

FAMILY TAKAFUL SUBSCRIPTION: MOTIVATING FACTORS FOR GEN-Y

¹Muhammad Syafiq Ismail, ²Rusni Hassan

¹Institute of Islamic Banking and Finance, International Islamic University Malaysia (IIUM).

²IIUM Institute of Islamic Banking and Finance (IiBF), International Islamic University Malaysia (IIUM)

For Correspondence: hrusni@iium.edu.my

ABSTRACT: *The Takaful industry in Malaysia has grown substantially since its inception in 1984 to become among the global leaders of the industry. Family Takaful is a comprehensive financial instrument that offers more than financial protection. Although Family Takaful drives the Takaful industry in Malaysia, market penetration and awareness on the importance of Family Takaful are very low, particularly among Gen-Y. The purpose of this study is to identify what motivates Generation-Y (Gen-Y), as the largest segment of the population in Malaysia, to subscribe to Family Takaful. A total of four motivating factors were observed for this study which are Family Takaful industry's practice and regulation, Family Takaful products, individual's financial position and religious factors. Self-administered questionnaires were distributed randomly to members of Gen-Y who reside in greater Kuala Lumpur. Based on a descriptive analysis of the frequency of data collected, Gen-Y accepts all four factors as the motivating factors that influence their Family Takaful subscription behavior. They are in the best position to subscribe to Family Takaful for a lower contribution amount while having low financial commitment. Positive response for governmental support opens the door to increase market outreach through awareness programs. Gen-Y's satisfaction with the current product structure allows Family Takaful industry's players to divert their focus to improve operational services and governance. Further research on the subject matter at different geographical locations will provide comprehensive findings on what motivates Gen-Y in Malaysia to subscribe to Family Takaful.*

Key words: Family Takaful, Generation-Y, Motivating, Factors, Subscription.

1. INTRODUCTION

Family Takaful policy is an important component of an individual's financial management. It offers a medium of saving, investment, medical protection, mortgage settlement and retirement scheme, thus making it a comprehensive financial product. The significance of Family Takaful protection in Malaysia is proven by the rising medical inflation estimated increase from 2.40% in 2014 to 3.90% in 2015 as reported in Aon Hewitt 2015 Global Medical Trend Rate survey report [1]

Furthermore, the increase cost of living, particularly in greater Kuala Lumpur, adds to the financial pressure, with the mean monthly household consumption expenditure for urban area recorded at RM3, 921 for the year 2014. Gen-Y is among those affected by the rising day to day cost and medical expenses in Malaysia, particularly those living in Kuala Lumpur.

A study conducted by the Asian Institute of Finance (AIF) [2] shows that 51% of Gen-Y in Malaysia subscribe to Takaful, which opens an opportunity to explore the available 49% of the market share. The purpose of this study is to observe motivational factors that may influence subscription behavior of Gen-Y in subscribing to a Family Takaful plan. Gen-Y living in Kuala Lumpur will be specifically targeted to reflect current and future market potential, while simultaneously improve the level of awareness of the importance of Family Takaful that moves towards a necessity.

The Takaful industry in Malaysia has grown substantially since its inception in 1984. It is positioned as the leader of the ASEAN market, and only second behind Saudi Arabia in the global market for the year 2014. However, even with the increasing inflation of medical expenses, it can be observed that there is still low market penetration and awareness on the importance of Family Takaful in Malaysia, particularly among Gen-Y.

Gen-Y makes up 40% of the total population in Malaysia, but almost half of the population does not have any form of

insurance or Family Takaful protection. This prompts the researcher to question, why there exists a huge gap between available Gen-Y's market and Family Takaful subscription. Subsequently, what motivates Gen-Y to subscribe to Family Takaful?

The purpose of this study is to identify motivating factors that influence Gen-Y's Family Takaful subscription behavior. Greater Kuala Lumpur (Greater-KL) was selected as the location for this study for its geographical significance to the economic development of the country, and to reflect Gen-Y's financial capacity to subscribe to Family Takaful.

