Al-duhaa, Vol.:5, Issue: 2, July- Sep 2024
PP:01-12

OPEN ACCESS
Al-Duhaa
﴾Journal of Islamic Studies﴿
ISSN (print): 2710-0812
ISSN (online): 2710-3617
www.alduhaa.com

Insurance in Islam: Principles, Possibilities and Challenges

Dr. Hafiz Muhammad Arshad Iqbal
Assistant Professor, Department of Quran & Tafseer, AIOU, Islamabad
Email: arshad.iqbal@aiou.edu.pk

Published: 25-08-2024
Accepted: 26-07-2024
Received: 25-06-2024

Abstract

Since the early ages, the nations of the world have developed many institutions related to risk sharing and social solidarity. The most advanced of these institutions is the current insurance system. The existence of social security institutions has been known in Islamic societies since the first day. In Islamic law, there are many practices that recall insurance in the theoretical and historical context. However, its relationship with Islamic principles is questionable due to the prohibition of interest (Ribā) and uncertainty (Ribā) in Islamic finance. This article examines the conceptual and practical dimensions of insurance within an Islamic framework and examines traditional and contemporary perspectives. It also discusses other models based on Islamic values such as mudharabah model, Wakalah model and the Wakalah Waqf model.

***Keywords**: Islam, Insurance, Sharī'ah, Challenges, Principles*

Introduction

Insurance is a way of managing risk by sharing risk and financial compensation.[1] The traditional insurance model in Islamic finance faces problems because it is based on interest and uncertainty, which are prohibited by Islam.[2] This article aims to analyze how the concept of insurance relates to the financial system of Islam and to evaluate the alternatives.

As a strategy for managing financial risk, insurance plays an important role in the modern business world by providing individuals and businesses with protection against block capital loss. However, from the perspective of Islamic finance principles, conventional insurance practice has serious problems as it is based on gambling, *Ribā* and uncertainty. Based on *Sharī'ah,* these principles express the prohibition of practices such as *Ribā* (interest), *Ribā* (excessive uncertainty) and *Ribā* (gambling) in order to ensure justice and morality in the financial sector.

Literature Review

The topic under discussion contains a lot of literature in which this particular topic has been discussed. Many books provide basic information on the topic such as "Islamic Insurance: A Modern Approach to Islamic Banking" by Aly Khorshid , "Insurance in an Islamic Economy" Muhammad Nejatullah Siddiqi and "Takaful, Islamic Insurance: Concepts and Regulatory Issues" written by Simon Archer. In the same way a lot of research work is also available on this topic such as Yuosef Abdullah Alhumoudi's doctorate thesis "Islamic Insurance Takaful and Its Applications in Saudi Arabia "from Brunel University. Although many researchers have been published yet there is more need of research on this topic due to its importance in the present times in the Muslim world. This research work will add valuable information and knowledge about Takaful principles, possibilities and challenges in an Islamic economy.

Objectives of the Study

The purpose of this paper is to examine how insurance is consistent with or different from the principles of Islamic finance model. Analyzing the basic concepts of insurance and its conflict with Islamic law, the study aims to understand how insurance can be reformed to fit the Islamic model or whether other models such as *Sharī'ah* may provide better solutions. This research includes a theoretical and practical assessment of these financial instruments and their impact on people and society in the Islamic context.

Scope and Structure

This article begins with an overview of the principles of Islamic finance and its impact on insurance. It then examines the conventional insurance model and its conflict with the Islamic model. The article then introduces *Sharī'ah* as an Islamic doctrine for insurance structure and presents its principles, practices and problems. The review concludes with a discussion of the future of insurance in Islamic finance and potential areas for development.

