

UNIVERSITI TEKNOLOGI MARA

**AWARENESS OF TAKAFUL AMONG STAFF IN
RAUB DISTRICT ISLAMIC RELIGIOUS OFFICE
PAHANG**

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ABTRACT

This study focuses on the awareness of Takaful among staff at Raub District Islamic Religious Office Raub, highlighting its significance as a Shariah-compliant alternative to conventional insurance. Takaful is rooted in the principles of cooperation and risk-sharing, aligning with Islamic values. Despite its growing recognition, challenges persist, including limited understanding, misconceptions, and insufficient training among staff, which hinder its broader acceptance and integration. The objective of this research is to evaluate the level of awareness, analyze the perceived benefits of Takaful over conventional insurance, and propose actionable strategies to improve its adoption. This research employs a qualitative approach, utilizing in-depth interviews with six staff members representing various units within Raub District Islamic Religious Office. Data collection was conducted through structured, face-to-face interviews to gain insights into their perspectives and knowledge of Takaful. The findings indicate that while respondents demonstrate a moderate understanding of Takaful's concepts, including its Shariah compliance, ethical investment practices, and risk-sharing mechanisms, significant barriers remain. These include the lack of targeted educational initiatives, limited promotional efforts, and misconceptions about its advantages compared to conventional insurance. The study concludes that structured awareness campaigns and comprehensive training programs are essential to bridging these gaps. By fostering a deeper understanding of Takaful's benefits and its alignment with Islamic principles, the adoption of Takaful can be significantly enhanced. Additionally, collaboration between financial institutions, religious authorities, and community leaders is recommended to promote Takaful as a viable financial solution. This research provides a foundation for future studies to explore Takaful awareness in different contexts and propose innovative methods for increasing its acceptance.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Takaful is a type of Islamic insurance that is based on the principles of mutual cooperation, responsibility, and shared risk. Unlike conventional insurance, where the risk is transferred to the insurer for a premium, takaful operates on the concept of solidarity, where participants contribute to a pool of funds to support each other in times of need. The primary objective is to promote social welfare and help those in financial distress, in alignment with Islamic ethics and values. Takaful is designed to comply with Shariah law, ensuring that all transactions are free from elements of interest (riba), gambling (maysir), and uncertainty (gharar).

In a typical takaful arrangement, participants contribute regular payments into a fund, known as the takaful pool. The funds are then used to assist participants who suffer a loss, such as damage, injury, or death. These funds are managed by a takaful operator, who acts as a trustee, ensuring that the money is used in accordance with Islamic principles. The operator also works to generate returns on the fund to grow the pool for the benefit of the participants. A key feature of takaful is the shared risk; the participants collectively bear the burden of potential financial loss.

Takaful has gained significant traction across the globe, particularly in Muslim-majority countries, as it offers a more ethical alternative to conventional insurance. As demand for Islamic financial products increases, takaful is seen as a viable solution for individuals and businesses seeking insurance that aligns with their faith. It also presents an opportunity for the development of financial products that adhere to the values of social responsibility, fairness, and transparency, making it a growing and dynamic sector in the global financial landscape.