

Opportunities and Challenges in the Practice of Takaful Insurance and Re-takaful in Algeria.

فرص وتحديات ممارسة التأمين التكافلي وإعادة التكافل في الجزائر

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Abstract:

This study explores the opportunities and challenges of Takaful insurance and re-takaful in Algeria, catalyzed by Executive Decree No. 21-81 issuance on 11 Rajab 1442, corresponding to 23 February 2021. The decree delineates the conditions and procedures for practicing Takaful insurance, extending permission for traditional reinsurance companies to partake in Takaful reinsurance by establishing Islamic windows. This regulatory development signifies a pivotal moment in integrating Takaful within the Algerian insurance framework. The study delves into a comprehensive understanding of Takaful globally, specifically in Algeria, operating within the framework of Executive Decree No.21-81. It accentuates the groundbreaking initiative of the Central Reinsurance Company (CCR) in inaugurating a Takaful window, serving as a pioneering model in Algeria for the adoption of Islamic Takaful by traditional reinsurance entities. Consequently, the intervention recommends establishing a local Algerian Takaful company with indigenous capital, envisioned as an independent national entity exclusively dedicated to Takaful operations.

Keywords: Islamic Takaful, Traditional Reinsurance, Central Reinsurance Company, Executive Decree 21-81.

JEL Classification Codes: G22, O16, Z12.

ملخص:

تستكشف هذه الدراسة الفرص والتحديات التي تواجه صناعة التأمين التكافلي وإعادة التكافل في الجزائر، وذلك تفعيلاً لصدور المرسوم التنفيذي رقم 81-21 في 11 رجب 1442 هـ الموافق لـ 23 فبراير 2021م. يحدد المرسوم الشروط والإجراءات لممارسة التأمين التكافلي، مما يمنح الشركات التأمين و/أو إعادة التأمين التقليدية بالمشاركة في التأمين التكافلي وإعادة التكافل من خلال إنشاء نوافذ إسلامية. يمثل هذا التطوير التنظيمي لحظة حاسمة في دمج التأمين التكافلي ضمن الإطار التأميني الجزائري. تتناول الدراسة فهماً شاملاً للتأمين التكافلي على مستوى عالمي وبشكل خاص في الجزائر، وذلك في إطار المرسوم التنفيذي رقم 81-21. تسلط الدراسة الضوء على مبادرة الشركة المركزية لإعادة التأمين (CCR) في افتتاح نافذة للتأمين التكافلي، مما يعد نموذجاً رائداً في الجزائر لاعتماد التأمين التكافلي الإسلامي من قبل شركات إعادة التأمين التقليدية. وفي نتيجة لذلك، توصي الدراسة بضرورة إنشاء شركة جزائرية محلية للتأمين التكافلي برأس مال جزائري، تكون ككيان وطني مستقل مكرس حصرياً لعمليات التأمين التكافلي. كلمات مفتاحية: التأمين التكافلي الإسلامي، إعادة التأمين التقليدية، الشركة المركزية لإعادة التأمين، المرسوم التنفيذي 81-21.

تصنيفات JEL : G22 ، O16 ، Z12

1. INTRODUCTION

The global insurance environment has experienced significant changes, with the introduction of Takaful insurance—based on Islamic principles—adding a distinctive aspect to this development. Takaful, an ethical substitute for traditional insurance, is becoming increasingly popular worldwide, especially in Algeria. In Algeria, this study investigates the complex relationships between Takaful insurance and its reinsurance equivalent, Re-takaful.

In recent years, Takaful insurance has demonstrated potential as a workable financial tool that complies with Islamic concepts of sharing risk and collaboration.

As more people become aware of the potential advantages of takaful, the Algerian insurance industry has seen an increase in interest in and involvement in this morally driven type of insurance. However, new opportunities and difficulties arise as the sector develops, requiring careful investigation.

The rules and procedures for conducting Takaful insurance are outlined in Executive Decree No. 21-81, issued on 11 Rajab 1442 AH, or February 23, 2021. This decree is the foundation for establishing Takaful insurance and re-takaful firms in Algeria. Under certain conditions, conventional insurance and reinsurance businesses can implement Islamic re-takaful by installing Islamic windows.