History of conventional insurance

Practices on risk sharing, which are the essence of insurance, date back to before Christ. It is accepted that these are based on Ancient Egypt and Babylon, hence the laws of Hammurabi. In these laws, it was even made a law that all the caravans should pay together by cooperating for the losses incurred by the trade caravans on the way. It is also known that Hindus make a loan agreement in the form of insurance. It can be said that insurance existed as an idea in pre-BC practices. However, it is possible to see the core of today's fixed premium payment insurance concept in Mediterranean maritime trade after Christ. "Sea loan" and "conditional sales establishments" found in Greek and Roman maritime trade are such practices. In today's sense, it is accepted that insurance emerged in Italy in the 14th century through maritime trade. Especially in the 18th century, it showed an important development in England. Since the 19th century, insurance has developed a system that includes all kinds of risks and many instruments, including reinsurance institutions. In the 20th century, it has become impossible to trade without insurance.[1]

The basic operation of conventional insurance is risk transfer and sharing. Participants pay premiums to an insurance company that agrees to cover certain risks and provide medical coverage in the event of damage. The company invests these costs in various financial instruments, usually including interest-bearing bonds, in order to generate returns that can be used to pay application fees and operating costs.[3]

Principles of Islamic Finance

Islamic finance is guided by the principles provided by the Quran and *Hadith* and aims to promote justice, transparency and morality. The main principles are as follows:

Islamic Principles and Insurance

Islamic finance operates in accordance with the ethical and legal principles of *Sharī'ah* law, which govern financial transactions and business practices. When considering the relationship between insurance structures and Islamic finance, it is important to understand how these principles interact with the insurance mechanism. The key terms to consider are *Ribā* (interest), *Ribā* (uncertainty), and *Ribā* (gambling).

***Ribā* (Interest)**

Ribā or interest is a major restriction in Islamic finance. It involves a guaranteed return on a loan or deposit and is considered an investment because it produces results without risk or effort. The premiums paid by policyholders are usually invested for profit. The returns from these investments are used to finance claims and generate profits for the insurance company.[4] This practice conflicts with the Islamic prohibition of usury, as it involves earning income from investments and is considered unfair and immoral.[5]Sharī'ah-based insurance products must avoid profitable investments and ensure that the products are returned ethically, without interest. This need requires the restructuring of investment strategies and financial transactions in the traditional insurance model in accordance with Islamic law.[6]

***Ribā* (Many Disputes)**

Ribā refers to uncertainty or confusion in contracts and transactions. In Islamic finance, contracts must be clear and precise to avoid conflicts and ensure fairness. For example, failure to specify the time and cost of the application in advance results in uncertain financial outcomes for both the insurer and the insured. This uncertainty is considered a problem in Islamic law as it can lead to corruption and exploitation.[7]The model should clearly define the content, conditions and expected outcomes. This includes removing confusing terms and bringing clarity to the accounting and application process.

***Ribā* (Gambling)**

Ribā refers to gambling or guesswork where the outcome depends on time rather than skill or effort. In Islamic finance, participation in *Ribā* is prohibited because it involves uncertainty and hope, which can lead to unjust gains and losses.[8]

In the Holy Quran, Allah Almighty has allowed mutual benefit cooperation between both parties "And co-operate ye one another in righteousness and piety."[9] But according to the teaching this commandment to practice mutual cooperation is not general. There is a limit to it, as Allah Almighty has further prohibited people from cooperating in any way that involves sinful elements. Allah Almighty says to this effect, "And do not co-operate in sin and rancor."[15]

Based on the above verse of the Holy Qur'an, we could reach the conclusion that the practice of an insurance business in general will only be in harmony with the Islamic concept of mutual cooperation if the underlying transaction is performed based on the principle of *Mudharabah.* It means that the insurance operation is permissible and carried out based on the noble and sincere intention of the involved parties to protect the insured from unexpected future financial risk with tangible consequences. Hence, in order for the insurance transaction to become valid and enforceable, it should be free from unlawful elements such as usury or fraud.[10]

The Prophet (PBUH) himself had accepted the concept of al-'Aqilah as practiced by the ancient Arab tribes.[11] This could well be justified from the numerous verdicts or *Sunnah* of the Prophet (PBUH). In one of the disputes, the Holy Prophet (saw) decided as follows:

> *"Narrated by Abu Hurairah (RA), he said that once two women from Huzail clashed when one of them hit the other with a stone which killed her and the baby in the victim's womb. The heirs of the victim brought an action to the court of the Holy Prophet (saw) who gave a verdict that the compensation for the foetus to be a male or female slave while the compensation for the killed woman is a blood money (Dyat) to be paid by the 'Aqilah' (the relatives of the father's side) of the killer."*[12]

Application to Conventional Insurance:

Conventional insurance can be perceived as a form of gambling because policyholders pay premiums with the hope of receiving compensation in case of a claim, while the insurer takes on the risk of uncertain future events. This speculative nature of insurance contracts raises concerns about compliance with Islamic principles.[13]

Implications for Compliance:

To ensure that insurance does not resemble gambling, it is essential to adopt models where risk-sharing, rather than speculation, is the underlying principle. This approach aligns with the Islamic concept of mutual assistance and cooperation.[14]

Principles of Justice and Equity

In addition to these specific restrictions, Islamic finance also emphasizes fairness, justice and ethics in all transactions. Insurance contracts should not exploit participants or create power and wealth conflicts. Or create gaps in the risk sharing process. This concern highlights the need for an insurance model that promotes fairness and justice based on Islamic values.[15]

Overview of Islamic Law in the Insurance

Traditional insurance is often associated with these principles due to its reliance on interest, uncertainty and predictability. In order to comply with *Sharī'ah* law, the insurance sector needs to be reformed to eliminate these conflicts and promote transparency, fairness and support.

Conventional insurance and its conflict with Islamic law

Conventional insurance and its conflict with Islamic law is pertinent to Islamic finance because of its reliance on interest, uncertainty, and speculation. This section examines these conflicts in detail, focusing on how religious practices deviate from Islamic principles.

Premiums and claims

In conventional insurance, insurers pay regular premiums for certain risks. In this case, the insurance company undertakes to pay the secretary in the event of a loss.[16]

Uncertainty in Premiums and Claims:

This uncertainty about payment creates uncertainty in the insurance contract, which is problematic in *Sharī'ah* law because of the prohibition of *Ribā* (excessive uncertainty). The parties involved do not know the exact amount and timing of the payment, which can lead to conflicts and unfair outcomes.[17]

Risk Transfer vs. Risk Sharing:

This risk transfer model is not compatible with the Islamic risk sharing model. Islamic finance encourages risk sharing, where all participants share, rather than transferring the risk to a single party.[18]

Investment Practices

Insurance companies often invest the premiums they receive in various financial instruments, including interest-bearing assets.

Interest-Bearing Investments: Conventional insurers typically invest in bonds, loans, and other financial products that generate interest.[19] This practice conflicts with the prohibition of *Ribā* (interest) in Islamic finance. Investments that accrue interest are considered exploitative and are not permissible under *Sharī'ah* law.[20]

Ethical Investment Requirements: To comply with Islamic principles, insurance companies would need to avoid interest-bearing investments and instead invest in Sharī'ah-compliant financial instruments. This would require a significant restructuring of investment strategies and portfolio management practices.[21]

Profit Motive and Justice

Insurance is always profit-oriented and the goal of insurance companies is to make more profits. Investments in companies usually do not directly benefit shareholders. This profit approach can lead to practices that are disadvantageous to business owners and may be seen as unfair, such as high fees or low guarantee.[22] Islamic finance emphasizes fairness and transparency in all transactions. Insurance contracts that increase equity income and do not provide equity to policyholders will not meet these requirements. The *Sharī'ah* model should ensure that benefits are obtained ethically and distributed fairly to participants.[23]

Contract Ambiguity and Disputes

The terms of a traditional insurance contract are sometimes unclear or complex.

