EXPLORING SHARIA`AH VIEWS ON THE PRACTICE OF TAKAFUL COMPANY REINSURING WITH REINSURANCE COMPANY

Asmak Ab Rahman, asmak@um.edu.my

Abstract

Insurance is an important mechanism of risk management. It is however islamically unacceptable due to the fact that prohibited elements such as riba, gharar and maysir practically exist in its operation. Takaful in this regard satisfactorily replaces the conventional insurance as it operatively uses acceptable contracts such as Tabarru', Mudarabah, wakalah and waqf. As technically similar to the conventional insurance, a takaful company basically needs reinsurance facilities which in this case will be definitely provided by retakaful companies. Considering the technical similarities of takaful to conventional insurance, a takaful company without doubt needs reinsurance facilities which in this case must be provided by retakaful companies which offer Shari`ah compliant ones. In the early stage of takaful business, reinsurance facilities for takaful companies were dominantly provided by conventional insurance companies which operations contradict with Shari`ah requirement. The practice continues to be acceptable by some scholars based on the argument of unavoidable circumstances darurah among which is the lack of numbers of the retakaful companies. Some scholars however believe that takaful operators are not in need of reinsurance. This article will look at this issue of whether there is still a dearth of retakaful companies in the takaful industry. It will also discuss in detail the Shari`ah view on the practice of non-Islamic reinsurance by takaful companies to give a better clarity on the prevalent discussion of the matter.

Keywords: retakaful, reinsurance, darurah,

Introduction

Reinsurance is considered as part and parcel of conventional insurance business and which also applies to retakaful in the takaful business. Virtually all insurers seek reinsurance especially for those involved with high risk insurance. Reinsurance will help the insurance companies to share the risk with the reinsurance company, and therefore will help them to manage their risk better and also bring stability to the company as they are less exposed to high risk. In addition, reinsurance is often managed among companies within the same group of companies. As Takaful operators also deal with insurance, they also need retakaful in doing their businesses so that the Takaful companies can redistribute the risk involved for large amount and risky insurance.

Retakaful is an important process to ensure the longevity and success of the Takaful businesses. Fathi Lashin, a member of the Sharia’ah Supervisory Board of the Dubai Islamic Bank stated that Retakaful does not, in principle, differ from Takaful operations. The Sharia’ah principles which apply to Takaful also apply to Retakaful operations as well. The difference, if any, is that in Retakaful operations, the participants are Takaful operators instead of individual participants. 

From the Islamic perspective, Takaful is allowed by the Sharia’ah rules as a way to manage one’s risk based on the saying of the Prophet (PBUH) who asked a Bedouin Arab to tie a camel and leave it to the will of Allah. It is understood that to reduce the risk of losing the camel, the Prophet (PBUH) has requested the Bedouin Arab to tie the camel first. If the camel was not tied, the possibility for the camel to run away or being stolen will simply be higher. From this incident, it was established among scholars that the concept of insurance does not contradict with the Sharia’ah laws because insurance is a mechanism which can manage and mitigate the pecuniary losses associated with theft, accident, poor health and so on. However, Muslim scholars locally\(^4\) and internationally have rejected insurance because it involves riba, gharar and maysir in their operation. That is why The Council of the Islamic Fiqh Academy, during its second session, held in Jeddah from 10 to 16 Rabiul Thani 1406 H (22-28 December 1985); has resolved\(^5\):

i. The commercial insurance contract with a fixed periodical premium, which is commonly used by commercial insurance companies, is a contract which contains major elements of deceit, which void the contract and, therefore is prohibited (haram) according to Sharia’ah.

ii. The alternative contract, which conforms to the principles of Islamic dealings, is the contract of cooperative insurance, which is founded on the basis of charity and cooperation. Similarly is the case of reinsurance which is based on the principle of cooperative insurance.

iii. The Academy invites the Islamic countries to work on establishing cooperative insurance institutions and cooperative entities for the reinsurance, in order to liberate

\(^4\) In Malaysia, Muslim scholars also share the same opinion. The National Council for Islamic Religious Affairs of Malaysia for instance issued a fatwa in 1979 that prohibited life insurance\(^4\) since it contains gharar, maysir and riba. See [http://www.e-fatwa.gov.my/jakim/keputusan_view.asp?keyID=96](http://www.e-fatwa.gov.my/jakim/keputusan_view.asp?keyID=96), 18 April 2009. There is no official fatwa issued on general insurance. However most scholars also do not accept general insurance because of the contract of “buy and sale” in the insurance policy which also resulted in riba, gharar and maysir.

the Islamic economy from exploitation and put an end to the violation of the system which Allah has chosen for the Ummah.

Retakaful also applies the same Sharia’ah rules as Takaful to ensure that the retakaful would fully conform to the Islamic insurance concepts and rules. The conventional insurance and reinsurance are not allowed to be used by Muslims as prohibited elements in an Islamic contract like riba, gharar and maysir exist in their operations.6

Since insurance and reinsurance are not permissible then Muslims cannot be insured by the conventional insurance and Takaful operators should not also reinsure with conventional reinsurance company because of those forbidden elements. However in practice, Takaful operators have reinsured with conventional reinsurance for years due to the shortage of retakaful companies. Hence this article will discuss the need of Takaful operators to reinsure with retakaful companies in their businesses and will also look at the Sharia’ah views on the practice of Takaful companies reinsuring with conventional reinsurance companies.

What is Reinsurance?

Reinsurance7 is a form of insurance and it means insuring again (by the insurer) of a risk already insured.8 It is a method created to divide the task of handling risk among several insurers. Often this task is accomplished through cooperative arrangements called

---


7 The first reinsurance contract on record relates to the year 1370, when an underwriter named Guilano Grillo contracted with Goffredo Benaira and Martino Saceo to reinsure a ship on part of the voyage from Genoa to the harbor of Bruges. Grillo offered to retain the risk on the voyage through the Mediterranean and to transfer to Benaira and Sacco the risk from Cadiz through the Bay of Biscay and along the French coast. Other arrangements of this kind were, no doubt, made in single instances for many years, but reinsurance contracts in the modern sense of the word were unknown. See, Edwin W. Kopf, Notes On The Origin And Development Of Reinsurance, http://www.casact.org/pubs/proceed/proceed29/29022.pdf, 12 April 2009

treatise that specify the ways in which the risks will be shared by members of the group. Reinsurance may be defined as the shifting by primary insurer, called the ceding company, of a part of the risk it assumes to another company, called the reinsurer. That portion of the risk kept by the ceding company is known as the line, or retention and the portion reinsured is called the cession. The process by which a reinsurer passes on risks to another reinsurer is known as retrocession.

A reinsurance contract is legally an insurance contract. The reinsurer agrees to indemnify the cedant insurer for a specified share of specified types of insurance claims paid by the cedant for a single insurance policy or for a specified set of policies. The terminology used is that the reinsurer assumes the liability ceded on the subject policies. The cession, or share of claims to be paid by the reinsurer, may be defined on a

---

proportional share basis (a specified percentage of each claim) or on an excess basis (the part of each claim, or aggregation of claims, above some specified dollar amount). As mentioned earlier, reinsurance is a form of insurance, whereby an insurance company can transfer to another the reinsurer all or part of its liabilities in respect of claims arising under the contracts of insurance that it writes. This enables the insurance company reinsured or direct insurer to protect itself against the risk of total claims in any one year that maybe so large it could wipe out its profits or even cause it to be insolvent. This is the essence of the concept of social solidarity, cooperation and mutual indemnification of losses of members whereby there is joint indemnification of the loss or damage that may occur, out of the fund that is collectively contributed to.

Reinsurance of Takaful business under the Islamic principles is known as “retakaful”. Retakaful enhances Takaful activity by distributing the risks. It is mainly for covering large risks and accumulation of risks subject to common loss. It also ensures that Takaful funds are managed to meet the indemnity obligations of the insured and reinsured and to assure the continuity of Takaful operations. This means that retakaful gives the underwriting capacity to the Takaful ceding company.

11 https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf, Takaful And Retakaful, 13 Mac 2009
12 https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf, Takaful And Retakaful, 13 Mac 2009
Retakaful protects a primary Takaful against unforeseen or extraordinary losses. The reason of its introduction is similar to the Takaful scheme which has been in the market for more than 20 years. Retakaful is resorted to because of its increased capacity in handling the Takaful transaction and contract, thus resulting in a lot of risk management. When retakaful is taken, the Takaful operator may spread and share the risk with other operators or companies.  

Retakaful is an Islamic alternative to conventional reinsurance based on Sharia’ah compliant approved concept for reinsurance. Takaful company pays an agreed sum (premium) to the Retakaful company in return for the Retakaful company to provide security and assurance that the Takaful company is protected against adverse risks.

---


The operation of Takaful companies is the same as any other insurance companies except they do not operate with the elements of riba, gharar, maysir and also other elements that are prohibited by Sharia’ah. Apart from that, Takaful companies provide similar services to those provided by other insurance companies, therefore they are also vulnerable to the same problems faced by other conventional insurance companies.

