

Financial institutions
Energy
Infrastructure, mining and commodities
Transport
Technology and innovation
Life sciences and healthcare



Takaful Market Survey 2016

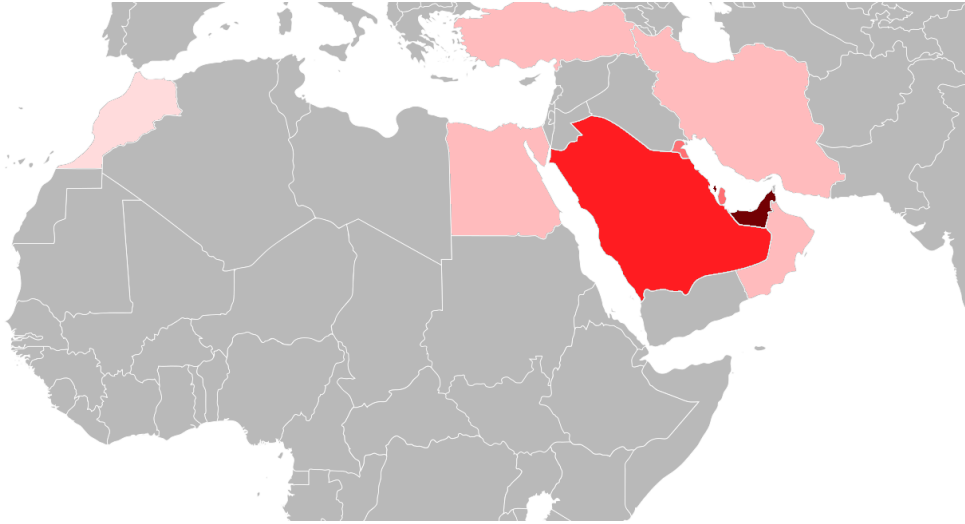
Susan Dingwall (Partner) and Martin Schneider (Associate)
Norton Rose Fulbright LLP
23 February 2016



Introduction

- First survey of the Takaful market by Norton Rose Fulbright
- Objective - to gain an insight into the perceptions of Takaful as an alternative to conventional insurance amongst corporates across the Muslim world
- Key finding:
 - The significant gulf between the use of Takaful and the use of Shariah compliant investments and Islamic finance
- Our results illustrated the following issues:
 - The absence of a broad and competitive Takaful product range
 - Inadequate marketing of Takaful products as a viable alternative