2. A BRIEF OVERVIEW OF FAMILY TAKAFUL IN MALAYSIA

Islamic Banking and Finance Institute Malaysia (IBFIM) divided Family Takaful into Individual and Group Family Takaful plans [3, 4]. The individual Family Takaful plan comprises the Ordinary Family Takaful plan which covers savings, education, mortgage and optional riders. Retirement annuity and Investment linked Takaful are also within the scope of the Individual Family Takaful plan, whereas the Group Family Takaful includes the Employee Benefit scheme which covers medical, retirement and optional riders, and Group Credit Takaful to settle financing facility. Investment-linked Family Takaful products recorded the highest growth in the period between 2009 and 2014 with 24.1% CAGR, signaling an increase in demand for the product. Ordinary Family Takaful products recorded 19.1% CAGR while individual ordinary Family Takaful recorded 8.6% CAGR. Annuity Family Takaful on the other hand, recorded a negative CAGR with -3.3% [5].

The Family Takaful is the combination of a mutual financial

assistance and a tool for long term investment to develop a caring society of mutual help among Takaful members [6]. The Family Takaful plan have moved towards a necessity for every individual further highlighting the significance of the Family Takaful plan [7].

Coverage

Based on a product listing extracted from all licensed Takaful operator's websites, Family Takaful products can be categorized into life, health protection, home, employment benefits, savings and investment plan. Life coverage provides compensation to the covered person or beneficiaries upon death, or Total Permanent Disability (TPD) of the covered person. Health protection provides a broader option of coverage which includes medical and surgery treatments, disability, critical illness, personal accidents, hospitalization benefits, nursing, and specific medical coverage for women and children. Mortgage-reducing Term Takaful (MRTT) is one of the coverage offered under home Takaful to secure ownership of a house by the participant or their beneficiary upon the occurrence of death or TPD of the participant. There is an option to include coverage on the content of the property. Employment benefit coverage offers an option for employers to provide their employees with life coverage, clinical treatment, medical and surgery treatment, and disability and critical illness coverage. The investment-linked plan helps their employees to grow their wealth as part of the employment benefits. Depending on the Takaful operator, available coverage options may offer products independently or in a package plan, often for a short-term period.

Savings and investment Takaful coverage may also offer products independently or in a package plan, known as an investment-linked product. The product structure depends on the financial objectives of the participants which may include education, retirement, and goal-oriented savings.

Family Takaful Model

There are four operating models currently structured for the application of Family Takaful business which are the *Wakalah* model, *Mudharabah* model, hybrid *Wakalah* and *Mudharabah* model and lastly, the *Waqf* model.

The Family Takaful the *Wakalah* model is based on an agency agreement between the Takaful operator and the Takaful participants [8]. A Takaful operator is entitled to an upfront fee charge on participant's contribution amount, which must be clearly disclosed to potential participants pre-signing of the agreement. A performance fee may also be charged upon the achievement of a pre-agreed performance indicator of a Takaful operator. The *Wakalah* model as practiced may raise Shariah issues regarding the misinterpretation of *tabarru'*, permissibility of surplus distribution and agency problem [8].

The Family *Mudharabah* model on the other hand, is based on a commercial contractual relationship between the participants, as the capital provider, and the Takaful operator as the entrepreneur. A profit sharing ratio must be clearly defined and agreed upon at the beginning of the agreement. A portion of the profit from the participant investment fund (PIF) which is agreed upon is the source of revenue for Takaful operators. Among the Shariah concern arising from the practice of the *Mudharabah* model is distribution of net underwriting surplus which may not representing the true

definition of profit in *Mudharabah* contract and the usage of the term *Qard Hassan* in the event of deficiency or loss of funds [9]. On the other hand, *Qard* is used as a legislative terminology by Bank Negara Malaysia (BNM) in its legislation and guidelines for clarity of understanding.

The hybrid model is the combination of the *Wakalah* and *Mudharabah* models. It is widely used in the Malaysian industry because it provides more sources of revenue for Takaful operators. The model is divided into two sections whereby the first section entitles a Takaful operator to an upfront *tabarru'* fee and performance fee from surplus of participant risk fund (PRF) and the second section entitles a Takaful operator a share of the profit from the investment revenue of PIF.

The fourth and final model, accepts a participant's contribution based on the principle of endowment, or *Waqf*, instead of *tabarru'*. A *Waqf* fund is established through initial capital from a Takaful operator within the Takaful fund. The objective is to extend benefits or financial assistance in the occurrence of loss to its members. *Waqf* will be the owner of the fund as a legal entity with the authority to determine the surplus distribution procedures. Fees and charges apply similarly as the previous three models.

