



EVALUATION OF THE EFFICIENCY OF THE FINANCIAL PERFORMANCE OF THE FIRST ISLAMIC INSURANCE COMPANY IN JORDAN WITH A PROPOSED MODEL FOR THE ESTABLISHMENT OF AN ISLAMIC INSURANCE COMPANY IN IRAQ

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Article history:	Abstract:
Received: 11 th December 2022 Accepted: 10 th January 2023 Published: 20 th February 2023	The current research aims to present the theoretical framework for Islamic (Takaful) insurance, and what is the role of financial performance evaluation using financial ratios in the development of the profitability of insurance companies, and to present the reality of Islamic insurance in Iraq. The research adopted the descriptive analytical approach, and the financial statements of the First Islamic Insurance Company in the Jordanian insurance sector were used for the period (2011-2020), and an applied model was proposed to establish an Islamic insurance company in Iraq. The research reached a number of conclusions, most notably: The insurance market in Iraq There is a need to establish an Islamic (symbiotic) insurance company, in order to develop and diversify insurance services. The research recommended a number of recommendations, the most important of which are: And training cadres to work on the requirements and conditions of Islamic insurance.

Keywords: financial analysis, Jordanian Islamic insurance sector, a proposed model for an Islamic insurance company in Iraq.

INTRODUCTION

The insurance system is one of the systems that witnessed a great development in recent times, as it is considered among the most important foundations that work to achieve security and stability for the individual and projects and also contributes to supporting economic and social development. Which had an important role as an alternative and a competitor to commercial insurance. This type of insurance was developed in order to obtain the advantages of insurance in the economies of Islamic countries from the principle of (the alternative opportunity) and since Iraq is an Islamic country, since the Iraqi insurance sector is composed of companies, all of which practice insurance business. Commercial only, unlike the banking sector, which came in response to that sectarian pluralism, as it is composed of commercial and Islamic banks. The research attempts to make a comparison from the experience of the Kingdom of Jordan, which is similar to Iraq, being a developing country as well, in how the Islamic side grows within its insurance sector, through analyzing

and evaluating the efficiency of the financial performance of an Islamic insurance company within the insurance sector in Jordan, and accordingly, how to develop the sector is proposed. Insurance in Iraq through the introduction of Islamic insurance, especially when we notice that there are almost three Iraqi provinces that stop trading commercial insurance documents. The existence of Islamic insurance will reduce the opportunity cost and increase the efficiency of investing resources.

RESEARCH METHODOLOGY

Research problem

The insurance sector in developing countries did not want to play a role similar to the performance of the insurance sector in developed countries, and this comes either because of the low levels of insurance culture or because of the decline in individuals contracting with insurance companies for religious reasons related to the Islamic religion, especially in Iraq, and the Iraqi insurance market is devoid of Islamic insurance companies (symbiotic)



The importance of research

The importance of the research lies in the fact that it examines the mechanisms of the insurance sector's work, the Islamic insurance is unique, and the possibilities of exploiting economic resources to be employed in the Islamic insurance and solidarity companies.

Research objective

The research aims to deliver the insurance service and insurance protection to a wider area than it is currently in Iraq in order to achieve efficient exploitation of resources and reduce the alternative opportunity and evaluate the efficiency of the financial performance of commercial and Islamic insurance companies to know the most important strengths and weaknesses.

Research Hypothesis

The research stems from the hypothesis that the involvement of individuals in contracting with insurance companies of an Islamic nature would increase the insurance business and activate the levels of performance of the insurance sector and enhance its role in keeping pace with economic development in the Islamic world.

Research Methodology

The research used two approaches in practical analysis

- A.** Deductive analysis methodology: By reviewing the emergence and development of the concept of Islamic insurance and indicating the extent of its need in Iraq.
- B.** Inductive analysis methodology: - By analyzing and evaluating the efficiency of the financial performance of the first insurance company in Jordan.

Research Method

The research adopted the descriptive method, as well as the use of the financial analysis method for the data.

