

Demand of Family Takaful in Malaysia: Critical Determinant Factors Examined

JULIANA ARIFIN

Assistant Lecturer, Faculty of Business Management and Accountancy
Universiti Sultan Zainal Abidin (UniSZA)
Gong Badak Campus Terengganu Darul Iman, Malaysia

AHMAD SHUKRI YAZID

Professor, Research Institute for Islamic Products & Civilisation
Faculty of Business Management and Accountancy Universiti Sultan Zainal Abidin (UniSZA)
Gong Badak Campus Terengganu Darul Iman, Malaysia
Email: shukri@unisza.edu.my

MOHD RASID HUSSIN

Professor, School of Economics, Finance and Banking (SEFB)
College of Business (COB) Universiti Utara Malaysia (UUM) Kedah Darul Aman, Malaysia

Abstract

It was reported that Malaysia has experienced a low penetration rate for the Family Takaful business despite the many forms of incentives provided by the Government. The available literature that focuses on life assurance and related research on Family Takaful is rather scarce. In view of this, it must be mentioned that, this particular study is significant because it provides a critical insight and better understanding of the critical factors that actually determine the Family Takaful demand in Malaysia. Thus, the main objective of this study is to determine the critical factors for Family Takaful demand among Muslim customers in Malaysia. The study involves a survey using structured questionnaires to solicit responses from Muslim customers who have joined Family Takaful plans in selected leading Takaful companies. Data analysis involves the use of stepwise regression analysis. From a set of factors that contributed to the Family Takaful demand in this study, the eventual result of regression analysis showed that religious adherence (including all dimensions such as faith and belief, obligatory Islamic practices, and highly recommended non-obligatory Islamic practices), reputation and image were the critical factors that influence family Takaful demand among Muslim customers in Malaysia.

Key Words: *Takaful, Islamic Insurance, Family Takaful, Malaysia.*

Introduction

The word Takaful was derived from the word *kafala* which means 'joint guarantee or guaranteeing each other.' It is visualised as a pact that guarantees individuals in a group against loss or damage faced by anyone of them (Yusof, 1996; Ahmad, 2007; Alias, 2009). By referring to the Takaful Act (1984), Takaful means a scheme based on brotherhood, solidarity and mutual assistance to the participants in case of need whereby the participants mutually agree to contribute for that purpose. According to Billah (2003), Takaful is a financial transaction of mutual co-operation between two parties towards providing a financial security for one of them against any misfortune. Regardless of the different views about the meaning of Takaful, the

central idea of Takaful itself is to protect one another against any unexpected risk. Besides, the Takaful system is perceived as a concept of mutual cooperation (*ta'awun*) and donation (*tabarru'*), where the risk is shared collectively and voluntarily by the group of participants to guarantee mutual protection of the members (Ali, 2007 & Redzuan et al., 2009). For example, a group of persons who agree to jointly indemnify the loss or damage that may be inflicted upon any of them, out of the fund they donate to collectively. It is highly encouraged in Islamic teachings to help each other in any event of misfortune. Based on the Holy Quran, Allah SWT mentioned that: "...Help you one another in Al Birr and At Taqwa (virtue, righteousness and piety); but do not help one another in sin and transgression..." (Al-Maidah: 2).

Nowadays, Takaful is not a new phenomenon as Takaful business is widespread in many countries throughout the world today. During the past two (2) decades, the Takaful industry has been established worldwide both in Muslim and non-Muslim countries. For instance, these industries are concentrated in the Far East countries such as Malaysia, Indonesia, Singapore, and Brunei which experienced further developments of Takaful operations in these countries. Meanwhile, in the Middle East, the Takaful industry concentrates in Saudi Arabia, Bahrain, Qatar and Iran with new Takaful operations opening up in Egypt, UAE and Kuwait.

The Takaful industry has experienced a significant development as it is one of the important components of the Islamic Finance system. Due to this, the Takaful industry is continuously creating the root that is strong enough to take its place together with the conventional insurance industry as a valid alternative in key markets. Even though the Takaful industry is still characterized by low market penetration in the world compared with the conventional insurance market (Ernst & Young World Takaful Report, 2011) the Takaful industry appears to be doing well and strives to improve the competitive performance so that Takaful can successfully have a positive outlook similar to the conventional insurance performance in the world today. In the case of Malaysia for instance, the Government's aspiration toward the Takaful industry is to create an efficient, progressive and comprehensive Islamic financial system that contributes significantly to the effectiveness and efficiency of the Malaysian financial sector while meeting the economic needs of the Nation. In line with this, Idris (2011) stated that the success of the industry lies in its ability to collectively position itself strategically to meet the needs of the economy and the ability to be competitive and innovative.

