Global Scientific JOURNALS

GSJ: Volume 6, Issue 3, March 2018, Online: ISSN 2320-9186

www.globalscientificjournal.com

ANATOMY OF TAKAFUL

Hafiz Ali Hassan[1], Sayyed Khawar Abbas[1], Faiqa Zainab[2]

[1]Hailey College of Commerce, University of the Punjab

[2]University of Gujrat

Abstract

Islamic financial system presents a novel approach to the modern financial system with its procedures and applications. The underpinnings of Islamic financial system sharply contrast with the traditional financial system because it is developed outside the current financial system and a strong emphasis on common mutual benefits. This paper explains literature references from a series of papers which examined the evolution and emergence of Takaful (Islamic insurance). The study explores Takaful concept as an Islamic perspective of risk coverage which is an alternative to conventional insurance. The study also discusses Takaful structure, mechanism and elaborates how it differentiates from conventional insurance. Further, Takaful categories and Takaful models are explained which are being applied in the current Takaful market. The study concludes by exploring current Takaful market globally with reporting future prospects of Takaful and suggesting directions for its further sustainable growth.

Keywords: Takaful, Islamic insurance, Sharia (Islamic Jurisprudence), Literature survey

Background & Introduction

Globalization, infrastructure development, and technological advancements have made everyday life very fast and affordable. This has led the foundation of severe competition. Now people are interacting with each other across boundaries for their common objective that is better living standard. The series of this development has increased commercial and business activities which have led the foundation of severe competition among people. Resultantly, the degree of risk associated with these activities has also increased. Here, the question arises, how to deal with that risk? First, we need to identify what is the type of risk which is being dealt with? There are different types of risks which have been evolved over the past years including financial risk, market risk, credit risk, political risk, workplace uncertainty and many others. There are different approaches available to deal with risk adversaries including avoiding the adverse effect, minimizing the adverse outcome and transferring the outcome from one party to another. For that reason, insurance business came into existence. According to Vaughan (1996), insurance history is old as human existence. The traces of insurance business linked with Chinese and Babylonian traders back in 2nd Millennia BC.

Fisher (2009), stated the modern insurance gain popularity in the enlightenment era of Europe in the seventeenth century. More categories were developed after the incident of "great fire of London" which burnt over 13000 buildings. "Phoenix Assurance" was the first insurance company started in 1667. Further, Kaunain & Akhtar (2016), noted the first insurance company was formed in New York & Philadelphia back in 1787 and 1794.

Faisal et al. (2012), since the insurance business is a feasible solution for risk mitigation, yet does not abide by the Islamic conventions. Siala (2013), stated the majority of Muslims having strong religious background discourage the adoption of conventional insurance. However, they want an alternative which is allowable under their religious philosophy.

Al-Qarradaghi (2005), stated the issue was being discussed at many levels by Muslim jurists since the 18th century. They gave various opinions over the permissibility of insurance contracts. Some believed it is totally forbidden under Islamic Sharia laws and some declared permissibility on other grounds. The balanced verdict according to various opinions declared insurance contracts forbidden. Later on, they argued that mutual or cooperative insurance could be valid. This resolution discussed at many levels and many scholars put their efforts on it. Afterward, Noordin et al. (2014), believed, the resolution lead to the establishment of "Islamic insurance institution" in 1979 which attained positive response from the Muslim world.

Why Conventional insurance is permissible in Islam

According to Husin et al. (2016), the conventional insurance has some reservations under Islamic Sharia laws. The inclusion of "riba" usury, "gharar" uncertainty and "maysir" gambling makes it permissible under Islamic philosophy. Siddiqi (2004), defined usury as exploitive earnings made from a business activity. It is prohibited under Islamic philosophy. According to Al-Quran (3:130), "O, Believers! Do not swallow interest, doubled and redoubled." Furthermore, Al-Quran (2:275), "Even though Allah has made buying and selling lawful, and interest unlawful." Siddiqi (2004), enumerated conventional insurance premiums are normally invested in fixed-term financial instruments which are permissible under Islamic philosophy due to the inclusion of usury.

The inclusion of second element "gharar" uncertainty is also responsible for the reservations over conventional insurance. According to Akhtar (2015), "gharar" is the income generated from the sale of something which is not in hand. It is forbidden and Quran says Al-Quran (4:29), "O Believer, do not consume one another's wealth unjustly but only in lawful business." Akhtar (2015), illustrated, the element of uncertainty prevails with premiums and payouts in the insurance contract. The policy member is unaware when the benefit will flow back and the insurer is also having no idea when or how much uncertainty would cost him.

