



Takaful (Islamic) insurance and its marketability in the Iraqi insurance market: A future study applied in the Iraqi insurance market

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ABSTRACT

The insurance sector is one of the largest financial resources that provide the capital funds needed by the economy from the accumulated premiums, beside the banking sector. Therefore, the current study aimed to study the reality of this sector to identify opportunities for developing insurance services. Where we discussed the possibility of applying Takaful insurance in the Iraqi insurance market, According to the basic assumption that there is an opportunity to implement Takaful services in the Iraqi insurance market. The current study reached a number of conclusions, one of which is that Takaful insurance is compatible with the aspirations of Muslim consumers because it works in accordance with Islamic Sharia compared to commercial insurance. At the end the present research provides couples of recommendations one of it was Takaful insurance keeps pace with the needs of insurance customers in Iraq because customers are greatly affected by the religious factor, which is considered one of the biggest factors that affect the spread of commercial insurance services.

INTRODUCTION

Takaful insurance is an Islamic-based cooperative insurance system that operates according to Shari'ah (Islamic law). Which often involves elements deemed impermissible under Shari'ah such as gharar (uncertainty), maisir (gambling), and riba (usury), Takaful is designed to be compliant with these principles (Nahar, 2015: 248). Takaful insurance providing an ethical alternative to conventional insurance, It works on Takaful is based on mutual cooperation and collective responsibility. This cooperative approach aligns with the Islamic values of solidarity and mutual assistance. and Prohibition of interest (Riba), In addition to Shared Responsibility The essence of Takaful is that participants share both the good times and the financial burdens. As well as Takaful is designed to be compliant with Islamic law, which offers a compelling reason for Muslims to engage in this insurance model. It ensures that all practices within Takaful align with the ethical teachings of Islam, making it a suitable choice for those who wish to avoid conflicting with their religious beliefs. (Kasim, et al., 2016: 102). In addition, Takaful is an Islamic insurance policy that manages risks according to Sharia principles, where both risks and funds are shared between the insured and the insurer. The term "Takaful" means "mutual guarantee" or "guaranteeing each other," derived from the Arabic root word "kafala," which signifies a guarantee or assurance. Takaful represents Islamic values aimed at enhancing socio-economic benefits for individuals and society as a whole (Coskun, et al., 2021: 119).

Takaful insurance aims to distribute risks among individuals according to the principles of cooperation and solidarity, promoting social justice and ensuring financial protection for members in a manner consistent with Islamic values. Participants' funds are managed according to Sharia-compliant contracts such as mudaraba or wakala, whereby the operator invests these funds in a lawful manner to generate returns that benefit participants. (Ahmed, 2016: 9). While Takaful insurance presents unique advantages, it also has several disadvantages that may impact its adoption and effectiveness Lack of Awareness Many potential customers have limited knowledge about Takaful products. In addition, Regulatory Challenges The regulatory framework for Takaful is still developing in many countries, and Cultural Misunderstandings Some individuals may have reservations about Takaful being genuinely Sharia-compliant. leading to skepticism regarding its legitimacy as an Islamic insurance option. (Hassan & Abbas, 2020: 11).

The research paper seeks to highlight the growing importance of Takaful insurance as an effective alternative to conventional insurance and its potential for marketing in the Iraqi market. The introduction aims to establish the general framework the research seeks to achieve and highlight the need for change and modernization of the insurance system to address current challenges. The Iraqi insurance sector is considered one of the large sectors supporting the economic system in Iraq because of the cash liquidity that it provides to the Iraqi state treasury through its accumulated insurance premiums, in addition to its contribution to internal investment in infrastructure projects that provide high financial revenues in the long term. In addition to providing the guarantees that

needed by foreign investors that need guarantees for their entry into new markets, especially those that have a high degree of risk due to the instability of their economic variables.

