



PAK-QATAR FAMILY TAKAFUL
Together for Better

Achieving Best Practices Through Shari'ah Compliance

AT PAK-QATAR FAMILY TAKAFUL LIMITED

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Agenda – Flow of the Presentation...

- Three Levels of Shari'ah Compliance
- Scope of Shari'ah Compliance
- Shari'ah Compliance – USP or Strength?
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Three Levels of Shari'ah Compliance

LEVEL 1

Product does not have any impermissible elements

LEVEL 2

Product & support processes of the organization does not have any impermissible elements

LEVEL 3

Ensuring / promoting moral values suggested by the Shari'ah performed in the right spirit



Scope of Shari'ah Compliance

- System / Process
- The implementation of the System
- Operator of the System



Shari'ah Compliance – USP or Strength?

- It is customary for majority of Halal businesses to sell “Shariah Compliance” as a Unique Selling Proposition. In reality,
 - The companies consider Shari'ah Compliance factor to be a “limitation” or **“restriction”**
 - The customers consider Shari'ah Compliance factor to be something **“inferior”** or weak and that they are actually paying the price for being a Muslim and not for the product
- However, Pak-Qatar Family's experience about being Shari'ah compliant is positive and is considered to be our **major strength**



About Pak-Qatar Family Takaful Limited

- Pak-Qatar Family Takaful, **pioneers** of Family Takaful in Pakistan, was incorporated in 2006 and received license for operations by S.E.C.P in 2007
- The company is **sponsored** by 5 leading banks from State of Qatar and Munich-based FWU AG
- The company is part of **Pak-Qatar Takaful Group** comprising of Pak-Qatar General Takaful Limited as well
- We are the **fastest growing** Takaful company not only in Pakistan but also in the region
- We provide **need-based** and cost-effective Takaful solutions to Individuals (protection and savings Plans) and to Corporations



Our Vision, Mission, & Core Value

- **Vision:**
 - Providing financial protection to everyone, through Takaful
- **Mission:**
 - Promote Takaful amongst the masses, encompassing education and awareness, and present an image that is consistent with our **ideological values**
 - Adhere to **best ethical practices** in all aspects of operations while abiding by the Shariah and the **law of the land**
 - **Empower our employees** by inspiring, guiding, enabling and supporting them
 - Ensure our support to the **community and the environment** with excellence
 - Ensure **customer satisfaction** by offering quality products and services driven by their needs
 - Ensure optimum returns to the **shareholders**
- **Core Value:**
 - To achieve **Excellence** in all aspects of our business activities



About Takaful

- Takaful is a **risk-sharing** mechanism. In Shari'ah risk cannot be transferred i.e. bought or sold
- It is based on the principles of **brotherhood** and mutual solidarity (**Ta'awun**)
- It is free from **Riba, Gharrar & Qimar**
- Takaful serves as a **Shari'ah compliant and ethical alternate** to conventional insurance
- Takaful is recently gaining **widespread acceptance** and recognition amongst Muslims and non-Muslims due to its ethical and transparent nature

