Bangladeş'te Katılım Sigortacılığının (Tekafül) Gelişimi: Yasal Engeller ve Zorluklar

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Öz

Bu araştırma, İslamî sigorta modeli olan tekafül kavramını ve yasal çerçevesini inceleyerek Bangladeş sigorta pazarındaki rolünü ve potansiyelini ele almakta ve tekafülün geleneksel sigorta sistemlerine nazaran büyümesini etkileyen zorlukları, tekâfülün sunduğu fırsatları, İslami prensiplerle uyumu ve geleneksel sigortadan kaynaklanan sorunları göz önünde tutarak bir değerlendirme yapmayı hedeflemektedir. Geleneksel sigorta sisteminin İslam hukukuna uyum sağlama konusundaki sıkıntıları, İslami finans ilkelerine dayalı bir alternatif sigorta modeli olan tekafülün gelişimine fırsat tanımıştır. Bangladeş'i oluşturan Müslüman nüfus ve ülkenin İslami bankacılığa olan ilgisi, tekafül sektörünün büyümesine yol açmaktadır. Bu çalışma, İslami finans alanındaki genel perspektife katkıda bulunurken etik ve Şeriat (İslam hukuku) uyumlu bir sigorta ihtiyacını ele alır. Temel amacı, Bangladeş sigorta pazarındaki tekafülün önemini değerlendirmek olan bu çalışma, İslami ilkelere uygunluğunu, pazar içindeki büyüme potansiyelini ve yasal çerçevesini incelemeyi amaçlamaktadır. Bu kapsamda, zorlukları ve fırsatları belirleyerek, politika yapıcıları ve sigorta profesyonellerine, Bangladeş'te tekafülü etkili bir şekilde teşvik etme konusunda öneriler sunar. Çalışma, karma bir yöntem yaklaşımını benimser. Çalışmada öncelikli olarak, geleneksel sigorta, tekafül, İslami finans ve ilgili yasal çerçeveler hakkında kapsamlı bir literatür taraması yapılır. Akabinde, tekafülün pazar payı, büyüme eğilimi ve geleneksel sigorta ürünleriyle karşılaştırılması için nicel analiz yöntemleri kullanılır. Ancak çalışmada zaman zaman tekafülün büyümesini engelleyen hukuki ve ticari zorlukları belirlemek için nitel analiz yöntemi de kullanılmış; araştırma sonuçlarına dayanarak öneriler geliştirilmiş ve bu öneriler, 2010 Sigorta Kanunu çerçevesinde yapılacak politika değişiklikleri aracılığıyla tekafülün rolünü güçlendirmeyi ve İslam ticaret hukukuyla uyumunu ve ilgili zorlukları gidermeyi hedeflemektedir. Bangladeş sigorta pazarında tekafülün rolünü ve önemini inceleyen bu çalışma, İslami prensiplere ve etik değerlere saygılı bir şekilde sektörün büyümesine rehberlik ederek paydaşlara değerli bilgiler sunar.

Anahtar Kelimeler

İslâm Hukuku, İslami Finans, Tekafül, Sigorta, Bangladeş.

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Development of Islamic Insurance (Takaful) in Bangladesh: Legal Barriers and Challenges

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Abstract

This study delves into the concept of Takaful, an Islamic insurance model, and its legal framework, focusing on its role and potential within the insurance market of Bangladesh. It examines the challenges and opportunities posed by Takaful, considering its alignment with Islamic principles and its growth compared to conventional insurance systems involving ribā (interest) and ghrār (uncertainty), which raises concerns about Islamic law. The traditional system of insurance's concerns over compatibility with Islamic law has paved the way for Takaful, an alternative insurance model rooted in Islamic finance principles. Given Bangladesh's Muslim-majority population and substantial market for Islamic banking, understanding and enhancing the Takaful industry's potential is crucial. This study addresses the need for an ethical and Sharia-compliant insurance solution while contributing to the broader discourse on Islamic finance. The primary objective of this study is to assess the significance of Takaful in the context of the Bangladeshi insurance market. It aims to evaluate Takaful's alignment with Islamic principles, its market growth, and its legal framework. By identifying challenges and opportunities, the study seeks to provide recommendations for policymakers and insurance practitioners to promote Takaful effectively in Bangladesh. This study employs a mixed-methods approach. The research assesses Takaful's market share, growth trajectory, and comparison with conventional insurance products. In addition, qualitative analysis is used to identify legal and commercial challenges hindering Takaful's growth. Recommendations are formulated based on the research findings, aiming to enhance Takaful's role through policy adjustments within the Insurance Act 2010 and addressing challenges related to Islamic commercial law. By scrutinizing the significance of Takaful in the specific context of Bangladesh's insurance market, this study provides valuable insights to stakeholders, guiding the growth and development of the Takaful industry while respecting Islamic principles and ethical considerations.

Keywords

Islamic Law, Islamic Finance, Takaful, Insurance, Bangladesh.

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Introduction

Takaful is a concept of Islamic insurance that operates on cooperation, shared responsibility, and risk-sharing principles, which means “guaranteeing each other,” “joint benefit,” or “shared duty,” which is derived from the Arabic word “K-F-L.” It is said that the takaful existed in various forms, especially under the rule of ʿUmar, the second Caliph of Islam.[1] However, Murat and Hatice (2021) claimed that classical fiqh works do not directly address a contract type that matches the modern technical sense of insurance. Therefore, there is no explicit ruling concerning the permissibility of such contracts. However, specific arrangements and risk-saring mechanisms are similar to various insurance types.[2] The earliest references to insurance in the fiqh literature can be traced back to Ibn Abidin, who provided initial insights on the subject. Zubayr ibn ʿAwām, a companion of the Prophet, participated in a comparable practice to Takaful although the concept of Takaful finds its roots in the Kafālat concept, it was introduced as a contractual tool in the early 20th century. There are claims that Ibn Taymīyah also addressed this topic with scholars in his *Majmaʿ al-Fatwá*, which received authorization through traditional academic consensus (Ijmāʿ).