It is worth noting that the Iraqi insurance market, despite its insurance history, has been subjected to economic setbacks that made it an unclear market and lagging behind other similar markets that provide insurance services of all kinds. Therefore, Takaful or Islamic insurance is considered a great opportunity for this promising market as it harmonizes the nature of the requirements of the Islamic society in general and the Iraqi society in particular and eliminates many of the obstacles that religious tendency is the biggest in our societies. The study problem can be summarized in the following question: *Is it possible for the success of the application of Takaful insurance in the Iraqi market?*

THEORETICAL REVIEW

Conventional insurance and cooperative or Takaful insurance are an extension of each other through the idea of insurance based on the formation of a group of individuals who are exposed to a unified risk in order to distribute the losses that may occur if the risk is realized, in return for paying a specific amount to the insurance company, and the idea of cooperative or Takaful insurance That these individuals have a special fund to which they can pay donations with the intent of facing risks or alleviating their burdens that one of the individuals participating in the fund may be exposed to. The idea of cooperative or takaful insurance has evolved into a more formal form, through the establishment of insurance companies which is run by Islamic cooperative bodies They are a group of individuals specialized in managing the Takaful insurance business.

It is a system that aims to protect individuals from economic disasters and their devastating effects that cannot be controlled or predicted when, where, and how it will be occur (Salim & others al, 2020). (Talal, 2014) continues that the working philosophy of this system is to collect risks under one administration, and compensate for financial losses that are occurred during different periods of time, and disperse the risk placed on one individual among a large group of individuals.

Also (Badawi, 2009) pointed out to the strategic dimension of the concept of insurance, which defined it as replacing a large potential and uncertain loss with a small and loss. If we look at insurance from a technical point of view, it represents a system that reduces the uncertainty of the insured by transferring risk to the insurance company that has the technical expertise and the financial solvency to deal with the risk (Talal & others, 2017)

And (Ismail, 2014) continues that insurance in its technical sense is a method that involves a prior agreement between two parties (the insurer and the insurance applicant who will become insured for him) to transferring the risk that the insurance applicant fears to occur to the insurer, in return for an amount calculated by statistical and mathematical methods in the form that It makes it proportional to the amount of expected loss when the risk is realized. From the foregoing, we can conclude that insurance is a system that reduces the burden of

damages resulting from the occurrence of the insured risk, and despite the existence of multiple means to prevent risks, which is does not achieve the effective protection compared that provided by insurance(Khazali, 2013).

Second: The concept of Takaful insurance:

Takaful, idiomatically, is the system that is not based on the principle of profit as a basis, but aims to break up the parts of the risk and redistribute it to a group of participating individuals through compensation paid to the damaged party of the participants in accordance with the principle of partnership .and in same time that does not conflict with the provisions of Islamic Sharia (Al-Tlais, 2016).

From a legal point of view, Takaful is a contract in which each participant pays a sum of money as a donation to compensate for the damages incurred by the rest of the participants when the insured risk is realized. As all participants are exposed to similar risks and the participants have the right to recover the surplus contributions (Arzeigat, 2021). Or it is a contract that collects donations provided by individuals called participants, who differ in their legal description from the owners of the shares. Donations are collected in the participants' account and its surplus is invested by the Takaful Company, and the losses of the individual participant are distributed to the rest of the participants (Mariem, 2020).And (Hassani, 2019) defined Takaful insurance is a system for managing and transferring risks reciprocally in accordance with Islamic law. This system consists of managers of the Takaful service and participants in financial donations, who all have a relationship based on mutual protection.

And (Allaq, 2015) adds Takaful insurance is an organized and meticulous cooperation between a large number of individuals exposed to a uniform type of risk called participants, and if the risk is realized and one of the participants suffers a loss, The rest of the participants will cooperate with him in facing the loss by paying a small amount of money paid by them, to the Takaful Insurance Authority, which manages the participants' money. And (sadfer, 2010) The mechanism of Takaful insurance as a system operates on the agency theory derived from Islamic Sharia, where a party called the Takaful Manager manages the accumulated funds from the participants' donations and invests it in areas compatible with Islamic Sharia, Redistribution of surpluses from donations and investments to participants, as shown in Figure (1):

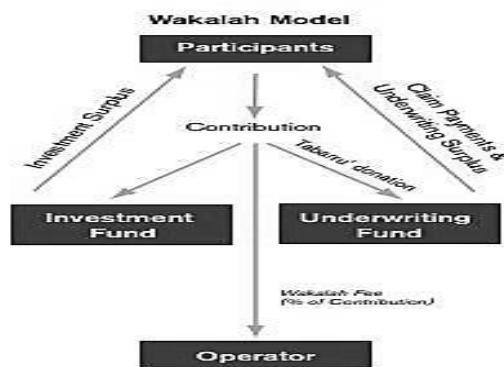


Figure (1) the mechanism of action of takaful insurance - prepared by the researcher

The Importance and Principles of Takaful Insurance

The Importance of Takaful Insurance:

Similar to conventional insurance, takaful insurance has a great importance in many economic and social aspects that make it synonymous with conventional insurance and its applications. It was reported by (Mansourieh, 2018) Takaful insurance has a role in industrial development by protecting the elements of production when the insured risk is realized by returning or repairing the damaged assets and in a way that ensures the continuity of the production process, and it has social benefits through medical insurance policies, death and temporary and permanent physical disability.

