



THE AWARENESS OF EDUCATION TAKAFUL AMONG CONSUMERS IN KUCHING, SARAWAK

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ABSTRACT

Having a perfect education is among the factors that contribute towards developing a happy life and one of the five indispensables protected in maqasid al-Shari'ah. As a result, takaful agencies have produced education plans which help parents save and invest enough money for the future of their children's education. In Malaysia, the understanding on the importance of takaful is still lacking especially about the education takaful. Therefore, this research is to investigate the issues regarding the awareness of education takaful in Kuching, Sarawak. The objective of this study is to explore the awareness of education takaful among the citizens in Kuching, Sarawak towards education takaful. This qualitative study employed semi-structured online interviews with three takaful agents and eight parents who agreed to be interviewed. The results of this study indicated that the level of awareness of education takaful in Kuching, Sarawak is still considered low.

Keywords: Awareness, Education, Education Takaful, Kuching

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INTRODUCTION

Education is something that is very important for every mankind. In order to achieve success in life, every individual needs to have knowledge and this can be achieved through education. That is why education takaful has been developed to help those who are in need of financial support to further their studies. Higher education is important for any individual and often viewed as a steppingstone to secure better employment in the future. However, the cost of higher education is getting expensive Hadi et al. (2019) and can reach hundreds of thousands of Malaysian Ringgit (Yakob, 2019). The cost of education that keeps increasing year by year indicates that we must be prepared to face the high cost of education. Ironically, although parents realize that having education fund is important for their childrens' future, not many of them make any savings for their children's tertiary education (Hadi et al., 2019). As a result, takaful operators have introduced various education takaful plans to serve as one of saving mediums (Great Eastern Takaful, 2022; Prudential BSN Takaful, 2022; Takaful Ikhlas, 2022).





Nevertheless, takaful is quite new to those who have not been exposed to it and do not know the benefits and protections provided by the takaful and insurance agencies. This seems to be a loss to many parties that do not subscribe to these various types of benefits. In Malaysia, various literatures have been documented that the lack of awareness is one of the factors that hinders further development of the takaful market in the country (Husin, 2019).

To explain more about takaful, it is focused on mutual cooperation, which can bring society together, inject a harmonious environment, and recognize the needs of society for the insurance operators' long-term success and sustainability. As a result, unfairness and immoral behaviour may be reduced to some degree. Takaful is a good and unique activity in which the surplus is shared among the participants and operators. Takaful payments are structured in such a way that part of the money goes to the risk-sharing fund, which is used to pay claims (Hassan, 2018).

Takaful is a commercial product rather than a religious one. It is appropriate for everyone, regardless of religious affiliation. In the financial sector, it is extremely relevant and meaningful for individuals of every class of age. Takaful, which has more value-added substance than insurance, is the perfect option for those seeking financial security from future misfortune. However, in Malaysia, knowledge of Takaful is not as widespread as it should be (Hassan, 2018). This also includes the education takaful plans promoted by different takaful agencies.

According to Yakob (2019), studies that have been conducted show that only 14.66% Malaysians participated in family takaful plans which also includes education takaful. This achievement does not meet the target set by the Government of Malaysia that wants national life insurance and family takaful penetration rate to breach 75 per cent by the end of 2020 (Sang, Mohidin, & Budin, 2020). This shows that most of Malaysians have yet to understand the importance and capability of takaful products in minimizing financial difficulties arisen from the contingent risks. In particular, this study prioritizes the awareness of education takaful plan as it is not widely subscribed among the Malaysian society. As a result, the aim of this study is to look into the consumers' awareness of education takaful in Kuching, Sarawak.

The structure of this paper is as follows, Section 2 reviews the previous studies; Section 3 explains the research methodology; Section 4 analyses and discusses consumers' awareness of education takaful in Kuching, Sarawak, and Section 5 concludes the paper.

