





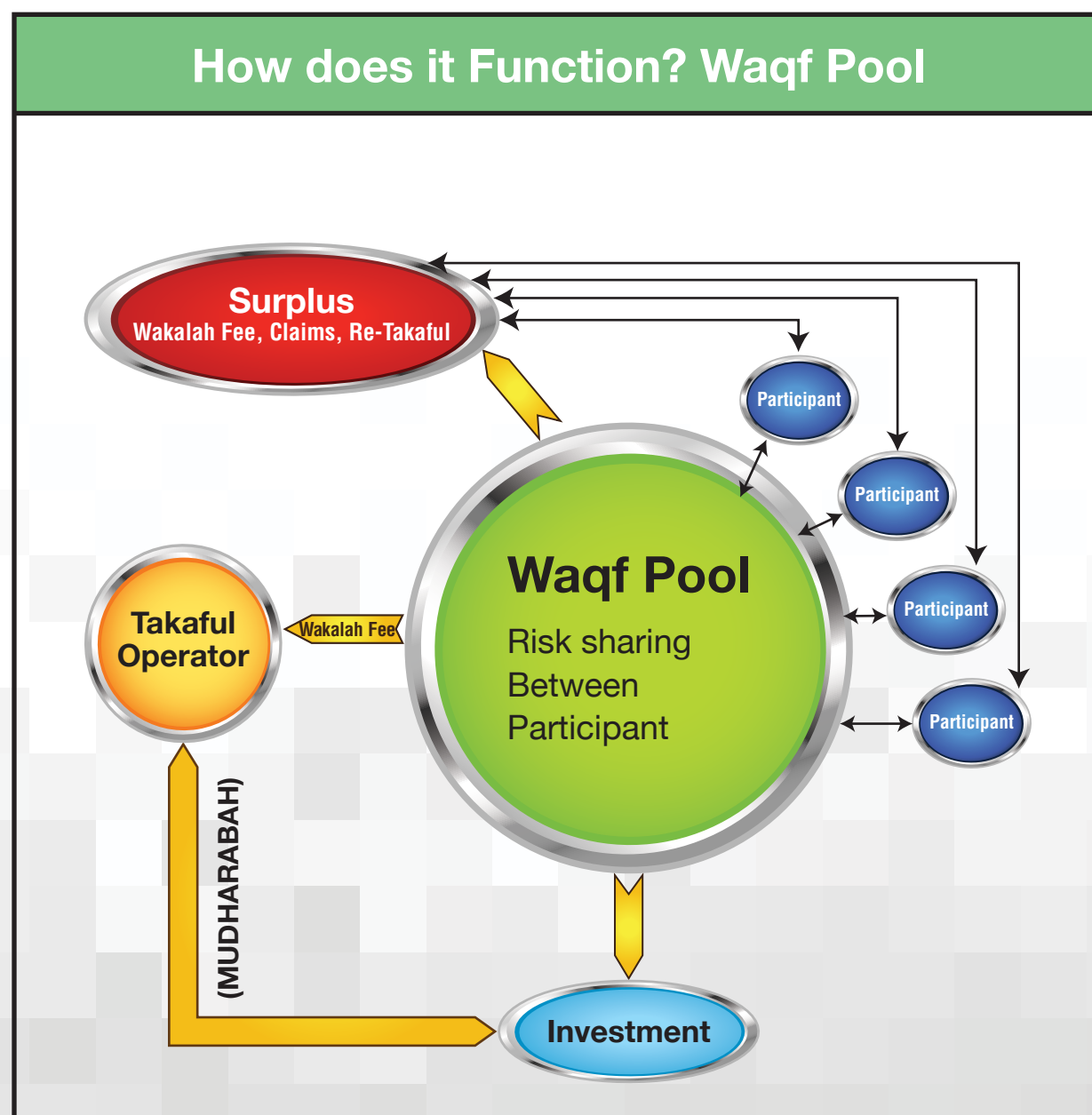




► **General Takaful**

In General Takaful, the Waqf's memberships are assigned to those who need to mitigate risks to their assets like airplanes, motors, and houses etc. In an event of any defined loss to the asset, the Waqf Pool compensates. The company sets up the Waqf Pool, manages it, invests the fund available in the pool in Shari'ah-compliant businesses, and charges a fixed Wakala fee in return. Furthermore, the Waqf Pool is also the Rabul-ul-Maal (sleeping partner) and the company acts as the Mudarib (working partner) and any profits made from the investments are shared between the two on pre-defined percentages.