The Takaful market has become more diverse as there has been a tremendous increase in the number of Takaful operators in Malaysia. From the Malaysian Takaful industry development perspective, the role of Takaful operators is important as intermediaries between the customers and Takaful operators which can contribute to the high performance for the Takaful industry in Malaysia (Abdul Hamid and Ab.Rahman, 2011). Based on Shahril Azuar Jimin (2011), Chief Executive Officer of Etiqa Takaful Bhd, Malaysia, as at 2010, has a total of 12 Takaful Operators as compared to a single Takaful Operator way back in 1984. Although Malaysia's Takaful industry has seen tremendous growth from year to year, it still lags behind its conventional peers in terms of total insurance market penetration and share. According to Takaful Ikhlas Sdn.Bhd president and Chief Executive Officer Datuk Syed Moheeb Syed Kamarulzaman (2010), the penetration rate for Takaful in Malaysia was around 10%, compared with conventional insurance at 40% in 2010. By referring to the Bank Negara report (2012), there are significant differences between the total assets of the Malaysian insurance industry and the Takaful industry. From the table below, it can be seen that the total fund assets for the Takaful industry was only RM10.6 billion in 2008 as compared to conventional insurance, with RM130.9 billion for the same period. In 2012 the total assets for the Takaful industry had increased to RM19.1 billion compared to RM195.6 billion for conventional insurance. In terms of total assets for the Insurance and Takaful industry, it can be concluded that the Takaful fund was far behind the conventional insurance.

Table 1: Takaful and Insurance Fund Assets

Fund Asset (RM million)	2008	Growth	2009	Growth	2010	Growth	2011	Growth	2012	Growth
Takaful	10.6	17.0%	12.4	14.5%	14.7	15.6%	16.9	13.0%	19.1	11.0%
Insurance	130.9	6.5%	148.6	11.9%	166.2	10.6%	178.3	6.9%	195.6	8.8%

Source: Bank Negara Malaysia Report (2012)

Problem Statement

Bank Negara Malaysia (BNM) which is the Central Bank of Malaysia played an important role by allowing the Takaful business to further enhance the development of the Takaful industry in this country. It has been witnessed that the Takaful industry in Malaysia has been undergoing a steady growth and has faced rapid changes over the last five (5) years. According to the BNM Report (2012), the growth of this particular industry can be seen through its business performance. Table 2 shows that the total value of Takaful business performance in terms of gross contribution had increased from RM2,854 million in 2007 to RM5,220 million in 2012. For the Family Takaful business, the gross contribution had also increased from RM1,980 million in 2008 to RM3,475 million in 2012. Similarly for the general Takaful business, the gross contribution increased, albeit at a slower pace from RM874 million in 2008 to RM1,745 million in 2012 compared with the performance of Family Takaful business. In short, the Takaful industry in Malaysia had witnessed a much stronger contribution by family Takaful business as compared with the general Takaful business.

Table 2: Takaful Business Performance (2008-2010)

RM Million	2008	Growth (%)	2009	Growth (%)	2010	Growth (%)	2011	Growth (%)	2012	Growth (%)
Family Takaful	1,980	33.2	2,178	10.0	2,587	18.8	2,695	4.2	3,475	28.9
General Takaful	874	13.8	1,054	20.6	1,346	27.7	1,600	18.9	1,745	9.2
Total	2,854	47	3,232	30.6	3,933	46.5	4,295	23.1	5,220	38.1

Source: Bank Negara Malaysia Report (2012)

However, it was reported that there is a large untapped market that still exists with only 54 percent of the population having life assurance or Family Takaful policies in 2010 (Abd. Kadir, 2011). By zooming into the Family Takaful market, the Family Takaful penetration rate was merely 10 percent of the population in 2010 (OSK Research Report, 2012). This was supported by Hashim (2012) where the market penetration rate for Family Takaful business in Malaysia is relatively low and remains largely untapped, therefore presenting a huge business opportunity. Due to this untapped market in Family Takaful, Malaysia intends to improve and achieve greater penetration in the Family Takaful market. For example, the Malaysian Government had introduced several incentive schemes such as personal tax relief for Employees Provident Fund (EPF) and life assurance or Takaful premiums from RM5,000 to RM6,000. In addition, new parliamentary initiatives from the Government such as the New Economic Model (NEM), Economic Transformation Program (ETP) and the Tenth Malaysia Plan would lead to a growth in demand for Takaful products and services. Despite the many form of incentive schemes already provided by the Malaysian Government as a way or means to encourage many more Malaysians to join the Family Takaful, majority

of the population is still underinsured. Thus, an interesting question that arises in this study is what are the critical factors that influence the Family Takaful demand in Malaysia. The aim of this study however, is to examine critical factors that contribute significantly to the Family Takaful demand in Malaysia on the whole.

