

# Legal Issues in Takaful and Re-Takaful Contracts

**Ffion Flockhart**  
Associate  
Norton Rose LLP

*Law Firm of the Year - The Lawyer Awards 2009*

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## Words are so important...

...but some words can get lost in translation!



## Topics for Discussion

- Identifying the drivers for change
- Types of claims facing the market
- Key issues to consider in Takaful and Re-Takaful contracts
- Managing risk

## Drivers of Change

- Large losses exposing flaws in coverage
- Counterparty risk
- Regulatory oversight
- Pursuit of litigation made easier

## Types of claims facing the market

- Financial Lines
  - Fraud / dishonest conduct / insider trading
  - Breach of fiduciary duty
  - False or misleading statements
- Transport / Energy / Infrastructure
- Personal Lines
  - Motor claims
  - Fire claims
  - Property Damage and business interruption

## Key issues: Takaful Contracts

- Triggers for coverage
- Definition of Loss
- Conditions Precedent
- Misrepresentation / Non-Disclosure
- Governing Law and Jurisdiction

## Key issues: Re-takaful Contracts

- Conventional reinsurance or re-takaful?
- Triggers for coverage
- Claims control
- Conditions precedent / Exclusions
- Cut-through clauses

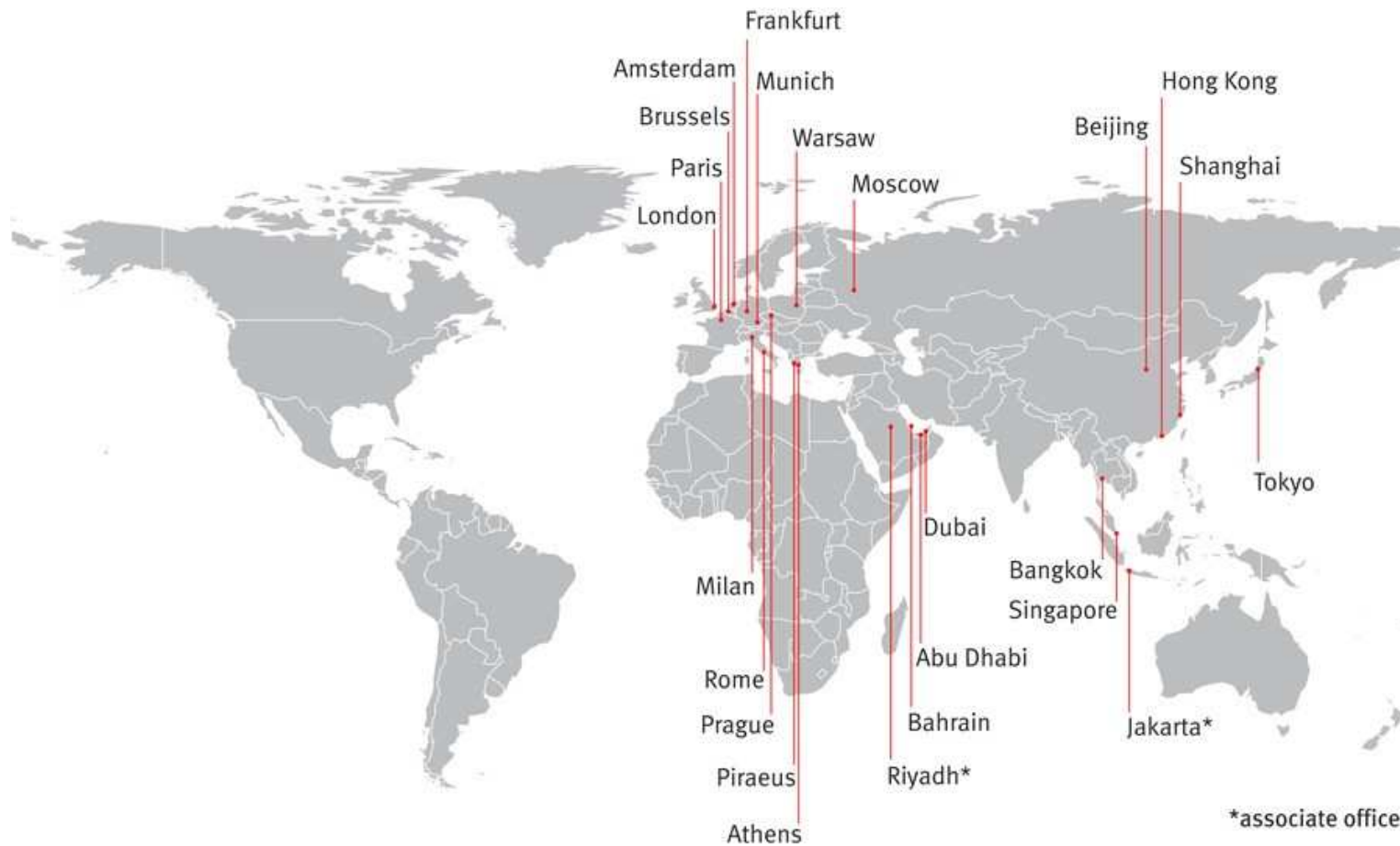
## Managing risk

- Balance: level of donations / scope of cover
- Back-to-back
- Regular wordings review for takaful and retakaful contracts

Words are so important...



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