The features of reinsurance

The features of reinsurance can be summarized as follows:16

i. It continues the basic principles of insurance by spreading the risk over an even wider field

ii. It protects the insurance fund of the original insurer, thus giving additional security to the insured and all other policy holders

iii. Apart from the indirect ways mentioned in (i) and (ii) above, the insured is in no way involved. There is no contractual or other relationship between the insured and the insurer. Thus:

   (a) the insured can only claim from the insurer. If the insurer fails, the insured has no access to the reinsurers (they would have to meet any contractual liabilities to the insurer, but moneys paid would not be payable direct to the insured);

   (b) if a reinsurer fails, the insured is in no way prejudiced. Any resultant loss falls upon the insurer.

Why Takaful Business Needs Retakaful

The need for retakaful is due to similar reasons as reinsurance. Takaful operators need retakaful to balance their portfolios; they have to maintain homogeneity of risks and avoid taking unbearable exposures on their portfolio and capital. They also need

reinsurance to avoid rapid fluctuations in the economic results of their portfolios. They need enough premiums and spread to balance their own portfolio but in reality all these do not exist.\(^{17}\) Takaful companies need retakaful as a technical requirement to spread the risk and avoid the insolvency risk. Therefore, Takaful companies cannot survive without retakaful and/or reinsurance.\(^{18}\)

However, there is essentially an issue that revolves around the nature of retakaful, “Is it a risk transfer or risk sharing?” Takaful and retakaful are risk-sharing operations even if formally the operation appears to be a risk transfer. Takaful and retakaful providers are liable for all the claims submitted under the contract and in case of deficit, they must call their shareholders for a qard al hassan, and/or adjust the pricing for the new or renewed contracts.\(^{19}\)

The importance or advantage of reinsurance is that it helps to spread a risk amongst a number of insurers. Every insurer aims to write a balanced account and if he were to accept for his own account risks which were, in terms of sum insured or limits of indemnity, very much larger than normal, there would be a possibility that one or two losses in respect of such risks in the course of a year could result in serious losses in the account as a whole. In any event, if the account comprised of comparatively small number of large risks, losses would tend to fluctuate within very wide limits from year to year, and much larger reserves would have to be set up than would otherwise be the case.\(^{20}\)


On the other hand, competition and the desire to provide the best possible service for clients mean that an insurer cannot limit the amount he is prepared, that is his own normal acceptance, to grant a cover to the insured for a particular class of risk. This would make the proposer or his broker to approach a number of other insurers in order to obtain the full coverage required. 21

The insurer therefore issues a policy covering the whole risk which the insured wishes to cover and make arrangements with other insurers or reinsurers to reinsure part of the risk. It is important to note that the insured is not a party to the reinsurance contract, and obtain no rights and incurs no obligations under it. In the event of a claim arising, the original insurer must pay to the insured the whole amount of the claim, and to recover appropriate amounts from the reinsurers. If for example, a reinsurer became insolvent and was unable to pay his share of a claim, the resulting loss would have to be borne by the insurer and not by the insured. 22

Stabilized profit and loss ratios are the important advantages from using reinsurance. It is true that good business should often be shared with others and so as for bad business. In the long run, it is usually considered more desirable to have a somewhat lower but stable level of profits and underwriting losses than it is to have a higher but unstable level. 23

This is not to imply that reinsurance arrangements necessarily reduce average profit levels, but they do smooth out the fluctuations that normally occur. Furthermore, reinsurance does not always mean the loss of premium volume, for one of the results of reinsurance is the procurement of new business. As a member of a group of ceding companies organized to share mutual risks, one ceding company must usually accept the business of other insurers. Some companies obtain a significant portion of their total premium volume in this manner, and others engage exclusively in the reinsurance business. 24

21 Trieschmann and Gustavson (1998), ibid.
22 Trieschmann and Gustavson (1998), ibid.
If a firm wishes to “liquidate” its business, it could conceivably cancel all its policies that are subject to cancellation and return the unearned premiums to the policyholders. However, this would be quite unusual in actual practice because of the necessity of sacrificing the profit that would normally be earned on such business. It would probably be impossible to recover in full the amount of expenses that had been incurred in putting the business on the books.  

Through reinsurance, however, the liabilities for existing insurance can be transferred, and the policyholders' coverage remains undisturbed. If an insurer desires to retire its life insurance business and to cease underwriting this line, he may do so through reinsurance. As the life insurance policy cannot be cancelled, a policyholder has the right for continued protection. If it were not for reinsurance, the insurer would find it difficult, if not impossible, to achieve its objective of relieving itself from the obligation of seeing that the insured's coverage is continued.

Having discussed the importance of reinsurance, theoretically the purpose of retakaful in Takaful business is the same as reinsurance, and Muslim scholars have summarized the objectives of retakaful as follows:  

i. Protecting the Takaful operator from the threat of insolvency, underwriting and

26 Trieschmann and Gustavson (1998), *ibid*.
interest of the participants, forging co-operation among the participants and
investing the accumulated fund in an Islamic way;

ii. Providing underwriting flexibility and further consolidating the financial
stability of the Takaful operator in order to compete with conventional
insurance companies in accepting risks. This means retakaful companies build a
very close continuing business interest in common between the Takaful ceding
company and the reinsurer because they are both at risk;

iii. Possibly allowing the Takaful operator to utilize the retained deposit reserves of
the retakaful fund in the interest of its clients without paying interest as a
process of making the reinsurance industry an interest free business.

The Issue On Why Takaful Operators Have to Use Conventional Reinsurance

From the Sharia’ah point of view, Takaful companies are obliged to comply with all the
Sharia’ah requirements, including the retakaful. But the fact is that Takaful operators
utilize the reinsurance services in protecting their risk. Similarly, while contemporary
jurists forbade commercial insurance based on excessive gharar and availability of non
commutative (Takaful) alternatives, they currently allow Takaful companies to deal with
conventional reinsurance companies, since retakaful alternatives are not yet available.  
In the past, the use of conventional reinsurance was dictated by the lack of Takaful
capacity and the necessity to protect the policyholder and shareholder’s funds.

Fadzli stated that at the early stage of the Takaful industry in Malaysia, the number of
Takaful companies and their fund was small and limited. Therefore Takaful operators

---

had to reinsure with conventional insurance and conventional reinsurance companies.\(^{30}\)

Fadzli explained that the risk faced by the Takaful operators at that time was due to the limited fund to pay to the participant when they suffered losses. Even though this hurdle can be managed by retakaful,\(^{31}\) the unavailability of retakaful permits the use a conventional reinsurer.\(^{32}\)

In spite of this, Sharia’ah advisors of Takaful operators opined that Takaful operators should try to retakaful the risk at the best capacity possible. Nevertheless, in circumstances that are unavoidable or beyond their capacity to retakaful only then they can reinsure with the conventional insurers or reinsurers. The permission to reinsure with conventional reinsurer is based on necessity.\(^{33}\) The rule "necessities justify that which may be unlawful" is the most important principle that provides Muslims with the guideline to bypass the impasse in practicing upon the principles of the Sharia’ah.\(^{34}\)

At present, most Takaful operators still have to reinsure with the conventional reinsurers, as a consequence of the lack of retakaful companies that are capitalized to the levels required by insurers and more particularly the lack of ‘A’ rated retakaful companies.\(^{35}\) The “authorization” from Sharia’ah scholars to deal with the conventional reinsurers however is temporary and conditional. Only in situation when the Sharia’ah compliant capacities are not available and there is no practicable Sharia’ah compliant alternative\(^{36}\) then it is permissible to use a conventional reinsurer.\(^{37}\)

---


\(^{31}\) Mohd Fadzli Yusof (1996), *ibid.*, pp. 113-114


\(^{33}\) Mohd Fadzli Yusof (1996), *op.cit.*, p. 119


\(^{36}\) Tobias Frenz, *Takaful & Retakaful Challenges & Opportunities*, 14th East Asian Actuarial Conference – Keio Plaza Hotel, 09 – 12 October 2007, Tokyo, [https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf](https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf), Takaful And Retakaful, 13 Mac 2009

The situation includes when the financial capacity of the existing Takaful operators are inadequate to meet all their losses based on the views of the experts in the insurance industry.\(^{38}\)

Reinsurance arrangements have an important role in the overall rating assessment. While there are over 250\(^{39}\) Takaful companies in the world today, the number of retakaful operators is much less. A scarcity of suitable Islamic-compliant reinsurers can have implications for financial strength ratings where it exposes a company to the concentration related risks or where adequate treaty limits may not be available, either restricting the size of business that may be written or forcing the company to retain greater risk on nett account.\(^{40}\) Based on this ground, Regulations & Sharia’ah scholars in Pakistan allow Takaful operators to seek reinsurance support from conventional reinsurers. In this scenario, the strength of reinsurance arrangements would be evaluated on a case by case basis.\(^{41}\)