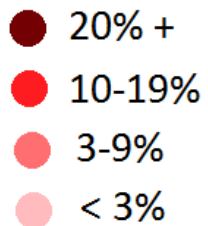
Geographic spread



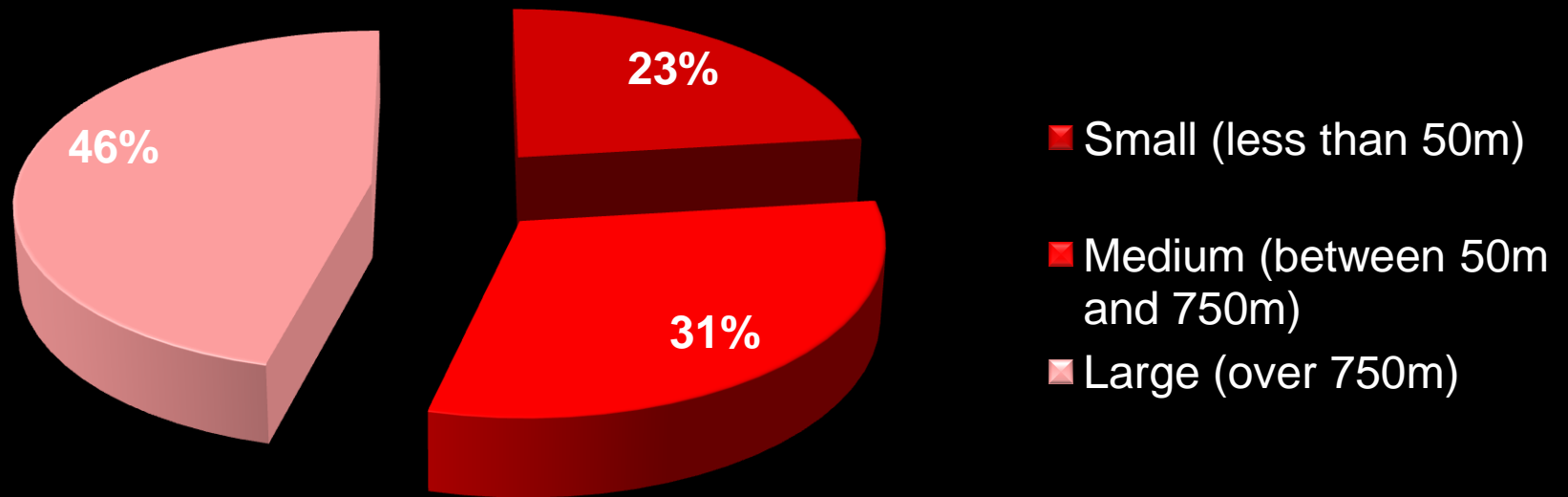
Middle East and North Africa



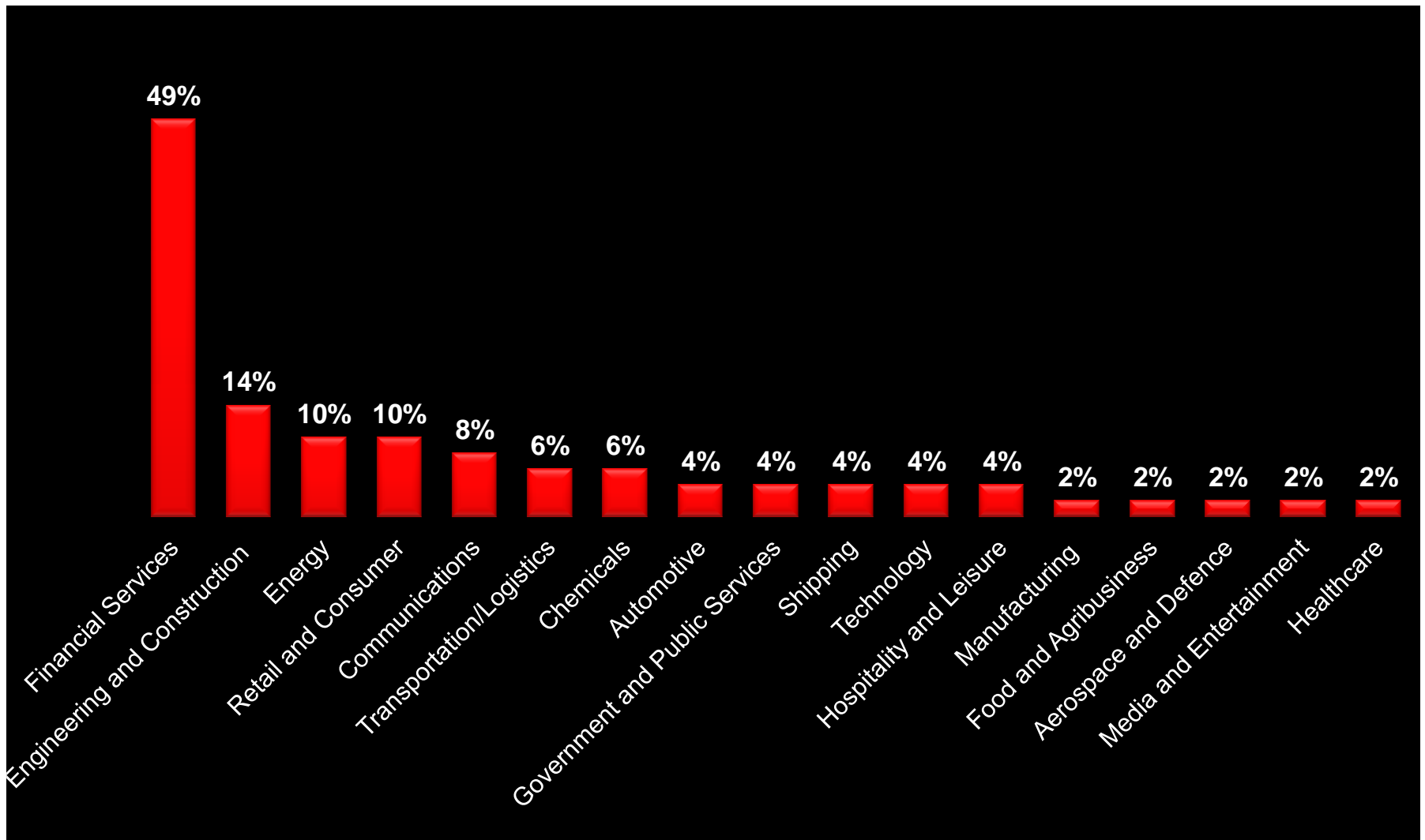
South East Asia



Company Size – Annual Turnover (USD)

