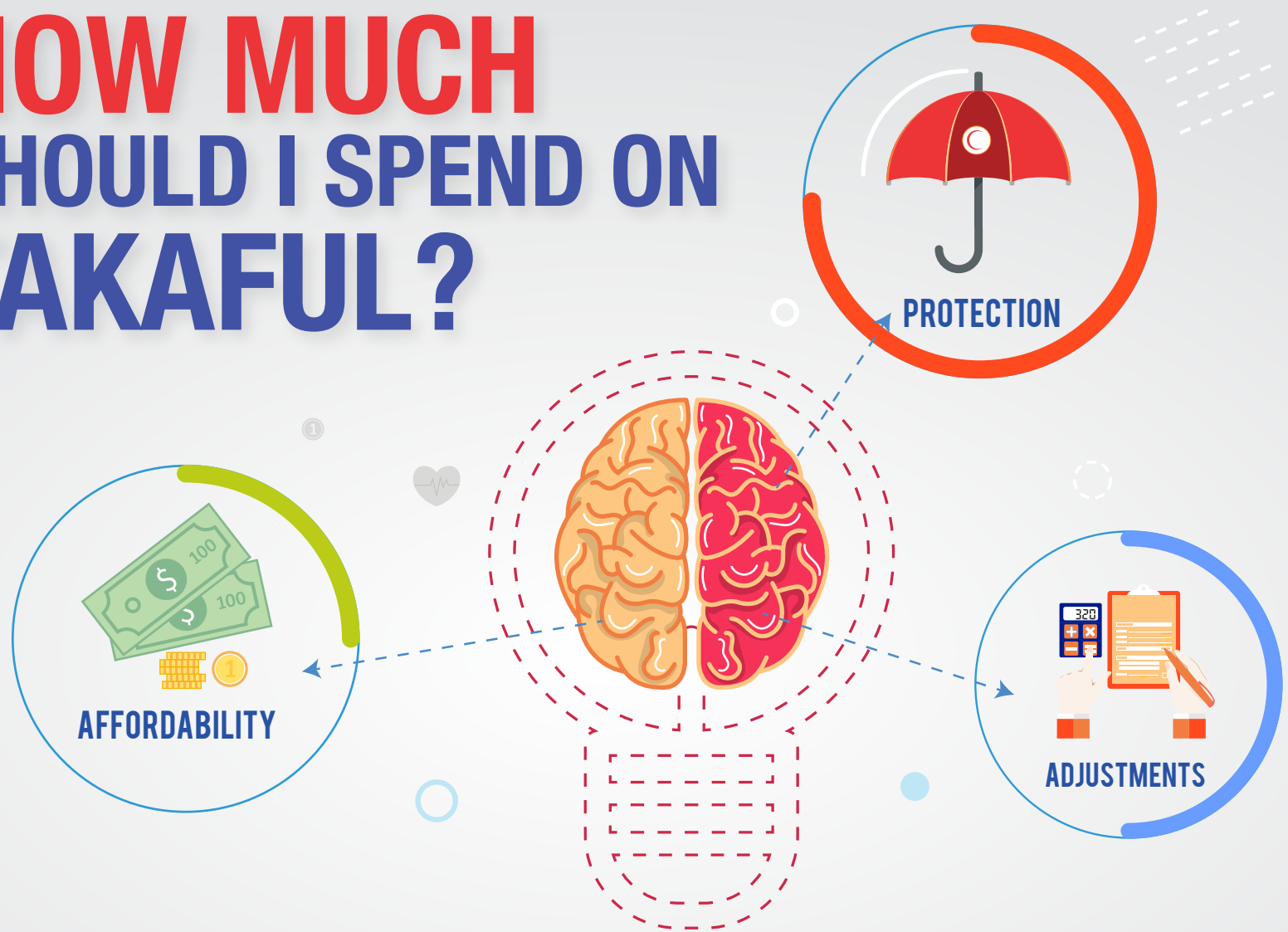


HOW MUCH SHOULD I SPEND ON TAKAFUL?



Most people know that Takaful is an important aspect of a holistic financial plan. However, many Malaysians have misconceptions about Takaful needs and getting sufficiently protected which must be addressed. Naturally, adequate Takaful coverage comes with a price. Given an unlimited budget, we would all prefer to have the best and most comprehensive coverage that money can buy. However, we live in a real world where we have to adjust our needs and wants based on the budget that we have.

So, how much should you be spending each month on your Takaful plan? Here are few factors to consider:



1

HOW MUCH CAN YOU COMFORTABLY AFFORD?



Before you commit a fixed percentage of your monthly salary towards your Takaful expenses, you should first work out how much you can comfortably afford each month as one's financial commitment varies with one another. When participating in a Takaful plan, you should consider one with long-term affordability as the financial commitments can straddle several decades. Start with a lower level of coverage first, then add-on when you are more financially stable.