Literature Review

Redzuan *et al.* [10], examined the relationship between macroeconomic factors and the demand for Takaful consumption in Malaysia. Contribution per capita and contribution per worker are two independent variables selected and five macroeconomics factors were identified as the dependent variables which are income, interest, inflation, savings and stock. The general form of the theoretical framework equation proposed is as follows: Demand = f (Income, interest, inflation, saving, stock) + ϵ The findings from a multiple regression analysis conducted finds that only income has a positive relationship with demand while other factors showed negative or non-significant relationship with the demand for Takaful in Malaysia.

Mansor *et al.* [11] used the Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) path analysis to study the factors that influence Muslim consumers about Takaful in Malaysia. A self-administered questionnaire was used as their measurement procedure, three dependent variables were identified which are awareness, perception and religion, expected to have positive relationship with demand for Takaful. The result of the study shows significant influence from perception and religious factors towards preference for Takaful in comparison to awareness. The respondents perceive Takaful products are as better than conventional insurance mainly due to religious reasoning.

Arifin *et al.* [12], examined the critical factors for family Takaful demand among Muslim customers in Malaysia. The study involved a survey using structured questionnaires to solicit responses from 243 Muslim customers who have joined family Takaful plans in selected leading Takaful companies. The results from a stepwise regression analysis show that religious adherence, reputation and image were the critical factors that influence family Takaful demand among Muslim customers in Malaysia.

Sherif and Shaari [13], studied demand determinants of family Takaful in Malaysia. They used the ordinary least

square and generalised method of moment techniques. The study period is from 1986 to 2010. They found that income, Islamic banking development, education, dependency ratio, and Muslim population factors are positively related to Takaful demand. On the contrary, inflation, real interest rate, financial development and life expectancy are the significant factors that adversely influence the demand for family Takaful.

Htay and Salman [8, 9], highlight Shari'ah and ethical problems in the exercise of a modified wakalah model and modified Mudarabah model for family Takaful products in Malaysia. They recommend that Shari'ah and ethical issues should be resolved as soon as possible and the regulators should improve the existing model or announce or recommend that a new model to reflect the concept of donation and mutual help.

Gustina and Abdullah [14], analysed the demand for family Takaful and life insurance in Malaysia by using the multiple regression model, i.e. F-Test and T-test. In addition, coefficient determination and multicollinearity tests were run. They collected the data from Bank Negara Malaysia and Department of Statistics Malaysia for the 1990-2009 period. The findings show that GDP per capita, education, savings and religion are positively and significantly related to the demand for family Takaful. At the same time, GDP per capita, savings and religion positively and significantly influence the demand for life insurance. Customer Price Index and Saving negatively influenced the demand for family Takaful while age, savings and religion negatively influenced life insurance.

Salman [15], compared the Takaful models from seven aspects, including splitting the participant contribution, payment for Re-Takaful contribution and reserves, operating expenses, surplus sharing, profit sharing from the PIF, claims, surrender, maturity and interest free loan. There is some variation among the models in terms of allocating contribution, payment for operating expenses, including the commission, surplus and profit sharing. However, the rest such as Re Takaful contribution and reserves, payment for claims, surrender, maturity and entitlement for receiving interest free loan are the same in all models.

3. GENERATION-Y

Gen-Y is the generation whose members are born between 1982 and 2002 [16], or better known as Millennials. They are the generation who live in the era of technology, are comfortable in mobility and are flexible in their work, often take interest in their surrounding environments, and emphasize the idea of self-reliance [17]. Gen-Y is the largest segment of the population in Malaysia accounting for 40% of the total population with 11 million people in 2010 [18].

