

Indicators of Takaful Awareness among Kuwaitis

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Abstract

This research examines the awareness of *takaful* among Kuwaitis. It endeavours to determine any significant differences and conformities between demographic variables and the four aspects of awareness concerning general information, the features of *takaful*, *shari'ah* compliances, and motives of *takaful*. The research adopted a quantitative research design. Descriptive, T-test, ANOVA, and Discriminant analyses were employed to analyse the data collected via questionnaires. The research sample consisted of a total of 640 Kuwaitis from which 52% of the participants have not heard of *takaful* despite the existence of 14 *takaful* operators in Kuwait. More than 60% of the participants were unsure as to how their contributions would be invested. They were particularly concerned whether it be *shari'ah* compliant or not. In addition, two-thirds of the respondents were unaware that they were eligible to receive part of the surplus, if any.

Keywords: Takaful, Islamic Insurance, Awareness, and Kuwait

1. Introduction

Islamic finance has seen rapid global growth since the mid seventies. There are three main components that represent the Islamic financial system. These pillars are Islamic banking, Islamic capital market, and *takaful*. Islamic insurance or *takaful* started in 1979 in Sudan and has since spread throughout the world from east to west. It is estimated that the *takaful* industry may exceed US\$20 billion by 2017 (EY, 2014). Additionally, *takaful* contribution might reach US\$14 billion from US\$12.3 billion in 2014.

From 2012 to 2014, the market witnessed a steady growth of 14%. *Takaful* is widely operated in Gulf countries. In essence, Kuwait is one of the six countries in the region to have licensed 35 insurance companies, of which 25 are Kuwaiti and the rest foreign. These companies can be classified based on their operations which are either in adherence with the *shari'ah* or otherwise. Based on the latest list released in 2015 by the Kuwaiti Ministry of Commerce and Industry, 14 are *takaful* companies while 21 are conventional insurance companies.

However, Kuwait is still considerably weak compared to other Gulf countries in the insurance and *takaful* sectors. This is largely due to insufficient concern for developing the *takaful* market. Kuwait remains largely dependent on the insurance regulations issued in 1961. However, it is hoped that the government will establish a new insurance law that contains a specific section for *takaful* (A.M.best, 2013). Upon studying the Kuwaiti insurance sector, the Kuwait Insurance Federation (2014) stated that the size of the insurance market is miniscule, with premiums reaching only KD 304 million while claims made amounted to KD 179 million. This indicates that the percentage of claims to premiums was approximately 58.9% in 2014. Additionally, 80% of the premiums were allocated for general insurance. Globally, this amount of premium represented less than 0.02%.

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Kuwait's small portion of takaful among GCC countries has led this paper to explore the extent to which Kuwaitis are aware of takaful. Thus, this research aims to examine the understanding of Kuwaitis concerning the concept and operation of takaful. It is observed that many conferences, forums, and researches have investigated technical and shari'ah aspects in the takaful market, whilst examining the awareness of people has largely gone ignored. This research paper is organised in five sections. The second section focuses on a review of the relevant literature. The third section discusses the research methodology used in this study. The findings will be discussed in the fourth section and the last section concludes.

1. Literature Review

2.1 Islam's Prohibition of Conventional Insurance

The conventional insurance industry consists of elements that are prohibited by Islam such as *Gharar*, *Maysir* and *Riba*. Such is the motivation to establish a new Islamic insurance (*takaful*) to guide the Islamic financial system away from such prohibited factors. These prohibited elements motivated Muslim jurists to issue *fatwas* against conventional insurance. For example, the OICFiqh Academy issued the following decision "No 9/(2/9) " in 1406 H (22-28 December 1985) regarding insurance:

- *The commercial insurance contract with a fixed periodical premium, which is commonly used by commercial insurance companies, is a contract which contains major elements of deceit, which void the contract and, therefore is prohibited according to shari'ah.*
- *The alternative contract, which conforms, to the principles of Islamic dealings is the contract of cooperative insurance, which is founded on the basis of charity and cooperation.*

This prohibition is further explained (Alsaati, 2009):