Literature Review

Determinants of Family Takaful Demand

Even though substantial studies have been conducted on Takaful, the studies for Family Takaful itself are still less compared with conventional life assurance studies. As previously noted, prior attempts to examine the conventional life assurance demand have been based on demographic factors (Hammond et al., 1967; Duker, 1969; Headen and Lee, 1974; Burnett and Palmer, 1984; Truet and Truet, 1990; Showers and Shotick, 1994; Gandolfi and Miners, 1996; Lin and Grace, 2007; Kwon, Lee and Chung, 2010) and economic variables (Neumann, 1969; Cargill and Troxel, 1979; Babble, 1981, 1985; Lim and Haberman, 2004; Ching et al. 2010). Meanwhile, only few studies in Takaful focused on demographic variables such in the study of Mohd Zain (2000), Hashim (2006), and Ahmad Musadik (2010). Besides this, economic factors are also familiar in the study of Family Takaful (Redzuan et al., 2009). A recent article by Ariffin *et al.*, (2013) has proposed a conceptual framework in order to study Family Takaful demand.

However, the main stream of this study focuses on the determinant factors of Family Takaful demand among the Muslim customers in Malaysia by examining the various combining factors to predict the demand for Family Takaful. Since the researchers face a significant problem in terms of the number of available literature and research on this particular study, the researchers have to rely on relevant literature of Islamic finance and Islamic banking from previous studies in order to find the determinants behind the demand for Family Takaful among Muslims in Malaysia. It must be mentioned that a research study in this particular area would undoubtedly provide a highly useful new insight into the factors that could possibly influence the Muslim customers towards the demand for Family Takaful plans. There will be multiple variables that can be used to check which factors contributed more to the Family Takaful demand. Inclusion of these variables should help identify a comprehensive set of predictor variables. Following this, it eventually led to the formation of the conceptual framework of this study. In this regard, it is therefore important to suggest that this current study is definitely different as compared with other previous studies and could significantly contribute to the existing body of literature for Family Takaful in particular. These factors are highlighted and discussed below.

Religious Adherence

Mansor (2004) found that religious factors had a positive and significant relationship towards participation in Family Takaful. Besides this, similar studies by Hashim (2006) and Mohd Deni (2009) supported the idea that the main factor to join Takaful was due to the existence of an Islamic compliance system and the Takaful operation which most of the Muslim respondents were highly concerned with. In line with this, Bley and Kuehn (2003) suggested that Muslims expected to be more familiar with the teachings codified in the *Shari'ah*, which in turn is the basis for Islamic finance concepts. According to Wan Ahmad et al. (2008) the individual who receives higher formal religious education exposures tends to subscribe to Islamic financing products. Al-Sultan (1999) clarified that although 52 percent of Islamic banking customers want to deal with the commercial banks for better services and products, yet observance to the religion of Islam is the foremost reason for commencing Islamic banking. Several studies have attempted to measure the impact of the religiosity factor on the selection of Islamic banking (Naser et al., 1999; Wan Ahmad et al., 2008; Al-Ajmi, 2009; Marimuthu, 2010; Adnan, 2010; Awan and Bukhari, 2011). These findings indicated

that there are significant differences between the level of religiosity and Islamic banking as their main choice of Islamic bank preference. The study by Idris et al. (2011) revealed that religious values stand as the most important factor of influence among academicians in public institutions of higher learning to patronize Islamic banking, especially those from the East Coast of Peninsular Malaysia.

Reputation and Image

There are many studies which have considered 'reputation and image' as a combined factor which was contributed to the selection of Islamic financial field such as in banking, finance as well as in insurance or Takaful (Haron et al., 1994; Naser et al., 1999; Almosawi, 2001; Dusuki and Abdullah, 2007; Rammal and Zurbruegg, 2007; Gait and Worthington, 2008; Al-Ajmi et al., 2009; Lateh et al., 2009; Hoq et al., 2010; Mansour et al., 2010; Adnan, 2010; Bashir et al., 2011). The results of these studies indicated that both reputation and image are reasons for selecting Islamic banking (Naser et al., 1999 and Al-Ajmi et al., 2009). This is supported from other previous findings, which affirmed that the strong image of the bank institution (Ekrem et al., 2007; Rammal and Zurbruegg, 2007; Hoq et al., 2010) and its reputation (Naser et al., 1999; Almosawi, 2001; Dusuki and Abdullah, 2006; Gait and Worthington, 2008; Amin, 2008; Mansour et al., 2010) were important contributors in the selection of Islamic banking among customers. This is in line with the Takaful study, which found that a majority of respondents chose reputation as their reason for choosing Takaful in dealing with business (Bashir et al., 2011).