Research limits

- A.** Spatial boundaries: The Islamic insurance sector in Jordan (First Islamic Insurance Company) was chosen.
- B.** Temporal limits: the period between (2011-2020)

Theoretical side of the research

Evaluate the financial performance

Every company is interested in evaluating the financial performance, and this is done through several methods, with the aim of identifying the financial efficiency of the institution and for the purpose of identifying aspects of development in performance, and the information resulting from the performance evaluation gives indicators about the efficiency of the company's work, and knowledge of its

needs. Therefore, the concept of financial performance evaluation represents: identifying and defining how this performance is carried out, and it also represents a plan to improve and develop it, and when financial performance evaluation is applied well and correctly, it not only shows the current level of performance, but also has positive repercussions on the expected future performance. Performance appraisal standards emphasize two aspects: one objective that focuses on the amount of work performed, speed and achievement of goals, and the other behavioral that reveals the characteristics of workers in personal financial management such as ability and speed in learning and benefiting from training. (Al-Mutairi, 2011:11)

Financial performance indicators using financial ratios

It is an expression of a relationship between the numerator and the denominator, and the values of the numerator and denominator are the data and numbers presented by the balance sheet and the income statement, provided that the relationship is related to performance and explained, as the financial ratios extracted from the financial statements aim to provide important and expressive information about activity, liquidity, profitability, financial leverage and distributions, As the creditors are interested in the liquidity ratios that show the company's ability to fulfill its obligations on the one hand, on the other hand, the shareholders and investors are interested in the profitability ratios, while the company's management is concerned with the company's activities, and the creditors are also interested in the indebtedness ratios to know the extent of the company's dependence on external financing, and the investors are interested Distribution percentages to know the company's policy in the distribution process. (Al-Khatib, 2009: 54)

The concept of Islamic insurance

Islamic insurance (Takaful) generally states that: the negative impact of a particular accident that is distributed among a group of people instead of making the person who suffered a loss bear its consequences alone, and the way to achieve this is to establish a mutual fund that can be That every person exposed to a certain risk contributes in a manner that pays compensation from this fund, in this type of insurance the insured seeks to obtain guarantee from a group of persons participating in the insurance, at the same time supports other members when they face losses, and the members who participate in the insurance contribute This insurance in bearing the losses of each other on the basis of cooperation and solidarity. (13, Sabbagh: 2012)

Islamic insurance (symbiotic) linguistically: whoever guarantees guarantees a surety, it says: So-and-so



sponsored for so-and-so, meaning he is his suffice and guarantor, and he suffices me and guaranties me, and I sponsored him and I sponsored him. (Surah Al-Imran: 37), and he guarantees himself and his money, so the symbiotic insurance comes in the sense of helping a group of people to each other against risks. (Al-Dosky, 2014: 8) Islamic insurance is also defined idiomatically as: it is a group insurance contract under which each subscriber is obligated to pay a certain amount with the intention of solidarity and solidarity with other subscribers to compensate those affected by them on the basis of a donation. The management of insurance operations in it is carried out by a company specialized in insurance in the capacity of an agent with a known fee. (Melhem, 2012 : 12)

Islamic insurance contract according to the principles of Islamic law

The jurists of the various sects believe that the most important condition that must be met in the insurance contract Commercial is (information of the insurance supplier and its compensation), that is, in other words, that the contract enjoys a degree of transparency, so they are not formed on it from a legal point of view. Gambling is why they call it (a contract of deception), and this is the main reason behind their prohibition of trading in insurance activity among adherents of

different sects. This concept will deal with general Sharia principles only. The question and the basis that must be asked is whether the takaful involves a contract or not. This question is important from the Sharia point of view, as any financial transaction between people must be based on a specific contract to obtain the approval of Sharia scholars. And the contract must be compatible with the principles of Islamic Sharia, whether it is a contract of lending or borrowing money at a premium that is not a valid contract because it is equal to usury. Takaful To avoid uncertainty or deception, Takaful must be based on a valid contract to add legitimacy to its operations, which includes the contributions of participants in the Takaful Fund. (Archer, et.al, 2009:35)

The difference between the insurance surplus in the Islamic insurance companies and the profit of the commercial insurance companies

The insurance surplus is considered one of the fundamental differences that distinguish Islamic insurance companies from traditional insurance companies. In the following table, we will highlight the most important differences between the surplus in Islamic insurance companies and the profit in commercial insurance companies.