Contractual Clarity:

This lack of transparency can undermine the Islamic emphasis on clear and fair contracts, leading to conflicts and potential sanctions.[24]

Resolution of Disputes: It is not always good to comply with Islamic settlement rules that emphasize compromise and decision-making. Ensuring that contracts are clear and fair and that there is a transparent settlement process is essential to complying with Islamic finance regulations.[25]

The development of Sharī'ah-based alternatives such as Sharī'ah aims to resolve these issues by providing fair and financial solutions that adhere to Islamic values.

Sharī'ah: The Islamic Alternative

Sharī'ah represents an Islamic alternative to environmental insurance and aims to comply with *Sharī'ah* principles by resolving conflicting issues in the insurance structure. This section provides an in-depth analysis of *Sharī'ah,* including its principles, functioning and challenges.[26]

Sharī'ah Principles

Sharī'ah is based on the concept of partnership and shared responsibility. Its main principles are:

Participation:

Participants in Sharī'ah insurance plans pool their resources to provide financial support in times of need. This principle of cooperation is in line with the Islamic values of unity and mutual support and differs from the exchange risk of conventional insurance.[27]

Risk Sharing: Instead, it involves risk sharing among participants. All participants contribute to a common fund that is used to pay unemployment benefits. This approach follows the principles of Islamic risk sharing and avoids issues related to Ribā (uncertainty) and Ribā (gambling).[28] Sharī'ah-compliant Investments: The income in the form is intended to be invested in Sharī'ah-compliant financial instruments.[29] This does not include profit and ensures that the resources are in line with Islamic cultural norms. The profits from these investments are distributed to the participants or used to develop the Sharī'ah fund.[30]

Operational Mechanisms of *Sharī'ah*

Sharī'ah works through specific contracts and structures:

Sharī'ah Contract: The structure of the *Sharī'ah* contract demonstrates the principles of cooperation and risk sharing. Participants agree to contribute to the pool and support each other in the event of loss. The contract specifies the payment terms, risk insurance and distribution of additional funds.[31] Participants' Contributions: This grant is not considered as payment for services but is a joint donation *(tabarru)* that helps meet the capital demanded. This approach eliminates uncertainty in the contract. [32]

Claims Management: The process of managing claims is intended to be transparent and fair, ensuring that payments are made in accordance with Islamic principles of justice and equity.[33]

Surplus Distribution: The money is distributed by the participants or saved for the future. This approach ensures that the benefits are shared equally and applied in accordance with *Sharī'ah* principles.[34]

Advantages of *Sharī'ah*

Sharī'ah has several advantages over conventional insurance:

Sharī'ah Compliant: Sharī'ah helps by avoiding *Ribā* (interest), *Ribā* (not so clear) and *Ribā* (gambling) based on Islamic law). This makes it a good idea for Muslims to seek financial protection based on their faith.[35]

Ethical Investment Practices: This leads to full financial equality.[36]

Community Support: The mutual assistance model fosters a sense of community and cooperation among participants, enhancing social solidarity and collective responsibility.[37]

Challenges and Limitations of Sharī'ah

Although *Sharī'ah* follows Islamic law, it still faces some challenges:

Legal and regulatory issues: Sharī'ah operates under different regulations in different countries. Lack of standards of practice can lead to conflicts and affect Sharī'ah performance.[38]

Partial and conventional insurance: Limited market penetration and public awareness may hinder its mass adoption.[39]

Market Penetration: Sharī'ah has seen growth, but it still represents a small segment of the global insurance market compared to conventional insurance. Limited market penetration and public awareness can hinder its widespread adoption.[40]

Operational Complexity: Implementing Sharī'ah requires careful design and management to ensure compliance with Islamic principles while remaining competitive. This complexity can pose challenges for both providers and participants.[41]

