

**IN THE NAME OF ALLAH (GOD),
MOST GRACIOUS,
MOST MERCIFUL**

**THE KEY CONCEPTS OF
ISLAMIC FINANCING
AND INSURANCE**

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ANSAR FINANCIAL GROUP



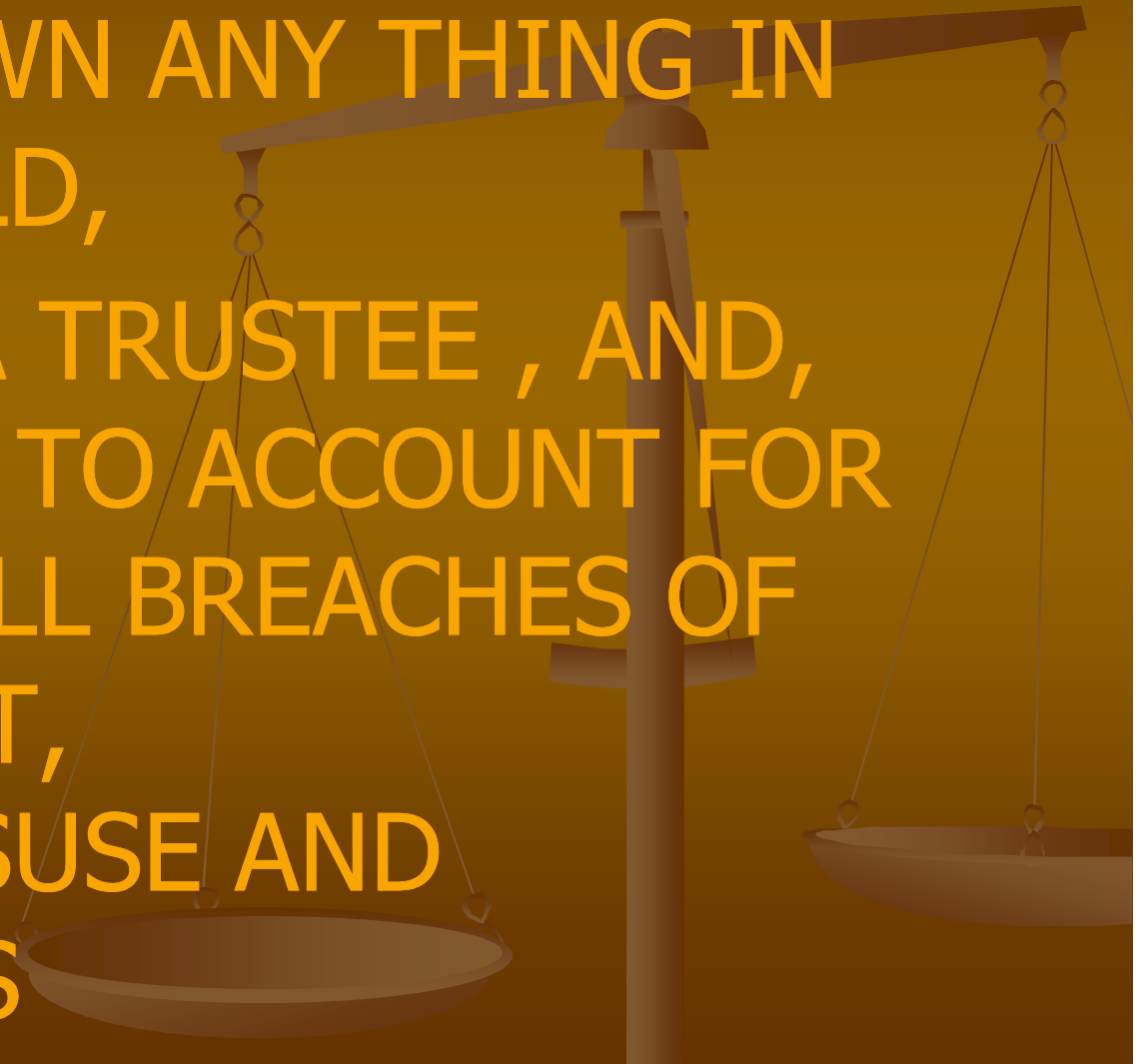
PREAMBLE



THE VERY FUNDAMENTAL CONCEPT FOR MUSLIMS TO UNDERSTAND AND ACCEPT IS THE FACT, AS REVEALED BY ALLAH, OUR CREATOR AND SUSTAINER, IN THE HOLY QURAN: "AND IT IS FOR ALLAH WHATEVER IN THE HEAVENS AND WHATEVER IN THE EARTH."