Table (1) The Difference Between Islamic Insurance Surplus And Commercial Insurance Profit

Business insurance profit	Islamic insurance surplus	
It is the increase in the capital after its use in .trade and investment	Excess contributions and profits after deducting compensation and expenses, paying reinsurance amounts, and setting aside reserves and provisions	the meaning
It is based on the financial legal netting .contract	Based on the binding regulatory donation contract m	The nature of the contract
Netting, profit, and the interest of the . shareholders, ie the insurance company only	Cooperating in reducing risks and jointly .bearing the damage among the subscribers	target of
It is the right of the shareholders alone and is . owned by the insurance company	An exclusive right for policyholders alone .and owned by the (participants) Authority	Property
It is carried out in accordance with the requirements of the law and the interest of .the shareholders in the insurance company	It is carried out in accordance with what is decided by the company's system and the board of directors, as required by the interest of policyholders and Islamic insurance	distribution

Prepared by the researchers, based on: (Amer Osama, the impact of the mechanisms of distributing the insurance surplus on the competitiveness of the Takaful insurance companies - a comparative study between the Takaful Company in Malaysia and the

First Insurance Company in Jordan during the period 2008/2013,2014: 80)

The practical side

Analysis of the financial ratios of the first Islamic Jordanian company



Profitability Ratio The profitability ratio refers to the company's ability to create and sustain profits, as well as the ability to face the risks to

which the company is exposed. The profitability ratio is calculated according to the following formula:

$$\text{Profitability Ratio} = \text{Net Income} / \text{Total Assets} \times 100\%$$

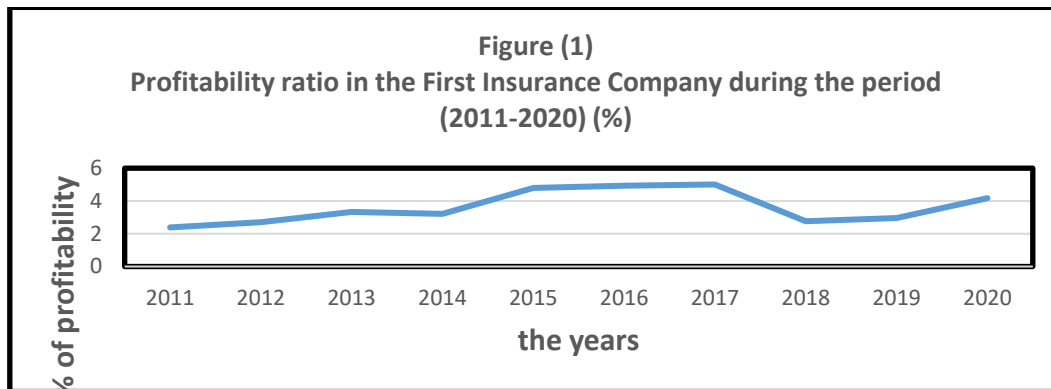
Schedule (2) Profitability percentage in the First Insurance Company (2011-2020)

Profitability% 1/2	total assets Jordanian Dinar(2)	net income Jordanian Dinar(1)	the year
1,780	30618978	544,913	2011
3,179	34067513	1081283	2012
2,249	137521138	843721	2013
3,310	40957561	1355685	2014
2,565	51412349	1318636	2015
3,753	56945734	2137219	2016
4,415	56827813	2508769	2017
4,505	60053311	2705204	2018
3,759	60736133	2283271	2019
2,716	59366035	1,612,354	2020
%3.223			SMA%

Source: From the researcher's work based on the consolidated financial statements of the First Insurance Company for the years of study

By observing the data of table (2), the percentage of profitability in the First Insurance Company was fluctuating during the research period, as it reached its lowest percentage in the year (2011) by (1.780%), and this percentage increased until it reached (3.179%) in the year (2012).) Then it fluctuated between decrease and increase until it reached its maximum percentage (4.505%) in the year 2018. The table also indicates that the arithmetic average of the profitability ratio has reached (3.223%) during the research period (2011-2020), and this percentage is considered a high percentage, as the company's feet If you invest 100 Jordanian dinars from its assets, it will generate a net income of 3,223 Jordanian dinars, and

compared to the size of the capital in which the company operates and the percentage of profitability in the table, the level of performance of the company is economically acceptable and it achieves remunerative profits that qualify it to continue to accomplish its tasks in a manner that achieves financial sustainability for it, and this means The company has the ability to conduct its current and future operations, increase capital, raise shareholders' profits and face losses, and based on the foregoing, this company enjoys efficient performance. Figure (1) indicates the profitability ratios of the First Insurance Company for the period (2011-2020)



