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TECHNOLOGY AND LIFESTYLES**

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**Abstract:**

Malaysia is on track to becoming the world's leading global finance hub. Malaysia remains the leader among 56 countries for Islamic financial institutions. However, Takaful is said to be left behind, not only to the other Islamic finance players, but also to the conventional insurance. Previous studies identified low penetration rate of Takaful as one of the factors. Takaful operators are unable to provide competitive products in the market, due to their limited funds. Most rejections came from employed youth. With their lifestyles, peak of health and limited income, Takaful products are not their priorities. Thus, a need to attract this group of people must be done to increase the penetration rate and increase the contribution funds. The study is done to fulfil five objectives, which were to come out with a Takaful product that attracts the youngsters, increase the funds of Takaful operators, create a product that suits and can give benefit to the young people, promote healthy lifestyle among youngsters and promote the growth of Takaful industry in Malaysia. 4YOUTH Takaful combines technology and lifestyles of youths through an apps that connects Takaful operators, online shopping platforms, selected retailers and the youth Takaful participants. Scoring system is used to convert the purchase of health-related products into points which later will be used to reduce the monthly contributions of Takaful. Not only enabling youth to have financial protection from an early stage while maintaining their desired lifestyles, 4YOUTH Takaful also encourages healthy lifestyles.

Keywords:

4YOUth Takaful, Apps Technology, Lifestyles, Scoring System

Introduction

Financial protection is one of the financial necessities of life, no matter at what age and what level of income, as people are more susceptible to a variety of risks and uncertainties in their environment. Death, injury, disabilities, sickness, or damage in properties can occur that will cause difficulties medically, or financially. Financial protection will not be able to stop these misfortunes from occurring, but with financial protection, it can minimise the weight of losses that accompanies the misfortunes. Thus, it is agreed that financial protection is inevitable due to the multifaceted nature of business dealings and human lifestyles (Eozenou, Neelsen & Smits, 2021).

Even though it can be seen that Takaful offers the same financial protection as in conventional insurance, there are elements that make Takaful different, especially on matters that involves Islamic principles. The contracts, rights and obligations of the parties, as well as the risk ownership, operation and nominee status for Takaful is different. A Takaful contract is not based on sale and purchase as what is in the conventional insurance, but is based on a *tabarru'* (donation) and *ta'awun* (mutual co-operation) contracts (Mohd Fauzi et al., 2016, Sherif & Hussnain, 2017). Unlike in conventional insurance, Takaful operators and Takaful participants has a unique relationship whereby in order to fulfil the underlying concept of cooperation and investment, the Takaful contract is design based on the Islamic principles of contract, which differs based on the business model adopted by the Takaful operators. The operation of conventional insurance, which engage with non-Shari'ah investment activities is one of the factors that involve *riba*. In addition, uncertainty in the outcome and outcome of the contract, as well as uncertainty in the results of the exchange and in the contract, period shows the existence of *gharar* in the conventional insurance. Further to that, the element of *maysir* exists in the conventional insurance operation whenever the sum paid out by the insurer exceeds what the insured has paid in premiums (Aziz et al., 2019). Whereas the Takaful is required to comply with Islamic law requirement which prohibits any transactions and activities related to *riba* (interest), *gharar* (uncertainty) and *maysir* (gambling).

Malaysia is the leading country in the Takaful industry in the South-east Asian region. Malaysian Takaful growth rate is very promising since 1984. From only two Takaful providers in 2003, Malaysia now has fifteen Takaful operators licensed by the Bank Negara Malaysia. The Malaysian Takaful market has witnessed a steady growth in size of total assets. In 2017 total combined Takaful assets is RM29.3 billion compared to RM26.8 billion in year 2016. The same pattern was seen in the family and general Takaful total assets which significantly increased from RM23.2 billion to RM25.6 billion and RM3.59 billion to RM3.65 billion, respectively (Malaysian Takaful Association, 2017). Malaysia is also recognized as the largest family Takaful market in the world, with a growth rate of 16 percent in 2015 (Global Takaful Report, 2017). The positive growth of the Takaful industry in Malaysia are supported by a number of key drivers including the resilient, ever-robust regulatory infrastructure and conducive environment created by BNM. The development of the Takaful Operational

Framework, Risk-based Capital for Takaful (RBCT) and the new Islamic Financial Services Act (IFSA) 2013 also significantly contribute for Takaful market to flourish.