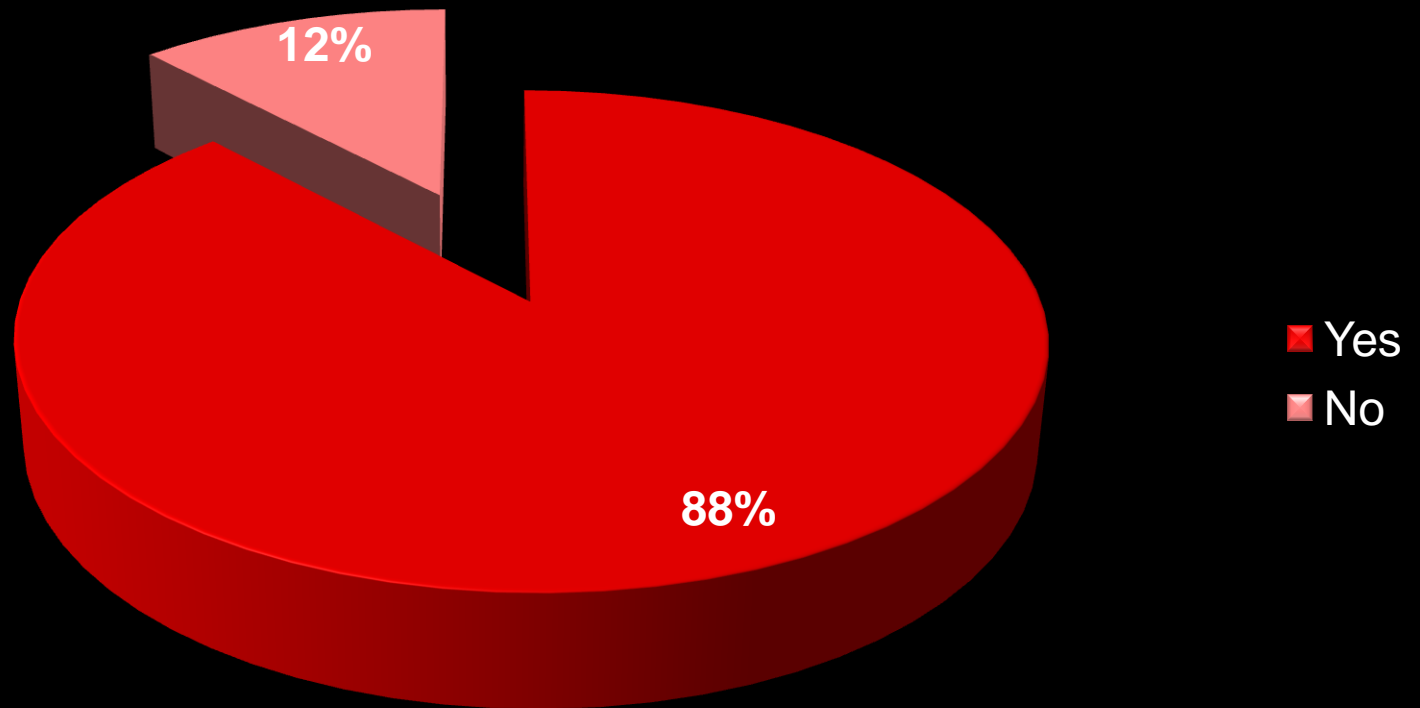


Industry Sector



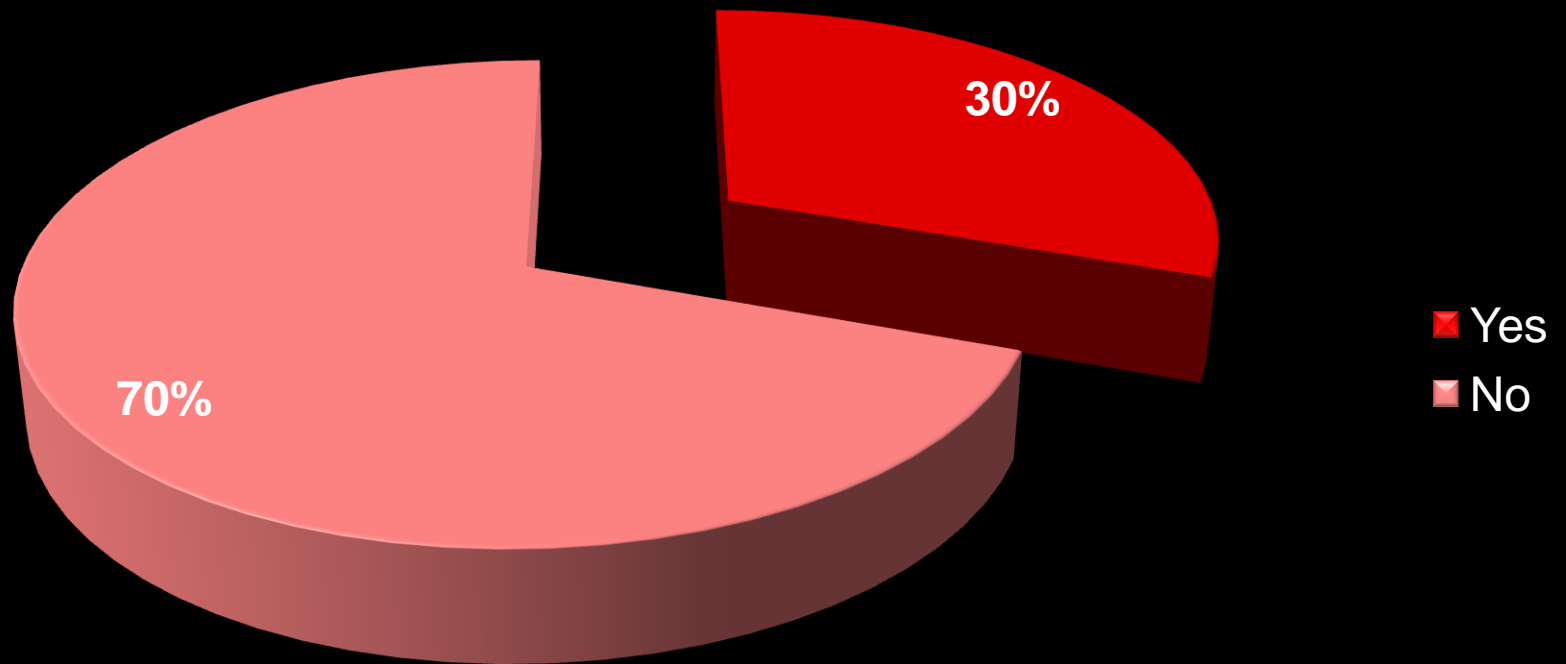
Survey Questions

Do you purchase insurance against business-related risks?

