

Implementation of Integration Takaful Model for Medical and Education Fund

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Abstract: Everyone knows that there are various names used in the takaful or insurance business, but does anyone know about the transparency in customer quotations if they do not hide the important data or 'inner works'. This is important for customers to make the right selection when buying insurance or takaful products. Therefore, a new design of premium life tables and also the implementation of the model should be made because to satisfy the customer and free of hidden agenda. By using the mudharabah or wakala model of Integration Model, Malaysia government will has a new Model Islamic Fund in Malaysia to help people and government for health and education fund in Malaysia.

Key words: Mudharabah Model • Wakala Model • Riders • Life Insurance Model • Premium Life Table

INTRODUCTION

The widely differing attitudes of Muslim scholars on the validity of insurance can be grouped under three broad categories taken from Siddiqi [1].

- Those (including Shia jurists) that see nothing wrong in the basic principles underlying modern insurance. Notwithstanding ignorance (jahl) and uncertainty (gharar) provided it is free from riba (usury, interest) by Amin [2].
- Those who find an element of gambling in all kinds of insurance, coupled with riba (interest) and gharar (uncertainty) and regard it as an unnecessary innovation.
- Those that approve general insurance but disapprove life-insurance as it involves gambling and gharar (uncertainty and pre-destination).

The surplus of a life insurance fund relating to participating policies, the Appointed Actuary must not recommend that the surplus be transferred to shareholders if he is of the professional opinion that the surplus should be carried forward as an additional reserve to meet the licensed insurer's liabilities to policyholders and reasonable expectations of its policyholders, which are not specifically provided for in the actuarial valuation. Where the Appointed Actuary has recommended the transfer of a surplus of a

Table 1: Proportion of surplus of participating policies allocated for transfer to shareholders fund

Amount (or part thereof) of the aggregate of life insurance fund relating to participating policies as at the end of the financial year (RM '000,000)		
Range	Calculation (cumulatively)	Proportion
0-300	First 300	20%
301-600	Next 300	15%
601 and above	All exceeding 600	10%

life insurance fund relating to participating policies determined by actuarial valuation as at the end of a financial year, the licensed life insurer must not allocate an amount for transfer to its shareholders' fund that exceeds the maximum proportion as determined in a manner set out in Table 1 [3].

In fact, the department in late September 2010 [4] published "Guidelines on the Introduction of New Products for Insurance Companies and Takaful Operators" under the Insurance Act 1996 and the Takaful Act 1984. The guidelines, stressed Bank Negara, which is also the insurance and Takaful regulator in Malaysia, aim to improve the time-to-market for insurance companies and Takaful operators to introduce new products; to promote sound risk management practices in managing and controlling product risk; and to further strengthen the duty of care owed to consumers in ensuring that products developed and marketed are appropriate to the needs,

resources and financial capability of targeted consumer segments. To manage risks effectively, risk-mitigation strategy shall be formulated to take into consideration among others, the takaful operator's capital position and surplus or deficit position of the takaful funds, liquidity requirements and volatilities of asset classes. At all times, takaful operators are responsible for the interest and well-being of takaful fund.

Takaful operators shall have sufficient resources to operate the takaful business and shall ensure that parties connected to the business operations are competent and well trained to perform their functions. Takaful operators are also responsible for the conduct of their agents including outsourcing parties. In the marketing and sales process, takaful operators shall be responsible to establish appropriate procedures for their respective distribution channels, placing strong emphasis on good marketing ethics conduct and disclosure. The Board is ultimately accountable to ensure the overall effectiveness of takaful operations' management. Senior management shall be responsible to implement the overall operational processes, including developing and recommending comprehensive policies, procedures and internal controls, for recommending comprehensive policies, procedures and internal controls, for the Board's endorsement. The Board shall put in place an effective oversight framework that continuously assesses the effectiveness of policies and procedures of the management of takaful funds including obtaining the endorsement and advice from Shariah Committee and ensures that the takaful operation is carried out in accordance to these policies and requirements. The Board shall ensure strong corporate governance processes are in place to enable effective discharge of takaful operators' fiduciary duties towards participants.

