



**SELECTION FACTORS THAT INFLUENCING DEMAND ON FAMILY  
TAKAFUL AMONG THE RESIDENTS IN TAMPIN, NEGERI SEMBILAN**

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## **ABSTRACT**

Family Takaful is one of the service sectors that are expected to continue the growth of economy. The product based on shariah rules for general insurance provided by Insurance Company in Malaysia. Therefore, the family Takaful market continues to play a main role in supporting economic and social development rather than other takaful product like General Takaful. Further to this, Malaysia is recorded to be the major player and one of the fastest Takaful growths in Southeast Asia. Therefore, the aim of this paper is to examine the selection factors that influencing demand on family Takaful among the residents in Tampin, Negeri Sembilan. There are several factors that influence selection of family Takaful which religious adherence, perception and image, product and services and marketing and advertising. The respondents are the residents in Tampin, Negeri Sembilan. The study will use a quantitative method where the primary data collection will be through survey questionnaire and secondary sources such as journal and internet. Then, data analysis involves the use method of data analysis such as regression analysis, correlation and others. So, from a set of factors that contributed to the family Takaful demand in this study, based on the result of regression analysis showed that religious adherence and marketing and advertising the critical factors that influence family Takaful demand among the residents in Tampin, Negeri Sembilan.

## **Chapter 1**

### **INTRODUCTION**

#### **1.1 Introduction**

This research to identify the selection factor that influences demand on family Takaful among the residents in Tampin, Negeri Sembilan. In this section it will discuss on the overview of Takaful, problem statement, research question, research objectives, scope of study, significant of study, limitation of study, definition of terms, and also provide a summary on this section of chapter.

#### **1.2 Overview of Takaful**

Takaful is an one insurance product based on the shariah compliance. Takaful embraces a different concept from conventional insurance which is rejected by the Shariah due to elements of uncertainty (gharar), interest (riba) and gambling (maysir). Its occurs uncertainty when the policyholder buying and paying insurance but if anything happens like loss occurs the policyholder not knows how much will receive and if loss occurs the policyholders will get compensation in varying amounts. Then elements of gambling (maysir) and interest (riba) in conventional insurance where insurance funds are commonly invested in interest were bearing securities. The concept of Takaful also was mentioned in Quran (5:2), Surah al Maidah. Allah says "Help (ta'awun) one another in furthering virtue (birr) and God consciousness (taqwa) and do not help one another in furthering evil and enmity". In addition it supported on hadith, the Prophet Muhammad (peace be upon him) says "to tie the camel, then submit (tawakkal) to the will of God".