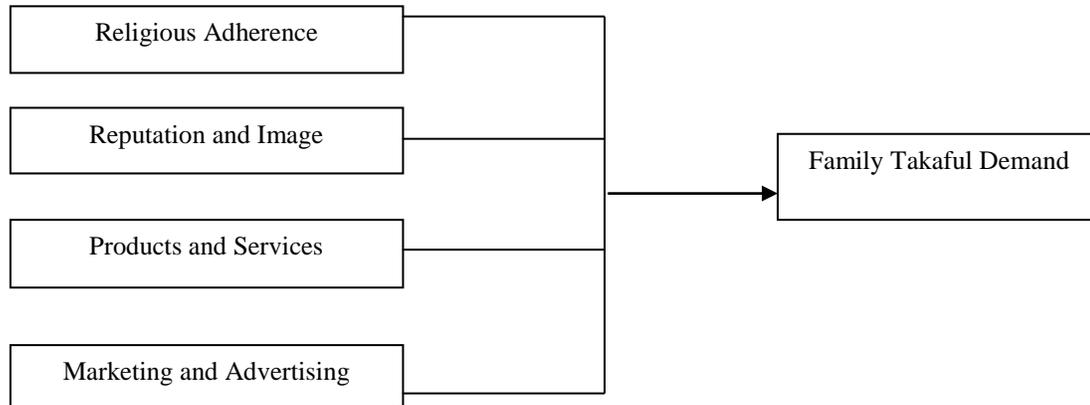
Products and Services

There were studies that focused both on the customers' awareness and satisfaction of products and services in the Islamic financial system (Naser et al. 1999; Ahmad and Haron, 2002; Bley and Kuehn, 2003; Dusuki and Abdullah, 2007; Al-Ajmi et al.; Adnan, 2010; Mansour et al., 2010). A few of the studies focused only on the consumers preferences to Islamic banking products (Gerrard and Cunningham, 1997; Metawa and Almoswawi, 1998; Bley and Kuehn, 2003; Rammal and Zurbruegg, 2006). Meanwhile, some of the studies focused on consumers' attitude, perception and knowledge of Islamic financial products (Yusof and Shamsuddin, 2003; Gait & Worthington, 2008). These studies showed that a majority of customers prefer to choose products and services that conforms to Shariah (Naser et al. 1999; Ahmad and Haron 2002; Al-Ajmi et al., 2009; Mansour et al., 2010; Rustam et al., 2011). In addition, the study by Bashir et al. (2011) indicated that products which are easily understood is one of the critical reasons for choosing Takaful operators.

Marketing and Advertising

Promotion of any product or services that gives a false illusion is strictly forbidden in Islam, and marketers must have an ethical reason when creating an advertisement that is false or misleading, deceptive or manipulative (Damirchi&Shafai, 2011). According to Rice and Al-Mossawi (2002) and Chachuła et al. (2012) the Islamic religion plays a significant role in the effectiveness of various marketing strategies targeted to Muslims. Therefore, it concluded that any business which inflates or misrepresents the features of a product or service represents unethical marketing and advertising (Ibn al- Ukhuwwah, 1938 as cited in Hakim et al., 2011). There has been some research on marketing and advertising which can influence customers' buying behaviour (Abideen and Saleem, 2011; Gilaninia and Ghashlagh, 2012) and the selection of Islamic banks (Haron et al., 1994; Gerrard and Cunningham, 1997; Hassan et al., 2008; Haque, 2010; Adnan, 2010; Hakim et al. 2011). Similarly, other studies indicated that there was a significant relationship between effective marketing and advertising and the consumers' buying behaviour (Abideen and Saleem, 2011; Gilaninia and Ghashlagh, 2012). Furthermore, Haron et al. (1994), Gerrard and

Cunningham (1997), and Adnan (2010) argued that marketing and advertising influence customers selection of Islamic banks.



Conceptual Framework

Materials and Methods

The researchers conducted a survey by using primary data where a set of structured questionnaires were distributed to the selected respondents. For the purpose of this study, the questionnaire comprises five (5) major parts: religious adherence, reputation and image, products and services, and marketing and advertising, and Family Takaful demand. The questionnaire for independent variables was adapted from Adnan (2010) by using a Likert scale while the questionnaire for family Takaful demand was adapted from Hammond et al. (1967) which measured life assurance demand with the total premium paid. But, in the context of this study, total contribution was used instead of total premium. The question in this section asked about the amount of contribution per month to the overall family Takaful policies that they have. The question in this section used ratio scale which required the respondents to fill the exact amount of contribution per month.

With respect to convenience sampling, self-administered questionnaires were distributed to 384 respondents. The target respondents were Muslim customers who had joined Family Takaful plans in companies that are fully fledged Islamic insurance businesses located in Malaysia. These target respondents in this study will help the researchers to collect the primary data which can be used to achieve the objectives of the study successfully. Finally, out of 384 questionnaires sent out, 276 questionnaires were received but the usable sample that could be used in the study was only 243 (63%) whereas, 33 samples were rejected due to the questionnaires returned to the researcher were left unanswered or had incomplete answers.

