FACTORS INFLUENCING AGENTS RETENTION IN INSURANCE INDUSTRY: SURVEY OF ING PUBLIC TAKAFUL EHSAN

NUR IZZATI BINTI MOHD ISA
2011675914

NOOR KHAMISAH LAILAH BINTI ABDUL WAHED
2011499012

BACHELOR BUSINESS ADMINISTRATION WITH HONOURS (INSURANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA

JUNE 2013
BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS
(INSURANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

We, Nur Izzati binti Mohd Isa (I/C Number: 901210-01-5664) and Noor Khamisah Lailah binti Abdul Wahed (I/C Number: 890417-08-5394)

Hereby, declare that:

- 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 degrees.

- This project-paper is the result of my independent work and investigation, except where otherwise stated.

- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: ______________________________   Date: ________________

______________________________
LETTER OF SUBMISSION

JUNE 2013

The Head of Program
Bachelor of Business Administration with Honours (Insurance)
Faculty of Business Management
Universiti Teknologi Mara
Kampus Bandaraya Melaka
75300 Melaka.

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “Factors Influencing Agents Retention in Insurance Industry: Survey of ING PUBLIC Takaful Ehsan” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank you.

Yours sincerely,

NUR IZZATI BINTI MOHD ISA (2011675914)
NOOR KHAMISAH LAILAH BINTI ABDUL WAHED (2011499012)
Bachelor of Business Administration with Honours (Insurance)
ABSTRACT

Recently, life insurance industry has been suffering high rate of retention of the agents. Therefore this research has been conducted to study the factors influencing agents’ retention in insurance industry in Malaysia, which focused on ING PUBLIC Takaful Ehsan Berhad. As the roles of insurance agent itself seriously important to insurance companies, therefore, they must retain their agents as much as possible. This research aims to explore the relationship between training and development, working condition and remuneration with the retention of agents mainly in ING PUBLIC Takaful Ehsan Berhad.

To examine this research, there are three factors that influencing retention of agents which are training and development, working condition and remuneration. The purpose or objective of this research is to identify the relationship among these factors that can influence retention of agents. The respondents are from the agents of ING PUBLIC Takaful Ehsan. 100 questionnaires had been distributed among them.

The finding shows that training and development is the most influence factors that influencing agents’ retention, followed by working condition. For the remuneration, it shows a weak relationship with agents’ retention. So that, insurance company must make improvement on the factors that influencing their agents’ retention especially the training and development program.

Key words: Agent Retention ; Insurance Industry ; Training and Development ; Working Condition ; Remuneration
# TABLE OF CONTENTS

ACKNOWLEDGEMENT iv

LIST OF TABLES v

LIST OF FIGURES vi

ABSTRACT vii

CHAPTER 1: INTRODUCTION

1.1 Background of Study

1.1.1 Definition of Insurance 1

1.1.2 Types of Insurance

1.1.2.1 Life Insurance 1

1.1.2.2 General Insurance 3

1.1.3 Intermediaries in Insurance 4

1.1.4 Qualification for Becoming an Insurance Agent 6

1.1.5 Concept of Takaful 6

1.1.6 Principal of Al-Wakalah 7

1.1.7 Differences between Takaful Agent and Conventional Agent 10

1.1.8 ING PUBLIC Takaful Ehsan Berhad 10

1.2 Problem Statement 12

1.3 Research Questions 15