LITERATURE REVIEW

Islamic Financial Service Act 2013 (Bank Negara Malaysia, 2013) described takaful as “an arrangement based on mutual assistance under which takaful participants agree to contribute a common fund providing for mutual financial benefits payable to the takaful participants to help for their beneficiaries on the occurrence of pre-agreed events”. Takaful is an Islamic insurance in which each person pays money to a pool of money to protect themselves from damages caused by unforeseen incidents. Up-front costs are minimised under takaful in which risk is capped and costs are predictable.

Takaful product is free from *riba* and other prohibited elements but have the element of *mudarabah*, *tabarru'* and other Shari'ah-compliance elements. Although both takaful and conventional insurance generate profits for shareholders, takaful is explicitly transparent but conventional insurance is not the case. This is how takaful is designed to be shariah-compliant products (Khan, 2008). Takaful and conventional insurance contracts are quite different because the former is based on risk sharing while the latter is based on the exchange of risk. The policyholders in takaful are helping one another by mutually providing protection in the





event if anyone of them has met with misfortune. With this, takaful will be able to promote solidarity and brotherhood among the society as well as practice of mutual and cooperative concept in the community (Hassan, Salman, Kassim, & Majdi, 2018).

Different takaful agencies have different benefits and privileges. According to HSBC Amanah Berhad (2021) takaful education plan, the plan also covers for death and total, permanent disability and also to protect children from financial hardship in an event of unforeseen circumstances. Financial aid will also be provided for child's education in the future. In this light, Etiqa Education Takaful also protects the children's future in which they will get benefits from the takaful that the clients had chosen for them (Etiqa Family Takaful Berhad, 2020). This is due to the increase of expenses in education from time to time in the future thus parents that subscribe to the education takaful will be well prepared by starting to save at the earliest they can.

On the other hand, according to AmMetLife Takaful Berhad (2021), the total amount of value in the public fund investment will be payable to the client and for their children's education when the certificate matures. This will benefit the children in case of loss of the guardian. In the event of the certificate holder's children is diagnosed with a critical illness, the basic sum of the fee will be covered by takaful. The certificate will remain in force until a claim is made for death, total permanent disability, or the maturity of the certificate, whichever comes first. Among the benefits of subscribing an education takaful plan is the withdrawals of the savings are allowed in cases of unexpected expenses (AmMetLife Takaful Berhad, 2021). In the case of an emergency, the client can claim a certain amount of fund to cover their expenses. This helps protect the clients from certain finance risks. Besides that, according to Etiqa Family Takaful Berhad (2020), the other two benefits of subscribing an educational takaful plan is the cash reward that is prepared for an academic excellence and also maturity benefit.

In Malaysia, awareness of takaful is still low despite their notable vision (Hidayat, 2015). A study was carried out to evaluate the Muslim awareness on the existence of Family Takaful in Malaysia with 220 respondents and only about 51% of them are aware of the Family Takaful existence. This result shows that even among Muslims the awareness of education takaful is considered lacking. Another study conducted by Abdul Rahman (2008) which was a cross-sectional, informative field analysis on Malaysians' knowledge of takaful. It was a national survey with a sample size of 886 people. According to the report, 88.6 percent of respondents are conscious that takaful exists in Malaysia. However, more than half of the respondents was unable to acknowledge anything about the privileges and benefits provided by takaful products which is also including education takaful. This seems to be a let-down to many Malaysians since they are missing out on the advantages of subscribing takaful products.

Undeniably, studies have shown that the level of awareness of education takaful in Malaysia is still considered low and has room for better improvement (Mansor, Masduki, Mohamad, Zulkarnain, & Aziz, 2015). This highlights that there are still many Malaysians who are unaware about the presence of education takaful. Many people in the society have low awareness due to the lack of effort in finding finance instruments which are beneficial for themselves (Fauzi et al., 2016). In addition, the level of awareness of education takaful in the capital cities are considered better than the other cities in a state (Yakob, Hafizuddin-Syah, & Hisham, 2019). This is because the capital cities have better exposure from takaful agencies compared to the other cities in a state (Hassan et al., 2018). Capital cities have a better tendency of opening more branches and offices of a takaful agency.