Additionally, it was customary for the closest relative of a murder victim to provide blood money in cases where the perpetrator belonged to a different tribe. This financial assistance served as a means to protect the successors of the deceased from untimely harm. However, it is essential to note that this practice is associated with “Āqile” rather than Takaful.[3] There is evidence of Islamic insurance under the fifth Caliph Umar ibn Abdul Aziz.[4] The Islamic insurance system was established, as represented in the creation of the treasury (Bayt al-mal). This system was to assist poor Muslims and people living in Islamic territory.[5]

Furthermore, Issa Khan et al. (2016) studied Zubayr’s commercial aspect as a role model throughout his career. Sharia-compliant fundraising ethics was one of Zubayr’s model’s driving themes. Zubayr’s habit of receiving safety deposits as a loan and investing the money without accepting interest as a commercial profit, which is banned in Islam, was incorporated into this fundraising attempt.[6] Despite not being initially recognized as a business contract in early Islam, the Takaful system was seen as a significant model in Muslim society. Dalgın (2009) stated that Ibn Abidin first introduced the concept of insurance in Islamic economics into the literature with the word “sevkere” in his Raddr al-Mukhtār.[7] It

1 Ahmad Tisman Pasha - Mher Mushtaq Hussain, “Conceptual and Operational Differences between General Takaful and Conventional Insurance”, *Australian Journal of Business and Management Research* 1/8 (2011), 23–28.

2 Murat Şimşek - Hatice Kübra Pekkırbızlı, “Islamic Insurance and Takaful Insurance Models”, *Journal of Islamic and Humanities Studies* 1/3 (2021), 5.

3 Şimşek - Pekkırbızlı, “Islamic Insurance and Takaful Insurance Models”, 5.

4 Ali Muhammad As-Sallabi, *The Rightly-Guided Caliph and Great Reviver ʿUmar Bin Abd al-Aziz* (Riyadh: Darussalam, 2011), 388. See also, Hasan Hacak - Yunus Emre Gürbüz, “İslami Finansta Sigorta ve Katılım Sigortası (Tekâfül),” *TKBB Publication* 2 (2019), 296–321.

5 Ahmad Rufai Muhammad, *Theory and Application of Islamic Insurance in Malaysia and Sudan: A Comparative-Study* (University of Malaya, Phd Thesis, 2006), 236–240.

6 Issa Khan et al., “History, Problems, and Prospects of Islamic Insurance (Takaful) in Bangladesh”, *SpringerPlus*, (2016), 719.

7 Nihat Dalgın, “Sigorta”, *TDV İslâm Ansiklopedisi* (Istanbul: TDV İslâm Araştırmaları Merkezi, 2009), 159.

is to be noted that Islamic insurance (Takaful) has seen a faster development in Western regions compared to its progress in Muslim societies. Hacak (2006) highlighted a significant reason for the underdevelopment of participation insurance in Islamic lands, citing the lack of resolution for incurred losses through cooperation.[8] Additionally, Söyler (2018) pointed out the need for explicit statements about insurance within Islamic teachings.[9] It distinctly differs from traditional interest-based insurance by emphasizing mutual support and contributing to poverty alleviation within society. However, the ongoing adaptation of the Takaful model within the present Islamic financial sector across Muslim nations reflects its continuity. This evolution is rooted in historical principles of cooperation and communal welfare, shaping the current landscape of Islamic financial practices. The integration of Takaful into modern financial systems highlights its enduring relevance, presenting an ethical and sustainable framework for ensuring financial security in Muslim societies.

However, the necessity for the formal continuation of the Takaful model arose due to the requirements of Muslim societies. Consequently, King Faisal of Saudi Arabia urged all Muslim nations to revamp their banking institutions per Islamic commercial law. This call for reform led to the establishment of Faisal Islamic Bank as a public limited company in August 1977, aimed at introducing Zubeyir, an insurance system rooted in early Islamic practices.[10] The bank's Sharīʿah Supervisory Board (SSB) made changes, which were adopted, and the SSB guaranteed that the plan was sound regarding Islamic business law and practicality. Sudanese Public Business, Islamic Insurance Company Ltd. Sudan, was founded in January 1979. The world's Takaful is a model of Islamic finance that emphasizes cooperation and shares responsibility, promoting social solidarity and community welfare. It has been widely accepted, evolved swiftly from its start, and has continued indefinitely.[11]

In Takaful, policyholders contribute to a common fund, which the Takaful operator manages. The fund is used to pay out claims in case of loss, and any remaining funds are distributed among participants as profits[12] or returned as a rebate. The contributions made by the participants are based on Tabarruʿ (donation), which means voluntary contribution and is considered an act of charity or benevolence. Unlike conventional insurance, which operates based on a contract of indemnity between the insurer and the policyholder, Takaful is conducted through a Sharīʿah-compliant contract between the insurer (Takaful operator) and the policyholder (participant). Takaful was established to meet the requirements of Muslims previously excluded from financial possibilities such as insurance. This gave them a fantastic chance to live their lives by the values of their religion. Takaful has become an essential and complementary component of the Islamic financial system and a crucial

8 Hasan Hacak, "İslam Hukukunda Sigorta ve Fıkıh Bilginlerinin Sigortaya Yaklaşımının Genel Bir Değerlendirmesi," *Marmara Üniversitesi İlahiyat Fakültesi Dergisi* 1/30 (2006), 21–50. See also, Hasan Hacak, "İslami Sigorta (Tekâfül) Ticari Sigortadan Farklı Mıdır?" (Istanbul: Ensar Neşriyat, 2017), 93–110.

9 İlhami Söyler, *Tüm Yönleriyle Tekafül İslami Sigorta* (Ankara: Adalet Yayınevi, 2018), 36.

10 Nawal binti Kasim et al., "The Religious Perspective of Takaful as Ethical Insurance", *Mediterranean Journal of Social Sciences* 7/4 (2016), 96–104.

11 Kasim et al., "The Religious Perspective of Takaful as Ethical Insurance", 97.

12 It is not always distributed and can be kept as a reserve and implemented as a discount for the following year. There are 3 or 4 options based on the country's Sharīʿah ruling, as AAOIFI stated in 26 and related standards. See, *AAOIFI Shari'ah Standards* (Bahrain: Accounting and Auditing Organization for Islamic Financial Institutions, 2010).

element in its success and growth.