And (Obbob, 2018) added that the importance of takaful insurance is represented in the following:

- 1) Achieving safety and security for participants’.
- 2) Achieving legitimate profit that does not contradict Islamic Sharia.
- 3) Contribute to economic development and improve the cycle of money supply in the national’s economic system.

And (Qawadry, 2012) summarized the importance of takaful insurance as a method that has social and economic repercussions through:

1. Spreading a culture of takaful among members of society to face and distribute financial losses.
2. Contribute to limiting the rise in inflation rates by reserving a portion of the cash allocated for spending on consumer goods and services.
3. Increasing the rates of trade exchange worldwide in general and Islamic countries in particular.

And (Ajmal, 2010) continues that Takaful insurance is an important part of the financial services industry worldwide, which has been proven through practical studies that it is a growing industry, and is superior to conventional insurance and can replace it in the future. And (Al-Tayeb and Sabrina, 2011) adds that takaful insurance has a fundamental advantage over conventional insurance, which is the insurance surplus Takaful insurance has an essential advantage over conventional insurance represented in (insurance operations surplus), which is the sum of insurance premiums paid by the insured in addition to the returns on investment of these funds during the insurance period minus the cost of investment and insurance, as this surplus is distributed to the participants at the end of the insurance period.

Principles of Takaful Insurance

Similar to conventional or traditional insurance, takaful insurance operates under a number of principles that distinguish it from others, and they serve as determinants of the insurance process and can be summarized as follows:

1. Objective principles: It is a set of frameworks and contents within which Takaful insurance operates and embodies its theoretical concept of insurance of its various types, including:

- The principle of Islamic Sharia: The Sharia Supervisory Board formed within the Takaful insurance companies formulates the objective principles that embody Islamic Sharia by supervising the company's transactions and expressing its opinion on the compatibility of these transactions with Islamic Sharia (Nahar, 2015).

- The principle of justice: The rights of the participants and the rights of the insured are separated, and each party has its own financial account to address the overlapping of rights and duties and ensure justice in assuming responsibility (Hassani, 2019)

- The principle of avoiding usury: It is considered one of the important principles in the application of Islamic law to the insurance business, as conventional insurance is based in its work on the exchange of cash for cash. This is an embodiment of the usury, which violates Islamic Sharia, and the basis for the refrainment of individuals in Islamic countries from buying insurance policies. (Coskun, et al., 2021)

- The principle of avoiding (Gharar (and ignorance: The conventional insurance contract based on ignorance because the insured is ignorant of whether he will receive the amount of compensation or not, similar to the insured who is ignorant of the amount of compensation that he will pay.

- The principle of avoiding gambling: conventional insurance in the culture of Islamic peoples is considered a form of gambling, because the insured pays specific premiums in the hope of obtaining a larger amount in the future (Mansoori, 2018), and It should be noted that this can happen due to the change in supply and demand for the insured assets, because in many cases some insured, especially in marine insurance (goods), intend to steal the insured goods or dispose of them and damage them in a way that leads to a total loss, because the goods An insured decreases in value as a result of a change in supply and demand and a decrease in its present value from the insured value. And that the total loss will lead to the insured receiving an amount greater than the real value. (Khazali, 2013).

2. Technical principles: it's a set of practical and applied determinants under which to apply the transactions of Takaful insurance companies and (Qawadry, 2012) summarize them as follows:

- The principle of donation or endowment: This principle stipulates that the insured will participate in the insurance process by presenting them with gifts or financial donations to takaful fund or the contributors' Takaful Authority fund.

- The principle of participation: This principle stipulates that the Takaful insurance company and the insured (the participants) jointly Bearing the burden of the loss suffered by one of the participants, and Bearing the deficit in the Takaful Fund, through its distribution to all parties participating in the insurance process. (Kasim, et al.,2016).

