

**UNIVERSITI TEKNOLOGI MARA**

**THE AWARENESS  
OF FAMILY TAKAFUL  
AMONG GOVERNMENT  
SERVANTS IN  
PPD BESUT  
TERENGGANU**

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Thesis submitted in fulfillment  
of the requirements for the degree of  
**Degree of Muamalat (Hons)**

**Academy of Contemporary Islamic Studies**

**July 2024**

## **ABSTRACT**

Takaful is a shariah-compliant financial insurance that serves as a substitute for conventional insurance. Takaful has gained significant popularity in Muslim-majority nations worldwide due to its adherence to shariah principles. The reason for this difference is that while takaful and insurance have the common objective of providing financial security to participants, they are essentially distinct agreements. The main objective of this study is to comprehend the idea and evaluate the level of understanding of family takaful among government employees in PPD Besut. The study focuses solely on government employees in PPD Besut as research subjects for data and information collection. This study relies in data and information acquired from a survey questionnaire administered to government employees in PPD Besut who volunteered as research participants. The survey was designed to assess their perception of the level of knowledge of family takaful in meeting living necessities. Finally, it is hoped that this research will be capable of offering beneficial perspectives from individuals of all age groups. There is an expectation that takaful can be adopted by the community in this country as an alternative to conventional insurance. This research aims to enhance financial literacy planning and management among government employees all over the country.

**Keywords:** Takaful, Conventional insurance, Government servants

## **ACKNOWLEDGEMENT**

Praise be to Allah SWT (Subahanahu Wa Ta'ala) who rules the universe, blessings and peace for the great Prophet Muhammad PBUH (Peace Be Upon Him), family members, friends, tabi'in, tabi'-tabi'in and all Muslims.

Firstly, I would like to thank the Almighty because with His bounty and permission, I was able to compile and complete my research with the title The Awareness of Family Takaful Among Government Servants in PPD Besut, Terengganu. High appreciation and thanks to the esteemed supervisor, Nor Asmira Binti Mat Jusoh who has been responsible for overseeing the writing of this study completely and always provide guidance, guidance, encouragement, advice, and encouragement so that this study can be completed. Her willingness to spend time also motivated me to continue working on completing this study. Thanks also to my beloved family who never tired of giving encouragement to me as well as my closest friends who always help to facilitate me to carry out this study.

Finally, I am pleased to record millions of thanks and the highest appreciation to all who are directly or indirectly involved in completing this study. May all of you get blessings from Allah SWT.

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# **CHAPTER ONE: INTRODUCTION**

## **1.1 Research Background**

Insurance firms have the primary purpose of generating money through interest by investing their capital using conventional investment instruments. This is the main objective of insurance companies. If the policy holders do not pay their premiums on time, they will be subject to additional costs that they are forced to pay. In addition, the amount of money that is owed for a life insurance policy when it reaches maturity or when a death claim is filed is significantly more than the amount that is earned from premium payments. Both general and life insurance rely heavily on investments in interest-bearing securities as their principal source of revenue generation (Rusni Hassan, 2018).

According to midst of the rapid expansion of the Islamic finance industry on a global scale, which includes the increasing number of family takaful products as Shariah-compliant alternatives to conventional insurance, there is still a lack of knowledge on the awareness and adoption of these products among particular demographics, such as government employees. The information that is currently available suggests that the level of knowledge and comprehension of Islamic financial products, such as family takaful, is often lower when compared to conventional financial products, particularly in places where Muslims do not constitute the majority population.

## **1.2 Problem Statement**

Among the government servants working at the PPD Besut district office, the major justifications of this research are to determine the extent to which they are aware of and have an understanding of family takaful. During the course of my industrial training at PPD Besut, I had a strong interest in gaining a grasp of the financial environment of its employees, particularly their familiarity with takaful. By conducting