Source: From the researchers work, based on the financial position data of the First Islamic Insurance Company

Liquidity Ratio

Liquidity ratios show the company's ability to meet its short-term obligations in a timely manner, in addition

to loan commitments. The liquidity ratio is calculated according to the following formula:

$$\text{Liquidity Ratio} = \frac{\text{Current Liquid Assets}}{\text{Total Assets}} \times 100$$

Schedule(3) Liquidity Ratios In The First Insurance Company For The Period (2011-2020)

Liquidity% 1/2	total assets Jordanian Dinar(2)	Assets Jordanian Dinar (1)	the year
33,389	30618978	10223451	2011
27,599	34067513	9405279	2012
27,393	37521138	10277988	2013
27,225	40957561	11150697	2014
39,893	51412349	20509841	2015
37,221	56945734	21195510	2016
33,846	56827813	19234111	2017
34,217	60053311	20548442	2018
30,677	60736133	18632305	2019
29,260	59366035	1737020	2020
%32.072			SMA%

Source: From the researchers work based on the data of the consolidated financial statements of the First Insurance Company for the years of study

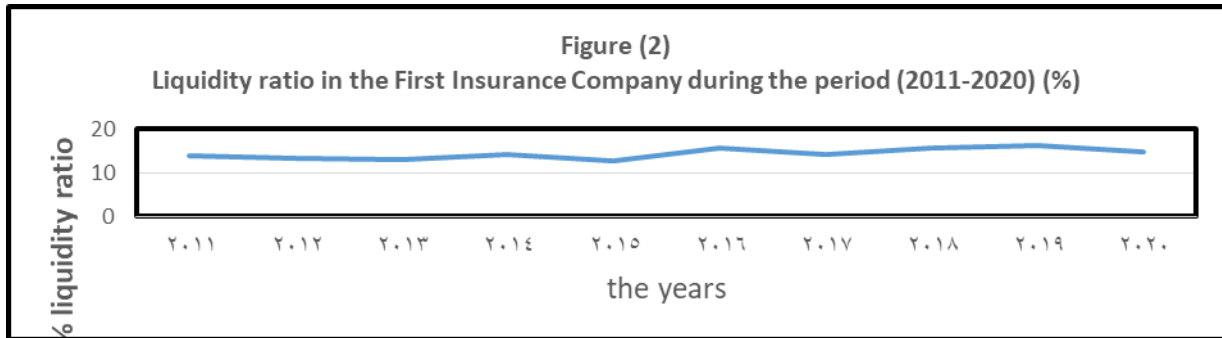
It is noted from the data of table (3) that the highest liquidity ratios in this company amounted to (225.27%) in 2014, and the maximum ratio reached (39.893%) in 2015, and it recorded an increase in other years, but in general it was the highest ratio in (2018) As for the arithmetic average of the liquidity ratio, it amounted to (32.072%), which confirms that

the company prefers to maintain a high liquidity ratio in order to achieve security, as it prefers to maintain a reasonable liquidity ratio in order to employ its funds to achieve a greater return, and based on the foregoing, the liquidity ratio in this The company confirms that it enjoys strong performance and efficient management, as it balances the liquidity ratio



to face withdrawal problems and investing money to achieve a greater return. On the other hand, most companies maintain a certain amount of liquidity to face emergency cases of compensation, as well as using that liquidity to invest in sudden speculative projects. It generates greater profits than other

investment aspects that result from changes in market prices, such as a sudden change in real estate prices or some productive projects, or entering into short-term and quick-liquid speculative partnerships that generate high profits for companies. During the research period (2011-2020)



Source: From the researchers work, based on the financial position data of the First Islamic Insurance Company

