

# Is Motor Takaful better for you?

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KUALA LUMPUR, MALAYSIA, July 15, 2021 /EINPresswire.com/ -- A [motor takaful plan](#) offers financial coverage for your vehicle in the event of an accident. So, if you, your vehicle, and the passengers/the pillion riders meet with an unfortunate situation on the road, a [comprehensive motor takaful plan](#) will provide you with assistance. So, you can deal with the damages without having to stress too much about paying from your pocket. Some plans even offer death benefits.

A motor takaful plan can be compared to a conventional car insurance plan, as they both provide accident coverage options. However, the operations of the two plans, differ. While motor takaful adheres to Shariah principles, the same practices are not followed by conventional car insurance companies. So, is motor takaful better for you? Read along to get a better understanding of it, so you can make a sound decision.

## What is Motor Takaful?

A motor takaful plan is a Shariah-compliant plan for your four-wheeler or two-wheeler vehicle. It offers coverage against the loss or damage of your vehicle due to an accident, theft, or fire. It even provides coverage for third-party bodily injury/death (passengers/pillion riders/ driver/ pedestrians). According to the Road Transport Act (1987) of Malaysia, it is compulsory to include coverage for third-party risks. Not including such coverage options in a motor takaful plan is considered an offense.

## Concept of Takaful in Motor Takaful

Takaful, which originates from the Arabic word Kafalah (guarantee), is based on the concept of Ta'awun (cooperation). The participants of a takaful plan mutually agree to help each other if any of the plan's participants suffer a loss or an uneventful situation. You can subscribe to a motor takaful plan by contributing (tabarru') to a takaful fund after signing the contract (aqad). The funds are managed by a takaful operator. Several takaful entities provide motor takaful plans with the option to include additional benefits.

## Benefits of Motor Takaful

A comprehensive motor takaful plan comes with several benefits. Some of them are given below:

## No Claim Discount

NCD or No Claim Discount can be considered as an incentive that is offered to the participants for not making any claim during the coverage period of the motor takaful plan. The discount is given as per the scale when you want to renew your Takaful certificate.

## No Elements of Haram

As motor takaful plans are strictly based on Shariah laws, the plans are free from the elements of Al-Maisir, Al-Gharar, and Riba.

## Surplus Sharing

If there is a surplus in the plan, the extra funds will be distributed amongst the eligible participants and the Takaful operator.

## Flexible

You can modify a plan by including add-ons conveniently.

## Conclusion

Motor takaful plans are designed to offer more benefits and savings while strictly following Islamic laws. More interestingly, these plans are also accessible to non-muslims. If you wish to gain more by offering convenient contributions, then a comprehensive motor takaful plan is definitely an ideal option for you.

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