



## Takaful insurance in Algeria (reality and challenges)

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### **Abstract:**

This study aims to explore the reality of Takaful insurance in Algeria, employing a descriptive approach to construct the theoretical framework and an analytical approach to assess its level of implementation. The study concludes that Takaful insurance is still in its early stages of application, with limited product penetration and a number of regulatory and economic challenges hindering its development.

**Keywords:** Takaful insurance, insurance, Algeria.

### **Résumé :**

Cette étude vise à explorer la réalité de l'assurance Takaful en Algérie, en employant une approche descriptive pour construire le cadre théorique et une approche analytique pour évaluer son niveau de mise en oeuvre. L'étude conclut que l'assurance Takaful est encore à ses débuts, avec une pénétration de marché limitée et un certain nombre de défis réglementaires et économiques qui freinent son développement.

**Mots-clés :** Assurance Takaful, assurance, Algérie

## **Introduction:**

Takaful insurance is considered one of the most important insurance products compliant with Islamic Sharia law. Many insurance companies in several countries around the world, such as Indonesia, Saudi Arabia, Malaysia, Qatar, and the United Arab Emirates, have adopted it. In Algeria, Takaful insurance has been implemented and activated through Executive Decree 09-13, which defines the model bylaws for mutual insurance companies, and Executive Decree 21-81, which specifies the conditions and procedures for practicing Takaful insurance. The following questions arise:

**What is Takaful insurance, what are its types, what is its level of implementation in Algeria, and what are its challenges?**

### **Subquestions**

What is the level of Takaful insurance in Algeria ?

What are the obstacles and challenges facing Takaful insurance in Algeria?

### **Hypotheses**

The level of Takaful (Islamic insurance) is weak in Algeria.

There are several challenges facing the implementation of this type of insurance in Algeria.

### **Research objective**

Identifying the level of Takaful insurance in Algeria, in addition to the challenges facing its implementation.



## **Previous Studies**

The study by Othman Chakima and Awadi Abdelkader, "The Reality and Challenges of Takaful Insurance in Algeria," *Economics, Finance and Business Journal*, Volume (08), Issue (01), Year 2023, addressed the reality of Takaful insurance in Algeria, particularly in Salamah Insurance Company. The study concluded that the application and development of this type of insurance in Algeria is weak and faces a number of challenges.

The study by Lekrib Kamel and Kadem Fatima, "Challenges Facing the Takaful Insurance Industry in Algeria", *Business and Development Economics Journal*, Issue (01), Year 2021, addressed the reality of the Takaful insurance industry in Algeria, especially in Salamah Insurance Company. The study concluded that the production and application of the Takaful insurance product in this company is weak and it faces challenges in the production and marketing of this type of insurance.

Researcher Karima Abbas's study, titled "Takaful Insurance in Algeria - A Study in Light of Executive Decree No. 21-81," focuses on highlighting the legal framework for Takaful insurance in Algeria as a modern, legitimate alternative to traditional commercial insurance. The researcher reviews the legislative development that began with its legalization through the 2020 Finance Law, culminating in the issuance of Executive Decree No. 21-81, which defined the detailed conditions and procedures for its practice. The study demonstrates how this decree contributed to removing regulatory ambiguity, thus opening the door for investors to establish independent Takaful companies, or for

traditional property and casualty insurance companies to open Takaful "windows," all within the framework of the Algerian legislator's efforts to diversify insurance products and satisfy all segments of society.

The study by researchers Rahich Boujemaa and Allam Othman, titled "An Analytical Study of the Performance of the Takaful Insurance Market in the Kingdom of Saudi Arabia for the Period 2018-2022," aims to evaluate and analyze the performance of the Takaful insurance market in the Kingdom of Saudi Arabia during the period from 2018 to 2022 by reviewing its concepts, objectives, legal aspects, and regulatory bodies. The study concluded that the sector's contribution to the gross domestic product (GDP) remains very limited. The analytical indicators also revealed a clear dominance of the health insurance sector at the expense of other insurance branches due to its mandatory nature for individuals. Meanwhile, the insurance penetration rate index is showing a continuous annual increase, directly proportional to population growth in the Kingdom .

