

New Takaful product hits France’s market amid tense debates on secularism

A mother wearing a Hijab on a school trip reignited heated debates about Islam, Islamism and secularism in France, where 13,500 people took to the street on the 10th November 2019 to demonstrate against Islamophobia. Against this rather tense backdrop, insurance broker SAAFI launched its first in-house Takaful product as demand for Islamic solutions grows. **MARC ROUSSOT has more.**

The new Wakalah-based insurance, underwritten by MUTAC, a French insurer focusing on funeral insurance, covers death and repatriation of remains for people aged between 12 and 85 years old. Called Sakina, which can be translated as serenity or quietude, it is open to all tax residents in France.

“ Muslims living in France have a lot to offer, including in terms of insurance and financial innovation ”

Four different levels of insurance worth EUR2,000 (US\$2,202.92), EUR3,000 (US\$3,304.38), EUR5,000 (US\$5,507.30) and EUR7,000 (US\$7,710.22) are provided to cover the cost of repatriation to any country in the world.

SAAFI expects to attract 50,000 policyholders within five years. A sizeable number of France’s Muslim community have roots in Africa, especially Maghreb countries like Algeria, Morocco and Tunisia, which were part of the French colonial empire.

The new offering has been in the pipeline since 2015 but the development of Sakina earnestly started in 2016 when SAAFI joined hands with MUTAC following demand from French associations of Muslim funeral homes for a Takaful product covering death and repatriation of remains.

In total, about EUR100,000 (US\$110,151) has been disbursed to launch this product and more investments are to be made to digitize the subscription process with the aim of easing distribution.

The launch of Sakina is a milestone for SAAFI, which has distributed Takaful solutions developed by other companies like Swiss Life, Vitis Life, FWU and INAIA Finance for many years— but it is a milestone that could be politicized given the current political context.

“There is a high reputational risk for MUTAC. Therefore, SAAFI as the developer and insurance broker is taking care of the communication and distribution of Sakina. We are a broker specialized in Islamic finance and Takaful, and we are ready to cope with any potential polemic that would arise from the launch of our product,” shares Ezzedine Ghlamallah who co-founded SAAFI in 2015.

While France is home to about 5.72 million Muslims representing 8.8% of the population, according to a 2017 Pew Research report, the path taken by SAAFI is not an easy one.

For instance, Noorassur, a French Shariah compliant financial advisory firm that also provides Takaful products, has been on a bumpy ride, to say the least, since the company took the decision to open branches throughout France back in 2015, **receiving death threats and having some of its branches vandalized.** Noorassur has also been **caught in a legal battle with Nice’s town hall** in setting up a sign openly stating ‘Islamic finance’.

“In the current context where even wearing a headscarf is an issue for a part of French society, France may be one of the toughest countries to practice Islamic finance. But we want to show that Muslims living in France have a lot to offer, including in terms of insurance and financial innovation,” says Ezzedine. ☺

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