The Essential Differences between Conventional and Takaful Insurance

Although the conventional and Takaful insurance services share in providing protection to the insurance applicant by compensating him for losses, there are fundamental differences between the two types that make one of them fit the requirements of a certain segment of target customers, which we will summarize as follows:

1. Implementation reference: In Takaful insurance, the activities are carried out in accordance with the provisions of Islamic Sharia, and this includes insurance, investment and compensation activities. In conventional insurance, conventional insurance works are accomplished based on insurance legislation, which differs from one country to another, without the religious rule entering into the contractual duties of how the business is implemented. (Allaq, 2015).

2. Distribution of surplus and profit: in Takaful insurance the insurance surplus is the difference between the total premiums and their returns minus the compensation and the expenses of the insurance process, and it is distributed to the participants. In conventional insurance, there is no insurance surplus in conventional insurance, but there are profits or insurance income resulting from the difference between the total premiums and their returns minus the compensation and the expenses of the insurance operation, this revenue is owned by the insurance company only (Saliha, 2015).

3. Investment revenues: The proceeds of investing the insurance funds are distributed among the participants in the fund, including policyholders and the Takaful insurance company, which takes a share of the investment returns but in conventional insurance Investment returns are due to the insurance company only (Al-Ashery, 2021).

4. Insurance goals: in Takaful insurance the most Insurance goals is Achieving cooperation and solidarity among the participants On the other hand, commercial insurance aims to Achieving profits at the expense of policyholders(Qawadry, 2012).

5. contract form: The contracting process in Takaful insurance companies is either in the form of an agency contract between the company and the participants. or in the form of speculation, or in the form of a gift While insurance The insurance process in commercial insurance companies is carried out in one form, which is the netting contract between insurance amounts and premiums (Hassani, 2019).

Takaful Insurance and the Iraqi Insurance Market

Takaful Insurance Indicators Around the Islamic World and the Arab World:

Global indicators show that there is strong growth in the global takaful market in general, in the range of 13% to 14% annually in the total contributions for the period 2015-2019. The family takaful market and the general takaful market in 2019 reached approximately 17% and 83%, respectively. General Takaful recorded a higher growth of 17% compared to family takaful at a rate of 1% globally in total contributions in 2019. The GCC countries still dominate the global takaful market with a market share of 77% (mostly in the takaful field),

followed by Southeast Asia with 15%, the majority in the field of family takaful. (Al Etihad , 2021).

The total number of Takaful insurance companies during the year 2019 reached 150 companies distributed over 28 countries of the world. The Kingdom of Saudi Arabia ranks first in terms of the total subscription in the Takaful insurance market and the number of operating companies, which reached 39 companies at the end of 2018, followed by Malaysia in the second place By 17 takaful insurance companies. the takaful insurance market in Malaysia is one of the booming markets that are achieving rising growth. It is followed by the Islamic Republic of Iran and the Republic of Sudan with 15 companies and this audience adopts the Islamic economic system in general, followed by Singapore, the , followed by Iran and Sudan with 15 companies. and these countries adopt the Islamic economic system in general, followed by Singapore, the UAE and Kuwait with an average of ten Takaful insurance companies. and this expansion in Takaful insurance business achieved a growth rate for this market ranging between 20% - 25% at the end of the year 2019 compared to A growth that did not exceed 0.07% in the commercial insurance business at the level of the Arab and Islamic countries (Harmoush and Muqaimeh, 2019). Africa and the other remaining countries are relatively new to the takaful market with a share of less than \$0.7 billion and \$0.5 billion respectively (i.e. 5% and 3% of the global takaful market share respectively), but these regions continue to demonstrate strong growth in 2019.