The basic research design utilized for this study was a survey design. The study stressed data obtained through primary data collection. The collection of primary data was accomplished by hand-delivery to personnel agents of the Takaful companies headquarters located in Malaysia licensed by BNM to distribute to their customers of Family Takaful plans.

Results and Discussions

To identify the factors that most influence the demand for Family Takaful, stepwise regression analysis was used. There are six (6) models selected as predictors for Family Takaful demand. These predictors consist

of three (3) models of dimensions for the religious adherence factor, which are faith and belief, obligatory Islamic practices, and highly recommended non-obligatory Islamic practices. Meanwhile, the other three (3) models came from the main independent variables such as reputation and image factor, products and services factor, and marketing and advertising factor. By using the regression analysis model, it was found that of the six (6) variables proposed, there are four (4) predictor variables which contributed to the demand for Family Takaful comprising obligatory Islamic practices, highly recommended non-obligatory Islamic practices, faith and belief, and reputation and image.

Table 3: Results of Stepwise Multiple Regression Analysis:
The Factors Influence on the family Takaful Demand

Model	R	R ²	ΔR ²	F	B	Beta	t	Sig.
(Constant)	.665 ^a	.442	.442	190.991	-507.339		-8.239	.000
Obligatory Islamic practices					193.445	.665	13.820	.000
(Constant)	.745 ^b	.555	.113	149.585	-544.922		-9.849	.000
Obligatory Islamic practices					143.206	.492	10.164	.000
Highly recommended non-obligatory Islamic practices					80.347	.378	7.797	.000
(Constant)	.766 ^c	.588	.033	113.468	-1139.335	.000	-7.764	.000
Obligatory Islamic practices					95.775	.329	5.469	.000
Highly recommended non-obligatory Islamic practices					69.293	.326	6.753	.000
Faith and Belief					187.354	.264	4.348	.000
(Constant)	.772 ^d	.597	.009	87.975	-1214.301	.000	-8.149	.000
Obligatory Islamic practices					92.726	.319	5.353	.000
Highly recommended non-obligatory Islamic practices					66.089	.311	6.349	.000
Faith and Belief					181.667	.256	4.247	.000
Reputation and Image					32.005	.099	2.309	.022

Based on Table 3 above, the value of R² = 0.442 which shows that there is a 44.2% change in the dependent variable (Family Takaful demand) arising from the changes in the dimensions of religious adherence which is obligatory Islamic practices. The total variance, as explained by the second model after the entry of other dimensions of religious adherence, which is highly recommended non-obligatory Islamic practices was 11.3% (model 2, Δ R² =0.113). Meanwhile, the total variance explained by the third model after the entry of the third dimension for religious adherence, which is faith and belief, was 3.3% (model 3, Δ R² =0.033).

In line with this, the total variance explained by the fourth model after the entry of the reputation and image factor was only 0.9% (model 4, $\Delta R^2 = 0.009$). The linear combination of these four (4) variables accounted overall for 59.7% of the variance in the dependent variable. The results in this study demonstrated that all dimensions of religious adherence factors (faith and belief, obligatory Islamic practices, and highly recommended non-obligatory Islamic practices) and reputation and image factors are able to predict Family Takaful demand in Malaysia. Therefore, the regression equation that would allow predicting the Family Takaful demand in this study is:

$$FTD = -1214.301 + 92.726XOIP + 66.089XHRNIP + 181.667XFB + 32.005XRI$$

Where,

- FTD : Family Takaful Demand
- OIP : Obligatory Islamic Practices
- HRNIP : Highly Recommend Non-obligatory Islamic Practices
- FB : Faith and Belief
- RI : Reputation and Image

From the regression results, all dimensions of religious adherence can be the best predictor for Family Takaful demand. It has been seen that obligatory Islamic practices can give a large influence to Muslim customers to contribute to Family Takaful demand. This is followed with the highly recommended non-obligatory Islamic practices which showed that when Muslims obey with their obligatory Islamic practices, they also commit with their highly recommended non-obligatory Islamic practices which finally can attract them to contribute to Family Takaful. Faith and belief is another dimension for religious adherence which contributed also to the demand for Family Takaful despite the fact that it gives the least influence towards Family Takaful demand. This finding proved that there was a significant influence between religious adherence factors and the Family Takaful demand among the Muslim customers in Malaysia. The results are in accordance with the study of Adnan (2010) who found that all dimensions of religious adherence can predict the selection of Islamic banking institution among Muslims in Terengganu. This is supported by the previous studies which found that individuals who have higher religiosity tend to deal with the Islamic financial system (Abdullah and Majid, 2003; Idris, 2011).

