



## Research Summary

# Determining Factors of Adoption and Rejection of Takaful by Malaysian Youths

# Collaboration University and Researchers' Names

## Collaboration University

- ▶ International Islamic University Malaysia (IIUM)

## Researchers

- ▶ Rusni Hassan
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# Executive Summary

This research project aimed to **investigate the factors behind the adoption of Takaful products** by the youth in Malaysia.

In this research, primary data are collected by survey questionnaires from youths in Malaysia while secondary data used in this research includes articles, books, and internet resources. The primary surveys were conducted with a sample size of 1,489 in five Malaysian regions which are North, Central, Southern, East, and Borneo.



## Why Youths?

Youth or young adults, aged 18 to 34 years old, are a key group in any nation. Their wellbeing are crucial during these prime years, as they are **more prone to danger** due to:

- ▶ Active lifestyles
- ▶ Unhealthy or sedentary lifestyle
- ▶ Risk of injury from extreme sports

In 2019, the US-based Centre for Disease Control and Prevention (CDC) reports that **1 in 4 young adults** are now living with **diabetes**. Not only that, **1 out of 2 youngsters** in the world are affected by **hypertension**.

Despite these incidents and risks, youths are more likely to opt-in and purchase luxury or trendy items, in line with the **“You Live Only Once”** or YOLO principle and, thus, disregarding the importance of mitigating risk by adopting insurance/Takaful.

Consequently, previous research has shown **low insurance/ Takaful penetration in the young adults group**, which is quite worrying as they are at a higher risk than other age groups. As of 2020, the Malaysian Takaful Association (MTA) reported that the takaful industry’s penetration rate is only **29%**.

The lack of protection among these youngsters could potentially expose them to unexpected financial distress due to unforeseen emergencies such as death or total permanent disabilities.

# Summary of Findings

**1,489**  
Number of  
respondents

 **527**  
male

 **962**  
female

  
**88%**  
Single

  
**1,114**  
Malays

  
**90%**  
Muslims

  
**1,008**  
Students

 The most significant number of respondents were among those earning **less than one thousand ringgit (RM1,000)**

**914**  
Agreed

Insurance is the **most effective risk mitigation tool** available

**1,213**  
Responded

Insurance companies **should incorporate ethical values** in their product offerings

**702**  
Responded

They would **prefer not to use conventional insurance**

The **majority** of the respondents felt that **insurance is vital** for everyone, and are aware and **well-versed** in Takaful knowledge.

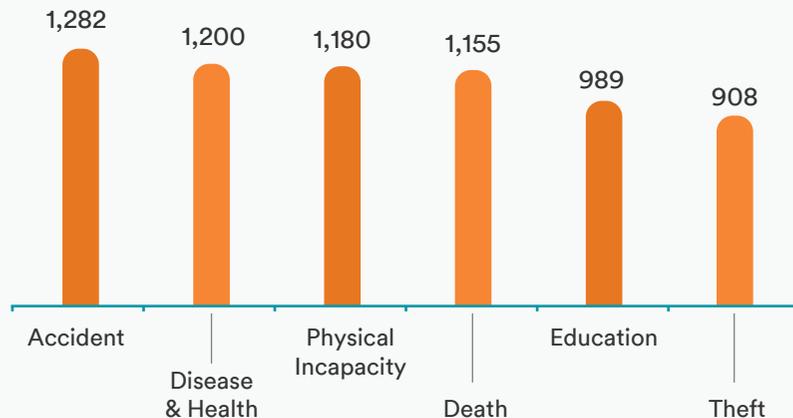
However, most of them were unfamiliar with the terms **“concept of conventional insurance”** and **“conventional insurance practices include an element of gambling”**.

# Summary of Findings

## Solid factors for spreading takaful awareness include:

- ▶ Agents
- ▶ Social Media
- ▶ Friends
- ▶ Family
- ▶ Neighbours
- ▶ Internet
- ▶ Television

## Takaful is regarded as necessary to cover...



## Why did they choose takaful?

- ✔ **Religion**  
Religiously permissible
- ✔ **Product Features**  
Easy to understand
- ✔ **Marketing**  
Describes the advantages and the disadvantages of takaful product
- ✔ **Social**  
It reduces the social burden
- ✔ **Service**  
Clear and transparent information
- ✔ **Agents**  
Agents are accountable

**100%** of respondents declare that takaful is Shariah-compliant

**317** respondents felt that takaful is **not a viable alternative** to traditional insurance

**370** respondents said takaful does not cover the same risks as conventional

# Conclusion

- ▶ In conclusion, even though **most youths are aware of and accept the importance of takaful subscriptions**, the research also cannot deny that there is **still a minority group unaware of takaful and refuse to subscribe** to it. Future research like case studies may be useful to **get an in-depth response to their rejection factor** through interviews with this group.
- ▶ Despite the findings showing a high factor of acceptance, **takaful industry players** should continuously **play an active role in educating the public as well as their agents** to ensure holistic participation by the youth as they are the voice of Malaysia in the future.

[Click here to read the full article](#)



**Thank you**



## Rumusan Kajian Faktor Penentuan Penerimaan dan Penolakkan Takaful dalam Kalangan Belia di Malaysia

# Kerjasama Universiti dan Nama-Nama Penyelidik

## Kerjasama Universiti

- ▶ International Islamic University Malaysia (IIUM)

## Penyelidik

- ▶ Rusni Hassan
- ▶ Syed Ahmed Salman
- ▶ Adnan Yusoff
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# Ringkasan Eksekutif

Projek penyelidikan ini bertujuan untuk **mengenalpasti faktor penerimaan produk takaful dalam kalangan belia di Malaysia.**

Dalam kajian ini, data utama diambil daripada tinjauan kaji selidik daripada belia di Malaysia manakala data sekunder yang digunakan termasuk artikel, buku, dan sumber-sumber internet. Tinjauan utama telah dijalankan dengan saiz sampel sebanyak 1,489 di lima wilayah Malaysia iaitu Utara, Tengah, Selatan, Timur dan Borneo.



## Mengapa Belia?

Belia atau remaja berumur 18 hingga 34 tahun adalah lingkungan umur yang penting bagi sesebuah negara. Kesejahteraan dan kebajikan mereka perlu **diutamakan** disebabkan usia muda lebih terdedah kepada:

- ▶ Gaya hidup aktif
- ▶ Gaya hidup tidak sihat atau sedentari
- ▶ Risiko kecederaan akibat sukan lasak

Pada 2019, Pusat Kawalan dan Pencegahan Penyakit (CDC) di Amerika Syarikat melaporkan bahawa **25% belia** kini menghidap penyakit **diabetes** dan **50%** anak muda menghidap **hipertensi**.

Walaupun terdedah kepada pelbagai risiko, sebahagian daripada belia lebih cenderung untuk membeli barangan mewah atau lebih gemar mengikutkan *trend* semasa, selaras dengan prinsip **“Hidup Hanya Sekali”**. Kesannya, kebanyakan diantara mereka telah mengabaikan kepentingan pengurusan pengurangan risiko melalui perlindungan insurans/takaful.

Kajian terdahulu menunjukkan bahawa **jumlah penembusan** insurans/Takaful yang **rendah** dalam kalangan belia amat membimbangkan. Mereka berpotensi **menanggung risiko yang lebih tinggi** pada usia itu. Sehingga 2020, Persatuan Takaful Malaysia (MTA) melaporkan bahawa **kadar penembusan** industri takaful hanya pada **29%**. Ini akan mendedahkan mereka kepada masalah kewangan yang tidak dijangka seperti kematian atau hilang upaya kekal.

# Ringkasan Dapatan Kajian

**1,489**

Bilangan  
responden



**527**  
lelaki



**962**  
perempuan



**88%**  
Bujang



**1,114**  
Melayu



**90%**  
Islam



**1,008**  
Pelajar



Bilangan responden yang menerima **pendapatan kurang daripada RM1000** adalah yang **terbanyak** dalam kajian ini.

**914**  
Bersetuju

Insurans ialah **alat pengurangan risiko paling berkesan** yang tersedia

**1,213**  
Menjawab

Syarikat insurans harus memasukkan nilai etika dalam penawaran produk mereka

**702**  
Menjawab

Mereka lebih suka untuk **tidak menggunakan insurans konvensional**

Majoriti responden menyedari bahawa insurans adalah **penting untuk semua orang** dan **mempunyai pengetahuan yang mendalam tentang takaful**.

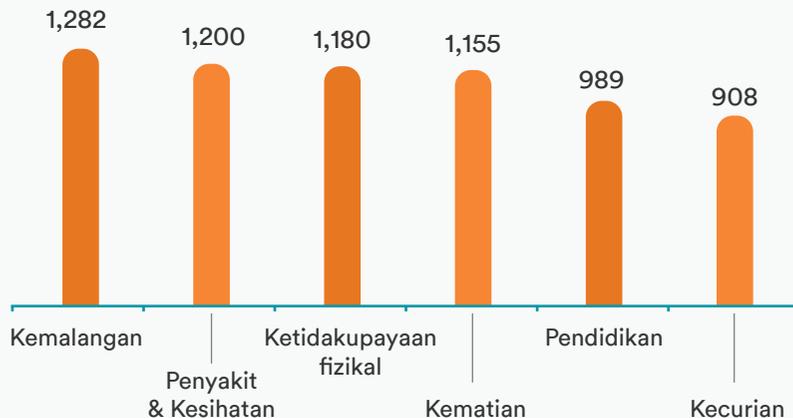
Walau bagaimanapun, kebanyakan responden tidak biasa dengan istilah **“konsep insurans konvensional”** dan **“insurans konvensional mengandungi unsur perjudian”**.

# Ringkasan Dapatan Kajian

## Medium penyebaran kesedaran takaful yang paling berkesan:

- ▶ Ejen
- ▶ Media sosial
- ▶ Rakan-rakan
- ▶ Keluarga
- ▶ Jiran
- ▶ Internet
- ▶ Televisyen

## Keperluan perlindungan takaful adalah untuk:



## Mengapa mereka memilih takaful?

- ✔ **Agama**  
Dibolehkan dalam agama
- ✔ **Ciri Produk**  
Mudah difahami
- ✔ **Pemasaran**  
Menghuraikan kelebihan dan kekurangan produk takaful
- ✔ **Sosial**  
Mengurangkan beban sosial
- ✔ **Perkhidmatan**  
Maklumat yang jelas dan telus
- ✔ **Ejen**  
Ejen yang bertanggungjawab

**100%** responden menyatakan takaful adalah patuh syariah

**317** responden berpendapat bahawa takaful **bukanlah alternatif** yang baik untuk insurans tradisional

**370** responden berpendapat, takaful **tidak melindungi risiko** yang sama seperti insurans konvensional

# Kesimpulan

- ▶ Majoriti belia sedar dan akur tentang **kepentingan memiliki perlindungan takaful**. Kajian ini juga tidak menafikan bahawa masih **ada segelintir mereka yang tidak mengetahui tentang takaful dan enggan memilikinya**. Bagi mengembangkan pemahaman dan meningkatkan jumlah perlindungan takaful dikalangan belia, kajian akan datang perlu menumpukan perhatian pada faktor penolakan perlindungan takaful secara mendalam.
- ▶ Walaupun kajian menunjukkan faktor penerimaan takaful yang tinggi, **pemain industri** harus terus memainkan **peranan aktif dalam mendidik orang ramai serta ejen-ejen mereka** untuk memastikan penyertaan holistik oleh belia kerana mereka bakal menjadi suara Malaysia pada masa hadapan.

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**Terima kasih**