



Bancatakaful

Certification

Study and Reference Guide Outline

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Institute Of Financial Markets Of Pakistan

COURSE SUMMARY

Element 1: Introduction to Bancatakaful Sector

- Financial Industry Participants
- Understand concept of takaful
- Distribution channels used for financial and takaful services
- Role of bancatakaful agents and their respective responsibilities

Element 2: Sharia Elements, Takaful Models, Types and Structures

- Definitions & Concept of Mudarib, Waqf and Wakalah, which are used in Takaful System.
- Involvement of Riba, Gharar, Maiseer & Qamar in Conventional Insurance Business.
 - Gharar
 - Maisir
 - Riba
 - Ghabn
 - Jahalah
 - Musahama
- Comparison of Takaful vs. Conventional Insurance
- Structure, operation and performance of Takaful.
- Mutual benefits
- Contributions
- Seed money and Qard-e-Hasana
- Management fee: Wakala and Mudarib's share
- Benefits: losses and claims
- Treatment of the deficit
- Clear segregation between Participant and Owner
- Pricing
- Family Takaful
- Re-Takaful
- Process flow
- Different Models of Takaful: Wakalah Waqf Model, Mudaraba Model, Wakala Model, and Surplus Distribution mechanism in all models
- Issues in Takaful Models

Element 3: Family Takaful Products and Risk Management

- Type and Products of Takaful Business
- Family Takaful
- Benefits of Family Takaful
- Other Takaful concepts in Takaful Industry
 - Re-Takaful
 - Micro Takaful
 - Claims Management
- Risk Management according to Islamic Perspective
- Instituting Core Components of Financial System
- Unit-Linking System for Investments
- Composition of Waqf Fund
- The prices calculation of the units
- Unit allocation
- Bid/offer price
- Cash Value
- Participants Investment Account
- Deduction of Management Fee from Waqf Funds
- Purchase of units
- Surplus Distribution
- Family Takaful products Worldwide, and Lessons learned from experiences
- Overview of Growth in Family Takaful Sector and Future Challenges

Element 4: General Takaful Products and Risk Management

- Type and Products of Takaful Business
- General Takaful
- Principles of General Takaful
- Classes of General Takaful
- Fire and Property Takaful
- Marine Takaful
- Motor Takaful
- Cash (ATM) Takaful
- Travel Takaful
- Home and Valuables Takaful
- Health Takaful

- Other Takaful concepts in Takaful Industry
- Re-Takaful
- Micro Takaful
- Claims Management
- Risk Management according to Islamic Perspective
- Instituting Core Components of Financial System
- General Takaful products Worldwide, and Lessons learned from experiences
- Overview of Growth in General Takaful Sector and Future Challenges

Element 5: Identification of Clients' Insurance Needs

- Typical content of a fact find and how to use one
- Appropriate recommendations based on the information collected
- Seven typical life-stages of a client and the requirements and constraints at each of the life stages
- Factors that can affect the life stages for individuals
- Four primary steps in identifying a client's real financial needs
- Financial planning criteria to the information collected about a client in order to identify, quantify and prioritize a client's real financial needs
- Features of different types of product to the client's needs
- Role of the bancatakaful agent in recommending suitable products

Element 6: Ethics and Regulatory Framework

- Implications of accepting the recommendations, including any inherent risks
- Steps the adviser must take when the client rejects the adviser's recommendations
- How to advise a client to switch between the financial products of different providers, unless the switch is clearly in the best interests of the client
- Importance of recommending the long term nature of a product to a client to avoid short term cancellations of policies
- Key features of handling customer complaints effectively and the need for an effective complaints/redressal procedure
- Ethical code for financial advisers
- Outcomes that may result from behaving ethically and not behaving ethically
- Takaful Rules 2012
- Directive for Life Insurance and Family Takaful Illustrations 2016