Most Takaful operators used the principle of darurah to validate using conventional reinsurance to reinsure their businesses. Darurah or “necessity principle” has given Takaful operators the opportunities to use conventional insurance under the “doctrine of necessity”. However, this authorization from scholars is only a temporary measure.\(^{42}\)


The retrocession from Takaful companies ranges from some 10% in the Far East where Takaful companies have relatively smaller commercial risks so far, to the Middle East where up to 80% of risk is reinsured on conventional basis. Retakaful companies need to ensure that they are capitalized sufficiently to enable them to:

a. Protect the financial stability of Takaful companies from adverse underwriting results
b. Stabilize claims ratios from one year to the next
c. Minimize claims accumulation from losses within and between different classes
d. Geographically spread risk
e. Increase capacity
f. Increase the profitability of insurers through permitting greater flexibility in the size and type of risks accepted
g. Secure technical support and help

The Difference between Retakaful and Reinsurance

Reinsurance is prohibited by the jurist because of the existence of *riba*, *gharar* and *maysir* elements. However retakaful operation has eliminated these elements as it uses permissible contracts. Retakaful operation does not earn commission as a profit or interest because this commission is subject to riba and dilutes the purpose of setting up a Takaful operation. The retakaful operation is dependent on actual expenses spent by the Takaful operator in the process of retakaful.

While in the conventional reinsurance the operation is subject to riba and gharar, which are not in line with the Sharia’ah principle. For instance, the reinsurance commission which the direct insurance company earned from the reinsurance treaty does not conform to the Sharia’ah principle. This is because the commission is structured in a way that renders the commission ribawi and implicates in a high degree of gharar.

43 [https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf](https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf), Takaful And Retakaful, 13 Mac 2009
46 Ibid
Even though a typical retakaful transaction is generally based on the principles of *al-‘Aqd* (contract), the nature of this transaction is quite different from other forms of commercial contracts in conventional reinsurance. Whilst the Takaful contract must ensure that the policy is for the purpose of sharing responsibility to provide some material security against unpredicted loss or damage resulting from unexpected risks on both life and property, it must also at the same time complies with the Sharia’ah principles. Retakaful contracts must essentially be financial transactions that bind both the reinsurance company and the insurance company on the general principles of *al-‘Aqd*.  

**View of Muslim Scholars on Reinsuring with Conventional Reinsurance**

Muslim scholars have two opinions on the practice of Takaful companies reinsuring with conventional reinsurance; one party states that it is permissible and the other has the opinion that it is illegal from the Sharia’ah point of view.

a. **Permissible to Reinsure**

Arbouna said in particular, some scholars48 opined that the legality for the Takaful operators to place their risks with conventional reinsurers on the basis of *darurah* (necessity) or *haja* (dire need) and *al-maslahah al-‘amma* (general utility) in the circumstances financial capacity of existing Takaful operators is inadequate to meet all their losses based on the views of the experts in the insurance industry. This means reinsurance dealings between Takaful operators and conventional reinsurers must be regulated by the law of necessity as defined in Islamic law49 and one of the boundaries

47 [https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf](https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf), Takaful And Retakaful, 13 Mac 2009
48 Among them are Syariah Advisory Board for Faisal Islamic Bank of Sudan
of this law is that transaction should be exhaustively unavoidable as rooted in Islamic legal maxims that read: 50

a. *Al-Dururat tubih al-mahzurat* (necessity renders an unlawful act lawful; and
b. Al-hajah tunzalat manzilat al-Dururat khasatan kanat aw `ammat (dire need assumes the rule of necessity whether being general or specific.

b. **Unacceptable to Reinsure**

Al-Ghamidi51 pointed out that some scholars do not accept reinsurance, among which are:

a. The General Presidency of Scholarly Research and Fatwa of Saudi Arabia (الجهة العلمية والخليفة فدي المملكة العربية السعودية الدائمة), does not accept reinsurance with conventional reinsurance because it is similar to conventional insurance which has *riba* and *gharar*.

b. Muhammad `Abd al-Latif al-Farfur said reinsurance is the same as conventional insurance contract which is forbidden.

c. `Abd `Aziz al-Khiyat said that Takaful companies cannot reinsure with conventional reinsurance unless in the condition that is demanded by the law and when there is no Islamic reinsurance companies available.

d. Yusuf Qasim said reinsurance is forbidden because it leads to take others wealth illegally.

e. Muhammad `Uthman Syabir said that reinsurance is not allowed even though Syariah Advisory Board for Faisal Islamic Bank of Sudan accepted it because there is no *haja* to reinsure with conventional reinsurance. Moreover, there are other Islamic reinsurance companies already exist.

---


We conclude that some scholars rejected reinsurance because of these reasons: 52

i. Reinsurance is one type of conventional insurance and the majority members of Majma` al-Fiqh agreed that it is not allowed because it has riba, gharar, gambling and taking other people’s money immorally from the Islamic perspective.

ii. Profit is not the objective but only a mechanism, which is why we must put parameter in gaining the profit. For instance there should be no riba in achieving the profit even though in what is considered as syubhah al-syubhah (suspicion of compromised) because syubah al-syubhah is the same as syubhah in dealing with riba. Umar al-Khattab said “I left nine out of ten what is halal afraid that I’ll run into what is haram”.

iii. There is no darurah or haja to reinsure with conventional reinsurance. They said that the principle of (الضرورات تسبيح المحظورات) is not correct to be used as taqyif fiqhi to permit the reinsurance. If reinsurance is not permitted, it will not cause harm to the Ummah and Muslims who have lived for decades without being dependent to insurance and reinsurance and they still can apply all Sharia’ah rulings in their lives.

iv. There is a principle in which order to prioritize what is forbidden first compared to what is allowed for example (إذا تعرض الحرام والعجيب قدم الحرام) and (إذا تعرض الحرام والعجيب دم المانع عارض المانع والمؤتضر ق). In the issue of reinsurance we consider it as unacceptable.

Sharia’ah Principles Used In Determining Legality of Takaful Operators Reinsuring With Conventional Reinsurance

52 Ibid
Since many Takaful operators have reinsured with conventional reinsurance based on *darurah*, this paper aims to discuss further on this principle and the related principles.

The principle used to allow the Takaful companies to reinsure is based on the concept of “al-darurah tubih al-mahzurah” that is when in the condition of darurah applies, Sharia’ah allows Muslims to do what is prohibited in normal situation. This principle however cannot stand alone and must be taken into consideration with other principles as a guide for Muslims to do what is prohibited within the permitted boundaries.

This principle must be used with the principle of “*al-darurah tuqaddaru biqadariha*” which implies that the Takaful company can reinsure their risk with conventional reinsurance company only the portion of risk that cannot be retakaful by retakaful companies. Another principle that must be taken into account is *ma jaz bi darurah* which basically means “what is lawful because of darurah will be no more lawful when darurah is gone”

**Principle of “al-Darurah tubih al-Mahzurat”** ( )

The principle of "*necessities justify that which may be unlawful*” means that what is prohibited by the Sharia’ah is allowed to be used in the situation of necessity or *darurah*. Al-Zarqa’ said that this principle is a division from the principle of ( ) and *hardship causes the giving of facility* ( ).

---


The principle of *al-Darurah tubih al-Mahzurat* is accepted among the jurists as a leeway in a situation when the Muslims cannot abide to the general rule because of darurah.\(^{55}\) This principle allows Muslims to do what is prohibited on the condition of darurah that is a situation when someone is afraid that harm will fall on him if he did not undertake the prohibited action.\(^{56}\)

One of the examples given by the jurists on the permission of doing what is prohibited in the situation of “darurah” is eating meat of animals that are already dead or consumption of alcohol.\(^{57}\) In normal circumstances, eating meat of animals that are already dead is prohibited in Quran (al-Baqarah: 173):

\[
\text{He hath only forbidden you dead meat, and blood, and the flesh of swine and that on which any other name hath been invoked besides that of God. But if one is forced by necessity, without willful disobedience, nor transgressing due limits- then is he guiltless. For God is Oft-forgiving Most Merciful.}
\]

After mentioning the prohibitions concerning eating the flesh of dead animals, blood, and others, Allah says that if one is in the condition of necessity he is not considered guilty if he has to eat what is prohibited. Muslim scholars opined that during famine Allah allows Muslims to eat what is prohibited when there is no halal food available or in other words when it is considered as darurah.\(^{58}\)

Thus The jurists have reached to a consensus that in famine, Muslims are allowed to eat food that is normally prohibited by the Sharia’ah only when it is the only food available. Some jurists are of the opinion that at least one day and one night should pass without food. In such a situation a person may eat only to satisfy his hunger and thus save him

\(^{56}\) Al-Sadlan, *ibid*, p. 250.
from death. Imam Malik said that, "The amount of it is what will alleviate his hunger, and he should not eat more than what will keep him alive."\(^{59}\) The permission of eating prohibited or non-halal food is to comply with the objective of Sharia’ah that is to prioritize one’s life.