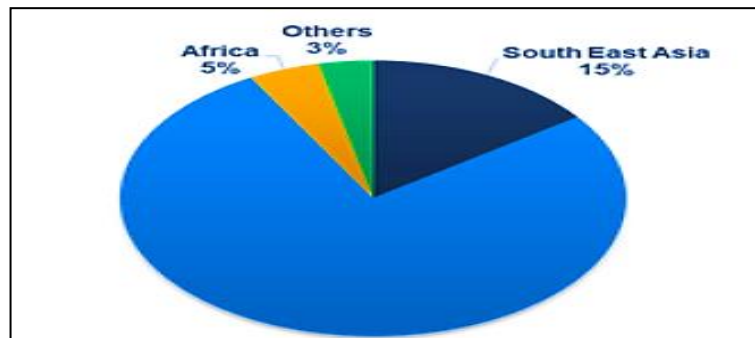
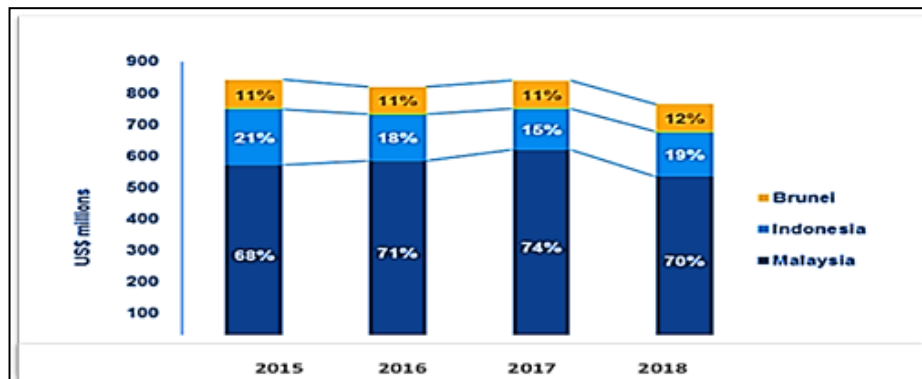


Figure (2) Global Takaful Insurance Indicators - Prepared by the researcher based on international reports.

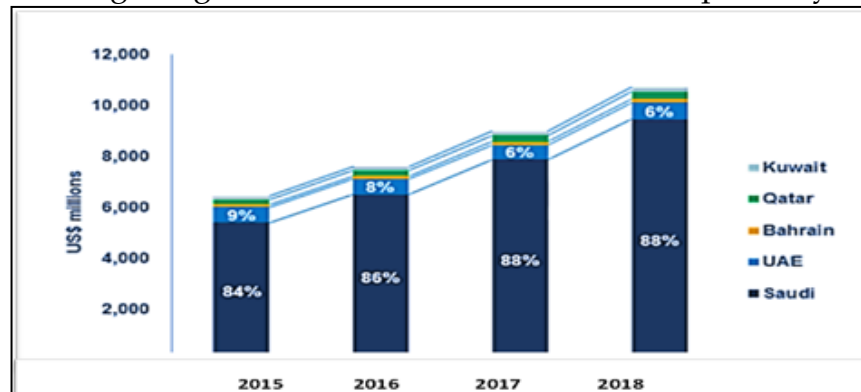
The chart above shows the total written contributions by country for the Southeast Asia region and the Gulf Cooperation Council countries, where it shows the total written contributions in US dollars in family and general takaful combined, along with the relative market share of each country (Arab world insurance.com) .

The Republic of Malaysia has the largest market for family takaful in the world, equivalent to 70% for the countries of Southeast Asia, as shown in the following figure (3), with a total written contributions of 534 million US dollars at the end of 2018, followed by Indonesia, which owns 19% of the takaful market at the level of The world, with a total underwriting contributions of \$0.6 billion, with a growth rate of (11%) at the end of 2018, followed by Brunei with a market share of 12% at the end of 2018 globally..



www.Tasarrufakademia.com.isalamic_finance_report_2019.

The following figure (4) shows the countries of the Gulf Cooperation Council, where Saudi Arabia has the largest market share with 88% and total contributions of 10.560 billion dollars, followed by the UAE with 6% with total written contributions of 9.5 billion dollars at the end of 2018. Saudi Arabia and the UAE had the highest growth in 2018, at 20% and 19%, respectively.



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The Takaful Insurance Market in Iraq and the most Prominent Challenges

The Takaful insurance market in Iraq is considered one of the modern markets that is still in the stage of completing the legal and legislative frameworks in preparation for the start of promoting Islamic insurance services, which are believed to have a future and many customers due to the presence of a catalyst for the spread of these services. Where the Central Bank of Iraq announced its initiation to establish a Takaful Insurance Company for Islamic banks in cooperation with the Insurance Bureau, with a capital of (15) billion dinars, with the participation of all Islamic banks.. And that this company is subject to Law No. 10 of 2005 regulating insurance business and Islamic Banking Law No. (43) Of 2015.

The Central Bank issued the Takaful controls of the company in accordance with the standards of the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Considering that the Takaful Insurance Company represents the second strategic objective of the comprehensive strategic plan of this bank in developing Islamic financial services and its dealings, for the period between (2016 - 2020), (www.cbi.iq).