- The contract of conventional insurance is an exchange contract that contains uncertainty (*Gharar*), whereby at the time of signing or conducting the contract, the subject matters (protection and premium) are not known. The basis for this prohibition is that *Abu Hurairah* reported that Prophet Muhammad (may peace be upon him) "forbade a transaction determined by throwing stones, and the type which involves some uncertainty" (*Sahih Muslim, 3614*). Based on the Maliki school, this element can be permitted, if it used donation contracts. This is the opinion adopted by contemporary scholars.
- The conventional insurance contract has the element of *riba* that exists when the policyholder can get greater compensation than his premium. It is common that *ribais* prohibited in Islam as found in many verses in the Qur'an and *Sunnah*. An example of this would be (2:275), in which it says, "Allah has permitted trade and has forbidden interest".
- The conventional insurance contract has the element of gambling (*maysir*). This is due to the fact that both policyholder and company can win or lose. The policyholder can be indemnified more than the amount of the premiums. Therefore, he will be a winner in this situation while he will lose his premiums if he does not have an accident, thereupon the premium is completely absorbed by the company. The Qur'an clearly prohibits gambling (5:90), "O you who believe! Intoxicants, gambling, Al-Ansab and Al-Azlam are an abomination of Shaitan's handiwork. So avoid that in order that you may be successful."
- Lastly, conventional insurance applies one of the taboos, which is to consume other people's money without any right. For instance, the company takes the surplus if the policyholder does not suffer some harm. Indeed, the Qur'an alludes to this in verse 4:29, "O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent".

2.2 Definition and Concept of Takaful

Sudan is the first country to have implemented *takaful* in 1979, whereby the Sudanese Islamic Faisal Bank launched the Sudanese Islamic Insurance Company. The Arab Islamic Insurance Company and other companies followed suit (Mulhim & Sabbagh, 2007). There have been many definitions for *takaful* by many organisations. Before presenting the definitions, it should be noted that *takaful*, cooperative, *tabaduli* and Islamic insurance are essentially the same in regard to the operations and structuring despite differences in terminology. However, cooperative insurance and *takaful* are the most well-known among those names (Al-khwalidi, 2010)

Literally, *takaful* is an Arabic word derived from “*kafala*”, which means ‘guarantee’ and ‘togetherness’. The technical definition, however, bears a variety of definitions. For example, in section 2 of the Malaysian Takaful Act 1984, it is stated that:

“Takaful is a scheme based on brotherhood, solidarity and mutual assistance which provides for financial aid and assistance to the participants mutually agree to contribute for that purpose”.

Moreover, the Accounting, Auditing, and Governance standards for Islamic Financial Institutions (AAOIFI) defined Islamic insurance as:

“A system through which the participants donate part or all of their contributions which are used to pay claims for damages suffered by some of the participants. The company's role is restricted to managing the insurance operations and investing the insurance contributions”.

Additionally, Al-Jarf (2012) stated many definitions by referring to the law established in certain countries such as Sudan, Saudi Arabia, and Algeria. It can be concluded from the aforementioned definitions that *takaful* is a group of participants that help each other when one or more of the members face problems and need financial support. The aid would appear in the help of donation and is pooled together in order to sustain those in need. Undoubtedly, the concept might be derived easily from the general view of the aim of *takaful* to provide protection for all participants that leads to the sharing of the responsibility by supporting the needy in the pool (Engku Ali, 2010). Historically, this concept has been practiced by ancient Arab tribes in the way of *Aqilah* – the *diah* (financial compensation) money used in assisting the family of the murdered, collected from the murderer. From this practice, it appears that the cooperation and brotherhood among human beings prevailed in any circumstance. The operation of *takaful*, thus, inspired by the same concept of mutual support.

2.3 Product Classification

It is important to briefly highlight the classification of *takaful* products. Takaful operators commonly offer two types of products. These types are called general *takaful* which is the alternative of general insurance and family *takaful* which is considered the alternative for life insurance.

According to Ismail (2012), there are various products found in both types. In general *takaful* can be found motor *takaful*, fire *takaful*, engineering *takaful*, marine *takaful* and miscellaneous accidents. There are also many products (usually called plans) offered under family *takaful*. For example, this type has many plans to provide coverage such as individual plans, mortgage plans, group plans, investment linked and annuities.

2.4 Comparison between Takaful and Insurance

Many researchers and authors have presented a comparative study to differentiate between *takaful* and insurance, which is illustrated in the table below and the differences discussed might help readers develop a better understanding of the issue (Engku Ali, 2010)(Zaatri, 2010) and (Razeeq, 2011).

