

## Factors Influencing Market Penetration of *Takāful* Industry in Malaysia: (1985-2008)

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### Abstract

This research provides insights into the factors influencing *Takāful* penetration rate of the Malaysian *Takāful* industry for the period 1985–2008. Its objective is to identify the factors that influence the market penetration from the perspective of *Takāful* participants. Data was collected through a survey and was analyzed using SPSS software. Employed techniques was Cross Tabulation & Chi-Square tests. It was found that the factors influencing *Takāful* penetration were age, gender, religion, marital status, education, income, awareness, product varieties, and knowledge of staff and agents of *Takāful*. The research findings suggest the need to increase product varieties, training of staff and agents to enhance their product knowledge, technical and *Shariāh* knowledge as well as to intensify the level of awareness.

**Keywords:** *Takāful*, Market, Penetration, Malaysia

### 1. Introduction

The main approach for business and individuals to reduce the financial impact of a risk is through insurance. Insurance is therefore a form of risk management primarily used by firms or individuals to protect their financial assets. Currently, there are two types of insurance operating in Malaysia, the conventional and Islamic insurance which is also known as *Takāful*. Malaysia established the first *Takāful* company as an alternative to conventional insurance in 1985.

In essence, insurance is a promise by the insurer to compensate the insured for specific potential future losses as a result of certain identified risks, in exchange for periodic payments in the form of premiums from the insured to the insurer. It is designed to protect the financial well-being of an individual, company or other entities in the event of losses arising from certain risks. The Islamic version of insurance or *Takāful* is based on the concept of social solidarity, cooperation and mutual indemnification of less fortunate members. It is an agreement among a group of people to jointly underwrite the loss or damage that may be inflicted upon any of them as a result of the occurrence of certain identified risks, out of the fund they donate collectively.

*Takāful* is an Arabic word stemming from the verb “*kafala*” It is a system of Islamic insurance based on the principle of mutual assistance (*Ta’awun*) and donation (*Tabarru’*) where risk is shared collectively by the group of participants voluntarily. The entire group would assist an incumbent in need, from the fund they have created to indemnify his/her loss and or to provide him/her with financial help. *Takāful* is a legally binding agreement between all the participants of the scheme to pay any of the members who suffer a loss as specified in the *Takāful* certificate. The *Takāful* scheme has been evolved from the teachings of Islam i.e. on the basis of the *Quarān* and the *Sunnah*. The *Quarān* preaches:

“.....وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ.....” (سورة المائدة الآية ٢)

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“.....*Help ye one another in righteousness and piety, but help ye not one another in sin and rancour*”. (The *Quarān* 5:2)

The Prophet Muhammad (P.B.U.H) said:

To Amir ibn Sa'd ibn Abi Waqqas, *The Holy Prophet (SAW) said “It is better to leave your heirs wealthy rather than poor and asking others for their need”*. (Bukhari, 6352:5).

Thus it can be deduced from the above Quranic and Sunnah sources that there is no material difference between the practices of a conventional insurance to those of *Takāful*, in a sense that both deal with indemnification and compensation in the event of the occurrence of certain identified losses. In this respect, although both *Takāful* and the insurance appear to have similar objectives, their primary difference is in the type of contracts employed to execute the respective insurance or *Takāful* arrangement. A conventional insurance contract is that of sale and purchase, which is bilateral whilst a *Takāful* contract is that of *tabarru'* (donation) based on participation, donation and social solidarity, which is unilateral. Majority of the *Shariah* scholars believe that conventional insurance is unlawful due to involvement of *Riba*, *Maisir*, and *Gharar*. Thus, *Takāful* was introduced three decades ago to satisfy the Muslims' needs for both protection and savings that is free from the three prohibited elements alluded above.

This paper is organized as follows. Section 2 discusses the previous research that has been conducted to date on the marketing of both insurance and *Takāful*. Section 3 describes the methodology and data employed in this research. Section 4 discusses the findings, while in the final section provides the conclusion.

