

# Family Takaful Products & Services

## By

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Pak-Qatar Family Takaful Limited

Lahore- 25 August, 2008



FAMILY TAKAFUL

# What is Family Takaful?

- It is an Islamic alternative to conventional life insurance
- The concept is based on the principles of Risk Sharing (as opposed to Risk Transfer)
- Life cannot be insured but the beneficiaries can be financially supported by a system of mutual assistance



# How does it function?

- Participants pool their savings into two separate accounts with the FT Operator
  - **Into Waqf Pool:**
    - As taburru: to eliminate Riba and make Gharrar & Qimar ineffective
    - Nobody owns the Waqf Pool; The FT Operator acts as its Wakeel
    - All claims are paid from the Waqf Pool
  - **Into Participants Investment Account:**
    - Which is unit-linked
    - Contributions are invested to generate Halal profits for members



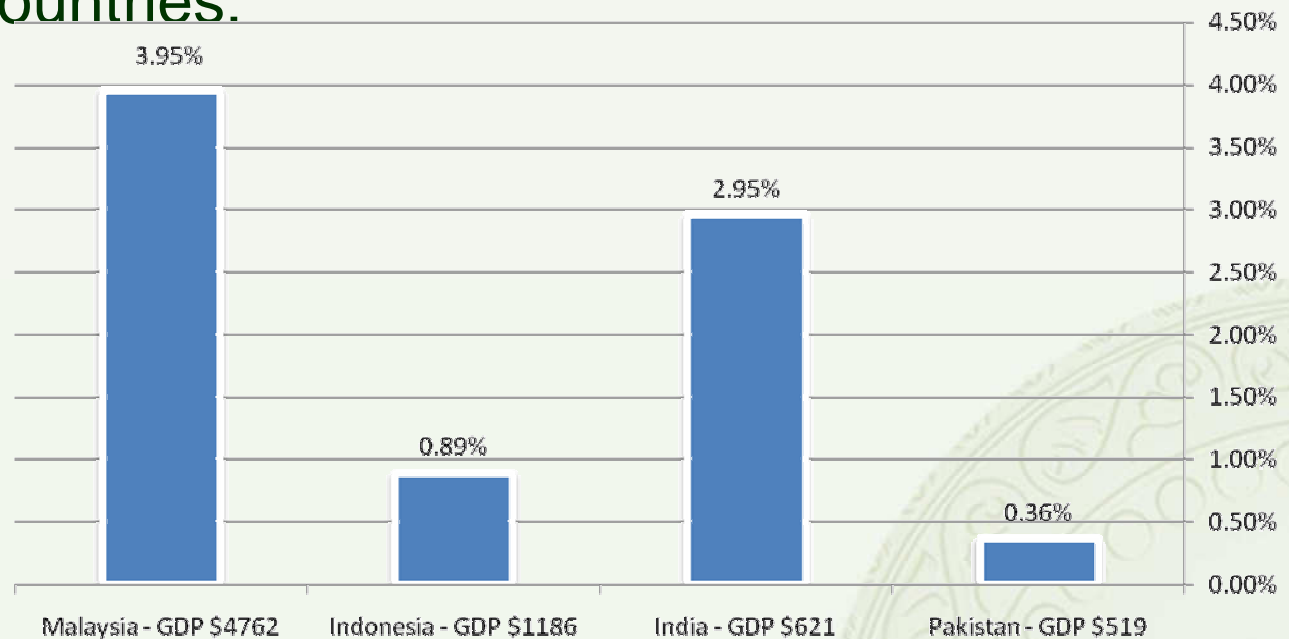
# The Local Family Takaful Industry

- **Pioneers:** Pak-Qatar Family Takaful Limited
- **Players Strength:** Currently 2, with 1 more to arrive in near future
- **Regulations:**
  - Only dedicated companies can operate; no window operations allowed
  - Paid-up Capital requirement: Rs. 500 million
  - The Wakala-Waqf Model is being followed
  - Regulated by Takaful Rules 2005 and Insurance Ordinance 2000
- **Legal:** All Family Takaful companies are Regulated by S.E.C.P
- **Shari'ah Board:** An Independent Shari'ah Board supervises business operations and product development for Shari'ah compliance