The takaful market is projected to experience substantial growth in the coming years. From 2022 to 2023, the global takaful market size is anticipated to increase from $26.50 billion to $29.73 billion, reflecting a compound annual growth rate (CAGR) of 12.2%. However, the global economic recovery from the COVID-19 pandemic is facing challenges due to the Russia-Ukraine war. In the short term, this conflict has resulted in economic sanctions on multiple countries, disruptions in supply chains, and a surge in commodity prices. Consequently, inflation has affected various markets worldwide, including the takaful industry. Despite these obstacles, the global takaful market is predicted to continue its growth trajectory, reaching $45.95 billion by 2027, with a CAGR of 11.5%.[13]

Takaful, or Islamic insurance, is gaining popularity in countries with a significant Muslim population, such as Asia and Africa, and countries with a minority Muslim population, such as Asia, Europe, and North America.[14] Iran, Saudi Arabia, and Malaysia continued to be substantial market contributors to the top global Takaful markets in 2022.[15] Takaful is gaining popularity worldwide as an alternative to traditional insurance. Takaful has been widely embraced in Muslim-majority nations such as Malaysia, Bangladesh, Indonesia, Turkey, and the Gulf Cooperation Council (GCC) countries.[16]

In 2006, the AAOIFI published a *Shari'ah Standard* on Islamic insurance, a guide for regulators and industry participants. Takaful is defined in Standard No. 26 as an agreement between people exposed to specific risks to pay for the losses resulting from those risks being realized.[17] Malaysia-based Islamic Financial Services 2013 (IFSA) defined Takaful as a contract based on mutual aid, while the Islamic Financial Services Board (IFSB) described it as a transaction in which participants make donations to help each other in their predetermined damages and losses.[18] However, the Islamic banking sector's global expansion in the mid-1970s and early 1980s led to the establishment of the Islamic banking system in Bangladesh in 1983.[19] Despite being considered minor compared to the banking and capital market sectors, Takaful, an insurance model based on the principles of Shari'ah, has emerged as one of the most innovative products of modern times.[20]

However, the extensive corpus of scholarly work on Takaful spans national and international domains in different languages. It encompasses a broad spectrum of topics ranging from the fundamental concept of Takaful and its quantifiable metrics to its recent in-

13 Ross Glover, *Takaful Global Market Report-2023*, Research and Markets (Dublin Ireland: The Business Research Company, 2023) (The Business Research Company), 7–12.

14 Md. Golzare Nabi - Md. Mokhlesur Rahman, "Exploring Potentials and Challenges of Takaful in Bangladesh", *Thoughts on Economics* 29/1 (2020), 7–24.

15 Yusuf Dinç et al., *Improving the Takaful Sector in Islamic Countries* (Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC), 2019), 17.

16 Syed Ahmed Salman, *Implementing Takaful in India Prospects, Challenges, and Solutions* (SpringerLink, 2021), 39.

17 "AAOIFI Held the 13th Accounting Board Meeting", *AAOIFI*, 2019.

18 IFSB - World Bank, *Realising The Value Proposition of the Takaful Industry for a Stable and Inclusive Financial System*, IFSB-World Bank Joint Publication on Takaful (2017).

19 Mohammad Saif Noman Khan et al., "Banking Behavior of Islamic Bank Customers in Bangladesh", *Journal of Islamic Economics, Banking and Finance* 3/2 (2008), 162.

20 Syed Othman Alhabshi - Shaikh Hamzah Razak, "Takaful Insurance: Concept, History and Development Challenges," *The Foundations of Islamic Banking* (United Kingdom: Edward Elgar Publishing, 2011), 189.

tersection with the economic landscape. This academic exploration has culminated in an enhanced comprehension of Takaful's multifaceted dimensions and their ramifications on global financial systems. Turning gaze to Bangladesh's context, while an array of studies has explored Islamic Banking, delving into its intricacies, challenges, and corporate governance structures, a notable scarcity exists in dedicated scholarly endeavors concerning Takaful. Scholars have extensively dissected the emergence of a central Shariah regulatory authority for Islamic banks, the intricate interplay of management, regulatory frameworks, legal dynamics, and the pivotal tenets of Shariah disclosure and adherence.

Noteworthy contributions have emerged from this scholarly tapestry nationally, like Khan's seminal 2015 doctoral dissertation, "*Juristical Study of Takaful and its Application in Bangladesh*," conducted at the University of Malaya, is significant. Further enriching the discourse is the specialized "TJCSCIIB (2012) Takaful Journal of Central Shariah Council for Islamic Insurance of Bangladesh," a dedicated platform for Takaful studies. In the context of Bangladesh, pertinent works include Sarwar (2016), "*Future Challenge in Islamic Insurance (Takaful) in Bangladesh*," Bhuiyan, Md. Anowar Hossain et al. (2012), "*Islamic Management Practices in Islamic Life Insurance Companies of Bangladesh*," Ullah MW (2013), "*Role of the Shariyah Officer (Muraqib)"* as Practised by Prime Islami Life Insurance, Rahman MA (2013), "*Comparative Study on the Efficiency of Bangladeshi Conventional and Islamic Life Insurance Industry: a non-parametric approach*." Besides these, recent studies have been conducted on the takaful industry of Bangladesh, like Lubaba, Saeeda et al. (2022), Nabi, Md. Golzare-Rahman and M. Mokhlesur (2020) etc., are mentionable, and these contributions offer vital insights into the landscape of Takaful in Bangladesh.

In their qualitative study, Khan, I., Rahman, et al. (2016) explored the history, current issues, and prospects of Islamic insurance (Takaful) in Bangladesh. They found that Islamic insurance operates under the Insurance Act of 2010, which contradicts Islamic principles and poses various challenges in the sector. Despite these obstacles, the authors acknowledged the significant growth potential of the Islamic insurance industry in Bangladesh and recommended separate regulations for Islamic and conventional insurance.[21] Similarly, in 2018, S. Islam and T. Sultana identified critical challenges in the Takaful industry in Bangladesh, including human resource scarcity, lack of standardization, diverging regulatory approaches, absence of centralized regulations, and technical issues related to valuation and risk management. These challenges encompassed ribā, re-takaful, profit distribution, and claims settlement procedures.[22]

M. K. Alam et al. (2019) investigated the practices and issues within Bangladesh's Sharīʿah governance framework of Islamic insurance. Their findings revealed that Islamic insurance companies rely on voluntary initiatives for governance, lacking a comprehensive framework. Each company has its own Sharīʿah Supervisory Board responsible for audits and reviews.[23]

21 Khan et al., "History, Problems, and Prospects of Islamic Insurance (Takaful) in Bangladesh", 785.

22 Serajul Islam - Tania Sultana, "Islamic Insurance in Bangladesh: Performance, Problems and Prospects", *International Journal of Islamic Business & Management* 2/2 (2018), 43.

23 Md. Kausar Alam et al., "Shariah Governance Practices and Regulatory Problems of Islamic Insurance Companies in Bangladesh", *International Journal of Academic Research in Business and Social Sciences* 9 (2019), 112.