AIF [2], reported that 64% of Gen-Y have savings allocation with 54% save at least 20% of their monthly income. As observed, the tendency for Gen-Y to save grows with the increasing age. However, 40% of GenY invest less than 10% of their monthly income and prefer conservative medium of investment such as unit trust and insurance with 52% and 51% of Gen-Y respectively. Self-dominance with high financial literacy gives more confidence to Gen-Y living in Klang Valley to manage their financial position and improve their saving habits in comparison to family and peer

influences [19]. AIF reported that 70% of Gen-Y in Malaysia admit to spending beyond their means. They engage in high cost borrowing with 38% reported to take personal loans, 75% own at least one long-term debt, and 47% are involved in credit card debt which 70% of credit card users have a tendency to pay minimum monthly payment while 45% of credit card users among Gen-Y did not pay debt on time. 58% of Gen-Y acknowledge they have an average level of financial knowledge but only 28% of Gen-Y have confidence on their ability to manage daily financial matters. However, the same report stated that only 37% of Gen-Y seek professional financial advisor while 65% preferred financial advice from their social circle. Gen-Y who have an adequate level of financial knowledge are often either trapped in financial credit to maintain their lifestyle or face the challenge of having limited financial resources to develop a healthy financial position. The continuous increase cost of living may affect their emotional health. However, a combination of financial knowledge and adequate financial skills may help to strengthen an individual's financial position, simultaneously contributing to the Gross National Income (GNI) of the country [20].

4. MOTIVATING FACTORS AFFECTING SUBSCRIPTION BEHAVIOR

Ernst & Young [5], reported that Malaysia's Takaful industry dominates the ASEAN with 76% market holdings. Malaysia came in second place behind Saudi Arabia in the overall global market with a total global gross contribution of USD 3.9 billion. Family Takaful makes up 69% of the overall RM 48.8 billion of the life insurance market in Malaysia. The top players in Family Takaful industry in Malaysia are Etiqa, Syarikat Takaful Malaysia Bhd, Takaful Ikhlas and Prudential BSN Takaful with 39%, 22%, 9% and 9% respectively. Robust regulation through IFSA 2013 by BNM and support from organizations such as the Malaysia Deposit Insurance Corporation (MDIC) project the stability of the industry. Malaysia has the potential to be the global hub for Takaful industry, driven by comprehensive and flexible infrastructure with technological innovation [21]. Continuous improvement in technological advancement in the industry with more and more Takaful operators moving towards "paperless" practices with e-payment and e-submission reflects innovation for the future of the industry [22]. Product variety and flexibility in fair price structure can attract Gen-Y to subscribe to Family Takaful. Individual financial position does affect the subscription behavior of an individual. The level of individual income specifically plays a significant role in Takaful subscription behavior more than other financial factors such as savings, investment and interest rate [10]. The Takaful contribution amount is generally lower when subscribed at earlier age thus preserving future income from additional cost. Continuous increase of financial commitment over time gives more reason to preserve future income by subscribing to a Family Takaful plan, thus assuring subscription to a Family Takaful plan as a sound financial planning strategy. A positive perception of Takaful products will improve preference to Takaful relative to its conventional insurance. Moreover, religious factors affect Gen-Y preference, where a higher regard to religious values reflects a higher preference. Takaful fulfills the objectives of

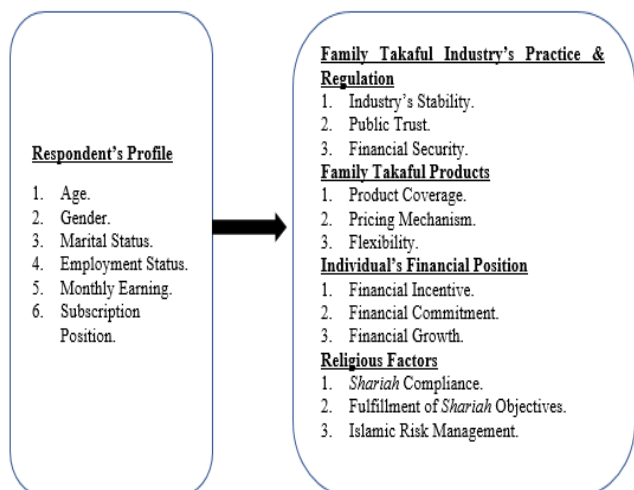
Shariah thus it is crucial to address the misconception on the concept of Takaful, which is culturally viewed as against God’s commandments [23].

5. METHODOLOGY

Four motivating factors were identified for this study. Family Takaful industry’s practice and regulation, and Family Takaful products were designed for this study due to limited literature on the subject matter. Both factors were accepted based on the positive responses of a pilot test conducted. Individual financial position and religious factors were the two factors adopted based on previous studies conducted on Takaful consumption in Malaysia.