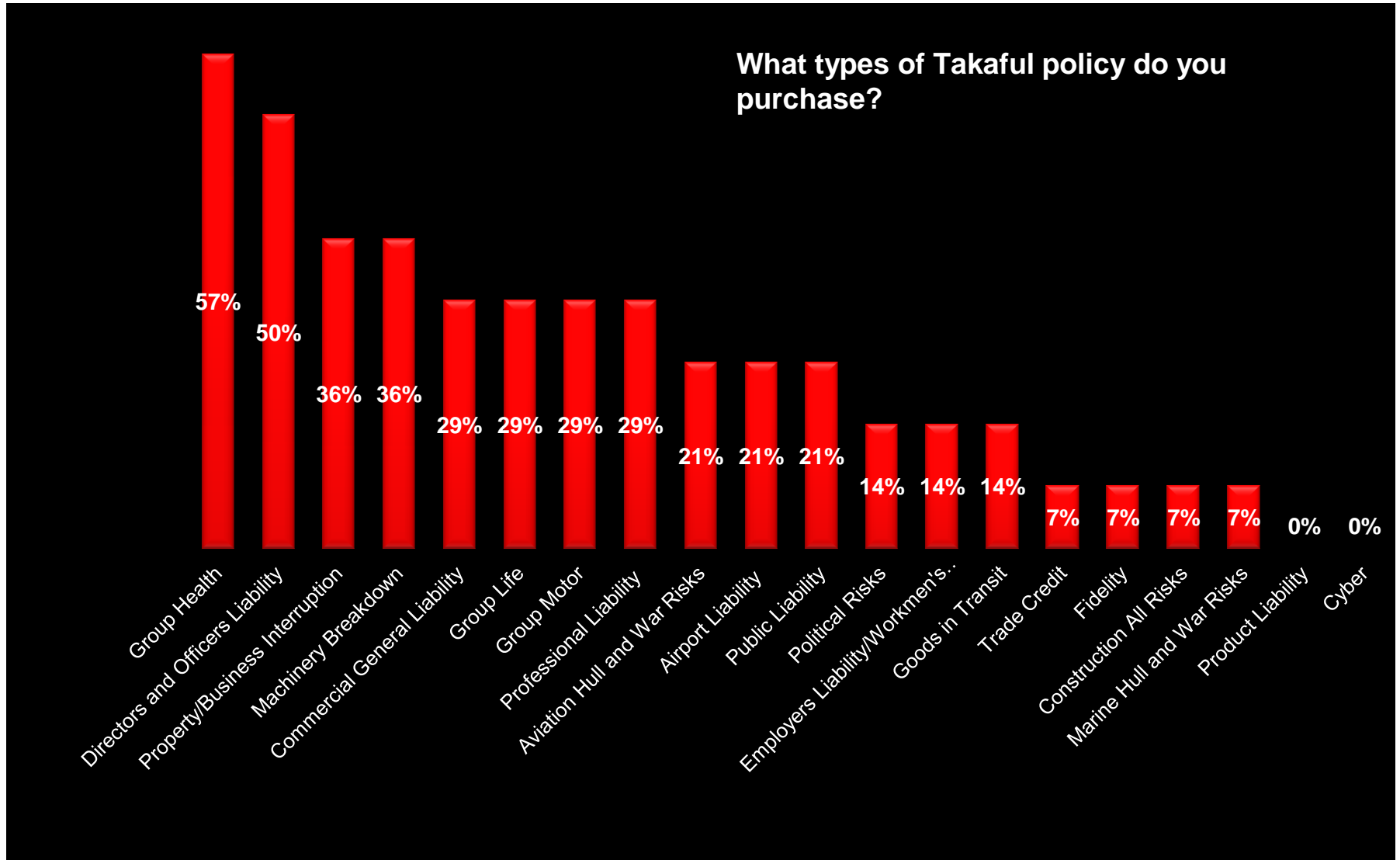


Survey Questions

Do you purchase Takaful to cover business-related risks?