Besides all the above findings, it can also be seen that reputation and image are other predictor variables that could contribute to the demand for Family Takaful although it is less influential compared with all the dimensions in the religious adherence factor. This is supported by the previous studies which found that reputation and image as a combined factor contributed to the selection of Islamic financial fields such as in banking, finance as well as in insurance or Takaful (Haron et al., 1994; Naser et al., 1999; Almosawi, 2001; Dusuki and Abdullah, 2007; Rammal and Zurbruegg, 2007; Gait and Worthington, 2008; Al-Ajmi et al., 2009; Lateh et al., 2009; Hoq et al., 2010; Mansour et al., 2010; Adnan, 2010; Bashir et al., 2011).

Conclusions

The overall study and extremely useful findings are important evidences that confirm the fact that Muslim customers joined the Family Takaful because they adhere with religious belief that finally brings them to become involved with the Family Takaful plans. In addition, Muslim customers also look into the reputation and image of the Takaful Company itself to ensure that the company chosen consists of an Islamic compliance system before they make a decision to purchase the Family Takaful. This particular study shows how these factors actually contributed to the family Takaful demand, especially among Muslim customers in Malaysia. The findings of this study provided compelling insights about the best predictors which contribute to the Family Takaful demand such as religious adherence [with three (3) dimensions: faith and belief, obligatory Islamic practices, and highly recommended non-obligatory Islamic

practices] including reputation and image of the Takaful company Family itself. This information is very useful to Takaful institutions and policy makers that enable them to formulate appropriate strategies to increase the demand for Family Takaful in the long-run for Malaysia.

References

- Abdul Hamid, M., & Ab.Rahman, N.(2011). Commitment and Performance : A Case of Takaful (Islamic Insurance) Representatives in Malaysia. *Australian Journal of Basic and Applied Sciences*, 5(10), 777-785.
- Abd Kadir, M. R. (2011). *Promoting the takaful industry in Malaysia*. Central Bank of Malaysia.
- Abideen, Z., & Saleem, S. (2011). Effective Advertising and its Influence on Consumer Buying Behavior. *European Journal of Business and Management*, 3(3), 55–66.
- Adnan, A.A. (2010). *Penentu Pemilihan Institusi Perbankan Islam Dalam Kalangan Muslim di Terengganu*. Tesis Doktor Falsafah. Universiti Sains Malaysia. Tidak diterbitkan.
- Ahmad, M. S. (2007). Takaful in Southeast Asia: The Growing Pains and Challenges? *ICMIF Takaful*, pp.2.
- Ahmad Musadik, S. H. S. (2010). *Factors Influencing The Tendency To Subscribes With Takaful Among Martial Arts Practitioners*. Master Thesis. Universiti Utara Malaysia.
- Ahmad, N., & Haron, S. (2000). Perceptions of Malaysian Corporate Customers Towards Islamic Banking Products and Services. *International Journal of Islamic Financial Services*, 3(4).
- Al-Ajmi, J., Hussain, H. A., & Al-Saleh, N. (2009). Clients of conventional and Islamic banks in Bahrain: How they choose which bank to patronize. *International Journal of Social Economics*, 36(11), 1086-1112. doi:10.1108/03068290910992642
- Alias, A. (2009). *Takaful (Islamic Insurance)*. Islamic Banking and Finance Institute Malaysia.
- Ali, M. (2007). *Basis and Models of Takaful : The Need for Ijtihad*.
- Almossawi, M. (2001). Bank Selection Criteria Employed by College Students in Bahrain : An Empirical Analysis. *International Journal of Bank Marketing*, 19(3), 115–125.
- Al-sultan, W. (1999). Financial characteristics of interest-free banks and conventional banks. *PhD thesis University of Wollongong*.
- Anonymous. (2009). Islamic Finance : The Determinants of the Demand for Family Takaful in Malaysia, 1-24.
- Ariffin J, Ahmad Shukri Yazid and Zunaidah Sulong (2013). “A Conceptual Model of Family Takaful (Islamic Insurance) Demand in Malaysia”. *International Business Research*, Vol 6. No. 3, 210-216
- Awan, H. M., & Bukhari, K. S. (2011). Customer’s criteria for selecting an Islamic bank: evidence from Pakistan. *Journal of Islamic Marketing*, 2(1), 14-27. doi:10.1108/17590831111115213
- Bank Negara Malaysia. (2012). *Takaful Annual Report 2012* (Kuala Lumpur: Bank Negara Malaysia).
- Bashir. M. S., & Mail. N. H. H. (2011). Consumer Perception on Takaful Business In Brunei Darussalam. *International Conference on Management Proceeding*, 1144-1163.
- Billah, M.M. (2003). *Islamic Insurance (Takaful)*. Ilmiah Publisher Sdn. Bhd., Selangor, Malaysia.
- Bley, J., & Kuehn, K. (2003). Conventional Versus Islamic Finance: Student Knowledge and Perception in the United Arab Emirates. *International Journal of Islamic Financial Services*, 5(4), 1-13.
- Burnett, J. J., & Palmer, B. A. (1984). Examining Life Insurance Ownership through Demographic and Psychographic Characteristics. *Journal of Risk and Insurance*, 51, 453-467. <http://dx.doi.org/10.2307/252479>
- Cargill, T. F., & Troxel, T. E. (1979). Modeling Life Insurance Savings: Some Methodological Issues. *Journal of Risk and Insurance*, 46 (3), 391-410.
- Ching, K. S., Kogid, M., & Furuoka, F. (2010). Causal Relation between Life Insurance Funds and Economic Growth Evidence from Malaysia. *Asean Economic Bulletin*, 27(2), 185. doi:10.1355/ae27-2c.

