

## **Takaful Market Size, Share and Growth Analysis Report - Forecast Trends and Outlook (2025-2034)**

Market Report | 2025-08-12 | 160 pages | EMR Inc.

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### **Report description:**

The takaful market size reached around USD 33.91 Billion in 2024 . The market is projected to grow at a CAGR of 13.00% between 2025 and 2034 to reach nearly USD 115.11 Billion by 2034 .

#### Global Takaful Market Growth

Takaful is an Islamic insurance scheme compliant with Sharia law, where community members contribute money or a portion of their earnings to a pooling programme that guarantees against any loss or injury. The basic principle of takaful represents everyone's duty to collaborate and protect one another. The operations and investments of a Takaful fund are in strict compliance with Islamic law, which prohibits interest, uncertainty, and investment in businesses that are not accepted under Islamic law.

The takaful market expansion is being driven by growing awareness regarding takaful and its benefits among Muslim as well as non-Muslim populations. Currently, Muslims account for over 25% of the total global population, and Islam is the fastest-growing religion in the world. The global Muslim population is projected to increase to 2.2 billion by 2030, and Muslims are expected to constitute 26.4% of the global population by the same year. Additionally, ethical investment strategies and programmes present significant takaful market opportunities. With high market competition, takaful serves as a strong business proposition and is also gaining momentum among non-Muslim clients, witnessing a steadily increasing share.

#### Global Takaful Market Trends

##### Rising Climate Risks

As per the United Nations Development Programme, two-thirds of low-income countries with high Muslim populations are ranked in the bottom half of climate preparedness and vulnerability. In 2022, the number of disaster events surged by 7.5% from the

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20-year average, from 405 to 435. In Pakistan, the agricultural sector employs more than 40% of the workforce, and smallholder farmers lack the tools to address the risk of intensifying climate change. Takaful, offering an ethics-focused and Shari'ah-principle risk protection alternative, improves access to affordable risk protection tools such as resilience against climate shock, covers livestock and crop losses, addresses women's and community-specific needs, and promotes social stability, collective action, and self-reliance in managing climate risks. In 2021, Salaam Takaful introduced a hybrid parametric crop in Pakistan, providing wheat farmers financial protection against climate risks. The increasing development of innovative takaful solutions to address climate risks is boosting the takaful market revenue. In September 2023, KFH Takaful Insurance Company partnered with the United Nations Development Programme (UNDP) to develop novel takaful insurance solutions that can mitigate risks related to rapid climate change.

## Global Takaful Market Overview

### Technological advancements and innovations

Technological advancements and innovations are expected to shape the takaful market trends and dynamics. Through the integration of cutting-edge technologies, key players can improve their customer experience and enhance their operational efficiency. The development of online portals and user-friendly mobile apps is expected to ensure convenient access to takaful insurance solutions, streamlining purchasing, claim processing, and customer interactions. Technologies such as blockchain, big data analytics, machine learning, and artificial intelligence (AI) are increasingly integrated into takaful models for risk assessment and underwriting, fraud detection, personalised offerings, managing policy data, enhancing security and transparency of transactions, and improving trust between parties. Moreover, the rise of Insurtech startups and advanced CRM systems and chatbots aimed at providing tailored needs, including customer satisfaction, is aiding the takaful market expansion. Takaful operators are also increasingly integrating RegTech solutions for ensuring compliance with local regulations and Shariah operations, streamlining monitoring and remoting processes.

## Market News

### February 2024

Jazz, a leading Pakistani digital operator, partnered with EFU Life Assurance Ltd., the country's leading insurance provider, to launch a Takaful (Shariah-compliant) service for its subscribers.

### January 2024

PolicyStreet announced that it was granted authorisation by the Labuan Financial Services Authority (LFSA) to initiate its Takaful and re-takaful operations in Malaysia.

## Global Takaful Market Analysis

Digital technology's impact on the takaful market growth is profound and multifaceted, transforming traditional operational models and customer engagement strategies. For instance, mobile apps offer takaful customers a convenient and accessible way to manage their policies, submit claims, and access services anytime and anywhere. This ease of access improves the customer experience significantly. Meanwhile, blockchain technology offers a decentralised and immutable ledger system, ensuring that all transactions and claims are recorded securely and transparently. This increases trust among participants, as they can verify transactions independently. In December 2023, SYARIKAT Takaful Malaysia Keluarga Bhd (STMK) announced the launch of Kaotim, a new digital platform. By launching this digital platform, STMK is set to enhance its service delivery and accessibility, making it easier for customers to access Takaful services. The platform is expected to provide a user-friendly interface, allowing seamless

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policy management, claims processing, and interaction with Takaful services online.

## Global Takaful Industry Segmentation

The EMR's report titled "Takaful Market Report and Forecast 2025-2034" offers a detailed analysis of the market based on the following segments:

### Market Breakup by Product

- Life/Family Takaful
- General Takaful

### Market Breakup by Region

- Gulf Cooperation Council (GCC)
- South East Asia
- Africa
- Others

## Global Takaful Market Share

### By Product Insights

General takaful, among other product types, accounts for the largest market share. General takaful covers a wide range of everyday risks that individuals and businesses face. Since these products cater to essential and often mandatory insurance needs (like motor insurance in many countries), they have a broad appeal and a steady demand. This demand drives a larger volume of policies and contributions compared to specific or niche insurance products. As per the Malaysian Takaful Association (MTA), the general takaful paid out was RM1.95b, marking a 24.40% increase in payouts, in 2024. Businesses often require insurance coverage for property, transportation, liability, and other operational risks. Since the principles of takaful align with the ethical considerations of Islamic business practices, Muslim-owned businesses and those operating in predominantly Muslim countries may prefer general takaful products to conventional insurance.