This study's central issue is how to utilize best the opportunities that Takaful and Re-takaful insurance present in the Algerian insurance market and what obstacles stand in the way of their smooth integration. This central inquiry thoroughly investigates the market-oriented, operational, and regulatory aspects of Takaful and Re-takaful practices in Algeria.

Question-subs:

- Which legal frameworks control the use of Takaful and Re-takaful in Algeria, and what effects do these frameworks have on successfully executing these practices?
- What difficulties do Takaful insurance businesses face in upholding Islamic financial principles, and how do they handle the intricacies of risk-sharing and ethical considerations?
- How does the Algerian market receive takaful insurance, and how do takaful operators present themselves compared to traditional insurance providers?

- How much do Re-takaful mechanisms aid Takaful insurers in risk management and mitigation, and what obstacles do these mechanisms provide when integrated?
- What views do consumers, insurers, and regulatory agencies have about Takaful and Re-takaful, and how do these views affect the expansion and long-term viability of moral insurance policies in Algeria?

Research Objectives:

This study aims to investigate and offer insights into the prospects and difficulties associated with performing Re-takaful and Takaful insurance in Algeria. The research aims to provide insightful information that will benefit industry practitioners, policymakers, and stakeholders by using an interdisciplinary approach that covers insurance laws, Islamic financing, and market dynamics.

Structure of the Research:

The following sections of this paper will systematically examine the market dynamics, operational nuances, and regulatory environment. The sub-questions are addressed in each segment, leading to a thorough comprehension of Algeria's Takaful and Re-takaful environment.

2. Literature Review

The literature on Takaful and Re-takaful provides a rich tapestry of insights into the complexities inherent in Islamic insurance, offering a foundation for understanding the opportunities and challenges that may arise in the Algerian context.

2.1 Foundational Beliefs and Regulatory Frameworks

Maysami et al. (2006) establish a crucial link between awareness of Islamic insurance (Takaful) and religious perceptions, emphasizing the central role of fundamental Islamic Law in shaping these perceptions. (Maysami & Williams,

2006) This contribution underscores the deep-seated connection between belief systems and financial services. Belkin (2007) complements this by providing a comprehensive glossary, laying the groundwork for understanding Islamic insurance's nuanced terms and concepts. (Bekkin, 2007)

2.2 Evolution of Takaful: Insights from Global Practices

Hanif et al. (2014) delve into the historical emergence of Islamic insurance in the modern financial market, offering a global perspective on Takaful practices. The comprehensive study not only traces the roots of Takaful but also provides an invaluable comparative analysis with conventional insurance practices, shedding light on the unique features that distinguish them. This global context is essential for understanding the landscape in Algeria. (Hanif & Iqbal, 2014)

2.3 Operational Dynamics and Challenges in Islamic Insurance

Hussain (2015) contributes by utilizing firm-level data to explore the intricacies of the insurance industry in Pakistan, with a specific focus on life, non-life, and Takaful insurance companies. The findings highlight the variation in firm-specific characteristics and macroeconomic variables, showcasing the nuanced nature of Takaful operations. (Sabrie, Thalib, & Rizki, 2015) (Hussain, 2015)

Noordin et al. (2016) bring attention to the absence of Takaful in the Algerian financial market, conducting a seminal empirical study through semi-structured interviews. This research offers insights into the potential issues and challenges that may impede the introduction of Takaful in Algeria, laying the groundwork for our examination of the Algerian context. (Noordin & Fares, 2016)

2.4 Ethical Foundations and Comparative Advantage

Kasim et al. (2016) contribute by exploring the religious perspectives behind the prohibition of insurance, emphasizing the ethical advantages of Takaful. The study underscores the suitability of Takaful within the framework of spiritual teachings,

emphasizing its capacity to promote a spirit of caring and sharing in society.
(Kasim, Htay, & Salman, 2016)

