



Seizing the Growth Imperative: How can Takaful operators capture potential growth

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Objectives



What exactly is this Takaful and how likely is it to be able to fill this gap?

What do Takaful operators need to do in order to take advantage of the large gap that exists in the market?

Takaful – A Product & an Ideology



- Takaful comes from the Arabic root-word ‘kafala’- to guarantee
- Takaful is not only a tool to mitigate loss or to make halal profits. It is an ideology which promotes
 - Solidarity and joint guarantee
 - Self reliance and self sustainability for community well being
 - Assistance to those that need it
 - Community pooling system

Takaful – Market Positioning



- A tool for financial protection
- A product for everyone irrespective of ethnicity, culture, or religion
- AAOIFI Secretary General, Dr Alchaar, said:
“We have to differentiate between what we call Islamic products and what we call Islamicized products — products that were made Islamic. These are conventional products made into Islamic products. This taking of conventional products and fitting things around it and throwing them to the market and calling them Islamic is not sustainable.”

Where Pakistan stands presently...demographics



Country	Population	Per capita GDP
Indonesia	226 million	US\$1611
Malaysia	26 million	US\$5900
India	1,200 million	US\$805
Pakistan	165 million	US\$760

Where Pakistan stands presently...insurance



Country	Premium Volume	Insurance Density (Premium / Capita)	Insurance Penetration (Premium as % of GDP)
Indonesia	US\$4,849 million	US\$21.5	1.3%
Malaysia	US\$7,537 million	US\$293	4.9%
India	US\$43,032 million	US\$38.4	4.8%
Pakistan	US\$949 million	US\$5.9	0.8%

What Needs to be Done...



A LOT!!!!!!



Education & Awareness

- Specifically focussed on Takaful and generally on financial protection
 - Risk
 - Shariah issues
 - Importance of financial protection
- Utilize all available forms of media, group gatherings, and one on one meetings
- Encourage those whom we convey to that they should take this and spread it further

Immaculate Customer Service



- Good customer service is key to success in the service sector
- Change in paradigm for all the service providers.
 - Constant training for ALL staff
 - Management should put together processes to encourage 'customer centric' thinking
- Use technology to facilitate this

Need Based Products



- Designed with our culture/religion in mind
- Designed with the needs of our users, and potential users, in mind
- Designed to be affordable for our present, and potential, users



Conclusion....

- A lot needs to be done by the Takaful operators before they can truly capture the *growth potential*.
- Working with regulators to develop the appropriate regulatory framework for the foundation of Takaful
- The right mix can mean a very favourable market
 - Investment in education & awareness
 - Providing need based products
 - Customer centric mindset of the team
- Training of staff to ensure the above mix provided



How can YOU Help?

- Financial protection is a dire need for the people of Pakistan – Takaful is the best way to provide it
- We can all go beyond the talk.
 - Let them know how important it is to use these tools, for them and their families
 - Let those in your sphere of influence know about this new tool for financial protection

Jazak-Allah khair



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