Figure 1: Comparison between Takaful and Conventional Insurance

Compared factors	Insurance	Takaful
Contract	Exchange contract which sales and purchase will be conducted between the insurer and insured.	Tabarru' contract is the basic, beside wakalah or/and mudarabah contracts.
Responsibility of policyholder/ participant	The responsibility of policyholder to pay the premium to the insurer to be covered.	The responsibility of the participant to contribute to the takaful fund which this fund will be mutually guarantee each other.
Responsibility of insurer/operator	Insurer is responsible and liable to cover the policyholder from any risk that he will face.	Takaful operator plays as a administrator to manage and invest the takaful fund. Not only that but also, it concerns to lend the takaful fund (Qard Hassan) in case of deficiency.
Investment	Insurer can choose any investment that they think is profitable. It means that insurer is not restricted to strict conditions.	Takaful fund must be invested in shari'ah investment instruments.
Surplus	Any surplus will belong to the shareholders.	Surplus is owned by participants and the operator might share with them.
Goal of insurance/ takafulcompany	The goal of the insurance is to provide the protection for policyholder and gain profit.	The goal of the takaful company is to achieve the cooperation among the participants to protect each other. It also distributes a fair share of risk among the members.
Existing of shari'ahsupervisory	It is not necessary and does not exist in the market that insurance company has a shari'ah supervisory to monitor the company's activities.	Existing shari'ah supervisory or board is considered one of the pillars in the takaful company to screen and evaluate the company's operations.

2.5 Samples of Awareness of Takaful over the world

2.5.1 Pakistan

Pakistan is considered one of the countries that applied a full-fledged Islamic financial system. It has long financial experience based on Islamic principles. Akhter & Hussain (2012) researched public awareness of *takaful* in Pakistan. The following are some observations from their research:

- 90.8% of the responds are unaware of *takaful*.
- There is a significant relationship between the level of *takaful* awareness and perception of the customers about *takaful* as a business based on *shari'ah* principles.
- There is a significant connection between the level of *takaful* awareness and the intention of the customers of the conventional insurance to shift and change to *takaful*.

2.5.2 Singapore

Singapore is deemed a country that has a developed and strong economy. Indeed, this country has a big potential for leading Islamic finance in all its components in the region. For the *takaful* market, Maysami & Williams (2006) performed a study to examine the awareness of existence of *takaful* among Singaporeans. The researchers concluded the following:

- Around 14% of the participants think it sinful to buy conventional insurance while others see it as permissible.
- Less than 30% of Singaporeans are aware of the *takaful* contract.
- Interestingly, the findings concluded that the awareness of Muslims with conservative values was less compared with those with liberal values.

2. Research Methodology

2.1 Introduction

Following the focus on many aspects of *takaful*, this section articulates the research method adopted in the study. Given that the goal of this research is to examine the awareness of Kuwaitis about *takaful* and to analyse the relationship between the demographic variables and the questions, a thorough and detailed discussion on the variety of its aspects is endeavoured in the ensuing sections.

3.2 Data & Research Sample

The research will be performed on the bases of two data sources, namely primary and secondary. The survey method represents the primary source. The researcher will use the questionnaire to conduct the survey among Kuwaitis. At this point, the information will be obtained and derived directly from them. It is clear that the aim of this method is to look into the view of the general Kuwaiti public about *takaful*. Generally, it can be said that the appropriate description for this research is a quantitative research. On the other hand, the secondary data will be collected and obtained from library research consisting of books, articles, newspapers, websites and statistics department in the Ministry of Commerce and Industry, which is responsible for the *takaful* companies.

Identifying the samples is deemed one of the indispensable elements in any research. Here, the sampling will be collected through an electronic survey that has been carried out in the all six provinces of the state of Kuwait. The group target is the general public of Kuwait and it is confined for Kuwaitis only. Israel (1992) suggests a formula to determine the size of sampling:

$$n_0 = \frac{z^2 pq}{e_2}$$

$$n = z pq$$

where:

n_0 = Sample size

z = Z-value of α (α in this study is 5%)

p = Variability (variability used in this study is 0.5)

q = 1 - p

e = Level of precision or sampling error (sampling error tolerated in this study is 5%) therefore, sample size is equal to;

