

## Islamic Insurance (*Takāful*): A Review of Recent Research and Future Directions

Rezki Agrisa Ditama<sup>1\*</sup>, Muhammad Fauzi<sup>1</sup>, Abdul Muid<sup>2</sup>, Al-Mahdi<sup>3</sup>

<sup>1</sup>State Islamic Institute of Kerinci, Indonesia

<sup>2</sup>University of Jambi, Indonesia

<sup>3</sup>Al-Ahgaff University, Yemen

### Article Info

#### Paper Type:

Literature Review

Received: July 12, 2024

Revised: November 11, 2024

Accepted: November 27, 2024

First Available online: November 30, 2024

Publication Date: November 30, 2024



Ditama, R.A., Fauzi, M., Muid, A., & Al-Mahdi (2024). Islamic Insurance (*Takāful*): A Review of Recent Research and Future Directions. *Review of Islamic Economics and Finance (RIEF)*, 7(2), 155-170.

### Abstract

**Purpose** – This riset aims to review of recent riset on *Takāful* and highlight future riset directions.

**Methodology** - This riset is descriptive qualitative, with the method used is a literature review. Riset data was collected or searched through the Emerald data base for the last 24 months (January 2022 – December 2023) by entering the keyword title in the search column "*Takāful*, Islamic Insurance", and by using content analysis as a data analysis tool.

**Findings** - The study show that during the last 24 months there were 29 *Takāful* riset documents (in the form of journal articles) recorded in the Emerald data base. Riset has been analyzed and summarized into several sub-categories (streams), namely *Takāful* riset stream 1: policy, law, governance/performance, service, marketing, accounting. *Takāful* riset stream 2: Micro-*Takāful*. *Takāful* riset stream 3: creating a conceptual model. *Takāful* riset stream 4: basic human values/traditions and the application of behavioral theory to examine behavioral intentions. Finally, *Takāful* riset stream 5: effects of *Takāful* on economic development, inclusion and islamic finance. These findings lay a strong foundation for further riset. The current riset gap allows academics/researchers to focus on areas that are still unexplored, such as *Takāful* riset stream 1 and 4 showing improvement or the most researched, while *Takāful* riset stream 2, 3, 5, and/or technology application are still very little researched so it is very interesting to identify, propose/formulate, and encourage the development of a comprehensive conceptual model and empirical testing in *Takāful*. Not only that, these findings can also be a relevant contribution to various parties who can design a more targeted plan for the development of the *Takāful* industry, and at the same time can touch the wider community.

\*Corresponding author: [rezkiagrisa88@gmail.com](mailto:rezkiagrisa88@gmail.com)

**Keywords:** *Islamic Insurance; Takāful Policy; Digitalization; Islamic Finance;*

## 1. INTRODUCTION

Islamic insurance (*Takāful*) is one of the main components in the development of modern Islamic finance (Muhamat & Azizan, 2023). The principles, practices and operations of *Takāful* cannot be separated from parameters that always refer to sharia principles sourced from the Al-Qur'an, Hadith and Islamic jurisprudence (Malik & Ullah, 2019). *Takāful* also represents principles that include *Ta'awun* (mutual cooperation) and *Tabarru'* (donation) and *Wakalah* (agency) (Lukman & Elatrash, 2017; Nazarov & Dhiraj, 2019). *Takāful* in its general concept is based on the principles of mutuality of mutual protection from loss, mutual responsibility and mutual assistance (Lukman & Elatrash, 2017; Dahnoun & Alqudwa, 2018). In a group of *Takāful* participants collectively agree to share the risk, rather than the risk being transferred to one party. Participants share the risk by providing *Tabarru'* to the mutual fund, while the *Takāful* company (operator) only acts as fund manager. In this way, the collective contribution of *Tabarru'* based *Takāful* participants is used to help each other (Lukman & Elatrash, 2017; Malik & Ullah, 2023).

Globally, *Takāful* has attracted the interest of many executive riset and academics. Their riset has reflected how these issues occurred in the development of *Takāful*. Nasir et al (2021) revealed that the development of *Takāful* riset has four main themes, namely (1) riset that compares *Takāful* and conventional insurance. (2) explore some of the business models and sharia compliance issues in *Takāful*. (3) *Takāful* is also studied from the concept of marketing and customer behavior. (4) *Takāful* is also studied regarding issues of risk management, investment and corporate governance. In line with this, Ansari (2022) also explains that from 2000 – 2019 research on *Takāful* studied included marketing, finance, human resources, governance and an emphasis on legal issues and mostly consisted of research related to the application of behavioral theory. to test the behavioral intention to take *Takāful* services. Furthermore, Qadri et al (2022) also explained that *Takāful* riset on the Scopus data base for the period 2002 – 2022, consisted of a number of historical background studies, concepts and models, as well as customer satisfaction with the *Takāful* model. Then, Alam et al (2023) explained that the evolution of the development of *Takāful* riset was divided into several periods, namely (1) the period 1800 – 1975, regarding the legal basis for *Takāful* development; (2) the period 1976 – 2005, regarding the issue of international recognition and *Takāful* treatment; (3) the period 2006 – 2022 regarding the performance of the *Takāful* company;. (4) the period 2007 – 2022, regarding the development of *Takāful* products. From here, it can be seen how riset on *Takāful* is developing. However, considering the journey ahead, recent riset will certainly be in the spotlight. Even experts continue to recommend its growth, considering the large potential and contribution of Islamic insurance, especially in Muslim-majority countries (Kusmayadi et al., 2021).