Methodology: The existing model of takaful insurance business has many disadvantages and should be changed to be more flexible model. Everybody needs a new model of Islamic insurance (Integration Model) which can cover mostly of their risks and the premium life table must give the transparency data of client quotation without elements of riba, gharar and maisir. In this method, clients proposal need to add more riders as shown in Table 2.

From Table 2, the client proposal need many riders such as death coverage, death benefit, khiarat, loss of effort to work or 40 critical illnesses, hospital bills and pension. After a discussion with many Muslim, the researcher realises that they need a detailed client

Table 2: Client Proposal

Numbers	Things	Values
1	Monthly payment	RM Y
2	Female non smoker	K year old
3	Period Term	N year
4	Interest Rate	R per year
5	Monthly saving	RM p
6	Tabarru Account	RM j
7	Surrender Values	RM t
8	Death Coverage	RM $10x$
9	Khiarat	RM $2x$
10	Loss An Effort To Work/ 40 critical illnesses	RM $10x$
11	Hospital Bills	RM $5x$
12	Pension	0.3 x

premium life table to avoid uncertainty in their business as shown in Table 2 [5]. Let Q_1 is the year, Q_2 is the age, Q_3 is the layout payment, Q_4 is the tabarru account, Q_5 is the personal account, Q_6 is the surrender value, Q_7 is the khiarat, Q_8 is the loss an effort to work or 40 critical illnesses, Q_9 is the death coverage, Q_{10} is the hospital bills, Q_{11} is the pension and Q_{12} is the death benefit. [6].

Table 4 is used for Wakala model because it has the Wakala fee as shown in Q_{13} . From Table 3 and Table 4, the value in segments those tables of Q_7 to Q_{11} are in ratio items where if the value of x is RM1000, so the value of hospital bills is RM5000.

Partition in Integration Model of Premium Life Table for Monthly Payment According to the Riders' Ratio

The premium table life shows the partition of the monthly payment which according to Table 5 (a) is to define the ratio of the riders. Table 11(a) is to elaborate the partition of the monthly payment according to riders' ratio. The overall of monthly payment is RM50. Therefore, the overall total is divided into different portions. They are savings, pension, death coverage, death benefit, hospital bills, lost and effort to work or critical illnesses. This new plan offers complete riders for two people in one product plan; participant and a child. According to the partition in Takaful Ikhlas quotation (2008) is RM0.11 for per unit (RM1000 = 1 unit). Based on Table 11(a), the overall total of the portions mentioned is 54. Therefore, each partition out of RM5 is RM0.0926.

According to Am Assurance pension scheme quotation [7], the monthly payment is RM125 for 21 years. The participant will earn RM500 per month after retirement for the whole life. In the Integration model, the monthly payment of the pension scheme is RM15 and the child will earn RM300 for 10 years if the participant dies.

Table 3: Client Quotation for i= 1,2,3,.....,17 (Mudharabah Model)

Q ₁	Q ₂	Q ₃	Q ₄	Q ₅	Q ₆	Q ₇	Q ₇	Q ₈	Q ₉	Q ₁₀	Q ₁₁	Q ₁₂
n _i	k _i	12iy	i(12y-w)	p _i	t _i	2x	10x	10x	5x	5x	0.3x	

Table 4: Client Quotation for i= 1,2,3,.....,17 (Wakala Model)

Q ₁	Q ₂	Q ₃	Q ₄	Q ₅	Q ₆	Q ₇	Q ₈	Q ₉	Q ₁₀	Q ₁₁	Q ₁₂	Q ₁₃
r _i	k _i	12iy	i(12y-w)	p _i	t _i	2x	10x	10x	5x	0.3x		

Table 5(a): Partition of Riders' of the Tabarru Account in Integration Model

Tabarru Account	Q ₇ (Khairat) (2X)	Q ₈ (Loss an effort to work/ critical illnesses) (10X)	Q ₉ (Death Coverage) (10X)	Q ₁₀ (Hospital Bill) (5X)	Q ₁₂ (Death Benefit) (10X)
Partition Ratio of Tabarru Account (54X)	2X (2 People) = 4X	10X (2People) = 20X	10X (1Person) = 10X	5X (2 People) = 10X	10X (1 Person) = 10X
Partition of the Premium Payment (RM5.00)	RM0.0926(4) =RM0.3704 (Child and Participant)	RM0.0926(20) = RM1.852 (Child and Participant)	RM0.0926(10) =RM0.926 (Death Child)	RM0.0926(5) = RM0.926 (Child and Participant)	RM0.0926(10) RM0.926 (DeathParticipant)