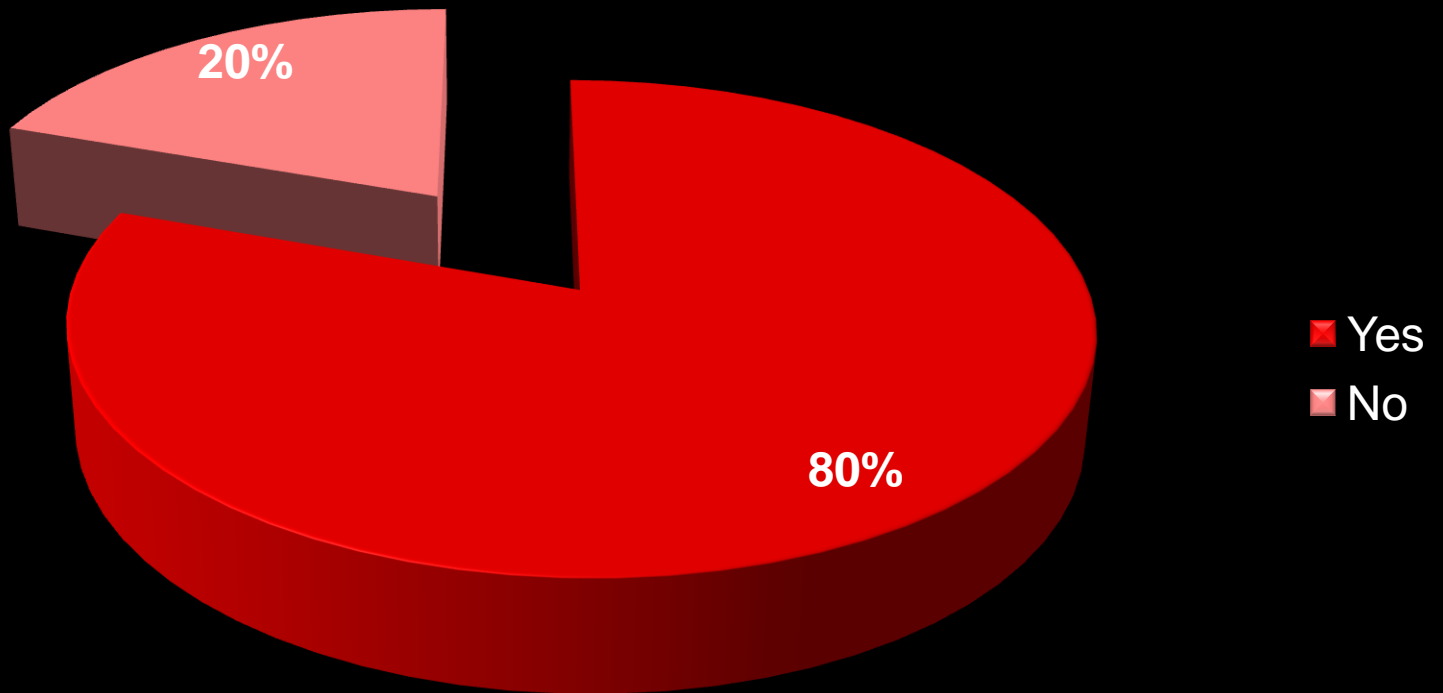


Survey Questions

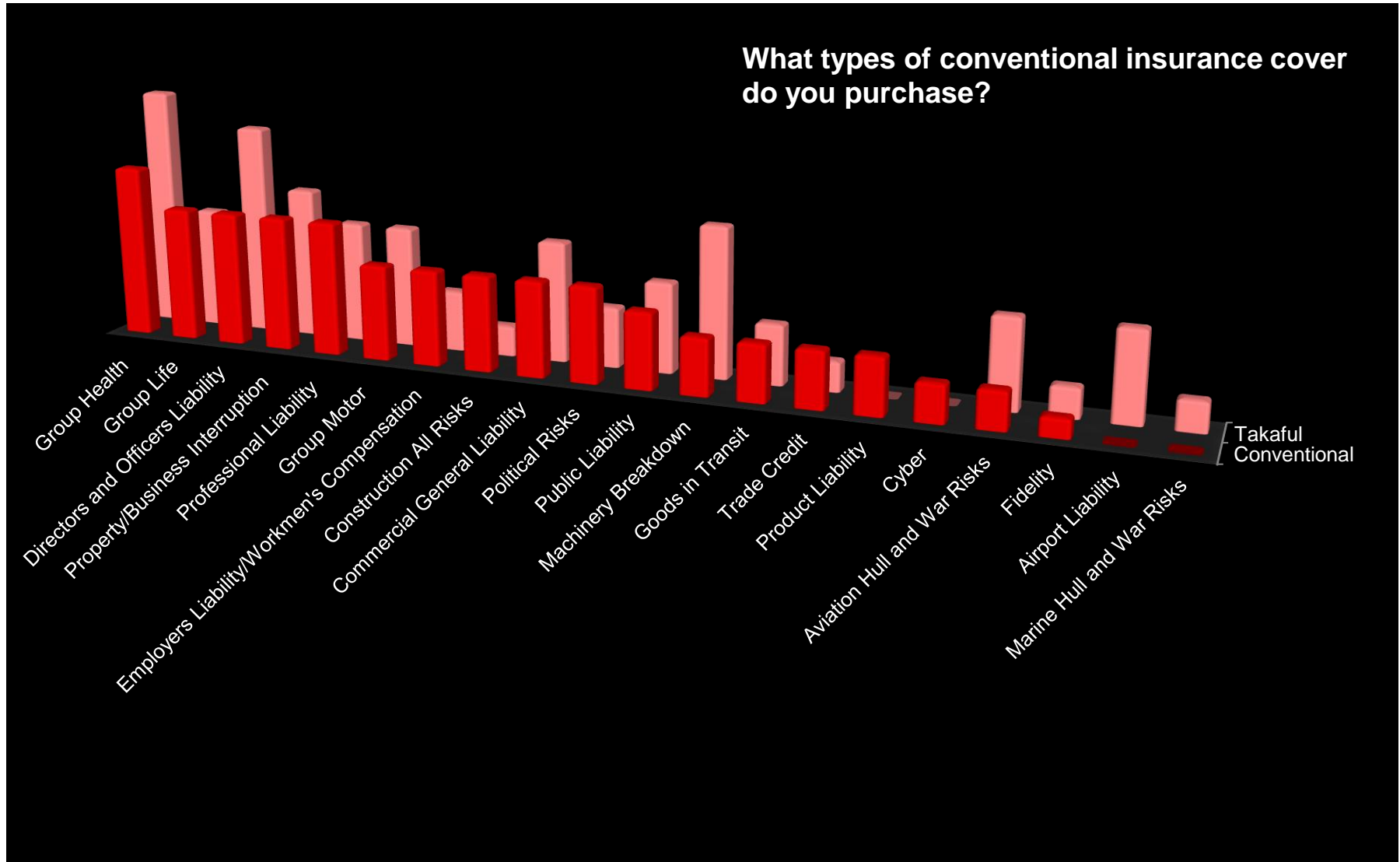


Survey Questions

Have you purchased conventional insurance instead of Takaful for some or all risks?

