



# Measuring Takaful Agents' Understanding Towards The Objectives and Concepts of Takaful

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## Abstract

As the Takaful industry increasingly taking innovative steps to improvise their marketing efforts, the introduction of Wakala system (agency system) is further enhanced. Takaful agents not only oblige to sell Takaful products, but they are also responsible to educate public pertaining to the objective and importance of Takaful products. Without excellent and proper understanding, the Takaful agents would fail to fulfill their responsibility to market the Takaful products. This study thus, investigates the Takaful agents' understanding towards the objective and concept of Takaful besides the factors that contribute to their understanding. In addition, it is done to confirm the measurement items constructed to examine the agents' knowledge on Takaful objectives and concept. Self constructed survey questionnaire was distributed to agents of Prudential Bsn Takaful Bhd. A descriptive statistic analysis and factor analysis was utilised to measure the level of understanding among the agents and also the factors contributed to their understanding. Results indicated that the level of understanding among the Takaful agents still discontented. Furthermore, learning culture has become the most influential factor to enhance the agents' understanding. Overall, the results of this study would reflect the Takaful industry to prepare an effective learning environment to their agents in order to strengthen their marketing efforts.

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*Keywords:* Takaful agent, Understanding, Takaful objective, Takaful concept

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## 1. Introduction

The practice of insurance which is to mitigate risks among society has been realised since the 14th century in the Western history (Manab et al., 2004). Meanwhile, according to the Islamic history, the similar concept has appeared since the era of Prophet Muhammad (peace be upon him) through *Akilah* system (Riaz, 2009). This system has acknowledged that every member of Arab tribes mutually agreed to contribute a portion of the money which called 'diet' if in case something happened to the members. It has actually brought to the culture of cooperation, mutual help and a sense of brotherhood among the tribe members. Rather than that, this practice was permitted by the Prophet Muhammad s.a.w. through one Hadith as follow:

*Narrated by Abu Hurairah: he said that once two women from Huzail clashed when one of them hit the other with a stone which killed her and the foetus in the victim's womb. The heirs of the victim brought an action to the court of the Holy Prophet (s.a.w), who gave a verdict that the compensation for the foetus to be a male or female slave while the compensation for the victim woman is a blood money (Diyat) to be paid by the 'aqilah' of the killer."*

(Sahih Al-Bukhari, Vol. 9: no.45, p. 34)

Indeed, this practice has been realised until the recent years with the establishment of the Islamic insurance called *Takaful*. In Malaysia, via full efforts from all parties including Islamic jurist, economist, and Malaysia government, the first *Takaful* Company has been introduced in 1984 following the ruling of *Takaful* act 1984 (Yon Bahiyah et al., 2009; Nurdianawati, 2009; Bank Negara Malaysia, 2005; MohdAkram, 2012; and Lim et al., 2010). It also has been inspired by the need of Muslim in Malaysia for the Islamic alternative of insurance since the conventional insurance has involved the *Shariah* prohibited elements such as gambling, uncertainty, and interest (Yon Bahiyah et al., 2009 and Mohamad&Mohd, 2009).

However, the achievement of the industry in Malaysia still in the infancy stage where a lot of effort especially in the marketing part needsto evolve. As the industry currently has been operated using agency system (*Wakala* model), the roles of agent arequite obvious in marketing *Takaful* products. For the Malaysian market, the number of agents has increased tremendously from 4,567 in year 2000 to 74,089 in the year 2010 which recorded a total of 94% increase over ten years of commencement. A study done Mohamad and Mohd (2009) has shown that the main source of information to create awareness on *Takaful* was the *Takaful* agents or staff. Respectively, the current study is conducted to gain inside the agent's knowledge and understanding towards the ultimate objectives and concept of *Takaful*. The acceptance of the public towards the *Takaful* products in overall is actually being influenced by the *Takaful* agent's knowledge as a source of information. In short, this study is structured in the following manner; some literatures review on the concept and objectives of *Takaful* as has been agreed by *Shariah* scholars. The following sections explore the methodology; present the overall results; and discuss the limitation of the study. The study ends with conclusion and suggestions for future research.