Sharī'ah insurance provides effective insurance and Sharī'ah-compliant alternative insurance by emphasizing cooperation, risk sharing and fair investment. It solves the fundamental problem of conventional insurance and Islamic principles, promotes fairness and transparency. However, issues related to regulation, market penetration and operational complexity need to be addressed to ensure the effectiveness and acceptance of Sharī'ah in international trade. A sound and ethical solution for financial risk management while adhering to Islamic finance principles.[42]

Challenges and Developments in Sharī'ah

Sharī'ah, while representing a Sharī'ah-compliant alternative to conventional insurance, faces several challenges that impact its growth and effectiveness. This section discusses these challenges and recent developments in the Sharī'ah industry.[43]

Monitoring System: The regulatory environment for Sharī'ah varies significantly across different countries, which can impact the industry's growth and standardization.

Lack of Uniform Standards: Sharī'ah operates under diverse regulatory frameworks depending on the jurisdiction. It will affect the development and design of the business. The lack of good international standards will lead to inconsistencies in implementation, which will create problems for companies operating in different countries and employers looking for the same products.[44]

Regulatory Challenges: Different regulations regarding *Sharī'ah* compliance, income and capital will hinder the operation of *Sharī'ah* service providers. Compliance with these different requirements can consume significant resources and affect the efficiency and effectiveness of Sharī'ah operations.[45]

Market Performance and Information

Despite growth, Sharī'ah still constitutes a small portion of the global insurance market.

Limited Market Share: Compared to other types of insurance, it is still a niche market for traditional insurance. Factors such as low public awareness and understanding of Sharī'ah concepts have made it a small business.[46]

Awareness and Education: Many people may not fully understand the benefits and operational differences of Sharī'ah compared to traditional insurance, which can affect its adoption and growth.[47]

Difficulty of Operation

Sharī'ah's business model presents unique challenges that can lead to competition.

Complexity in Product Design: Designing *Sharī'ah* products that comply with Sharī'ah principles while remaining competitive can be complex. The product can be a challenging business. This requires carefully designed contracts and investment strategies to meet Sharī'ah law and meet the needs of shareholders.[48]

Management of Sharī'ah Funds: Managing Sharī'ah funds in accordance with Sharī'ah principles involves ensuring that investments are ethical and compliant. This can be especially challenging to ensure that all investments are free of *Ribā* (interest) and in line with Islamic values.[49]

Innovation and Technology Integration

The integration of technology in the *Sharī'ah* business can foster innovation, but it also creates challenges.

Technological Advancements: Incorporating modern technology into Sharī'ah operations, such as digital platforms for policy management and claims processing, can enhance efficiency and customer experience. However, the adoption of this technology requires resources and expertise, which may be a barrier for some *Sharī'ah* service providers.[50]

Innovation in Product Offerings: Developing innovative Sharī'ah products that address emerging needs and preferences is crucial for staying competitive However; the need for Sharī'ah compliance adds an additional layer of complexity to product development and innovation.[51]

Industry Collaboration and Standardization

Encouraging collaboration and design across the business can help solve some of the problems faced by Sharī'ah. It can help develop consistent standards and best practices.[52]

Collaborative Efforts: Increased collaboration between Sharī'ah providers, regulatory bodies, and industry associations can help in developing consistent standards and best practices. This will help ensure transparency, efficiency and coordination in the Sharī'ah market.[53]

Standardization Initiatives: Efforts to standardize Sharī'ah practices and regulatory requirements across different regions can help in addressing regulatory challenges and improving market confidence. Standardization can also facilitate cross-border operations and enhance the growth potential of the Sharī'ah industry.[54]

Recent developments

Recent developments in the Sharī'ah sector include efforts to increase its attractiveness and efficiency.