The focus of this riset is to review the recent riset on *Takāful* through searches in the Emerald database. Emerald is one of the world's leading digital-first publishers, commissioning, curating and presenting research that can make a real difference (emerald publishing, n.d). Emerald has been championing for more than 50 years to help challenge the thinking of researchers and academics, and bring them together to discover and practice the research that truly matters. Currently, it is reported that approximately 500,000 researchers from 130 countries have had their documents detected in the Emerald data base (emerald publishing, n.d). This riset differs from existing riset, as explained previously, many researchers conducted riset on *Takāful* by utilizing

bibliometric and systematic analysis approaches by searching various data bases (such as: Scopus, Web of Science, Google Scholar, etc. ), and limited by the periods in which the literature was published (Nasir et al, 2021; Ansari, 2022, Qadri et al, 2022; Alam et al, 2023). Apart from that, this riset is motivated by riset conducted by Hassan et al (2021; 2022) which has reviewed the literature on “Islamic finance and accounting”, and riset by Arzam et al (2023) which has reviewed the literature on “Islamic crowdfunding”, and riset by Fauzi et al (2023) which has reviewed the literature on “*Waqf*”. Even though their focus of this riset is different, they can provide gaps and guide this research.

This riset has two objectives, namely reviewing the recent riset on *Takāful* which was traced in the Emerald data base over the last 24 months (January 2022 – December 2023). A further aim is to highlight directions for future riset in *Takāful* studies.

The recent riset on *Takāful* needs to be reviewed again to reveal issues regarding the ongoing practice and implementation of *Takāful*. In existing riset, of course various solutions have also been embedded so that they can become material for discussion and challenges for future research on *Takāful*. Bearing this in mind, we argue that reviewing the recent riset on *Takāful* spread across the Emerald database over the last 24 month can open up and provide directions for future riset.

## 2. METHODOLOGY

This riset is qualitative descriptive riset, with the method used is a literature review. This riset collects data sources by searching the Emerald data base for the last 24 month (January 2022 – December 2023), by entering the keyword title in the search column, namely "*Takāful, Islamic Insurance*". Data collection during that period from the Emerald data base is considered relevant to this study considering the rapid growth of the Islamic financial industry (including Islamic Insurance / Takaful) and also allows us to see how the real development of this Takaful research is, as well as to propose for future research. Furthermore, choosing that period from the Emerald database, because it is a well-known and comprehensive database that covers various disciplines, including Islamic economics and finance. Several previous studies have also relied on the Emerald data base, for example Arzam et al (2023) "reviewing the literature on Islamic Crowdfunding", and Fauzi et al (2023) "reviewing the literature on *Waqf*". Therefore, guided by previous studies, this study applies it in a similar manner.

The collected riset data was analyzed following the method of Hassan et al (2021; 2022), Arzam et al (2023), Fauzi et al (2023), namely content analysis. Content analysis is often interpreted as a technique for making replicable and valid inferences from data by taking into account the context (Krippendorff, K., & Wajidi, 1980; Wajdi, 1991). This riset uses content analysis, because it allows riset to categorize literature, analyze gaps in existing riset, and offer or recommend for future riset. Thus, the riset flow was further analyzed and categorized (streams) into subcategories (Hasan et al, 2021; 2022; Arzam et al, 2023; Fauzi et al, 2023).

### 3. RESULTS AND DISCUSSION

There were 29 *Takāful* riset documents (in the form of journal articles) found in the Emerald data base over the last 24 months. The author has analyzed a number of these studies and summarized them into subcategories (streams). For more details, see the following table 1.

Table 1. The Recent Riset Streams on *Takāful*

Riset Stream	Themes	Document
Riset Stream 1	Policy, Governance/Management/Performance, Service, Accounting	Legal, Marketing,
		<ul style="list-style-type: none"> <li>• Jelili &amp; Alabdulrahman (2023)</li> <li>• Arianty et al (2023)</li> <li>• Saleh et al (2022)</li> <li>• Eldaia et al (2023)</li> <li>• BenSaid (2023)</li> <li>• Abu Al-Haija &amp; Houcine (2023)</li> <li>• Sukmaningrum et al (2022)</li> <li>• Shamsudheen et al (2023)</li> <li>• Hamzeh &amp; Ghanbarzadeh (2023)</li> <li>• Saharuddin et al (2023)</li> <li>• Saoula et al (2023)</li> <li>• Mejri et al (2022)</li> </ul>
Riset Stream 2	Micro- <i>Takāful</i>	<ul style="list-style-type: none"> <li>• Fikri et al (2022)</li> <li>• Mohd Fauzi &amp; Laldin (2022)</li> <li>• Bangaan Abdullah et al (2022)</li> </ul>
Riset Stream 3	Devising a Conceptual Model	<ul style="list-style-type: none"> <li>• Osman et al (2022)</li> <li>• Migdad (2023)</li> <li>• El Attar &amp; El Hachloufi (2022)</li> <li>• Rahman et al (2023)</li> </ul>
Riset Stream 4	Basic Human Values/Traditions and Application of Behavioral Theory to Test Behavioral Intentions	<ul style="list-style-type: none"> <li>• Sarfraz et al (2022)</li> <li>• Sarfraz &amp; Khurshid (2022)</li> <li>• Rifas et al (2023a)</li> <li>• Rifas et al (2023b)</li> <li>• Hasan &amp; Rahman (2023)</li> <li>• Mehboob Shaikh &amp; Amin (2023)</li> <li>• Mukhtar &amp; Barre (2023)</li> <li>• Poan et al (2022)</li> </ul>
Riset Stream 5	The Effects of <i>Takāful</i> on Economic Development, Inclusion and Islamic Finance	<ul style="list-style-type: none"> <li>• Alhammadi (2023)</li> <li>• Al-Fori &amp; Gani (2022)</li> </ul>

Source: Emerald Data Base January 2022 – December 2023

From the table above, it appears that the riset stream 1 consists of 12 article with covering topics policy, legal, governance/management/performance, service, marketing, accounting. Riset stream 2 consists of 3 article with topics micro-*Takāful*, and riset stream 3 consists of 4 article with covering topics devising a conceptual model. Furthermore, riset stream 4 consists of 8 article with covering topics basic human values/traditions and application of behavioral theory to test behavioral intentions. Then, riset stream 5 consists of 2 article with covering topics the effects of *Takāful* on economic development, inclusion and Islamic finance. From here, it will be explained in more detail in the following discussion.