## 2. Overview – Prudential BSN *Takaful*

As an innovative and progressive company, the name of Prudential BSN *Takaful* has flourished in the Malaysian financial industry currently. It was founded in August 2006 with a vision to be a world-class *Shariah*-compliant financial solutions provider (source: website Prudential BSN *Takaful* Berhad). Being a joint venture between Prudential Public Limited Company (PLC) and Bank Simpanan Nasional, the achievement of Prudential BSN *Takaful* is remarkable within a short period (5 years).

It becomes a pioneer among *Takaful* operator to offer a medical plan with a free medical card; the first *Takaful* operator to provide a No Claims Bonus (NCB) on their medical plan, and also the first *Takaful* operator to offer benefits such as Badal Haji, protection and savings in one comprehensive plan, PruBSN Ummah. In addition, their customer has reached over 300,000 which participating in a variety of competitive products; *Takafulink*, *Takafulink* Cerdik, PruBsn Crisis Cover, PruBsn Protect and Protect Plus, and PruBsn Ummah. Remarkably, PruBsn *Takaful* has five branch offices nationwide.

Besides a strong branding and identity of the partner companies, it was noticed by the director of human resource of PruBSN *Takaful*, Samsudin Abdul Rahman that the company has launched the PruBsn's own talent development and training module known as Young Talent Program. The program has two objectives; to produce well-trained financial industry professionals to support the company and to support the financial industry. Moreover, the company has practiced the spirit of togetherness and family value amongst its employees, partners and customers parallel to the company motto 'We Understand, We Care'. Essentially, this study is tempting to explore the capability of agents of PruBSN *Takaful* in terms of knowledge which may influence the company performance in the future basically in the competitive insurance industry in Malaysia.

## 3. Literature Review

### 3.1. The Objectives of *Takaful*

The emergence of *Takaful* as an Islamic insurance has put forward the elements of brotherhood, solidarity and mutual assistance among the society. Indeed, the ultimate sources which can be relied upon the application of the *Takaful* as *Shariah*-based product is the Holy Qur'an and Sunnah or the traditions' of the Prophet Muhammad (peace be upon him).

MohdMa'sum (n.d) via his article 'Sources of law affecting *Takaful*' has come out with a lot of verses from Al-Qur'an which has acknowledged the validity of the elements applied in *Takaful*. First, the

element of mutual cooperation for a good intends which highlighted in Surah al-Maidah, 5:2 as stated below:

*"..and help ye one another in righteousness and piety, but do not help one another in sin and transgression. And have Taqwa of Allah. Verily, Allah is severe in punishment. "*

Second, the element of binding promise, which binds both the insurer and the insured in Surah al-Maidah 5:1,

*"O you who believe, you shall fulfil your covenants. Permitted for you to eat are the livestock, except those specifically prohibited herein. You shall not permit hunting throughout Hajj pilgrimage. GOD decrees whatever He wills."*

Third, the element of mitigation of the hardships and provision of material security and assistance for those who face unexpected risk and peril to achieve a comfortable life in Surah al-Baqarah 2:201,

*"But among them is he who says, "Our Lord, give us in this world [that which is] good and in the Hereafter [that which is] good and protect us from the punishment of the Fire."*

MohdAkram (2012) and MohdMa'sum (n.d.) defined Takaful as a scheme of protection which base on mutual assistance concept towards providing a financial security if any one of them face any unexpected risk. In this case, a related Islamic concept that is practiced is known as Ta'awun (mutual help). The following hadith of the Prophet (pbuh) reinforces the principle of cooperation and mutual assistance which strengthen the offering of Takaful schemes.