The study by researcher Matay Abdelkader, titled "Takaful Insurance Formulas and Their Obstacles - An Analytical Study," aims to explain and analyze the obstacles to the success of the Takaful insurance industry while grounding its scientific concepts in its status as a type of Islamic insurance that is an alternative to conventional commercial systems. The researcher clarifies the legal conditions and pillars that must be met in this type of insurance, which is based on solidarity and cooperation and is free from usury, uncertainty, and gambling. The study also examines the various administrative structures used in managing Takaful insurance portfolios and its donation contracts, highlighting



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the specific characteristics and provisions that distinguish it from other conventional commercial insurance systems .

The researcher, Ben Eddine Douadi, in his study entitled "The Takaful Insurance Contract According to Executive Decree 21-81 and Islamic Sharia Standards," aims to verify the extent to which the Takaful insurance contract stipulated in Algerian Executive Decree No. 21-81 of 2021 conforms to Islamic Sharia standards and regulations. Through descriptive and analytical methodologies, the researcher concludes that the proposed contract fully complies with Sharia standards, as it does not seek profit at the expense of the insured. It legally obligates companies to establish two completely separate accounts (financially and accounting-wise), one for the participants and the other for the partners, while stipulating the distribution of the insurance surplus to the participants' fund among them. This eliminates any suspicion of uncertainty or usury.

### **The Research Gap :**

The research gap addressed by this article lies in assessing the actual and practical application of Takaful insurance in Algeria following the issuance of the modern legal and executive frameworks (particularly Executive Decree No. 21-81) .

While some previous studies focused on purely theoretical or jurisprudential aspects, or were limited to tracing the early beginnings of the "Salama Insurance" company, this study fills a significant gap by: providing a recent and comparative statistical analysis (2022-2023) of the contribution of Takaful insurance (general and family) compared to the dominant conventional insurance in the Algerian market; and

highlighting the structural discrepancy between the legislative ambition to open the market and the practical reality, which lacks a comprehensive Islamic financial system (such as Islamic banks and Takaful reinsurance) to support and invest participants' funds.

### **Study Structure and Methodology:**

The study comprises three main sections:

- **Section One:** Theoretical Foundations of Takaful Insurance in Algeria.
- **Section Two:** The Reality of Takaful Insurance Theory in Algeria and the Challenges it Faces.

The descriptive approach was used to establish the theoretical foundations of Takaful insurance and its challenges, while the analytical approach was employed to analyze the current state and level of this type of insurance both internationally and in Algeria.

## **1. The theoretical foundations of Takaful insurance in Algeria**

### **1.1. Definition of Takaful Insurance**

Insurance can be defined as a system whereby a group of people, called the subscribers' body, who are exposed to a certain risk or risks, (Khaloui & Lezoul, 2024, p. 493) cooperate to avoid the effects of the risks to which one of them is exposed, by compensating him for the damage resulting from the occurrence of these risks, by each of them committing to pay a certain amount as a donation, called the premium or subscription, (mohamed Amri & yassine, 2020, p. 156) which is determined by the insurance policy or subscription contract. Takaful insurance companies undertake the management of insurance operations and the investment of funds on behalf of the subscribers' body, in



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return for a known share of the return on the investment of these funds as a *mudarib* (profit-sharing partner) or a known amount in advance as an agent, or both. (Shakhar, 2014, pp. 77-78)

It is also defined as "a cooperative system that is not based on the principle of profit as its foundation, but rather aims to divide the risk and distribute it among the group of insured participants through compensation paid to the affected participant from the sum of their contributions, instead of the loss remaining solely on the affected individual. This is done according to the company's regulations and the terms included in the insurance policies, and in a manner that does not conflict with the provisions of Islamic Sharia. (Brahimi , 2018, p. 40)

