

**LEVEL OF PUBLIC AWARENESS AND UNDERSTANDING
TOWARDS THE CONCEPTS OF TAKAFUL: CASE STUDY IN
ALOR SETAR, KEDAH, MALAYSIA**

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ABSTRACT

There have been many developments encouraging the emergence of a dynamic Takaful industry with rapid growth in market share, and this development is accompanied by noticeable challenges. Importantly these challenges include low market share and penetration rates. Examining the possible causes of these challenges this study tries to investigate this issue by conducting a preliminary study on the level of awareness and understanding of people in Alor Setar towards the concepts and Shariah terms in takaful. The study also examines participation rate of takaful among the population. A sample of 123 respondents in Alor Setar was surveyed. Out of 123 questionnaires distributed, 106 (86.2%) were returned. Majority of the respondents (56.6%) showed their awareness and understanding about *tabarru'* which is the main and core feature of takaful that totally makes it different from conventional insurance. Unfortunately, about 60% and 46.5% of the respondents do not know or understand about the elements of *gharar* and *maysir* respectively, whereas, 39% of the respondents are not aware or do not understand whether takaful is involved in *riba* or not. These three elements; *gharar*, *maysir* and *riba* are the features that make practice of conventional insurance against the principles of Shariah. Some of the findings in this paper may be useful for the takaful companies in their effort to enhance their marketing and promotion activities. The researcher proposes to undertake further studies, with larger sets of data to extend the survey in other regional states other than Kedah.

ABSTRAK

Terdapat perkembangan yang menggalakkan kemunculan industri Takaful yang dinamik dengan pertumbuhan pesat dalam bahagian pasaran. Tetapi, perkembangan ini disertai dengan cabaran ketara. Penting lagi cabaran-cabaran ini termasuk bahagian pasaran yang rendah dan kadar penembusan. Memeriksa punca-punca yang mungkin ini cabaran kajian ini cuba untuk menyiasat isu ini dengan menjalankan kajian awal ke atas tahap pengetahuan dan kefahaman orang-orang di Kedah terhadap konsep dan terma Syariah dalam takaful. Kajian ini juga mengkaji kadar penyertaan takaful di kalangan penduduk. Satu sampel 123 responden di Alor Star yang dikaji. Daripada 123 soal selidik yang diedarkan, 106 (86.2%) telah dikembalikan. Majoriti responden (56.6%) menunjukkan pengetahuan dan kefahaman tentang tabarru 'yang merupakan ciri utama dan teras takaful yang sepenuhnya menjadikan ia berbeza daripada insurans konvensional. Malangnya, kira-kira 60% dan 46.5% daripada responden tidak tahu atau faham tentang unsur-unsur gharar dan maysir masing-masing, manakala, 39% daripada responden tidak tahu atau memahami sama ada takaful yang terlibat dalam riba atau tidak. Ketiga-tiga unsur-unsur gharar, maysir dan riba adalah ciri-ciri yang membuat amalan insurans konvensional terhadap prinsip-prinsip Syariah. Beberapa penemuan dalam kertas kerja ini mungkin berguna untuk syarikat takaful dalam usaha untuk meningkatkan aktiviti pemasaran mereka dan promosi mereka. Pengkaji bercadang untuk menjalankan kajian lanjut, dengan set data yang lebih besar untuk melanjutkan kajian di negara-negara serantau yang lain selain daripada Kedah.

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