### **Review of Riset Stream 1: Policy, Legal, Governance/Management/Performance, Service, Marketing, Accounting**

As has been described previously riset stream 1 consists of 12 article with covering topics policy, legal, governance/management/performance, service, marketing, accounting. Starting from riset by Jelili & Alabdulrahman (2023), they seek to explore in depth the policies and strengthening of the *Takāful* legal framework as an important foundation in Islamic finance that is in accordance with sharia to achieve Vision 2030 for the overall sustainability of all fields of human endeavor in Saudi Arabia. According to them, various aspects of conventional insurance should be avoided (such as *Riba*, *Gharar*, *Maysir*) to enable Saudi Arabia to strengthen its financial system and increase economic development with an emphasis on effective policies and an efficient legal framework to achieve Vision 2030 in the country. As is known, the policy period is explicitly linked to *Takāful*, where *Takāful* insurance is considered policyholder rather than shareholder oriented. Likewise, it is necessary to specifically mention the term of the policy and the nature of the contract in *Takāful* which is not only limited to mutual cooperation between participants in connection with losses but must include an element of sharing income generated from investments between the insurance company and the policy holder using a predetermined ratio, as stated in provided with a sharia legal framework in connection with the *Takāful* model as an integral part of Islamic finance.

Riset by Arianty et al (2023) examines in more depth the extent to which the spin-off policy is implemented effectively on *Takāful* in Indonesia. They present an analysis of the effectiveness of the spin-off policy which includes clarity of objectives and criteria, implementation and monitoring and evaluation functions. According to them, the effectiveness of clarity of objectives and criteria has not been realized, the effectiveness of increasing profitability has not been realized, and the effectiveness of monitoring and evaluation functions by the government and regulators has not been realized. The supporting factor that has the highest level of importance is the role of government and regulators. Therefore, for the government and regulatory bodies it is an input in determining policies and regulations related to spin-offs, for the industry it is hoped that it will be better prepared in terms of resources, commitment and strategy.

In the context of performance, Saleh et al (2022) evaluate the performance of *Takāful* operators in Malaysia. According to them, the performance of *Takāful* operators was affected due to additional costs imposed by the implementation of the goods and services tax (GST). Furthermore, there was a decrease in average technical efficiency for *Takāful* operators after the implementation of GST. Their writings will definitely help *Takāful* operators to improve their operational activities efficiently to improve performance. Moreover, it is also useful for policy makers and central banks in taking initiatives towards identifying shortcomings of GST or implementation of new taxes required to support this industry. As the Malaysian government seeks

to encourage the *Takāful* industry along with Islamic banking and finance in a competitive market, *Takāful* operators may be exempt from the current sales and services tax.

Riset by Eldaia et al (2023) tested the Board of Director Effectiveness (BODE) on the performance of Malaysian *Takāful* companies licensed by the Central Bank of Malaysia. At the same time they investigated the moderating influence of Sharia Committee Quality (SCQ) on the relationship between BODE and company performance. They found a positive relationship between BODE and performance. In particular, between the board of directors with many independent directors, Muslims and women contribute positively to the performance of Malaysian sharia insurance companies. Apart from that, their findings are also interesting, regarding SCQ moderation which has a positive effect on the relationship between BODE and performance. A high level of SCQ combined with a high level of board effectiveness will improve performance. Thus, their findings are of practical importance for stakeholders and policy makers to improve board effectiveness and the quality of Sharia committees to reduce agency costs and improve the performance of Malaysian *Takāful* companies.

BenSaid (2023) tested the sharia governance mechanism of *Takāful* insurance and its impact on its financial performance during 2012-2018 on a sample of 11 registered *Takāful* insurance companies in the Middle East region. According to him, sharia governance has an impact on the financial performance of *Takāful* insurance. The size of the Sharia Supervisory Board (SSB), the reputation of members and their qualifications are key determinants of financial performance for registered *Takāful* insurance. However, needing to improve its financial performance, takaful insurance must expand the size of SSB, recruit leading clerics and recruit doctors in the field of Islamic economics.

On the other hand, riset by Abu Al-Haija & Houcine (2023) examined risk management efficiency among *Takāful* and conventional insurance companies in the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE). Also find out whether sharia insurance companies are more efficient in managing risk, compared to conventional insurance companies. According to them, *Takāful* companies have higher efficiency than conventional insurance companies, and insurance companies in KSA have higher efficiency than insurance companies in the UAE. Furthermore, *Takāful* companies do not significantly outperform conventional insurance companies in managing risk; but there is a significant difference in efficiency between insurance companies in KSA and UAE.

Meanwhile, riset by Sukmaningrum et al (2022) determines the level of family takaful productivity in Malaysia and Indonesia from 2014 to 2019. This is based on the fact that productivity can support company sustainability, which is one of the company's goals. They found that Indonesian family *Takāful* had not yet achieved optimal productivity. This may be more due to the low value of technological change. In contrast, family takaful companies in Malaysia have different productivity from Indonesia, due to technological improvements and changes in efficiency, but pure technical efficiency changes are still low. Therefore, management of family insurance companies in Indonesia needs to focus more on technological innovation and service delivery to increase productivity. Meanwhile, family *Takāful* companies in Malaysia can maintain their use of technology and efficiency in order to operate productively. Likewise, the governments in both countries should actively accelerate the growth of family *Takāful* companies by producing regulatory products that strengthen the industry. Specifically for the Indonesian government, it is necessary to make regulations that support technological improvements.