The gambling factor is also liable for the prohibition of conventional insurance agreements. Jamaldeen & Faleel (2012), illustrated "maysir" gambling is the immortal inducement based on a wishful hope in the mind of an individual by which he will get a fair benefit by chance while there is no loss possibility. It is also illicit, as Quran says, Al Quran (2:219), "They ask you about wine and gambling. Say, in them is a great sin and (yet some) benefit for people but their sin is greater than their benefit." As per Jamaldeen & Faleel (2012); Akhtar (2015), the conventional insurance supports gambling concept. The policyholder can have a full indemnity in case of loss even if he just paid only one or few policy premiums. In contrast, he will pay all the insurance premiums until the end of the insurance contract and get nothing in case of no uncertainty occurs.

Takaful – From Origin to Evolution

Ba`albaki (2008), defines Takaful term is derived from an Arabic noun "Kafala" meaning guaranteeing each other. This term led the base for another notion "Takafala" which carries the meaning to ensure, guarantee each other or jointly liable. The concept of Takaful literally traces its origin back from 1,400 years ago. According to Cheikh (2013), the Islamic insurance mechanism first starred in Mecca and Medina under the system of "Aquila" where tribes are mutually agreed for compensation to others. If a man kills another man of a tribe then the accusers' family is liable to pay indemnity as blood money to the accused heirs. Later on, the system was accepted and practiced by Prophet Muhammad (Peace be upon him).

Billah (2003), stated the said principal extended to other walks of life including sea trade in the second century of Islamic era when Arab Muslims expanded their trade to Asia. They formed a pool in which all the policy members contribute and in case of loss to any member, the contribution money indemnifies the loss. Later on, the system led the foundation of various categories of Takaful agreements.

Cheikh (2013), categorized various Takaful agreements including, the amount paid as indemnity is called "Diya". The agreement binding the third party for indemnity in case of loss is called "Kafala". The agreement accepted to end an urge of revenge is called "AqdMuwalat." The contract makes liable to share a significant part of the risk is known as "Ju'hala." The insurance contract for guaranteeing travel hazard is called "Daman Khatar Al-Tariq." The agreement to provide mutual assistance is called "Hilf."

According to Allen (1990), Takaful is an insurance scheme in which contributions are pooled and reinvested under Islamic Sharia laws. Noordin et al. (2014), stated, the most authentic definition explaining Takaful found in section 2 of "Malaysian Takaful act 1984." Takaful is a scheme based on solidarity and mutual assistance. Takaful provides financial aid to the participants in case of loss or need and participants mutually agreed to contribute for the said purpose.

Alhumoudi (2013), Takaful concept is based on solidarity, mutual cooperation and shared responsibility. The participants will receive indemnity in case of loss which is in line with solidarity and mutual cooperation. Further, it confirms mutual undertakings by refraining intervention of the third party. Abdulsater (2014), elaborates Takaful is a fair good example of collectivism which Islamic philosophy always emphasized. The Takaful supports a risk-sharing approach which protects the mutual benefits of stakeholders and further Takaful contributions are reinvested in Halal financial schemes under Islamic Sharia laws which strengthen the foundation of prosperous society.

Takaful Mechanism

Takaful operates under Islamic Sharia laws and legislation. Esposito (2014), illustrated Sharia refers to the Gods' divine laws constructed from Islamic jurisprudence "Fiqh." Masud (2010), defined Sharia is a set of rules based on Quran (Islam's holy book) and Sunnah (action and sayings of Prophet Muhammad PBUH). The interpretation of Islamic law is known as "Fiqh." There is four prominent school of thoughts representing fiqh includes Hanafi, Maliki, Shafai, and Hanbali. The Islamic law has been developed since 1,400 years back but still, it never uniforms in terms of application and interpretation of governing principles. The last element in Islamic jurisprudence is “Ijma” the scholarly consensus over law formation.