Since the establishment of the Islamic Bank Bangladesh in 1983, Islamic financing has been implemented in Bangladesh.[24] However, this industry is expanding in many countries, especially those with a Muslim majority.[25] Islamic insurance was started in the nation as a fast-rising sector. Total premiums increased from Tk 1.4 million (US$0.02 million) to Tk 5.7 million (US$0.07 million) between 2004 and 2008, accounting for 12% of total premiums in the insurance business. The Bangladesh Insurance Academy has licensed over 60 Islamic insurance operators to represent the promise of Islamic insurance throughout the country.[26]

1. Fundamental Roles of Takaful Operations

Takaful transactions adhere to Islamic business law norms. Since this system is based on cooperation, ownership of the pool funds belongs to the policyholders, not the company. The advisory boards in the country approve interest-free market instruments in which the funds are evaluated. In addition, Takaful should not contain doubt, greed, excessive risk, and uncertainty. All the products and services in the application are subject to Sharia law. The Takaful Fund and the shareholders' accounts are entirely separate.[27] However, the Takaful sector has seen diverse patterns in terms of product offerings in different countries. However, most of the goods in the industry are based on the Wakālah model, the Muḍārabah model, or a hybrid Wakālah-Muḍārabah model.[28] Takaful products are divided into two main categories: Generic and Family. Generic Takaful is similar to conventional general insurance as it covers various aspects except life and health. Generic Takaful includes fire, house, and car coverage, typically for a limited period ranging from a few days to a year.

On the other hand, Family Takaful is a Sharīʿah-compliant savings plan that serves as a long-term life insurance solution with specific financial objectives. It is a contract of ten years or longer, offering an alternative to regular life insurance. Family Takaful provides financial protection to the participants' beneficiaries in the event of unforeseen disasters or the participant's death. The primary focus of the Family Takaful plan is the equitable distribution of Takaful benefits upon the participant's demise. Common Takaful products encompass Family Takaful, Health Benefit Takaful, Critical Illness Coverage, Education Benefit Takaful, and Savings Benefit Takaful.[29] According to research, three regularly utilized takaful business models are the Wakālah Model, the Muḍārabah Model, and the Mixed Model.

1. Wakālah Model: In this model, which is based on a paid power of attorney, the premiums received from the insured as donations are collected in a pool. The management of this

24 Islam - Sultana, "Islamic Insurance in Bangladesh: Performance, Problems and Prospects", 46.

25 Syed Ahmed Salman, "Contemporary Issues in Takaful (Islamic Insurance)", *Asian Social Science* 10/22 (2014), 213.

26 Khan et al., "History, Problems, and Prospects of Islamic Insurance (Takaful) in Bangladesh", 718.

27 Hakan Aslan - Muhammed Emin Durmuş, "İslami Sigortacılık (Tekafül): Yöneticilerin Perspektifinden Türkiye Uygulaması" (International Congress on Islamic Economics and Finance (ICISEF), Sakarya: International Congress on Islamic Economics and Finance, 2015). Mehmet Ali Aytekin, "İslami Sigorta Akdinin Niteliği", *Uluslararası İslami Sigortacılık & Finans Sempozyumu Kitabı* (Çorum: Hitit University, 2021), 48.

28 Abul Hassan - Sabur Mollah, *Operational Mechanism of Takaful and Re-Takaful. In: Islamic Finance* (London: Palgrave Macmillan, 2018), 21.Hassan - Mollah, *Operational Mechanism of Takaful and Re-Takaful. In: Islamic Finance*, 21.

29 Nabi - Rahman, "Exploring Potentials and Challenges of Takaful in Bangladesh", 13.

pool, which is formed by the participation shares, is carried out by the insurance company as a proxy. The operator company performs technical and financial transactions as a proxy and receives a predetermined fee for the service rendered. The attorney's cost can be fixed or proportional. The company is not given a share of the profit from the investment. All profits belong to the participants of the insurance fund. When the loss occurs, it is covered by the funds collected in the pool.[30]

2. Muḍārabah Model: The Muḍārabah model operates on the principles of labour-capital partnership and is based on profit-loss sharing. In this model, the remaining amount after technical expenses are invested by the operator company following Islamic principles. According to the previously determined rate, the income obtained is distributed between the participants and the Muḍārib (entrepreneur) insurance company. In this model, the insurance company cannot receive an attorney's fee since it is a profit-loss partner in the entrepreneurial status.[31]

3. Mixed Model: As the name suggests, this model mixes muḍārabah and proxy models. The hybrid model is the most common in its application today. In this model, on the one hand, the insurance company, as a muḍārib, receives a share of the profit obtained from evaluating the funds at the rate specified in the contract. On the other hand, he gets an attorney's fee from the participation fund due to the management of the funds. In this model, the operator company has three incomes: two separate attorney's fees from financial and the other from technical transactions, and one dividend from investment. The income items are more advantageous to the business, which explains this.[32]

2. Takaful versus Conventional Insurance

Takaful sets itself apart from conventional insurance contracts through its distinct approach. Unlike conventional insurance, where the insured parties do not have a collaborative or mutual protection arrangement, Takaful operates differently. In Takaful, the insurer earns income by offering insurance coverage in return for a predetermined premium paid by the policyholder. However, the key distinction lies in the concept of a Takaful agreement, which necessitates the parties to contribute to a fund. This fund is utilized to cover claims for participants who experience specified losses. The contributions made by the participants are not meant to come at the expense of others but rather to provide a system of shared financial protection and indemnification.[33]

Insurance develops from helping one another during times of need and difficulty rather than being a commercial strategy for profit-making.[34] Takaful is a concept related to cooperative insurance. Members mutually pledge to assist one another and give a set amount of

30 İsmail Yıldırım, "Tekâfül (İslami) Sigortacılık Sisteminin Dünyadaki Gelişimi ve Türkiye'de Uygulanabilirliği", *Organizasyon ve Yönetim Bilimleri Dergisi* 6/2 (2014), 53.

31 Abdullah Durmuş, "AAOIFI Standartlarında Tekâfül Sigortacılığı", *Tekâfül (İslami Sigorta) Teori ve Uygulama* (Istanbul: Ensar Neşriyat, 2017), 94.

32 Hakan Aslan, "Tekâfül Uygulamalarının Güncel Sorunları: Türkiye Piyasası İçin Bir Değerlendirme", *Tekâfül (İslami Sigorta) Teori ve Uygulama* (Istanbul: Ensar Neşriyat, 2017), 160.