Since prohibited or non-halal food is allowed to be eaten in the situation of \textit{darurah}, it has led scholars to relate a qiyas with another situation that allows mukallaf to do what is forbidden in the \textit{darurah} situation.

Based on this principle “\textit{al-Durrah tubih al-Mahzurat}”, we can conclude that in situation of \textit{darurah} and when there is no other alternative Sharia’ah permits Takaful companies to reinsure with conventional reinsurance. This permissibility should be applied with the principle of \textit{ma ubiha li al-durarrah yataqaddaru biqadariha}” (the extent of necessities limits action there under) and ‘\textit{Ma jaza li uzrin batala bi ziwalihi}”.

\textbf{Analyzing “Darurah” Circumstances Facing by the Takaful Company}

How do we measure a “\textit{darurah}” situation faced by Takaful operators? What are the indicators that may show that Takaful operators are in the condition of “\textit{darurah}”? To try to answer these we will try to explore what is the “\textit{darurah}” faced by the Takaful companies that forced them to reinsure with conventional reinsurance.

\textit{Darurah} is a situation when muslim are facing risk which can harm his life, aql and his wealth.\(^{60}\) In the Takaful business what is considered as “\textit{darurah}”? At the beginning of Takaful industry there are no retakafal operators. Thus in that situation it was accepted as “\textit{darurah}” because the Takaful operators did not have any choice to reinsure unless with the conventional reinsurance. But after 3 decades of development in the Takaful


\textsuperscript{60} Al-Sadlan, \textit{opi.cit}, p. 249-251.
industry, there are a significant number of established retakaful operators locally or internationally. The number of Takaful operators and retakaful operators can be observed in the table below:

**Table 1:** Number of Takaful Company Vs Retakaful Company in the world

<table>
<thead>
<tr>
<th>Retakaful Operators around the world</th>
<th>Takaful Operators Around The World</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 operators</td>
<td>171 operators</td>
</tr>
</tbody>
</table>

Based on the data provided by the International Cooperative and Mutual Insurance Federation (ICMIF), there are 171 Takaful operators and 20 retakaful companies all over the world. What is the formula to consider whether this ratio is acceptable and whether it is possible for Takaful operators to reinsure with all these 20 operators? Do these 20 retakaful operators in the world are capable of servicing all the 171 Takaful companies? A simple calculation has been done and the result shows that base on this calculation each retakaful company has to retakaful 8.55 Takaful operators. The ratio of Takaful companies to Retakaful companies is 1:8.55.

The exact number of Takaful operators that can be retakaful by each retakaful operators depends on the size of companies and each retakaful operators has limitation on how much amount they can retakaful. The minimum paid-up capital for retakaful company to be established in Malaysia is RM100 million.

---


Consultation with the professional such as actuarial experts and management is crucial in order to use the correct methodology to calculate the number of retakaful operators that can retakaful the Takaful operators. This simple calculation that we used is just to show the ratio of Takaful companies to Retakaful companies whether the retakaful operators have the capacity to retakaful the 8 Takaful operators. If it can be proven that the retakaful operators do not have the capacity to retakaful those 8 Takaful operators then the Takaful operators have to seek reinsurance from the conventional companies. With this example we can make a hypothesis that:

- Hypothesis 1: 1 Retakaful operators are capable to reinsure 8 Takaful operators
- Hypothesis 2: 1 retakaful operators are not capable to reinsure 8 Takaful operators

If hypothesis 1 can be proven as correct and hypothesis 2 is rejected then there is no “darurah situation” faced by Takaful industry and they cannot reinsure with the conventional reinsurance companies. But if hypothesis 1 can be proven wrong and that hypothesis 2 is correct then Takaful operators are indeed facing “darurah” situation so they are allowed to use the conventional reinsurance based on the “darurah” principle.
Therefore, if retakaful operators are only capable to reinsure a maximum of two or three Takaful operators then the Takaful industry will still considered as being in the condition of “darurah”.

Do Takaful operators in Malaysia face the “darurah” situation? The professional opinion should be consulted to determine whether Takaful operators in Malaysia are still in the situation of darurah. As for now, we can see that there are 9 Takaful operators and 3 retakaful operators.

### Table 1: Retakaful and Takaful Companies in Malaysia

<table>
<thead>
<tr>
<th>Retakaful Company</th>
<th>Takaful Company in Malaysia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ACR Retakaful SEA Berhad</td>
<td>1. CIMB Aviva Takaful Berhad</td>
</tr>
<tr>
<td>2. Munchener Ruckversicherungs-Gesellschaft (Munich Re Retakaful)</td>
<td>2. Etiqa Takaful Berhad</td>
</tr>
<tr>
<td>3. MNRB Retakaful Berhad</td>
<td>3. Hong Leong Tokio Marine Takaful Berhad</td>
</tr>
<tr>
<td></td>
<td>4. HSBC Amanah Takaful (Malaysia) Sdn Bhd</td>
</tr>
<tr>
<td></td>
<td>5. MAA Takaful Berhad</td>
</tr>
<tr>
<td></td>
<td>6. Prudential BSN Takaful Berhad</td>
</tr>
<tr>
<td></td>
<td>7. Syarikat Takaful Malaysia Berhad</td>
</tr>
<tr>
<td></td>
<td>9. AIA Takaful International Bhd</td>
</tr>
</tbody>
</table>


In Malaysia with the ratio of Takaful companies to Retakaful companies at 1:1.5 possibly the situation of darurah is not applicable. Based on easy calculation without looking into the size of Takaful operators and retakaful operators, it seems that each retakaful operators are able to reinsure Takaful operators in Malaysia. Nevertheless, it should be emphasized that the professional opinion should be sought. If professional opinion states that this ratio is still inadequate then the “darurah” situation is still there. The sufficient number of retakaful operators shows that they are able to reinsure some portion of the risk assured by Takaful operators.
A lack of first grade retakaful capacity has always been cited as limiting the Takaful industry growth but with the entrance of global players, this obstacle has been overcome. Previously most Takaful operators were still reinsured with the conventional reinsurers, and this was considered as acceptable as long as there was no practical Sharia’ah-compliant reinsurers alternative. This exception was based on the ‘darurah’ or necessity principle. Caution has to be taken when deciding on the retakaful provider as sometimes there are cases where a provider is indeed using conventional reinsurance with Sharia’ah contract wordings and/or retroceding to a conventional reinsurer, both of which might not be acceptable to the ceding company’s Sharia’ah Board.63

In addition, the lack of rated, reputable retakaful operators may also affect Takaful operators’ ability to sustain their double-digit growth rates in the future. This is because the ability of the Takaful industry to tap extrinsic demand, particularly those which are created by Islamically financed assets, has been dependent upon access to multiple, rated retakaful pools to manage risks. Even now, many Takaful companies still reinsure with conventional reinsurers on the basis of darurah due to a lack of retakaful capacity.64

However, not everyone believes that there is a real shortage of capacity. Mahbob65 argued that:

“Except for two, all other retakaful operators are already rated. Capacity is relative to demand and most primary operators focus on writing personal lines risks which are non capacity risks. I would say the existing capacity can already cater for most markets worldwide, after putting aside costs and specialized cover such as terrorism.”66

63 http://www.actuariesindia.org/GCA/10th%20GCA/Papers/Life%20Insurance/5_Takaful_madhu.pdf, 23 March 2009
Chakib Abouzaid\textsuperscript{67} stated that ‘using conventional reinsurance unnecessarily is harmful for the credibility of Takaful’.\textsuperscript{68} The Takaful operators are therefore required to cede to the existing Sharia’ah compliant capacities.\textsuperscript{69} He said that with the increasing number of retakaful companies (six operators and three rated ‘A-’ as of April 2008), does the concept of darurah still applicable?\textsuperscript{70}

\textbf{Principle of ‘\textit{ma ubiha li al-darurah yataqaddaru biqadariha}’ (}\textit{\textsuperscript{71}}\textsuperscript{72})

This principle is a guideline in practicing the principle of \textit{الضرورة تبييح الضرورات}. This means that even though a jurist allows doing what is prohibited, it should not be excessive in the situation of darurat.

The typical example given by the jurist is when someone is in the situation of darurah and there is no food but only the prohibited food is available such as meat of dead animals hence he can eat the meat in the quantity only to survive and not eating as much as he want.\textsuperscript{72}

Thus, if the Takaful operators have to reinsure with conventional reinsurance company, they have to reinsure certain amount only which cannot be retakaful. This is as guided by the principle of \textit{“al-darurah tuqaddaru biqadariha”} which means that the permission to do what is prohibited in the situation of darurah is limited to allowing the Takaful operators to do that only for the limited portion that is needed and not taking an easy way by reinsuring all with the conventional reinsurance companies.