Jaffer et al. (2010), stated there is a known propaganda that Takaful is a hybrid form of conventional insurance but in principle, the concept of Takaful moves toward the pure mutual construct. A general misunderstanding is also prevailing that the risk mitigation is not allowed in Islam which is totally wrong according to this Hadith. Imam (Trimidhi) quoted: “Anas ibn Malik reported: A man said, O Messenger of Allah, should I tie my camel and trust in Allah, or should I leave her untied and trust in Allah? The Messenger of Allah (peace and blessings be upon him) said: Tie her and trust in Allah.”

Boztepe (2012), Alhumoudi (2013), Jaffer et al. (2010), in the light of Islamic philosophy, Takaful insurance system evolved with the principle of “ta’awun” mutual cooperation and “tabarru” voluntary contribution. The members in Takaful scheme are joint investors. They pool their voluntary donations with Takaful vendor who works as “Mudarib.” This is a one-way transaction which does not ensure a definite return on a number of donations. Alhumoudi (2013), explained Takaful mechanism is a pure mutual construct. The concept of Takaful is based on mutual cooperation and voluntary contribution through which the risk factor is being shared among policy members and Takaful operator, while in conventional insurance risk is transferred from policy member to insurance operator. The policy members agreed to share in a pool which is further reinvested and the profits are held in the pool. Later on, if any loss happens to any member; he would be indemnified from the pool.

Daghi (2006), stated following principles which direct Takaful mechanism.

- To participate in Takaful, one must have legitimate financial interest.
- Takaful members gather for their common good with good faith and trust, therefore, reveal material information.
- Each member contributes to the pool as a donation which is mutually agreed.
- In case of loss, the accused one will be indemnified to the extent of the quantified loss. He will not have any gain.
- Takaful operator will be entitled to any gain or recovery from another party after loss compensation.
- Risk will be removed with respect to subscriptions and loss compensation.

Furthermore, Takaful entities work under Islamic Sharia laws. Every Takaful entity has its own Sharia board consisting of expert “Muftis” who regulate and direct the operations of Takaful entity. The main motive behind is to make Takaful operations “riba” usury-free and to make sure Takaful operations must comply with Sharia rules.

Takaful Vs Conventional Insurance

Alam et al. (2011), believes a Muslim consumer might reluctant to invest in something which is not legal in his religion. Khan (2013), contended Takaful insurance is the only alternative for conventional insurance. The Takaful mechanism is excluded from usury, uncertainty, and gambling elements which make commercial insurance unlawful under Islamic philosophy. Similarly, Hussain & Pasha (2011), noted the Takaful mechanism consolidates common benefit, harmonization and mutual responsibility within Takaful union. Bley & Kuehn (2004), argued conventional insurance is a mechanism where risk is transferred from policy-holder to insurance provider. In contrast, Arif & Iqbal (2011), argued Takaful insurance mechanism shares risk among pool members. It promotes solidarity and mutual cooperation among the society while enhancing the well-being of others. Salman (2014), noted conventional insurance works under the principle of maximizing shareholders benefits while Takaful mechanism works for common benefits. Uddin (2015), elaborated Takaful surplus remains with the members only while investment profits distributed among participants and shareholders while in conventional insurance contracts all surplus amount or income remains with the shareholders of the company. Jamil et al. (2016), and Jaffer et al. (2010), stated, in case of a deficit, the Takaful operator provides loan as “Qard Hassana.” However, the commercial insurance company is solely liable in case of loss or deficit. Furthermore, Cheikh (2013), contended the Takaful insurance operations are supervised by Sharia board while conventional insurance business runs under governing laws of the society.

Takaful Categories

According to Masud (2010), Family Takaful and General Takaful are the two main categories of current Takaful insurance contracts practiced in the market. According to Kaunain & Akhtar (2016), Family Takaful plans are for long-term savings and have fixed maturity period. These plans are not profit oriented rather they focus on mutual assistance among members. There are various types of Family Takaful plans available in the market and few are:

- Life insurance
- Takaful education plan
- Takaful mortgage plan
- Group Family Takaful
- Medical benefits and group hospitalization

Cheikh (2013), described General Takaful contracts are joint guarantee agreements. These plans are for shorter periods. They are designed to compensate individuals and corporates to provide indemnity against material loss or damage due to catastrophe or occurrence of an unfavorable event. General Takaful contracts available in many types and few are:

- Motor insurance
- Marine insurance
- Home insurance
- Workmen insurance
- Accidental insurance

Takaful Models

According to Razak et al. (2013), the main requirement for Takaful insurance mechanism is to work with compliance with Sharia laws. Obeid & Kaabachi (2016), stated the various regions have different governing Islamic Sharia laws due to the conceptual differences in Islamic jurisprudence. Rahim & Amin (2011), noted there are different Takaful models evolved in different regions over the course of time. The reason for one Takaful model is practiced in one jurisdiction will not be applicable to another jurisdiction due to the change in prevailing Sharia laws. Shabiq & Hassan (2016), argued various Takaful models were evolved and practiced by the scholars and they became base of Takaful agreements. According to Sadeghi (2010), following are the mainly used Takaful models.