33 Dinç et al., *Improving the Takaful Sector in Islamic Countries*, 20.

34 Ramin Cooper Maysami - John Joseph Williams, "Evidence on the Relationship between Takaful Insurance and Fundamental Perception of Islamic Principles", *Applied Financial Economics Letters* 2/4 (2006), 230.

money to the Takaful fund as Tabarruʿ (donation). They are also eligible for Takaful rewards if specific circumstances occur.[35] Takaful is an insurance arrangement where the participants are the insurers, and the insured are the policyholders. The TO (Takaful Operator) manages the Takaful fund and handles Takaful certificates. Profit is not Takaful's primary purpose.[36]

According to OIC Fiqh Academy, Takaful is a form of insurance where policyholders collaborate to protect their common interests. It is made by the tabarruʿ method, which allows for uncertainty in the number of contributions and remuneration.[37] The Takaful company is not bound to offer indemnification or reimbursement, but a manager or administrator manages and administers the fund. It is not a pure donation contract like ṣadaqah or hibah, as each participant contributes to the Takaful fund for it to be used to assist fellow members. This tabarruʿ form was practiced during Prophet Muhammad.[38] However, takaful aims to offer participants coverage, rights, and privileges. It often uses the concept of hibah as a conditional hibah in family Takaful plans, where participants transfer Takaful benefits to their children to cover future education costs. The hibah becomes effective only after the participant's death or the maturity of the Takaful certificate.[39]

Takaful is a non-profit insurance scheme that promotes individual responsibility and public interest. It avoids conventional practices such as "Ghrār" (uncertainty), Maysr (gambling), and ribā (interest) which is prohibited according to Islamic law. Takaful contributes to society by fostering community connections, reducing conflicts, and encouraging individuals to share private time helping each other when needed. Takaful and conventional insurance are distinct insurance models with varying underlying principles and operational structures. Takaful is rooted in the principles of Sharīʿah, emphasizing cooperation, shared responsibility, and risk-sharing among participants. In Takaful, a common fund is formed from policyholders' contributions, which covers losses and distributes surplus among participants.[40] Conversely, conventional insurance centers on risk transfer, where insurers indemnify policyholders against losses for premiums. Unlike conventional insurers focused on profits, Takaful operates under a board of directors, including Sharīʿah scholars, ensuring adherence to Sharīʿah principles.[41] Investment strategies also diverge; conventional insurers invest in diverse assets, whereas Takaful funds adhere to Sharīʿah-compliant investments. Risk management varies, with conventional insurers employing reinsurance, whereas Takaful relies on mutual support.[42] Contractually conventional insurance operates based on a contract of indemnity between the insurer and the policyholder. The contract is

35 Diamantin Rohadatul Aisy, "Optimizing Tabarru' Funds in Sharia Insurance by Digital Donation-Based Crowdfunding", *International Journal of Emerging Issues in Islamic Studies (IJEIIS)* 2 (2021), 42.

36 Md. Faruk Abdullah - Asmak Ab Rahman, "Shari'ah Governance of Islamic Banks in Bangladesh Issues and Challenges", *Journal of Islamic Economics, Banking and Finance* 13/3 (2017).

37 OIC Fiqh Academy, "Resolution of OIC Fiqh Academy No.200 (6/21)", *Islamic Economic Studies* 24/1 (2016), 121.

38 Dinç et al., *Improving the Takaful Sector in Islamic Countries*, 87.

39 World Bank, *Realising The Value Proposition of the Takaful Industry for a Stable and Inclusive Financial System.*

40 Salman, *Implementing Takaful in India Prospects, Challenges, and Solutions*, 17.

41 Syeda Fahmida Habib, *Fundamentals of Islamic Finance and Banking* (Wiley Online Library, 2018), 38.

42 Archer Simon et al., *Takaful Islamic Insurance: Concepts and Regulatory Issues* (Singapore: John Wiley Sons (Asia), 2009), 9.

based on the principles of Tabarruʿ (voluntary contribution), Muḍārabah (profit-sharing), and Wakālah (agency). In contrast, Takaful operates based on a Sharīʿah-compliant contract between the Takaful operator and the participant. However, takaful and conventional insurance differ in their fundamental principles, governance, management, investment strategies, risk management, and contractual frameworks. While conventional insurance is focused on transferring risks and generating profits, Takaful operates on the principles of cooperation, shared responsibility, and risk-sharing and is governed by a board of directors that ensures Sharīʿah compliance.

3. A Brief Overview of Islamic Finance of Bangladesh

Islamic insurance was introduced in Bangladesh on December 12th, 1999, with the launch of Islami Insurance Bangladesh Ltd. However, the government has yet to establish specific regulations or norms. Despite numerous proposals, bureaucracy and political instability have hindered the development of Islamic insurance regulations. The field of insurance, particularly Islamic insurance, still needs to be explored in Bangladesh, with only a limited number of individuals delving into this specialized area.

In 2010, the Bangladeshi parliament enacted two insurance laws to regulate the investment practices of Takaful providers. As a result, there are now eight full-fledged Takaful providers in Bangladesh, including five offering family Takaful services and conventional insurance companies that have incorporated Islamic insurance into their offerings. Together, these entities contribute 12% of the total premiums generated within the insurance industry.[43]

In Bangladesh, the growth of the Takaful industry requires enhancing workforce skills, educating customers about Takaful, supporting government initiatives, and adhering to Sharī'ah rules. However, the sector faces challenges like a shortage of qualified personnel, a lack of Takaful training institutes, limited engagement from Muslim scholars, customer unfamiliarity with Takaful, and a preference for conventional insurance savings.

Banks operating in the country and undergoing the process of harmonizing with Islamic provisions have brought their institutional structures to a certain level today. In Bangladesh, there are now three types of Islamic banking operations:

1. Fully-fledged (10)
2. Islamic banking branches (23 of 11 conventional commercial banks)
3. Islamic banking (511) units/windows banking activities of 13 conventional commercial banks.[44]

We see institutional disparities in Islamic banks and their current status. For the past three decades, Bangladesh's Islamic banking network has expanded. There are ten full-

43 Abdulla Al-Towfiq Hasan - Md Takibur Rahman, "Family Takāful Purchase Intentions in Bangladesh: The Mediating Role of Attitude and Saving Motives and the Moderating Role of Religiosity", *Islamic Economic Studies* 30/2 (2023), 3.