*"Believers are to other believers like parts of a structure that tighten and reinforce each other."*  
(Al-Bukhari and Muslim)

*"The Believers, in their affection, mercy and sympathy towards each other, are like the body- if one of its organs suffers and complains, the entire body responds with insomnia and fever."*  
(Hadith Muslim)

*"Whosoever removes a worldly hardship from a believer, Allah (swt) will remove from him one of the hardships of the Day of Judgment. Whosoever alleviates from one, Allah (swt) will alleviate his lot in this world and the next...."*  
(Al-Bukhari)

Accordingly, MohdAkram (2012) and Obaidullah (2005) mentioned that 'akad' in Takaful gives the impression that it is a good and an ethical scheme whereby all participants agree to put some amount of their contribution to the participant's risk account and serves as a donation to other participants (tabarru concept). This 'Tabarru' concept was encouraged in Islamic teaching in order to educate the Muslims with a charitable attitude either in terms of gift, sodakah, or zakah for helping the needy and indirectly building good relationship with the society. Western researchers like Fisher and Taylor (2000) have an opinion that Takaful scheme offers a positive element such as sense of brotherhood, charity, mutual support and is self-sustaining, which no other financial instrument could offer it.

Instead offering viable products to foster Islamic brotherhood, Takaful plays a vital role in the Islamic economic system such as for saving instruments, welfare scheme, create exploitation free society, and to counter poverty and deprivation (Farooq et al., 2010). It was explained concisely by Farooq et al. (2010) pertaining to the role of Takaful in the economic system as the participants able to generate their savings with a profitable manner and via Islamic investment tools. Thus, the objectives of Takaful are to ensure the interest of community either in terms of their future needs, mitigate the unexpected perils or hazards, and also to promote the spirit of brotherhood in a society that is parallel with the objective of Shariah Islamiyyah (Maqasid as-Shariah).

### 3.2. The Concept of Takaful

Generally, based on the objectives of Takaful, the concept of Takaful has been set up approximately based on the Islamic rules and principles. As has been mentioned by Saaty and Ansari (n.d) and Yon Bahiyah et al. (2009), Takaful scheme becomes an asset to the participant because they are the owners of the fund. Meanwhile Takaful operators only act as trustee on behalf of the participant whereby they do not have any right to the Takaful fund (Yon Bahiyah, et. al., 2009).

Accordingly, Section 2 of Takaful Act 1984 defined Takaful as “*a scheme based on brotherhood, solidarity and mutual assistance which provides for mutual financial aid and assistance to the participants in case of need whereby the participants mutually agree to contribute for that purpose*” (Bank Negara Malaysia, 1985). Meanwhile, item 2 of Shariah Standard No. 26, AAOIFI 2008 defined Takaful as “*a process of agreement among a group of persons to handle the injuries resulting from specific risks to which all of them are vulnerable*”. From the legal definition above, all three elements (brotherhood, solidarity, and mutual assistance) basically follow the rules from the Qur'an and the Sunnah of Prophet (peace be upon him).

Additionally, Yon Bahiyah, et al. (2009) has described three concepts of Takaful which are Mudharabah, Takaful, and Tabarru' concept. The first concept implement a 'profit sharing' the Takaful scheme. The Takaful Company will invest the Takaful contributions and share the profit with the Takaful participants in a pre-agreed profit-sharing ratio. Meanwhile, the second concept is the word 'Takaful' itself which carry the meaning of mutual assistance or called 'ta'awun'. And lastly, Takaful as a contract of donation or using the 'tabarru' concept. It has been discussed in the earlier part of this paper.

Meanwhile, Awang et al. (2005) basically stand on the two fundamentals which are tabarru' and mudharabah concept in order to construct the Takaful. Indeed, the concept of tabarru' which means donation or gift has agreed by all literatures that constituted the command of Allah (god the almighty) to help the needy in righteousness. As such, Abdul Wahab et al. (2007), Hendon et al. (2009) and others were in agreement that the element of donation or contribution with the same interest (helping each other) may bring to the spirit of brotherhood in a community.