Moreover, in many jurisdictions, certain types of general insurance are legally required. For example, motor vehicle insurance is a legal requirement for vehicle owners in many countries. This regulatory mandate ensures a consistent demand for General Takaful products, contributing to their dominant market share.

The takaful market development is also driven by the growing acceptance of life/family takaful products. Life/family takaful offers financial security to participants and their families in the event of death, disability, or retirement, similar to traditional life insurance. The desire to ensure that family members are financially protected in adverse situations is a universal concern that drives demand for these products. In August 2024, Syarikat Takaful Malaysia Keluarga Bhd launched Kaotim Legasi, an affordable hibah takaful plan providing a life cover value of up to RM 2 million.

## Global Takaful Market Regional Insights

### Gulf Cooperation Council (GCC) Takaful Market Outlook

The Gulf Cooperation Council (GCC) represent the leading region in the global takaful market owing to the presence of a vast and

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affluent Muslim population. GCC countries have experienced substantial economic growth over the past few decades, fuelled by oil wealth and diversification efforts. This growth has led to increased wealth and a higher standard of living, thereby increasing the demand for insurance products, including takaful, to protect assets and income.

As the penetration of traditional insurance services and its knowledge even in wealthy Muslim regions, including the GCC, is relatively small, takaful is viewed as a key tool for raising insurance awareness and presents significant opportunities in GCC countries.

There has been a growing effort in the GCC region to improve financial literacy and awareness about Islamic finance products, including takaful. This has been supported by educational campaigns, seminars, and workshops by governments, financial institutions, and educational bodies.

#### South East Asia Takaful Market Trends

The takaful market in Southeast Asia is anticipated to witness considerable growth in the coming years. Countries in the region like Malaysia have been pioneers in Islamic finance, establishing comprehensive regulatory frameworks that support the development and growth of the market. Regulatory bodies in these countries actively promote takaful through favourable policies, including tax incentives and mandatory takaful requirements for certain segments of the population.

In Malaysia, the growing awareness about weather and medical events coverage is boosting the takaful industry revenue. In September 2024, Etiqa Family Takaful Berhad introduced the e-Takaful Hayat, granting PERKESO contributors the access to free health screenings and the option to purchase premium health screenings. The app is accessible to 9 million PERKESO contributors, offering them early access to takaful coverage.

The Indonesia takaful demand forecast can be attributed to the large Muslim population in the country, In the first month of 2021, the share of takaful in the insurance market stood at 9%. Under the Indonesian Financial Services Authority's spin-off requirements, nearly 70% of takaful windows are estimated to be spun off by the end of 2026 and the remaining 30% are assessed to transfer their sharia portfolio to full-fledged takaful companies.

#### Africa Takaful Market Overview

The high Muslim population in countries like Morocco, Niger, Tunisia, and Western Sahara is driving the takaful demand growth. As per a report by the Financial Regulatory Authority (FRA), takaful contributions in Egypt soared by 56.4% during Q1 2024 to attain EGP2.8 billion (\$747 million), as compared to EGP1.8 billion during Q1 2023. Growing cases of extreme weather events, coastal erosion, water scarcity, disease outbreaks, and agricultural losses in the region are boosting the demand for takaful to enhance financial protection for vulnerable communities, aiding the Africa takaful market development. In May 2023, ETAP launched the ETAP Takaful, a motor insurance product based on Islamic principles, in Nigeria. The takaful is designed to redistribute funds to users and aid social good in their communications.

#### Competitive Landscape

Key takaful market players are engaged in various strategic activities to expand their presence, innovate their product offerings, and enhance their operational efficiency. These activities reflect their adaptation to the evolving market dynamics, technological advancements, and changing consumer preferences. They are also increasingly collaborating with fintech startups to leverage advanced technologies and offer innovative solutions to stay ahead of the competition.

#### JamaPunji (SECP)

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JamaPunji (SECP), headquartered in Islamabad, Pakistan, is an organisation aimed at promoting investment accuracy and financial literacy. It facilitates access to capital market for the general public in Pakistan. It provides various resources, including videos, articles, and webinars designed to educate users about market dynamics, investment options, and financial planning.

#### Qatar Islamic Insurance

Qatar Islamic Insurance, based in Doha, Qatar, and founded in 1997, is a prominent provider of Sharia-compliant insurance solutions. The company operates by Islamic principles and caters to the growing demand for takaful products. Some of its offerings include motor takaful, family takaful, general takaful, and health takaful.

#### SALAMA Islamic Arab Insurance Company

SALAMA Islamic Arab Insurance Company, headquartered in Dubai, the United Arab Emirates and founded in 1979, is one of the prominent providers of Sharia-compliant insurance products in the MENA region. Its product range, SALAMA, offers a diverse range of Takaful products, including health insurance, life insurance, general insurance, and family Takaful plans.

#### Takaful Brunei Darussalam

Takaful Brunei Darussalam, headquartered in Bandar Seri Begawan, Brunei Darussalam and established in 1994, is a provider of Sharia-compliant insurance solutions. It focuses on community support and mutual assistance that aligns with Islamic principles that emphasise cooperation and ethical business models. It is licensed under the Brunei Monetary Authority and adheres to strict guidelines and regulatory standards that govern Islamic financial institutions.

#### Recent Developments

December 2023

SYARIKAT Takaful Malaysia Keluarga Bhd's (STMK) announced the launch of a new digital platform, Kaotim, which is expected to strengthen its presence in the digital insurance and takaful sector.

December 2023

Zurich Malaysia (Zurich), an insurance group, collaborated with Oyen, a Malaysian digital-first pet insurance platform, to launch a Takaful product for cats named "Oyen Takaful Kucing."

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