44 Ahm Ershad Uddin - Ayhan Hira, "Bangladeş'te Kira Sertifikası (Sukuk) Uygulamasının İslam Hukuku Açısından Analizi", *Kafkas Üniversitesi İlahiyat Fakültesi Dergisi* 10/20 (2023), 579.

fledged Islamic banks, with 1679 out of 10942 banking branches. Furthermore, Islamic financial services are available in Bangladesh through 41 Islamic banking units operated by nine traditional commercial banks and 434 Islamic banking windows used by 13 conventional commercial banks.[45]

However, Bangladesh Islamic Limited Bank (IBBL) is the country's first Islamic bank. It is a worldwide bank founded as a joint venture on March 13, 1983, as a public limited company under the Companies Act of 1913.[46] IBBL accounts for around 29% of total national remittances. As a result, IBBL is Bangladesh's most significant private banking network. IBBL was the first bank in Southeast Asia to provide Sharia-compliant financial services,[47] and NRB Global Bank was relaunched as Global Islami Bank on January 03, 2021, becoming the final Sharia-compliant bank. Bangladesh Bank authorized the bank's plan to raise 42.5 billion BDT through an IPO in June. Bangladesh Bank punished the bank in September 2021 for exceeding the bank's investment limit on the stock market.[48] At the end of March 2022, Islamic banks had 28.21 percent of the overall banking sector's deposits and 27.78 percent of the banking sector's investments. Total deposits in the Islamic banking industry reached TK 3996.79 billion at the end of March 2022, up BDT 65.68 billion, or 1.67%, from the end of December 2021 and 11.71% from the same quarter last year. The proportion of total deposits held by Islamic banks during the reporting period was 28.21% of the total deposits held by the banking industry. Full employment in the Islamic banking business was 47,927 at the end of March 2022.[49]

4. The Evolving Landscape of Takaful in Bangladesh

Takaful, an Islamic insurance industry, is growing in Bangladesh due to the growing Muslim population's need for Sharīʿah-compliant financial products. The government promotes Islamic finance and Takaful to develop the financial sector. Ali examines the market size, potential, rules, and challenges of the industry, emphasizing the importance of establishing a supportive environment through legal, regulatory, and Sharīʿah frameworks for sustainable growth.[50]

Takaful was first launched in Bangladesh by Islamic Insurance Bangladesh Ltd on December 12, 1999.[51] Following independence, the insurance industry in Bangladesh began with two nationalized insurance firms, a life and general insurance company and an international insurance company, in the mid-1980s. Later, private-sector insurance companies entered and grew the industry at the beginning of the 2000s. Currently, 77 firms are func-

45 "Developments of Islamic Banking in Bangladesh", *Bangladesh Bank Islamic Banking Cell Research Department* (June 15, 2022), 2–3.
46 Islam - Sultana, "Islamic Insurance in Bangladesh: Performance, Problems and Prospects", 44.
47 Ahm Ershad Uddin, *Bangladeş'teki İslam Bankacılık Uygulamasının Fıkhî Açıdan Incelenmesi* (Istanbul: Marmara Üniversitesi Sosyal Bilimler Enstitüsü, Doktora Tezi, 2020), 67–68.
48 AKM Zamir Uddin, "NRB Commercial Bank Fined for Breaching Stock Investment Ceiling", *The Daily Star* (September 6, 2021)
49 "Developments of Islamic Banking in Bangladesh" (June 15, 2022), 3.
50 Md. Abul Kalam Azad et al., "Prospects Analysis of an Islamic Capital Market in Bangladesh", *Global J Manag Business Res Finan* 13/6 (2013), 59.
51 Saeeda Lubaba et al., "Challenges Facing the Development Of Takaful Industry In Bangladesh And Indonesia: A Review", *Journal of Nusantara Studies (JONUS)* 7/1 (2022), 105.

tioning under the Insurance Act of 2010. There are life and general insurance companies, including one foreign company. In Bangladesh, insurance firms offer the following services:

1. Life insurance,
2. General insurance,
3. Reinsurance,
4. Microinsurance, and
5. Takaful, or Islamic insurance.

There are thirteen Islamic insurance windows and twelve fully-fledged Islamic insurance businesses. However, the Bangladeshi government must formulate legislation to regulate the takaful industry fully compliant with Islamic Sharīʿah principles. The takaful companies that adhere to Islamic Sharīʿah are as follows;[52]

Table 1 displays the takaful institutions' names, indicating their establishment dates and branch numbers.

No	Name of the Takaful/Islamic Insurance Companies	Since	Branches
1	Islami Insurance Bangladesh Ltd.	October 25, 1999	45
2	Takaful Islami Insurance Limited	December 21, 1999	51
3	Islami Commercial Insurance Co. Ltd.	January 01, 2000	37
4	Padma Islami Life Insurance Company Ltd.	April 26, 2000	89
5	Fareast Islami Life Insurance Company Ltd.	May 29, 2000	More than 200
6	Prime Islamic Life Insurance Ltd.	April 22, 2002	62
7	Zenith Islami Life Insurance Ltd.	August 11, 2013	51
8	Mercantile Islamic Life Insurance Ltd.	September 02, 2013	39
9	Trust Islami Life Insurance Co. Ltd.	February 05, 2014	27
10	Alpha Islamic Life Insurance Company Ltd.	May 13, 2014	---
11	NRB Islami Life Insurance Company Ltd.	May 06, 2021	36
12	Bengal Islami Life Insurance Ltd.	Mid of 2021	92

Table 1 illustrates the current status of the takaful industry, including the founding dates of these takaful institutions and the number of their branches.[53] It is worth mentioning that Prime Islami Life Insurance Co. Ltd. On June 20, 2002, the directors and members of the Sharīʿah board from the takaful industry in Bangladesh convened to address the

52 "IDRAB: Insurance Development & Regulatory Authority Bangladesh" (2023), 5."Developments of Islamic Banking in Bangladesh" (June 15, 2022).

53 *Developments of Islamic Banking System in Bangladesh* (Dhaka: Islamic Banking Wing Research Department Bangladesh Bank, September 2022).

regulation and standardization of takaful practices within the country. They reconvened on August 13, 2002, and eventually, on January 19, 2008, the Shari'ah Board for Islamic Insurance of Bangladesh was officially registered. The primary objectives of Bangladesh's Sharīʿah Council for Islamic Insurance revolve around the comprehensive application of Sharīʿah principles and regulations in each takaful company and its operations. The council also intends to suggest that all duties related to Islamic insurance be carried out following Shari'ah law by Bangladesh's Insurance Development and Regulatory Authority.[54]