2.5 Efficiency and Competition in Takaful Operations

Lee et al. (2018) employ Data Envelopment Analysis (DEA) to assess the efficiency of Takaful operators, offering a quantitative perspective on operational effectiveness. The study further evaluates the degree of competition through the Panzar-Rosse H-statistic method, providing valuable insights into the dynamics that drive Takaful operations. (Lee, Cheng, Nassir, & Razak, 2018)

Salman et al. (2018) extend the discussion to India, examining internal factors influencing individuals to adopt Takaful. This cross-cultural analysis is particularly pertinent for understanding potential challenges and opportunities in diverse markets. (Salman, Rashid, & Htay, 2018)

2.6 Regional Perspectives and Industry Impact

Sabrie et al. (2015). Nkirote (2017) and other regional studies contribute to the literature by offering insights into specific markets (Indonesia and Kenya), adding depth to our understanding of the impact of Islamic insurance on different regions. In synthesizing this literature, our research aims to build upon these foundations, applying these insights to the unique context of Algeria. The following sections will delve into the regulatory landscape, operational dynamics, market perceptions, and challenges specific to the practice of Takaful and Re-takaful in Algeria. (Nkirote, 2017)

3. The concept of takaful insurance and re-takaful

3.1 The takaful insurance

Takaful insurance is an Islamic insurance concept where members of a particular scheme voluntarily agree to insure each other. It is based on the principles of cooperation and shared responsibility. Unlike conventional

insurance, takaful operates based on voluntary contributions from members to a pool of funds used to fulfill claims. Takaful's main objective is to protect against risks and financial losses. Takaful is governed by shariah principles, which prohibit elements such as uncertainty (gharar), gambling (Maisie), and usury (riba'). Takaful operators must ensure compliance with personal data protection regulations to protect consumer data. (Faqih, 2023, p. 232)

Takaful insurance is an Islamic insurance concept based on the principles of cooperation and donation, with risk shared collectively and voluntarily by participants. (Sulaiman, 2022, p. 3) It is nearly as old as the Islamic banking system, dating back to 1979 when the concept was first launched in Sudan and later in Saudi Arabia. (Wahab, 2007, p. 372) Takaful can be distinguished from conventional insurance in several ways, including the contract, the parties' rights and obligations, ownership of risks, the operational framework, and the nominee's status. (Sherif, 2017, p. 373) The concept of takaful is based on ethical faith to provide risk management products for consumers who are not confident in the conventional insurance system. (Ratnawati, 2020, p. 1318) Furthermore, takaful is based on the Islamic principles of mutual assistance (ta'awun) and risk sharing, and it is developed to be free from elements such as interest, uncertainty, and gambling, which are considered non-compliant with Sharia law. (Maiyaki, 2015, p. 27)

3.2 The re-takaful

Retakaful is a concept in Islamic insurance (Takaful) that refers to the reinsurance of Takaful companies. It is a mechanism through which Takaful operators transfer some of their risks to other Takaful operators or conventional reinsurers. Retakaful serves as a risk management tool for Takaful companies, allowing them to mitigate their exposure to significant losses and ensure the

stability of their operations. The re-takaful principles align with Shariah principles, ensuring the reinsurance arrangements comply with Islamic law. Retakaful operates based on profit sharing, where the retakaful operator shares in the underwriting surplus or profit of the Takaful operator. This helps maintain Takaful's cooperative nature and promotes equitable distribution of risk and reward among participants. (Lekpek, 2021, p. 110)

Re-takaful, on the other hand, is a form of Islamic reinsurance that operates by the principles of takaful. It is more holistic, focused, and specific in some relatively important reporting areas, reflecting the unique nature of takaful operations. (Nahar, 2015, p. 248)

The factors influencing the adoption of Islamic insurance, including takaful, are influenced by the theory of planned behavior, with low intention toward takaful due to a lack of awareness of the products offered by Islamic insurance companies. (Raza, 2019, p. 1498) Additionally, the acceptance of takaful products in non-Muslim majority countries is affected by consumer knowledge about their Islamic origins. (Schmidt, 2019, p. 294) The takaful industry is searching for an optimal model for Islamic insurance operations, which has proven challenging. (Khan, 2019, p. 127) Moreover, awareness and knowledge play a significant part in the younger generation's intention to purchase takaful products. (Juhari, 2022, p. 3)

In conclusion, takaful and re-takaful are integral components of the Islamic finance system, providing risk management products based on ethical faith and cooperation. The unique nature of takaful operations, its compliance with Sharia law, and its adoption and operation challenges make it a distinct and evolving area within the insurance industry.