It is also defined as a group insurance contract whereby each participant commits to paying a specific amount of money with the intention of cooperating and showing solidarity with the other participants to compensate those who are affected, on the basis of donation. The insurance operations are managed by a company acting as an agent for a known fee, determined at the beginning of each fiscal year and stipulated in the contracts, and paid from the policyholders' contributions. The cooperative insurance contract can also be defined as a donation contract for the benefit of the group of participants, whereby the insured commits to paying the agreed-upon cooperative contributions in the agreed amount and at the agreed-upon time, provided that The shareholders' association is committed to compensating him for the actual damage at the time of its occurrence, based on the stipulated technical

principles and controls that do not conflict with the provisions and principles of Islamic Sharia.

## **1.2. Types of Takaful Insurance**

Takaful insurance is embodied in two main types: Takaful for damages and Takaful for individuals, which is an alternative to life insurance. These are as follows: (Shakhar, 2014, pp. 77-79)

**Takaful for Damages:** This type of insurance is divided into two sections: **Takaful for Liability:** This type of insurance covers compensation for the participant for damages resulting from risks that affect others and for which they are responsible, such as traffic accidents, work accidents, professional errors, and other forms of liability. Under the Takaful for Liability insurance contract, the participant benefits from compensation for all the financial amounts they were obligated to pay due to their existing liability .

**Takaful for Property:** Takaful for property includes many different forms of insurance depending on the insured risk. Examples include livestock insurance, engineering insurance (which covers contractors' equipment and machinery, as well as electronic devices), aviation insurance, oil and energy insurance, and others.

**Takaful insurance as an alternative to life insurance:** Life insurance has sparked more debate than other types of insurance, as some jurists have permitted some types of commercial insurance and prohibited life insurance.



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## 2. The reality of implementing Takaful insurance theory in Algeria and its challenges

### 2.1 .The reality of Takaful insurance in the world

Table 1 shows a clear increase in long-term Takaful assets, rising from \$47 billion in 2015 to \$108 billion in 2023, representing a total growth rate of approximately 130% over eight years. This reflects the industry's continued expansion and the growing demand for Sharia-compliant financial products. This growth is attributed to the development of regulatory frameworks in Islamic countries, the expansion of markets in Asia (Malaysia, Indonesia) and the Gulf, the digital transformation of financial services, and the emergence and growing interest in Islamic finance as a sustainable alternative. Future projections indicate that assets will increase to \$237 billion by 2029.

**Table (01): The development of Takaful insurance assets in the world (2015-2023)**

year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2029 survey
Takaful assets (billion dollars)	47	48	46	47	54	62	73	90	108	237

Source: report refinitiv islamic finance development indicator,2025, Pages 47-48

### 2.2. The reality of Takaful insurance in countries around the world

Table 02 shows the leading countries in the field of Takaful insurance, namely Malaysia with \$28 billion and Saudi Arabia

with \$22 billion. This is due to the development in regulatory laws, the growth of Islamic financial markets, the high demand for Takaful products, and the increase in demand for Takaful products. The remaining shares of Takaful assets are distributed in low proportions among some countries: the UAE with \$4 billion, Indonesia with \$2 billion, Turkey with \$2 billion, Qatar with \$1 billion, Pakistan with \$0.9 billion, and finally Oman with \$0.5 billion. This is due to the Takaful market being in a stage of growth and expansion, the shortage of companies operating in the field, in addition to the dominance of conventional insurance.

**Table (02): Ranking of countries according to the principles of Takaful insurance in the countries of the year (2023)**

Countries	Oman	Pakistan	Qatar	Türkiye	Indonesia	UAE	Saudi Arabia	Malaysia
Takaful assets (billion dollars)	0.5	0.9	1	2	2	4	22	28

**Source:** report refinitiv islamic finance development indicator,2025, Pages 48

### **2.3. The reality of Takaful insurance in different regions of the world**

From Table 3, the Middle East and North Africa region (excluding the Gulf countries) tops the list with a value of \$73 billion, which represents the largest share by a clear margin over the rest of the regions. This is due to the growth of the Takaful industry in these countries and the development of supportive laws and regulations. Southeast Asia comes in second place with a value of \$31 billion. This ranking is due to the significant growth of the Takaful market, especially in