A self-administered questionnaire will be randomly distributed to Gen-Y in Greater-KL. A descriptive analysis will be used to determine Gen-Y’s level of acceptance of each motivating factor used for this study. It is expected that Gen-Y will respond positively to each motivating factor.

Figure 1: Proposed Theoretical Framework



6. ANALYSIS AND FINDINGS

228 responses were collected through a randomly distributed questionnaire designed for the purpose of this study. However, only 202 responses were complete and used for this study while 26 responses were rejected due to incomplete responses.

Demographic Profile of Gen-Y

Table 1: Demographic Profile of Gen-Y

Variables	Frequency	Percentage (%)
Age		
23-27	147	72.8
28-32	50	24.8
33-37	5	2.5
Gender		
Male	106	52.5
Female	96	47.5
Marital Status		
Married	51	25.2

Not Married	151	74.8
Religion		
Muslim	202	100
Buddhist	0	0
Hindu	0	0
Christian	0	0
Others	0	0
Employment		
Government/Private Sector	152	75.2
Self-employed	25	12.4
Unemployed	8	4.0
Student	17	8.4
Monthly Earning		
Less than RM 1,500	32	15.8
RM 1,501 to RM 3,000	79	39.1
RM 3,001 to RM 5,000	77	38.1
More than RM 5,001	14	6.9
Are you currently subscribe to Family Takaful plan?		
Yes	101	50
No	101	50

Based on Table .1, a majority of Gen-Y are still in the youngest group age of the generation, accounting for 72.8% of the sample. It signals the Family Takaful industry of the potential current, and more importantly, the future market for Family Takaful. The distribution of gender between Gen-Y is relatively balanced, thus gender-based marketing is unnecessary unless it is specifically for women-tailored Family Takaful coverage. Interestingly, there is a significant difference on marital status of Gen-Y whereby 74.8% are not married. They are in the best position to subscribe to Family Takaful because they have the financial capacity and lower financial commitment in comparison to married respondents whom may direct their financial resources more towards their family. Nevertheless, married respondents are more aware of the importance of having Family Takaful coverage for unforeseen circumstances to manage their financial risks. All respondents are Muslim.

75.2% of Gen-Y are either working in the government or the private sector. They may enjoy benefits from their employer, often limited only to their medical expenses. Thus, generally they regard personal Family Takaful plan to be unnecessary, especially at their young age. It is an opportunity for the industry to highlight that Family Takaful is more than medical protection. Furthermore, personal medical coverage is important as a supplementary tool in the case of loss of employment. 39.1% and 38.1% of Gen-Y in Greater-KL earns between RM 1,501 to RM 3,000 and RM 3,001 to RM 5,000 monthly. The finding shows that most of Gen-Y in Greater-KL have a healthy financial position. Moreover, it indicates that Gen-Y have the capacity to subscribe to Family Takaful. Most importantly, 50% of Gen-Y in Greater-KL do not subscribe to any form of Family Takaful plan. Since Gen-Y is the largest segment of the population in Malaysia, this finding should capture the Family Takaful industry’s attention to focus on capturing this huge market share.

Motivating Factors Influencing Gen-Y Subscription Behavior

Family Takaful Industry’s Practice and Regulation

There is a significant acceptance for each factor for the Family Takaful industry’s practice and regulation. According to table 2, 76.7% of Gen-Y believes the industry’s stability through innovation and collaboration between the regulator and the industry helps influence their decision to subscribe to Family Takaful. Furthermore, public trust towards the Family Takaful industry boosts 65.8% of Gen-Y’s confidence to subscribe to Family Takaful. Governmental support through financial security influences a massive 82.7% of Gen-Y’s behavior in subscribing to Family Takaful

Family Takaful Products

As mentioned in table 3, 92.6% of Gen-Y respond positively to Family Takaful product coverage. 75.7% of Gen-Y believe that the pricing mechanism of Family Takaful products will motivate them to subscribe to Family Takaful because they are in the best position to enjoy a lower contribution amount, taking into consideration other pricing factors to be constant. The flexibility of being able to alter your Family Takaful policy coverage as you grow older positively influences 84.2% of Gen-Y’s behavior towards Family Takaful. This flexibility provides them with confidence to commit to a long-term financial plan with Family Takaful. Overall, the significant acceptance of Gen-Y to Family Takaful products shows that Gen-Y are satisfied with the current product available in the market