Table 5(b) : Partition of Monthly Premium Payment in Mudharabah Model

Overall Total of Monthly Premium Payment	Personal Investment Account	Partition of the Raiders Scheme Payment for family members	Partition of the riders
RM50	RM30	RM15	RM5

Table 5(c): Partition of Monthly Premium Payment in Wakala Model

Overall Total of Monthly Premium Payment	Personal Investment Account	Partition of the Raiders Scheme Payment for family members	Partition of the riders	Wakala Fee
RM50	RM25	RM15	RM5	RM5

Table 6: Items in Questionnaire

Numbers	Questions
1.	Level of education
2.	Salary per month
3.	The new education plan takaful cost only RM50 and this covers the participant and a child, also the raiders lose an effort to work, critical illnesses, death coverage, hospital bills, death benefit and pension. Can you afford to buy at least one unit of education plan takaful?
4.	How many units of the education plan takaful will you buy based on your salary?
5.	Do you agree that the education plan takaful has all the risk above (question 3) covered?
6.	Do you think this is the best package for education plan takaful and are affordable by all categories income earners?

If the participant dies when a child age below than 11 years old, the value of the pension is depending on the age of the child. For example if the participant dies when the child is at the age of 6, the child will earn RM200 for 15 years until the child reaches 21 years old. It means that the longer a child will have for pension, the less a child will earn for pension per month. The overall total of monthly premium payment in Mudharabah model can be shown in the Table 5(b) and Wakala model in the Table 5(c). Partition ratio is very important to know the correct distribution of the ratio of premiums paid by the participant.

Build the questionnaire according to the mathematical life table for findings the acceptance of Integration model [8]. There are 10 items in the questionnaire but only 6 items as in Table 6 are used in the research for analyzing the data. The 6 items are used to analyze the frequency and correlation. All the

respondents must be employed and 410 respondents are interviewed in the research to answer the questionnaire [9].

Mudharabah Model of Integration Model: Premium life table uses Mudharabah model in education plan takaful of Integration model had shown as below.

Monthly payment = RM50 (1 unit)

Term = 17 years

Interest Rate = 5 % per year (i)

Tabarru' Account = RM 20

Saving Account = RM30

Below are the symbols of elements in mudharabah model where the static premium of life table (Q3, Q4 and Q5) and static benefit (Q6 to Q13) shown in the Table 7 [10].

- 1. Q1 is year
- 2. Q2 is age
- 3. Q3 is layout payment
- 4. Q4 is tabarru account
- 5. Q5 is personal account
- 6. Q6 is monthly profit
- 7. Q7 is yearly profit
- 8. Q8 is total surrender value
- 9. Q9 is khairat
- 10. Q10 is loss an effort to work or 40 critical illnesses
- 11. Q11 is death coverage
- Q12 is hospital bills
- 13. Q13 is payment for raiders of other family members
- 14. Q14 is death benefit