## **2. Literature Review**

Measuring attitudes to risk is difficult. In the past, most insurance studies have used the demand for life and general insurance to conclude relationships between insurance demand or consumption and economic variables namely demographic and social-cultural variables such as age, marital status, education, income number of dependents, culture and religion (Zelizer, 1979; Browne & Kim, 1993; Beck & Webb, 2003).

Research on the relationship between education and demand for life insurance has also produced mixed results. Several studies suggest that education may affect demand for insurance (Burnett and Palmer, 1984; Browne and Kim, 1993; Truett and Truett, 1990) while Szpiro and Outreville (1988) argue that the more people are educated, the less risk averse they become, justifying that improving cognition enables a better assessment of risk.

Another research on factors affecting the demand for life insurance by Truett and Truett (1990) asserts that age, educational levels, and income are factors determining the demand for life insurance. Showers and Shotick (1994) find that the size of the family and the number of earners in the household are positively related with expenditure on insurance premium.

Many researchers have scrutinized the relationship between income and demand for life insurance such as Outreville (1996); Browne & Kim (1993); Truett and Truett (1990); Burnett and Palmer (1984) affirm that income is significantly and positively related to the demand for insurance. As income increases, life and general insurance become more affordable. In addition, the need for life insurance increases with income as it protects dependents against the loss of expected future income due to premature death of the wage earner. However, these findings are not consistent with findings of Lim and Haberman (2005) as well as with findings from a local study in Malaysia conducted by Wan Aris et al. (2009), which demonstrate that family *Takāful* is insignificantly related to income. Mossin's (1968) argument provides an explanation that people who have little wealth, are less concerned about insurance as basic needs come first, where he relates the demand for insurance with the wealth of a person. His findings indicated that demand for life insurance varies inversely with the wealth of the individuals.

According to Zelizer (1979), religion appears to be a strong source of cultural opposition to life insurance. Many religious people believe that a dependence on life insurance comes as a result of disbelief in

God's protecting care. Browne & Kim (1993) who investigate the effects of Islam on life insurance consumption find consumers in Islamic nations purchase less life insurance than those in non-Islamic nations.

Marketing strategies represent a significant aspect of insurance marketing literature. Tjahono (2003) found that Indonesian consumers have negative perception of insurance, partly due to the marketing strategies employed and partly due to the intolerable experience they had with insurance companies.

Simonson and Stephen (2000) assert that there are several difficulties in identifying people's perceptions towards deciding options as it relates to a number of considerations and potential perceptions from a marketing point of view. Normally, people have different underlying intentions when considering their choices. As the underlying factors for buying behavior are quite similar to the concept of perception in the process of choosing a product, consumer values can be taken into account in identifying people's perceptions towards *Takāful*. The above studies highlighted a multitude of factors which have effects on the demand for life insurance, such as income, culture and religion, marketing strategies, education, creative products for protection, as well as demographic characteristics such as age, education and awareness.

### 3. Data and Methodology

Structured questionnaire were used to collect data on factors influencing low market penetration of *Takāful*. 800 sets of questionnaire were distributed to respondents from three *Takāful* operators. 772 questionnaires were returned, out of which 663 were usable which gives a response rate of 83%.

Based on theory, this research hypothesizes that varying factors influence demand for *Takāful* products. The factors that influence penetration rate of *Takāful* industry can be explained by the independent variables which are socio-demographic factors and other factors namely income, awareness, services, product varieties, marketing strategies and religion of participants.

Statistical Package for the Social Sciences (SPSS) was used for data analysis. The dependent variable in this research is in the nature of binary data (Holding/not Holding a *Takāful* policy). Thus Cross Tabulation (CT) and Chi-Square tests (C-S) are extremely useful tools in analyzing survey data, where multiple variables and their interrelationships are commonly established as found in this research. The C-S test was used by Shuhrat and Sharof (2006), who affirm that the test could be used for significant associations between variables because the responses are classified into nominal categories. The joint frequency distribution can be analyzed with the C-S tests to determine whether the variables are statistically independent or if they are associated with each other.

C-S addresses the issue of whether any relationship in the sample data is strong enough to justify inferences about the larger population from which the sample has been drawn. The actual interpretation of C-S computer output involves observing the significance probability quoted; if it is less than 0.05, the C-S value is significant at the conventional cut off point of 5% i.e. the association found in the sample data is significant and would be regarded as evidence that there is an association between the variables in question and sample. The C-S tests become increasingly significant as the numbers deviate further from this expected pattern.