Riset by Shamsudheen et al (2023) examined the impact of information overload (referred to as the saddling effect) of the underlying contracts on the sales performance of salespeople in

Islamic insurance institutions in Malaysia, with particular reference to addressing heterogeneous effects across distribution channels. They found that the saddling impact of the underlying contract was apparent among salespeople and the magnitude of the impact was found to be heterogeneous between groups of salespeople in different distribution channels.

In the context of demand, Hamzeh & Ghanbarzadeh (2023) identified what factors influence the demand for Takāful in Iran. This identification is very important, because it can help policy makers and sharia insurance providers in formulating appropriate strategies to increase demand for Takāful. Simply put, they found there were five factors that influenced demand, namely economic, social, demographic, marketing and sales, as well as Takāful product features.

In contrast to riset by Saharuddin et al (2023), they found out the prospects for *Takāful* funerals as a sharia insurance product and its marketing strategy. They conducted a multi-case study which analyzed *Takāful* Funeral Amsterdam in Indonesia, which was launched in 2015, Millî Görüs in Turkey in 1970 and Arrahma in Morocco in 2006. According to their priority and interest selection criteria, the most prioritized takaful funeral product elements were market needs. Product design is the second choice, with function as a priority in the sub-criteria. This indicates that Muslims really need funeral service products that are in accordance with Islamic law and prioritize their function. Market needs as the highest priority, such as product bundling, affordable prices and simple designs are the most suitable methods for developing takaful funeral products in Indonesia.

Riset by Saoula et al (2023) investigated the role of service quality, cost perception and agent role as commitment-trust factors in financial insurance services (*Takāful*) in Malaysia, which increase customer satisfaction. According to them, there is a positive and significant effect on service quality, cost perceptions, and the role of agents in establishing close relationships with their customers. Corporate image has a moderate role in the relationship and is significant to Takāful insurance companies. However, something suggests that regardless of the corporate image of a financial services organization, customers are concerned about the price and quality of agent services. With this investigation, it certainly offers insight to sharia insurance companies on how to maintain a positive company image, which will increase the trust-commitment factor and ultimately increase customer satisfaction.

Finally, riset by Mejri et al (2022) attempted to compare the value relevance of accounting numbers prepared based on the standards of the Accounting and Audit Organization for Islamic Financial Institutions (AAOIFI) with those produced based on International Financial Reporting Standards (IFRS) for *Takāful* companies. They assessed 54 insurance companies from 10 developing countries in Asia and the Middle East from 2006 to 2015. They found that AAOIFI standards were more relevant to value than IFRS. It is clear that *Takāful* which adopts AAOIFI accounting standards has a more significant influence on share prices. Behind that, book value has a significant relationship to share prices based on AAOIFI and IFRS.

### **Review of Riset Stream 2: Micro- Takāful**

In Riset stream 2 consists of 3 article with topics *Micro-Takāful*. Riset by Fikri et al (2022) reviewed *Micro-Takāful* rules and regulations in Malaysia and determined whether they met the basic principles of *Micro-Takāful*. According to them, the guidelines regarding *Micro-Takāful* operating in Malaysia support the requirements for *Micro-Takāful* to be affordable, valuable, accessible, understandable and simplified. Behind that, efforts are being made to adjust rules and regulations taking into account input from the public, because expanding distribution channels may require further supervision due to the lack of public trust in insurance and sharia insurance.

Meanwhile, riset by Mohd Fauzi & Laldin (2022) seeks to assess the availability of the Mikro-*Takāful* scheme for protecting houses belonging to low-income groups in Malaysia. According to them, Micro-*Takāful* is very important as a protection scheme for low-income groups. However, the Micro-*Takāful* scheme in Malaysia tends to be aimed at protecting health, life and family. Only a few industries are interested in providing Micro-*Takāful* schemes for protection of houses and household contents for low-income groups. Therefore, it is very important for *Takāful* operators to consider this in their planning.

Finally, riset by Bangaan Abdullah et al (2022) conducted an in-depth study of indicators of the existence of Micro-*Takāful* in Malaysia. This is based on the fact that participation in micro family takāful plans among low-income communities is still low despite various initiatives promoted by the Malaysian Government. According to their findings, gender and knowledge about the benefits of the family Micro-*Takāful* program have a significant and positive effect on the tendency to have a family Micro-*Takāful* program. Women who are married and working are more likely than men to have a micro family *Takāful* program.

### **Review of Riset Stream 3: Devising a Conceptual Model**

Furthermore, riset stream 3 consists of 4 article with covering topics devising a conceptual model. Osman et al (2022) tested the proposed model based on a combination of relationship marketing dimensions and service quality as significant predictors of corporate image. More importantly, they try to identify whether corporate reputation mediates the relationship between customer loyalty and corporate image in the context of *Takāful* (Islamic insurance), from the perspective of Saudi Arabian customers. According to them only two dimensions of service quality (such as reliability and guarantee) and three aspects of relationship marketing (such as Islamic ethical behavior, financial and structural ties) have a significant impact on the image of *Takāful* insurance provider companies.

Meanwhile, riset by Migdad (2023) trying to identify the intersection between Islamic microfinance (MF) (IsMF) and *Takāful* in high-risk economies and propose a model for the sustainable application of IsMF in Palestine. According to them that need in the Palestine household is very high, and the performance of Palestinian MF institutions (MFI) was found to have deviated from the spirit of MF. A significant shortcoming by MFI lies in the Palestinian law that focuses on organizing MFI operations as financial institutions only. With a deviated purpose and generalized laws, the paper proposed a model of IMF. The model consists of three stages covering mission and market based financing for the economically incapable and those better off. Finally, enacting laws to protect micro-enterprises and cooperation between institutions that operate at each stage is necessary.