Table 7: Client Quotation of MudharabahIntegration Model

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
1	1	600	240	360 (P ₁)	8	18	386 (T ₁)	2000	10000	10000	5000		
2	2	1200	480	720 (P ₂)	57	36	813 (T ₂)	2000	10000	10000	5000		
3	3	1800	720	1080 (P ₃)	110	54	1244 (T ₃)	2000	10000	10000	5000		
4	4	2400	960	1440 (P ₄)	164	72	1676 (T ₄)	2000	10000	10000	5000		
5	5	3000	1200	1800 (P ₅)	218	90	2108 (T ₅)	2000	10000	10000	5000		
6	6	3600	1440	2160 (P ₆)	272	108	2540 (T ₆)	2000	10000	10000	5000		
7	7	4200	1680	2520 (P ₇)	326	126	2972 (T ₇)	2000	10000	10000	5000		
8	8	4800	1920	2880 (P ₈)	380	144	3404 (T ₈)	2000	10000	10000	5000		
9	9	5400	2160	3240 (P ₉)	434	162	3836 (T ₉)	2000	10000	10000	5000		
10	10	6000	2400	3600 (P ₁₀)	488	180	4286 (T ₁₀)	2000	10000	10000	5000		
11	11	6600	2640	3960 (P ₁₁)	542	198	4700 (T ₁₁)	2000	10000	10000	5000		
12	12	7200	2880	4320 (P ₁₂)	596	216	5132 (T ₁₂)	2000	10000	10000	5000		
13	13	7800	3120	4680 (P ₁₃)	650	234	5564 (T ₁₃)	2000	10000	10000	5000		
14	14	8400	3360	5040 (P ₁₄)	704	252	5996 (T ₁₄)	2000	10000	10000	5000		
15	15	9000	3600	5400 (P ₁₅)	756	270	6426 (T ₁₅)	2000	10000	10000	5000		
16	16	9600	3840	5740 (P ₁₆)	812	288	6840 (T ₁₆)	2000	10000	10000	5000		
17	17	10200	4080	6120 (P ₁₇)	863	306	7289 (T ₁₇)	2000	10000	10000	5000		

Table 8: General Formula of MudharabahIntegration Model

Symbols of elements	Q3	Q4	Q5	Q6 To Q8	Q9	Q10	Q11	Q12	
				$P_n(1+0.05)^n + \left(\frac{P_i}{100}\right) \left(\frac{66+T_{n-1}}{12}\right)$ where P					
Formula of elements	600n	0.4(600n)	0.6(600n)	is the personal account and n =1,2,3,...	2x	10x	10x	5x	

The derivation of Q6 to Q8 in the Table 7 had shown as below.

- 1. $.360 + (30 * 5/100 * (66 + 0)) * 1/12 + (360 * 5/100) = 360 + 8 + 18 = 386$
- 2. $720 + (30 * 5/100 * (66 + 386)) + (720 * 5/100) = 720 + 57 + 36 = 813$
- 3. $1080 + (30 * 5/100 * (66 + 813)) + (1080 * 5/100) = 1080 + 110 + 54 = 1244$
- 4. $1440 + (30 * 5/100 * (66 + 1244)) + (1440 * 5/100) = 1440 + 164 + 72 = 1676$
- 5. $1800 + (30 * 5/100 * (66 + 1676)) + (1800 * 5/100) = 1800 + 218 + 90 = 2108$

$P_n + (P * i/100 * (66 + T_{n-1})) + (P_n * 5/100)$ where $n = 1, 2, 3, 4, 5, \dots$

$= P_n(1+0.05)^n + \left(\frac{P_i}{100}\right) \left(\frac{66+T_{n-1}}{12}\right)$ where P is the personal account and $n = 1, 2, 3, \dots$

The general formula of Table 7 shown in the Table 8 given as follows [10].

The premium life table shows that premium covers a child in the death coverage and pension for the participant. This model covers other riders such as health, accident, hospital costs, loss of effort to work, critical

illnesses, education and also pension [11]. Based on the client quotation of a family takaful as shown in Table 8, we find that the table has detailed information. We see that the total payment for 17 years is RM10 200. The participant can earn RM7 289 for his child’s education with the management fee of RM150. Therefore, the net maturity

value is RM7289 – RM150 which comes to RM7 139. If the participant insures for 3 units so the maturity value is RM21 417. The riders are also multiplies by 3. So the death coverage for a participant is RM30 000 if the child dies and there is a pension of RM900 for the child if the participant dies [12].

Monthly Payment = RM50 (1 unit)

Term = 17 years

Interest Rate = 5 % per year (i)

Wakalamodel of Integration Model: Premium life table uses Wakala model in education plan takaful of Integration model had shown as below.

Below are the symbols of elements in Wakala model where the static premium of life table (Q3 to Q6) and static benefit (Q7 to Q14) shown in the Table 9 [9].

