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**A SURVEY ON THE RESPONSES OF THE BUMIPUTERA
POPULATION TOWARDS LIFE INSURANCE COVERAGE:
A CASE STUDY AMONGST THE EPF STAFF,
KUCHING OFFICE**



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ABSTRACT

This project paper was carried out to gauge the responses amongst the Bumiputera staff of the EPF, Kuching Office towards life insurance coverage. The objectives of the project paper is to find out what are the responses of the Bumiputera staff of the EPF, Kuching Office towards life insurance coverage, what types of policies have they bought, the mode of payment, and what category of staffs buy the policy.

To carry out this project, 72 respondents were chosen at random and they were then asked to fill in a self administered questionnaires in the middle of August, 2001. The data collected from the questionnaires were then analysed to find its frequency and percentage. Five factors namely the gender of the respondents, the age, salary structure, job category and ethnic background were analysed by using cross-tab analysis.

The findings of this research project revealed that majority of respondents were male. The average monthly income of the respondents is about RM2000. Most of the respondents have received their STPM/MCE school certificate. Slightly more than half of the respondents are in the employment of administrative assistant performing the routine clerical work in the EPF. About 68 percent of the Bumiputera who work with the EPF are Malays, this is followed by Bidayuh, Iban and Melanau.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF STUDY

This study is conducted amongst the Bumiputera managers, middle management, clerical and supporting staff of the Employees Provident Fund (EPF) Kuching, to gauge their responses towards life insurance coverage. Based on the official report as of August 2001, obtained from the EPF Kuching, there are 135 Bumiputera staff currently being employed by EPF. Twelve out of the 135 officers or nine percent of the total employees are managers, while the 30 percent are in the middle management and the remaining 61 percent are employed in the clerical and support group.

The EPF is a national security organization operating the provident fund scheme. It was first established in 1951 under the Employees Provident Fund Ordinance, 1951. The main objective behind the formation of the EPF is to provide social security through compulsory saving for old age (EPF, 1996: 3). The EPF has its headquarters at Kuala Lumpur. In addition, EPF offices are found in all the states in Malaysia including an office at the Federal Territory. EPF has four offices in most of the major towns in Sarawak, with its main office in Kuching, while the regional offices are at Sibul, Bintulu and Miri, respectively (EPF, 1994: 26). There are

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter discusses the literature review which formed the basis for the conceptual framework of the study. It is divided into five major sections. The definitions of life insurance is discussed in the first section. The second section briefly discuss the insurance industry. The purpose is to give an insight into the development of the industry in Malaysia. In the third section of the literature review discussed what are the types of life insurance policy can be purchased. This part discussed at length the various types of life insurance policies which insurance companies throughout Malaysia provides to their potential clients. The fourth section discussed the role of insurance agents in marketing their company products. The fifth and the final section dwelled on the responses of the clients or respondents towards life insurance. All the five sections outlined the framework on which the research is grounded upon.

2.2 DEFINITION OF LIFE INSURANCE

Different people defined Life Insurance differently. Marapan et al (1996) defined life insurance as a contract which pay an agreed sum of money on the happening of a