

Customer perception on Takaful business in Sri Lanka

(Special reference to Amana takaful)

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Insurance is important to protect individuals and society against the risk they face in their day today life, it gives financial protection during disability, liability and damages and of medical or health. *Takaful* is an alternative to conventional insurance which has been structured considering Islamic perspective of risk management. It has emerged as an important component of the Islamic financial system. *Takaful* industry is developing rapidly with the establishment of Islamic banking in Sri Lanka since it was launched. With the growth of Islamic banking, *Takaful* also started to grow because; it is one of the risk mitigation tools for Islamic banking operations. The main objective of this research is to measure the customer perception on *Takaful* with special reference to Amana *Takaful*. Because, even it is an Islamic insurance the society has some misconception as well as some comments on *Takaful*. Thus this research has been done on customer perception on *Takaful* in Sri Lanka. The study has been done using quantitative method by analyzing the data collected using questionnaires. For the data analysis, descriptive statistical techniques are used. For hypothesis testing, spearman correlation and multiple linear regressions are used. The finding of this research shows that the most of the customers have positive perception on Takaful operations except on the claim process. So, the most common problem encountered by this research is the claim process of Amana Takaful is not fully satisfied. Therefore the study recommends Amana *Takaful* to take more care to obtain positive perception on claim process as well as to protect their positive perception on other components of the company and goodwill among the customers.

Key words: Customer perception, *Takaful*, Islamic finance