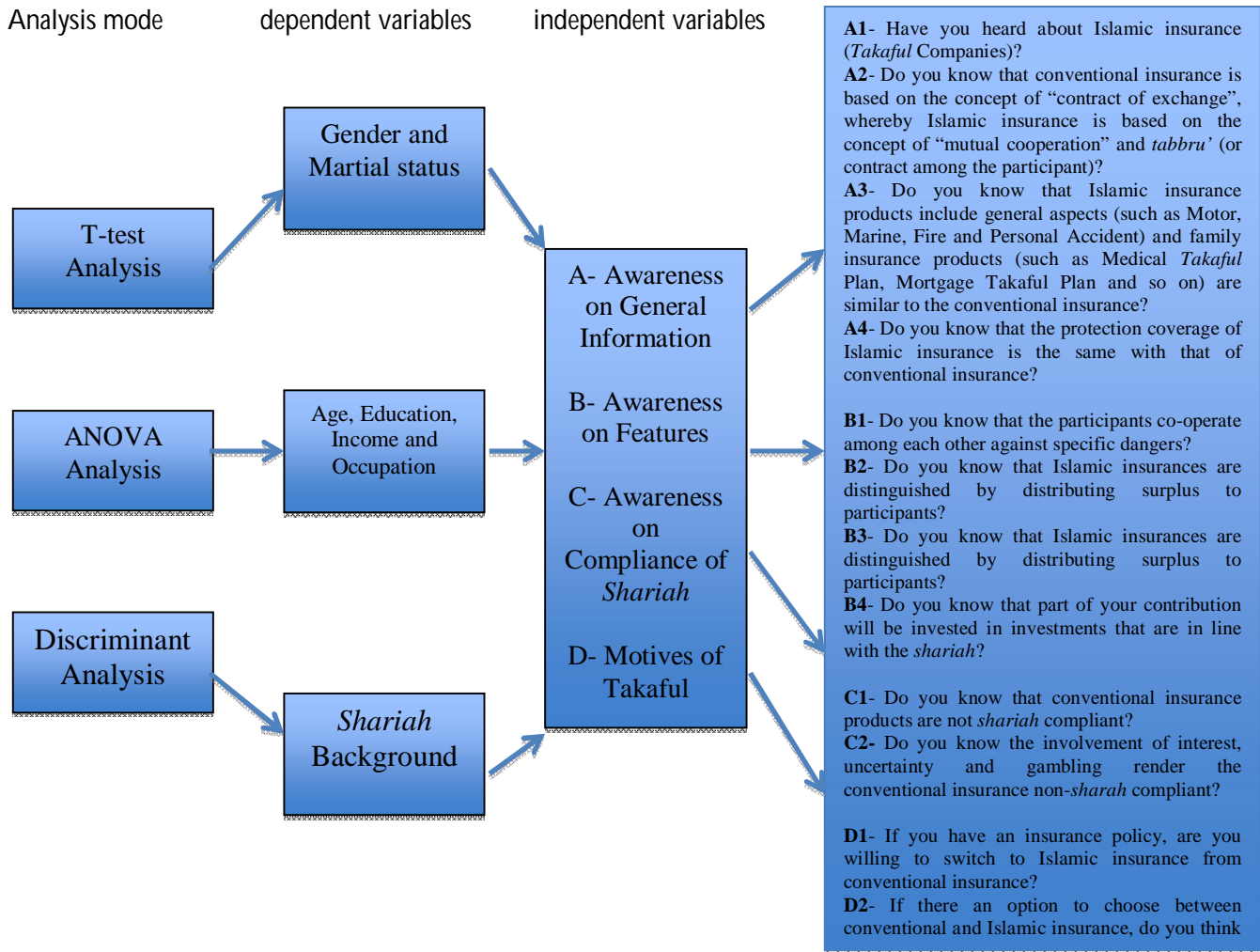
$$n_0 = \frac{z^2 pq}{e_2} = \frac{(1.96)^2 (0.5)(0.5)}{(0.05)^2} = 385$$

Based on the formula, the minimum sampling is 385. It is crucial to fulfil this requirement to ensure that the result reflects the entire population of Kuwait.

3.3 Statistical Methods

Since this study will be conducted through distributing questionnaires to the general public in Kuwait, as such, the research can be classified as a quantitative research. To be more specific, the results will be analysed by different analyses, such as T-test, ANOVA, and Discriminant. Specifically, T-test will be used for gender and marital status, while ANOVA will be used for age, education, income, and occupation. Lastly, the *shari'ah* background will be analysed through the discriminant method. In short, these analyses can be classified under the Non-Parametric Analysis.

Figure 2: Structure



4. Data Analysis and Findings

4.1 Background of Data

The objective of this research is to discover the perspective of Kuwaitis towards *takaful* and investigate any significant differences between the profile of the respondents and the four aspects mentioned in the questionnaire. Thus, the questionnaire is designed to accomplish the research objectives. It is important to note that the pilot test has been used before finalising the questionnaire to ensure that the questions are in line with the objectives of the research.

The questionnaires were distributed electronically via social media in Kuwait and aimed to enlist Kuwaitis – who were over 20 years old – to participate in this survey. Before cleaning the data and removing the uncompleted ones, we collected a group of 710 participants. However, the number narrowed to 640 participants after the filtering process.