► Following is the Business Model for General Takaful:



**The Difference Between Takaful and Conventional Insurance**

SECTION	TAKAFUL	CONVENTIONAL INSURANCE
<b>Nature of Contract</b>	Takaful is a Tabarru' based contract	Whereas, Conventional Insurance is a contract of Compensation (Aqd Mua'wza)
<b>Strategy</b>	Sharing of Risk	Transferring of Risk
<b>Contribution/ Premium</b>	The Contribution paid to the Waqf belongs to the Waqf; the Operator is not the owner of this amount.	Whereas, the premiums paid by the insured belongs to the insurance company
<b>Investment</b>	Shariah compliant investment	Equity/debt-no restrictions
<b>Underwriting Profits</b>	No provision for underwriting profit	Insurance companies will make profit if the claims are lesser than the premium
<b>Re-Takaful</b> Commissions/ Claims/Surplus	Belongs to the Waqf; the Operator is not the owner of this amount	Belongs to the insurance company
<b>Underwriting Policy</b>	Underwriting techniques + Shariah framework of Halal and Haram	Only Underwriting techniques
<b>Claims</b>	Payable from Participant's Takaful Fund (Waqf Fund)	Payable from overall fund of the company
<b>Surplus</b>	Could be given to the Participants	Belongs to Company Shareholders
<b>Deficit</b>	Qardh-al-Hasan is given to the Participants Takaful Fund	Financed from shareholders fund i.e. company
<b>Salvage/ Recoveries</b>	Belongs to Waqf Fund	Belongs to the Insurance Company
<b>Shariah Supervision</b>	A Shari'ah Board/Advisor is an integral part of any Takaful setup which supervises the investment activities of the company.	Whereas, in conventional insurance, no such kind of supervision takes place, nor is there any law concerning it

### ► About TPL Life Insurance Ltd.

TPL Life Insurance Limited is one of the group Companies of TPL Corps (Formerly known as TPL Holdings) which has diversified investments in various industries. The company was formerly known as Trakker (Pvt.) Ltd. which transformed into the current holding company by transferring all of its assets & liabilities to previously known TPL Holdings (Pvt.) Ltd back in 2009.

TPL Life provides innovative life and health insurance products, based on international standards and tailored to cater to the divergent needs of Pakistanis. Our mandate is to operate efficient health insurance systems and to deliver quality & affordable medical care for all. Our core strength lies in our innovative and one of its kind Life & Health insurance solutions and our indispensable team of seasoned professionals - who are dedicated to innovate Pakistan's Life and Health insurance industry.

TPL Life Insurance Ltd. exploits its opportunities and within a very short time, TPL Life received the approval for Window Takaful Operations from Security and Exchange Commission of Pakistan (SECP). Initially, the TPL Life has launched Group Health and Group Family Takaful products for its corporate clients. Apart from the corporate products, TPL Life has various product offerings for the retail customers with variable sum assureds including accidental insurances, term-life insurance, individual health insurance etc.

### ► TPL Offices

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## ► Takaful Glossary

1. **Aqd-e-Tabarru:**  
Those contract in which a person is made the owner of something without any consideration.
2. **Aqd-e-Muawaza:**  
Those contract in which a person is made the owner of the corpus or the usufruct against some consideration.
3. **Benefits:**  
Takaful benefits on death of any participant or maturity of his membership.
4. **Contribution:**  
The amount payable by a participant to an operator under a Takaful membership.
5. **Gharar:**  
Uncertainty, hazard, chance or risk.
6. **Kafala:**  
To guarantee, to take care of one another's needs.
7. **Mamlook-e-Waqf:**  
The assests of Waqf (a legal person).
8. **Mudaraba:**  
Is a kind of business arrangement in which one party provides the investment while the other offers his labor; profits are mutually shared on predetermined ratios.
9. **Mudarib:**  
A working partner.
10. **Muwakkil:**  
Who appoints a wakeel /representative.
11. **Participant:**  
Person(s)/organisation(s) who deposit by the way of Tabarru in the Waqf fund.
12. **Participant's Investment Fund (PIF):**  
The investment pool of participants.
13. **Participant's Takaful Fund (PTF):**  
Also known as Waqf Fund, which provides financial support at the occurrence of pre-defined losses.
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14. **Participant's Membership Documents (PMD):**  
Means the documents detailing the benefits and obligations of the participant.
15. **Qimaar:**  
Also known as Maysir (Gambling); those commutative agreements in which there is a definite loss for one party and a gain for the other.
16. **Qard al-Hasna:**  
Interest free loan.
17. **Riba:**  
In literal terms, Riba means "excesses". In the Holy Quran, Riba is purported as any excess or increase against which there is no consideration.
18. **Riba\_Alfadal:**  
The increase in homogeneous exchange transaction.
19. **Riba\_Alqardh:**  
A loan with predefined interest.
20. **ReTakaful:**  
Shariah-compliant ReTakaful company which provides cover to Takaful pool on the basis of Mudaraba and Wakalah .
21. **Surplus:**  
Remaining profit of Waqf pool after deduction expenses.
22. **Sum covered:**  
The amount which is given to the beneficiary on participant's death.
23. **Shariah Advisory Board(SAB):**  
The council of Muftyan e Karam which guides Takaful companies as per Islamic laws.
24. **Shariah Guideline:**  
Regulation approved by the Shariah Advisory Board.
25. **Takaful Operator:**  
An organization/company that acts as an operator/manager of Takaful fund.
26. **Tawakkul:**  
After doing own efforts, putting trust and dependence on ALLAH (SWT).
27. **Wakalah fee:**  
Waqf pool's operating fee.
28. **Wakala-tul-Istismar:**  
The fee of investment management.