Riset by El Attar & El Hachloufi (2022) proposes a sharia insurance actuarial model to cover the death and permanent total deficit of contributors who benefit from *Mourabaha* financing for real estate, taking into account modern sharia insurance systems throughout the world. Specifically, the main objective of their paper is to design an optimization program that helps obtain marketable and profitable takaful products by using Islamic reinsurance as a security and technical support tool. According to them, this model makes it possible to provide high added value support to takaful and Islamic finance and also convince clients to buy real estate through *Mourabaha* products.

Lastly, riset by Rahman et al (2023) investigates and proposes the potential practice of the *Hibah Al- 'Umra* as a sharia-compliant policy that includes the disbursement of death benefits and facilitates its smooth distribution among projected *Takāful* family beneficiaries in Malaysia. They



interviewed various *Takāful* practitioners and consulted with several sharia scholars regarding their opinions on the application of *Hibah Al-‘Umra* in the disbursement of family *takāful* benefits. They found that the *Hibah Al-‘Umra* idea has great potential to channel the benefits of family *Takāful* to *takāful* participants or designated beneficiaries, both from a sharia perspective and related industries. Given the conditional nature of the grant in *Takāful*, there is argument and scope for imposing some conditions for the grant of al-‘umra to become a grant of life. It is hoped that this can play an important role in resolving problems related to the disbursement of family *Takāful* benefits to beneficiaries, where these benefits become irrevocable. According to them, this has huge implications in the current practice of family *Takāful*, if the recipient dies or gets divorced, the application of an absolute grant results in the undesirable disbursement of *Takāful* benefits among the beneficiaries. In contrast, in al-‘umra grants, with withdrawal conditions, the practice is expected to help overcome the undesirable situation if another potential beneficiary is nominated after signing the agreement in the first place.

#### **Review of Riset Stream 4: Basic Human Values/Traditions and Application of Behavioral Theory to Test Behavioral Intentions**

Riset stream 4 consists of 8 article with covering topics basic human values/traditions and application of behavioral theory to test behavioral intentions. In riset by Sarfraz et al (2022)) looked at the influence of basic human values on the purchasing intentions of *Takāful* consumers in Pakistan. The core aim of their paper is to establish the moderation of competitor similarity between the proposed relationships between traditional values, conformity values and *takāful* consumers' purchase intentions. According to them, the main challenges faced by the sharia insurance industry include the perception of the sameness of competitors which creates confusion in the minds of consumers. Therefore, it must introduce the role of basic human values in activating consumer intentions to purchase sharia insurance services. In this context, they found that traditional values have a positive effect on *Takāful* consumers' purchasing intentions. Meanwhile, competitor similarity moderates the relationship between proposed traditional values, conformity values and consumer purchase intentions of *takāful*. Furthermore, riset by Sarfraz & Khurshid (2022) also looked at the impact of traditional values and stimulation values on consumer adoption of *Takāful* services. Furthermore, their paper was extended to establish the mediating role of religiosity and the moderating role of confusion on the relationship between traditional values and consumer adoption of *Takāful* services. They found that religiosity mediated and confusion moderated the relationship between traditional values and consumers' adoption of *Takāful*, but traditional values showed a negative impact on consumers' adoption of *Takāful*. Furthermore, confusion also has a negative effect on moderating the relationship between traditional values and consumer adoption of *Takāful*. Then, the stimulation value also reflects a negative impact on consumer adoption of *Takāful* services. Therefore, it is very necessary for *Takāful* operators to understand the value priorities of their potential clients, both in rural and urban areas.

Riset by Rifas et al (2023a) seeks to investigate what factors influence the behavioral intentions of micro small and medium enterprises (MSMEs) to participate in the *Takāful* scheme in Sri Lanka. They applied an extended model of the theory of planned behavior (TPB) to see this. According to them, TPB can be applied effectively to behavioral intentions towards the *Takāful* scheme by MSMEs. This is based on seven hypotheses that have a significant positive effect, such as attitude on behavioral intentions;, subjective norms;, perceived behavioral control;, knowledge;, religiosity;, income;, and belief in *Takāful*. By conducting this investigation, it can certainly guide insurance companies on where they should concentrate to increase market penetration.

Furthermore, they also suggested benefits for Takaful insurance providers in Sri Lanka, especially marketing departments, to increase product sales, update marketing strategies and understand business entrepreneurs purchasing motivations. Furthermore, Rifas et al (2023b) also conducted the same study by examining the factors that influence the behavioral intentions MSMEs to participate in *Takāful* in Sri Lanka. They found that attitudes, subjective norms and perceived behavioral control had a positive effect on intentions. This influence shows that there is not much difference. Thus, this paper can definitely help marketing managers to change their strategies, to better attract entrepreneurs and make them understand the risks they face and, subsequently, participate in *Takāful* schemes.

In riset Hasan & Rahman (2023) attempted to predict family *Takāful* purchase intentions (FTPI) in Bangladesh using the extended theory of planned behavior (TPB) with relevant mediating and moderating factors. They found that attitudes, subjective norms, perceived behavioral control, savings motives, promotional campaigns and religiosity contributed directly to FTPI predictions. In addition, attitudes and savings motives partially mediate between promotional campaigns and FTPI. In addition, religiosity significantly moderates the relationship between attitudes, subjective norms, savings motives and FTPI, while religiosity does not significantly moderate the relationship between perceived behavioral control and FTPI.

Meanwhile, riset Mehboob Shaikh & Amin (2023) investigated the factors of customer willingness to participate in family *Takāful* using the theory of interpersonal behavior (TIB) in Pakistan. According to them, awareness, the influence of facilitating conditions and religious obligations are very important in determining customers' intentions to purchase family *Takāful* products. However, risk perception and social factors were not significant predictors. They suggest, it is necessary to look at the factors examined in this study and other factors that may play a large role in the acceptance of family *Takāful* in Pakistan.