3.3. Concept of takaful and re-takaful under Executive Decree No. 21-81

The issuance of Executive Decree No. 21-81 in Algeria, dated 11 Rajab 1442, corresponding to 23 February 2021, specifies the conditions and procedures for practicing cooperative insurance by the provisions of Article 203, repeated from Order No. 95-07 dated 23 Sha'ban 1415 corresponding to 25 January 1995, relating to insurance (Official Gazette of the Algerian Republic, 2021, p. 7). In the 2020 Finance Law, Article 103 complements the provisions of Order No. 95-07 dated 23 Sha'ban 1415, corresponding to 25 January 1995, concerning insurance, and its repeated Article 203 allows insurance companies to conduct insurance transactions in the form of cooperative insurance. In the same article, Algerian legislation defines suitable insurance as a system that relies on a contractual approach involving natural and legal persons referred to as "participants." Participants who commit to assisting each other in the event of risks or at the end of the takaful and re-takaful contract period contribute a "contribution." Contributions paid in this manner allow the creation of a fund called "Participants Fund" or "Participants Account." The operations and actions related to cooperative insurance align with the principles of Islamic law that must be respected. The article further defines "Participants Fund" or "Participants Account" as the account where contributions and revenues from investments are deposited and through which compensation and management costs are paid.

According to partners or the Partners Fund, these accounts are specific to the company practicing takaful and re-takaful, utterly separate from the Participants Fund.

Goodwill loan: approval without interest, with a repayment obligation within an agreed-upon period, aiming to cover the deficit recorded by the Participants Fund (Official Gazette of the Algerian Republic, 2021, p. 8).

Article 26 of Executive Decree No. 21-81 stipulates that practicing takaful and re-

takaful, in the form of takaful and re-takaful, is subject to the conditions and procedures specified in the provisions of this decree. Accordingly, takaful and re-takaful are divided into:

Family takaful or retakaful insurance: Covers individuals undertaking commitments related to human life, health, physical condition, and assistance.

General takaful and re-takaful: Covers damages of any nature not mentioned in family takaful and re-takaful.

Conditions and procedures for practicing takaful and re-takaful are governed by Article 4 of the same decree, either by a reinsurance company exclusively practicing takaful and re-takaful or through an internal organization called a "window" within a reinsurance company practicing traditional reinsurance. The file for practicing takaful and re-takaful must include various documents specified in Article 6 of Executive Decree No. 96-267, dated August 3, 1996, which outlines the conditions for accrediting insurance and reinsurance companies.

Models of takaful and re-takaful under Decree 21-81: According to Algerian law, a company practicing takaful and re-takaful manages the fund using one of the following utilization models:

Agency: The takaful and re-takaful company manages the fund for a fee calculated as a commission on contributions paid. Takaful and re-takaful based on the exclusive agency are governed by specific conditions, including participants contributing to the fund on a donation basis for risk-sharing and the reinsurance company managing the fund and paying compensation and handling claims based on the agency for a fee. The reinsurance company is also authorized to invest a portion of the fund's funds, earning an agency fee for investment. Participants, represented by cooperative insurance companies, do not share in the profits in the investment aspect.

Mudarabah (Partnership): The company practicing takaful and re-takaful undertakes to manage the fund for a fee calculated on a pre-determined share of the technical and financial surpluses resulting from the fund.

Mixed Model Between Agency and Mudarabah (Partnership):

In this contractual model, the company practicing takaful and re-takaful commits to managing the fund in exchange for a fee comprising both the agency commission and a predetermined share of the technical and financial surpluses resulting from the fund.

This contractual arrangement aligns with the agency's management of insurance activities, where the agency fee is taken. However, it differs in the second aspect, where the first model relies on the agency for investment. In contrast, this model is based on Mudarabah (partnership), not taking a fee but rather participating in the fund's profits in the Mudarabah section. It does not involve loss except in the case of negligence and misconduct. Still, it does not take a fee; it shares the fund's profit in the Mudarabah section.

