AN ANALYTICAL DISCUSSION ON TAKAFUL INDUSTRY: A CASE STUDY OF FAREAST ISLAMI LIFE INSURANCE CO. LTD (BANGLADESH) AMANA TAKAFUL PLC (SRI LANKA)

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Abstract: Takaful system is based on the principle of cooperation or mutual assistance, and is Tabarru (Voluntary), meaning that the attendant risks are spread collectively across the group of volunteers. Takaful, as a form of insurance, is entering a fast-growing global market, promoted by the growth of the Asian economies and economic prosperity in the Southeast Asia. In the last few decades, Takaful has become very popular in Bangladesh as well as other Muslim countries. Recently practice of Takaful is becoming popular in some non-Muslim countries like Sri Lanka where Muslims are the minority. The main focal point of this paper is to find out the similarities and differences of family Takaful products between Fareast Islami Life Insurance Co. Ltd which established in Bangladesh in 2000 (Fareast web) and Amana Takaful P LC which established in Sri Lanka in 1999(ATL web). This is a descriptive analysis based on qualitative method with the use of primary and secondary data sources. Primary data were collected by direct interviews and discussion with executives of both Takaful company personnel's and secondary data were collected from Al-Quran, Sunnah, scholarly articles, books and journals. The discussion shows that Family Takaful is catching the attention of analysts as a growing force, increasing life insurance penetration rates both in nascent and mature Takaful markets. The finding of the study reveals the Fareast Life Insurance Co. Ltd offers a large number family Takaful products in Bangladesh considering its huge Muslim population. On the other hand, Amana Takaful PLC offers a small number of products considering its tiny population.

Keywords: Takaful, Industry, Fareast Islami Life Insurance, Bangladesh, Amana