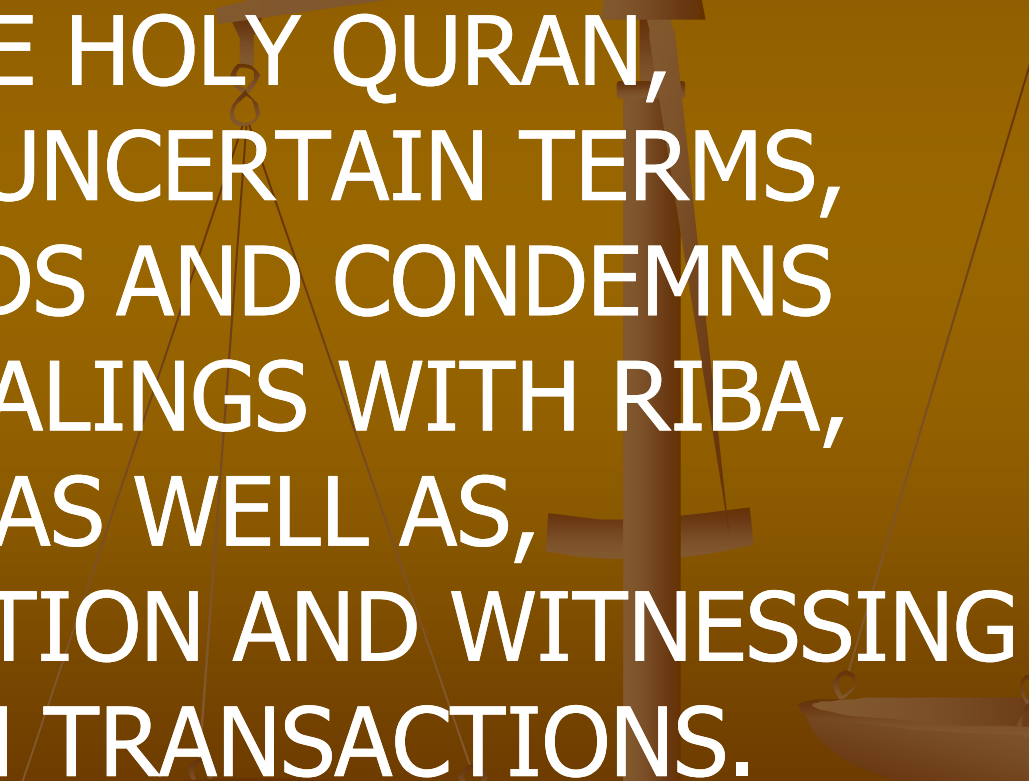
IN OTHER WORDS,
WE THE HUMAN BEINGS;

DO NOT OWN ANY THING IN
THIS WORLD,
ARE JUST A TRUSTEE , AND,
WILL HAVE TO ACCOUNT FOR
ANY AND ALL BREACHES OF
THIS TRUST,
ABUSE, MISUSE AND
INJUSTICES




RIBA (INTEREST) IS FORBIDDEN

THE HOLY QURAN,
IN NO UNCERTAIN TERMS,
FORBIDS AND CONDEMNS
ALL DEALINGS WITH RIBA,
AS WELL AS,
PARTICIPATION AND WITNESSING
SUCH TRANSACTIONS.



Misconceptions Among Muslims Particularly, and among Non Muslims, As Well !