The "Mudharaba" Model

As per Alhumoudi (2013), this model is based on the most traditional Islamic convention. This is a profit sharing model. This model is an agreement between Takaful operator and Takaful members. The Takaful operator will receive a share from profit and surplus and also liable in case of loss. The sharing agreement will be finalized under Sharia supervision and executed in advance.

The "Wakalah" Model

According to Sadeghi (2010), in this model, the Takaful operator works as "Wakeel" an agent or service provider. The agent will get a fee for his services. The fee is decided at the beginning of insurance contract or at the start of the financial year which can be in the form of a share in policyholders or shareholders fund. The agent will not be liable for any loss. The agreement must abide by Sharia compliance.

The Hybrid Model

Masud (2010); Sadeghi (2010); Wahab (2013), depicts this model is a combination of "Mudharaba" and "Wakalah" model. The agent or Takaful operator will get his fee for his services as in "Wakalah" model and also entitles for profit as in "Mudharaba" model with a condition of receiving a share only from company's investment.

The policyholder's fund

According to Faisal et al. (2012), the Takaful members pay contributions as a premium to policyholders fund. The surplus amount at the end of financial year is called underwriting profit is distributed among policy members or a share is allocated for policyholders reserve fund after exclusion of reinsurance fee and administrative expenses. If the loss occurs, then the required amount will be taken from shareholders' fund as a loan.

The Shareholders fund

This fund comprises of shareholders' capital, reserves fund, and investment income. The funds are reinvested into Halal Sharia compliance business activities and surplus is distributed among members. Moreover, the shareholders are liable for the losses of policyholders' fund limited to their amount of share in equity.

Takaful Globally

According to Hanif & Iqbal (2014), liberalization of various Muslim countries from colonial powers in the twentieth-century lead the Muslim world to redesign the socio-economic system through Islamic ideology. Various efforts were witnessed over the course of time but the main advancement was, the conference of "Organization of Islamic Conference" held in Jeddah 1973. The main resolution was a decision to establish "Islamic Development Bank." Later on, Muslim countries took serious considerations for the development of Islamic financial industry. The series of efforts responsible for the establishment of "Islamic Insurance Institution" in 1979 followed by the commencement of first Takaful company "Islamic Insurance Company" in Sudan back in 1979.

According to Kazranian at al. (2015), Takaful business operations spreading very fast in the worldwide commercial market. As per Ali (2016), the Takaful premium contributions are calculated US$14 billion at the end of 2014. Further, it is estimated that the volume would reach to US$17 billion by the year end 2017. However, Ernst & Young (2012), proposed the global Takaful market would reach to US$20 billion by the year end 2015.

Likewise, Echchabi & Ayedh (2015); Echchabi & Echchabi (2013); and Reuters (2016), stated the Takaful market is concentrated within GCC (Gulf Cooperation Council) countries. Saudi Arabia winning the race with most Takaful share followed by Malaysia at second place. Takaful operation is also growing in countries like Bahrain, Kuwait, Qatar, Oman, Indonesia and South Asian countries. Currently, there are 308 Takaful companies with operational 93 Takaful windows working across the globe. Perhaps, Ahmad et al. (2013), stated the penetration rate of Takaful insurance business is much lower in the international market in contrast with conventional insurance volume. Additionally, there is an untapped market exists within Muslim dominated countries.

Conclusion

The Takaful insurance concept is based on solidarity and shared responsibility. It is an Islamic way of protection providing an alternative to conventional insurance. The inclusion of competitive elements against conventional insurance makes Takaful more desirable for consumers. Since its inception over last three decades, it is rapidly growing in the international market. People are well aware of the concept and adopting Takaful insurance in different regions of the international market. Takaful insurance system works under Islamic Sharia laws and also violates the unlawful elements of the conventional insurance system. Therefore, Muslims from all over the globe have great opportunity to get benefits from Takaful insurance.