The Pearson C-S is the most common test for significance of the relationship between categorical variables. The Pearson's C-S test is suitable for data where all observations are independent and the categories are mutually exclusive and exhaustive<sup>4</sup>.

Fisher Exact Test is a non-parametric test often substituted for the C-S test with small or sparsely distributed data sets. Fisher's is based on the hyper-geometric distribution and calculates the exact

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<sup>4</sup> Boslaugh and Watters (2008), Statistics in a nut shell

[http://books.google.com.my/books/about/Statistics\\_in\\_a\\_nutshell.html?id=ZnhgO65Pyl4C&redir\\_esc=y](http://books.google.com.my/books/about/Statistics_in_a_nutshell.html?id=ZnhgO65Pyl4C&redir_esc=y)

probability (p-value) of observing the distribution seen in a table, or a more extreme distribution: this is the meaning of the “exact” in the title. Hence, it is not an asymptotic test.

**4. Findings and Discussion**

The following data show the relationship of participants holding *Takāful* policies with the identified independent variables of the current research. CT and C-S tests are employed to identify any form of association between holding/not holding a *Takāful* policy with independent variables in order to determine the most influencing factors in *Takāful* market penetration.

The findings from Pearson Chi-Square (values) considering p-value < 0.05 reveal that many of the independent variables have a significant relationship with the participants’ decision to participate in the *Takāful* industry. Nine (9) variables from a total of twelve (12) independent variables show an association between independent variables and the decision to participate in *Takāful*. The significant variables are age, gender, marital status, education, religion, income, *Takāful* awareness, product varieties and staff and *Takāful* agents’ knowledge. The summary of the finding is presented in Table 1.

**Table 1 Participants’ Survey Findings**

Variables	Pearson Chi-Square(values)	Chi- df (s)	Asymp. Sig. (2-sided)	Fisher’s Exact Sig. (2-sided)	Fisher’s Exact Sig.(1-sided)
Age*	40.628 <sup>a</sup>	5	0.000		
Gender*	8.386 <sup>a</sup>	1	0.004	0.004	0.002
Education*	12.733 <sup>a</sup>	4	0.013		
Marital Status*	25.977 <sup>a</sup>	1	0.000	0.000	0.000
Religion*	3.859 <sup>a</sup>	1	0.049	0.054	0.033
Price	3.397 <sup>a</sup>	1	0.065	0.067	0.04
Income*	33.600 <sup>a</sup>	6	0.000		
Awareness*	13.290 <sup>a</sup>	3	0.004		
Product Varieties*	34.289 <sup>a</sup>	1	0.000	0.000	0.000
Staff & Agents Knowledge*	30.715 <sup>a</sup>	2	0.000		
Importance of <i>Mudhārabah</i> Return	3.611 <sup>a</sup>	4	0.461		
Service	.185 <sup>a</sup>	1	0.667	0.731	0.366

\* Statistically significant at  $\alpha = 0.05$

**Age** is one of the significant factors related to the dependent variable ‘holding *Takāful* policy’. Pearson Chi-Square shows a value of 40.628 with 5 degrees of freedom and is statistically significant at p-value = 0.0003 which is significantly lower than  $\alpha = 0.05$ . This finding is corroborated with Truett & Truett. (1990) and Cameron et al. (1988) who conclude that age is a significant factor affecting demand for life insurance. Hence, *Takāful* operators need to give more consideration to certain age groups in order to increase the

demand for *Takāful* products which will affect the market penetration positively. Nevertheless, Lin and Grace (2006) assert that age has no effect in demand for life insurance.