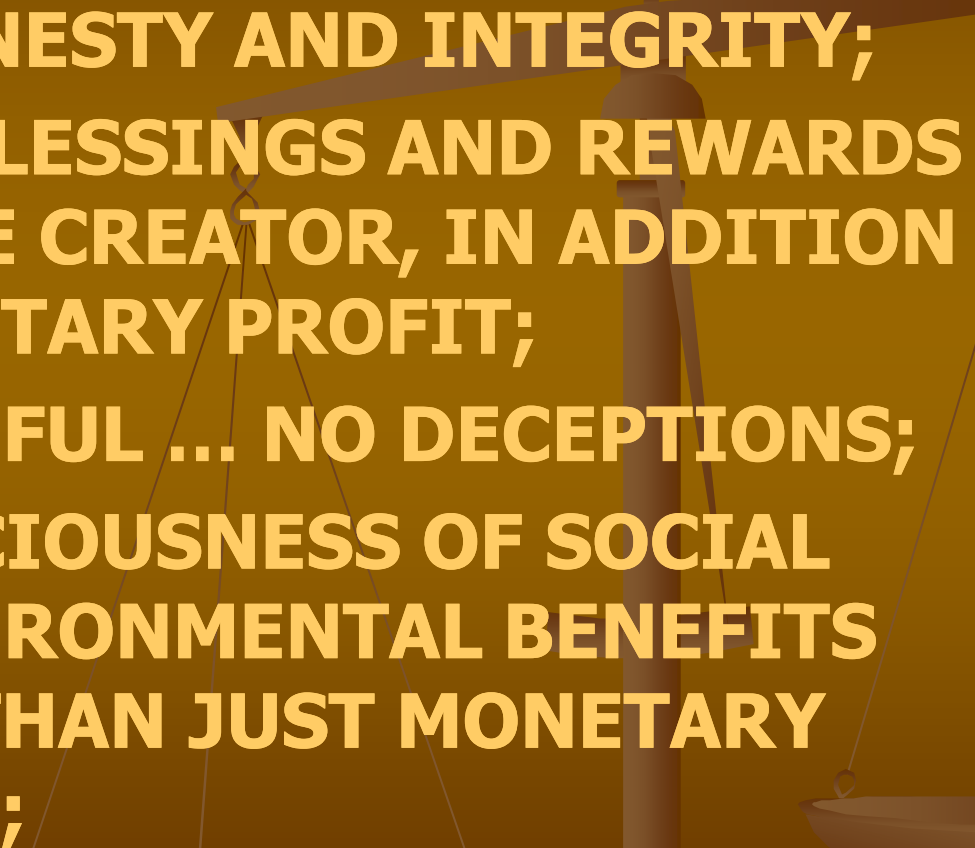
INTEREST FREE BANKING
AND FINANCING MEANS;
'CONVENTIONAL
BANKING AND INANCING'
DELETE THE WORD
"INTEREST",
ADD THE WORD "PROFIT"!



