

Safire | Genoa Takaful Product

Introduction

Safire Insurance Company Limited ("The Takaful Provider") is a licensed non-life insurer and authorised financial services provider with FSP number 2092 and is one of a few medical malpractice insurers in South Africa. The Medmal product ("The Takaful Policy") on offer through the Takaful Provider is administered by Genoa Underwriting Managers (Pty) Ltd, an authorised financial service provider with FSP number 28225 ("Wakeel") which performs binder functions and other services on behalf of The Takaful Provider. Wakeel's activities include among other things: placement of business, pricing, risk selection, and complete handling of claims.

Financial Model

The Takaful Provider has agreed to open a ring-fenced bank account which shall be Shariah approved ("the ring-fenced Shariah Compliant bank account") for the Islamic Practitioner book of business ("the Takaful Policyholders").

Premiums will be paid by Takaful Policyholders into the ring-fenced Shariah Compliant bank account whereupon indemnification will be granted to the Takaful Policyholders under the Takaful Policy, subject to the Takaful Provider's terms, conditions, limitations and exclusions contained in the Takaful Policy.

The Takaful Provider will pay all disbursements, management expenses, technical provisions and reserves due to it for its nett retained risk, from the premiums in the ring-fenced Shariah Compliant bank account, including payments due to any other indemnity providers and/or Re-Takaful Providers for their nett retained risk.

All payments to or on behalf of Takaful Policyholders in the event of claims, will also be paid from the ring-fenced Shariah Compliant

bank account, with shortfalls to be recovered from technical provisions and reserves that were paid out of the ring-fenced Shariah Compliant bank account to Safire, and from any other indemnity providers and/or Re-Takaful Providers.

The Takaful Provider will invest the balance of premiums in the ring-fenced Shariah Compliant bank account, in Shariah Compliant equities and investments as approved by the Shariah Supervisory Board. No surplus in the ring-fenced Shariah Compliant bank account is expected.

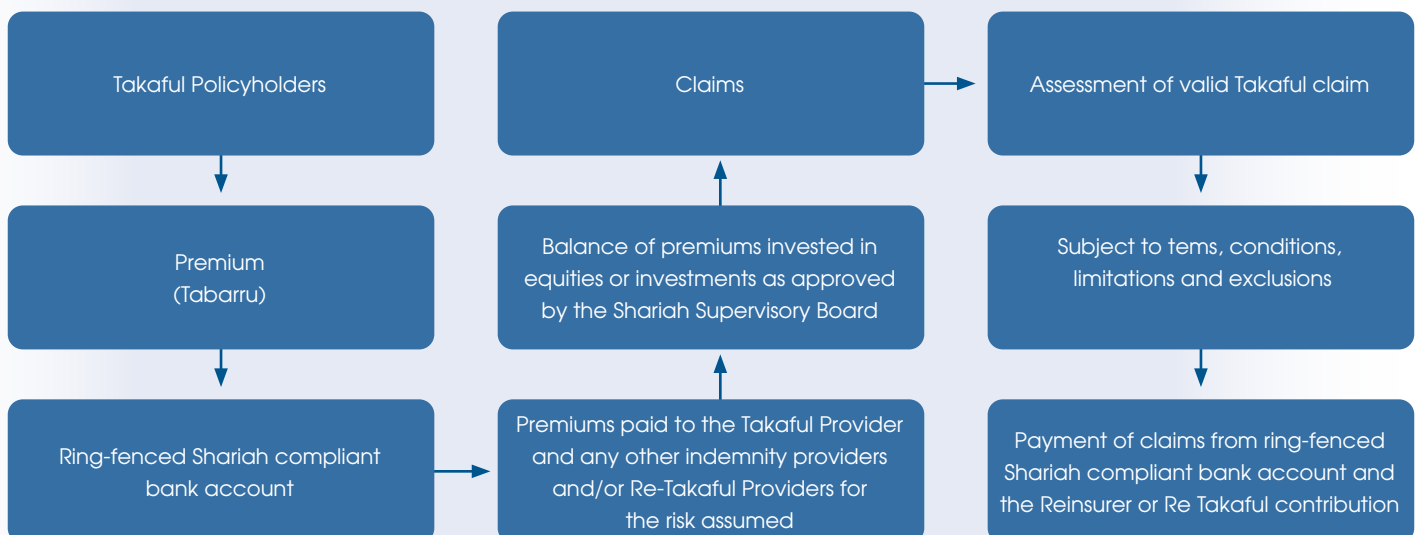
The Shariah Supervisory Board will have access to all accounting and related records to verify the status of all Shariah related transactions.

Shariah Supervisory Board Analysis

The Takaful Policy is based on the following Shariah concepts:

1. The Takaful Policyholders pay premiums (known as Tabarru) into the ring-fenced Shariah Compliant bank account;
2. The Takaful Provider will invest the balance of premiums in the ring-fenced Shariah Compliant bank account, in Shariah Compliant equities and investments as approved by the Shariah Supervisory Board.
3. Audits of the Takaful Policy may be carried out by the Shariah Supervisory Board, subject to compliance by Safire with statutory and regulatory obligations under the Insurance Act No. 18 of 2017, the Short-term Insurance Act No. 53 of 1998 (as amended) and the Financial Advisory and Intermediary Services Act No. 37 of 2002 (as amended), including the subordinate legislation promulgated under the aforementioned Acts.

Shariah Supervisory Board Analysis



Prepared by Mufti Ismail Desai | CEO, Global Islamic Financial Services Firm | 08/03/2021

genoa
Underwriting Managers

Authorised Financial Services Provider • FSP Number 38225

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A licensed non-life insurer and authorised financial services provider [FSP no: 2092]

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