**Gender** proves to be a significant variable, the Pearson Chi-Square value of 8.386 with 1 degree of freedom is 0.004 and is significant at  $\alpha = 0.05$ . Furthermore, Fisher's Exact Test which ranges from 0.002 to 0.004 is still significantly lower than  $\alpha = 0.05$ . Hence, both tests show that there is a strong association between gender and the decision to participate in *Takāful*. From Table 1, marital status is affirmed as a significant factor as the value of Pearson is 25.997 with 1 degree of freedom reports a statistical p-value of 0.0003 which is significant at  $\alpha = 0.05$ . Further, Fisher's Exact Test of 0.001 is also significantly smaller than  $\alpha = 0.05$ . The above results show a strong association between marital status and participation in *Takāful* schemes. Gender and marital status show significant relationship with respondents' decision to participate in *Takāful* industry. These results are consistent with numerous other research findings (Hammond et al., 1967; Mantis and Farmer, 1968), who found that gender and marital status are significant factors strongly affecting both household and individual life insurance demand. Another study by Chui and Kwok (2008) found that feminine societies such as Sweden, South Korea and Uruguay, purchase more insurance, as these societies are very sensitive to the needs of their families and want to protect them against the financial consequences of a premature death.

**Education** shows the Pearson Chi-Square value of 12.733 with 4 degrees of freedom has a statistic of 0.013, which is significantly less than 0.05. This confirms that education plays a significant role in creating awareness of *Takāful* among the respondents. In various studies, the relation between demand for insurance and various levels of education was examined. Some of these studies are consistent with this particular research finding which include Burnett and Palmer (1984); Browne & Kim (1993); Truett and Truett (1990). These researchers indicate that there is a significant positive relationship between education and the demand for insurance. In contrast, Esho et al. (2004) state there is an insignificant relationship between education and the demand for insurance.

C-S analysis highlights **Income** as one of the major determinants for life insurance; with Pearson Chi Square value of 33.600 with 6 degrees of freedom has a statistic of 0.0008, which is significantly less than 0.05. This confirms that income plays a significant role in increasing *Takāful* market penetration. This finding is consistent with Outreville (1996), Browne & Kim (1993), Truett & Truett (1990) and Burnett & Palmer (1984) who show that income is significantly and positively related to the demand for insurance. As income increases, life insurance as well as general insurance becomes more affordable. In addition, the need for life insurance increases with income as it protects dependents against the loss of expected future income due to premature death of the wage earner. It is typical to conclude that the higher the income of a country, the higher the demand for life insurance/family *Takāful* policies will be. Nonetheless, the research finding is inconsistent with Lim and Haberman (2005) and Abdul Rahman et al. (2008) who conclude that there is a negative insignificant relationship between demand for life insurance/family *Takāful* with income.

Statistical analysis of ***Takāful* Awareness** confirmed the significance of awareness showing the value of Pearson Chi-Square 13.290 with 3 degrees of freedom recording a statistical value of 0.004 which is significantly less than 0.05. Therefore, *Takāful* awareness is a factor to be considered in order to increase *Takāful* market penetration. This finding is consistent with Wan Aris et al. (2009), Abdul Rahman (2009) and Abdul Hamid and Othman (2009) who assert that campaigns should be planned and organized to boost information and knowledge about *Takāful* to the public.

Both **Product Varieties** and **Staff & *Takāful* Agents' knowledge** show significant association with respondents' decision to participate in *Takāful* industry. Regarding statistical analysis of Product Varieties, Pearson C-S value of 34.289 with 1 degree of freedom and p-value of 0.00002 is highly significant. Furthermore, Fisher's Exact Test p-value of 0.0001 affirmed the significance of the relationship. Hence, it can be deduced that the Product Varieties variable is strongly linked with respondents' decision in taking up *Takāful* policy. Also Staff & *Takāful* Agents' knowledge results shows Pearson Chi-Square of 30.715<sup>a</sup> with 2 degrees of freedom has p-value of 0.0008 which is less than  $\alpha = 0.05$  indicates that there is a significant association between *Takāful* participants and knowledge of *Takāful* staff and agents.

This finding is consistent with Elango (2009) and Ahmad (2007), who find insurers, with varieties of options in terms of products, seemed to outperform insurers with fewer lines in both up and down cycles. The researcher asserts that there is a dire need to design innovative products to meet clients and market expectations, Ahmed (2007) adds further that one of the major challenges in achieving *Takāful* growth is the shortage of human resources that is extremely essential in *Takāful* to facilitate its expansion in a more cohesive manner. Thus, it is expected with more availability of product varieties, the more people would participate in *Takāful* policies.