- | | |
|---------------------------|--|
| 1. Q1 is year | 9. Q9 is total surrender value |
| 2. Q2 is age | 10. Q10 is khairat |
| 3. Q3 is layout payment | 11. Q11 is loss an effort to work or 40 critical illnesses |
| 4. Q4 is tabarru account | 12. Q12 is death coverage |
| 5. Q5 is Wakala fee | 13. Q13 is hospital bills |
| 6. Q6 is personal account | 14. Q14 is payment for raiders of other family members |
| 7. Q7 is monthly profit | 15. Q15 is death benefit |
| 8. Q8 is yearly profit | |

Table 9: Client Quotation of Wakala Integration Model

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15
1	1	600	240	60	(P ₁) 300	7	15	(P ₁) 322	2000	10000	10000	5000		
2	2	1200	480	120	(P ₂) 600	40	30	(P ₂) 670	2000	10000	10000	5000		
3	3	1800	720	180	(P ₃) 900	77	45	(P ₃) 1022	2000	10000	10000	5000		
4	4	2400	960	240	(P ₄) 1200	113	60	(P ₄) 1373	2000	10000	10000	5000		
5	5	3000	1200	300	(P ₅) 1500	150	75	(P ₅) 1725	2000	10000	10000	5000		
6	6	3600	1440	360	(P ₆) 1800	187	90	(P ₆) 2077	2000	10000	10000	5000		
7	7	4200	1680	420	(P ₇) 2100	223	105	(P ₇) 2428	2000	10000	10000	5000		
8	8	4800	1920	480	(P ₈) 2400	260	120	(P ₈) 2780	2000	10000	10000	5000		
9	9	5400	2160	540	(P ₉) 2700	296	135	(P ₉) 3131	2000	10000	10000	5000		
10	10	6000	2400	600	(P ₁₀) 3000	333	150	(P ₁₀) 3483	2000	10000	10000	5000		
11	11	6600	2640	660	(P ₁₁) 3300	370	165	(P ₁₁) 3835	2000	10000	10000	5000		
12	12	7200	2880	720	(P ₁₂) 3600	406	180	(P ₁₂) 4186	2000	10000	10000	5000		
13	13	7800	3120	780	(P ₁₃) 3900	443	195	(P ₁₃) 4538	2000	10000	10000	5000		
14	14	8400	3360	840	(P ₁₄) 4200	480	210	(P ₁₄) 4890	2000	10000	10000	5000		
15	15	9000	3600	900	(P ₁₅) 4500	516	225	(P ₁₅) 5241	2000	10000	10000	5000		
16	16	9600	3840	960	(P ₁₆) 4800	553	240	(P ₁₆) 5593	2000	10000	10000	5000		
17	17	10200	4080	1020	(P ₁₇) 5100	589	255	(P ₁₇) 5944	2000	10000	10000	5000		

The derivation of Q7 to Q9 in the Table 9 had shown as below.

1. $300 + (25 * 5/100 * (66 + 0)) + (300 * 5/100) = 300 + 7 + 15 = 322$
2. $600 + (25 * 5/100 * (66 + 322)) + (600 * 5/100) = 600 + 40 + 30 = 670$
3. $900 + (25 * 5/100 * (66 + 670)) + (900 * 5/100) = 900 + 77 + 45 = 1022$
4. $1200 + (25 * 5/100 * (66 + 1022)) + (1200 * 5/100) = 1200 + 113 + 60 = 1373$
5. $1500 + (25 * 5/100 * (66 + 1373)) + (1500 * 5/100) = 1500 + 150 + 75 = 1725$

$$P_n + [P * i/100 * (66 + T_{n-1})] + (P_n * 5/100) \text{ where } n = 1, 2, 3, 4, 5, \dots$$

$$= P_n(1 + 0.05) + \left(\frac{Pi}{100}\right)\left(\frac{66 + T_{n-1}}{12}\right)$$

where P is the personal account and n = 1, 2, 3, ...