Figure 3: Profile of Respondents

	Variable	Frequency	Percentage %
Gender	Male	414	64.7
	Female	226	35.3
Age	20 - 30 Years	371	58.0
	31 - 40 Years	177	27.7
	41 - 50 Years	71	11.1
	Above 50 Years	21	3.2
Marital Status	Single	251	39.2
	Married	389	60.8
Education	Below Degree	195	30.5
	Degree	380	59.4
	Master	56	8.8
	PHD	9	1.4
Background	<i>Shari'ah</i> Studies	104	16.3
	Non- <i>Shari'ah</i> Studies	536	83.7
Monthly Income	Below KD1000	255	39.8
	KD1001-KD1500	217	33.9
	KD1501-KD2000	95	14.8
	above KD2000	73	11.5
Occupation	Student	128	20.0
	Private Sector	97	15.2
	Government Sector	379	59.2
	Retired	36	5.6

4.2 Findings

4.2.1 Frequency Table

The table below displays the results that were obtained from the Kuwaiti participants. Respondents were asked approximately 19 questions that focus on specific factors regarding takaful.

Figure 4: Frequency Table

Questions	Variables	Frequency	Percentage
1-Have you heard about Islamic insurance (Takaful Companies)?	Yes	307	48.0
	No	333	52.0
2-How did you hear Islamic insurance?	Not required	333	---
	1-Television	34	11
	2-News Paper	54	18
	3-Internet	63	21
	4-Mouth Of Friends	156	50
3-Do you know that conventional insurance products are not	Yes	282	44
	No	188	29.4

shari'ahcomplaint?	Not Sure	170	26.6
4-Do you know the involvement of interest, uncertainty and gambling make the conventional insurance non-shari'ahcomplaint?	Yes	309	48.3
	No	193	30.1
	Not Sure	138	21.6
5-Do you know that conventional insurance is based on the concept of "contract of exchange "whereby Islamic insurance is based on the concept of "mutual cooperation" & tabbru' contract among the participant"?	Yes	136	21.3
	No	347	54.2
	Not Sure	157	24.5
6-Do you know that the participants cooperate among each other against specific dangers?	Yes	166	25.9
	No	352	55.0
	Not Sure	122	19.1
7-Do you know that Islamic insurances are distinguished by distributing surplus to participants?	Yes	107	16.7
	No	421	65.8
	Not Sure	112	17.5
8-Do you know that in Islamic insurance, surplus or profit distribution will be made by the Islamic insurance operators, while in conventional insurance: the profit will be only taken by the insurance operators ?	Yes	120	18.8
	No	404	63.1
	Not Sure	116	18.1
9-Do you know that part of your contribution will be invested in investments that are in line with the shari'ah?	Yes	151	23.6
	No	386	60.3
	Not Sure	103	16.1
10-Do you know that Islamic insurance products include general (such as Motor, Marine, Fire, Personal Accident and so on) and family insurance products (such as Medical Takaful Plan, Mortgage Takaful Plan and so on) are similar to conventional insurance?	Similar	141	22.0
	Different	179	28.0
	Not Sure	320	50.0
11-Do you know that the protection coverage of Islamic insurance is the same with that of conventional insurance?	Similar	106	16.6
	Different	180	28.1
	Not Sure	354	55.3
12-Currently, do you have an insurance policy?	Yes	300	46.9
	No	340	53.1
13-Which insurance policy do you have?	Not required	340	---
	1-General	290	96.67

	2-Life	10	3.33
14-What makes you to interested to buy an insurance policy?	Not required	340	---
	1-to mitigate the risk	65	21.67
	2-to get returns in long term	20	6.66
	3- government obligation, for example vehicle insurance	215	71.67
15-If you have an insurance policy, are you willing to switch to Islamic insurance from Conventional insurance?	No	335	52.3
	Yes	305	47.7
16-Why you do not have an insurance policy?	Not required	300	---
	1-faith purposes (It might clash with believing in fate and destiny	64	18.8
		60	17.7
	2-conventional insurance is not shari'ah compliance	70	20.6
	3-not interested to seek for insurance protection	146	42.9
17-If there is an option to choose between conventional and Islamic insurance, do you think that it is due to religious factor you choose Islamic insurance?	4-not aware of the importance of insurance		
	No	64	10.0
18-Do you think that Islamic insurance has done sufficientmarketing?	Yes	576	90.0
	No		
	Not Sure	52	8.1
19-What do you think is the most important product in our society?	No	446	69.7
	Yes	142	22.2
	1-Houses and Properties	236	36.9
	2-Health	337	52.6
	3-Import & Export	35	5.5
	4-Industry	32	5.0

4.2.2 T-Test Analysis

This analysis is used for two elements from the demographic section, which are gender and marital status.