3.4 Conditions and Regulations for Regulating and Managing takaful and retakaful Companies:

General conditions for takaful and retakaful documents are subject to administrative approval from the regulatory authority, which can impose working conditions based on model conditions. The visa application must be accompanied by a certificate of conformity for takaful and retakaful products with Islamic Sharia principles issued by the National Sharia Authority for the Islamic Financial Industry.

The company practicing takaful and retakaful must establish an internal committee called the Sharia Supervision Committee, which monitors and oversees all operations related to takaful and retakaful. It expresses opinions and decisions

regarding the compliance of these operations with Islamic Sharia principles, and its decisions are binding on the company.

The Sharia Supervision Committee consists of at least three members appointed by the company's General Assembly practicing takaful and retakaful, based on the Board of Directors' proposal, for a term of three years, renewable once. The committee selects its chairman from among its members. In case of the withdrawal of a member, the company can replace them. Committee members must be Algerian citizens with expertise in the Islamic financial industry, independent, not employees or partners of the company, and should not be participants.

The company practicing takaful and retakaful must provide the Sharia Supervision Committee with the necessary information and place all required documents for its tasks at its disposal. Committee members are bound by professional confidentiality and confidentiality of records and information received.

The company practicing takaful and retakaful must appoint an auditor specifically tasked with monitoring the compliance of operations related to takaful and retakaful with the opinions and decisions of the Sharia Supervision Committee. The Board of Directors appoints the auditor based on the proposal of the company's General Directorate. During their duties, the auditor must diligently work to comply with the standards of cooperative insurance, takaful and retakaful, and their rules. They prepare the necessary reports, referring them to the Sharia Supervision Committee and the company's Board of Directors.

The company practicing cooperative insurance, in takaful and retakaful operations, may turn to reinsurance companies practicing takaful and retakaful. If that is not possible and by the principle of necessity, the company practicing

cooperative insurance can turn to traditional reinsurance companies after the decision of the Sharia Supervision Committee.

4. An overview of the Algerian insurance market and the current status of takaful

4.1 The Algerian insurance market

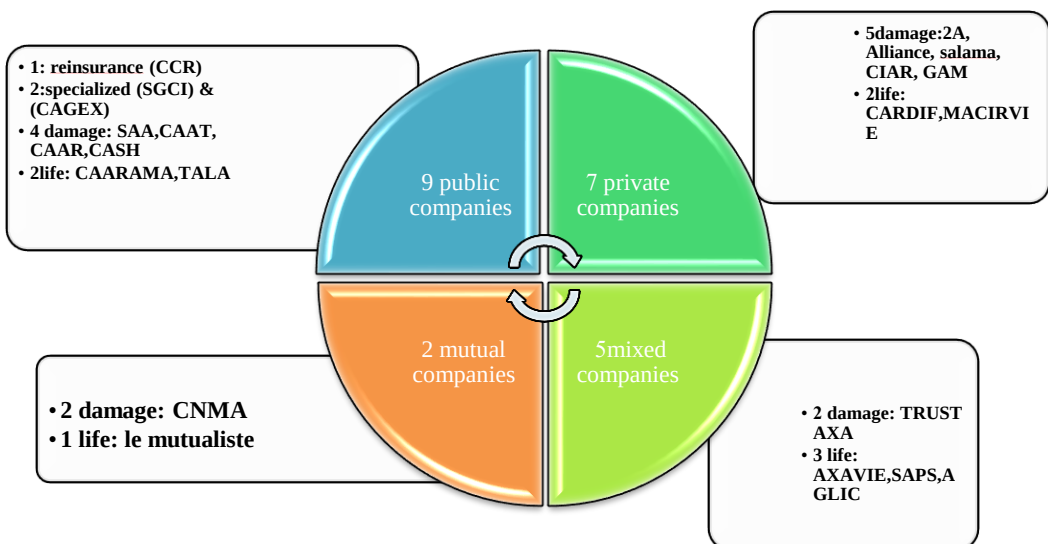
The Algerian insurance market is relatively small but growing, with a total turnover of 162.6 billion DZD (1.2 billion USD) in 2022. The market is dominated by non-life insurance, which accounts for about 85% of total premiums. Motor insurance is the largest segment of the non-life market, followed by property and health insurance. The life insurance market is much smaller, but it is growing.

