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FEATURES OF ISLAMIC INSURANCE TAKAFUL

Abstract: The article summarizes the features of the Takaful-insurance through the characteristics of the prohibited elements of classical insurance. There are marked the basic stages of the birth of the Takaful insurance in the world. The author proposes classification of Takaful-insurance on such grounds as a way of providing services, specialization of services, consumers of services organizational model. Summarizes the specific characteristics of the main models of Takaful insurance, depending on the participation in the profits of the shareholders of the Takaful operator. It is proposed introduction of Takaful insurance in the new insurance products of classical insurance.

Key words: takaful insurance, operator, participants, elements, classification, models, islamic insurance, profit, family takaful, life insurance, retakaful, wakala, mudaraba.

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Introduction

The objective necessity and urgency of generalizing the features of takaful insurance is that many scholars have noted the significant stability of the financial systems of Muslim countries during the period of the negative impact of the consequences of the global financial crises. In addition, takaful insurance plays a very important role in stabilizing the economic situation, which explains the growing interest in its products in non-Muslim countries. Disclosure of the essence and differences of takaful insurance is presented in the research of such scientists as V. Akhter, A.S. Lagunova, M.M. Magomadov, A. Yu. Polchanov, A.O. Soldatova, A.M. Tufetulov, S.P. Fukina et al. At the same time, generalization of the distinctive characteristics of takaful insurance is advisable in order to determine the possibility of introducing its elements into classical insurance products to increase competitiveness.

Main part.

As noted by S.P. Fukina, “Takaful (translated from Arabic - the provision of mutual guarantees) is a

system of Islamic insurance, which is based on a mechanism for distributing profits and losses between participants and a takaful operator based on Sharia norms. The main task of Islamic insurance is to protect the interests of its participants from unforeseen adverse events by joint and several participation in the losses of the injured persons, as well as making a profit by the insurance participants” [1, p.109]. It follows from this that the main subjects of Islamic insurance are the participants and the operator (manager) of the takaful fund. Takaful insurance has many characteristics in common with mutual insurance, with the difference that takaful insurance must be built in accordance with Islamic law - Sharia norms. For example, when implementing takaful insurance, it is prohibited to receive investment income from investments in “production and trade of alcohol, tobacco products, gambling and some others” [2, p. 265-266].

The evolution of the development of takaful insurance began in the 70s. Of the twentieth century, when in Muslim countries classical insurance was recognized as contrary to Sharia norms.

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Table 1. The emergence of Takaful insurance in the world

Year	Characteristic
1972	Malaysia's fatwa committee banned life insurance due to riba, garar and meisir elements
1976	First International Conference on Islamic Economy in Mecca (Saudi Arabia) ruled to ban commercial insurance because it does not comply with Islamic norms
1979	The first Islamic insurance companies established in Sudan tried to adhere to the concept of Islamic insurance in the form of a cooperative model, the fundamental principle of which is the idea of brotherhood and mutual assistance. Takaful operators, which appeared in a relatively short period of time in Malaysia, Bahrain, UAE, Saudi Arabia, Kuwait, USA, Germany, Great Britain, Luxembourg, based their activities on the same principle
1984	Malaysia's Islamic Insurance Law passed, the first Islamic insurer (Takaful) appeared
1985	The Council of the Islamic Academy of Jurisprudence (fiqh) at the Organization of the Islamic Conference "On Insurance and Reinsurance" adopted a fatwa, where the classical commercial insurance was recognized as inappropriate to Sharia. It was also recommended that the governments of Muslim countries develop an Islamic insurance system based on the principles of Sharia. As an alternative, it was proposed to apply an agreement providing for joint responsibility of the parties and based on the principles of mutual assistance (taavun) and charity.

Source: compiled on the basis of [3, p. 383-385], [4, p. 217]

As can be seen from the regulations presented in Table 1, in classical insurance there are prohibited elements that are overcome in takaful insurance, thereby highlighting its distinctive features.

In takaful insurance, as in the classic one, there is general (property and liability insurance) and personal (family) insurance. Taking into account different approaches to the distribution of results from the insurance and investment activities of a takaful operator, and also relying on the fact that takaful insurance is becoming popular in non-Muslim countries, the following types of takaful insurance can be distinguished (Table 2).

Prohibited element of classic insurance:

1. Uncertainty (garar). In some types of insurance, there is ambiguity associated with the amount of insurance compensation. The policyholder does not have data as to whether the insurer will have the required amount to pay the indemnity in the event of an insured event. The policyholder does not have confidence that the money paid by him will be used in transactions that are allowed by Sharia.

