



Challenges and Opportunities in Takaful / Re-Takaful Provision

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Global Dimensions of the Takaful / Re-Takaful Industry

- Number of Providers
- Contributions Pool
- General / Life Split
- Growth Potential
- Re-takaful Provision
- Retro Provision



The Rationale for Takaful

- Community Based Risk Sharing
- Mutual / Co-Operative in Spirit
- Enhanced Role of Members
- Social Provision
- Examples
 - Co-Operative Societies
 - Friendly Societies
 - Qard al Hashanah "Banks"
- Is this Translated in Present Takaful Provision?

The Evolving Takaful Model

- Mudarabah
- Wakala
- Waqf
- Hybrids
 - Mudarabah for Asset Management
 - Wakala for Takaful Provision
- Implications
 - Mutual / Co-Operative?
 - Hybrid?

Emerging Issues

- Risk Management
- Corporate Governance
- Asset Management
- Transparency
- Industry Status on these Issues

Risk Management

- Actuarial Risk
- Underwriting Risk
- Asset Investment Risk
- Shari'ah Risk
- Regulatory / Reputational Risk



Corporate Governance

- Hybrid Nature of Takaful Provision
- Shareholder / Members' Interests
- Conflicts of Interest
- Regulators & Ombudsman
- Examples From Global Insurance Industry
- Demutualization
- Orphan Asset Distribution



Asset Management

- Limitations of Asset Classes
- Augmenting Available Asset Classes
- Need for Pooling
- Enabling of Specialist Takaful Asset Managers
- Implications for Risk Management & Returns



Transparency

- Reporting Standards
- Safeguarding Members' Interests
- Clear Policy Documentation
- Education on Sharing of Underwriting Surplus
- Benchmarking against best practice in Industry

Industry Status on Key Issues

- Risk Management
- Corporate Governance
- Asset Management
- Transparency

Gaps In Takaful Provision

- No Focus on the Poor and Disadvantaged Sections
- Models of Micro Takaful
 - Vital Supplement to Micro Finance
- Methods of Micro Takaful Provision
- Welfare State as a Takaful Provider?
- Adapting the Model to Muslim Societies

Issues in Re- Takaful

- Availability of Re-Takaful
- Risk Sharing Nature of Re-Takaful
- Analogy with Climate Change
- Can it be Shari'ah Sealed?
- Implications
- Shari'ah Considerations



Opportunities

- Potential Market Size
- Investment Linked Takaful
- Savings & Pensions Provision
- Cohesion & Stability of Societies
- Community Ownership of Society's Goals and Development
- Enabling role of the Shari'ah



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