\textsuperscript{67} C.E.O. Takaful Re
\textsuperscript{68} The Need for Retakaful and Available Capacities, \texttt{http://www.whatsTakaful.com/people/chakibabouzaid.pdf}, 14 April 2009
\textsuperscript{70} The Need for Retakaful and Available Capacities, \texttt{http://www.whatsTakaful.com/people/chakibabouzaid.pdf}, 14 April 2009
\textsuperscript{71} Al-Sadlan, \textit{opcit}, p. 272.
\textsuperscript{72} Al-Sadlan, \textit{ibid}, p. 276
Based on this principle we can conclude that Takaful operators can take conventional reinsurance to manage the risk for the amount that cannot be retakaful by a retakaful company. For example if a retakaful company can retakaful 50% of the risk then they should only reinsure it with a conventional reinsurance company for the other 50%.

**Existing Capacities**

The total of the six retakaful capacities (Table 2) may not be considered as the available retakaful capacity supply, as the companies do not always use their capacity in full because of the accumulation and their market approach. In some cases, companies can offer more capacity depending on their appetite for business, existing accumulation or simply the level of support they are willing to provide to a sister company or a company with whom they could have excellent relations. Some companies may use proportional retro capacity to accept more business, which could increase the available capacity.  

By presenting the available capacities, we could respond to the argument frequently used to justify the cession to conventional, and to demonstrate that retakaful companies are now able to absorb almost 90% of the required capacity for treaties.

---


Table 2: Capacities of Retakaful Operators (as of April 2008)

<table>
<thead>
<tr>
<th>(US$ million)</th>
<th>ARIL</th>
<th>BEST</th>
<th>Takaful</th>
<th>Hannover</th>
<th>Labuan</th>
<th>MNRB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property/Eng</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Proportional</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>30 per</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>• Non-Proportional</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>program</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Marine</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Proportional</td>
<td>2</td>
<td>2</td>
<td>30 per</td>
<td>1.5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>• Non-Proportional</td>
<td>3</td>
<td>4</td>
<td>program</td>
<td>1.5</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Family Takaful</strong></td>
<td>0.1</td>
<td>1 per life</td>
<td>1 per life</td>
<td>1.66 to 3.33</td>
<td>1.55</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Fac capacity</strong></td>
<td>12 PML</td>
<td>6</td>
<td>20 PML</td>
<td>30 PML</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>• Property</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Marine</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Table 3 shows that only in very few cases of Takaful or co-operative (KSA 1 & 2 and Far East 3), the available retakaful capacity cannot meet the demand, and this requires additional conventional capacity. However, with the upcoming retakaful operators, available capacity will increase dramatically to absorb all the demand for retakaful treaty capacity. On the facultative side, it is obvious that ceding to the international conventional market will remain necessary as the retakaful industry is part of the global insurance industry and, therefore, for areas such as mega projects, aviation and special lines, the co-operation between Takaful and conventional is always required.

Table 3: Sample Takaful/Cooperatives’ Treaties Capacities

<table>
<thead>
<tr>
<th>US$ million</th>
<th>Ced</th>
<th>Property</th>
<th>Engineering</th>
<th>Accident</th>
<th>Marine</th>
<th>Non-Marine</th>
<th>Marine XL</th>
<th>Motor XL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---


<table>
<thead>
<tr>
<th>Country</th>
<th>Amount 1</th>
<th>Amount 2</th>
<th>Amount 3</th>
<th>Amount 4</th>
<th>Amount 5</th>
<th>Amount 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sudan</td>
<td>30.0</td>
<td>12.5</td>
<td>9.0</td>
<td>0.5</td>
<td>1.0</td>
<td>2.25</td>
</tr>
<tr>
<td>Middle East</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KSA 1</td>
<td>122.0</td>
<td>122.0</td>
<td>26.0</td>
<td></td>
<td>13.0</td>
<td></td>
</tr>
<tr>
<td>KSA 2</td>
<td>60.0</td>
<td>60.0</td>
<td>10.0</td>
<td>8.0</td>
<td></td>
<td>4.0</td>
</tr>
<tr>
<td>Kuwait</td>
<td>11.2</td>
<td>11.2</td>
<td>1.5</td>
<td>1.5</td>
<td></td>
<td>1.5</td>
</tr>
<tr>
<td>UAE 1</td>
<td>34.0</td>
<td>34.0</td>
<td>2.5</td>
<td>8.5</td>
<td></td>
<td>2.5</td>
</tr>
<tr>
<td>UAE 2</td>
<td>17.75</td>
<td>17.75</td>
<td>20.5</td>
<td>2.4</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Far East</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company 1</td>
<td>30.0</td>
<td>9.0</td>
<td>7.0</td>
<td>5.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company 2</td>
<td>39.0</td>
<td>16.8</td>
<td>2.4</td>
<td>16.2</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>Company 3</td>
<td>73.8</td>
<td>29.7</td>
<td>9.0</td>
<td>15.7</td>
<td>7.5</td>
<td>6.0</td>
</tr>
</tbody>
</table>


**Principle of “Ma jaza li `uzrin batala bi ziwalihi”**

This principle is related to the previously mentioned principle which indicates that when the condition of “darurah” is gone then the permission to do what is prohibited is not valid anymore. In the situation when there are many retakaful companies which can retakaful all the takaful insured by Takaful companies then there is no need for reinsurance anymore. Thus, the situation of “darurah” does not exist anymore. When there is no “darurah”, the law will revert back to the original hukum which is “reinsurance with the conventional companies is prohibited”.

**Existing Operational Retakaful**

The six existing retakaful companies in operation have a total paid-up capital of US$375 million. Except for BEST Re and Asean Retakaful International (L) Limited (ARIL), the rest are newcomers in the market but supported by experienced groups,

---

whether global (e.g. Hannover Retakaful) or regional (e.g. Takaful Re, Labuan Re and MNRB). 78

<table>
<thead>
<tr>
<th>company</th>
<th>ARIL</th>
<th>BEST Re</th>
<th>Takaful Re</th>
<th>Hannover Re</th>
<th>Labuan Retakaful</th>
<th>MNRB Retakaful</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Retakaful Division: 2007</td>
<td></td>
</tr>
<tr>
<td>Rating</td>
<td>Not rated</td>
<td>• BBB+ (S &amp; P)</td>
<td>BBB stable (S &amp; P) stable</td>
<td>A stable (S&amp;P)</td>
<td>• FSR A- (excellent) (AM Best)</td>
<td>A-(Parent company)</td>
</tr>
<tr>
<td>Takaful Model</td>
<td>Mudharaba</td>
<td>-</td>
<td>Wakala for policy holders/ Mudharaba for investment</td>
<td>Wakala / Mudharaba</td>
<td>Wakala for both retakaful and investment</td>
<td>Wakala, optional Mudharaba / Wakala on investment</td>
</tr>
<tr>
<td>Business Model</td>
<td>Takaful / conventional Mix</td>
<td>Conventional / Takaful Mix</td>
<td>Takaful Co’s only outsourcing agreement with Arig</td>
<td>Takaful only</td>
<td>• Conventional • Takaful</td>
<td>Takaful cos only for treaty. Allowed fac on halal risk</td>
</tr>
</tbody>
</table>

With the addition of more operators established (Saudi Re, Al Fajer Retakaful and ACR Retakaful), the retakaful industry will have $1.09 billion total paid-up capital. Except for ARIL, all the other retakaful players are rated as “BBB” and above, and three are A-rated companies. The additional of total retakaful capital and rating confirms the existing of retakaful financial strength, with good or very good claims paying ability, which is the main requirement for a reinsurer.\(^\text{79}\)

However, having an adequate capital and an acceptable rating cannot be considered as sufficient to boost the development of Takaful industry. Takaful requires capacity for all lines of businesses, including long-tail business and/or special lines. As the business is developing, additional capacity is needed and new lines of businesses require assistance from retakaful to the direct Takaful. This remains lacking and to be able to play a major role, retakaful companies are required to move from a following to a leading position.\(^\text{80}\)

In conclusion if there is an adequate capacity of retakaful operators to reinsure the Takaful operators then the law will revert to the original law which is the reinsuring with conventional is forbidden by the Sharia’ah.

**Guidelines on Takaful Operators to Reinsure with Conventional Reinsurance**

We have derived from the opinion of Muslim scholars that reinsurance with conventional reinsurance is not absolute (.embedding) allowed but restricted (embedding) to some regulation and

---


guidelines. Arbouna\textsuperscript{81} said two conditions must be fulfilled and they are namely categorized into general and specific conditions.