Growth in Emerging Markets: Sharī'ah has seen growth in emerging markets, where there is increasing demand for Sharī'ah -compliant financial products. Expanding into new markets leads to growth but also requires understanding and compliance with local regulations and market conditions.[55]

Enhanced Regulatory Frameworks: Some countries are making strides in developing more robust regulatory frameworks for *Sharī'ah,* which can improve industry stability and credibility. Standardization can also facilitate cross-border operations and increase the growth of the Sharī'ah industry.[56]

Summary

In conclusion, insurance in Islam presents a unique intersection of modern financial practices and traditional Islamic principles. The key tenets of Islamic finance, such as risk-sharing (*Sharī'ah)*, mutual cooperation, and the prohibition of uncertainty (*Ribā)*, interest (*Ribā*), and gambling (*Ribā*), form the foundation for a Sharī'ah-compliant insurance system. In contrast to conventional insurance practices, Islamic insurance models are aligning with the ethical standards of Islam. However, the integration of Islamic principles into the insurance sector faces challenges, including a lack of awareness, limited regulatory frameworks, and the need for more standardized practices across different jurisdictions. Addressing these issues requires a concerted effort to improve standards, raise public awareness and encourage business participation. Despite these challenges, Sharī'ah continues to evolve and expand, with recent developments demonstrating the positive aspects of its acceptance and integration in the global insurance market. It can be developed as a practical and ethical insurance offering that delivers on the promise of financial protection based on Sharī'ah law.

Recommendations

1. It is the need of the time to increase awareness of the Islamic insurance model, particularly through educational programs and workshops.

2. In this regard, consumers and financial professionals must be the paid special attention. This would help bridge the gap between Islamic principles and the practical implementation of insurance products.

3. Government and regulatory bodies should work toward establishing clearer and more consistent frameworks for Islamic insurance. This would facilitate the development of a more transparent, standardized, and efficient system that could boost consumer confidence and industry growth.

4. Islamic insurance companies should address operational challenges according to the Islamic law to enhance the stability and sustainability of the Islamic insurance sector.

References

1 K.M. Murtuza Ali, Insurance in Islam: Some Aspects of Islamic Insurance (Dhaka, Islamic Economics Research Bureau, 1991), 45.

2 Ernest Klingmuller, "The Concept and Development of Insurance in Islamic Countries", Islamic Culture 43, (1969):30.

3 A.A, Salus, Current Financial Transactions in View of Islamic Figh (Cairo: Daral-Fikr, 1985),25.

4 Abdul Karim Fathy Hmed, Al Nizamm al Iqtasädi fr al-Islam, (Cairo:Dar al-Fikr al-Arabi, 1977),45.

5 M. Taqi Usmani, An Introduction to Islamic Finance (Karachi: Idaratul Ma'ariful, 2002).

6 T.W Taylor, & J.W.Evans, Islamic Banking and the Prohibition of Usury in Western Economic Thought, National Westminster Bank Quarterly Review,(1987):19.

7 M. A. Khan, "Islamic Insurance: A Study of the Theory and Practice." Journal of Islamic Economics, Banking and Finance 3, no. 1 (2007): 61-82.

8 Abdel Nasser Tawfiq, Hakm a-Ta'min fi al-Shari'a aI Islamiyya, (Cairo: Dar al-Fikr, 1983),68.

9 Al-Qur'an, 5:3.

10 M. Ma'SumBillah, "Life Insurance? An Islamic View", Arab Law Quarterly 8, no.4, (1993):317.

11 Ahmad Ibn Hajar, Fathul-Bari,(Lahore:Nashrul Kutub Al-Islamiah, 1981),12:246.

12 Muhammad bin Ismaeel,Sahih al-Bukhari, 9:45.

13 Khan, "Islamic Insurance,61-82.

14 Aly Abdul Rahim Khorshid, "Islamic Insurance A modern approach with particular reference to Western and Islamic Banking", (PhD thesis, The University of Leeds, 2001), 36.