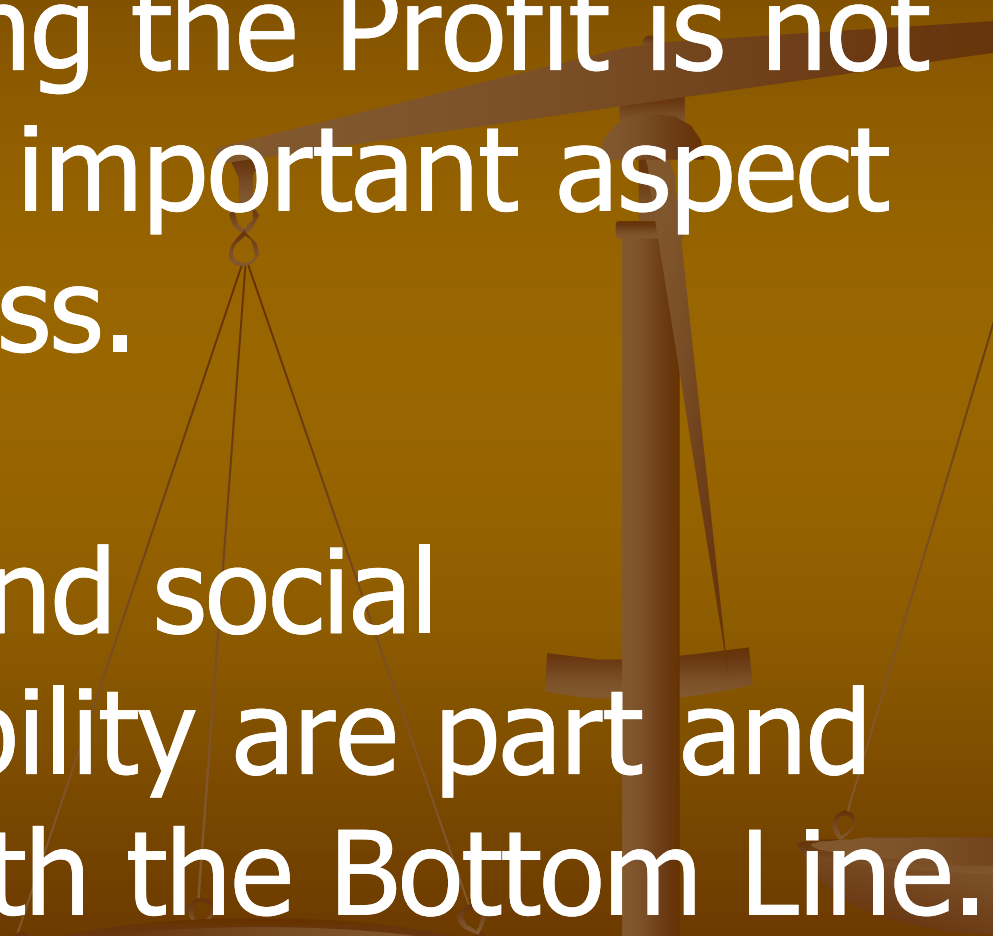
WILLINGNESS TO SHARE
THE CONSEQUENCES
(*RISK SHARING*)

SHARING OF GAINS,
AS WELL AS,
LOSSES IN SOME
PREDETERMINED RATIO

SHARIAH (ISLAMIC LAW)
REQUIRES FROM A MUSLIM THAT
HE/SHE MUST:

- **HAVE HONESTY AND INTEGRITY;**
 - **EXPECT BLESSINGS AND REWARDS FROM THE CREATOR, IN ADDITION TO, MONETARY PROFIT;**
 - **BE TRUTHFUL ... NO DECEPTIONS;**
 - **BE CONSCIOUSNESS OF SOCIAL AND ENVIRONMENTAL BENEFITS RATHER THAN JUST MONETARY BENEFITS;**
- 

IN OTHER WORDS:

- Maximizing the Profit is not the most important aspect of business.
 - Charity and social responsibility are part and parcel with the Bottom Line.
- 
- A balance scale is depicted in the background, tilted to the right. The scale has a central vertical pillar and a horizontal beam. Two pans are suspended from the beam by thin wires. The right pan is lower than the left pan, indicating it is heavier. The scale is rendered in a dark brown color against the dark brown background of the slide.

CONSIDERATIONS FOR ISLAMIC INVESTMENT DECISIONS?

- **NO INTEREST INVOLVE IN INCOME**
 - **HALAL SOURCE OF INCOME**
 - **SOCIAL CONSCIOUSNESS (Community Benefits)**
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TAKAFUL