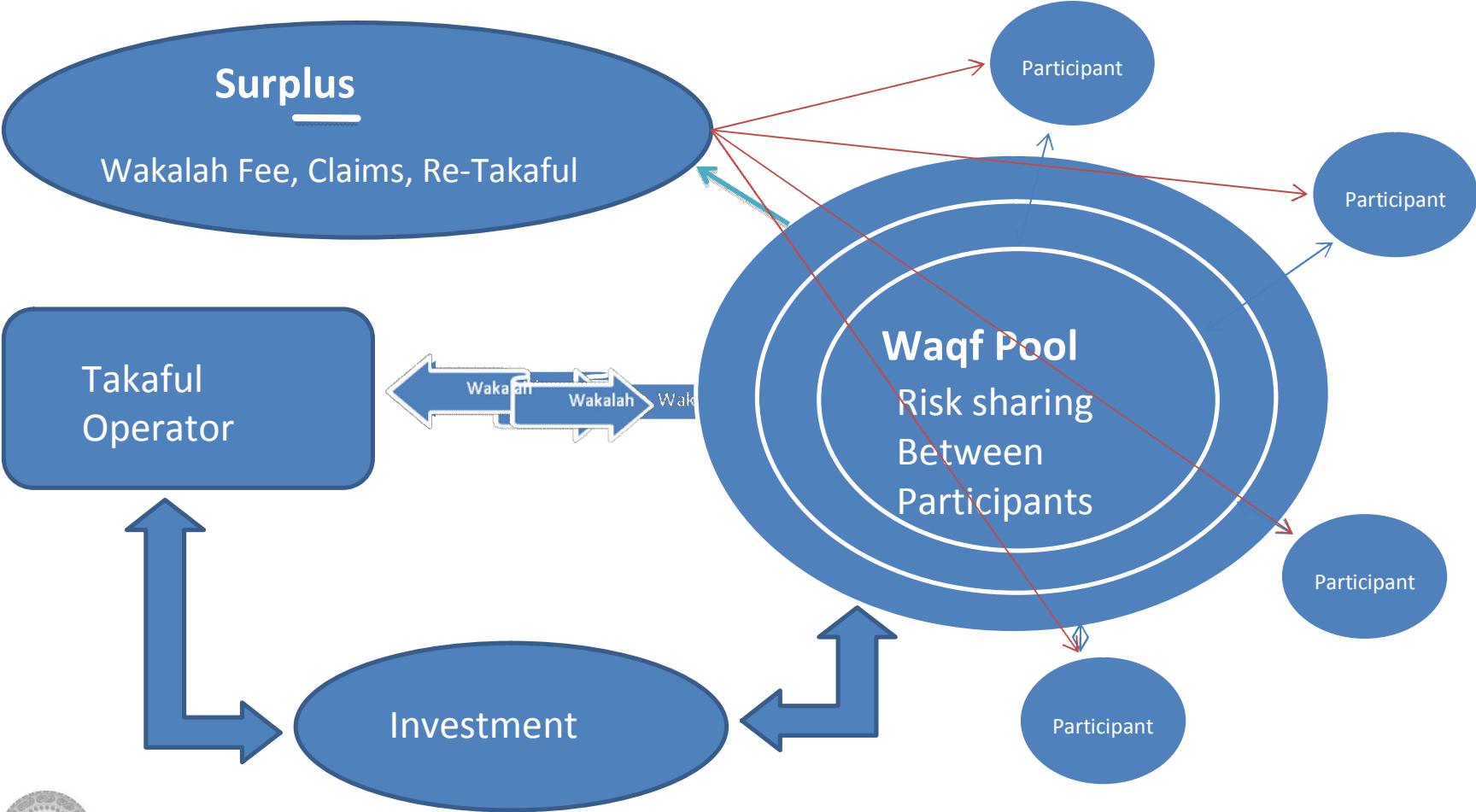


Our Business Model

- Takaful Model is **equitable** and **transparent**
- There are **three parties** in Takaful Model:
 - Waqf Pool
 - Participant (Customer):
 - Operator (Takaful Company):
- There is **no direct contractual relationship** between Participant and the Operator
- Our relationship with the Waqf Pool is that of a **Wakeel** and the participant have direct relationship with the Waqf Pool
- The contributions we receive from the Participants are regarded as **Amanat**
- Takaful Operator is remunerated through a fixed Wakala Fee . We **do not earn underwriting profits.**
- The **surplus** is distributed amongst the participants or given in charity



Takaful Business Model



Framework of Shari'ah Compliance

- An independent **Shari'ah Advisory Board** certifies all products and business activities and processes for Shari'ah compliance
- The SAB conducts periodic **Shari'ah Audits** to ensure compliance
- **External Shari'ah Audits** are also conducted to validate the activities of Shari'ah Board
- Key Employees are provided **basic knowledge of Mua'amulaat** to take corrective measure at their own
- Employee at any level can **blow the whistle**



Our Products

- Products are free from **Riba, Gharrar & Qimar**
- They are **transparent** (separate accounting of Shareholders' Fund and Waqf Pool)
- They are **equitably priced**
- They are **need-based** and **competitive**