**General conditions\textsuperscript{82}**

a. The reinsurance co-operation of *Takaful* operators with conventional reinsurers should not cause financial injury to Muslims or destabilize the financial systems of Muslim countries. If it does so, the co-operation becomes unlawful for its failure to serve the purpose for which it was permitted: the protection of the financial well-being of the *Takaful* operators and the participants.

b. The *Takaful* companies must prevent capital flow from the *Takaful* fund to conventional reinsurance firms. In other words, the reinsurance agreement should be designed in favor of *Takaful* operations. Moreover, preference shall be given to Islamic reinsurance operators in the matter of securing reinsurance protection whenever possible.

c. The reinsurance experts of the *Takaful* operator should carefully determine the quantum of liability to be reinsured;

d. The *Takaful* operator shall reinsure on a net premium basis and shall not receive any reinsurance remunerations or profit commissions or interest on premiums it has retained from premiums payable to its reinsurer;

e. The *Takaful* operator should review its reinsurance requirement annually and should progressively reduce dependence on conventional reinsurers;

f. The *Takaful* operator must stipulate a condition exempting it from payment of or receiving interest from the conventional reinsurance company. However, if the reinsurance company cannot adjust its management and investment methods to comply with this requirement, the *Takaful* operator may accept the interest and spend it on humanitarian activities and public infrastructure projects;

g. The *Takaful* operator must encourage the participants and shareholders to contribute to a *Retakaful* fund by consenting to increase their proportion of *tabarru'* and seek their consent to use their contribution for the purpose


of reinsurance protection;

h. The premium paid for securing reinsurance protection should be as low as possible;

i. The *Takaful* operators should endeavor to persuade its conventional reinsurer to enter into a profit-sharing agreement and even suggest a method of management and investment compatible with Islamic principles;

j. The ultimate goal of *Takaful* operators should be to put an end to their relations with conventional reinsurers whenever adequate reserves, or when numerous Islamic reinsurance companies, are established;

k. It is incumbent upon *Takaful* operators to appoint a Shariah Supervisory Board to monitor their operations according to the *Shariah* principles.

Specific conditions

i. The need for reinsurance protection should be unavoidable: For co-operation with conventional insurers to be justifiable, the need for such co-operation must be unavoidable. Unavoidability here means that reinsurance protection is so crucial that if it is not practiced the society may suffer a considerable financial and social crisis. In this situation, such a reinsurance agreement is permissible because it serves the maqasid al-Sharia’ah or objectives of the Sharia’ah, which are protection of religion, life, intellect, lineage, and property.

ii. The need for reinsurance protection should be either general or specific: It must be noted that dealings with conventional reinsurance companies are justified on the basis of haja when such dealings are badly needed by the public or certain business groups whose businesses have the potential to bring prosperity to society. It is necessary thus to evaluate the co-operation with conventional reinsurance companies in the context of the damage that society might “suffer”. It must be noted, therefore, that the law of need or haja alone is not a sufficient legal norm for the legality of any financial transaction. It has to be supported by the customary practice of society and the magnitude of the need for such a transaction.

---

iii. The need for reinsurance protection must be material and substantial: In the application of haja as a legal norm, the question as to whether there is another alternative lawful means of reinsurance should be carefully evaluated. In other words, any transaction the legality of which is based on compelling need is deemed as having exhausted all lawful avenues of investment and financial transactions. Thus, if there is another alternative lawful means of doing such business, the application of haja is unjustified. It is, therefore, evident that in the context of the above limitations of necessity/need, seeking reinsurance protection from conventional reinsurance firms is legally valid. The uncertainty or gharar under the above-stated conditions is tolerated for reasons of compelling need.

Conclusion

Shari’ah permits muslim to do what is prohibited in the situation of “darurah”. However, to measure and determine the “darurah” situation in the industry must be based on consultation with the professionals. Perhaps it is time for the regulators to have a standard parameter on what condition that takaful business can reinsure so that the industry can operate within the right framework and has Shari’ah stability. Based on report by Ernst & Young\(^\text{84}\) retakaful capacity has been increasing in volume but the availability of rated reputable operators remains limited. Therefore the “darurah” condition considered still existing in takaful industry. However, practitioners of takaful industry have to be aware that, if there is adequate capacity of retakaful operators to reinsure the takaful operators then the darurah law will be abolished and reinsuring conventionally is forbidden by the Shariah.

In the Islamic capital market in offering Islamic REITS, the Securities Commission of Malaysia allows real estates to be insured by the conventional insurance only when Takaful schemes are unable to provide the insurance coverage.\(^\text{85}\)

\(^\text{84}\) Ernst & Young, The World Takaful Report 2008, p.44. [http://www.ey.com/Global/assets.nsf/Middle_East/World_Takaful_Report_08/$file/Ernst & Young - WTR08.pdf](http://www.ey.com/Global/assets.nsf/Middle_East/World_Takaful_Report_08/$file/Ernst & Young - WTR08.pdf), 12 April 2009

If we strictly disallowed takaful operators from reinsuring with conventional reinsurance it might harm the whole takaful industry especially during unpredictable risk like major catastrophe or even the insolvency of takaful company. For it will affect the policy holders as well when they are not able to pay compensation to the customers who are in need of help.
REFERENCE


Farid Benbouzid, The success of Retakaful, Arab Insurance, Outlook and Actual New Economical Situation,  

Framework for a European regime for the supervision of cross-border reinsurance ,  


International Association of Insurance Supervisors, “IAIS questionnaire”  


http://www.secura-re.eu/secura/pdf/withpeer/Walhin%5B9%5D.pdf


Mike Adams, Philip Hardwick and Hong Zou (2007), “Reinsurance and corporate taxation in the United Kingdom life insurance industry”  

MIR Reinsuring Takaful Companies, “The Need for Retakaful and Available Capacities”,  
http://www.Takaful.coop/doc_store/Takaful/The%20need%20for%20Retakaful%20August%202008.pdf


ReOrient Legal, [https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf](https://www.reorient.co.uk/pdfs/Takaful_retakaful.pdf), Takaful And Retakaful, 13 Mac 2009

ReOrient Legal, [https://www.reorient.co.uk/pdfs/Takaful_retakaful_companies.pdf](https://www.reorient.co.uk/pdfs/Takaful_retakaful_companies.pdf), “Takaful And Retakaful Companies”, 20 March 2009


Swiss Re says reinsurance will help Takaful, http://www.reuters.com/article/IslamicBankingandFinance08/idUSL0312


Takaful (Shariah Compliant Insurance Companies), http://www.ambest.com/ratings/methodology


Takaful and Retakaful Companies, https://www.reorient.co.uk/pdfs/Takaful_retakaful_companies.pdf


APPENDIX

Table 1: Retakaful companies in the world

<table>
<thead>
<tr>
<th>Takaful Operators</th>
<th>Countries</th>
<th>Year Established</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Asean Re-Takaful International</td>
<td>Malaysia</td>
<td>1997</td>
<td></td>
</tr>
<tr>
<td>2. MNRB Retakaful Berhad</td>
<td>Malaysia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Munchener Ruckversicherungs-Gesellschaft (Munich Re Retakaful)</td>
<td>Malaysia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. ACR Retakaful Holdings Limited</td>
<td>UAE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Takaful Re Limited</td>
<td>UAE</td>
<td>2005</td>
<td>BBB</td>
</tr>
<tr>
<td>6. Dubai Islamic Insurance &amp; reinsurance Co.</td>
<td>UAE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Islamic Takaful and Re-Takaful Co. (ITRCo.)</td>
<td>Saudi Arabia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Islamic Takaful &amp; Re-Takaful Co.</td>
<td>Saudi Arabia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. National Re-insurance Co. (NRICo.)</td>
<td>Sudan</td>
<td>1979</td>
<td></td>
</tr>
<tr>
<td>10. Sheikhan Insurance &amp; Reinsurance</td>
<td>Sudan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Sudanese Insurance &amp; Reinsurance Co.</td>
<td>Sudan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Amin Reinsurance Company</td>
<td>Iran</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Al Fejr Retakaful Insurance Co.</td>
<td>Kuwait</td>
<td>2008</td>
<td>A-</td>
</tr>
<tr>
<td><a href="http://www.alfajerre.com">www.alfajerre.com</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. BEIT Iaadat Ettamine Tounsi Saoudi Re-insurance (B.E.S.T. Re)</td>
<td>Tunisia</td>
<td>1985</td>
<td>BBB+</td>
</tr>
<tr>
<td>15. Hannover Retakaful B.S.C. (c)</td>
<td>Bahrain</td>
<td>2006</td>
<td></td>
</tr>
<tr>
<td>16. Solidarity Islamic Takaful &amp; Retakaful Co.</td>
<td>Bahrain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Islamic Takaful &amp; Retakaful Co. (IRTCo.)</td>
<td>Bahamas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. PT Reassuransi Internasional Indonesia</td>
<td>Indonesia</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>Tokio Marine Nichido Retakaful Pte Ltd</td>
<td>Singapore</td>
<td>AA</td>
</tr>
<tr>
<td>20.</td>
<td>Swiss Re[^30]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source:

Table 2: Insurance and reinsurance companies in Malaysia

<table>
<thead>
<tr>
<th>Life and General Reinsurance Business</th>
<th>Life and General Insurance Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Hannover Rueckversicherungs AG</td>
<td>1 American International Assurance Bhd</td>
</tr>
<tr>
<td></td>
<td>2 Etiqa Insurance Berhad</td>
</tr>
<tr>
<td></td>
<td>3 Hong Leong Assurance Berhad</td>
</tr>
<tr>
<td></td>
<td>4 ING Insurance Berhad</td>
</tr>
<tr>
<td></td>
<td>5 Malaysian Assurance Alliance Berhad</td>
</tr>
<tr>
<td></td>
<td>6 MCIS Zurich Insurance Berhad</td>
</tr>
<tr>
<td></td>
<td>7 Prudential Assurance Malaysia Berhad</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Reinsurance Business</th>
<th>General Insurance Business Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Asia Capital Reinsurance Malaysia Sdn. Bhd</td>
<td>1 ACE Synergy Insurance Berhad</td>
</tr>
<tr>
<td>2 Malaysian Reinsurance Berhad</td>
<td>2 AIG General Insurance (Malaysia) Berhad</td>
</tr>
<tr>
<td>3 Munchener Ruckversicherungs-Gesellschaft</td>
<td>3 Allianz General Insurance Company (Malaysia) Berhad</td>
</tr>
<tr>
<td>4 Swiss Reinsurance Company</td>
<td>4 AmG Insurance Berhad</td>
</tr>
<tr>
<td>5 Toa Reinsurance Company Ltd., The</td>
<td>5 AXA Affin General Insurance Berhad</td>
</tr>
<tr>
<td></td>
<td>6 Berjaya Sompo Insurance Berhad</td>
</tr>
<tr>
<td></td>
<td>7 BH Insurance (M) Bhd</td>
</tr>
<tr>
<td></td>
<td>8 Commerce Assurance Berhad</td>
</tr>
<tr>
<td></td>
<td>9 Jerneh Insurance Berhad</td>
</tr>
<tr>
<td></td>
<td>10 Kurnia Insurers (Malaysia) Berhad</td>
</tr>
<tr>
<td></td>
<td>11 Lonpac Insurance Berhad</td>
</tr>
<tr>
<td></td>
<td>12 Mayban General Assurance Berhad</td>
</tr>
<tr>
<td></td>
<td>13 MSIG Insurance (Malaysia) Bhd</td>
</tr>
<tr>
<td></td>
<td>14 MUI Continental Insurance Berhad</td>
</tr>
<tr>
<td></td>
<td>15 Multi-Purpose Insurers Berhad</td>
</tr>
<tr>
<td></td>
<td>16 Oriental Capital Assurance Berhad</td>
</tr>
<tr>
<td></td>
<td>17 Overseas Assurance Corporation (Malaysia)</td>
</tr>
<tr>
<td>No</td>
<td>Insurance Company Name</td>
</tr>
<tr>
<td>----</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>18</td>
<td>Pacific &amp; Orient Insurance Co. Berhad</td>
</tr>
<tr>
<td>19</td>
<td>Pacific Insurance Berhad, The</td>
</tr>
<tr>
<td>20</td>
<td>PanGlobal Insurance Berhad</td>
</tr>
<tr>
<td>21</td>
<td>Progressive Insurance Berhad</td>
</tr>
<tr>
<td>22</td>
<td>QBE Insurance (Malaysia) Berhad</td>
</tr>
<tr>
<td>23</td>
<td>RHB Insurance Berhad</td>
</tr>
<tr>
<td>24</td>
<td>Tahan Insurance Malaysia Berhad</td>
</tr>
<tr>
<td>25</td>
<td>Tokio Marine Insurans (Malaysia) Berhad</td>
</tr>
<tr>
<td>26</td>
<td>Uni.Asia General Insurance Berhad</td>
</tr>
</tbody>
</table>

### Life Reinsurance Business

<table>
<thead>
<tr>
<th>No</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Malaysian Life Reinsurance Group Berhad</td>
</tr>
<tr>
<td>2</td>
<td>Allianz Life Insurance Malaysia Berhad</td>
</tr>
<tr>
<td>3</td>
<td>AmLife Insurance Berhad</td>
</tr>
<tr>
<td>4</td>
<td>AXA Affin Life Insurance Berhad</td>
</tr>
<tr>
<td>5</td>
<td>CI MB Aviva Assurance Berhad</td>
</tr>
<tr>
<td>6</td>
<td>Great Eastern Life Assurance (Malaysia) Berhad</td>
</tr>
<tr>
<td>7</td>
<td>Manulife Insurance Berhad</td>
</tr>
<tr>
<td>8</td>
<td>Mayban Life Assurance Berhad</td>
</tr>
<tr>
<td>9</td>
<td>Uni.Asia Life Assurance Berhad</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Operator Name</th>
<th>Country</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Salama</td>
<td>Algeria</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Takaful Australia</td>
<td>Australia</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Arab Orient Takaful Insurance</td>
<td>Egypt</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Takaful Insurance Co.</td>
<td>Bahrain</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Egyptian Saudi Home</td>
<td>Bahrain</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Wethaq Takaful Insurance Co.</td>
<td>Bahrain</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Bahrain Islamic Insurance Co.</td>
<td>Bahrain</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Metropolitan Insurance Co.</td>
<td>Ghana</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Gitaat Takaful al-Islamiyah</td>
<td>Bahrain</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Asuransi MUBARAKAH</td>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Solidarity Islamic Takaful &amp; Re-Takaful Co.</td>
<td>Bahrain</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Takaful International Co.</td>
<td>Bahrain</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Islamic Insurance Society</td>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Takaful Islamic Insurance Co.</td>
<td>Bahrain</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>PT Syarikat Takaful</td>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Fareast Islami Life Insurance</td>
<td>Bangladesh</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Umum</td>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Islami BIMA (Takaful-Megna Life Insurance)</td>
<td>Bangladesh</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Islamic Insurance Co.</td>
<td>Bangladesh</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Bimeh Iran</td>
<td>Iran</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Bimeh Parsian</td>
<td>Iran</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Takaful BIBD Sdn Bhd</td>
<td>Brunei</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Dana Insurance Co.</td>
<td>Iran</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Name of Takaful Company Co.</td>
<td>Country</td>
<td>Code</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------</td>
<td>-----------------</td>
<td>------</td>
</tr>
<tr>
<td>45</td>
<td>Dayah Takaful Company Co. KSCC</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Export and Import Insurance Company (EIIC)</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Phanadin Takaful Insurance SAL</td>
<td>(Iran)</td>
<td>1</td>
</tr>
<tr>
<td>48</td>
<td>Kakafadi Takaful Co.</td>
<td>(Iran)</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Multinational Insurance Company.</td>
<td>(Iran)</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>Outidh Insurance Co.</td>
<td>(Iran)</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>Al Barakh Takaful Co.</td>
<td>(Jordan)</td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>First Insurance Co.</td>
<td>(Jordan)</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>Islamic Insurance Co.</td>
<td>(Jordan)</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>1st Takaful Insurance Co.</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>55</td>
<td>Ain Takaful Insurance Co.</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>Al Safat Takaful Co.</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>AL-Muthanna Takaful Insurance Company</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>58</td>
<td>Gulf Takaful Insurance Co.</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>Moallem Insurance Company</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>National Takaful Insurance</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>T`azur (Kuwait)</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>Takaful International (Kuwait)</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>63</td>
<td>Takaful International Kuwait (Kuwait)</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>Takaful Islamic Insurance Company</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>65</td>
<td>Warba Takaful Insurance Co. KSCC</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>66</td>
<td>Wethaq Takaful (Kuwait)</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>67</td>
<td>Al Aman Takaful Insurance SAL (Lebanon)</td>
<td>(Kuwait)</td>
<td></td>
</tr>
<tr>
<td>68</td>
<td>Takaful Insurance Co.</td>
<td>(Libya)</td>
<td></td>
</tr>
<tr>
<td>69</td>
<td>International Insurance Co.</td>
<td>(Luxembourg)</td>
<td></td>
</tr>
<tr>
<td>70</td>
<td>Takafol S.A.</td>
<td>(Luxembourg)</td>
<td></td>
</tr>
<tr>
<td>71</td>
<td>Agilentrisk Limited</td>
<td>(Malaysia)</td>
<td></td>
</tr>
<tr>
<td>72</td>
<td>CIMB Aviva Takaful Berhad</td>
<td>(Malaysia)</td>
<td></td>
</tr>
<tr>
<td>73</td>
<td>Etiqa Takaful Berhad</td>
<td>(Malaysia)</td>
<td></td>
</tr>
<tr>
<td>74</td>
<td>Hong Leong Tokio Marine Takaful Berhad</td>
<td>(Malaysia)</td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>MAA Takaful</td>
<td>(Malaysia)</td>
<td></td>
</tr>
<tr>
<td>76</td>
<td>Prudential BSN Takaful Berhad</td>
<td>(Malaysia)</td>
<td></td>
</tr>
<tr>
<td>77</td>
<td>Syarikat Takaful Malaysia Berhad</td>
<td>(Malaysia)</td>
<td></td>
</tr>
<tr>
<td>78</td>
<td>Takaful Ikhlas</td>
<td>(Malaysia)</td>
<td></td>
</tr>
<tr>
<td>79</td>
<td>SMA Isamique</td>
<td>(Mauritania)</td>
<td></td>
</tr>
<tr>
<td>80</td>
<td>Taamin assurances Islamiques</td>
<td>(Mauritania)</td>
<td></td>
</tr>
<tr>
<td>81</td>
<td>First Takaful</td>
<td>(Pakistan)</td>
<td></td>
</tr>
<tr>
<td>82</td>
<td>Pak Qatar Family Takaful</td>
<td>(Pakistan)</td>
<td></td>
</tr>
<tr>
<td>83</td>
<td>Pak Qatar General Takaful Limited</td>
<td>(Pakistan)</td>
<td></td>
</tr>
<tr>
<td>84</td>
<td>Pak-Kuwait Takaful Company Limited</td>
<td>(Pakistan)</td>
<td></td>
</tr>
<tr>
<td>85</td>
<td>Takaful Pakistan Limited</td>
<td>(Pakistan)</td>
<td></td>
</tr>
<tr>
<td>86</td>
<td>Al-Takaful Palestinian Insurance Company PLC</td>
<td>(Palestine)</td>
<td></td>
</tr>
</tbody>
</table>

