

The application of family Takaful in Sri Lanka with special reference to Kalmunai Region

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ABSTRACT

Islamic Finance has gained huge attention in the recent decade not only in the Middle East region, but also in the south East Asian. Two subjects within Islamic finance, namely Islamic banking and Islamic capital market have been discussed very extensively by many researchers. However, another subject which received less consideration is the Islamic insurance. Takaful is fastest growing not only in Sri Lanka but also in all over the world.

Sri Lanka is one of the non-Islamic countries to have legislated for Islamic banking activities. The Takaful concept is steadily gaining acceptance in Sri Lanka, where there are now 13 licensed insurance companies. Takaful was introduced in 2002 with the entry of Amana Takaful, which recently created history in Sri Lanka and the Islamic Financial services industry worldwide when it was ranked 203rd in the world's first comprehensive "Top 500 Islamic Financial Institutions" published by the Banker, the global finance magazine of the Financial Times Group. The Amana Takaful has implemented General Takaful, family Takaful.

This research is about family Takaful and its procedure on which there are some misconception on its Shariah compliance. Accordingly the research targets to point out the model used in family Takaful process, and its Shariah compliance and common misconceptions of people towards it and appropriate answers for them. The researcher has used two methods of the research one is primary. It includes the structure interview and questionnaire. In the secondary data, the researcher has used library references, books, magazines, websites and Amana Takaful annual reports. According to the data analyzed the respondents have positive view on the Shariah compliance and negative point on the misconceptions about family Takaul among the public.

Keywords: Family Takaful, Amana Takaful, Application