

UNIVERSITI TEKNOLOGI MARA

**FACTORS THAT INFLUENCE THE
PREFERENCES OF MUSLIM
SOCIETY IN SEPANG TO
PARTICIPATE IN FAMILY
TAKAFUL SCHEME**

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ABSTRACT

Takaful is a type of Islamic insurance that is the best alternative to traditional insurance for individuals and financial institutions. Islamic insurance (takaful) and conventional insurance (takaful) are two distinct contracts with the same goal: to relieve financial burdens and safeguard participants from hardship. In general, the Muslim community does not fully accept and subscribe to the services provided by takaful due to a lack of awareness of the role of takaful in their economy and lives, even though they are aware that the takaful company operates on Islamic principles free of *riba*, *maysir*, and *gharar*. The goal of this study is to look at the elements that impact community engagement in takaful in terms of offering a better understanding of and exposure to better and more profitable products than traditional insurance firms. Furthermore, due of the probable lack of awareness and understanding regarding the presence of the takaful system in Malaysia, this research intends to assist offer information, particularly to the Muslim community in general and specifically to the multi-racial population in Malaysia. Structured survey questions were provided to Sepang's Muslim population who had become policyholders, with a total of 278 respondents participating in this research. The primary goal of the research is to learn why the Malaysian community and in general, do not engage in takaful or do not pick takaful for their insurance requirements. This study investigates four major hypotheses about the elements that impact community engagement in takaful. Religion, knowledge, economy, and faith in takaful agents all have a substantial positive association, according to the research. All these assumptions were investigated using descriptive statistical analysis and the interview method. The study's findings result in specific suggestions to takaful policyholders, takaful operators, the community, the government, and future researchers.

Keywords: Takaful, Family Takaful, Islamic Insurance, Knowledge, Religiosity, Economics, Mediating Role of Trust, Human Resource

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