



DETERMINANTS OF FAMILY TAKAFUL DEMAND

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“DECLARATION OF ORIGINAL WORK”

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- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degree.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim have been distinguished by quotation marks and sources of my information have been specifically acknowledge.

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LETTER OF SUBMISSION

The Head of Program
Bachelor of Business Administration
(Hons) Insurance
Faculty of Business Management
Universiti Teknologi MARA
Malacca.

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “Determinant of family Takaful Demand” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA, Malacca.

Thank You

Yours sincerely

(Abdul Shukor B Che Abdullah)

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Bachelor of Business Administration (Hons) Insurance

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ABSTRACT

The growth of Takaful industry in Malaysia had shown an astonishing performance, from the beginning of Takaful industry until 2010, there were 12 Takaful operators in Malaysia including 4 new Takaful operators who were recently given licence by Bank Negara Malaysia. The Takaful industry has a huge potential to be emphasized especially on their family Takaful. Understanding the factors that influence family Takaful is important to determine the opportunity and chances that can be use to capture full potential growth in the industry. To summarize the research questions, this study undertakes to identify the relationship between the demands for family Takaful and a set of theoretical identified independent variables namely price, inflation, income and level of education. This study also sets out three objectives which in line with the purpose of this study. The first objective is to determine whether the economic indicators chosen inflation and price have relationship between the demands for family Takaful. The second objective is to investigate whether the demand for family Takaful is affect by the demographic factor namely income per family. Finally, this study aim to examine whether the demographic factor namely level of education has any effect towards demand for family Takaful. In this research, it uses a convenient sampling with 50 respondents answering the questionnaire. After that, findings and analysis is process through the SPSS software. As a results, only inflation to have a strong impact to the demand of family Takaful. While, the other factors such as price and income have a moderate relationship with income. Last but not least, level of education insignificantly affects the demand for family Takaful.