The worlds Muslim population today has reached to 1.8 billion which sets a great potential for Takaful business. The solidarity concept and ethical contributions not only attract Muslim consumers but also other people from different communities as well. The main challenge for Takaful market is awareness of Takaful concept to the potential market. A large no of people still unaware of the concept and fruits of Takaful business. Similarly, the conventional insurance market is leading to more innovation and market share. Therefore, there is a need to develop more innovative and competitive products which could compete with conventional insurance market.

This following paper entails literature references about Takaful insurance emergence and evolution over the years. The main purpose of this effort is to understand Takaful mechanism with its historical background and to explain how it differentiates with conventional insurance. Likewise, Takaful mechanism is studied thoroughly with literature evidence followed by an exploration of current Takaful market status and future potential. The study concludes with describing the main Takaful operating models which are widely used for Takaful operations. The findings further reveal that Takaful insurance has huge potential in the international market. Currently, the market is centered in Gulf region and some south Asian countries but Takaful operations are expanding to Europe and Australia as well. It is further estimated, it will expand to other regions of the world and people will tend to adopt Takaful insurance over conventional insurance in the near future.

References

Abdulsater, M. (2014). *Awareness, Perceptions and Purchase Intentions Towards Islamic General and Life Insurance Products: An Empirical Study of Australian Muslim Consumer.* University of New South Wales Business School .

Ahmad, S., Almsafir, M., & Siron, R. (2013). Using Arabic words in Malaysia takaful industry and impact on untapped Malay market. *Journal of Islamic and Human Advanced Research*, 3(10), 740-761.

Al Quran ul Hakeem. (2:219).

Al Quran Ul Hakeem. (2:275).

Al Quran Ul Hakeem. (3:130).

Al Quran Ul Hakeem. (4:29).

Alam, S., Mohd, R., & Hisham, B. (2011). Is religiosity an important determinant on Muslim consumer behaviour in Malaysia? *Journal of Islamic Marketing*, 2(1), 83-96.

Alhumoudi, Y. (2013). *Islamic insurance Takaful and its applications in Saudi Arabia (Doctoral dissertation).*

Ali, M. (2016). Islam and Civilisational Renewal (ICR). *Takaful Models: Their Evolution and Future Direction.* , 7(4), 457-473.

Allen, R. E. (1990). *The Concise Oxford Dictionary of Current English (8 ed.).* London: Oxford University Press.

Al-Qarradaghi, A. M. (2005). *Al-Ta'min al-IslamiyyDirasaFiqhiyyaTa'siliyyaMuqarana bi al-Ta'min al-TijariyyMaa al-Tatbiqat al-Amaliyya.* . Beirut, Dar al-Basha'ir al-Islamiyya.

Ariff, M., & Iqbal, M. (2011). *The foundations of Islamic banking: Theory, practice and education.* . Edward Elgar Publishing.

Ba`albaki. (2008). *Al-Mawrid Muzdawaj.* Beirut Dar al-`Ilm li al-Malayin.

Billah, M. (2003). *Islamic and Modern Insurance:Principles and Practices. Malaysia:* . Malaysia: Ilmiah Publishers.

Bley, J., & Kuehn, K. (2004). Conventional versus Islamic finance: student knowledge and perception in the United Arab Emirates. *International journal of Islamic financial services*, 5(4), 17-30.

Boztepe. (2012). Green Marketing and Its Impact on Consumer Buying Behaviour. *European Journal of Economic and Political Studies,* , 5(1), 5-21.

Cheikh, B. (2013). Abstract To Islamic Insurance Takaful. *Insurance and Risk Management*, 81(3), 291-304.

Daghi, E. Q. (2006). *Islamic Insurance:* . El Bashaer Islamic Press.

Echchabi, A., & Ayedh, A. M. (2015). Factors influencing the Yemeni customers' intention to adopt takaful products. *Gadjah Mada International Journal of Business*, 17(1), 25-45.

Echchabi, A., & Echchabi, F. (2013). Islamic insurance in the European countries: Insights from French Muslims perspective. *Transactions on Business and Economics*, 10(3), 125-132.

Ernst & Young. (2012). *The World Takaful Report*. Dubai: Ernst & Young.

Esposito, J. L. (2014). *Islamic Law: The Oxford Dictionary of Islam:* . London: Oxford University Press.

