

**DETERMINANT THAT EFFECT THE PUBLIC
DECISION TO PURCHASE HOUSEOWNER AND
HOUSEHOLDER TAKAFUL CERTIFICATE: A
CASE STUDY OF RESIDENTS, IN PASIR
GUDANG, JOHOR**

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ABSTRACT

The purpose of this paper is to review on the determinants that effect the public decision to purchase houseowner and householder takaful certificate based on the existing news and literature. Given that the study of public decision to purchase houseowner and householder takaful certificate is still limited. Hence, this research aims to investigate the relationships between public awareness and the public decision to purchase houseowner and householder takaful certificate. Apart from this, the research also aims to investigate the relationship of product coverage that be provide by takaful company and income of policyholder. Next, knowledge and claim settlement about houseowner and householder takaful is determined that effect to public decision to purchase houseowner householder takaful. However, the consumer behavior is also effect the public decision to purchase houseowner householder takaful since the result to contribute of purchasing takaful certificate. Thus, the researcher attempt to bring the entire concept of houseowner and householder based on the findings of the previous research and other website such Perbadanan Insurans Deposit Malaysia (PIDM), Persatuan Insurance Am Malaysia (PIAM) and Bank Negara Malaysia (BNM). Underpinning theory which may clarify the relationship between variables which are related to houseowner and householder takaful certificate domain has been discussed. In order to seek out the problems and to manage public decision to purchase houseowner and householder takaful certificate, the researcher has distributed the questionnaires to 500 respondents who are the in area Pasir gudang, Johor.

Keywords: Houseowner and Householder takaful certificate, Public Awareness, Product Coverage, Income, Knowledge, Claim Settlement and Consumer Behavior.

CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

This study provides an overview of determinants that effect the public decision to purchase houseowner and householder takaful certificate. Insurance is one of the most widely recognized risk mitigation tools for disaster management such as floods, earthquakes, tsunami (Atreya, 2015). Hence, Insurance is not just a form of compensation but also a key ingredient in risk reduction (H. Kunreuther & R.Roth, 1998). Moreover, many governments and institutions do not consider insurance as a natural hazard reduction measures but the insurance program has the potential to promote the reduction of losses (H. Kunreuther & R. Roth, 1998). According to Shower & Shotic (1994), they find that Changes in the characteristics of houseowner and householder affect demand. Increased income can put pressure on families to buy insurance. Whenever home grows, so is the opportunity to buy insurance. However, when a house has matured, subsidized health insurance may replace the general insurance requirements. In addition, the increase in household size was positively associated with insurance expenditure. Therefore, this chapter outlines are the background of study, problem statement, research objective and questions, scope of study, significance of the research, limitation of the research ad definition of terms. Having your home damaged or destroyed in a natural disaster can be devastating. Without any protection, you are helpless against any damages that might occur. However, having the right insurance policy to protect your home and its contents might give you the peace of mind. Home and content insurance is essential and can help you cover various disasters such as fire, theft, natural disasters and medical expenses for you and your family (Shamasundari, 2016).