

**UNIVERSITI TEKNOLOGI MARA**

**THE IMPORTANCE OF RE  
TAKAFUL IN RISK MANAGEMENT**

**SITI HAWA BINTI MOHD**

Academic Writing submitted in partial fulfillment  
of the requirements for the degree of  
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**Academy of Contemporary Islamic Studies**

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## AUTHORS DECLARATION

I declare that the work in this academic writing was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original, and it is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This academic writing has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Under Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student	:	Siti Hawa Binti Mohd
Student I.D. No.	:	2015408458
Programme	:	Bachelor in Muamalat -IC 210
Faculty	:	Academy of Contemporary of Islamic Studies
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Signature of Student	:	
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## ABSTRACT

Early during the Prophet era, Takaful operation have been implemented between all the tribe in Mecca. It is done as a process to prevent and decrease all the risks and catastrophe that may happen. Now, all over the world, it is known as Takaful operation. Takaful operations played an important part in Muslim's life. Despite Takaful industry has been developing in recent years it still facing a few difficulties and challenges. As Takaful company provide protection and risk sharing to the contributors, who give protection and risk sharing to the Takaful company. Thus, the need of security and protection for Takaful company to operate efficiently. As in insurance, reinsurance played a big part in preparing and reducing risk of their operation. It also goes to Takaful operation, Re Takaful operation also significant and important to the Takaful company for them to operate efficiently as Re Takaful operation is a service that work as mitigating tools. Besides, Re Takaful operation will also affect Takaful company in many aspects such as company rating and reducing solvency risk. Lastly, Re Takaful operation. is an important part of Takaful industry because it will help Muslim and provide choice to all the Muslim as it is vital for Muslim to perform their activities according to the Islamic religion.

Keywords: Takaful, Operation, Re Takaful, Risk Management, Risk Sharing, Solvency, Rating.

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