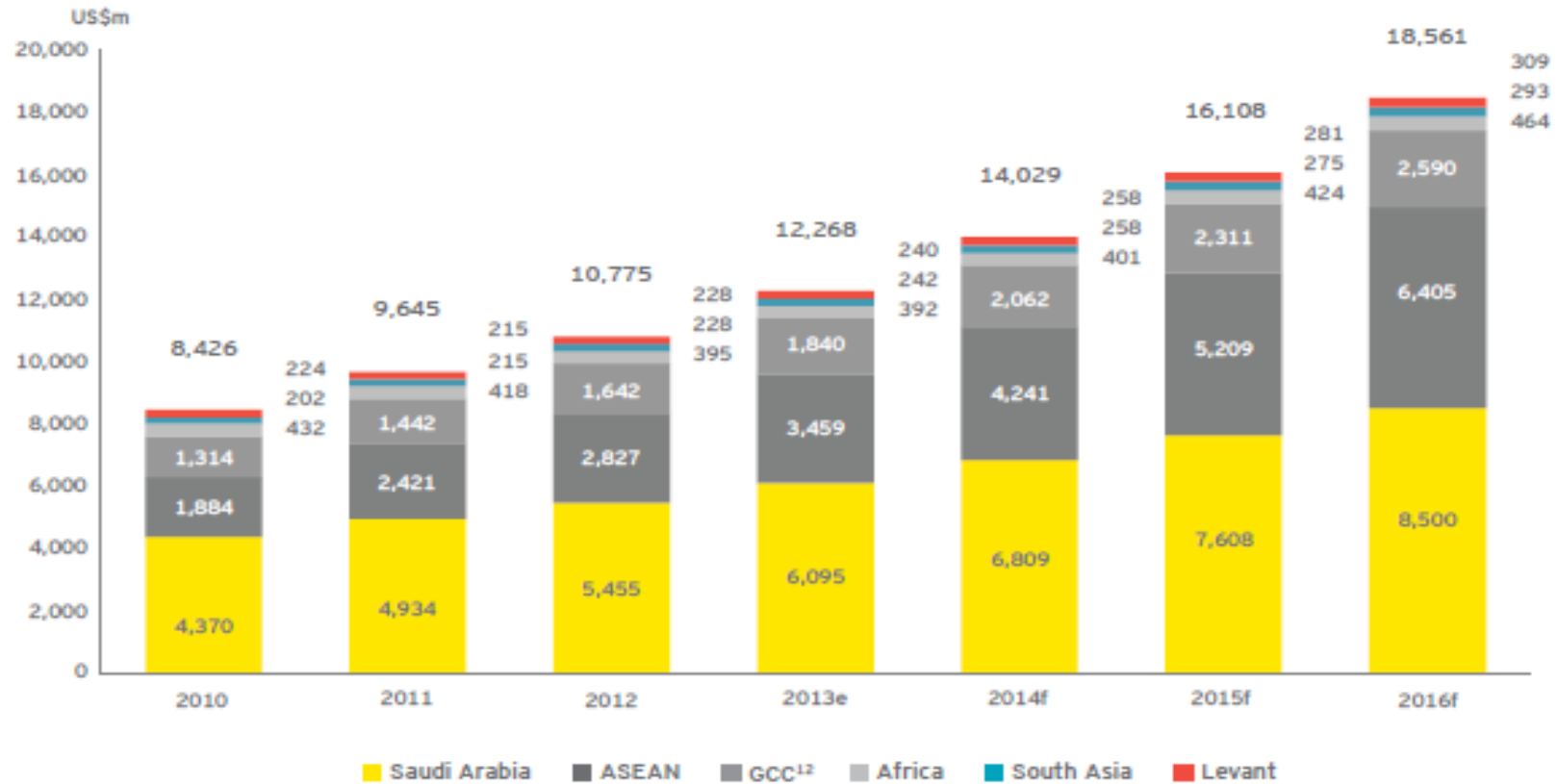
Global Takaful Numbers

Chart 5: Share of global gross takaful contribution by region, 2014f



Future Prospects

Chart 22: Global takaful contributions forecast, 2010-16f¹¹



Questions / Discussion

Please feel free to ask whatever you feel needs to be asked.

Remember, the only silly question is the one which was NOT asked 😊

Conclusion

- Takaful is a risk mitigation product based on ‘risk sharing’.
- Dire need amongst the worlds people, especially in developing nations.
- Ideal for consumers who may prefer to avoid conventional insurance due to ideological reasons.