- Damirchi, G. V., & Shafai, J. (2011). A guideline to Islamic marketing mix. *Interdisciplinary Journal of Contemporary Research in Business*, 3(3), 1339-1347
- Duker, J. M. (1969). Expenditures for Life Insurance among Working-Wife Families. *Journal of Risk and Insurance*, 36(5), 525-533. <http://dx.doi.org/10.2307/251159>
- Dusuki, A. W., & Abdullah, N. I. (2007). Why do Malaysian customers patronize Islamic banks? *International Journal of Bank Marketing*, 25(3), 142-160. doi:10.1108/02652320710739850
- Earnst & Young. (2011). *The World Takaful Report 2011* (pp. 1-70).
- Earnst & Young. (2011). *The World Takaful Report 2011* (pp. 1-70).
- Ekrem, C., Ayyildiz, H., & ER, B. (2007). Effects of Image and Advertising Efficiency on Customer Loyalty and Antecedents of Loyalty: Turkish Banks Sample. *Banks and Banks System*, 2(1), 56-71.
- Gait, A., & Worthington, A. (2008). An Empirical Survey of Individual Consumer, Business Firm and Financial Institution Attitudes Towards Islamic Methods of Finance. *International Journal of Social Economics*, 35(11), 783-808.
- Gandolfi, A. S., & Miners, L. (1998). Gender-Based Differences in Life Insurance Ownership. *Journal of Risk and Insurance*, 63(4), 683.
- Gerrard, P., & Cunningham, J. B. (1997). Islamic banking: a study in Singapore. *International Journal of Bank Marketing*, 15(6), 204-216. doi:10.1108/02652329710184433
- Gilaninia, S., & Ghashlagh, B. G. (2012). Relationship Marketing System and Its Impact on Customer Buying Behavior. *Journal of Basic and Applied Scientific Research*, 2(3), 2473-2479.
- Hakim, S. A., Bhatti, O. K., & Al-jubari, I. (2011). Advertising of Islamic banking products. *Annals of Management Research*, (December), 60-70.
- Hammond, J. D., Houston, B. D., & Melander, R. E. (1967). Determinants of Household Life Insurance Premium Expenditures: An Empirical Investigation. *Journal of Risk and Insurance*, 34(3), 397-408. <http://dx.doi.org/10.2307/250854>
- Haque, A., Ahmed, K., & Jahan, S. I. (2010). Shariah observation: Advertising Practices of Bank Muamalat in Malaysia. *Journal of Islamic Marketing*, 1(1), 70-77. doi:10.1108/17590831011026240
- Haron, S., Ahmad, N., & Planisek, S. L. (1994). Patronage Factors of Muslim and non-Muslim Customers. *International Journal of Bank Marketing*, 32-40.
- Hashim, N. H. (2006). Islamic Life Insurance Purchasing Decision: A Preliminary Study, Master thesis. *University Sains Islam Malaysia*, 3(1) 153-170.
- Hashim, A. (2012). *Am Takaful Media Release: Commences Family Takaful Business*.
- Hassan, A., Chachi, A., & Latiff, S. A. (2008). Islamic Marketing Ethics and Its Impact on Customer Satisfaction in the Islamic Banking Industry. *J.KAU: Islamic Economic*, 21(1), 23-40.
- Headen, R. S., & Lee, J. F. (1974). Life Insurance Demand and Household portfolio Behavior. *Journal of Risk and Insurance*, 41(4), 685-698. <http://dx.doi.org/10.2307/251963>
- Hoq, M. Z., Sultana, N., & Amin, M. (2010). The Effect of Trust, Customer Satisfaction and Image on Customers' Loyalty in Islamic Banking Sector. *South Asean Journal of Management*, 17(1), 71-93.
- Idris, A. (2011). Takaful industry 'is set for major growth'. Second Annual World Takaful Conference: Family Takaful Summit Malaysia.
- Jimin, S. A. (2011). Evolution of the Malaysian Takaful Industry Brief Introduction to Takaful (pp. 1-38).
- Kwon, S-II., Lee, S.J., & Chung, S.Y. (2010). Household Characteristics on Demand for Life Insurance. *Geneva Papers*, 1-21.
- Lateh, N., Ismail, S., and Ariffin, M.N. (2009). Customers' Perceptions on the Objectives, Characteristics, and Selection Criteria of Islamic Bank in Thailand. *Gadjah Mada International Journal of Business*, 11(2), 167-189.
- Lim, C.C. and Haberman, S. (2004). "Modelling Life Insurance Demand from a Macroeconomic Perspective: The Malaysian Case," *8th International Congress on Insurance: Mathematics and Economics*, 14-16.
- Lin, Y., & Grace, M. F. (2007). Household Life Cycle Protection: Life Insurance Holdings, Financial Vulnerability, and Portfolio Implications. *The Journal of Risk and Insurance*, 74(1), 141-173.