As the country has no separate law for Islamic Banking and the Takaful industry, conflicting regulations in Islamic financial services and their impact on the Takaful business are legal problems in any Takaful regulatory structure.[55] Without rules or regulations, insurance companies prepare their accounts following the Insurance Act of 1938, which applies to conventional insurance enterprises. There is also no separation of policyholders' risk and investment funds. Product design, price, and value are all identical to traditional products.[56] The lack of scarcity of bespoke goods is because the Islamic Insurance business in Bangladesh is still in its early stages, and only a few products are now accessible on the market. This might be one of the reasons for the takaful sector's underdevelopment. Family Takaful enterprises are required by law to invest 30% of their total assets in government bonds and usury-based securities, known as ribā. They are restricted to investing in lawful government sectors.[57] It implies that Takaful contractual agreements must be Shari'ah-compliant and conform to the country's domestic laws. It has several hurdles due to legacy concerns linked to product innovation and acceptability; these legal issues have morphed into new obstacles, such as the Takaful sector's failure to keep up with the fast-paced innovations in the conventional insurance business. The lack of independent regulation, Shar'ah-compliant deposit portfolios, and an Islamic capital market impedes Islamic Insurance, which requires an Islamic capital market. Because all current bonds and investment certificates are based on interest, Islamic insurance firms only have options for investing funds with Islamic banks. Interest-bearing products are prohibited for Islamic insurance businesses to engage in this investment or capital market, unexpected competition, and a need for qualified field workers.[58] Besides this, another factor is the existing discounting provision; for example, conventional non-government insurance businesses profit by discounting or repaying premiums to policyholders. Islamic Insurance and established government insurance businesses view this offering as a significant challenge. Policyholders are urged to work with well-established non-government insurance businesses that hope to make a profit or get a bonus at the end of the year. In contrast, Islamic insurance companies do not provide policyholders discounts or refunds. As a result, Islamic insurance plans are less appealing to them. While the Bangladesh Insurance Academy

54 Khan et al., "History, Problems, and Prospects of Islamic Insurance (Takaful) in Bangladesh", 715.

55 Daniele D'Alvia, "(Legal) Uncertainty: Takaful between English Common Law and Shari'A Law", *International Review of Law* 10/1 (2017), 8.

56 M.J Sarwar, "Future Challenge in Islamic Insurance (Takaful) in Bangladesh", *Australian Journal of Sustainable Business and Society* 2/1 (2016), 72.

57 Tahani Coolen Maturi, "Islamic Insurance (Takaful): Demand and Supply in the UK", *International Journal of Islamic and Middle Eastern Finance and Management* 6/2 (2013), 91.

58 Issa Khan et al., "A Narrative on Islamic Insurance in Bangladesh: Problems and Prospects", *International Journal of Ethics and Systems* 34/2 (2018), 192.

teaches how to administer Islamic insurance for free, there are no options for one-on-one education or study into the Islamic insurance system.[59] According to Ullah, Bangladesh lacks training institutes for insurance staff, except for Islami Bank Bangladesh Ltd., which offers training facilities. Takaful experts recommend hiring a Murāqib (Sharīʿah Auditor) to oversee company Sharīʿah procedures. However, designing employees as Murāqib can make it challenging to supervise Sharīʿah practices, especially senior employees. With a Muslim population of over 90%, only a tiny percentage of Bangladesh's nine Takaful firms operate due to the lack of Islamic reinsurance and training institutes. This highlights the need for improved Sharīʿah compliance in Bangladesh.[60]

5. The Approach for Overcoming the Challenges in Bangladesh

Takaful companies need a regulatory framework to implement their activities in the country. As a result, on March 03, 2010, the Insurance Act 2010, which solely contained provisions for traditional insurance investment assets and Takaful, was enacted in Parliament[61] Takaful has grown in popularity in Bangladesh and other Muslim nations since its introduction in 1999. Nonetheless, Bangladesh's Takaful industry has struggled for various reasons mentioned above. However, Islamic financial organizations must follow Sharīʿah law. Any financial transaction and its entire procedure must not violate Sharīʿah standards.[62] Takaful concepts, products, investments, contract wordings, marketing collateral, surplus sharing, and fee structures are all Sharīʿah-compliant in the Takaful business.[63] The risks described in Takaful also apply to other companies.[64] It is a necessary component of any Islamic Financial Institution (IFI) and Takaful that meets Muslims' religious requirements in Bangladesh. The general populace often needs to be made aware of Islamic law. Transactions that violate the Sharīʿah can have financial and non-financial repercussions, as can be seen in a society where people depend on and respect the judgments of the Sharīʿah Supervisory Board regarding Takaful products and their financial efficacy implications render the contract flawed and profit-making transactions invalid.[65]

Internal Sharīʿah supervision boards oversee IFIs in Malaysia, which the BNM (Bank Negara Malaysia) has authorized to monitor and advise on Sharīʿah compliance.[66] No government in Bangladesh has made a significant move to establish a Sharīʿah monitoring body since the Islamic financial industry and Takaful began. Consequently, the country must enhance the Sharīʿah compliance of Islamic financial institutions (IFIs), including Takaful operations. Malaysia serves as a notable example of a thriving Takaful market. In Bangla-

59 Dinç et al., *Improving the Takaful Sector in Islamic Countries*, 105.

60 Md. Hafij Ullah, "Quality of Disclosure of Islamic Banks in Bangladesh: Evidence from a Survey", *Global Journal of Management and Business Research* 13/4 (2013), 12.

61 "Nsurance Development & Regulatory Authority" (2023), 5.

62 M. Kabir Hassan et al., "The Determinants of Co-Movement Dynamics between Sukuk and Conventional Bonds", *The Quarterly Review of Economics and Finance* 68 (2018), 77.

63 Umar A. Oseni et al., "The Legal Implications of 'Fatwā Shopping' in the Islamic Finance Industry: Problems, Perceptions and Prospects", *Arab Law Quarterly* 30/2 (2016), 109.

64 Ahmad Alrazni Alshammari et al., "A Comparative Study of the Historical and Current Development of the GCC Insurance and Takaful Industry", *Journal of Islamic Marketing* 9/2 (2018), 360.

65 Samir Alamad, "Islamic Financial Instruments: Accounting of Charitable Contracts," *In Financial and Accounting Principles in Islamic Finance* (Springer Books, 2019), 180.