Faisal, M., Akhtar, A., & Rehman, A. (2012). Awareness of Islamic banking in India: an empirical study.

Fisher, O. (2009). Historical Review, Importance, and an Introduction to insurable Risk. . *Principles of Takaful. Manama, Kingdom of Bahrain: BIBF,* , 11-26.

Hanif, M., & Iqbal, A. (2014). An Evaluation of Takaful Insurance: Case of Pakistan. *Journal of Islamic Economics, Banking and Finance,*, 13(1). 121-146.

Husin, M. M., & Rahman, A. A. (2016). Do Muslims intend to participate in Islamic insurance? Analysis from theory of planned behaviour. *Journal of Islamic Accounting and Business Research*, 7(1), 42-58.

Hussain, M. M., & Pasha, A. T. (2011). Conceptual and operational differences between general takaful and conventional insurance. *Australian Journal of Business and Management Research,*, 1(8),23.

Jaffer, S., Ismail, F., Noor, J., & Unwin, L. (2010). *Takaful (Islamic Insurance) : Concept, Challanges and oppurtunities*. Washington, USA.

Jamaldeen, & Faleel. (2012). *Islamic Finance For Dummies:*. John Wiley & Sons.

Jamil, H. (2016). *Factors Affecting Customer Satisfaction of Insurance and Takāful Industry: A Comparative Study of Pakistan.* Doctoral dissertation, COMSATS Institute of Information Technology, Lahore.

Kaunain, F., & Akhtar, D. S. (2016). Economic Determinant of Family Takaful: Evidence from Pakistan. *Acta Islamica,* , 66(143), 1-35.

Kazranian, S., Goud, B., & Saeed, M. (2015). *ICD Thomson Reuters.* Toronto, Ontario: Thomson Reuters.

Khan, M. A. (2013). *What is wrong with islamic economics?: analysing the present state and future agenda.* . Edward Elgar Publishing.

Masud, H. (2010). Takaful: an innovative approach to insurance and Islamic Finance. . *U. Pa. J. Int'l L.,*, 32(4), 1133-1164.

Noordin, K., Muwazir, M. R., & Madun, M. A. (2014). The Commercialisation of Modern Islamic Insurance Providers: A Study of Takaful Business Frameworks in Malaysia. *International Journal of Nusantara Islam*, 2(1), 1-13.

Obeid, H., & Kaabachi, S. (2016). Empirical Investigation into Customer Adoption of Islamic Banking Services in Tunisia. *The Journal of Applied Business Research*, 32(4), 1243-1256.

Rahim, F. A., & Amin, H. (2011). Determinants of islamic insurance acceptance: An empirical analysis . *International Journal of Business and Society*, 12(2), 37-54.

Razak, M. I., Idris, R., Yusof, M. M., Jaapar, W. E., & Ali, M. N. (2013). Acceptance determinants towards takaful products in Malaysia. *International Journal of Humanities and Social Science*, 3(17), 243-252.

Reuters, T. (2016). *ICD - Islamic Finance Development Report.* Thomson Reuters.

Sadeghi, M. (2010). The Evolution of Islamic insurance-Takaful: a literature survey. *Insurance Markets and Companies: Analyses and Actuarial Computations*, 1(2), 100-107.

Salman, S. A. (2014). Contemporary issues in Takaful. *Asian Social Science*, 10(22), 210-216.

Shabiq, A., & Hassan, Z. (2016). Factors Affecting Adoption of Takaful (Islamic Insurance) in the Maldives. *International Journal of Accounting, Business and Management*, 4(1), 1-15.

Siala, H. (2013). Religious influences on consumers' high-involvement purchasing decisions. *Journal of services marketing*, 27(7), 579-589.

Siddiqi, M. N. (2004). *Riba, bank interest and the rationale of its prohibition.* . Jeddah, Saudia Arabia: : Islamic Research and Training Institute.

Trimidhi. (n.d.). *بسنن الترمذي كتاب صفة القيامة والرقائق والورع*

Uddin, M. A. (2015). *Principles of Islamic Finance: Prohibition of Riba, Gharar and Maysir.*

Vaughan, E. J. (1996). *Risk Management.* Wiley. .

Wahab. A. (2013). *The Scope of Takaful Insurance in Pakistani Market.* Karachi: Bahria Institute of Management & Computer Sciences.