

## Takaful distribution models: a practical approach

Takaful Outsource is a consulting and outsourcing firm specializing in serving the global takaful industry, in particular insurance/takaful companies, reinsurance/retakaful providers, private institutions, training institutes and government regulatory authorities.

The system of Takaful started long time ago on Arabian peninsula and later was “modernised” in Sudan (1979) and Malaysia (1983). and is characterized by a mutual guarantee among the members of the group.

It's important to know which are the needs of the customers (the insurance needs, the takaful needs) and also to have ladies products that cover, for example, some critical illness.



On the system side there is a wide system of providers from Malaysia, India, Pakistan, Jordan specialized in Takaful IT systems.

Some examples of developing takaful products are basic life cover, family income benefit, permanent disability, critical illness or temporary total disability.

In the takaful system there are certain rules that include: the customer right to know every feature of the product before signing the contract, the mention of price, parties must have attained puberty and products must be sold to customers that are emotionally stable, and the importance to know all the aspects of the contract, including the company obligations and client obligations.

The distribution is a key element in order to generate more volume and the takaful distribution model is composed by: agency, bancatakaful, brokers and social media (including website, twitter, Facebook, Mobile).

An high volume is not coming form traditional channel, but from big data. Big data is is “high-volume, high-velocity, and/or high-variety information assets that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization and comes from many sources as online access, mobile devices, social media etc.

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Among the European challenges for future the Grass Root Approach is the cheapest approach that Europe can do. This approach is characterized by:

- Community that set ups own takaful mutual (OWM in NL);
- Community members as initial client / member base;
- Start with simple protection products;
- Merge smaller mutuals into larger takaful co;
- Expand into EU through passporting.