Table 2: Frequency – Family Takaful Industry’s Practice and Regulation

Variables	Frequency	Percentage (%)
8(a). Central Bank of Malaysia (BNM), Takaful associations and operators continuously collaborate to improve products and service offer to the public.		
Yes	155	76.7
No	47	23.3
8(b). RM 4.8 Billion contributions was collected in 2014, a signal of public trust to the industry.		
Yes	133	65.8
No	69	34.2
8(c). Malaysia Deposit Insurance Corporation (MDIC) guarantees protection of your contribution in Family Takaful up to RM 500,000.		
Yes	167	82.7
No	35	17.3

Table .3: Frequency – Family Takaful Products

Variables	Frequency	Percentage (%)
9(a). Variety of coverage option to choose from. (Life/Medical/Disablement/Accidental)		
Yes	187	92.6
No	15	7.4
9(b). Generally, the earlier you subscribe, the lower the amount you have to contribute.		
Yes	153	75.7
No	49	24.3
9(c). You can customize your Family Takaful plan and make flexible for changes in the future.		
Yes	170	84.2
No	32	15.8

Individual’s Financial Position

Individual financial position does influence Gen-Y’s Family Takaful subscription behavior. Once again, governmental support to the industry received a positive response from Gen-Y. According to table 4, 78.2% believe that financial incentive through tax deduction influence their decision to subscribe to Family Takaful. Although the majority of Gen-Y are not married, their acceptance towards the importance of Family Takaful in an increasing financial commitment indicates high financial literacy among them. 82.7% believes financial commitment influence their subscription behavior. One of the main reasons why there is huge gap between market share and subscription position of Gen-Y is that they

give priority to savings and investment rather than Takaful protection when it comes to their limited financial resources. The availability of financial growth in Family Takaful motivates 84.2% of Gen-Y to subscribe to Family Takaful.

Religious Factors

The pinnacle difference between conventional and Islamic financial products, specifically between the conventional insurance and Family Takaful, is the freedom from non-permissible elements in Islam such Riba and gambling [24, 25, 26, 27, 28, 29 30]. A per table 5, 90.6% of Gen-Y believe that the Family Takaful level of compliance to Shariah principles influence their subscription behavior. 90.1% of

Gen-Y respond positively to Family Takaful fulfillment of all Shariah objectives. It gives them the confidence to choose protection that protects the integrity of their beliefs while still enjoying relatively similar protection as conventional insurance. Furthermore, the availability of a Shariah-compliant alternative gives them the opportunity to complete their individual's Shariah-compliant financial portfolio. Moreover, 89.1% of Gen-Y accepts that Family Takaful is an

Islamic risk management tool and it will influence their decision to subscribe to Family Takaful. This high level of acceptance helps to correct the existing misconception that views Family Takaful as a contradiction to the Decree of God. Religious factor has the highest average level of acceptance out of the four motivating factors used for this study.

Table 4: Frequency – Individual’s Financial Position

Variables	Frequency	Percentage (%)
10(a). Yearly tax deduction up to RM 9,000. (RM 6,000 for life coverage; RM 3,000 for medical coverage).		
Yes	158	78.2
No	44	21.8
10(b). The more financial commitment you have, the more important it is to have a Family Takaful plan for emergency.		
Yes	167	82.7
No	35	17.3
10(c). Your money will grow while staying protected with investment-linked Family Takaful products.		
Yes	170	84.2
No	32	15.8

Table 5: Frequency – Religious Factors

Variables	Frequency	Percentage (%)
11(a). Takaful is free from elements that is not allowed in Islam. (i.e. Riba /gambling).		
Yes	183	90.6
No	19	9.4
11(b). Takaful fulfills the objectives of <i>Shariah</i> . (Protection of life, religion, property, lineage and mind).		
Yes	182	90.1
No	20	9.9
11(c). Take precautionary measure (through Family Takaful), before relying to God is a part of Islamic teaching.		
Yes	180	89.1
No	22	10.9

7. DISCUSSION AND CONCLUSION

The finding shows there is a huge Gen-Y market available for the Family Takaful industry to penetrate. The majority of the Gen-Y in Greater-KL are in the youngest group age of Gen-Y, are not married and have the financial capacity to subscribe to Family Takaful. More importantly, significant positive responses from Gen-Y toward each motivating factor indicates that they accept the Family Takaful industry and its practices, Family Takaful products, individual financial position and religious factors influence their decision to subscribe to Family Takaful.