66 Kasim et al., "The Religious Perspective of Takaful as Ethical Insurance", 101.

desh, Takaful enterprises require more robust regulatory support firmly rooted in Islamic Sharīʿah principles. This is crucial for the growth and expansion of the Takaful industry, which necessitates more substantial legal authority to govern its operations nationwide.[67] While the Central Sharīʿah Board for Islamic Banks in Bangladesh (CSBIB) was established within the framework of the Private Islamic Banks Association in 1999, there are doubts regarding its capacity to monitor Takaful companies' policies and activities effectively. The Takaful industry would greatly benefit from a sufficient number of knowledgeable Sharīʿah board members who can oversee adherence to guidelines and ensure compliance with Islamic commercial laws. While progress has been achieved in Bangladesh's takaful industry, pertinent challenges remain that demand attention. Among these is the need for more public awareness surrounding Takaful products, impeding their broad acceptance. Moreover, there is a pressing need to address regulatory and legal hurdles to ensure the industry's enduring and sustainable development. Bangladesh's Takaful industry faces several critical challenges, though the industry has immense potential. Limited consumer awareness leads to a preference for other options,[68] while Takaful operators struggle with product diversity and regulatory compliance.[69] The scarcity of investment opportunities hinders adherence to Islamic principles. Established conventional insurers intensify competition, impeding market entry. Personnel, mostly from conventional insurance backgrounds, require Islamic finance knowledge.[70] Unfortunately, due to the present circumstances, critics, notably in Bangladesh, question the Islamic insurance model.[71] Takaful's growth lags compared to banking and capital markets. Furthermore, a re-takaful system, Islamic capital market, and more Islamic bonds are needed.[72]

Conclusion

The Insurance Act 2010 in Bangladesh lacks a comprehensive regulatory framework specifically for Takaful, hindering its growth. Takaful operators must navigate various provisions of the Act, company laws, and financial regulations, creating confusion and uncertainty. The absence of Sharīʿah-compliant investment opportunities limits their ability to invest funds by Islamic principles. This presents a challenge for operators to offer competitive Takaful products. The industry's risk-sharing and cooperation characteristics and the lack of clear legal regulations in Bangladesh have shaped its development. Clear legal regulations and Sharīʿah-compliant investment opportunities are needed to promote Takaful growth. Despite its high Muslim population, Bangladesh's Takaful market has low penetration compared to other countries like Malaysia, Saudi Arabia, Turkey, etc. Takaful, a cooperative insurance form,[73] could help reduce financial risk and vulnerability, potentially

67 Sarwar, "Future Challenge in Islamic Insurance (Takaful) in Bangladesh", 74.
68 Peni Nugraheni - Rifqi Muhammad, "Innovation in the Takaful Industry: A Strategy to Expand the Takaful Market in Indonesia", *Journal of Islamic Marketing* 11/6 (2020), 1316.
69 Weimann L., *Insurance Markets in 2016: China Saves the Day Group Communications and Corporate Responsibility* (Germany: Allianz SE, 2017).
70 Md. Anowar Hossain Bhuiyan et al., "Islamic Management Practices in Islamic Life Insurance Companies of Bangladesh", *Journal of Novel Applied Sciences* 4 (2012), 133.
71 Alam et al., "Shariah Governance Practices and Regulatory Problems of Islamic Insurance Companies in Bangladesh", 113.
72 Ullah, "Quality of Disclosure of Islamic Banks in Bangladesh: Evidence from a Survey", 14.
73 Salman, "Contemporary Issues in Takaful (Islamic Insurance)", 214.

ending poverty in the country. By creating a shared fund, Takaful participants can support each other during difficult times. Deeper Takaful penetration could lead to faster economic growth in Bangladesh, encouraging risk-taking, investment, and savings.

The Takaful industry in Bangladesh faces several pressing issues that require resolution. These include a need for increased focus on heeding advice from both internal and external Sharīʿah boards, addressing unethical business practices, and refraining from directing funds toward family takaful institutions. To address these challenges, the government must chart a new course, enact specific regulations, and actively promote the effective adoption of Takaful within society. Establishing a Central Sharīʿah Board composed of experts in Islamic commercial law would ensure comprehensive oversight of takaful operations. Furthermore, collaborative efforts between the government and the private sector should include incorporating Islamic finance departments within Islamic institutions (madrassas) to cultivate expertise in this field.[74] Presently, educational institutions predominantly emphasize traditional subjects like Quranic studies, Hadith, Fiqh, Arabic literature, and general subjects, often overlooking Islamic finance, a crucial area of Islamic law that is severely neglected. There is also a notable need for more accountability among Islamic banks in Bangladesh. The study reveals that graduates from Madrashas often enter the Islamic banking and Takaful sectors but require a deeper understanding of Islamic commercial contracts to contribute effectively to this profession. Moreover, despite the Islamic Banking Industry significantly impacting nearly one-third of the country's economy, it fails to contribute to developing Islamic finance institutions through collaboration with the nation's leading universities and academic institutions. Despite a burgeoning Islamic commercial market since its independence in 1971, Bangladesh trails behind Malaysia and Turkey in Islamic finance research and institution development. There is a notable shortage of comprehensive studies in the Takaful sector compared to other Muslim countries. Bangladesh must bridge this gap by fostering robust research in Islamic finance, enhancing Islamic finance institutions, and integrating Islamic finance courses into university curricula nationwide. This step is pivotal for the country to align itself with the advancements in Malaysia and Turkey within the Islamic finance field. Malaysia and Turkey have conducted exhaustive research and established globally recognized institutions hosting seminars, symposiums, and conferences regularly.

However, there is no question that Bangladesh has tremendous potential to develop the Takaful market if the required suggestions and efforts are taken to eliminate difficulties and execute the policies of the AAOFI and other organizations. The study aims to help policymakers and stakeholders understand the industry's growth barriers, enable long-term development, and overcome obstacles for the takaful sector.[75]

In Bangladesh, Takaful firms should organize educational programs, workshops, and seminars to raise knowledge of Takaful and Islamic finance among the general public. Takaful businesses should provide a range of goods with enticing characteristics and competitive prices to satisfy the diverse expectations of customers. Takaful enterprises can

74 Khan et al., "Banking Behavior of Islamic Bank Customers in Bangladesh", 194.
75 Lubaba et al., "Challenges Facing The Development Of Takaful Industry In Bangladesh And Indonesia: A Review", 111.

expand their clientele by establishing a solid network with banks, microfinance organizations, and other financial institutions on a Shariah-compliant basis. The regulatory environment may be improved to create efficiency, transparency, and consumer and investor trust. Initiatives for staff training and development may improve customer satisfaction and service levels. By encouraging innovation, takaful companies may set themselves apart from competitors and maintain their competitiveness in the market. This research highlighted the significance of the Takaful market in Bangladesh, home to nearly 90 percent of the Muslim population and where Islamic banking holds a substantial 27% share of the banking sector. Despite its immense potential for Islamic insurance (Takaful), the Takaful industry in Bangladesh has faced neglect, primarily due to political interference and the need for proper Islamic law for banking regulation, in contrast to its counterparts in other Muslim-majority nations. By reforming the regulatory framework governing Islamic banking and Takaful, Bangladesh can encourage its citizens to actively participate in the Islamic financial sector actively, thereby making a valuable contribution to the country's economy.

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