

UNIVERSITI TEKNOLOGI MARA

**FACTORS INFLUENCING
SELECTION OF FAMILY TAKAFUL
AMONGST THE SOCIETY IN
SEREMBAN**

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Academic writing submitted in partial fulfilment of the
requirements for the degree of
Diploma in Muamalat

Academy of Contemporary Islamic Studies

February 2021

ABSTRACT

Insurance is one of the important financial tools in the current economic development. Conventional insurance and takaful have the same purpose of providing financial security against unforeseen deaths, loss of ability, and so on. Along with the passage of time, the takaful industry in Malaysia has also grown in line with other Islamic countries and this has proven its ability to be on par with foreign countries. However, despite the developments that have taken place it is growing at a relatively slow rate. This is because the penetration rate of the takaful sector (takaful ownership among the Malaysian population) is still low. Therefore, this study was carried out with the objective to identify the factors that influence the purchase of family takaful among the community in Seremban, Negeri Sembilan. The main data type used in this study is primary data. To obtain this type of data, survey method is used through questionnaire method. Based on previous studies, there are several factors that influence the purchase of family takaful. However, in this study, the researcher used ten independent demographic variables, namely gender, marital status, age, education level, employment status, monthly income, working spouse, number of dependents, health level and health status of respondents. Furthermore, this study also examines six independent variables related to consumer attitudes such as, minus risk, will motives, savings motives, marketing strategies, views on family takaful services, and community influence on family takaful purchases. This study shows that all the independent variables used in this study significantly affect the purchase of family takaful. Based on the findings of this study, the issue of penetration of family takaful among the Malaysian community needs to be considered by insurance associations and institutions. Insurance institutions can find effective initiatives to promote family takaful. Insurance institutions can do roadshows at hospitals, shopping malls and other public areas. In conclusion, the results of this study have already added to the knowledge of researchers and it is hoped that this study will be continued by other researchers in the future.

ACKNOWLEDGEMENT

First, I would like to thank God for giving me the opportunity to start my Diploma and for successfully completing this long and challenging journey successfully. Many thanks and appreciation to the Project Supervisor, Ustaz Mohammad Kamari bin Hj. Taib who has given me a lot of guidance and advice to me to complete this project with patience.

Not forgetting my whole family, especially my parents who gave me a lot of support and encouragement throughout this study. I would also like to thank my colleagues for helping me a lot in this project. I will never forget all the instructions, advice and guidance given. May this study that has been carried out be blessed by God

Thank you.

TABLE OF CONTENTS

	Page
AUTHOR’S DECLARATION	ii
ABSTRAK	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ABBREVIATIONS / NOMENCLATURE	xiii
CHAPTER ONE INTRODUCTION	1
1.1 Research Background	1
1.2 Problem Statement	2
1.3 Research Objectives	3
1.4 Research Questions	3
1.5 Scope of the Study	3
1.6 Significance of the Study	4
CHAPTER TWO LITERATURE REVIEW	6
2.1 Introduction	6
2.2 Literature Review of Empirical Life Insurance Review	6
2.2.1 Gender	6
2.2.2 Work status	7
2.2.3 Age	7
2.2.4 Education	8
2.2.5 Income	8
2.2.6 Marriage status	9
2.2.7 Family size or number of children	9

2.2.8	Reject the risk	9
2.2.9	Will motive	10
2.2.10	Savings motives	10
2.2.11	Marketing strategy	10
2.2.12	Perceptions of insurance agents or companies	11
2.2.13	Social influence	11
2.3	Family Takaful Empirical Review Literature Highlights	11
2.3.1	Gender	11
2.3.2	Work status	12
2.3.3	Age	12
2.3.4	Education	12
2.3.5	Income	13
2.3.6	Marriage status	13
2.3.7	Family size or number of children	13
2.3.8	Reject the risk	13
2.3.9	Savings motives	14
2.3.10	Marketing strategy	14
2.3.11	Perceptions of takaful agents or companies	14
2.4	Study gap	14
CHAPTER THREE RESEARCH METHODOLOGY		16
3.1	Introduction	16
3.2	Research Instruments	16
3.2.1	Questionnaires method.	16
3.3	Research Participants	17
3.4	Data Collection	17
3.4.1	Primary data	17
3.4.2	Secondary data	18
3.5	Data Analysis	19
CHAPTER FOUR RESULTS AND DISCUSSIONS		20
4.1	Introduction	20