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countries like Malaysia and Indonesia, and the development of the institutional, innovative and technological infrastructure in Takaful products, in addition to government support for Islamic finance strategies in these countries. It occupies the third place with \$28 billion, a figure close to Southeast Asia. This is due to a mature market, but it is highly competitive with conventional insurance, and the disparity in performance among the Gulf countries. The rest of the world comes with a value of \$3 billion, which is a very small percentage. This is due to the limited spread of Takaful, a lack of awareness, the legal framework and weak market demand.

**Table (03): Ranking of Takaful assets in the world's regions for the year (2023)**

Region	Other MENA	Southeast Asia	GCC	Other
Takaful assets (billion dollars)	73	31	28	3

Source: report refinitiv islamic finance development indicator,2025, Pages 48

#### 2.4. The reality of Takaful insurance in Algeria

Table (4) shows that property and accident insurance, including motor insurance, property insurance, transport insurance, and agricultural insurance, holds the largest share with 98.75%. This is followed by personal insurance, including life insurance, savings insurance, accident insurance, social assistance insurance, and capital insurance, with a total share of 1.15%.

Takaful insurance, in its two forms (general and family), comes in last with a total share of 0.10%.

The property, risk, and loan insurance market saw an increase from 139.6 million dinars in 2022 to 144.7 million dinars in 2023, while the personal and life insurance market also rose from 16.28 million dinars in 2022 to 18.70 million dinars in 2023, This demonstrates the dominance of the conventional insurance market in Algeria.

The decline in the rate of Takaful insurance in Algeria is due to the recent entry of Takaful products into the Algerian market, the lack of insurance awareness among individuals, and the absence of an institutional and regulatory framework for this type of insurance.

**Table (04): Ranking of insurance products in Algeria for the years 2022-2023 (million dinars)**

<b>Insurance Type</b>	<b>2023</b>	<b>2022</b>	<b>Change (2022-2023)</b>	<b>Share %</b>
<b>Property</b>	<b>67.13</b>	<b>64.46</b>	<b>2.67</b>	<b>46.39 %</b>
<b>Cars</b>	<b>66.90</b>	<b>65.25</b>	<b>1.65</b>	<b>46.23 %</b>
<b>Transport</b>	<b>8.60</b>	<b>7.40</b>	<b>1.2</b>	<b>6 %</b>
<b>Loans</b>	<b>0.78</b>	<b>0.46</b>	<b>0.32</b>	<b>0.05 %</b>
<b>Agricultural Risks</b>	<b>1.29</b>	<b>2.03</b>	<b>-0.74</b>	<b>0.08 %</b>
<b>Total</b>	<b>144.7</b>	<b>139.6</b>	<b>5.1</b>	<b>98.75 %</b>
<b>Life Insurance</b>	<b>18.6</b>	<b>6.76</b>	<b>11.84</b>	<b>0.99 %</b>
<b>Individual Savings</b>	<b>5.4</b>	<b>6.17</b>	<b>-0.77</b>	<b>0.02 %</b>
<b>Accidents</b>	<b>1.65</b>	<b>1.35</b>	<b>0.3</b>	<b>0.008%</b>
<b>Assistance</b>	<b>2.07</b>	<b>1.90</b>	<b>0.17</b>	<b>0.01 %</b>
<b>Diseases</b>	<b>1.14</b>	<b>0.04</b>	<b>1.1</b>	<b>0.05 %</b>
<b>Capital</b>	<b>0.06</b>	<b>0.06</b>	<b>0.00</b>	<b>0.072 %</b>



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<b>Total</b>	<b>18.70</b>	<b>16.28</b>	<b>2.42</b>	<b>1.15 %</b>
<b>General Takaful Insurance</b>	<b>0.078</b>	-	-	<b>0.04 %</b>
<b>Family Takaful Insurance</b>	<b>0.085</b>	-	-	<b>0.06 %</b>
<b>Total Takaful Insurance</b>	<b>0.0163</b>	-	-	<b>0.10%</b>