Furthermore riset by Mukhtar & Barre (2023) investigated the perceptions of current and potential *Takāful* customers towards *Takāful* products and their implementation in Somalia. According to them, perceived relative advantage, perceived suitability, awareness, perceived culture and perceived trust have a positive and significant influence. However, perceived complexity has an insignificant influence on *Takāful* product adoption.

Then riset by Poan et al (2022) tested the role of attitude, religiosity, awareness and subjective norms on trust which influences the intention to purchase *Takāful* in Indonesia. (The research results show that trust has a significant effect on the intention to purchase *Takāful*. Apart from that, trust is also significantly influenced by awareness, religiosity and subjective norms. In addition, attitudes towards trust were found to be not significantly related.

### **Review of Riset Stream 5: The Effects of Takāful on Economic Development, Inclusion and Islamic Finance**

Finally riset stream 5 consists of 2 article with covering topics the effects of Takāful on economic development, inclusion and Islamic finance. Alhammadi (2023) investigated the relationship between financial inclusion and sustainable economic development in Indonesia by exploring the potential impact of *Takāful*. In a specific context, he seeks to test the feasibility of using *Takāful* as a means of encouraging financial inclusion and encouraging economic growth in Indonesia. According to him, there is a direct cause and effect relationship between economic growth and achieving financial inclusion through the use of *Takāful*. These findings also show a positive correlation between increasing *Takāful* market presence and accelerated economic growth.

Then riset by Al-Fori & Gani (2022) investigate whether Islamic finance has encouraged trade in insurance services in the Middle East region. They argue that Islamic finance is a core part of the financial services economy in the Middle East region, and therefore there is a strong possibility that Islamic finance is also driving the expansion of trade in insurance services. Their findings show that there is a positive and significant correlation between Islamic finance and insurance services, both exports and imports. Economic size, growth of trading partners, cost of doing business, legal rights and financial freedom are other significant determining factors.

### Recommendations For Future Riset Directions

This riset is different from that conducted by Ansari (2022), because this review *Takāful* riset in Emerald for the last 24 month (January 2022 – December 2023). Ansari (2022) has reviewed 96 riset articles on *Takāful* in Scopus database between 2000 and 2019 and proposed some key areas as future riset directions through which Scopus database has been accessed.. *Takāful* riset has widely covered marketing, finance, human resource, governance and stresses on its legal issues. Both qualitative and quantitative methodologies have been employed. The riset gaps have been classified based on the respective areas. Large share of current body of *Takāful* literature consists of the studies related to the application of behavioural theories to examine the behavioural intention to take up *Takāful* services.

The riset was inspired by Fauzi et al (2023) and Arzam et al (2023). Fauzi et al (2023) have reviewed riset on *Waqf* from January 2022 – December 2023 in Emerald. Meanwhile, Arzam et al (2023) reviewed Islamic crowdfunding riset from 2016 – 2023 in Emerald. They have seen the quality of the riset and at the same time provide for future riset direction.

Based on the discussion above, it is recommendations for future riset directions. future riset directions research, hard work is needed on the recommendations, namely on *Takāful* riset stream 2, 3, 5, and/or technology application are still very little researched so it is very interesting to identify, propose/formulate, and encourage the development of a comprehensive conceptual model and empirical testing in *Takāful*.

Recommendations aimed at this riset stream reveal that only a small number have been studied spread across the emerald database, especially empirical testing is possible in other areas. From here too, considering the fact that the research reviewed was deemed to be of sufficient quality to be analyzed. In on *Takāful* riset stream 2, namely about Micro-*Takāful*. Riset this has been done in more depth especially in Malaysia, therefore it is very possible to be done in other countries.

Furthermore, *Takāful* riset stream 3, namely about devising a conceptual model, which has been carried out in Saudi Arabia, Palestine and Malaysia, so it is also very interesting to test the model in various other countries. Finally, *Takāful* riset stream 5, namely about the effects of takāful on economic development, inclusion and islamic finance, which has been done in Indonesia and the Middle East, so that it becomes a big gap to be done in other countries as well. Apart from that, it is also necessary that future research is expected to use various existing methodologies, ranging from quantitative, qualitative to mixed method data.

## 4. CONCLUSION

Based on the riset results, it shows that during the last 24 months (January 2022 – December 2023) there were 29 *Takāful* riset documents (in the form of journal articles) detected in the Emerald data base. Of the 29 riset, it has been summarized into several sub-categories (streams), namely (1) *Takāful* riset stream 1: policy, law, governance/management/performance, service, marketing,

accounting. (2) *Takāful* riset stream 2: Micro-*Takāful*. (3) *Takāful* riset stream 3: creating a conceptual model. (4) *Takāful* riset stream 4: basic human values/traditions and the application of behavioral theory to test behavioral intentions. (5) *Takāful* riset stream 5: the effect of *Takāful* on economic development, inclusion and Islamic finance.

These findings lay a strong foundation for further riset. The current riset gap allows academics/researchers to focus on areas that are still unexplored, such as *Takāful* riset stream 1 and 4 showing improvement or the most researched, while *Takāful* riset stream 2, 3, 5, and/or technology application are still very little researched so it is very interesting to identify, propose/formulate, and encourage the development of a comprehensive conceptual model and empirical testing in *Takāful*. Not only that, these findings can also be a relevant contribution to various parties who can design a more targeted plan for the development of the *Takāful* industry, and at the same time can touch the wider community.