**Religion** appears to be one of the significant factors in relation to respondents' decision to participate in *Takāful*. Pearson Chi-Square of value 3.859 with 1 degree of freedom records a statistical value of 0.049. This is marginally less than 0.05. This result is consistent with Zalizer (1979), Browne & Kim (1993) and Henderson and Milhouse (1987) who argue that an individual's religion can provide insight into the individual's behavior and that understanding religion is an important component of understanding a nation's unique culture.

The findings of this research show evidence of misunderstanding among respondents on *Takāful* operations whether the status of *Shariāh* compliance or otherwise is a significant factor in respondents' desire to participate in *Takāful*. This is because there is the unsettling question of how companies that provide both insurance and *Takāful* products manage to segregate investment funds. Abdul Hamid and Othman (2009) reported a similar misconception by respondents on *Takāful* investment.

Other factors, which demonstrate insignificant relationship to respondents' decision explicitly, were service, price and the importance of *Mudhārabah* return.

*Mudhārabah* return shows insignificant relation to participants' decisions. Value of Pearson at 3.611 with 4 degrees of freedom is 0.461, which is much higher than the commonly accepted level (p-value is > 0.05); indicating that the null hypothesis cannot be rejected. It can be deduced from the results that there is no association between *Mudhārabah* return and respondents participating in *Takāful* policies. Thus finding is inconsistent with Abdul Rahman et al. (2008) where *Takāful* customers rated the benefits or *Mudhārabah* return as the main determinant for demand of *Takāful* products. Moreover, several practitioners assume that *Takāful* products attract non-Muslim buyers because of the *Mudhārabah* return or the surplus distributed to policyholders with no submission of claims during the insured period<sup>5</sup>.

**Services** illustrate an insignificant relationship with participants' choice to participate in *Takāful*. Pearson Chi-Square of 0.185 with 1 degree of freedom records a statistical value of 0.667 which is much higher than  $\alpha = 0.05$ . Further authentication with Fisher's Exact Test indicates a statistical value ranging from 0.731 to 0.366. Thus, the result shows insignificant relationship between services provided by *Takāful* operators and respondents' decision to participate in *Takāful* policy. According to Zeithaml, Berry and Parasuraman (1988) the fact that performance differs from one service provider to another, as well as evaluation of services by customers tend to differ from one customer to another. Perhaps, in reality there is no material difference between the level of services provided by the *Takāful* operators in the market.

Clearly by looking at the statistical values of price it does not reveal any significant relation to respondents decision to have a *Takāful* policy, as indicated by the low value of Pearson Chi-Square test of 3.397 with 1 degree of freedom and p-value of 0.065 which is higher than  $\alpha = 0.05$ . This is perhaps due to the fact that respondents take the compulsory motor policy and there is no differential material with respect to the pricing of motor policies among different *Takāful* operators. This is not in concurrence with life insurance and family *Takāful* where price according to various studies plays a vital role in life insurance demand. Browne & Kim (1993) find that an increase in the price of insurance has a significant negative relationship with the demand for life insurance. Another study by Lim and Haberman (2005) was also consistent with the findings of Babbel (1985) and Browne & Kim (1993). The price of insurance is

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<sup>5</sup> Swiss Re sigma 5/2008 Insurance in the emerging markets: overview and prospects for Islamic insurance

significantly and inversely related to the demand for life insurance as high insurance cost tends to discourage the purchasing of life insurance.

From Table 1, based on findings by giving sufficient consideration to the highlighted variables, the number of *Takāful* participants could be increased and this in turn ought to lead to increased *Takāful* market penetration.