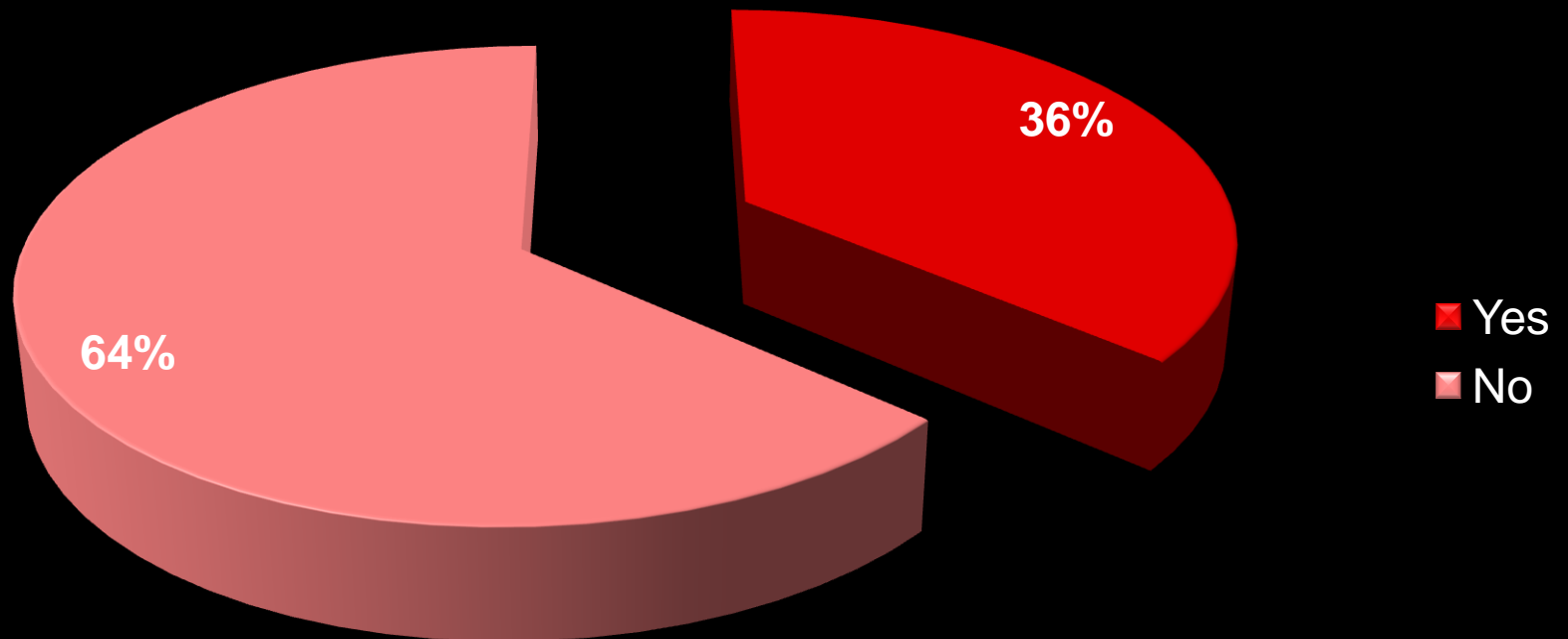


Survey Questions



Survey Questions

Would you prefer to use Takaful to cover all your risks?



Survey Questions

What are your reasons for not purchasing Takaful instead of conventional insurance?

Product

- **23%** of participants

No Takaful products exist for the risks in question

- **18%** of participants

The level of cover provided by Takaful products is not sufficient for these risks

Education

- **23%** of participants

Our broker has never suggested purchasing Takaful for these risks

- **14%** of participants

We are unsure of the benefits of using Takaful products rather than conventional insurance products

Survey Questions

What are your reasons for not purchasing Takaful instead of conventional insurance?

Competition

- **23%** of participants

The price of Takaful products is uncompetitive compared to conventional insurance products

- **9%** of participants

Conventional insurance providers offer a better claims service than Takaful providers

Financial Strength / Compliance

- **14%** of participants

The credit ratings of Takaful providers are inadequate

- **9%** of participants

Our Shariah Board does not require us to purchase Takaful in respect of the risks in question

Survey Questions

Utilisation of Islamic finance and Shariah compliant investments

Islamic Finance

96%

Shariah Compliant Investments

76%

The logo consists of a stylized, upward-pointing chevron or mountain shape in a gold color, positioned to the left of the text.

NORTON ROSE FULBRIGHT

Disclaimer

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

References to 'Norton Rose Fulbright', 'the law firm' and 'legal practice' are to one or more of the Norton Rose Fulbright members or to one of their respective affiliates (together 'Norton Rose Fulbright entity/entities'). No individual who is a member, partner, shareholder, director, employee or consultant of, in or to any Norton Rose Fulbright entity (whether or not such individual is described as a 'partner') accepts or assumes responsibility, or has any liability, to any person in respect of this communication. Any reference to a partner or director is to a member, employee or consultant with equivalent standing and qualifications of the relevant Norton Rose Fulbright entity.

The purpose of this communication is to provide general information of a legal nature. It does not contain a full analysis of the law nor does it constitute an opinion of any Norton Rose Fulbright entity on the points of law discussed. You must take specific legal advice on any particular matter which concerns you. If you require any advice or further information, please speak to your usual contact at Norton Rose Fulbright.