## REFERENCES

- Abu Al-Haija, E., & Houcine, A. (2023). Risk management efficiency of Takaful and conventional insurance sectors in UAE and KSA. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-03-2022-0065>
- Alam, A., Fianto, B. A., Ratnasari, R. T., Ahmi, A., & Handayani, F. P. (2023). History and Development of Takaful Research: A Bibliometric Review. *SAGE Open*, 13(3). <https://doi.org/10.1177/21582440231184852>
- Alhammadi, S. (2023). Expanding financial inclusion in Indonesia through Takaful: opportunities, challenges and sustainability. *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/JFRA-05-2023-0256>
- Al-Fori, A., & Gani, A. (2022). The effect of Islamic finance on trade in insurance services in selected countries in the Middle East region. *Journal of Financial Economic Policy*, 14(6), 778-795. <https://doi.org/10.1108/JFEP-04-2022-0091>
- Ansari, Z. (2022). A review of 20 years of takaful literature using a systematic method. *Asian Journal of Economics and Banking*, 6(1), 2-25. <https://doi.org/10.1108/AJEB-08-2021-0100>
- Arianty, E., Utami, T. S., Yustiani, S., & Haniyah, R. (2023). The case study of the sharia insurance industry: how far is the spin-off policy being effectively implemented in Indonesia?. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-07-2022-0172>
- Arzam, A., Fauzi, M., Efendi, F., & Sulastri, W. Islamic Crowdfunding: A Review Literature. *Review of Islamic Economics and Finance*, 6(2), 171-186. <https://doi.org/10.17509/rief.v6i2.62827>
- Bangaan Abdullah, H. S., Yakob, R., Yakob, S., & Sharif, N. S. (2022). Indicators of having a micro-family takaful plan amongst low-income earners. *Journal of Islamic Marketing*, 13(12), 2695-2716. <https://doi.org/10.1108/JIMA-05-2020-0128>
- BenSaid, Y. R. (2023). Shariah governance and takaful financial performance: the case of listed takaful insurances. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-09-2022-0236>
- Dahnoun, M., & Alqudwa, B. (2018). Islamic insurance: An alternative to conventional insurance. *American Journal of Humanities & Islamic Studies*, 1(1). <https://www.guidancecollege.org/wp-content/uploads/2019/05/RP-1-Revised.pdf>
- El Attar, A., & El Hachloufi, M. (2022). Actuarial model for takaful contributions via optimal retakaful. *Journal of Islamic Accounting and Business Research*, 13(5), 778-790. <https://doi.org/10.1108/JIABR-11-2020-0339>
- Eldaia, M., Hanefah, M., & Marzuki, A. (2023). Moderating role of Shariah committee quality on relationship between board of directors effectiveness and the performance of Malaysian Takaful. *Competitiveness Review: An International Business Journal*, 33(1), 62-84. <https://doi.org/10.1108/CR-09-2021-0123>
- Fauzi, M., Efendi, F., Bundo, M., Eriawati, Y., & Rahmat, F. (2023). Tinjauan Literatur Terkini Tentang Wakaf. *Jurnal Iqtisaduna*, 9(2), 232-252. <https://doi.org/10.24252/iqtisaduna.v9i2.41811>

- Fikri, S. M., Naim, A. M., Maamor, S., Isa, M. Y., Ahmad, S. N., Shari, W., & Muhamed, N. A. (2022). Rules and regulations review on micro-takaful scheme development in Malaysia. *Qualitative Research in Financial Markets*, 14(4), 509-525. <https://doi.org/10.1108/QRFM-02-2021-0030>
- Hassan, M. K., Khan, A., & Paltrinieri, A. (2021). Islamic finance: a literature review. In *Islamic Finance and Sustainable Development: A Sustainable Economic Framework for Muslim and Non-Muslim Countries* (pp. 77-106). Palgrave Macmillan. [https://doi.org/10.1007/978-3-030-76016-8\\_5](https://doi.org/10.1007/978-3-030-76016-8_5)
- Hassan, M. K., Aliyu, S., & Hussain, M. (2022). A contemporary review of Islamic finance and accounting literature. *The Singapore Economic Review*, 67(01), 7-44. <https://doi.org/10.1142/S0217590819420013>
- Hasan, A. A. T., & Rahman, M. T. (2023). Family takāful purchase intentions in Bangladesh: the mediating role of attitude and saving motives and the moderating role of religiosity. *Islamic Economic Studies*. <https://doi.org/10.1108/IES-03-2023-0012>
- Hamzeh, A., & Ghanbarzadeh, M. (2023). Analysis of demand for Takaful insurance: a case study in Iran. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-01-2023-0020>
- Jelili Amuda, Y., & Alabdulrahman, S. (2023). Reinforcing policy and legal framework for Islamic insurance in Islamic finance: towards achieving Saudi Arabia Vision 2030. *International Journal of Law and Management*. <https://doi.org/10.1108/IJLMA-03-2023-0045>
- Krippendorff, K., & Wajidi, F. (1980). *Analisis isi: Pengantar teori dan metodologi*. Rajawali Pers
- Kusmayadi, D., Firmansyah, I., & Hermansyah, I. (2021). Islamic Insurance on Research: Bibliometric Analysis. *Jurnal Internasional Library Philosophy and Practice*. <http://repositori.unsil.ac.id/id/eprint/9084>
- Lukman, B., & Elatrash, S. R. J. (2017). The goods and services tax (GST) on takāful products: a critical Shari'ah appraisal. *ISRA International Journal of Islamic Finance*, 9(2), 205-209. <https://doi.org/10.1108/IJIF-08-2017-0027>
- Malik, A., Ullah, K. (2019). *Introduction to Takaful*. Palgrave Pivot, Singapore. ISBN: 978-981-32-9015-0
- Mehboob Shaikh, I., & Amin, H. (2023). Customers' willingness to choose family takaful: extending the theory of interpersonal behaviour. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-04-2022-0113>
- Mejri, M., Ben Othman, H., Abdou, H. A., & Hussainey, K. (2022). Comparing the value-relevance of AAOIFI versus IFRS accounting numbers in the Takaful industry. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-10-2020-0333>
- Migdad, A. M. (2023). Examining Islamic microfinance as a mechanism of Takaful in high-risk countries: case study of Palestine. *International Journal of Ethics and Systems*, 39(1), 126-142. <https://doi.org/10.1108/IJOES-11-2021-0214>
- Mohd Fauzi, P. N. F. N., & Laldin, M. A. (2022). Micro-takāful scheme for the protection of houses belonging to low-income groups in Malaysia. *ISRA International Journal of Islamic Finance*, 14(3), 303-314. <https://doi.org/10.1108/IJIF-05-2021-0090>