In this modern era, financial institutions have been evolving with modernization. Despite that, many of these institutions are unknown to many people in the society. This seems to be a loss to those who are missing out on the privileges and benefits promoted by these institutions (Hassan et al., 2018). This includes education insurance and education takaful.





Based on the studies made on the lack of awareness of education takaful has showed that there are various factors that has caused this issue to happen.

Among the factors for the lack of awareness of education takaful in Malaysia is the performance of takaful agencies in Malaysia. According to Salman (2014), conventional insurers perform better than takaful companies in terms of profitability and risk measurement but takaful outperform conventional insurance when the ratio of premium to surplus is used. Based on the statement above, it shows that education insurance has more clients compared to education takaful. This is because education insurance is more aware by others when contrast with education takaful (Matsawali et al., 2012).

Furthermore, the exposure of education takaful in certain areas in Malaysia is still considered very low especially in the rural areas (Hassan et al., 2018). This has caused many of those in the rural areas to be unaware about the presence of education takaful plan which is beneficial for their children. These rural areas seldomly have takaful agencies due to their location which is not suitable to open any branches or offices for certain institutions (Razak, Idris, Yusof, Jaapar, & Ali, 2013).

Lastly, the level of awareness of education takaful is still regarded as low among the parents. Many of the parents nowadays have a late awareness regarding education takaful as they do not have an early exposure during an early stage (Mansor et al., 2015). This is because many takaful agencies do not put enough effort in ensuring that the exposure of education takaful is carried out in a proper way. This leads to the reason why many of the parents with primary school and preschool children being unaware about the presence of education takaful.

RESEARCH METHODOLOGY

In this qualitative study, non-numerical data is gathered and analysed in order to illustrate thoughts, values, or experiences (Silverman, 2020). According to Cristancho, Goldszmidt, Lingard, and Watling (2018), qualitative research is used to examine and understand people's beliefs, experiences, attitudes, behaviour, and interactions. Qualitative research also assists researchers in better understanding and analysing the dynamic reality of current issues. In this study, semi-structured interviews were carried out to obtain data that are beneficial for the study of education takaful awareness among consumers in Kuching, Sarawak. The interviews that were conducted were among takaful agents and Muslim and non-Muslim parents who have children eligible for the education takaful plan in Kuching, Sarawak. The respondents were selected based on their experience and involvement in the takaful industry and parents that have children eligible for the education takaful. This is to ensure that the information and data collected from the interviews were related to the issue of this study. The participants were contacted through emails and telephone calls.

For the main participants of this study were the agents from the takaful agencies that can provide answers and thoughts regarding the lack of awareness in education takaful. Takaful agents are the individuals that face and handle takaful activities on their daily basis. This gives them the capability to experience the happenings in the takaful industry. Due to that, the agents were able to provide the solutions to the issue that was being faced in this study.

Secondly, parents who have children eligible for the education takaful were also selected to be interviewed to gain their perceptions and thoughts about the education insurance and education takaful plan. By interviewing these parents, it was clear that some of the parents' perceptions towards education insurance and takaful were different. Through that, the answers on why the lack of awareness of education takaful was happening in Kuching, Sarawak and the methods of solving the issue were able to be obtained.





To ensure the smoothness of the interviews, a guide of questions was prepared. Proper questions were asked to obtain proper answers and thoughts. All of that was carried out to make certain that the interviews were done in a proper manner. Due to the MCO period, the methods of conducting the interview were carried out by using video conferences through the Google Meet platform. Conducting an interview through Google Meet was very effective as it produced a clear sound and image of the interviews. During the interviews, the interviewees were asked for permission to be audio or video recorded to obtain all the answers from the interviewees. To analyse qualitative data, all the answers recorded and written down were analysed to obtain the solutions for the issues regarding the lack of awareness in education takaful.