2

WHAT TYPE OF PROTECTION DO YOU NEED?

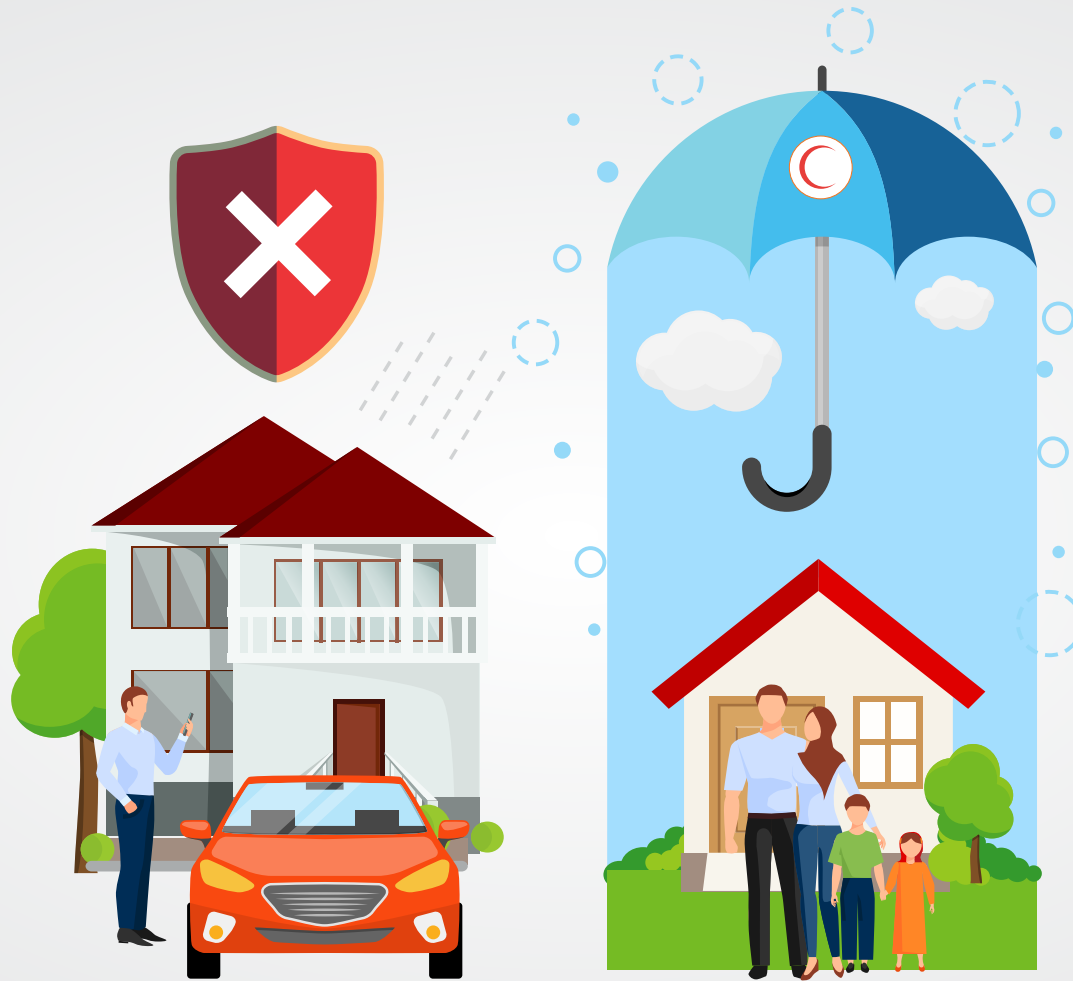


This can't be answered simply based on how much you are earning, because the level of protection you need is not only tied to how much you are making, but more pertinently, the phase in life that you are in. You should first understand what are the essential types of protection to get and then work out the adequate coverage to protect your family and yourself before deriving a reasonable budget. The basic protection you need are medical, death, disability and critical illness protection.



3

ADJUST AND REFINE AS NECESSARY



Herein lies the art of Financial Planning. Once you have worked out on your needs and its costs, you need to put it all together and make it work. More often than not, you do not have enough to spend on Takaful and other financial goals. The very least you can do is to cover your basic Takaful needs for yourself and loved ones. Prioritise your financial commitments so that you can adequately protect you and your family.





You have to re-evaluate your financial goals to see if it is realistic. Shop around for an affordable and flexible Takaful plan that allows you to increase or reduce your Sum Covered over time. Takaful after all, is based on a noble concept of mutual cooperation, where participants mutually guarantee and help each other in times of need. In a way, you are not only protecting yourself and your loved ones, but others as well.