- Muhamat, A. A., & Azizan, N. A. (2023). Takafultech Reflects The Maqasid Al-Shariah Ethos In Takaful. In *Digital Transformation in Islamic Finance: A Critical and Analytical View* (pp. 203–217). Routledge. <https://doi.org/10.4324/9781003262169-14>
- Mukhtar, Y. A., & Barre, G. M. (2023). Determinants of customer perception on the adoption of takaful in Somalia. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-03-2022-0093>
- Nasir, A., Farooq, U., & Khan, A. (2021). Conceptual and influential structure of Takaful literature: a bibliometric review. *International Journal of Islamic and Middle Eastern Finance and Management*, 14(3), 599-624. <https://doi.org/10.1108/IMEFM-04-2020-0192>
- Nazarov I. I., Dhiraj N. S. (2019). Conceptual understanding and significance of Takaful (Islamic Insurance): History, concept, models and products. *International Journal for Innovation Education and Research*, 7(4), 280–298. <https://doi.org/10.31686/ijier.vol7.iss4.1408>
- Osman, I., Abdur Rehman, M., Mohy Ul Din, S., Shams, G., & Aziz, K. (2022). Let's get acquainted: an empirical study on takaful customer-service provider relationships from Saudi Arabian perspectives. *Journal of Islamic Marketing*, 13(11), 2209-2231. <https://doi.org/10.1108/JIMA-06-2020-0175>
- Poan, R., Merizka, V. E., & Komalasari, F. (2022). The importance of trust factor in the intentions to purchase Islamic insurance (takaful) in Indonesia. *Journal of Islamic Marketing*, 13(12), 2630-2648. <https://doi.org/10.1108/JIMA-01-2021-0026>
- Qadri, H. M. U. D., Ali, H., Jafar, A., Tahir, A. U. M., & Abbasi, M. A. (2022). Exploring the hot spots and global trends in Takaful research through bibliometric analysis based on Scopus database (2001-2022). *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-02-2022-0055>
- Rahman, M. H., Abdullah, M. F., Hoque, M. N., & Ahmad, A. U. F. (2023). The application of hibah al-<sup>ʿ</sup>umra in disbursement of family Takāful benefits: an exploratory study. *International Journal of Islamic and Middle Eastern Finance and Management*, 16(1), 192-209.
- Rifas, A. H., Ab Rahman, A., Buang, A. H., & Abdul Talib, M. (2023a). Involvement of micro, small and medium entrepreneurs (MSMEs) in takaful in Sri Lanka: an extension of theory of planned behaviour. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-11-2021-0371>
- Rifas, A. H., Ab Rahman, A., Buang, A. H., & Abdul Talib, M. (2023b). Business entrepreneurs' intention towards takaful participation to mitigate risk: a study in Sri Lanka based on the theory of planned behaviour. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-02-2022-0034>
- Saharuddin, D., Mufraini, M. A., Ghoni, A., Chusna, I., Mulazid, A. S., & Supriyono, S. (2023). Takaful funeral; an innovation for Islamic insurance product. *International Journal of Islamic and Middle Eastern Finance and Management*, 16(5), 1071-1087. <https://doi.org/10.1108/IMEFM-04-2022-0157>
- Salleh, M. C. M., Chowdhury, M. A. M., Cahyono, E. F., & Widiastuti, T. (2022). Measuring the effect of GST towards performances of Malaysian takaful operators. *Journal of Islamic Accounting and Business Research*, 13(6), 977-993. <https://doi.org/10.1108/JIABR-06-2020->

0193

- Saoula, O., Abid, M. F., Ahmad, M. J., Shamim, A., Patwary, A. K., & Yusr, M. M. (2023). Forging customer satisfaction through commitment-trust factors in financial insurance services: moderating role of corporate image. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-08-2021-0257>
- Sarfraz, A., Khurshid, A., & Ahmad, W. (2022). The impact of basic values on consumer purchase intention of takaful with moderating role of similarity of competitors. *Journal of Islamic Accounting and Business Research*, 13(6), 865-880. <https://doi.org/10.1108/JIABR-02-2021-0050>
- Sarfraz, A., & Khurshid Mian, A. (2022). The impact of values on consumer adoption of takāful with mediating role of religiosity and moderating role of confusion. *Journal of Islamic Marketing*, 13(10), 2126-2143. <https://doi.org/10.1108/JIMA-01-2021-0006>
- Shamsudheen, S. V., Mahomed, Z., & Muneeza, A. (2023). Saddling effect of underlying contracts on sales performance: a multi-group analysis in the takaful industry. *Journal of Islamic Marketing*, 14(6), 1621-1642. <https://doi.org/10.1108/JIMA-07-2021-0235>
- Sukmaningrum, P. S., Hendratmi, A., Rusmita, S. A., & Abdul Shukor, S. (2022). Productivity analysis of family takaful in Indonesia and Malaysia: Malmquist productivity index approach. *Journal of Islamic Accounting and Business Research*, 13(4), 649-665. <https://doi.org/10.1108/JIABR-03-2021-0097>
- Wajdi, F. (1991). *Analisis Isi: Pengantar Teori dan Metodologi*. Jakarta: Rajawali