Despite the objectivity of the idea, there are challenges that commercial insurance companies will face. He wrote (Kamal, 2019: 3) The problem that insurance companies operating in Iraq will face is that they may lose some of their business in competition with the Takaful / Islamic insurance company because This company, by virtue of its religious composition, is based on the provisions of Islamic Sharia, and it will work on the use of religion for the purposes of promoting its insurance services, which commercial insurance companies cannot do. This means that the competitiveness that Iraqi governments have been calling for since 2003 under the guidance of international financial institutions will be corrupt and weak (Kamal, 2019: 3: <http://iraqieconomists.net/>)

And that there is a basic problem facing takaful insurance faced by commercial insurance, which is represented by the intangibility of insurance services of both types, as many Muslims believe that insurance services are forbidden, so we need an effective strategy to educate consumers about the basic principles of takaful and create demand for takaful products (tahini coolin, 2016: p7) And (Ajmal, 2010 p6) continues that takaful insurance is not clear in general in many global markets, as part of the financial services industry is not in the same formality compared to other financial services such as banking.

As the desire and motivation of Muslims are considered two major factors responsible for the growth of demand for Takaful products, and they are related to the level of public knowledge of Takaful products, for which the growth of demand for them is still limited and at a rate of approximately 10% of the total insurance services in global markets. In general, the level of demand by Muslims and non-Muslims on Takaful products are considered very low due to the lack of understanding among the insurance public (Abo Hassin, 2014:p31)

And (Al-Tlais, 2016) adds another one facing Takaful insurance, represented by the lack of insurance cadres in the field of Takaful insurance, which constitutes a major challenge that affects the efficiency of the performance of Takaful insurance companies and the promotion of their services.

Practical Application

Description of the Research Community

The research community was represented in the Iraqi insurance market, which consisted of the Ethnic Insurance Bureau as a responsible and organizer of the insurance services sector in Iraq, in addition to the general insurance companies, the National Insurance Company, the Iraqi Insurance Company, and the Reinsurance Company, in addition to private insurance companies. In the insurance sector, the insured and potential consumers.

First, the description of the questionnaire:

A court questionnaire was prepared and consisted of (18) paragraphs in order to prove the research hypotheses mentioned in the research methodology, and that the form was divided into two parts. Takaful insurance, which included three axes (the possibility of application, the possibility of substitution, and the possibility of a rise in the total collected premiums). The three axes included questions aimed at proving the hypotheses of the research, and a three-degree Likert scale was used (agree, neutral and disagree) in order to indicate the

answers to the sample vocabulary The respondents were based on the paragraphs of the questionnaire, and the results were interpreted using statistical tools such as the mean, standard deviation, and the spss v17 program.

General Information:

Personal Information Section:

Index	Academic achievement	Frequency	ratio
1	BSc	122	0.61
2	Master's degree and equivalent	34	0.17
3	PhD	6	0.03
4	other	38	0.19
5	the total	200	%100
Table (1) the academic achievement of the sample			

Through the above table, we note that the academic achievement of the items of the researched sample was characterized by a high diversity, which gives a great diversity in the answers of the researched sample. This indicates that she has a high level of knowledge that qualifies her to answer the paragraphs of the questionnaire in an objective manner.

index	Career Level	Frequency	ratio
1	Director (general, branch, department)	22	0.11
2	employee	102	0.51
3	unemployed	76	0.38
4	the total	200	%100
Table (2) The occupational level of the sample			

The total percentage of items for the surveyed sample that have a job related to insurance activity was (62%), which varied between an employee, a general manager, and a department or branch in a way that indicates that the surveyed sample possesses technical knowledge in the field of insurance, its concept and principles of work, which is reflected in the quality of the answers provided by them Positive and purposeful.

index	Number of years of service	Frequency	ratio
1	20 – 15	64	0.32
2	30 – 20	55	0.27
3	40 and more	37	0.19
4	non	44	0.22
	the total	200	%100
Table (3) Number of years of experience for the sample			

The above table and figure shows that the items of the surveyed sample have serious practical experience in the field of insurance services and that they have direct dealings with the insurance service, as the total sample items that have experience and practice in insurance work amounted to (88%), and this indicates that the surveyed sample has an objective and technical opinion It stems from her long experience in the practice and management of insurance activities, and this was reflected in the quality of her answers regarding the questionnaire's paragraphs.