Companies usually resort to determining the sources of stability of funds and the size of financing in order to determine the return achieved for the company and

measure the volume of optimal use, credit values, and the indicator of the ratio of liabilities to total assets. This indicator is according to the following formula:

$$\text{Financial leverage ratio} = \frac{\text{total liabilities}}{\text{total assets}} \times 100$$

Schedule (4) The ratio of financial leverage (indebtedness) in the first insurance company for the period (2011-2020)

indebtedness% 1/2	total assets Jordanian Dinar (2)	total liabilities Jordanian Dinar (1)	the year
18,121	30618978	5548426	2011
24,700	34067513	8414178	2012
31,080	37521138	11661577	2013
35,691	40957561	14618081	2014
41,480	51412349	21323509	2015
44,622	56945734	25410225	2016
42,780	56827813	24308385	2017
45,334	60053311	27642649	2018
45,513	60736133	27642649	2019
44,241	59366035	26263873	2020
%37.355			SMA%

Source: From the researchers work based on the data of the consolidated financial statements of the First Insurance Company for the years of study

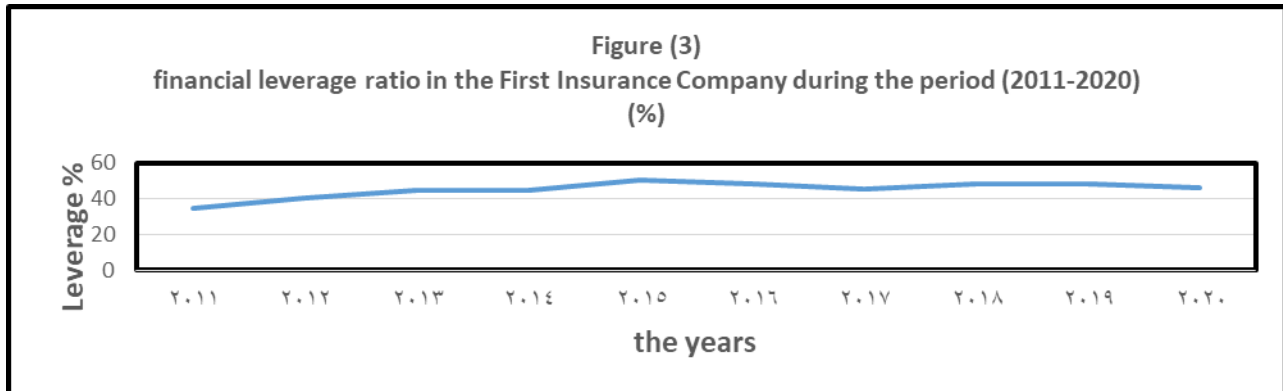
Table (4) data indicates that the financial leverage ratio index reached its lowest (18.12%) in 2011 and its maximum (45.51%) in 2019. It seems that the low indebtedness ratio in 2011 indicates that the company was self-reliant in financing its assets, as the total liabilities were (5,548,426) Jordanian dinars, and this is because this is financially conservative and uses shareholders' rights to finance its operations, and such a company is not exposed to the risks of financial difficulties during economic crises, while it relied more on third-party funds to finance its assets in 2019, as

the total liabilities amounted to (2722954) million Jordanian dinars And as long as the company has reached its indebtedness ratio between (18.12-45.51), it works in an optimal situation, and it is financially responsible and works permanently to achieve the right balance between debts and its assets, on the other hand, most companies resort to borrowing or debts in general, depending on their ability To employ money and achieve financial surpluses that achieve acceptable profits for it that exceed the volume of interest or profits that it distributes to lenders



(creditors), which is the reason attributed to witnessing high rates of indebtedness to institutions. As for the arithmetic average of the indebtedness ratio, it reached (37.335%), which is less than (50%). Therefore, this company operates in a safe mode and works to achieve a balance between its future

obligations towards its creditors and assets, as the lower the financial leverage ratio, the greater the financial performance of the company Better and relied on its resources to run its business. Figure (3) indicates the indebtedness ratio in the First Insurance Company for the period (2011-2020).