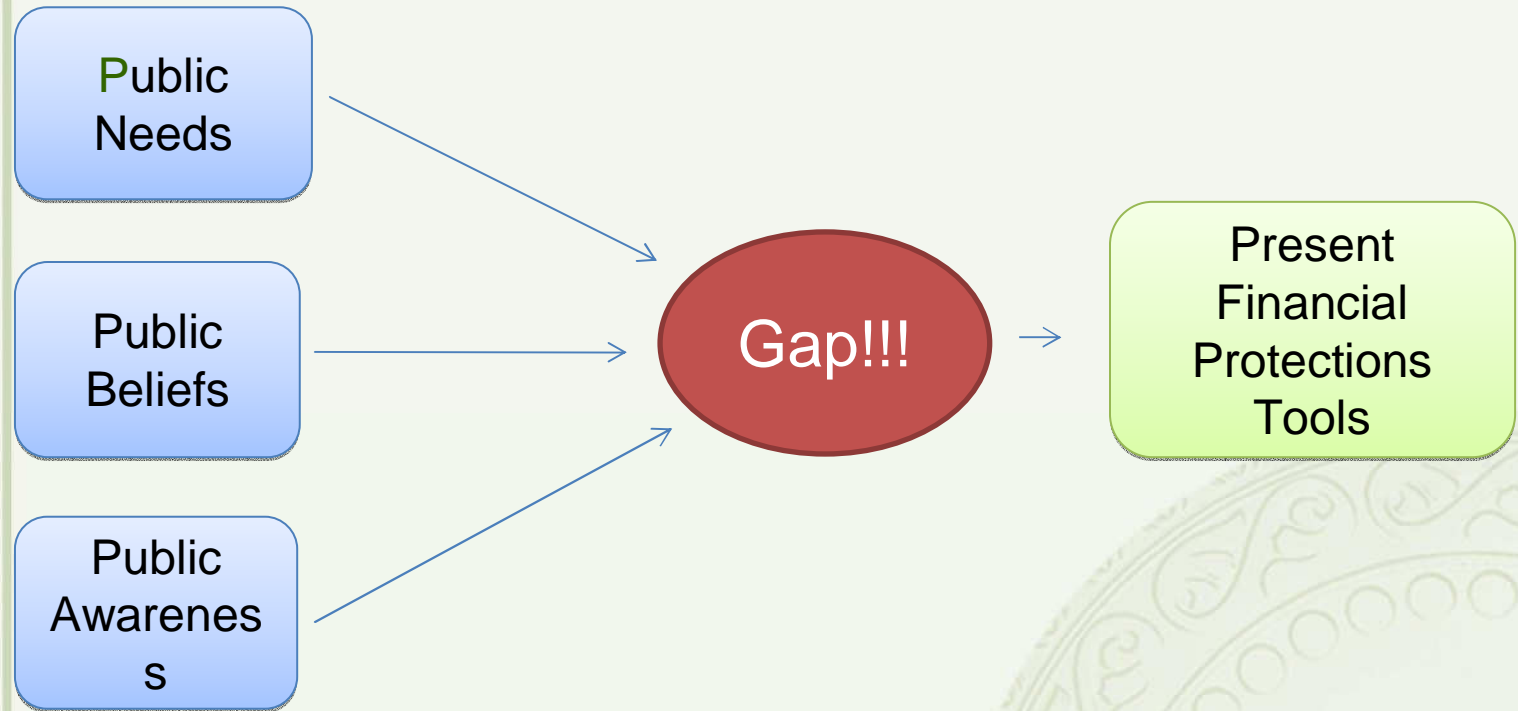


# Penetration of Life Insurance in Pakistan

- The graph below shows the penetration of life insurance products in Pakistan and other regional countries:



# There is a Gap !!!!!



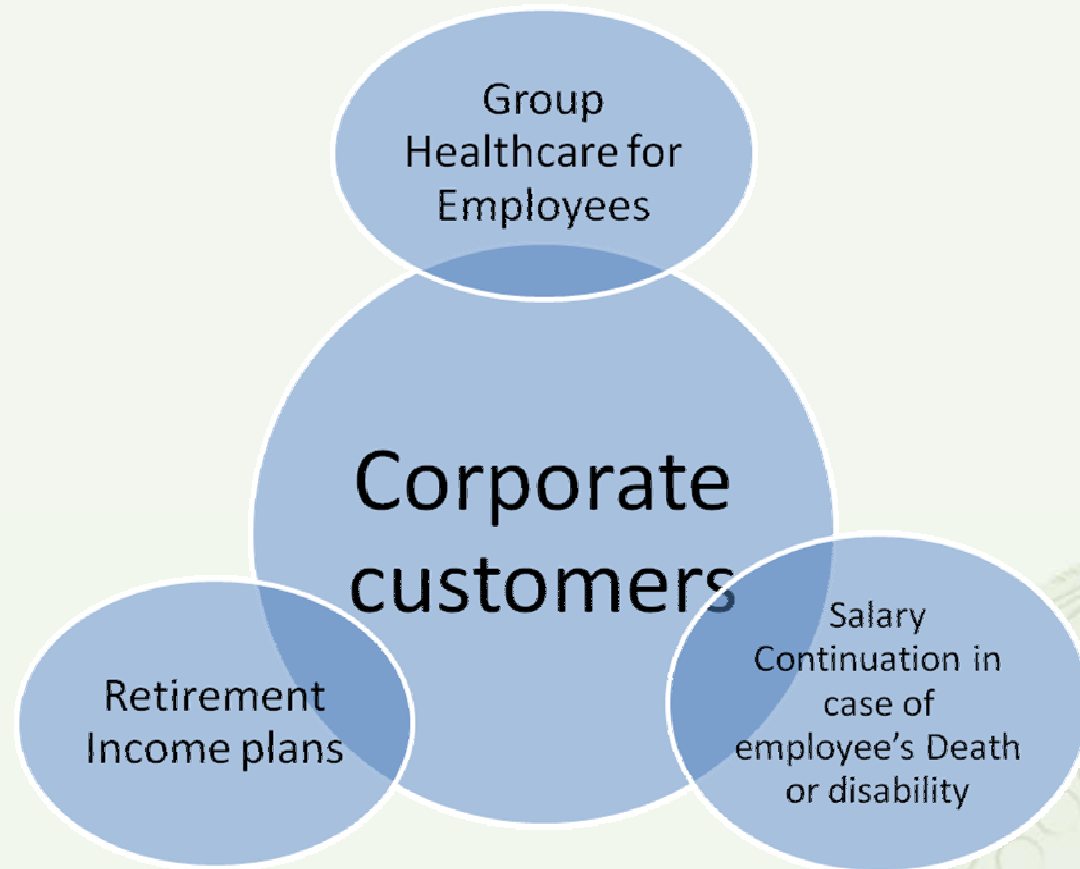
# Bridging the Vital Gap

- Family Takaful can bridge this gap by
  - Creating Awareness amongst public regarding risk mitigation and long terms saving
  - Offering need-based products and services
  - By maintaining high level of service quality and ethical standards