index	Paragraph	the answers		The ratio	
		Yes	No		
1	Did you buy an insurance policy?	102	98	%51	%49
2	How many times have you renewed the insurance policy?	95	105	%48	%52
3	Do you know what Takaful (Islamic) insurance is?	133	67	%67	%33
4	Do you find a difference between Takaful (Islamic) and commercial insurance?	129	71	%65	%35

Table (4) Insurance information - prepared by the researcher based on the outputs of Spss

The above table represents an additional measure of the relationship of the vocabulary of the researched sample to the activity and insurance services, and through it we see the tangibility of insurance services for the insurance audience and the extent of their interaction with them. The sample surveyed has a relative knowledge of Takaful insurance services and its concept, and what are the benefits derived from it compared to commercial insurance, at a rate of nearly 70% when it answered paragraphs (3 and 4).

Takaful Insurance:

The first axis: the possibility of applying the Takaful insurance:- In this section, we will discuss the answers and opinions of the researched sample about the extent to which it is possible to apply and activate Takaful insurance services in the Iraqi insurance sector based on the material, technical and administrative capabilities that this sector possesses, and the availability of the legal and legal environment necessary to activate the services This type of insurance.

index	Paragraph	Likert scale			mean	St. deviation
		I agree	neutral	don' t agree		
1	Are there technically and administratively qualified cadres in the field of Takaful insurance?	101	53	46	2.28	0.60

2	Do public & private insurance companies have the necessary capital to initiate the establishment of branches of their companies specialized in Takaful insurance services?	144	47	9	2.67	0.55
3	The average per capita income is sufficient to acquire Takaful insurance products?	103	87	10	2.40	0.68
4	The average income of individuals is sufficient to acquire Takaful insurance products?	89	105	6	2.41	0.55
5	Is the legislative framework available that confirms the legality of Takaful insurance services and its conformity with the principles of Islamic Sharia?	111	22	67	2.22	0.61
6	The necessary legal framework is available for concluding takaful insurance contracts, guarantees the rights of subscribers and defines their duties	156	13	31	2.62	0.63
Application possibility		704	327	169	2.44	0.62

Table (5) quantitative data for the response of the researched sample to the axis paragraphs. Prepared by the researcher

Through the above table, we note that the arithmetic mean values of the paragraphs of the axis of the possibility of applying takaful insurance exceeded the hypothetical mean and its value (2) on a three-degree Likert scale. Towards agreement on the possibility of applying and producing Takaful insurance services in the Iraqi market based on what was stated in the paragraphs of the axis, and this was confirmed by the standard deviation values, which ranged between (0.55) and (0.68), which indicates a decrease in the dispersal of the sample's opinions. The value of the general arithmetic mean of the axis has reached (2.44) in a way that is close to agreement in a large proportion with the paragraphs of the axis, which is the possibility of applying and producing takaful insurance services in the Iraqi market.

Takaful insurance as an alternative to commercial insurance:

In this axis, we will discuss the answers and opinions of the researched sample about the extent to which Takaful insurance is considered a successful alternative to commercial insurance within the alternatives available to the insurance public in the Iraqi insurance sector based on the benefits provided by the application of Takaful insurance

index	Paragraph	Likert scale			mean	St. deviation
		I agree	neutral	don't		

1	Takaful insurance services are compliance with the principles of Islamic Sharia.	155	33	12	2.71	0.57
2	Takaful insurance services are It's low cost	89	88	23	2.33	0.67
3	Takaful insurance provides returns to the participants resulting from the investment of their money added to their insurance accounts	102	74	24	2.39	0.69
4	Takaful insurance provides financial surpluses to be added to the accounts of the participants in the Takaful Insurance Fund	101	75	24	2.38	0.69
5	Takaful insurance provides adequate compensation to the participants and equivalent to the value of the actual loss that they have suffered as it is based on the principle of takaful or cooperation	100	82	18	2.41	0.65
6	Takaful insurance provides the legitimacy of funds (compensation, insurance surpluses, investment returns) as it is a financial activity that is practiced within the limits of Islamic Sharia.	156	33	11	2.67	0.65
Takaful insurance is an alternative to commercial insurance		703	385	11 2	2.40	0.6

Table (7) quantitative data for the response of the researched sample to the axis paragraphs. Prepared by the researcher

The above table shows that there is a large agreement of the opinions of the researched sample with what was stated in the paragraphs of the axis concerned with the question whether the takaful insurance is a successful alternative to commercial insurance within the alternatives available in the Iraqi market. The arithmetic mean values ranged between (2.33) and (2.77), which indicates the direction of the opinions of the surveyed sample with the axis paragraphs, in addition to the concentration of the answers of the surveyed sample in the area of agreement, and this was confirmed by the standard deviation values, which ranged between (0.57) and (0.69). The value of the general arithmetic mean for the axis was (2.40), exceeding the hypothetical mean and its value (2) on the scale, which confirms the concentration of the sample answers in the area of agreement from the Likert scale and its distance from the area of neutrality and disagreement.