There are 24 companies in the Algerian insurance market divided as follows (Ministère des finances, 2020, p. 7)

- One company is specialized in reinsurance (CCR);
- Two companies specialized in the insurance of real estate credit and (SGCI); export credit (CAGEX);

21 insurance companies divided, as shown in figure 1

Figure N°1: The Algerian insurance companies



Source: Prepared by researcher based on the Ministry of Finance reports on insurance activity in Algeria.

The Algerian insurance market is characterized by several factors, including:

- **A high concentration level:** The market is dominated by a small number of large companies, with the top five accounting for over 70% of the total market share.
- **Low penetration rates:** Insurance penetration rates in Algeria are relatively low compared to other countries. This is partly due to the country's low per capita income and the lack of awareness of insurance products.
- **A growing demand for Islamic financial products:** There is an increasing demand for Islamic financial products in Algeria, including takaful insurance. This is due in part to the country's sizeable Muslim population.

4.2. Current Status of Takaful in Algeria

The Algerian takaful market is still in the early stages of development. Only a few takaful insurance companies operate in the country, and the range of takaful products and services is limited. However, the government supports the development of takaful, and there is a growing demand for takaful products among Algerian consumers.

The Algerian insurance market is witnessing the emergence of Takaful insurance, with the Salama Insurance Company being the operator in the country. (Ahmed, 2022, p. 224) However, the market penetration of Takaful products remains lower than that of conventional insurance, indicating the current status of Takaful in Algeria. (Juhari, Rahim, Masdek, Ahmad, & & Husin, 2022, p. 11) Understanding the factors influencing the choice of Takaful over traditional insurance, as highlighted in a study in Malaysia, can provide valuable insights into

the current dynamics of Takaful in the Algerian market. (Kamil & Nor, 2014, p. 3)

These factors may include religious beliefs, ethical considerations, and the appeal of profit-sharing arrangements inherent in Takaful. Additionally, the study of the Salama Insurance Company's experience can offer valuable insights into the challenges and opportunities faced by Takaful operators in Algeria, shedding light on the current status of Takaful in the country.

4.3. Results of the issuance of Executive Decree 21/81

-The General Takaful window of GAM Assurances is the first Tafakul insurance on the Algerian market, having obtained the approval of the National Charaia Authority of Fatwa for the Islamic Finance Industry from the High Islamic Council.

- "Granting accreditation to the company **Cardiff Algeria El Djazair** to conduct conventional insurance operations, as well as family Takaful operations in the form of a 'window,' including the following:

Accidents, Health , Assistance, Life — Death; Investments-related insurances; Collective fund management; Collective reserves.....

-Algerian General Takaful (AGT) is a takaful insurance company based in Algeria. It offers a wide range of takaful products and services. AGT is committed to providing its customers with Shariah-compliant insurance products that meet their needs and expectations. AGT offers many therapeutic products and services, including family, property, motor, health, and life therapeutic.

A re-takaful window was recently opened at the Central Re-Insurance Company, and we believe that this procedure is an essential step for the localization of takaful and re-takaful insurance in Algeria so that takaful insurance companies will succeed with the support of re-takaful companies.

5. opportunities and challenges of practicing takaful insurance and re-takaful in ALGERIA

Takaful insurance and re-takaful practice in Algeria present both opportunities and challenges. The potential use of fintech, such as big data analytics and robo-advisory, can enhance customer experience and gather competitive intelligence for Takaful operators. (Faqih, 2023, p. 238) However, the development of Takaful insurance in Algeria faces obstacles, including legal challenges, non-compliance with Islamic Shariah regulations, and weak regulatory efforts by the state. (Ahmed, 2022, p. 225) Integrating Waqf Sukuks into the Algerian economy can maximize the income and benefits of endowments, contributing to economic and social development. (Alama & Kaid, 2023, p. 280) Takaful insurance, as a Shariah-compliant alternative to conventional insurance, has evolved to meet the needs of individuals and institutions. Blockchain technology has been suggested to improve efficiency and reduce operating costs, enhancing fraud reduction, timeliness of actions, claims management, and risk management in the Islamic insurance industry. (Lekpek & Ibrović, 2021, p. 113)