Table 1. Takaful Elements

Elements	Description
Mutual Guarantee	The basic objective of Takaful is to pay a defined loss from a defined fund. The loss is covered by a fund created by the donations of policyholders. Liability is spread amongst the policyholders and all losses divided between them. In effect, the policyholders are both the insurer and the insured.
Ownership of the fund	Donating their contributions to the Takaful fund, policyholders are owners of the fund and entitled to its profits between the adopted models which are described later.
Eliminate of uncertainty	Donations, causing transfer of ownership of the fund, are voluntary to mutual help in the case of a policyholder's loss without any pre-determined monetary benefit.
Management of the Takaful fund	Management is by the operator who depending on the adopted model, utilizes either or a combination of two Shariah compliant contracts namely Mudharabah or Wakala
Investment conditions	All investments must be Shariah compliant, which prohibits investment in Haram industries and requires the use of instruments that are free of Riba

source: The World Takaful Report 2010

Consequently, pertaining to the operationalization of Takaful products, in case of any surplus from the operation, it will be shared among the participants (Hairul Azlan, 2004). Thus, this element obviously proven that the Takaful is different from the conventional insurance where the surplus belongs to the insurance company. According to Abdul Wahab et al. (2007), the participants in the Takaful contract remain the actual owners of the Takaful fund because there is no exchange contract in Takaful compared to the conventional insurance which involve an exchange or buy and sell contract (Ju'alah contract). This element of buy and sell the guaranteed benefits from the insurance company have made the conventional

insurance become illegal from the Islamic perspective as it involves the uncertainty element (gharar). Refer to Table 1 below for the elements of Takaful generally.

#### 4. Methodology

In an attempt to determine the level of understanding among Takaful agents, this study is conducted based on three phases. The first phase includes a search of the literature pertaining to the objectives and concept of Takaful for the scale development. It implies the knowledge about the conceptual and practical application of Takaful products. The works of past studies including Farooq et al. (2010), Mohamad and Mohd (2009), Yon Bahiyah et al. (2009), AbdWahab et al. (2008), HairulAzlan et al. (2004), Maysami& Kwon (1999), Saaty& Ansari (n.d.), and others. Initially, a total 25 statements have been constructed to measure objective and concept of Takaful.

The second phase was a refinement of the initial statements by academicians and Shariah scholars. At this stage, potential wording and statement consistency issues became apparent and were resolved. Based on the comments, the items were reduced to 19 for the Takaful objectives and 21 items for Takaful concepts and using 5 point Likert-scale ranging from strongly disagrees to strongly agree. In the third phase, a total of 120 questionnaires was distributed to Prudential Bsn Takaful agents located at Damansara and Petaling Jaya Branch. A total of 50 questionnaires was returned, a response rate of 42%.

Table 2. Demographic Information

Demographic Information		Frequency	Percent (%)
Gender	Male	38	76.0
	Female	12	24.0
Age Group	21-25 years	3	6.0
	26-30 years	26	52.0
	31-35 years	14	28.0
	36-40 years	5	10.0
	41-50 years	2	4.0
Marital Status	Single	14	28.0
	Married	36	72.0
Tertiary Education	SPM / Certificate	3	6.0
	Diploma / Degree	44	88.0
	Masters / Phd	3	6.0
Experience in Takaful industry	< 1 year	12	24.0
	1-5 years	33	66.0
	5-10 years	4	8.0
	> 10 years	1	2.0

#### 5. Result

It was realised that most of the agents in this study are male (76%) which belong to 26-30 years of age group. In addition, 72% of the agents are married and most of them are a degree holder (88%). In terms of experience, only two of them acquire experience more than 10 years, meanwhile 66% of the agents have received 1-5 years experience in the industry. In overall, the sample chosen in this study is relatively competitive as it represents the young talented agents which are needed by the Takaful industry in the current competitive edge. Thus, the end results may bring to the huge contribution to the expansion of the industry in future.

##### 5.1. Reliability Test

To answer the objectives of the study, a reliability test has been performed as to measure the internal consistency of the items constructed for both themes; the objectives and concept of Takaful. Cronbach's alpha is used to describe how well a group of items focuses on a single idea or construct (Cronbach, 1951). As was reported by Gliem and Gliem (2003), it is imperative to calculate and report Cronbach's alpha coefficient for internal consistency reliability for any scales or subscales used (p 88). According to George and Mallery (2003), rules of thumb for value of Cronbach's alpha are; ' $\alpha > 0.9$  = Excellent,  $\alpha > 0.8$  = Good,  $\alpha > 0.7$  = Acceptable,  $\alpha > 0.6$  = Questionable,  $\alpha > 0.5$  = Poor, and  $\alpha < 0.5$  = Unacceptable' (p 231). As in table 3 below, Cronbach's Alpha for the 18 and 21 items which represents the Takaful objectives and concepts are 0.868 and 0.840 respectively which indicates the scale items are good and consistent.