The general formula of Table 9 had shown in the Table 10 given as follows. [9]

Table 10: General Formula of WakalaIntegration Model

Symbols of elements	Q3	Q4	Q5	Q6	Q7 to Q9	Q10	Q11	Q12	Q13
Formula of elements	600n	0.4n.(600n)	0.1n.(600n)	0.5n.(600n)	whereis the personal account and n =1,2,3,...	2x	10x	10x	5x

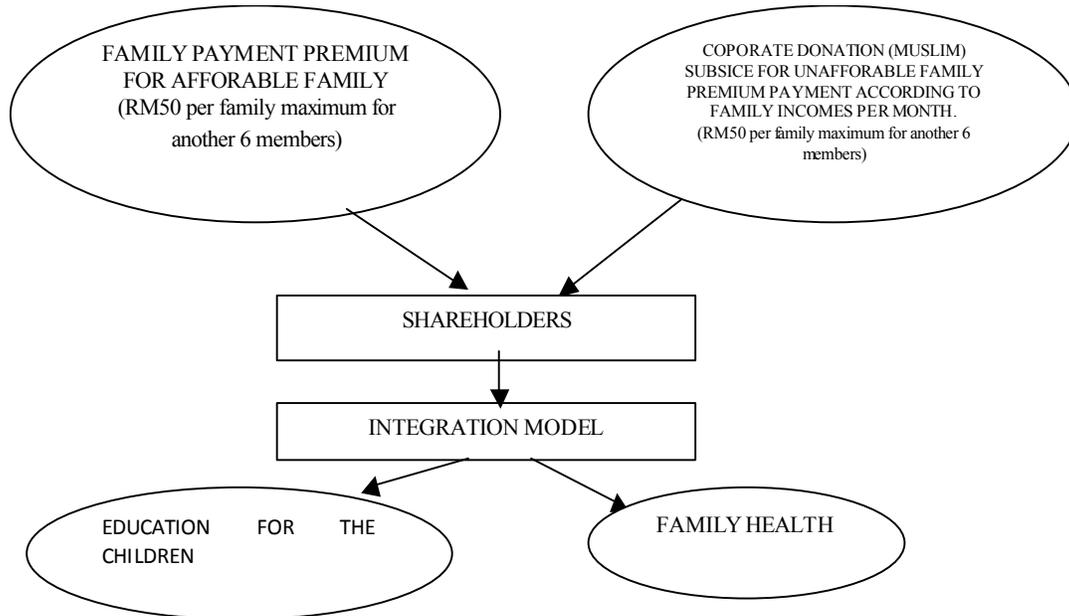


Fig. 1: The Theoretical of Islamic Funds

Based on the client quotation of a family takaful as shown in Table 7, the table has detailed information. The total payment for 17 years is RM5 944. The participant can earn RM5 944for his child’s education without the management fee. Therefore, the net maturity value is RM5 944. If the participant is insured for 3 units, the maturity value is RM17 382. The riders are also multiplies by 3, so the death coverage for the participant is RM30 000 if the child dies and there is a pension of RM900 for the child if the participant dies. In the Wakala model, the participants needto pay more premiums because the Wakala fee has to be paid every month. Therefore, the participant will earn less in maturity value or surrender value compared to the Mudharabah model. [12].

Theoretical in Implementation on Integration Model Islamic Fund in Malaysia: By using Integration Model, we can develop Islamic funds for education and health in Malaysia can be undertaken by various party namely are Pusat Zakat, Maidam, Baitulmaal, Tabung Haji and also by any private party such as Takaful Malaysia, Etiqa Takaful, Takaful Ikhlas and also other takaful company that is

interested used this model. Something most importantly is can provide social responsibility to people without know the religious background. This will be giving belief to non-Muslim person where Islamic financial system is the best because beside based on profit but in state that is same, this system could give aid to person that is less capable [13]. Payment RM50 will be able to bring the profit to company, by using the premium payment used to invest into depositor remains at any bank that used the Islamic financial system or in sukuk (Islamicbond) to get the profit [14]. By using the model of Theoretical Islamic Funds in Figure 1, the profit of monthly payment by the lead member of the family (father/mother) will cover another 6 members. If the members of the family are more than 6 members, there are two ways of the plan for lead to choose it shows as follows;

- The members will have less of the riders` values, for example the maximum hospital bill per year isRM5000 but they will earn less than RM5000 depend on the number of family members.
- The lead member of the family has to pay extra for the riders for the family members.