RESULTS AND DISCUSSION

For this study, three takaful agents and eight parents were interviewed using semi structured interviews. Each takaful agent respondent was chosen based on their direct experience of providing Takaful products to customers and their familiarity with current issues regarding Takaful business. The parents that were chosen was based on their awareness regarding education takaful and consists of Muslims and non-Muslims. The researcher interviewed each respondent. Each one of the takaful agent had been working as a Takaful corporate agent for more than 6 months, and they were all familiar with the current issues regarding the lack of awareness of education takaful among the society. Each of the parents all have experience with takaful more than 6 months considering that they have knowledge regarding the current issues of takaful.

Research Participants

As displayed in Table 1, 11 respondents had participated in the interviews for this study. The first respondent was Agent 1 who was an agent from Al Jannah agency from Great Eastern Takaful and has the experience with takaful business more than 2 years. She had chosen to be a takaful agent as a side income during the early phases but ended up in taking the job as a permanent job as she stated that becoming a takaful agent is quite a good career. The second respondent was Agent 2 from the same agency as Agent 1 but has the experience with takaful activities for more than 6 years. His 6 years of experience has given him the clear image of how takaful activities are carried out. Agent 3 was an agent from Hong Leong MSIG Takaful agency with the experience of more than 1 year. He is currently a student at University Malaya studying finance and business for his bachelor of degree.

For the respondents who were parents, Lecturer 1 who is the fourth respondent was a parent who worked as a lecturer at UNIMAS or known as University Malaysia Sarawak. The fifth and sixth respondents who are known as Lecturer 2 and Lecturer 3 were also lecturers from UNIMAS, all of the three lecturers from UNIMAS have the experience with takaful for more than 10 years. The seventh respondent known as Doctor 1 was a parent who is aged 50 and has 7 children. She has the experience with takaful for more than 15 years as she had an early awareness regarding takaful. The eighth respondent was also a doctor known as Doctor 2 has the experience with takaful for more than 10 years. She is a doctor who works at Sarawak General Hospital. The ninth respondent, Lecturer 4, is also a lecturer who has the experience with takaful for more than 15 years. The tenth respondent is a non-Muslim who works as a teacher at St Thomas secondary school having less than 10 years of experience with takaful. The eleventh respondent is also a non-Muslim but has the career of a businessman. This





businessman also has less than 10 years of experience with any takaful activities. All the respondents were Muslim except for the tenth and eleventh respondent.

Takaful agents provide Takaful services to all state government departments and agencies, whether corporate, private, or individual. They always promote Takaful products in the Kuching city and to other individuals throughout Malaysia. Malaysians have the right to participate in the Takaful plan provided by these Takaful providers. The respondents that were parents are all aware about takaful and are all purchasing takaful products for their own beneficial reasons.

Table 1: Summary of The Respondents

AGENTS	PARENTS
Al-Jannah Agency Great Eastern Takaful	Lecturer 1
Al-Jannah Agency Great Eastern Takaful	Lecturer 2
Hong Leong MSIG Takaful Agency	Lecturer 3
	Doctor 1
	Doctor 2
	Lecturer 4
	Teacher
	Businessman

Perception of Muslims and Non-Muslims towards Conventional Insurance and Takaful Insurances

Everyone is exposed to many risks in their daily lives, which is a natural phenomenon in any community. According to Matsawali et al. (2012), Islam encourages people to take preventive steps, also known as an effort, to protect themselves from harm. This may be observed in the way Prophet Yousuf AS prepared his country in terms of food storage so that they would have a constant supply during the seven-year drought. To avoid self-harm, Islam states that being prepared for all risks is a crucial requirement.

