

## A new Takaful family contract for the French market



**TAKAFUL**

By Ezzedine Ghlamallah

After Swiss Life and Vitis Life, it is the turn of the German group FWU to propose a life insurance policy that meets the principles of Shariah. FWU is an international leading supplier in the field of Family Takaful solutions in the Middle East, Pakistan and Southeast Asia.

Regular savings is the most certain way to accumulate capital, and the tax framework for life insurance is ideal for this purpose. But in the case of a life accident, these savings can be insufficient. However, there are innovative solutions for protection.

“ **Ethra'a Family Takaful combines a provident module (death warranty) and a module with Takaful investment** ”

This is the reason why Ethra'a Family Takaful was launched at the beginning of the year, in partnership with Atlantidux, a Luxembourg subsidiary of FWU. This contract is the third Shariah compliant life insurance in France where the Takaful and life insurance market is expanding gradually. Ten months were taken to implement this contract to be compatible with the French Insurance Code and the principles of Islamic finance. Ethra'a Family Takaful is a life insurance with regular contributions designed as a pooling of risks and opportunities, and respecting the ethical and responsible values of Takaful.

Ethra'a Family Takaful combines a provident module (death warranty) and a module with Takaful investment. This contract aims for a large target: it is

particularly accessible starting at EUR50 (US\$54.74) per month. If the participant dies during capital formation for the first 15 years, the participants contribute to foresight saving. The foresight saving is based on the amount of savings and the age of the participant. Moreover, according to the principles of Takaful, the participants will share the surplus on a Wakalah basis. The entry fee is 1% and the annual management fee is 0.28%. The contract includes three units of account that have been validated by a Fatwa on the 13<sup>th</sup> November 2014. Distributed by brokers, the network is expanding every day to be close to the

participants. Ethra'a Family Takaful is available both to specialist brokers and general brokers.

The benefit of a third player in Islamic life insurance in France is two-pronged: allows sticking to the needs of all customers and helps bring out the market. ☺

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- \* Prospects for Green and SRI Sukuk and Bonds in Asia
- The Asia Roundtable: Promoting Sustainable Growth
- Corporate Funding Strategies in the Current Economic Environment
- Sukuk Transaction Roundtables

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- Key Growth Markets for Islamic Investments in 2015
- Trends in Islamic Asset Management and Asset Allocation Strategies
- Sector Focus: Real Estate Investments in Asia
- Trends and Emerging Opportunities in Islamic Pension Funds
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- Islamic Wealth Management and Private Banking in Asia
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- Sector Investment Opportunities and Asset Classes on the Rise

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