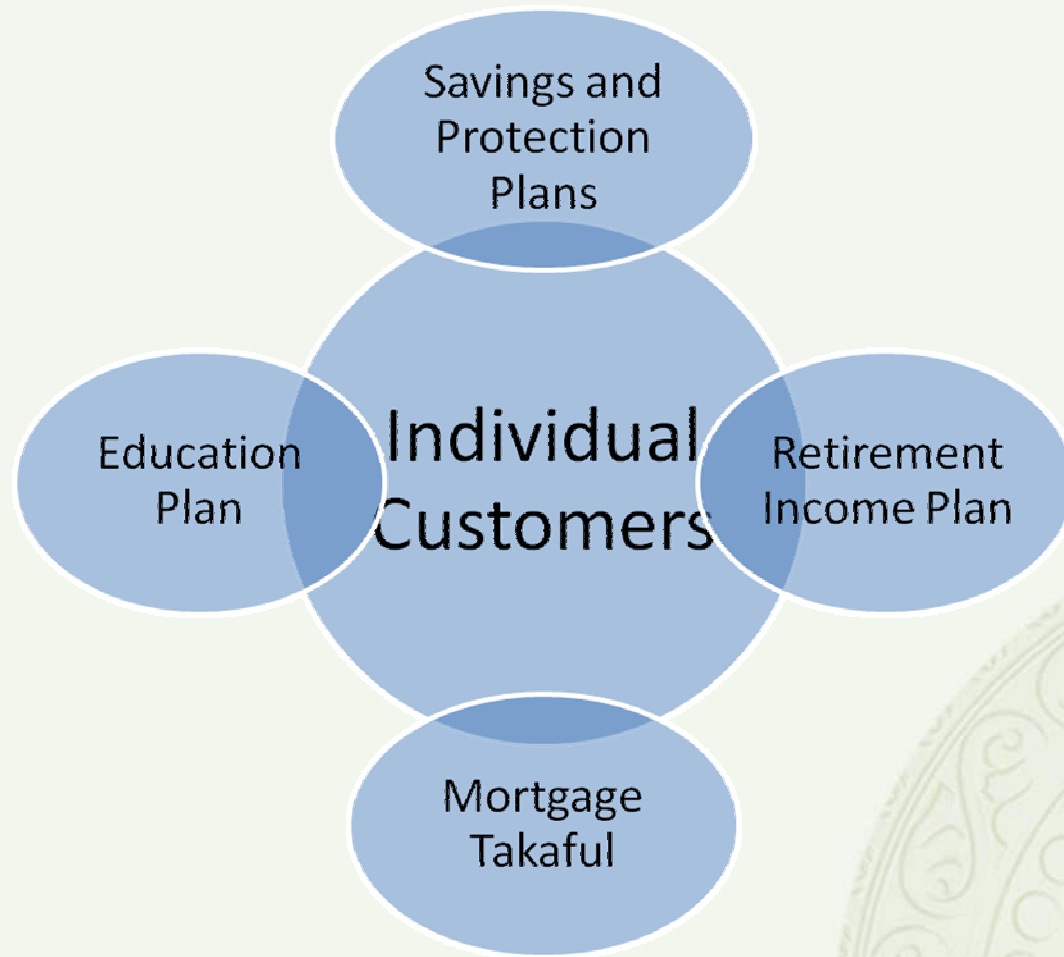
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# Products & Services Available



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# Products & Services Available



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# Value Propositions in Family Takaful

- Usability
  - **Win-Win:**
    - The only protection + savings tool available. Not only does it provide financial protection against specific risks, it also generates Halal profits
  - **Surplus Sharing:**
    - Surplus shared between participants who did not make any claims
  - **Non-discriminatory:** (FT is for everyone)
    - UHNWI , HNWI
    - Corporate
    - Mass Affluent
    - Poor & Needy
  - **Affordable:**
    - Cost-effective Takaful solutions available for every segment of the society



# Value Propositions in Family Takaful

- **Reliability & Credibility**
  - **SECP:**
    - All FT Companies are registered and supervised by SECP as per the rules defined in Takaful Ordinance 2005
  - **Shari'ah Board:**
    - An independent Shari'ah Board comprising of world-renown Scholars supervises all business operations and product development for Shari'ah compliance
  - **Market Capitalization:**
    - High paid-up capital requirements ensures only serious and dedicated operators enter the Takaful market
    - Heavy investments in technology and human capital as a result
  - **ReTakaful:**
    - ReTakaful arrangements with global companies such as Munich Re which is a 'AAA' company



# Through Family Takaful, we will be

- Promoting brotherhood, mutual cooperation and solidarity between members of community
- Promoting the cause of Islamic Economics & Finance in Pakistan
- Fighting against poverty, destitution and dependency, by promoting self dependency
- Promoting ethics and complete transparency in business processes
- Tapping the untapped potential of life insurance market in Pakistan



Jazaakumullah Khairan



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