Insurance has arisen as a risk-mitigation instrument, and it has played a vital role in the development of the financial sector and general economic growth of the world's main economies (Kamil & Nor, 2014). This emphasises that the basic goal of insurance is to maintain shared obligations based on mutual cooperation among the parties involved in protecting an individual against unanticipated risks (Matsawali et al., 2012). Despite their differences, both conventional and takaful insurance have the same goal which is to safeguard their clients from financial risks.

From the interviews that were successfully carried out, it can be stated that all respondents understood about the differences between conventional insurance and takaful insurance. This statement can be supported based on the information obtained from the interviews. Each of the respondents have their own perceptions and knowledge regarding these two different types of insurance. Most of the respondents also know about the differences in element between conventional insurance and takaful insurance.





Nevertheless, all the respondents basically have a good knowledge regarding the issues regarding the takaful business. This is because most of the respondents stated that it is important to know the latest updates about takaful activities. All the respondents also stated that takaful products are more transparent and has better benefits compared to conventional insurance products. The answers from the respondents regarding the perception of Muslims and non-Muslims towards conventional insurance and takaful insurances differ as they all have their own personal thoughts. Based on the statement given by Agent 1, Agent 2, Lecturer 1 and the Businessman gives a clear perception between conventional insurance and takaful insurance.

Agent 1 had given her clear opinion regarding the comparison of conventional insurance and takaful insurance:

“Education Takaful is a good investment for every parent to subscribe for their children since it provides both protection and savings. We never know what is going to happen in the future so at least we should sign up for takaful in case of any unfortunate event such as death of the parents which could put an end to their child savings and risk their future. However, it is highly recommended for the Muslim to sign up of Takaful since it is Shariah-compliance compared to conventional insurance.” (Agent 1)

According to Agent 2, it is important that Muslims should know that only Takaful products are Shariah compliant, and it is known as the obligatory insurance for Muslims:

“For Muslims, Education takaful is the obligatory insurance that one should subscribe as education insurance has forbidden elements in Islam. In takaful, there is hibah which is halal while in education insurance have gharar, riba and maysir which are haram. Insurance uses the concept of policy while takaful uses the concept of certificate.” (Agent 2)

As a Muslim, it is important to know that subscribing or purchasing Shariah compliant products and services is the only permissible way in Islam. Non-Shariah compliant products and services are considered prohibited in Islam as it has forbidden elements rendering it to become a non-Shariah compliant product or service. Quoting the response of Lecturer 1:

“For Muslim parents, if there is a possibility to choose an education insurance for their child, it is better to choose a Shariah compliant insurance that is takaful education. With Allah SWT blessings, it will cover both this world and the hereafter.” (Lecturer 1)

The statement given by the Businessman regarding the comparison:

“Takaful education provides a more transparent activity and gives more benefits to its subscriber compared to education insurance.” (Businessman)

Based on the answers from the respondents, all of them preferred takaful insurance products over conventional insurance products. It is clear that both have the same objectives which is to provide protection and also savings but due to the forbidden elements in Islam that are present in conventional insurance, this has caused them not to be eligible to be shariah compliant products (Matsawali et al., 2012).





Nonetheless, when the takaful agents were asked about their experience with clients, most of those who subscribe takaful products stated that they chose takaful insurance over conventional insurance because takaful agencies have more transparency and fairness compared to conventional insurance. Some of the clients also stated that conventional insurance is available everywhere while takaful products are only available in Muslim countries which indicates that takaful plans must have a special advantage as it is limited and promises better benefits to its consumers.

For the third question in the interview, respondents were asked about why has takaful education plan been developed for. The answers of the respondents give a clear view on what their perceptions are towards the development of education takaful and what are the functions of the following plan. This can be seen based on the answers of Agent 1 and Lecturer 4 as they have given a clear perception on why the development of education takaful plan was carried out. Agent 1 highlights the objective of the development of education takaful plan:

“It is designed for parents to ensure that their children have enough funds to support their higher education fees and expenditures in the future. If the parent (payor/contributor) died or disabled, the benefit of the Takaful allows the monthly payment of the child education takaful to be waived meaning the takaful plan would still be continued until maturity without any payment from the contributor.” (Agent 1)