## 5. Conclusion

In this research, various variables have been examined in order to find the factors influencing *Takāful* market penetration with the dependent variable which is holding/not holding a *Takāful* policy. The method of analysis employed is C-T and C-S tests. Results indicated that age, gender, marital status, education, religion, income, *Takāful* awareness, product varieties and staff and *Takāful* agents' knowledge show a significant relationship with the decision to participate in *Takāful* plans or otherwise. While Product prices, services and *mudharabah* return showed insignificant relationship to respondents' decision, although various prior studies indicated that the relationship between demand for life insurance and insurance price and services rendered is highly significant. Thus, to increase *Takāful* market penetration, agents with high caliber are needed as well as tools and knowledge to act more like financial planners and investment advisers. Moreover, to improve marketing strategies, more awareness of the advantages of *Takāful* and better understanding of *Takāful* products may increase the demand for *Takāful* and these aspects will consequently improve the *Takāful* penetration rate among Malaysians in general.

## Funding sources

INCEIF has funded my PhD research without any obligation for the whole dissertation or part of it to be INCEIF copyright only for the sake of helping the Malaysian *Takāful* industry to be improved. INCEIF granted the financial support to enable the student to conduct interviews for the market.

## Acknowledgment

This research is part of my PhD dissertation, which consists of three sections:

1. *Takāful* participants survey which is presented in this paper.
2. Non-participants of *Takāful* industry presented at the 14<sup>th</sup> MFA Conference Penang/ Malaysia 1-3 June 2012.
3. Managerial interviews presented at the 4<sup>th</sup> International Conference on Business and Economic Research (ICBER) 4-5 March 2013 Bandung/ Indonesia. Paper Published in proceeding 04-05 March 2013. ISBN: 978-967-5705-10-6. WEBSITE: [www.internationalconference.com.my](http://www.internationalconference.com.my)

I would like to thank INCEIF for the opportunity to pursue my Ph.D. and the financial support in terms of waiving my tuition fees and funding my research project.

I am grateful to the co-authors of this paper [Prof. Datuk Dr. Syed Othman Alhabshi & Prof. Dato' Dr. Kamaruddin Sharif] also to Prof. Emeritus Datuk Dr. Mohamed Ariff Abdul Kareem (Internal examiner, PhD Dissertation) and Ms. Prabha Brahma, who edited my PhD report as well as this paper.

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## Appendix A: Participants Survey

### Survey on “Factors Influencing the Market penetration of *Takāful* industry in Malaysia For the period 1985-2008”

Dear Respondent,

The purpose of this study is to identify the factors that influencing the market penetration of *Takāful* industry as compared to the conventional insurance in Malaysia. This research under the expert guidance of:

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Please take 25-30 minutes of your time to fill up this survey questionnaire.

Thank You for your cooperation.

Yours sincerely

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## INSTRUCTIONS

The success of this study depends on your responses to the following questions. I hope you will give honest answers to ensure that the information provided truly reflect the reality.

**Section 1: Socio- demographic characteristics**

Please tick (/) beside the suitable information on your background

Age  Below 20  20-30  
 31-40  41-50  
 51-60  Above 60

Gender  Male  Female

Marital Status  Single  Married  
 Religion  Muslim  Non-Muslim

**Level of Education**

Primary school  STPM  
 SPM  Undergraduates  Postgraduate

**Monthly income**

below RM 2,000  RM 2,000 – RM 4,000  
 RM 4,001 – RM 6,000  RM 6,001 – RM8, 000  
 RM 8,001 – RM 10,000  RM 10,001 – RM 12,000  
 RM 12,001 – RM 15,000  Above RM 15,000

**Position**

Please specify your job .....

Name (optional): .....

Contact (optional): .....

Address (optional): .....

**Section 2: Respondent's awareness of *Takāful***

- Do you think there is a fundamental difference between *Takāful* and insurance?  
 Yes  No
- How well do you understand the concept of *Takāful*?

Understand very well	Understand fairly well	Understand a little	Do not understand at all
1	2	3	4

- Which insurance/*Takāful* company do you prefer? Please choose from the list below and you may tick (/) more than one company

- Syarikat *Takāful* Malaysia Berhad [STMB]
- Etiqa *Takāful* Berhad
- Takāful* Ikhlas Sdn. Bhd
- Prudential BSN *Takāful* Berhad
- HSBC Amanah *Takāful* (Malaysia) Sdn Bhd
- Hong Leong Tokio Marine *Takāful* Berhad
- CIMB Aviva *Takāful* Berhad
- MAA *Takāful* Berhad

Other please specify.....