- Mansor, M.R. (2004). *Industri Takaful Keluarga di Kalangan Masyarakat: Satu Tinjauan di Tanjung Malim, Perak*. Thesis Sarjana. Universiti Pendidikan Sultan Idris. Tidak diterbitkan.
- Mansour, W., Abdel hamid, M. B., Masood, O., & Niazi, G. S. K. (2010). Islamic banking and customers' preferences: the case of the UK. *Qualitative Research in Financial Markets*, 2(3), 185-199. doi: 10.1108/17554171011091746
- Marimuthu, M., Jing, C. W., Gie, L. P., Mun, L. P., & Ping, T. Y. (2010). Islamic Banking : Selection Criteria and Implications. *Global Journal of human Social Science*, 10(4), 52-62.
- Metawa, S. A. & Almosawi, M. (1998). Banking Behavior of Islamic Bank Customers: Perspectives and Implications. *International Journal of Bank Marketing*, 16(7), 299-313.
- Mohd Deni, M. (2009). *Perkembangan Sistem Takaful Di Malaysia*. Thesis Sarjana. Universiti Utara Malaysia. Tidak diterbitkan.
- Mohd Zain, A. N. (2000). *Insurans Islam (Takaful): Persepsi Kakitangan Universiti Utara Malaysia*. Thesis Sarjana. Universiti Utara Malaysia. Tidak diterbitkan.
- Naser, K., Jamal, A. & Al-Khatib, L. (1999). Islamic Banking: A Study of Customer Satisfaction and Preferences in Jordan. *International Journal of Bank Marketing*, 17(3), 135-150.
- Neumann, S. (1969). Inflation and Saving Through Life Insurance. *Journal of Risk and Insurance*, 36 (5), 567-582.
- OSK Research. (2012). *Syarikat Takaful Malaysia: An Undervalued Gem Unearthed* (Vol. 2012, 1-18).
- Truett, D. B., & Truett, L. J. (1990). The Demand for Life Insurance in Mexico and the United States: A Comparative Study. *Journal of Risk and Insurance*, 57, 321-328.
- Rammal, H. G., & Zurbruegg, R. (2007). Awareness of Islamic banking products among Muslims: The case of Australia. *Journal of Financial Services Marketing*, 12(1), 65-74. doi:10.1057/palgrave.fsm.4760060
- Redzuan, H., Rahman, Z. A., Aidid, S. S. S. H. (2009). Economic Determinants of Family Takaful Consumption: Evidence from Malaysia. *International Review of Business Research Papers*, 5 (5), 193-211.
- Rice, G., & Al-Mossawi, M. (2002). The Implications of Islam for Advertising Messages: The Middle Eastern Context. *Journal of Euro marketing*, 11 (3), 1-16.
- Rustam, S., Bibi, S., Zaman, K., Rustam, A., & Haq, Z. (2011). Perceptions of Corporate Customers Towards Islamic Banking Products and Services in Pakistan. *The Romanian Economic Journal*, (41), 107-123.
- Showers, V. E., & Shotick, J. A. (1994). The Effects of Household Characteristics on Demand for Insurance: A Tobit Analysis. *Journal of Risk and Insurance*, 61 (3), 492-502.
- Syed Moheeb, S.K. (2010). *Takaful operators need to 'up their game'*. *Insurance News*. Takaful Act. (1994). *Laws of Malaysia*. Bank Negara Malaysia.
- Yusof, M. E., & Shamsuddin, A. S. (2003). Muslim Consumers Attitude towards Islamic Finance Products in a Non Muslim Country. *Jurnal Kemanusiaan*, 94-103.
- Yusof, M.F. (1996). *Takaful: Sistem Insurans Islam*. Utusan Publications & Distributors Sdn Bhd. Cheras, Kuala Lumpur.
- Wan Ahmad, W.M., Ab.Rahman, A., Ali, N.A., & Seman, A. C. (2008). Religiosity and Banking Selection among Malays in Lembah Klang. *Shariah Journal*, 16(2), 279-304.