Source: From the researchers work, based on the financial position data of the First Islamic Insurance Company

Tangibility Ratio

It is the ratio that determines the financial relationship of the company by determining its ability to cover its current tangible obligations after fulfilling all its obligations, and the company that owns assets that it can offer as collateral to lenders has the motive to rely

heavily on borrowed funds and when the ratio of fixed funds to total assets is high, This means that the ratio of fixed costs to total costs is high. Therefore, tangibility is a ratio that measures the share of fixed funds in total assets. The tangibility ratio is calculated according to the following formula:

$$\text{Tangible ratio} = \text{fixed assets} / \text{total assets} \times 100\%$$

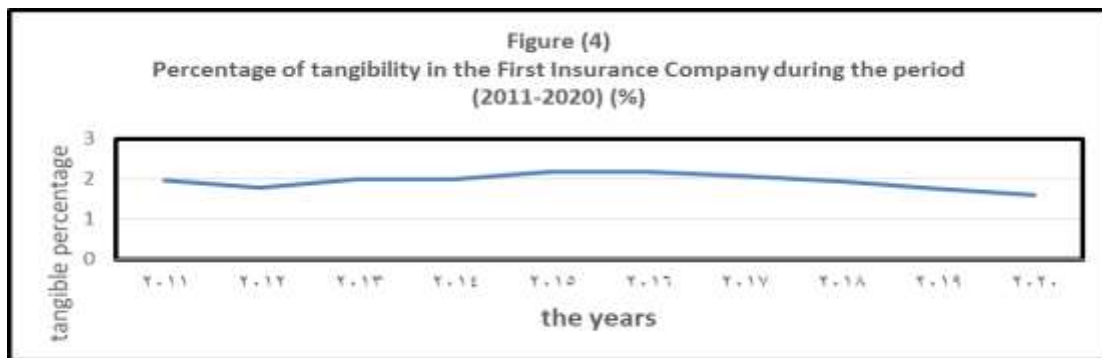
schedule(5) Percentage of tangibility in the first insurance company during the period (2011-2020)

tangibility% 1/2	total assets Jordanian Dinar (2)	Fixed assets Jordanian Dinar (1)	the year
5,312	30618978	1626366	2011
5,346	34067513	1821238	2012
4,853	37521138	1820893	2013
4,979	40957561	2039410	2014
6,674	51412349	3431375	2015
8,200	56945734	4,669,642	2016
9,000	56827813	5113305	2017
9,508	60053311	5709810	2018
9,293	60736122	5644450	2019
18,021	59366035	10698172	2020
%8.12			SMA%



It is noted from table (5) that the lowest tangible percentage reached by the company was (4.85%) in 2013, and this indicates that the ratio of fixed assets to total assets is low, which means that the ratio of fixed costs to total costs is low, and the ratio of variable costs to total costs is high. The profitability margin decreases, and this means that the company's operational increase indicates a decrease in the volume of borrowing, and this pushes financial institutions to lend to this company, and the highest tangible percentage reached in this year is (18.02%) in 2020, and this percentage indicates an increase in the percentage of fixed assets to the total assets, and the high ratio of fixed costs to the total costs increases the margin of profitability, and the high degree of operational leverage, and the profits of this company

are a case of any change in sales, and in this regard, the degree of financing leverage contributes to an increase in volatility and stability in the profits available to shareholders, and here institutions are reluctant Finance in lending to this company so that its financing leverage does not increase, and thus increases the risk of the company, and sometimes the borrowing rate increases whenever the percentage of fixed assets increases, because it is the most assets that are offered as collateral. As for the arithmetic average of this ratio, it reached (8.12%), which is not high, indicating a decrease in the ratio of fixed assets to total assets. Risks by presenting types of financial policies, savings and investment. Figure (4) shows the tangibility ratio of the First Insurance Company during the period (2011-2020).



Source: From the researchers work based on the financial position data of the First Islamic Insurance Company.
Calculating the total profits (insurance and non-insurance of the First Islamic Insurance Company)

Table (6) The Total Profits Of The Islamic Insurance Company For The Period (2011-2020)