Figure 5: Dependent Variables on Gender

Question	Group	N	Mean	Std. Deviation	Significant (2 -tailed)
A1	Male	414	1.4444	.49751	.000
	Female	226	1.6593	.47500	
A2	Male	414	1.9952	.68888	.057
	Female	226	2.1018	.64862	
A3	Male	414	2.2053	.81682	.001
	Female	226	2.4159	.75690	
A4	Male	414	2.3188	.78409	.002
	Female	226	2.5133	.68137	
B1	Male	414	1.8986	.67780	.094
	Female	226	1.9912	.64630	
B2	Male	414	2.0024	.57595	.753
	Female	226	2.0177	.60343	
B3	Male	414	1.9831	.61239	.549
	Female	226	2.0133	.59985	
B4	Male	414	1.9807	.59831	.002
	Female	226	1.8230	.66306	
C1	Male	414	1.7246	.84172	.094
	Female	226	2.0088	.75420	
C2	Male	414	1.6957	.79899	.002
	Female	226	1.8009	.77757	
D1	Male	414	.6602	.60899	.000
	Female	226	.3142	.55255	
D2	Male	414	1.1135	.31762	.123
	Female	226	1.0752	.26433	

Based on the independent samples in the t-tests, it was observed that A1 ($p = 0.000$), A3 ($p = 0.001$) and A4 ($p = 0.002$) have significant differences on gender, whereas, A2 (0.057) do not have any significant differences. Figure 5 illustrates that females have more awareness compared to male. Specifically, the means for the significant differences between Male and Female are ($\bar{x} = 1.6593 > 1.4444$), ($\bar{x} = 2.4159 > 2.2053$) and ($\bar{x} = 2.5133 > 2.3188$). It might be said that it is the nature of women to instinctively seek protection from danger; hence, they may have more exposure and knowledge about *takaful* than men in general. From the features side, it is found that Males ($\bar{x} = 1.9807$) are more knowledgeable than Females ($\bar{x} = 1.8230$) in one feature only. This feature is related to the investment and men in Kuwait are generally dominant in this aspect. In addition, it is found that the mean of females ($\bar{x} = 2.0088$) is higher than males ($\bar{x} = 1.7246$). Thus, this result can be supported in the first part of the Figure 5 that discussed the general awareness, whereby women are still more informed of the fact that conventional insurance is not compliant with *shari'ah*. Lastly, it is observed that there is a significant difference (P. value = 0.00) on the intention to subscribe to *takaful* products (D1) through gender. Specifically, the result shows that males ($\bar{x} = 0.6602$) have more intention to adopt and use insurance policy that works under the *shari'ah* principle, than females ($\bar{x} = 0.55255$).

Figure 6: Dependent Variables on Martial Status

	Group	N	Mean	Std. Deviation	Significant (2 -tailed)
A1	Single	251	1.5737	.49553	.030
	Married	389	1.4859	.50044	
A2	Single	251	2.0239	.65683	.789
	Married	389	2.0386	.68943	
A3	Single	251	2.2669	.82247	.747
	Married	389	2.2879	.78935	
A4	Single	251	2.3705	.73903	.648
	Married	389	2.3985	.76529	
B1	Single	251	1.9482	.64599	.606
	Married	389	1.9203	.68212	
B2	Single	251	1.9920	.57960	.584
	Married	389	2.0180	.58959	
B3	Single	251	1.9880	.58979	.849
	Married	389	1.9974	.61969	
B4	Single	251	1.8805	.61454	.149
	Married	389	1.9537	.63239	
C1	Single	251	1.9124	.80018	.031
	Married	389	1.7686	.83292	
C2	Single	251	1.7450	.75811	.755
	Married	389	1.7249	.81476	
D1	Single	251	.4880	.62884	.100
	Married	389	.5696	.59957	
D2	Single	251	1.1315	.33859	.033
	Married	389	1.0797	.27116	

Figure 6 aims to determine if there is any significant difference between single and married Kuwaitis on the awareness of the general aspects of *takaful*. It is found that three variables (from testing the awareness of general information) are above .05, which indicates that there is no significant difference between single and married respondents. However, the single Kuwaitis ($\bar{x} = 1.5737$) have heard about *takaful* more than married people ($\bar{x} = 1.4859$). In fact, there is no significant difference on marital status in identifying the features of *takaful* between single and married Kuwaitis.

Marital status of the participants is deemed insignificant in one variable (C2) (P. value = 0.755) while it is significant between single and married in (C1) (P. value= 0.031) whereby single people ($\bar{x} = 1.9124$) are more attentive to the idea that conventional insurance contradicts Islamic law, compared to married Kuwaitis ($\bar{x} = 1.7686$).

The last observation that could be seen in this table is that there is no significant difference between the single or married participants on D1 (P. value= 0.100), while it is noticed in D2 (P. value= 0.033) that there is a significant difference in marital status. On the aspect of choosing based on religious factor, married people ($\bar{x} = 1.0797$) are less willing to choose *takaful* than their single counterparts ($\bar{x} = 1.1315$).