Gen-Y’s positive response towards governmental support open an opportunity for the government to increase their market outreach and improve awareness on the importance of Family Takaful. Government initiatives will also improve economic well-being of Gen-Y and close the gap of underinsured Gen-Y in Malaysia. Furthermore, Gen-Y’s preference to live ethically [31] allows the regulator to

improve supportive legislations that strengthen the industry’s practice to adhere to Shariah principles.

The Family Takaful industry’s players can divert their attention to other areas besides product development since Gen-Y in Greater-KL show high acceptance to the current product structure of Family Takaful. Takaful operators can focus on improving their business operations, marketing strategies, customer service department and technological advancement that will help the industry to grow, while simultaneously attracting and capturing the Gen-Y market segment. Potential investors can observe how Takaful operators react to the findings of this study and make their investment decision. Moreover, investors who hold power in the industry can influence Takaful operators to the right direction.

Further research can be conducted to observe the order of importance of each motivating factor identified to Gen-Y in Greater-KL. Additional to that, research on similar subject matters can be expanded to other geographical locations to

provide a more comprehensive look at the motivating factors that influence Gen-Y's subscription to Family Takaful. Finally, research on Gen-Y's consideration on collective versus individual benefits can be conducted to observe the psychology of Gen-Y's consumption behavior.