**Total Companies:** 86
<table>
<thead>
<tr>
<th>No.</th>
<th>Company Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>88</td>
<td>Takaful Company and Risk Management Company E.C.</td>
<td>Palestine</td>
</tr>
<tr>
<td>89</td>
<td>General Takaful Company GTC</td>
<td>Qatar</td>
</tr>
<tr>
<td>90</td>
<td>Islamic Takaful</td>
<td>Qatar</td>
</tr>
<tr>
<td>91</td>
<td>Qatar Islamic Insurance Co. Insurance of Investment and Finance Co. Ltd.</td>
<td>Qatar</td>
</tr>
<tr>
<td>92</td>
<td>Al- Sagr Saudi Insurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>93</td>
<td>General Takaful Saudi Arabia Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>94</td>
<td>Al-Sagr Saudi Insurance Co.</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>95</td>
<td>Al-Rajhi Cooperative Insurance (Al-Rajhi)</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>96</td>
<td>Al-Aman Cooperative Insurance Group (ACIG)</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>97</td>
<td>Al-Faw Rock Insurance</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>98</td>
<td>Saudi Eastern Insurance Co. Reinsurance Company (Arabian GULF)</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>99</td>
<td>Arabian Insurance Cooperative</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>100</td>
<td>Saudi Arabian Insurance Company BSC</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>101</td>
<td>Saudi Arabian Insurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>102</td>
<td>Saudi Arabian Insurance Company BSC</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>103</td>
<td>Saudi Arabian Insurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>104</td>
<td>Saudi Arabian Insurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>105</td>
<td>Saudi Arabian Cooperative Insurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>106</td>
<td>Global Islamic Insurance Co.</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>107</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>108</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>109</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>110</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>111</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>112</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>113</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>114</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>115</td>
<td>Arabian Salama Reinsurance Company</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>No.</td>
<td>Company Name</td>
<td>Country</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>128</td>
<td>Trade Union Insurance Co.</td>
<td>(Saudi Arabia)</td>
</tr>
<tr>
<td>129</td>
<td>UCA Insurance Co. E.C.</td>
<td>(Saudi Arabia)</td>
</tr>
<tr>
<td>130</td>
<td>Islamic Takaful &amp; Re-Takaful Co.</td>
<td>(Saudi Arabia &amp; Bahamas)</td>
</tr>
<tr>
<td>131</td>
<td>Salaam (Senegal)</td>
<td></td>
</tr>
<tr>
<td>132</td>
<td>Sosar Al Amane (Senegal)</td>
<td></td>
</tr>
<tr>
<td>133</td>
<td>Syarikat Takaful (Singapore)</td>
<td></td>
</tr>
<tr>
<td>134</td>
<td>Amana Takaful Ltd (Sri Lanka)</td>
<td></td>
</tr>
<tr>
<td>135</td>
<td>Ceylinco Takaful Limited (Sri Lanka)</td>
<td></td>
</tr>
<tr>
<td>136</td>
<td>Al Salama Insurance Co (Sudan)</td>
<td></td>
</tr>
<tr>
<td>137</td>
<td>Al-Baraka (Sudan)</td>
<td></td>
</tr>
<tr>
<td>138</td>
<td>Blue Nile Insurance Co (Sudan)</td>
<td></td>
</tr>
<tr>
<td>139</td>
<td>El Nilein Insurance Co. (Sudan)</td>
<td></td>
</tr>
<tr>
<td>140</td>
<td>General Insurance Co. (Sudan)</td>
<td></td>
</tr>
<tr>
<td>141</td>
<td>Islamic Insurance Co. (Sudan)</td>
<td></td>
</tr>
<tr>
<td>142</td>
<td>JUBA Insurance Co. (Sudan)</td>
<td></td>
</tr>
<tr>
<td>143</td>
<td>Middle East Insurance Co. (Sudan)</td>
<td></td>
</tr>
<tr>
<td>144</td>
<td>National reinsurance Co. (Sudan)</td>
<td></td>
</tr>
<tr>
<td>145</td>
<td>Red Sea Insurance Company Limited (Sudan)</td>
<td></td>
</tr>
<tr>
<td>146</td>
<td>Savana Insurance Co. Ltd (Sudan)</td>
<td></td>
</tr>
<tr>
<td>147</td>
<td>Sheikhan Insurance &amp; Reinsurance (Sudan)</td>
<td></td>
</tr>
<tr>
<td>148</td>
<td>The New Sudan Insurance Company Limited (Sudan)</td>
<td></td>
</tr>
<tr>
<td>149</td>
<td>The United Insurance Co. (Sudan)</td>
<td></td>
</tr>
<tr>
<td>150</td>
<td>Watania Co-operative (Sudan)</td>
<td></td>
</tr>
<tr>
<td>151</td>
<td>Al Aqeela Takaful Co. (Syria)</td>
<td></td>
</tr>
<tr>
<td>152</td>
<td>Aman Syria for Takaful Insurance (Syria)</td>
<td></td>
</tr>
<tr>
<td>153</td>
<td>Noor Takaful Insurance Co. (Syria)</td>
<td></td>
</tr>
<tr>
<td>154</td>
<td>Syrian Qatar Takaful Co (Syria)</td>
<td></td>
</tr>
<tr>
<td>155</td>
<td>Finansa Life Assurance (Takaful)</td>
<td></td>
</tr>
<tr>
<td>156</td>
<td>Dhipaya Insurance Public Company Limited (Thailand)</td>
<td></td>
</tr>
<tr>
<td>157</td>
<td>Kamol Sukosol Insurance Company Ltd (Thailand)</td>
<td></td>
</tr>
<tr>
<td>158</td>
<td>Muang Thai Life Assurance Co Ltd (Thailand)</td>
<td></td>
</tr>
<tr>
<td>159</td>
<td>Takaful T &amp; T Friendly Society (Trinidad &amp; Tobago)</td>
<td></td>
</tr>
<tr>
<td>160</td>
<td>Blue Nile Insurance Co (Australia)</td>
<td></td>
</tr>
<tr>
<td>161</td>
<td>Est-insurance Co. (Australia)</td>
<td></td>
</tr>
<tr>
<td>162</td>
<td>Condor International Takaful Co. (Australia)</td>
<td></td>
</tr>
<tr>
<td>163</td>
<td>Brunei Islamic Insurance &amp; reinsurance Co.</td>
<td></td>
</tr>
<tr>
<td>164</td>
<td>Mithqal Takaful Co. (Australia)</td>
<td></td>
</tr>
<tr>
<td>165</td>
<td>Middiq Ehs Takafulance Co. (Australia)</td>
<td></td>
</tr>
<tr>
<td>166</td>
<td>Noof Takaful Co. (Australia)</td>
<td></td>
</tr>
<tr>
<td>167</td>
<td>Bahrein Insurance Company Limited (Australia)</td>
<td></td>
</tr>
<tr>
<td>168</td>
<td>Takafal Al-Ameena Co. Ltd (Australia)</td>
<td></td>
</tr>
<tr>
<td>169</td>
<td>Noor Takaful Co. (Australia)</td>
<td></td>
</tr>
<tr>
<td>170</td>
<td>Takaful Al Emarat (Australia)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>172</td>
<td></td>
<td></td>
</tr>
<tr>
<td>173</td>
<td>Yemen Islamic Insurance Company (Y.S.C) (Yemen) 1</td>
<td></td>
</tr>
</tbody>
</table>

Source: