



UNIVERSITI TEKNOLOGI MARA

**CHALLENGES FACED BY ISLAMIC AND NON-ISLAMIC
INSTITUTIONS IN OFFERING MICROTAKAFUL AND
MICROINSURANCE PRODUCTS IN MALAYSIA**

NUR SYUHADAH BINTI ABDUL KHALID

2012586383

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

KAMPUS BANDARAYA MELAKA

JANUARY 2015

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA
“DECLARATION OF ORIGINAL MARA”**

I, NUR SYUHADAH BINTI ABDUL KHALID, (910602-14-5788)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or oversea and is not being concurrently submitted for this degree or other degrees.
- This project paper is the result of my independent work investigation, except where otherwise stated.
- All verbatim has been distinguished by the quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

LETTER OF SUBMISSION

5th January 2015

The Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

University Teknologi MARA

Kampus Bandaraya Melaka

75200 Melaka.

Dear Madam,

Submission of Project Paper

Attached is project paper titled, "Challenges faced by Islamic and non-Islamic in offering microtakaful product" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

(NUR SYUHADAH BINTI ABDUL KHALID)

ABSTRACT

Microtakaful and microinsurance fit into the product category for the low income and poor. This product is to empower people in seeking a way out of their poverty and to give them hope of being financially self-sustainable. However, it is not easy for the insurance and takaful institutions to provide this products to the low income and poor due to several reasons. The purpose of this study is to identify whether those factors which are awareness level, availability of expertise in insurance sector, moral hazard and also affordability of the poor will give challenges to the Islamic and non-Islamic insurance institutions in offering microtakaful and microinsurance products in Malaysia. The study was conducted among staff of insurance and takaful institutions in Kuala Lumpur and Selangor. It was found that all the independent variables have associate relationships with the challenges in offering these products. The researcher recommend that intervention and support from government is vital in providing the financial capacity for the poor to have the needed protection that principally cover death, medical and savings benefits. Besides that, government and insurance institutions should aggressively promote microtakaful and microinsurance products to increase the awareness level and to have better understanding on the importance of having insurance protection.

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