

The Demand for Takaful (Islamic insurance) in Nigeria.

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- **Abstract:** This paper empirically examines the potential contributions of Takaful (Islamic insurance) to the Nigerian economy. Due to low penetration of insurance in the conventional market as an analogy to determine demand for Takaful family insurance, this study examines the potential demand and growth for the consumption in the Nigerian economy despite abundant opportunities, the paper explores how this new paradigm of risk management and poverty alleviation can boost the current penetration level and hence improve contribution of insurance to the GDP. Using the findings in previous studies on variable determinants of demand for life insurance products in the Nigerian insurance market. By adopting a survey design method, the main instrument used was the questionnaire. A sample of 2000 MBA student respondents were randomly selected for the study. This set of respondents was selected because of their qualities namely, exposure, awareness, experience, and varied background. Various demographic and socioeconomic variables to identify the determinants of Takaful family insurance were analysed. The current awareness level of the product is particularly studied in order to assist existing and potential Takaful underwriters and marketers to identify appropriate marketing strategies that could translate into success story. More importantly, the issue of access and availability of the product in the insurance market are examined. The results among others show that religion is not a factor for purchase and patronage and working sector is a factor for patronage and not for purchase. These results are expected to help both insurance marketers and policymakers understand what drives the supply of and demand for Takaful family insurance. They may also help design strategies for developing the nascent market for Islamic products and extending their benefits to non- Muslim consumers of insurance services.
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