Source: National Insurance Council Report, 2025, pages 72-75

## 2.5. The Legal and Legislative Framework for Takaful Insurance in Algeria:

Considering the reforms undertaken in the Algerian insurance sector, we find a set of laws and decrees pertaining to cooperative insurance funds, including : (Khaloui & Lezoul, 2024, p. 494)

- The decree dissolving the board of the Central Fund for Renewing Insurance for Agricultural Cooperatives and appointing a temporary committee to manage this fund, signed on June 17, 1964.
- The decree authorizing the Algerian Insurance Cooperative for Education Workers to conduct certain insurance operations, signed on December 29, 1964 .
- The ratification in 1996 of the agreement establishing the Islamic Corporation for Export Insurance, pursuant to Presidential Decree No. 144/96, signed on April 23, 1996 .
- The discussion about Takaful insurance in Algeria focuses mainly on Executive Decree No. 13/09 issued

on 1/11/2009, which came as a legal effect of the text of Article 215 of Law 07/95 amended by Law 04/06 signed on February 20, 2006, which allowed the establishment of insurance bodies in the form of a joint-stock company or a mutual company.

- This decree included four articles and an annex that represents a model law for companies in the mutual form.

## **2.6. Challenges of Takaful insurance in Algeria**

There are several challenges facing the activation and implementation of Takaful insurance in Algeria, which are as follows:

### **Legal and Regulatory Challenges :**

There are a number of challenges facing the implementation of Takaful insurance in Algeria, which are as follows:

- Delays in enacting legislation to facilitate the effective marketing of Takaful insurance products. Despite the abolition of the state monopoly on the insurance sector in 1995, through Ordinance 97-07, and the authorization of the establishment of cooperative and mutual companies without discrimination between sectors, this was not achieved until 2009 through Executive Decree 09-13, dated October 11, 2009, concerning the model bylaws for mutual companies .
- Looking at the provisions of Executive Decree 09-13, we find it agrees with some aspects of managing Takaful insurance institutions, such as not requiring profitability from policyholders. However, it contradicts it in many other aspects.



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- For example, the commercial nature of insurance activities has prevented the establishment of insurance companies with approximately five thousand members .
- This decree requires insurance companies operating in the Algerian market to allocate 50% of their revenues to treasury bonds in the form of shares. The decree does not specify the procedures to be followed for transitioning from conventional insurance companies to Takaful (Islamic insurance) companies (Chikhi, 2022, p. 36).
- It also fails to clarify the key principles of Takaful, the management and operation models for Takaful companies, and how to address deficits in the subscribers' fund. The negative impact of this legislation is that it discourages Takaful companies from entering the sector.
- This explains the presence of only one Takaful company in Algeria, which faces fierce competition from conventional insurance companies that have a strong presence in the Algerian market .
- The scarcity of Islamic banks operating in Algeria is a challenge facing Takaful insurance services. The absence of Islamic banks prevents Takaful companies from increasing the investment of shareholders' subscriptions, forcing them to deposit and invest their funds in commercial banks that operate on interest-based systems, which contradicts the Islamic principles upon which Takaful is founded. Furthermore, there is a shortage of qualified personnel in the Sharia and financial fields, trained in modern

methods across various functions such as risk and loss management. Algeria suffers from a lack of attention to university and vocational training in the insurance sector in general, and in Takaful insurance in particular (Benaoum & Hakmi, 2024, pp. 24-25) .

