

# CHAPTER 11

## THE PERCEPTION TOWARDS TAKAFUL AMONG NON-MUSLIM CUSTOMERS IN ISLAMIC BANK IN KOTA BHARU, KELANTAN

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### INTRODUCTION

Takaful is an insurance product that operates in accordance with the Shariah principle. Takaful prohibits the elements like uncertainty (*gharar*), interest (*riba*) and betting (*maisir*). According to Maysami and Kwon (1999), the first Takaful company was built in Sudan in 1979, and now many Takaful companies are spread worldwide. In Malaysia the main Takaful organization in Malaysia is Syarikat Takaful Malaysia Berhad (STMB), built under Takaful Act 1984. According to Bank Negara, Takaful can be defined as Shariah-based insurance where the participants will form a group, and they all agree to mutual assistance to each other—based on Section 2 of the Malaysian Takaful Act 1984 defined Takaful as a scheme based on companionship, unity and mutual support to provide joint assistance to participants. The participants agreed to contribute to helping each other.

In Takaful, there are two products: General Takaful and Family Takaful. General Takaful is classified into two types: motor Takaful and non-motor Takaful. Motor Takaful will protect private cars, motorcycles and commercial vehicles; meanwhile, non-motor Takaful can cover fire, marine, health Takaful, and personal accidents. Then, for the family, Takaful is a long-term saving. This Family Takaful lasts longer than