Table 3. Reliability Test

	Number of items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
Objectives of Takaful	18	.868	.897
Concepts of Takaful	21	.840	.860

### 5.2. Knowledge and Understanding of the Objectives of Takaful

Statements related to the Takaful objectives which initially developed in this study based on the past literatures are in Table 4 below. The study has found that the agents tend to agree that Takaful was introduced because Muslims are prohibited from associating with the elements of uncertainty, gambling, and usury as practiced by conventional insurance and it is a savings instrument (mean score=4.70). It was realised that the agents under study are not sure about two statements pertaining to the Takaful objectives which are; 'Both Islamic and conventional insurance must adopt profit maximization principle in order to survive in this competitive business environment' and 'The objective of Takaful is to create an exploitation free society' (mean score 3.60 and 3.72). Meanwhile they are disagreeing about the benefits of Takaful which are only for Muslims (mean score 1.78) and to counter poverty and deprivation (mean score 2.82). As item 5 is developed to investigate the agent's concern towards the Takaful, it is well-answered in this study. Nevertheless, item 17 which has been discussed by Farooq et al. (2010) has received less agreement by the agents. This objective perhaps does not become the main concern by the Takaful agents. In overall, the agents are in agreement that Takaful comes from an Arabic word which means mutual help among the participants, based on Shariah principles, an alternative form of financial instrument to insure assets, liabilities and other personal interest, and other objectives as in Table 4 in the next page (mean score above 4.0).

Table 4. Takaful Objectives

No.	Measurement Items for Takaful Objectives	Mean*
1	Takaful has been introduced because Muslims are prohibited from associating with the elements of uncertainty, gambling, and usury as practiced by conventional insurance.	4.70
2	The elements of uncertainty, gambling, and usury differentiates Takaful from conventional insurance.	4.58
3	Takaful stemming from an Arabic word which means mutual help among the participants.	4.56
4	Both Islamic and conventional insurance must adopt profit maximization principle in order to survive in this competitive business environment.	3.60
5	The advantages and benefits of Takaful are only for Muslims**	1.78
6	Takaful operations are based on Shariah principles.	4.66
7	Takaful contract is based on the concept of Tabarru' which means donations, contributions, offering, or granting.	4.68

8	The objective of Takaful is to create an exploitation free society.	3.72
9	Takaful participants are encouraged to contribute money for mutual help in times of need.	4.40
10	Takaful is a savings instrument.	4.70
11	Takaful is a protection mechanism.	4.26
12	Takaful is an alternative form of financial instrument to insure assets, liabilities and other personal interest.	4.66
13	Takaful is meant to foster Islamic brotherhood.	4.54
14	Takaful promoting Islamic values and way of life towards staffs, customers, and general public.	4.20
15	Takaful offering viable and competitive products.	4.54
16	Takaful is a welfare scheme.	4.40
17	Takaful is among the most important social institution to counter poverty and deprivation.	2.82
18	By joining Takaful plan, participants gain an added benefit to invest money in accordance to Islamic principles.	4.00

Note: \*Based of scale, 1=Strongly Disagree, 2=Agree, 3=Not Sure, 4=Agree, 5=Strongly Agree