Annual rate of change %	The company's total profits after taxes	Tax	The company's total profits before tax	Total expenses and expenses	Total insured and non-insured profits	Uninsured earnings	insurance profits (insurance surplus)	the year
-	544,913	174,678	719,591	9408808	10128399	2538756	7589643	2011
%98.4	1081283	288,654	1369937	14833387	16203324	3561628	12641696	2012
-%21.9	843721	203383	1047104	12800348	13847452	3,746,314	10101138	2013
%60.6	1355685	407113	1,762,798	12536216	14,299,014	4,307,763	9991251	2014
%2.5	1390479	385,918	1,776,397	18811433	20587830	7765068	12822762	2015
%52.3	2118838	18381	2137219	25328463	27465682	7480997	19984685	2016
%18.4	2,509,598	18381	2527979	20300142	22828121	7064129	15763992	2017
%7.7	2705204	68362	2773566	19704521	22478087	7405695	15072392	2018
_%15.5	2283271	441418	2724689	20490310	23214999	7614536	15,600,463	2019
-%20.6	1,812,354	288,906	2101260	20865713	22966973	7444481	15522492	2020



It is noted from table (6) that the total profits of the first company from the net insurance and non-insurance profits after deducting the total expenses and taxes increased gradually, reaching (54) thousand Jordanian dinars in the year (2011) to reach a maximum of (2) million Jordanian dinars in the year (2018) At a positive annual rate of change amounting to (7.7%), then it decreased in the year (2019) at a negative annual rate of change amounted to (15.5%), and decreased in the year (2020) to become the total profits of the company from the insurance surplus, the surplus of investments and non-insurance revenues after subtracting the total expenses, expenses and taxes With a value of (1) million Jordanian dinars, and this gives a positive indicator, as the First Insurance Company achieves its profits from its insurance and non-insurance business at similar levels, and this indicates that the company operates with good financial performance, thus achieving relatively stable returns as a result of investing the cash surpluses from the realized contributions (premiums). After paying compensation to subscribers and various investments, whether financial or real estate.

The reality of the Islamic (Takaful) insurance sector in Iraq

Recently, the importance of Islamic insurance (Takaful) has emerged as one of the types of insurance that is characterized by characteristics that commercial (traditional) insurance lacks. The framework for confronting risks, especially since it is an insurance system that does not violate the principles of Islamic law, and with the emergence and development of this type of insurance, the Islamic

insurance industry in the world has witnessed remarkable growth and development during the past few years, as it has a great place in the global insurance market and has become a strong competitor to commercial (traditional) insurance), and despite the development of this type of insurance in Islamic societies and the multiplicity of parties dealing with it, and the diversity of laws and regulations that determine the work paths of this insurance, but this industry has not found its way in Iraqi society so far, despite the Central Bank Resolution No. (66) For the year (2019) the agreement included the issuance of regulations for regulating Takaful in order to support Islamic banking. Indeed, it was decided to establish an Islamic Takaful company with a capital of (15) billion Iraqi dinars, with the participation of all Islamic banks, based on the provisions of Article (15) of the Islamic Banking Law No. (43) for the year (2005) and what was stated in Article (5/Eighth) thereof and in line with the Law regulating insurance business No. (10) for the year (2005), it was decided to issue, with the participation of all Islamic banks, the Takaful Rules No. (1) of the year (2019)

The proposed application model for the Islamic insurance company

The proposed company operates in accordance with the provisions of Islamic Sharia and its capital is (15) billion Iraqi dinars, as we assume that the volume of annual contributions and compensation increases by 25%, and assuming that the economic, political and security conditions are stable and therefore the (primary) insurance surplus will be as in the following table.

Schedule(7) (Iraqi Dinar) Contributions, compensation and insurance surplus (primary)

insurance surplus (insurance profits)	Compensation	Subscriptions	the year
14,000,000	6,000,000	20,000,000	The first
15,400,000	6,600,000	22,000,000	the second
16,900,000	7,260,000	24,200,000	Third
18,630,000	7,986,000	26,600,000	Fourth
20497400	8,780,000	29,282,000	Fifth