An Islamic Alternative to
Conventional Insurance

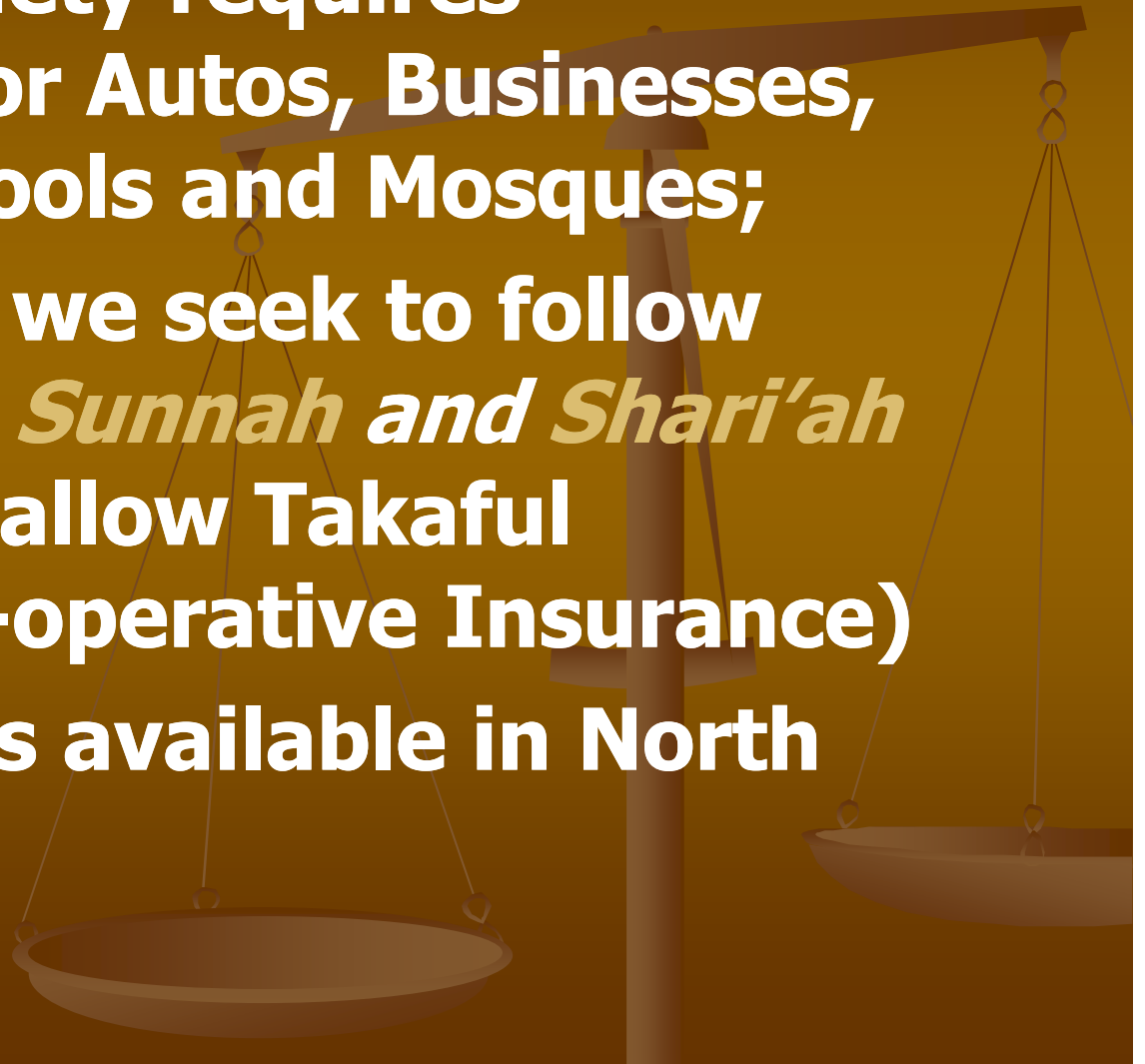
Takaful (Mutual Insurance) Mission



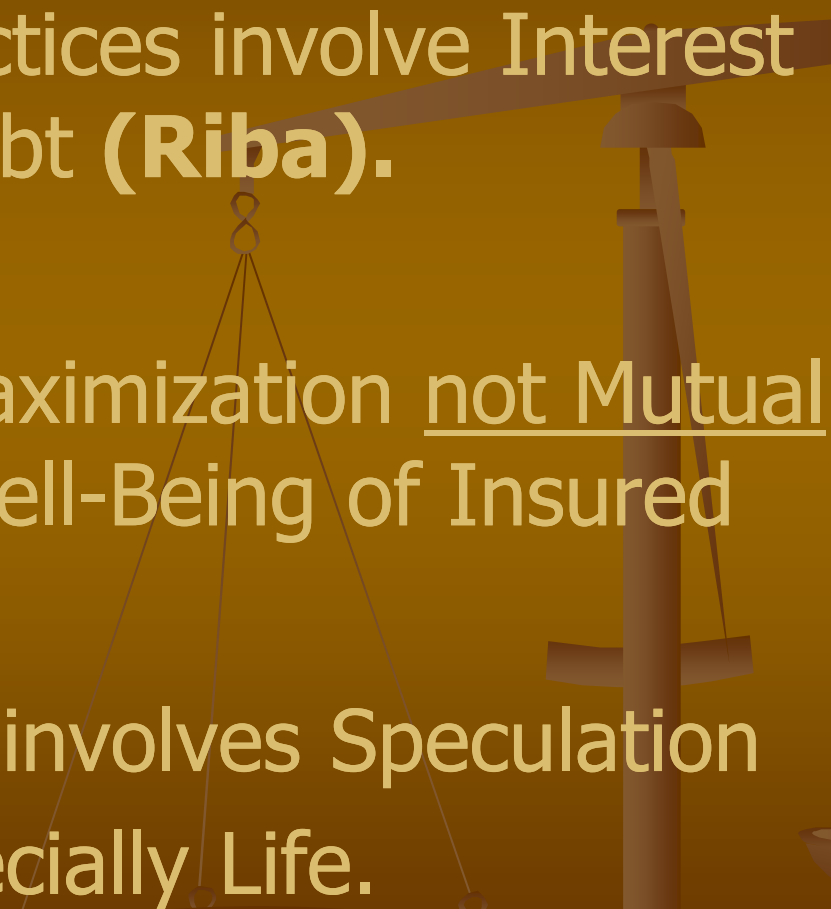
- *“To create solidarity, peace of mind and security by sharing risks for mutual protection of our assets and property against damage or loss within the framework of Shariah”*

Why Islamic Insurance ?

- Modern Society requires Insurance for Autos, Businesses, Homes, Schools and Mosques;
- As Muslims, we seek to follow *Holy Quran, Sunnah and Shari'ah* rules which allow Takaful (Mutual/Co-operative Insurance)
- No Takaful is available in North America



Why is Conventional Insurance Objectionable?