4.2.3 ANOVA Analysis

Figure 7: Dependent Variables on Age, Education, Income, and Occupation

Variable	Group	F-value	P-value (sig.)
A1	Age	2.115	.097
	Education	8.291	.000
	Income	9.696	.000
	Occupation	3.203	.023
A2	Age	.527	.664
	Education	2.387	.068
	Income	2.276	.079
A3	Occupation	1.450	.227
	Age	1.128	.337
	Education	1.069	.362
A4	Income	2.253	.081
	Occupation	3.384	.018
	Age	.842	.471
B1	Education	1.788	.148
	Income	3.471	.016
	Occupation	7.102	.000
	Age	1.338	.261
B2	Education	3.131	.025
	Income	.275	.843
	Occupation	1.302	.273
	Age	1.132	.335
B3	Education	3.204	.023
	Income	.541	.654
	Occupation	1.506	.212
B4	Age	2.388	.068
	Education	1.555	.199
	Income	.829	.478
	Occupation	.937	.423
C1	Age	1.221	.301
	Education	2.555	.054
	Income	.714	.544
	Occupation	.616	.605
C2	Age	4.902	.002
	Education	6.052	.000
	Income	11.158	.000
	Occupation	3.277	.021
D1	Age	1.989	.114
	Education	2.737	.043
	Income	1.182	.316
D2	Occupation	2.227	.084
	Age	.278	.841
	Education	4.224	.006
	Income	17.085	.000
D2	Occupation	7.888	.000
	Age	2.063	.104
	Education	1.273	.283
	Income	.884	.449
D2	Occupation	2.262	.080

Analysing Figure 7 will be based on each section (A,B,C,D) and each group (Age, Education, Income, Occupation). In A section, the first group is that of **age**, in which it is the only group that has no significant differences with other variables. Next, it can be seen that the **education** group has significant difference regarding their exposure *takaful* ($p = 0.000$). More specifically, the Tukey test shows that there are significant differences between university postgraduates and non-degree holders about their knowledge and exposure *takaful*. This is followed by the **income** group, which has significant differences regarding hearing about *takaful* and knowing the protection coverage as provided by the *takaful* operator. Based on the Tukey results, there are differences between the group that earn less than KD1000 and other groups in regard to their knowledge about *takaful*. In this stage, it can be said that the people who earn less than KD1000 are either students or employees in the government sector. Thus, having this salary might render them uninterested in *takaful*. Furthermore, in terms of having information regarding to the coverage protection (A4), it is seen that there are significant differences between Kuwaitis who earn less than KD1000 and more than KD2000. This is generally considered to be natural since the people who earn more than KD2000 monthly may have surplus and this gives them the chance to know about the coverage, while the coverage may not be obligatory for students. The final group is the **occupation** group, which has significant differences on A1 ($p = 0.023$), A3 ($p = 0.018$) and A4 ($p = 0.016$). This group may have some similarity and be linked with the previous group. In particular, there are significant differences between students and private sector employees in A1 and A4. However, there are significant differences between private and government sector employees about knowing the products (A3). In fact, the private sector usually provides for their employees' insurance policy. This might explain why private sector employees are more informed about the product than government servants.

Section B discusses the features that are related to *takaful*. It can be seen that there are three groups (**age**, **income**, and **occupation**) which do not have any significant differences. Nevertheless, the significant differences can be found in B1 and B2 in regards to the **education** group. Based on the Tukey test, the significant differences are found between non-degree holders and university postgraduates in both variables. Insurance and *takaful* are considered one of the advanced subjects and it is usually provided in advance levels. It is natural that master degree holders have more exposure to the knowledge compared to that of non-degree holders.

In section C, the first group (which is the **age group**) has significant differences in C1. Specifically, there is a vast difference between those aged 20-30 compared to those aged 31-40, according to the Tukey test. Then, the **education group** has significant difference in both variables and there are differences between Kuwaitis who hold less than a degree and a master's degree. This is possibly due to the fact that master degree holders have more knowledge in different disciplines, including the *shari'ah*, while degree holders have a tendency to focus on a single aspect. In this stage, it is suggested to include insurance and *takaful* subjects as a core discipline or at least elective in all universities in Kuwait. Next, it is found in the **income group** that there are significant differences between participants who earn below KD1000 and others groups in C1. It can be justified that those who earn less than KD1000 are mostly students with no fixed income. Furthermore, their studies may not relate to insurance and *takaful*. Lastly, there are significant differences between students and private sector workers concerning knowledge on C1 in the occupation group. No one can deny that the private sector employees are usually more **educated** and are well-informed. Thus, it is safe to assume they have some knowledge about insurance and *takaful*.