\*\* Item reverse score

### 5.3. Knowledge and Understanding of the Concepts of Takaful

Table 5 below shows the mean score for each statement for Takaful concepts which were asked for the Takaful agents. In overall, most of them are not sure about the concepts of Takaful. For example; 'Participants are owners of the fund' (mean score = 3.86), 'Takaful operators do not have any right to the Takaful fund' (mean score = 3.56), 'Takaful entails a unilateral, charitable (tabarru') contract which is gharar tolerated in a charitable unilateral contract' (mean score = 3.58) and as stated in the table 5 below. In addition, they are also in between about the meaning of Wakala and Ujrah which are the Islamic concept for the agency model applied in Takaful. However, the agents are very confirmed that all Takaful funds are invested in the Shariah-approved investment (the highest score = 4.54). Besides that, they also agree that Takaful brings the concept of shared responsibility, joint indemnity, and solidarity (mean score = 4.42), Takaful products consists General and Family Takaful (mean score = 4.38), ff there is a surplus from the operation, the company will share the surplus with the participants according to the principles of Mudharabah (mean score = 4.36), and other concepts as below. Finally, they do not agree only with one reverse statement; 'contract used in Takaful is similar to conventional insurance' (mean score = 2.64) which indicate that the agents are somehow gain basic knowledge about the concept of Takaful.

Table 5. Takaful Concepts

No.	Concepts of Takaful	Mean Score
1	Participants are owners of the fund	3.86
2	Takaful is an asset to the participants	4.00
3	Takaful operators act as trustee on behalf of the participants.	4.30
4	Takaful operators do not have any right to the Takaful fund.	3.56
5	All contributions (premium) paid by the participants will be accumulated in the Takaful fund.	4.02
6	All payments of the Takaful benefits (i.e. Claims) will be paid by the Takaful fund.	4.24
7	The money credited to the Takaful fund will be invested in areas approved by the Shariah.	4.54
8	If there is a surplus from the operation, the company will share the surplus with the participants according to the principles of Mudharabah.	4.36
9	Contract used in Takaful is similar to conventional insurance.*	2.64
10	Takaful entails a unilateral, charitable (tabarru') contract which is gharar tolerated in a charitable unilateral contract.	3.58
11	Takaful and insurance company makes a profit when there is an underwriting surplus.	3.22
12	'Iwad or counter value is effort/undertaking of risk.	3.42

13	There is no insurer-insured relationship between Takaful operator and participants.	3.24
14	Indemnification component in Takaful is based on mutual contribution, reciprocal donation (tabarru').	3.94
15	Takaful brings the concept of shared responsibility, joint indemnity, and solidarity.	4.42
16	Al-Mudharabah in Takaful is a contract of profit sharing.	4.32
17	Al-Wakalah in Takaful is an agency contract.	3.88
18	Al-Ujrah is used in Al-Wakalah contract.	3.64
19	Compensation comes from the participant's account and 'participant's special account'.	3.84
20	The premium paid under Takaful is higher than the premium paid under conventional insurance.	3.74
21	Takaful products consist General and Family Takaful.	4.38

Note: \*Based of scale, 1=Strongly Disagree, 2=Agree, 3=Not Sure, 4=Agree, 5=Strongly Agree

\*\* Reverse score item

#### 5.4. Factors that Contributed to the Agents' Understanding

A total of 10 statements was developed representing factors that may contribute to the knowledge of Takaful agents. Scale 1 to 5 ranked from absolutely agree to absolutely disagree is used to measure the answers given by the respondents. For the purpose of factor analysis, the number of the sample used in this study is achieved the minimum requirement stated in Hair et al. (2010), which is five times the number of variables involved ( $n=50$ ). All necessary procedures that are required prior to factor analysis were conducted. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.705 and hence is appropriate for factor analysis using principal component analysis (PCA) method. The Bartlett's Test of Sphericity also reached statistical significance (0.000), supporting the factorability of the correlation matrix.

Table 6 below presents result of factor analysis of the factors that influenced the knowledge of Takaful agents under study. Using Varimax rotation, three factors were extracted with eigenvalues greater than one, explaining 68% of total variance. Respectively, all three factors were named learning culture, early exposure, and media influence since it contributed 29.7%, 20.4%, and 17.9% of the total variance. Table 6 also depicts the communality of each variable (between .489 and .789) which higher value represents higher correlations among the variables.