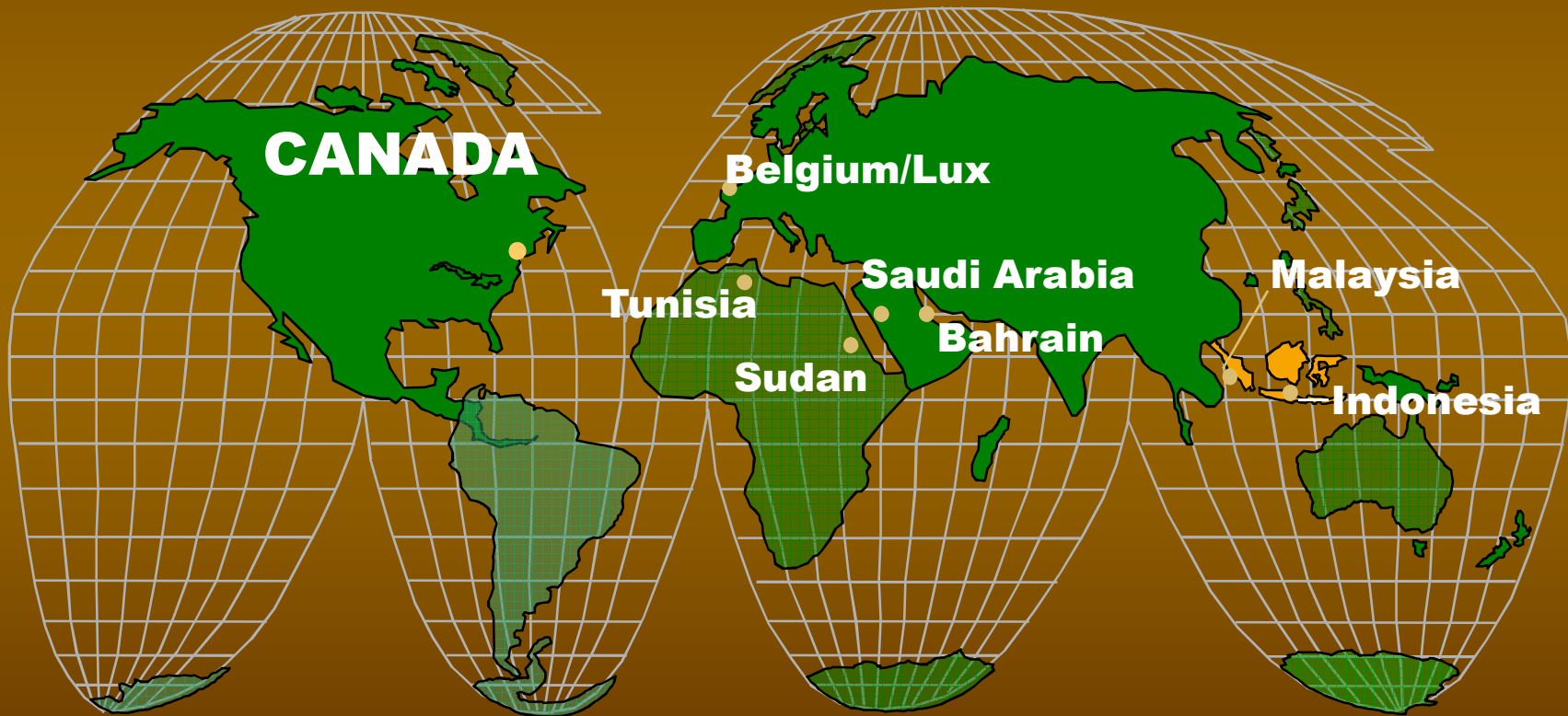
- Investment Practices involve Interest Charges and Debt (**Riba**).
 - Goal is Profit maximization not Mutual Assistance or Well-Being of Insured
 - Most Insurance involves Speculation (**Maisir**)-- especially Life.
- 

Key Elements of Takaful

- Based upon Solidarity and Joint-Guarantee; eg. co-operative.
- Common Risk-sharing of Perils by Individuals.
- Joint Ownership by Insured—controls, Pricing and Claims.
- Shariah Compliant (Interest-free) Investment of Premium.
- Self-Reliance and Self-Sustaining Operations for Community Well-Being.



Global Presence of Takafuls



Challenges to Future Growth of Takaful Operations

- Low level of Awareness of Islamic Finance and Islamic Insurance Alternatives;
 - Many Muslims are still in “Comfort Zone” and Unsure about Islamic Financial Groups;
 - Need to Maintain Competitive, if not lower, Premiums;
 - Monitoring Mechanism for the Shariah Compliance by the Takaful Operators.
- 

“Way Forward in 2008”

TAKAFUL IN CANADA

AN ALTERNATIVE INSURANCE

**A First Step Towards Future Islamic
Insurance Company in Canada**

**Launched A Pilot Operation Under the
Takaful Concepts in Collaboration with
the Co-operators Insurance Company
Home, Auto, Mosques & Commercial
Insurance for Co-op Members only**

TAKAFUL (MUTUAL) ALTERNATIVE INSURANCE



***Thank you for your
attention and patience***

**3RD INTERNATIONAL
ISLAMIC BANKING, FINANCE &
INSURANCE (TAKAFUL) CONFERENCE**

***"Islamic Banking, Finance &
Insurance (Takaful) in North America:***

Opportunities & Challenges"

Ottawa Congress Centre, Ottawa, Canada

May 2007

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MAY ALLAH (GOD)
BLESS YOU!**

**THANK YOU
FOR YOUR
PATIENCE!**