Based on the statement given by Agent 1, education takaful plan has been developed to ensure that the client’s children will be given a chance to further their studies in the future with the aid of having funds from the savings and investments from the education takaful plan. Quoting the statement of Lecturer 4:

“To help children be prepared to further their studies in the future such as entering universities and also other institutions that require funds to enter and is using the Shariah compliant way.” (Lecturer 4)

According to the statement from Lecturer 4, it is clear that with educational takaful plan which is Shariah compliant, children are able to be prepared to enter universities and education institutions which require entry fees and also study fees.

Based on these answers, education takaful plan is voted as the better plan than conventional insurance which contains forbidden elements. For Muslims, it is also clear that we should always ensure that we only purchase Shariah compliant products so that we are always under the protection of Allah SWT and is always blessed by Him for always following the Shariah law.

The Awareness of Education Takaful among the citizens of Kuching, Sarawak

To know more about the awareness of education takaful, the takaful agent respondents were asked about the level of awareness of education takaful generally as they have had more experience regarding this issue. They are also more updated about the takaful activities that are happening nowadays. The answers provided by Agent 2 and Agent 3 gives a clear opinion regarding the level of awareness of education takaful generally in Malaysia. According to Agent 2:





“Some of them are aware of the existence of Takaful but have little knowledge or exposure to it. Others do not see the benefit of Takaful and are not willing to pay a small amount of contribution maybe due to their financial literacy and management. Plus, some people do not have the budget to allocate for education takaful for their children even though they are aware about the benefits of takaful. Overall, people need to be educated in financial management and exposed to financial management and literacy such as the function and benefit of each medium such as Takaful.” (Agent 2)

Based on the Agent 2’s statement, some of the people in the society are aware about education takaful but do not have enough knowledge and exposure about it causing some of them not to subscribe to it. Apart from that, some parents are not able to subscribe due to their finance situation. According to the statement given by Agent 3:

“In general, in Malaysia, the awareness of education takaful is more aware in the peninsular Malaysia compared to Sarawak and Sabah. For clients, most of those who subscribe takaful plans are mostly non-Muslim compared to Muslims.” (Agent 3)

Based on the answer provided by Agent 3, it is clear that his experience in dealing with clients for the takaful business, shows more non-Muslims are aware about the benefits that are provided by takaful. He also stated that non-Muslims are more aware about education takaful plan because they see it as a gift for their child when they are eligible and old enough to further their studies. This shows that some clients see education takaful plan as an asset that they are able to share with their children in the future.

Despite that, among the research that were made, the level of awareness of education takaful in Malaysia is still considered low as there are still many people in certain areas that are unaware about education takaful plan (Hidayat, 2015). Nonetheless, this is why this research has been carried out in Kuching, Sarawak as it is to see the level of awareness of education takaful in the Kuching city. Each and one of the respondents were all asked about the level of awareness of education takaful plan in Kuching, Sarawak. Agent 1, Agent 2, Lecturer 2, and Doctor 1 has given a clear opinion regarding the level of awareness of education takaful in Kuching, Sarawak. According to Agent 1’s opinion:

“There’s not much awareness going on for education takaful since some of these parents don’t even have personal takaful for themselves. Employers’ Takaful (Group Takaful) which the company they work for provide for their workers, do not provide savings for education. Only personal education takaful does. Organizations should collaborate and allow takaful representatives to educate communities on the benefit of Education takaful.” (Agent 1)

Based on the opinion of Agent 1, the level of awareness of education takaful among parents and workers in Kuching city is still considered low. This is due to the fact that takaful agents are sometimes not permitted to promote takaful products at certain areas due to certain reasons. Quoting the statement given by Agent 2:





“In Kuching, the awareness of education takaful is still low especially for the natives in the area. Compared to the Chinese society, the natives in Kuching have less awareness. Muslims usually know only a bit of difference between insurance and takaful which causes some of them to choose insurance over takaful. Most of the clients also usually prefer to subscribe takaful plans with non-Muslim agents.” (Agent 2)

According to Agent 2, the level of awareness of education takaful among the native people in Kuching, Sarawak are considered low to the Chinese society in the city. This is because the native people in the city do not have the right amount of exposure regarding education takaful plan. According to Lecturer 2:

“I think Kuching needs to catch up with other big cities in Malaysia, I don't think Kuching should be the only state to focus on but also the whole Sarawak should be including those in rural areas because these are the people that usually have financial problems sending their children for tertiary education. Takaful plans have to be made to tailor for those who do not have regular monthly income so that more will willingly subscribe to these education takaful plans.” (Lecturer 2)

According to Doctor 1:

“I don't have a clear answer for this especially on the general public. But by looking around me, my colleagues are aware of education plan and many of them have education insurance for their children. But I am not sure if they signed up for takaful insurance or conventional insurance, but they all have education funds for their children.” (Doctor 1)

Based on the answers given by the respondents, the level of awareness of education takaful among consumers in Kuching, Sarawak is still low compared to the Peninsular Malaysia. As it is today, more people in the Kuching city are starting to be more aware about the presence and benefits of education takaful which is causing a slight increase in the subscription of education takaful plan in Kuching, Sarawak. Despite that, based on the experience of respondent 2 in the takaful business, there are still many citizens in the Kuching city that are unaware about education takaful. According to respondent 1, she stated that there are those in the city that are aware about education takaful but because of their small wages and lack of fund, they are unable to subscribe an education takaful plan.

Ways to Increase the Awareness of Education Takaful in Kuching, Sarawak

In this modern era, takaful insurance and conventional insurance is widely promoted and known all around the world due to the benefits and royalties provided by the plans and products promoted by different insurance agencies. Despite that, there are still those who are unaware about education takaful plan in various areas. This also includes some of the individuals in Kuching, Sarawak. Due to that, there are ways to increase the awareness of education takaful in Kuching city.

When it comes to the plans they promote to its clients, each agency has its own set of agreements and benefits. Despite this, not everyone is aware about the educational takaful plan's advantages. To target the untouched market, takaful operators should strengthen their





marketing strategies and simplify product features. Besides that, religion is the most essential aspect that influences a consumer's decision (Hassan et al., 2018).

Takaful agencies should also create an awareness among all Malaysian consumers regarding Takaful products to penetrate the market. Apart from the awareness and knowledge of Takaful, according to Hassan et al. (2018), education plays a role in influencing the decisions of the possible participants. If Takaful operators plan to offer Takaful products, they should focus on the ethicality of the products as well as the education background of the future participants. This is because education is one of the ways to uplift the society's way of thinking. An educated person will know how to use the knowledge rightfully and can decide what is right and what is wrong. With that, more people would be aware about the importance of having an education takaful plan for their children.

To know more about the ways of improving the level of awareness of education takaful among consumers in Kuching, Sarawak, the respondents of the interviews were asked about how to improve the society's level of awareness regarding education takaful in Kuching city. Each of them had different ideas on how to improve the level of awareness despite that some of them were nearly the same. Agent 1, Agent 3, Lecturer 1 and the Teacher gave clear thoughts on how to increase the level of awareness of education takaful in Kuching, Sarawak.