5.1 Opportunities for Takaful Insurance and Re-takaful in Algeria

There are several opportunities for takaful insurance and re-takaful in Algeria. These include:

The growing demand for Islamic financial products: The need for Islamic financial products in Algeria is increasing, creating a strong need for takaful insurance products.

The increasing awareness of takaful among Algerian consumers: Algerian consumers are becoming increasingly aware of takaful, creating a positive environment for developing takaful products.

Government support for the development of takaful: The Algerian government supports the development of takaful, and it has implemented several initiatives to promote the growth of the takaful market.

Untapped potential in the Algerian takaful market: The Algerian takaful market is still in its early stages of development, and there is a significant untapped potential for growth.

5.2 Challenges Facing Takaful Insurance and Re-takaful in Algeria

There are also several challenges facing takaful insurance and re-takaful in Algeria. These include:

Lack of understanding of takaful principles among Algerian consumers: Many Algerian consumers are not fully aware of takaful principles, which creates a barrier to adopting takaful products.

Limited availability of takaful products and services: The range available in Algeria is limited, making it difficult for consumers to find the products they need.

Shortage of qualified takaful professionals: Algeria has a need, making it difficult for takaful companies to operate effectively.

Regulatory framework that does not fully support takaful: The Algerian regulatory framework for takaful is not fully developed, creating many challenges for takaful companies.

5.3 Strategies for Overcoming Challenges and Seizing Opportunities

Several strategies can be implemented to overcome the challenges facing takaful insurance and re-takaful in Algeria. These include:

Raising awareness of takaful through education and outreach programs: Takaful companies and the government can work together to raise awareness among Algerian consumers through education and outreach programs.

Expanding the range of takaful products and services offered: Takaful companies can extend the range of takaful products and services provided to meet the needs of a broader range of consumers.

Developing a pool of qualified takaful professionals: The government and companies can work together to create a collection of qualified takaful professionals.

Advocating for a more supportive regulatory environment: Takaful companies can advocate for a more supportive regulatory environment that will make it easier for them to operate.

By implementing these strategies, takaful insurance and re-takaful can overcome the challenges in Algeria and seize the opportunities in the market.

6. CONCLUSION

In conclusion, the unfolding landscape of Takaful insurance and re-Takaful in Algeria, catalyzed by Executive Decree No. 21-81 issuance, signifies a transformative chapter in the nation's insurance industry. The establishment of the General Takaful window by GAM Assurances and the accreditation granted to Cardiff Algeria El Djazair to conduct both conventional and family Takaful operations mark significant milestones in integrating Islamic insurance principles. The emergence of Algerian General Takaful (AGT) as a dedicated Takaful insurance company further exemplifies the commitment to providing Shariah-compliant products to meet diverse needs.

The recent opening of a re-Takaful window at the Central Re-Insurance Company is a commendable step toward ensuring the support and sustainability of Takaful companies through re-Takaful mechanisms.

However, amidst these positive developments, challenges persist, including regulatory complexities and the need for heightened awareness.

Recommendations include establishing a local Algerian Takaful COMPANY with indigenous capital to solidify the Takaful operations' foundation further. Additionally, fostering collaboration between Takaful companies and re-Takaful

COMPANIES is crucial for long-term success.

In light of these findings, it is imperative for stakeholders, including government bodies, regulatory authorities, and industry participants, to address challenges and leverage opportunities collaboratively. This study recommends a continued commitment to education and awareness campaigns, streamlining regulatory frameworks, and encouraging further collaboration between Takaful and conventional insurance entities. As Algeria navigates the evolving landscape of Islamic insurance, these concerted efforts will contribute to the sustainable growth and success of Takaful and re-Takaful in the Algerian insurance market.

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