Our Product Portfolio

- **Individual Takaful:**



- **Group Takaful:**



Employee Empowerment

- Shari'ah requires employer to
 - Hire people who are professionally sound and good in character (**Qawi ul Ameen**)
 - **Treat employees equitably** and remunerate them in timely manner
 - Treat all employees with **dignity** and do not hurt their **self-esteem**
 - Facilitate or **fulfill the physical, intellectual, and spiritual needs** of the employees
 - To provide **proper training**



Employee Empowerment

- In return, employees
 - Are **attracted to join** Pak-Qatar Family Takaful; Students from **Madressahs** and Business Schools are working together for the cause of Takaful and Islamic Finance
 - Show higher level of **commitment**
 - Give **increased productivity**
 - Are **loyal**



Sales & Marketing

- Shari'ah requires us not to give Takaful coverage to individuals and companies involved in unethical activities. (The concept of **Itteham and Iyanat alMasia**)
- Ensure complete **transparency and full-disclosure** of all product benefits & exclusions
 - Our Marketing Collateral is easy to read and **bi-lingual** in content
- Give Khiyar or Options to customers for **free review of product**
- Provide **best possible services**



Operational Efficiency

- It is an inherent requirement of Takaful Model that the Company should achieve operational efficiencies as the **only source of income is Wakala Fee**
- To achieve this, Pak-Qatar Family Takaful is
 - Using **state-of-the-art Technology** to gain higher processing speed and accuracy
 - We have imported business system from Malaysia (**PentaTakaful**) & are implementing **SAP ERP** solution
 - We are also in process of implementing Process Management tools like **Six Sigma** etc



Operational Efficiency

- **Eliminating Wastage** and **higher productivity** through committed employees are at the heart of our operational strategy
- Through our BancaTakaful platform, we issue a Takaful Policy in less than **20 minutes**



Our Investment Strategy

- Shari'ah requires us to:
 - Not Invest in companies/projects whose primary business is **unethical and against the common interest of the community** (tobacco & alcohol manufacturers, gambling houses, pornography etc)
 - Not to involve in **day trading** (selling something which is not in your possession)
 - Not invest in **speculative ventures**
 - Only invest in companies/projects which are backed by **real assets**



Supporting Community & Environment

- Shari'ah does not allow us to get involved or undertake activities which go against the **interest of the community** or the environment
- We have established a **“Staff Welfare Fund”**
- Both our company sponsors and employees have contributed to the **IDPs**
- We will provide **“Free Takaful coverage”** from the charity fund to the deserving lot who cannot afford Takaful protection
- Through Takaful we can **promote brotherhood** and mutual solidarity amongst participants





Major Achievements 2008 & 2009

Major Achievements

- **Industry Business Records** (despite economic recession in 2008 & 2009):
 - Rs. 100m business in first year of operations
 - Rs. 140m BancaTakaful business in first month of operations
- We received an **“A” minus** (having Stable Outlook) rating from JCR-VIS Credit Co. while still in second year of operations
- We have **Re-Takaful** arrangements with some of the best Re-Takaful global companies in the world
- We are present in **14 cities having 24 branches**
- We have a trained sales force of 800+ strength in the market in less than 2 years of operations
- We have on board **200+ corporate clients** in less than 2 years of operations



Major Achievements

- We were declared as the **“Best Family Takaful Operator”** in Pakistan by 1st National Achiever Award (2009)
- Nominated for **“Best Takaful Operator”** in the world by CPI Financial, UAE (2009)
- Nominated for **“Best Use of Technology”** in Islamic Finance Industry by CPI Financial, UAE (2009)
- Ranked Top 4 in **“Best Marketing Strategy”** by World Takaful Summit, London, UK (2009)
- First company in the financial sector of Pakistan to implement **SAP**



The Conclusion...

Survive, Sustain, & Succeed
w/
Shari'ah Compliance

& you will Insha'allah reap benefits not only in this life but also in the hereafter *provided it is done with the right Niyah*



Jazaak Allahu Khairan

Thank you for your patience & attentiveness

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