- Salamah relies on traditional accounting models, and its financial statements are prepared using these models, which are not based on Takaful principles and do not comply with the standards of the Accounting and Auditing Organization for Financial Institutions (AAOIFI) in Bahrain .
- The absence of internal reinsurance operations, due to the presence of only one company, Salamah Insurance, leads to a lack of reinsurance demand. Salamah's only remaining option is to resort to external reinsurance operations with Best Re in Tunisia .
- The marketing of insurance services in Algeria is weak, and available technologies, the internet, and other modern methods that would enable the marketing of Takaful insurance services to all segments of society are not being utilized .
- Despite several years of operation, Salamah remains largely unknown to the Algerian public, and its products are only accessible to a small segment of the population. (Larabi & Nadhir, 2017, pp. 101-102)

### **Cultural Challenges:**

- These challenges include a lack of awareness within Algerian society regarding the availability of insurance services. This reflects a prevailing view that insurance is a state obligation towards its citizens, a legacy of socialist ideology. Citizens are generally uninterested



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in benefiting from insurance policies, believing they are only useful in the event of a potential risk materializing. Furthermore, there is a lack of information and data about insurance and its contribution to the national economy.

- The media does not focus on disseminating insurance awareness and highlighting the importance of Takaful (Islamic insurance) in the lives of individuals and society. This is compounded by a negative perception of insurance as a tax.
- There is a lack of training in insurance in general and Takaful specifically.
- There is a lack of coordination among Takaful insurance company employees between the Sharia (Islamic law) and technical aspects. (Lekrib & Kadem, 2021, p. 23)

## Conclusion

This study, through its field and statistical analysis of the reality of Takaful insurance in Algeria, arrived at a set of pivotal findings that contribute to understanding this emerging industry.

Analytical indicators for the period between 2022 and 2023 showed that the Algerian insurance market remains almost entirely dominated by conventional commercial insurance, with property, motor, and casualty insurance holding the lion's share at over 98.75% of the total market. In contrast, Takaful insurance (both general and family branches) ranked at the bottom, with a very small share not exceeding 0.10%.

This structural limitation is attributed to the recent implementation of Takaful products following the issuance of Executive Decree No. 21-81, in addition to a lack of insurance awareness and cultural understanding among members of society, who view insurance as a government obligation or a financial burden.

Furthermore, the study revealed a deep structural and regulatory gap that hinders the sector's growth. This is manifested in the slow adaptation of local laws (such as the decrees issued in 2009 and 2021) to the nature of takaful (Islamic insurance) work, and the continued reliance of active companies like Salamah Insurance on traditional accounting models that do not comply with the standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This is accompanied by a severe shortage of alternative investment channels due to the scarcity of Islamic banks and the absence of a local takaful reinsurance market, forcing Algerian players to rely entirely on foreign reinsurance markets (such as the Tunisian market).

Compared to previous studies on this topic, the results of this study are consistent and supportive in some aspects, and complementary and updated in others. As follows:

Conformity and alignment with local studies and a focus on Salamah Insurance Company: Our findings are entirely consistent with the conclusions of the studies by Othman Chakima and Awadi Abdelkader (2023) and Lakrib Kamel and Qadem Fatima (2021), which state that the application and development of Takaful insurance in Algeria remains weak and limited, suffering from numerous marketing and production problems, especially when considering the experience of Salamah Insurance Company, the most prominent Takaful player for a long period. The results also



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align with the study by Ben Eddine Douadi and Karima Abbas, which found that the legislative framework—particularly Executive Decree No. 21-81—has clarified regulatory ambiguities and established the contract's legality. However, the problem lies in the actual implementation, which suffers from legislative and training shortcomings that have not kept pace with this legal ambition.

**Consistency with Regional and International Indicators:** Our study partially aligns with the general conclusions of the study by Rahiche Boujemaa and Allam Othman (2018-2022) applied to Saudi Arabia. Both the Algerian and Saudi markets share the characteristic that the contribution of the Takaful sector to GDP remains limited and requires a supportive environment, despite the significant disparity in the size of Takaful assets. Saudi Arabia leads the regional market with assets reaching \$22 billion in 2023, compared to Algeria's very modest beginnings.

**Bridging the Research Gap and Statistical Excellence:** This study distinguishes itself from previous studies (such as the study by Matay Abdelkader and theoretical foundational studies) by overcoming purely jurisprudential and theoretical obstacles and providing a modern and comparative statistical analysis (based on data from the National Insurance Council for 2025) that tracks the numerical development in 2022 and 2023. It also highlighted the absence of an integrated Islamic financial cycle (the link between the lack of sufficient Islamic banks and Takaful reinsurance), which has not received sufficient statistical analysis in previous literature.

