



TAKAFUL INSURANCE PREMIUM FINANCING FAQs

- 1. What is the purpose of Murabaha?** To finance a purchase without involving interest payments.
- 2. Is Murabaha A sale contract?** Murabaha is an Islamic financing structure that works as a sales contract, fixing the price of goods or items as required by a customer, inclusive of a pre-agreed profit margin.
- 3. How will you use Murabaha in Islamic business operation?** Islamic contract that covers the sale and purchase transaction for the financing of an asset whereby the cost and profit margin (mark-up) are made known and agreed by all parties involved. The settlement for the purchase can be a deferred lump sum payment or an instalment basis of payments.
- 4. How does takaful system work?** Takaful works by a group of participants choosing to pay monthly premiums in exchange for coverage from specified accidents or misfortunes. The participants mutually agree to use the total premiums for the benefit of any group members who experience a covered loss.
- 5. How takaful is different from insurance?** Both insurance policies and takaful cover the same range of products including house, car, but the only difference would be that a takaful plan may extend to include Islamic obligations such as travel and medical coverage for Hajj and Umrah.