Table 11: Calculation of Surrender Value

Year	Yearly cumulative Premium (RM)	Formula of Surrender Values	Calculation Of Surrender values	Surrender values (RM)
1	600	$P(1+r)\left(\frac{(1+r)^n - 1}{r}\right)$	630	630
2	1200		1291.5	1292
3	1800		1986.075	1986
4	2400		2715.37875	2715
5	3000		3481.147688	3481
6	3600		4285.205072	4285
7	4200		5129.465325	5129
8	4800		6015.938592	6016
9	5400		6946.735521	6947
10	6000		7924.072297	7924
11	6600		8950.275912	8950
12	7200		10027.78971	10028
13	7800		11159.17919	11159
14	8400		12347.13815	12347
15	9000		13594.49506	13594
16	9600		14904.21981	14904
17	10200		16279.4308	16279

The family members are wife or husband and another 5 children (age before 21 years old).

Total Malaysia Population = 28,000,000
 Number of Family in Malaysia = 28,000,000/7 (policyholder and 6 members)
 = 4,000,000
 Total Value of the Policy per month (RM50 per month) = RM50 x 4,000,000
 = RM200, 000,000
 Total per Year = 12 X RM200, 000, 000 = RM2.4 billion

How does the Company to Run for Investment: By using the Table 11, company whether from public or private sector used the monthly payment for investment. Profit of investment used for paying the claim and also maturity value for the participants. Calculation of the profit is based on premium total amount to each year, so surrender value can be computed by using formula below.

$$\text{Surrender Value} = P(1+r)\left(\frac{(1+r)^n - 1}{r}\right)$$

where P is the total yearly premium payment (monthly instalment premium payment), n is the number of investment year and r is the interest rate (r = 0.05) as shown in the Table 11.

The calculation for the surrender value using the value of the profit rate of 5% but if the investment made to give the advantage of better rates, then the surrender value would be higher from the Table 4.4. Therefore, the company or charity centre will be able to earn the profit of this method to benefit of the Muslim nation. If the

Tabung Haji effort to give an annual bonus of 5% to the members, so it means that members have at least 7.5% profit including an additional bonus rate of 2.5% per Hijrah year.

DISCUSSION

Mudharabah Existing model, the most significant weakness in this model is obtained by the insured child's death when a participant dies is less even though the premiums approaching maturity. The child should get more for the insured death because a participant pay premiums and investment approaches the maximum limit of the old habits that earn more. In the other hand, the weakness of Wakala existing model is the investment to the children's education fund. If the child dies then the participants will be rewarded with a turnover higher than at maturity. This show seems like the child died in the takaful business. The child should be rewarded more if the participant dies but in Wakala model, the child earn less compared to his death. Significant weakness of life insurance model is the client's proposal cannot provide

complete data to the client if there is a case of early surrender before maturity. This data is not shown to customers as well as with the death coverage if the child died before maturity

The proposed model of new premium life table in education plan has to combine all the riders in one plan and the name be changed to Economic Education Plan Takaful. The rider should include health, accident, hospital costs, loss an effort to work, critical illnesses, education, death benefit, death coverage and also pension. Life insurance or family takaful is needed for everyone in the modern, so the product must affordable to every category of income earners. This new plan offers complete riders for two in one product plan; participant and a child. The monthly premium is reasonable to all categories income earners. The plan offers buying multiple units for the product business. If the participant buys more than 1 unit, the value of premium, riders, surrender value and maturity value have to be multiplied by the numbers of units bought by the participant.. The most attractive aspect about this model, the plan offers affordable price for all categories of income earners and it also includes almost complete riders. This research has proved that the new idea of integration model in education plan takaful has been accepted by all categories of income earners.

CONCLUSION

In the modern world, the stable of the business trade system has to be found because for avoiding the resection years which happened in 1997 because speculation activities but in 2009 the subprime of the credit. Theresection not recover until 2012 because the weakness of the euro. Therefore, Islamic Insurance is the way for nation to save their money and avoiding the world from another resection year.

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