- Could you please specify why you have chosen the mentioned company? (You may choose more than one)

Prices  Products  Marketing  Services  others

If other please specify.....

5. How important is the Mudhārabah (profit sharing) in the concept of *Takāful*?

Important	Relatively important	Neutral	Relatively not important	Not Important
1	2	3	4	5

6. Without Mudhārabah (profit sharing) there is no difference between *Takāful* and conventional insurance. Do you agree?

Yes  No

7. With respect to your own careful judgment, please indicate the degree of your agreement with each statement by choosing one of the five alternatives for each statement.

1. Strongly agree 2. Agree 3. Not sure 4. Disagree 5. Strongly disagree

	1	2	3	4	5
Muslims believe that some risks exist for individuals and for the society as a whole but they would rather rely on Allah (swt) instead of getting a <i>Takāful</i> policy					
<i>Takāful</i> encourages mutual help and cooperation among policyholders for their common good					
<i>Takāful</i> does not aim towards obtaining advantages at the cost of other individuals					
The profit and/or surplus should be divided among <i>Takāful</i> operator and participants on pre-agreed ratio					
<i>Takāful</i> propagates the concept of tabarru' (to donate, to contribute) in order to permit the element of uncertainty (Gharār) in the <i>Takāful</i> contract					

**Section 3: Insurance/*Takāful* Customers**

1. Do you hold any insurance/*Takāful* policy?

Yes  No

If Yes, please specify whether it is from an Insurance or *Takāful* company?  
.....

If No, Why? .....

2. Please indicate the type of insurance/*Takāful* that you currently have, you may tick more than one.

General  Life  Family

If general, why not family please clarify .....

3. Do you think that the Islamic financial system can have products and investment instruments that can satisfy the increasing needs in the Malaysian market?

Yes  No

4. Do you prefer a company that provides only *Takāful* products (Full-fledged) or that has mixed insurance as well as *Takāful*?

Full-fledged  Mixed

5. Could you please state how long you have been insured.

Less than a year  1- 10 years  11-20 years  21-30 years  31 and above

6. Could you please rank from 1-5 (1 being the highest) the most important factors that you would consider when you want to choose an insurance/*Takāful* company

Products  Claims  Services  Prices  Mudhārabah Profits, if any.....

7. Name a company dealing either in the Insurance or *Takāful* industry that you see is performing very well

Name of the company.....  
Your justification.....

**Section 4: Income**

1. At what age did you buy/own the first insurance/*Takāful* policy?  
 Below 20     20-40     41-60     above 60
2. How much do you spend monthly on insurance/*Takāful* coverage?  
 RM 100 and below     RM 200     RM 300     RM 400     RM 500 and above

**Section 5: Product**

1. Do you feel that your current *Takāful* operator you are dealing with meet your particular needs and circumstances?  
 Yes                       No
2. Are you aware of the insurance/*Takāful* products which are in the market?  
 Yes                       No
3. Before renewing your insurance/*Takāful* each year, do you seek other products available in the market in term of prices, good services, *Mudhārabah* profit?  
 Yes                       No

**Section 6: Service**

1. Do you receive regular information on your products from the insurance/*Takāful* company?  
 Yes                       No
2. Does the insurance/*Takāful* company update you via mail or email about their new products?  
 Yes                       No
3. Do you receive your renewal documents and /endorsement documents on timely basis?  
 Yes                       No
4. Do you plan to continue renewing your insurance/*Takāful* coverage with the current company?  
 Yes                       No
5. How would you rate the service you receive concerning renewal enquiries?  
 Excellent     good     Neutral     not bad     poor
6. Are your calls or email return promptly (quickly replied)?  
 Yes                       No     not sure
7. Have you had a claim during your insured period?  
 Yes                       No
8. If your answer yes in (No. 7), does the company handle your claims efficiently and fairly?  
 Yes                       No
9. Was the staff handling your renewal enquires or claims sufficiently knowledgeable?  
 Yes                       No     not sure

Should you have any suggestions to better services in your mind please state.....

.....  
Your cooperation and time is highly appreciated  
Thank you