## **Recommendations:**

Based on the findings of the analytical study, we offer a set of procedural recommendations directed to regulatory bodies and financial institutions to advance the sector:

- **Developing the legislative and regulatory framework:** It is essential to adapt existing laws and decrees to suit the specific nature of Takaful insurance, clarifying management models (Agency or Mudaraba) and mechanisms for addressing financial deficits in the participants' fund, in accordance with international standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
  - **Enhancing market competition:** Encouraging the establishment of new Takaful insurance companies and opening additional Takaful windows within existing companies to break monopolies and stimulate the business environment.
  - **Accelerating the growth of Islamic banking:** Providing governmental and legislative support to Islamic banks in Algeria, given their vital and complementary role in investing and deploying Takaful funds in Sharia-compliant investment channels free from interest.
  - **Raising insurance and cultural awareness:** Launching extensive awareness and media campaigns to correct misconceptions that view insurance as a "tax" or financial burden, and to highlight the cooperative and Islamic solidarity-based nature of the product.
- Investing in academic and professional development:** Establishing university programs and specialized vocational training programs in the Takaful insurance



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sector to address the critical shortage of qualified personnel capable of effectively balancing technical requirements with Sharia compliance.

- Adopting digitalization and modern mechanisms: Relying on innovative digital marketing strategies and leveraging the internet and smart applications to reach all segments of society and facilitate access to Takaful services.
- Establishing a National Takaful Reinsurance Company:  
Addressing the problem of the absence of a domestic Takaful reinsurance market by urging monetary and financial authorities to establish a national company specializing in Takaful, or allowing large conventional companies to create Takaful windows, to reduce complete dependence on foreign markets (such as the Tunisian market) and strengthen local liquidity.
- Adopting International Accounting Standards (AAOIFI):  
Requiring Takaful insurance companies (such as Salamah or the newly established windows) to gradually transition from the traditional accounting models prevalent in Algeria to the financial and accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This ensures complete financial separation and transparency between shareholders' accounts and policyholders' accounts.
- Activating and Expanding Alternative Sharia-Compliant Investment Instruments: Given the scarcity of Islamic banks and the necessity of dealing with

conventional banks, it is recommended to allow Takaful companies to invest in Islamic sovereign sukuk, or participate in financing development investment projects through Mudarabah or Musharakah, instead of freezing funds in interest-bearing accounts or conventional treasury bonds.

- Developing Takaful products compatible with the Algerian environment: Moving beyond standard products and developing new Takaful insurance products that meet societal needs, such as "Agricultural Takaful" to protect farmers from the risks of drought and climate fluctuations (especially given the decline in the traditional agricultural risk index), and "Micro-Takaful" aimed at micro and emerging entrepreneurs and supporting local development.
- Developing a "Bancassurance" model: Establishing strategic partnerships between Takaful insurance companies and the Islamic banking windows currently operating in public and private banks in Algeria. This collaboration will directly contribute to overcoming the obstacle of limited geographical reach and branch shortages by marketing Takaful policies through the extensive national branch network of banks.
- Establishing a unified Sharia Supervisory Board at the Ministry of Finance level: Creating a specialized Supreme Sharia Committee for Takaful insurance, affiliated with the Supreme Islamic Council or the Ministry of Finance, to oversee and audit contracts and products issued, ensure the resolution of technical and Sharia disputes, and unify fatwas to increase the sector's credibility with the public.



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- Activating social responsibility and the Takaful Surplus Fund: Highlighting the humanitarian and cooperative aspect of Islamic insurance by institutionalizing the "distribution of insurance surplus" to subscribers in the event that the risk does not materialize, and allocating a portion of the fund management's profits to contribute to charitable and endowment works, thus enhancing cultural and social confidence in this legitimate alternative.

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