Agent 1 stated her personal thoughts on how the level of awareness of education takaful in Kuching, Sarawak can be increased:

"Collaboration with employers and school (PIBG) to educate the parents on the advantages of education takaful. Other than that, there should be a collaboration with broadcasting media to promote the benefit of education takaful to the public and create awareness. Plus, recruiting more agents to spread more awareness and increase the chances of participation in education takaful is also a very good method." (Agent 1)

According to Hidayat (2015), if parents have an early awareness regarding education takaful plan, then there is a high possibility that they would subscribe to it. This is because when the parents who subscribe to an education takaful plan at an early age for their child then the price of the monthly payment will be lower compared to when the child is older. According to Agent 3:

"For Takaful advisors which meet with the public and different individuals, the concept of the takaful products should be more explained so that they can see and know more about the benefits and specialty of takaful products. With that, more people can be attracted to subscribe takaful products in Kuching." (Agent 3)

Based on the statement from Agent 3, when the agents are presenting about education takaful plan to the public, they should be more specific in explaining the details so that these individuals will be more attracted to subscribe to the plan. The solution that was suggested by Lecturer 1:

"This is a very important issue because takaful education really lacks visibility. It can be improved by carrying out strategic marketing for example by having a booth during award giving ceremony in primary schools or preschools rather than secondary schools. This is because the earlier the parents start the takaful education plan, the cheaper the monthly contribution will be. Of course, there is also media to advertise but more





people will tend to sign up for a plan if the procedure is made easier for them.” (Lecturer 1)

Lecturer 1 indicates that the takaful agencies should be focusing on spreading the awareness of education takaful to the parents that are having their children at primary schools and preschools instead of secondary schools. Therefore, more parents will be aware about education takaful plan at an early stage where the prices of the plan will not be too high. According to the suggestion made by the Teacher:

*“Advertised through mass and social media. Through these channels of communication, the agencies can carry out talks or seminars to make people more aware of the benefits of takaful/insurance education. In addition, Takaful courses can also be integrated into academic curriculum of higher learning institutions to enhance the level of public awareness.”
(Teacher)*

It is clear that the social media has a heavy impact on the society nowadays. Many individuals are connected to the social media nowadays which is why advertising through the social media is a brilliant way to spread the awareness of education takaful in Kuching, Sarawak. Furthermore, applying takaful courses in universities should also be considered so that the students will have the awareness regarding education takaful plan for their children in the future.

The answers and ideas given by these respondents are unique and true. It is true that takaful agencies should try to expose more of the primary school and preschool parents about education takaful plans so that they would know about it more early rather than late. Takaful operators should also increase the effort of advertising education takaful plans in social media so that more people would be aware about the benefits and royalties provided by this plan. Lastly, takaful agencies must put more effort into explaining the public about the advantages of having education takaful plan for their children at an early stage. As a human being, we should always be well prepared so that in case of any risks or incidents happen, we could decrease the amount of loss and damages at a high percentage.

CONCLUSION

Based on the the semi-structured interviews, it can be seen that the level of awareness of education takaful in Kuching, Sarawak is still considered low based on the perceptions of the takaful agents. They also stated that despite that some of the society in Kuching city are aware about education takaful plan, there are some of those who cannot afford to subscribe to this plan as they might have the lack of fund or due to small wages. This has also seemed to be an issue in where awareness is not the only problem, but the finance of some individuals causes them not to be able to subscribe to an education takaful plan for their child. Among the recommendations to increase the level of awareness of education takaful in Kuching, Sarawak is that takaful agencies should try to expose more of the primary school and preschool parents about education takaful plans. With an early exposure of education takaful, these parents will be able to subscribe an education takaful plan at an early stage where the price is lower compared to when a child is older causing the price of subscription to also increase. Therefore, it is important for parents with young children to be aware about education takaful at an early stage.





There are a few unavoidable limitations to this study as this research only reviewed the theoretical issues regarding the lack of awareness among consumers in Kuching, Sarawak. This qualitative research was carried out during the Covid-19 pandemic which has caused limitations of movement. Due to that, interviews were carried out using video conferences as the movement control order has restricted the public to move freely during the order. In addition, most of them were reluctant the interview sessions to be recorded. Other than that, liaising with the respondents being takaful agents and working parents, their schedule was quite tight causing the interviews to be delayed now and then. Despite that, future studies can apply a quantitative methodology in carrying out the research to obtain a more accurate data regarding the level of awareness of education takaful in larger or different areas.

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