8. REFERENCES

- [1] Hewitt, A. Aeon Hewitt 2015 Global Medical Trend Rate: Survey Report. (2015).
- [2] Asian Institute of Finance. Finance Matters: Understanding Gen-Y. (2015).
http://www.aif.org.my/clients/aif_d01/assets/multimediaMS/publication/Finance_Matters_Understanding_Gen_Y_Bridging_the_Knowledge_Gap_of_Malaysias_Millennials.pdf
- [3] IBFIM. Part A – Basic Takaful, Medical and Health Takaful. Retrieved from: http://takafulexam.com/e-content/TBEA/content/29175407IBFIM_Part_A/chapter_A5/A5_page_04.html
- [4] IBFIM. Part C- Family Takaful. Retrieved from: http://home_loan_insurance.com.my/wp-content/uploads/Takaful-Exam-Part-CEnglish.pdf
- [5] Ernst & Young. Malaysian Takaful Dynamics: Central Compendium. (2015).
- [6] Hidayat, S. E. Takaful: Establishing A Caring Society. Islamic Finance News, Red Money Publication, 7(17), 20-21 (2010).
- [7] Rahman, Z. A., Yusof, R. M., & Bakar, F. A. Family takaful: it's role in social economic development and as a savings and investment instrument in Malaysia—an extension. *Syariah Journal*, 16(1), 89-105 (2008).
- [8] Htay, S. N.N., & Salman, S. A. Shari'ah and Ethical Issues in the Practice of Modified Wakalah Model in Family Takaful. *International Journal of Business and Social Science*, 4(12) (2013).
- [9] Htay, S. N. N., & Salman, S. A. Shari'ah and Ethical Issues in the Practice of the Modified Mudharabah Family Takaful Model in Malaysia. *International Journal of Trade, Economics and Finance*, 4(6), 340 (2013).
- [10] Redzuan, H., Rahman, Z. A., & Aidid, S. S. Economic determinants of family takaful consumption: Evidence from Malaysia. *International Review of Business Research Papers*, 5(5), 193-211 (2009).
- [11] Mansor, K. A., Masduki, R. M. N., Mohamad, M., Zulkarnain, N., & Aziz, N. A. A Study on Factors Influencing Muslim's Consumers Preferences Towards Takaful Products In Malaysia. *Romanian Statistical Review*, 63(2), 78- 89 (2015)..
- [12] Arifin, J., Yazid, A. S., & Hussin, M. R. Demand of Family Takaful in Malaysia: Critical Determinant Factors Examined. *International Review of Management and Business Research*, 3(2), 982-992 (2014).
- [13] Sherif, M., & Shaairi, N. A. Determinants of demand on family Takaful in Malaysia. *Journal of Islamic Accounting and Business Research*, 4(1), 26-50 (2013).
- [14] Gustina, A. S., & Trudeau, M. C. HERG potassium channel regulation by the N terminal eag domain. *Cellular signalling*, 24(8), 1592-1598 (2012).
- [15] Salman, S.A., Critical Review on the Prevailing Takaful Models. *International Journal of Applied Business and Economic Research*. 12 (4), P. 1079-1088 (2014).
- [16] Pendergast, D. Getting to know the Y Generation. *Tourism and generation Y*. (2010).
- [17] Cooper, P. Malaysia's Gen-Y unplugged. (2009).
- [18] San, L. Y., Omar, A., & Thurasamy, R. Online purchase: a study of generation Y in Malaysia. *International Journal of Business and Management*, 10(6), 1 (2015).
- [19] Alwi, S., Hashim, I.Z.A. Factors Affecting Savings Habits within Millennials in Malaysia: Case Study on Students of Taylor's University. *Proceedings of the Fourth Asia-Pacific Conference on Global Business, Economics, Finance and Social Sciences*, Kuala Lumpur, 7-9 August (2015).
- [20] Idris, F. H., Krishnan, K. S. D., & Azmi, N. Relationship between financial literacy and financial distress among youths in Malaysia-An empirical study. *Geografia: Malaysian Journal of Society and Space*, 9(4), 106-117 (2013).
- [21] Basaruddin, N. Potensi Malaysia Sebagai Hab Takaful. (2015). <http://www.Malaysiantakaful.com.my/mta.optima.my/files/db/dbe707a5-c491-4613-9e00-d28804740a17.pdf>
- [22] Malaysian Takaful Association. 2015 annual report of the Malaysian Takaful Association. (2015). Retrieved from: <http://www.Malaysiantakaful.com.my/mta.optima.my/files/e4/e4de2ea8-ece9-4d08-80dd277c12a6c0fe.pdf>
- [23] Mansor, K. A., Masduki, R. M. N., Mohamad, M., Zulkarnain, N., & Aziz, N. A. A Study on Factors Influencing Muslim's Consumers Preferences Towards Takaful Products In Malaysia. *Romanian Statistical Review*, 63(2), 78- 89 (2015).
- [24] Htay, S. N. N., & Salman, S. A. Uncertainty, Interest, Gambling and Conventional Insurance. *International Journal of Business, Management & Social Sciences*, Vol II, Issue 7 (2013).
- [25] Htay, S. N. N., Salman. S. A., Meera, M., & Kameel, A. Let's move to Universal Corporate Governance Theory. *Middle-East Journal of Scientific Research*, 15(7), 1047-1053 (2013).
- [26] Htay, S. N. N., & Salman, S. A. Viability of Islamic Insurance (Takaful) in India: SWOT Analysis Approach. *Review of European Studies*, 5(4). 145 (2014).
- [27] Salman, S.A., and Htay, S.N.N. Insurance in the Light of Religious Teaching and Ethics: A Case Study of India. *Middle-East Journal of Scientific Research*, 19 (2), p. 299 (2014).
- [28] Salman, S.A., Rashid, H.M.A. and Hassan, R. Awareness and Knowledge of Insurance and Takaful In

- India A survey on Indian Insurance Policy Holders. *Man In India*, 97(11), pp.127-140 (2017).
- [29] Salman, S.A., Rashid, H.M.A. and Htay, S.N.N. This is the Time to Offer Takaful (Islamic Insurance) in India. *Journal of Islamic banking and finance*, p.37 (2015).
- [30] Salman, S.A., Ab Rashid, H.M. and Htay, S.N.N. The Policyholders 'knowledge on Insurance and Takaful: An Exploratory Research in India. *International Journal of Research in Commerce & Management*, p.6(6) (2015).
- [31] Crofts, J., Cuervo, H., Wyn, J., Smith, G., & Woodman, D. *Life Patterns: ten years following Generation Y*. (2015).