Takaful insurance solution. In addition to paying the amount necessary to cover the damage, the participant can count on income from another part of the contributions (based on the division system

2. Passion (maysir). It is not known whether the insured event will occur and, accordingly, none of the parties to the insurance contract knows whether the insurance payment will be made.

Takaful insurance solution. In a takaful agreement, the distribution of risks should not contain a speculative element, therefore the relationship is based on mutual protection (taavun).

3. Usury (riba). Member contribution is considered a premium in traditional insurance.

Takaful insurance solution. Takaful insurance solution. The contribution of the participants is regarded as a gift, a voluntary donation (tabarru) and is sent to a special fund, from which, upon the occurrence of an insured event, compensation is provided.

Table 2.

Takaful insurance classification	
Service delivery method	Directly by takaful company
	Through a "window" in a classic insurance company
Service specialization	General takaful (property and liability insurance)
	Family takaful (life, health insurance)
	Retakaful (reinsurance)
Service consumers	Takaful insurance for Muslims
	Takaful insurance for non-Muslims
Organizational model	Takaful with the participation of the shareholders of the takaful operator in the distribution of profits from insurance activities
	Takaful with the participation of the shareholders of the takaful operator in the profit from investment activities

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	Takaful with an agent's fee to the operator
	Combined takaful

Source: the author's own development based on the studied literature

Results and Discussions.

According to foreign analysts, the Islamic insurance market is estimated at approximately \$ 1 trillion and in subsequent years the annual growth rate will be 15%. In the future, it may increase to \$ 4 trillion.

According to forecasts of the research center "Pew", located in Washington, the Muslim population by 2030 will be 26.4% of the total population of the Earth, at present its share is 23.4%. In addition, the number of Muslims in Western countries with a traditional Christian religion will increase, and Pakistan will overtake Indonesia to become the most populous Muslim country in the world.

In Canada, in 20 years the number of Muslims may triple - from 940 thousand it will grow to 2.7 million people. Thus, the total share of Muslims will increase from 2.8% to 6.6%. Overtaking Argentina, Canada will become the second country after the United States on the American continent in terms of the number of Muslims.

The process of globalization forces people with a wide variety of cultural values and ideas about the world to interact with each other more and more closely every year. To find a common language, one cannot do without mutual respect, based on a deep knowledge of neighboring cultures, traditions, religious and historical preconditions characteristic of a particular nation or people.

According to experts, about 23 million Muslims live in Russia, which is 16% of the total population of Russia. This is twice as much as in France (7%), but not much more than in India (12.5%).

R.I. Bekkin believes that at present it is preferable to create takaful companies in the form of a joint stock company. In his opinion, it will be enough to have a few companies that could meet the needs of interested clients in Islamic insurance services [5].

However, due to the peculiarities of Russian legislation, insurers are not yet able to offer takaful services to their clients. Given the importance of Islamic insurance as a financial institution, it is permissible for interested companies to create mutual insurance societies licensed and compliant with Shariah norms.

Thus, at present, the experience of introducing takaful in the CIS countries (commonwealth of independent states) is not successful. In the future, Islamic insurance insurers in CIS countries hope to occupy 15% of the country's insurance market.

The problems of introducing takaful in CIS countries include:

- 1) lack of practical experience in the field of Islamic insurance;
- 2) defining the management model for the takaful fund;
- 3) lack of qualified specialists in the field of Islamic insurance
- 4) the lack of a legal framework and regulation of Islamic insurance;
- 5) lack of knowledge about the principles and characteristics of Islamic finance among the population.

Conclusions.

The study of the features of takaful insurance made it possible to generalize the characteristics:

- prohibited elements of classic insurance and their solution in takaful insurance;
- the main stages of the birth of takaful insurance in the world;
- types of takaful insurance on such grounds as the way of providing services, specialization of services, consumers of services, organizational model;
- the main models of takaful insurance, depending on the participation in the profit of the shareholders of the takaful operator.

Based on this, some of the features can be implemented in classic insurance. For example, Polchanov A.Yu. proposed "the separation from the company of the insurance fund, the owners of which are the insured, and the participation of the latter in the distribution of the surplus of the insurance fund and profit from the investment of its funds, as well as supervision by clients over the placement of funds of the insurance fund in predetermined investment areas"[8, p.12]. Also, given the innovative potential of takaful insurance, it is promising to borrow its elements in the development of new and competitive insurance products in classical insurance.

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