From the table, all variables that are listed under Factor 1 can be categorized as 'learning culture' that comprised of five statements; "*conversation with my colleagues....*", "*I like to discuss about any Takaful issues with my friends and family, trainings provided by the company .....*", "*the introduction session conducted by Takaful company....*", and "*if there are new Takaful products introduced in the market, my employer will explain to me all information related to that products*". Meanwhile three statements related to early exposure such as "*I learn about Takaful when I was in school*", "*My parents bought Takaful scheme when I was young*", and "*I took Takaful subject at the university or college*" are suitable grouped in 'early exposure' factor. The last factor that may influence the knowledge of Takaful agents was named 'media influenced' and comprised of three variables. Since factor 1 (learning culture) has the higher eigenvalue and variance (eigenvalue = 3.27, variance = 29.7%), it automatically signifies the most important factor perceived by the Takaful agents and followed by factor 2 (eigenvalue = 2.24, variance = 20.4%), and factor 3 (eigenvalue = 1.971, variance = 17.9%).

## 6. Conclusion and Limitations

This study investigates the knowledge and understanding of Takaful agents towards the objectives and concepts of Takaful besides the factors that contributed to their understanding. Through a simple statistical analysis (mean analysis), it was found that the agents are familiar upon the objectives of Takaful than the Takaful concept. In addition, it was realised that the majority of the agents are not sure about the concept of Takaful such as; "*Takaful and insurance company make profit when there is an underwriting surplus*", "*There is no insurer-insured relationship between Takaful operator and participants*", "*Takaful operators do not have any right to the Takaful fund*", "*Participants are owners of the fund*", and other certain concepts (mean = 3.0). In this regards, it should be worried that there is a possibility that the

agents do not fully understood the Takaful concepts and it finally influenced the information disperse to the public. As some studies have reported that the majority of Malaysian public do not understand the objectives and concepts of Takaful due to lack of Takaful knowledge. Its possibly associated with the agents' knowledge and understanding towards the Takaful as found in the current study which is disappointing.

In addition, three sources are identified contributed to the knowledge of Takaful agents namely learning culture, early exposure, and media influenced. However, it was revealed that the learning culture becomes the most influential factor in giving knowledge to the agents. This eventually requires Takaful industry to prepare for the learning environment in order to generate well-knowledge Takaful agents in the industry to escalate. It was believed that knowledge and understanding of the theoretical (objective) and practical (concept) application of Takaful will ensure the sustainability of the industry in the near future.

In a nutshell, some limitation was emerged in the current study. First, in terms of sample selection, this study only presents one of Takaful operator which is Prudential Bsn Takaful. The result may vary with the other Takaful operators. Thus, future studies could enhance this study to involve many Takaful operators and if possible to cover all operators. Second, as it is an exploratory study given the limited sample size, future research may strengthen the results of this study particularly when large sample size is involved. Lastly, given a limited literatures from the perspective of Takaful agents, this study only relies on limited past studies. Nevertheless, the conduct of this study will certainly contribute to the empirical literatures on the subject of Islamic insurance or Takaful.

Table 6: Factors that Contributes to the Agents' Understanding

Variables	Factor			Communality of each variable
	Learning Culture	Early Exposure	Media Influenced	
Conversation with my colleagues has influenced me to further understand the Takaful concept.	.840			.748
I like to discuss about any Takaful issues with my friends and family.	.836			.789
Trainings provided by the company have given me a better understanding in the Takaful scheme.	.799			.730
The introduction session conducted by Takaful company has helped me to understand the Takaful scheme.	.771			.605
If there are new Takaful products introduced in the market, my employer will explain to me all information related to that product.	.682			.489
I learn about Takaful when I was in school.		.812		.669
My parents bought Takaful scheme when I was young.		.809		.734
I took Takaful subject at the university or college.		.783		.688
Most of the times, mass media influenced me to search about Takaful.			.843	.767
I read about Takaful in the newspaper and magazine.			.807	.672
Sometimes I read about Takaful in the internet.			.691	.594
Eigenvalue	3.268	2.244	1.971	
% of variance	29.713	20.403	17.917	
Cumulative %	29.713	50.116	68.033	

Extraction Method: Principal Component Analysis Rotation Method: Varimax with Kaiser Normalization

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