

**ACCEPTANCE OF A LIFE INSURANCE
AMONG BUMIPUTERA CUSTOMERS**



**MOHAMAD ISKANDAR BIN MOHAMMED TUDIN
2002316116**

**A Project Paper Submitted In Partial Fulfillment Of The Requirement
Of The Course
Bachelor In Business Administration (Hons.)(Marketing)**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGY MARA
KOTA SAMARAHAN**

APRIL 2008

ABSTRACT

The purpose of this research have been done is to study about the acceptance of a life insurance among bumiputera customers. Life insurance is very importance because have protection and saving plan in one account. This kind of financial plan never offer by any financial institutions before. Normally, financial institutions like a bank teach and help the customers on saving aspect only, but didn't provided any protection on our life or saving.

The conducted of the study will identified the factors influence the respondent acceptance on their need in buying life insurance policy. The respondents will divide into 3 groups of bumiputera respondents- respondents never purchase the insurance policy, respondents terminate the insurance policy and, respondents policy still in force.

Hopefully the finding of this research will help others researchers or insurance agents to influence the bumiputera customers having a life insurance, at least one policy for protection and saving.

TABLE OF CONTENTS

CONTENT	PAGE
DECLARATION OF ORIGINAL WORK	i
LETTER OF SUBMISSION	ii
ACKNOWLEDGEMENT	iii
LIST OF TABLES	iv
ABSTRACT	v
1. INTRODUCTION AND BACKGROUND OF STUDY	
1.1. Background of Study	1-2
1.2. Problem Statement	3
1.3. Research Objectives	4
1.4. Research Questions	4
1.5. Limitations and Scope of Study	5-7
1.6. Significance of Study	7-8
1.7. Definitions of Terms	8-9
2. LITERATURE REVIEW	
2.1. General Overview of Insurance	10-17
2.2. Life Insurance	17-18
2.3. Acceptance of Life Insurance	19
3. RESEARCH METHODOLOGY	
3.1. Research Design	20

1) Introduction

1.1) Background of Study

English Version- "Insurance is one of the method of saving and only 5% Malay in this country like it. I see the insurance is one of the best saving which can give you more profits. Insurance not only help you to safe your money, but also give you more benefits. Example: Hospital Benefits, Personal Accident and Death. Nowadays, for those who need Islamic protection can choose to have a Takaful"- **Speech from Director of Salary and Allowance Unit, Malaysian Public Service Department (JPA).**

Bahasa Malaysia Version- "Insuran juga merupakan salah satu cara menabung yang dikatakan hanya diminati oleh lebih kurang 5% bangsa Melayu sahaja di negara ini. Saya melihat bahawa insurans juga merupakan salah satu cara tabungan yang menguntungkan. Insurans tidak hanya membantu dari segi tabungan, malah juga mempunyai pelbagai kaedah lain seperti kemudahan hospital dan ganti rugi kemalangan dan kematian. Kini, terdapat kemudahan Takaful bagi mereka yang inginkan kaedah perlindungan secara Islam"- **TEKS UCAPAN PENGARAH BAHAGIAN GAJI DAN ELAUN DI PERHIMPUNAN BULANAN JPA NOVEMBER 2007 JABATAN**

2) Literature Review

Below is several literature reviews about the importance of life insurance:-

i) The importance of life insurance

“Insurance is one of the method of saving and only 5% Malay in this country like it. I see the insurance is one of the best saving which can give you more profits. Insurance not only help you to safe you money, but also give you more benefits. Example: Hospital Benefits, Personal Accident and Death. Nowadays, for those who need Islamic protection can choose to have a Takaful”- **Speech from Director of Salary and Allowance Unit, Malaysian Pulic Service Department (JPA).**

ii) Safety Need- Maslow's hierarchy of needs

“With his physical needs relatively satisfied, the individual's safety needs take over and dominate his behavior. These needs have to do with man's yearning for a predictable, orderly world in which injustice and inconsistency are under control, the familiar frequent, and the unfamiliar rare. In the world of work, these safety needs manifest themselves in such things as a preference for job security, grievance procedures for protecting the individual from unilateral authority, savings accounts, insurance policies, and the like. Safety needs include:- personal security from crime,