15 Muhammad Nejatulah Siddiqi, Insurance in Islamic Economy, (UK: The Islamic foundation, 1985), xvi.

16 Muhammad Nejatulah Siddiqi , Partnership and Profit Sharing in Islamic Law, (UK: The Islamic foundation, 1985), 112.

17 Khan, "Islamic Insurance, 61-82.

18 El-Gamal, M. A. Islamic Finance: Law, Economics, and Practice (Cambridge: Cambridge University Press, 2006), 75.

19 Abduh Al-Said Abdul Mutalib, Al Tamin Al-Islami(Cairo: Dar Al-Kitäb Aljämi, 1988),96.

20 Usmani, An Introduction to Islamic Finance,86.

21 Muhammad Nejatulah Siddiqi, Muslim Economic Thinking: A survey of contemporary literature,(Saudi Arabia: King Abdul Aziz University Publication, 1981),75.

22 M. Umar Chapra, The Future of Economics: An Islamic Perspective (Leicester: Islamic Foundation, 2008),88.

23 Khan, "Islamic Insurance,61-82.

24 M. Obaidullah, "Islamic Financial Instruments: The Case of Takaful." Islamic Economic Studies 12, no. 1 (2005): 45-68.

25 Waqar Masood, Towards an Islamic Economic System,(Beirut: Dar al-Fikr, 1989),25.

26 Ahmed Abdel Fatah,The Islamic Business Enterprise (London: Croom Helm, 1987), 45.

27 M. S. Karim "Takaful: The Islamic Insurance." International

Journal of Islamic Financial Services 7, no. 2 (2006): 25-34.

28 M. Obaidullah, "Islamic Financial Instruments: The Case of Takaful." Islamic Economic Studies 12, no. 1 (2005): 45-68.

29 Rodney Wilson, Islamic Business, Theory and Practice, 1985, (UK:Economist Publication.1985),221.

30 H. Ahmed, Islamic Banking and Finance: Theory and Practice (London: Rout ledge, 2009).

31 M. Ali and H. Ahmed. "Regulatory Framework for Takaful: Challenges and Prospects." Islamic Economic Studies 15, no. 2 (2008): 47-72.

32 Chapra ,The Future of Economics, 45.

33Karim "Takaful: The Islamic Insurance, 25-34.

34. Karim "Takaful: The Islamic Insurance, 25-34.

35 Usmani, An Introduction to Islamic Finance,86.

36 Gamal , Islamic Finance, 80.

37 M. Obaidullah, "Islamic Financial Instruments: The Case of Takaful." Islamic Economic Studies 12, no. 1 (2005): 45-68.

38 Ali and Ahmed,"Regulatory Framework for Takaful." 47-72.

39 Chapra ,The Future of Economics, 56.

40 Chapra,The Future of Economics, 56.

41 Ahmed, Islamic Banking and Finance,94.

42 Thanyan Soliman Abraham, "al-Tä min wa ahkämal-Shari'ah al-Islamiah"(Ph.D. Thesis,Mohammed Bin Said University,
Riyadh, 1997),64.

43 The economics of the Middle East (London:FT Financial Publications,1979),24.

44Ali and Ahmed,"Regulatory Framework for Takaful." 47-72.

45 Chapra ,The Future of Economics, 60.

46 Chapra, The Future of Economics, 60.

47 Karim "Takaful: The Islamic Insurance, 25-34.

48 M.Iqbal and A. Mirakhor. An Introduction to Islamic Finance: Theory and Practice. (Hoboken: Wiley, 2011).

49 Ahmed, Islamic Banking and Finance,104.

50 Ali and Ahmed, "Regulatory Framework for Takaful." 47-72.

51 Chapra, The Future of Economics, 61.

52 A.A, Salus, Current Financial Transactions in View of Islamic Figh (Cairo: Daral-Fikr, 1985), 25.

53 M. Obaidullah, "Islamic Financial Instruments: The Case of Takaful." Islamic Economic Studies 12, no. 1 (2005): 45-68.

54 Ali and Ahmed, "Regulatory Framework for Takaful." 47-72.

55 Chapra,The Future of Economics, 64.

56 Ali and Ahmed,"Regulatory Framework for Takaful."47-72.