| CONTENT |
|------------------|-------|
| Dedication       | i     |
| Acknowledgement  | ii    |
| List of Tables   | iv    |
| Contents         | v     |
| Abstract         | xi    |

**CHAPTER ONE: INTRODUCTION**

1.1: Preface 1
1.2: Objectives of the Study 3
1.3: Scope of the Study 4
1.4: The Outline of Chapters 4
1.5: Methodology 5
1.6: Statement of the Problem 7
1.7: Literature Review 9

**CHAPTER TWO: FUNDAMENTAL AND BASIC PRINCIPLES OF ISLAMIC ECONOMIC SYSTEM**

2.1: Introduction 18
2.2: Basic principles of Islamic Economy 19
   a. The principle of ownership 19
   b. The principle of economic freedom within a defined limits 20
   c. The principle of social justice 20
2.3: Fundamental principles of Islamic Economic system

2.3.1 Payment of Zakāt
   a. Essential elements of Zakāt
   b. Types of Zakāt
   c. Vegetable Exempted from Zakāt
   d. To whom Zakāt funds should be paid

2.3.2 Zakāt al-Fitr

2.3.3 The wisdom of Zakāt al-Fitr

2.4: Spending in charity is highly encouraged in Islam

2.4.1 Charity from the economic point of view

2.5: Extravagance and waste of wealth are discouraged in Islam

2.6: Inheritance (Al-Farā'id)

2.6.1 The meaning of Al-Farā'id

2.6.2 When a Muslim dies there are four duties which Need to be done

2.6.3 Disqualification of inheritance

2.7: Protecting orphan's property

2.8: Hoarding of foodstuff and other basic necessities is unlawful

2.9: Interest on money-lending is forbidden

2.9.1 The meaning of Ribā

2.9.2 Kinds of Ribā

2.9.3 Distinction between commercial gains and interest

2.9.4 Injunctions from the Qur'an regarding Ribā

2.9.5 Teachings of the Prophet (Pbuh) on this issue

2.9.6 The impact of Ribā on society
   1. Interest from the spiritual and moral angle
   2. Interest from the social angle
   3. Interest from the economic angle

2.9.7 Harsh verdict against interest from Qur'an

2.10: Social Insurance
CHAPTER THREE: CONVENTIONAL INSURANCE CONTRACT SYSTEM

3.1: Introduction 73

3.2: Definitions of Insurance 74

3.3: General Functions and Objectives of Insurance 77

3.4: General Benefits of Insurance 78

3.5: Fields of Insurance 80

3.5.1 Life insurance 80
3.5.1.1 Functions of Life insurance 81
3.5.1.2 Types of Life insurance 81

3.5.2 Property and Liability insurance 85
3.5.2.1 Liability insurance 85
   a. Public Liability 86
   b. Product Liability 86
   c. Professional Liability 86
   d. Workmen’s Liability 87

3.5.3 Social Insurance 87

3.6: Concept of Risk 88

3.6.1 Definition of risk 88
3.6.2 Classifications of risk 88
3.6.3 Insurable risk 90

3.7: The contract of Insurance 93

3.7.1 Introduction 93
3.7.2 Definitions of Insurance Contract 93
3.7.3 Essential Elements of an Insurance Contract 95
3.7.4 Characteristics of Insurance Contract 97
CHAPTER FOUR: INSURANCE CONTRACT FROM THE SHARIAH PERSPECTIVE

4.1: Introduction 107

4.2: Work and earning a living 109
   a. Basic objectives of the Shariah 109
   b. Islam is not an ascetic religion 110
   c. Acquiring wealth through unfair means is prohibited 112

4.3: Prohibition of certain forms of business transaction in Islam 114
   4.3.1 Formalities of contract as constituted by Islam 114
   4.3.2 Trade is permitted in Islam 117
   4.3.3 Legal and illegal are clearly defined in Islam 119
   4.3.4 Conditions in business transaction 120
   4.3.5 Prohibited forms of business transaction 122

4.4: Ruling of Shariah Scholars pertaining to conventional insurance contract 133
   4.4.1 Introduction 133
      a. Arguments advanced by majority of Muslim Jurists and intellects who objected the concept of modern conventional Insurance 135
      b. Arguments advanced by the Muslim Scholars who are in favour of the modern conventional insurance concept 142
      c. Islamic conferences on conventional insurance 146
CHAPTER FIVE: APPLICATION OF TAKĂFUL IN SYARIKAT TAKĂFUL MALAYSIA BERHAD (STMB) AND TAKĂFUL NASIONAL SENDIRIAN BERHAD (TNSB)

5.1: Introduction 149

5.2: Al-Takăful as an alternative to conventional insurance 155

5.3: Concept of Insurance in Islam 165

5.4: Basic Principles of Islamic Insurance 170
    a. Absolute Islamic Law Principles 170
    b. Principle of Tabarru' 172

5.5: The concept of al-Muḍārabah in Shari'ah 175
    5.5.1 The central idea in the concept of al-Muḍārabah 177
    5.5.2 Definition of al-Muḍārabah 178
    5.5.3 Legitimacy of Muḍārabah in Islamic Law 178
    5.5.4 Duties and rights of the investor and the agent 182

5.6: Basic Provisions Regarding Muḍārabah 183

5.7: Takăful Industry in Malaysia 193
    5.7.1 Takăful Act 1984 193
    5.7.2 Supervisory authority and the Director General of the Company 194
    5.7.3 Shari'ah Supervisory Council 195

5.8: Syarikat Takăful Malaysia Berhad (STMB) 196
    5.8.1 Takăful Branches of net work in Malaysia 197

5.9: Syarikat Takăful Nasional Sendirian Berhad (TNSB) 198
    5.9.1 Takăful Nasional Sdn.Bhd. Branches in Malaysia 198

5.10: The contract of Takăful 199
    5.10.1 Right to enter a contract of Takăful 200
    5.10.2 Right for a child to enter into Muḍārabah contract 202
5.11:  Malaysia Takāful Operational System  

5.11.1  Family Takāful  
5.11.2  Objectives of Family Takāful Plans  
5.11.3  Operational system of Family Takāful  
5.11.4  Takāful Installments  
5.11.5  Payment of Takāful Benefits in the Event of Death  
5.11.6  Maturity Benefits  

5.12:  Operational system of General Takāful Business  

5.12.1  General Takāful Fund  
5.12.2  Types of General Takāful Schemes  

5.13:  Performance of Syarikat Takāful Malaysia bhd. and Takāful Nasional sdn. bhd in both Family and General Takāful Plans  

5.14:  Some: STMB and TNSB features  

5.15:  Establishment of Takāful industry is an invitation to what is good and right  

CONCLUSION  

BIBLIOGRAPHY