Table (7) shows the size of the proposed subscriptions and compensations, which increases gradually by 10%, since when the company started its work in the first year, the size of the proposed contributions was (20,000,000) Iraqi dinars, and the compensations were (6,000,000) Iraqi dinars, then it began to increase in the subsequent years, as the volume of contributions reached In the fifth year (29,282,000) thousand Iraqi dinars, and the compensation is (8,784,600) Iraqi dinars, in order to increase the number of participants in the types of insurance that it

offers, such as insurance (vehicles, marine, fire, health, general, life, ...) for various types of Islamic insurance models such as (Speculation, agency) in which Islamic insurance companies operate. As for the insurance surplus, which is the remaining money in the insurance fund for participants from subscriptions (premiums) and their returns after compensation, expenses and allocations related to insurance operations, as the surplus in the first year reached (14,000,000) Iraqi dinars to increase gradually To reach in the fifth year (20,497,400) Iraqi dinars, which



is a relatively good proposed amount to achieve profits from the cash surpluses of the Islamic insurance company at the start of its work, as the company is working to increase the Divide profits in the event that it has the ability to pay compensation to subscribers because compensation is considered one of the best means of promotion for insurance companies, and therefore the company is able to compete in the commercial insurance market and attract many subscribers.

The size of the proposed investments for the Islamic insurance company

As a result of the size of the initial profits that will be achieved as a result of the primary insurance business practiced by the company, it will generate appropriate initial insurance profits, as in the previous table (7). Or invest its resources in the investment aspects it deems appropriate, according to the following schedule:

The size of the proposed amounts and investments for the Islamic insurance company

the total		Financial markets		The banking sector		productive sector (industrial, agricultural)		The real estate sector		
Profit	investment	The amount of profits	investment volume	The amount of profits	investment volume	The amount of profits	investment volume	The amount of profits	investment volume	the year
21,500,000	11,800,000	1,000,000	40,000,000	7,500,000	25,000,000	5,000,000	20,000,000	8,000,000	33,000,000	the year The first
23,650,000	12,980,000	1,100,000	44,000,000	8,250,000	27,500,000	5,500,000	22,000,000	8,800,000	36,300,000	Second Year
26015000	14030500	1,210,000	48,400,000	9075000	27,775,000	6,050,000	24,200,000	9,680,000	39,930,000	Third Year
28516500	154,335,500	1,331,000	53,240,000	9882500	30552500	6,655,000	26,620,000	10,648,000	43,923,000	the fourth year
31368150	169769050	1464100	58,564,000	10870750	33607750	7320500	29,282,000	11712800	48315300	fifth year
131049650	960009550	the total								

Source: prepared by the researchers

Table (8) shows the volume of non-insurance investments and the volume of estimated profits, assuming that they gradually increase by (10%) annually, assuming that they were invested in various profit-generating sectors such as real estate, banking, production, and securities, whether the investment

was in full or through joint investment. Noting that the volume of investment was assumed in the first year at an amount of (118,000,000) Iraqi dinars, while the estimated profit amounted to (2150,000) Iraqi dinars, to rise significantly.

The size of the total profits (insurance and non-insurance) proposed for the Islamic insurance company (Iraqi dinars) Table (9) the total profits of the Islamic insurance company

Total gross profit	Non-insurance investment profits	insurance profits	the year
139,500,000	21,500,000	14,000,000	The first
153,450,000	23,650,000	15,400,000	the second
166,320,000	26015000	16,900,000	Third
182,852,000	28516500	18,630,000	fourth
441316150	31368150	20497400	Fifth



Source: prepared by the researchers

It is noted from table (9) that the volume of total profits resulting from the sum of insurance profits and non-insurance investment profits in various aspects of investment in accordance with the provisions of Islamic Sharia increases during the proposed five years with the increase in investments, and this indicates that the total profits will be feasible and the company is working to develop and increase profitability at Relatively good, and it will stimulate other Islamic insurance companies to enter this industry, and thus it will compete with traditional insurance companies.

CONCLUSIONS

Through the study and the analyzed results, the following conclusions were reached:

- A.** The Iraqi insurance market needs to establish an Islamic (symbiotic) insurance company in order to develop and diversify insurance services.
- B.** Based on an analysis of the financial performance of the Jordanian Islamic Insurance Company, it was found that it enjoys good financial performance. This indicates that Islamic insurance companies are among the financial institutions that can compete in the insurance market.

RECOMMENDATIONS

- A.** It is necessary to establish an Islamic insurance company in Iraq because of its importance in protecting members of society against dangers and providing various insurance services.
- B.** The work of Islamic insurance companies on the ground alongside Islamic banks operating in accordance with Islamic Sharia has a positive impact on the development of the Iraqi economy.

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