Takaful insurance and its impact on the total premiums of the Iraqi insurance market:

In this axis, we will discuss the opinions of the sample of the respondents regarding the impact of takaful insurance on the results and indicators of the Iraqi insurance sector, and the opportunities provided by the application of this insurance, whose results will be reflected on the Iraqi economy in general and the insurance sector, especially if they are efficiently exploited based on global trends in the expansion of Islamic insurance or symbiotic.

index	Paragraph	Likert scale			mean	St. deviation
		I agree	neutra l	don' t agree		
1	Takaful insurance new services added to the variety of insurance services marketed in the Iraqi insurance market	163	37	0	2 · 8 1	0.38
2	The low cost of Takaful insurance services is considered an attractive factor for insurance premiums	89	110	1	2 · 4 4	0.50
3	The production of takaful insurance services is an attractive factor for the investments of takaful insurance companies in the Iraqi insurance market	141	23	36	2 · 5 2	0.68
4	The practice of public and private insurance companies for Takaful insurance business will add new insurance portfolios to them in a way that will be reflected in their total returns.	158	39	3	2 · 7 7	0.45
5	The production of Takaful insurance services is considered a factor that attracts the Islamic public	161	12	27	2 · 6 7	0.60
6	Producing Takaful insurance services in the Iraqi insurance market is a catalyst for increasing commercial transactions between Iraq and countries that apply Islamic Sharia	174	26	0	2 · 8 7	0.33
	The rise in the indicators of the Iraqi insurance market	886	247	67	2 · 6 8	0.57

Table (8) quantitative data for the response of the researched sample to the axis paragraphs. Prepared by the researcher.

The above table shows that the opinions of the researched sample were towards agreement and in a large percentage with what was stated in the axis paragraphs. The arithmetic mean values ranged between (2.44) and (2.87), which is greater than the hypothetical mean on the three-degree Likert scale and with a moderate dispersal rate that ranged between (0.33) And (0.68), which confirms that the application of Takaful insurance services has a great reflection on the indicators of the Iraqi insurance market, as it is a new product that has a wide audience in the Iraqi market. The provision of insurance services in line with the needs and culture of the public will be reflected positively on the total insurance premiums collected, and this will lead to an increase in the Iraqi market share of insurance services at the level of the Islamic world in the medium and long term.

CONCLUSIONS

1. Takaful insurance provides financial, administrative and legislative advantages that suit a large segment of the insurance audience locally and globally.
2. Takaful insurance corresponds to the aspirations of the insurance public in Islam because it operates according to Islamic Sharia compared to commercial insurance.
3. Takaful insurance is considered an opportunity to develop the Iraqi insurance sector by diversifying its insurance products and increasing insurance premiums.
4. Takaful insurance contributes to increasing the market share of the Iraqi insurance sector, as it operates within the limits of economies that apply the principle of Islamic law and is not limited to one economy.
5. Takaful insurance contributes to increasing the market share of the Iraqi insurance sector
6. The application of takaful insurance will reflect positively on the national economy in general, as it provides insurance services that increase trade exchange with Iraq.

RECOMMENDATIONS

1. The insurance sector, represented by the Iraqi Insurance Bureau, must work to provide the legal and legislative environment for the production of Takaful insurance services, which is a basis for launching this type of insurance, as laws and legislation are still general in terms of discussing the details of this type of insurance.
2. Public and private insurance companies must deal with this type of insurance as an opportunity that contributes to diversifying insurance services.
3. Public and private insurance companies must marketing more effectively the concept of takaful insurance among the insurance public, because there is a great lack of insurance culture in Iraq.
4. Takaful insurance keeps pace with the aspirations of the insurance public in Iraq because this public is greatly influenced by the religious factor, which is

considered one of the biggest factors that deterred the spread of commercial insurance services

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