In section D, the only group that does not have any significant difference is the **age** group in D1 and D2. From the **education** group, there are differences between non-degree holders and master's degree holders in D1. There are also differences between those who **earn** less than KD1000 and others, in regard to the switching to *takaful*. Finally, the motivation to subscribe *takaful* has differences in the **occupation** group. These differences can vary between students and private sector employees. In this part, the private sector staff have the possibility to move to *takaful* upon knowing that conventional insurance is prohibited and are better aware of the features of *takaful* products. Furthermore, Kuwaitis who work in the private sector usually opt for better choices since they have the ability, while students are often unwilling to switch, perhaps due to their income.

4.5.4 Discriminant Analysis

Figure 8: Dependent Variables on Background of Studies

Variables	Dependent Variable Group Means: Background Of Studies		Test Of Quality Of Group Means			
	Group 0: non-shari'ahbackground	Group1: shari'ahbackground	Wilks' Lambda	F value	Significance	Between groups
A1	1.5336	1.4519	.996	2.328	.128	0 and 1
A2	2.0560	1.9135	.994	3.884	.049	0 and 1
A3	2.2910	2.2212	.999	.661	.416	0 and 1
A4	2.3993	2.3269	.999	.800	.371	0 and 1
B1	1.9571	1.7981	.992	4.969	.026	0 and 1
B2	2.0205	1.9423	.998	1.556	.213	0 and 1
B3	2.0187	1.8654	.991	5.581	.018	0 and 1
B4	1.9310	1.8942	1.000	.300	.584	0 and 1
C1	1.8116	1.8942	.999	.879	.349	0 and 1
C2	1.7537	1.6250	.996	2.303	.130	0 and 1
D1	.5581	.4327	.994	3.667	.056	0 and 1
D2	1.0974	1.1058	1.000	.069	.793	0 and 1

Based on **Figure 8**, only A2 has significant differences between Kuwaitis who studied the *shari'ah* and those who did not. Additionally, P-value for that factor is 0.049, while the others scored more than 0.05. It is interesting to find that those with a non-*shari'ah* background know better about the concept and the contract of insurance and *takaful* than the ones who are in the *shari'ah* field. However, such is expected in the absence of specific courses to educate the people about *takaful* in the *shari'ah* faculty. Sadly, there is no university or college that offers a degree or master certificates in Islamic finance or *takaful* in Kuwait.

The above figure shows that B1 and B3 have significant differences. Furthermore, the P. value for both are .026 and .018 respectively. Additionally, the Wilks' Lambda for the same variables are .992 and .991. Moreover, in both variables, those with a non-*shari'ah* background are more aware of the aspects of *shari'ah* by way of acknowledging the cooperation among the participants in times of risk, whereby the means are recorded at ($\bar{M} = 1.9571 > \bar{M} = 1.7981$) and ($\bar{M} = 2.0187 > \bar{M} = 1.8654$) in B1 and B3 respectively. As such, it can be deduced that studying *shari'ah* does not give one better access to learn about the features of *takaful*. Indeed, there are two ways in which the knowledge can be supplied to the public, be it by studies or by experience. For instance, if a graduate from the *shari'ah* faculty in Kuwaiti University does not join the *takaful* market, he would not be able to differentiate between conventional insurance and *takaful*, or have knowledge about *takaful* and its features. Nowadays, it is evident that many countries provide Islamic finance and the implementation often results in success, even without the participation of those with a *shari'ah* academic background. Lastly, sections C & D show no significance between the backgrounds of Kuwaiti citizens.

4. Conclusion

This study examined the awareness of the Kuwait public concerning *takaful*. We sought to ascertain if there were significant differences or conformances on the awareness of *takaful*, the features of *takaful*, the *shari'ah* compliance of *takaful* and the intention to subscribe to *takaful* products through demographic factors (as based on gender, age, status, education, religious background). The main findings of this research can be summarised as follows:

- 52% of the samples have not heard of *takaful*.
- In **gender**, females are generally more aware than males.
- In **marital** status, there is no significant difference between single and married respondents in the majority of questions.
- In **age** group, generally there is no significant differences with other variables.
- In **education**, there are significant differences between university postgraduates and non-degree holders regarding their knowledge and exposure to *takaful*.
- In **income**, there is significant differences between the group that earn less than KD1000 and other groups in regard to their knowledge about *takaful*.
- In **occupation**, private employees are generally more aware than others.
- In **background of studies**, it is interesting to find that those with a non-*shari'ah* background know more about the concept and the contract of insurance and *takaful* than the ones who are in the *shari'ah* field.

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