Takaful market is predicted to become one the important aspects that contribute to Malaysian economic growth and social development. Despite many forms of incentives provided by the government to inculcate its demand, it is undeniable that the level of penetration by Takaful providers is still relatively low. It is recorded that the growth of the market penetration for the past ten years (2005-2014) is no more than 15%. According to Ernst and Young (2015) conventional insurance is still in their dominant position, from the Malaysian perspective, which accounted around 89% from conventional net premiums and Takaful net contributions combined in the year 2009. The insurance industry continues to sustain strong performance amidst challenges in a competitive environment, despite the economic and financial setting have experienced transformation in the last decade. Takaful industry in Malaysia is still low as compared to the conventional insurance industry.

To address this issue, for Takaful to become the game changer, they must penetrate the larger market to have enough participants. The percentage of Internet users in Malaysia has increased from 76.9 percent in 2016 to 87.4 percent in 2018, with smartphone is the most popular device used, according to Malaysian Communications and Multimedia Commission (2018). The penetration rate of smartphone users in Malaysia grew by 7.2 percent from 68.7 percent in 2016 to 75.9 percent in 2017 (Malaysian Communications and Multimedia Commission, 2017). This indicates that consumers are becoming more digitally-savvy giving advantages to the Takaful operators. Thus, Takaful operators need to pay full attention to the digitalization strategy and taking advantage of consumers' evolving behaviour. By adopting digitalization strategies, this will not only encourage productive innovation that will drive costs down but at the same time, improve the quality of service to customers.

Researches had identified the lack of participants in Takaful among the young people. The reasons behind this are insufficient income due to low salary scale, as well as young people tend to spend more to fix their appearance and lifestyle. As these people are the potential customers in Takaful, action must be taken to attract them by introducing Takaful products that does not burden them financially, as well as does not require them to leave the lifestyle they are having. Engaging technology as part of the Takaful product is an advantage as it is closer to these group of people.

Young people are known for being into technology as well as any trending phenomena around the world. The Internet has helped in reaching out and conveying the latest trends that will highly influence these youngsters. Online shopping has become a new normal, as shopping can be done anywhere and anytime, with the help of online banking. Thus, youngsters rely heavily on their mobile phones in their daily activities (Ricoy, Carrera & Carrera, 2022; Mihailidis, 2014).

The increase cases in obesity among children and young adults had become a phenomenon, along with the growth of economy. Growth in economy has changed the lifestyles among Malaysian since the last two decades. New modern lifestyle decreases physical activities, and busyness leads to people eating whatever is the easiest to them, which includes fast foods and processed foods. Being away from their hometown and family, added by being busy with their work, most of these people ignores what are being put into their plates. The obesity among

children and youngsters in Malaysia had increased since 2006 and had doubled from 11.9% in 2015 to 14.8% in 2019, which is very concerning. Obesity is known to be the cause of many health problems. This, in return, will reduce the opportunity for a good financial protection. Thus, healthy lifestyles should be practice from young age, and should continue lifelong and become the habit.

Youngsters who are known to be actively engaged with social medias, have the urge to keep their physical appearances at the most. This includes their body size and fashion. Thus, many young adults are visiting health and sport facilities such as the gymnasiums, and engage in sports such as marathon and hiking, in attempts to make their physical to appear presentable. They would prefer spend money on these activities, compared to financial protection, as they feel, if they are active and within the normal BMI range, they would probably be healthy and capable to work. With limited source of income, this group of people would need to choose between the two, and physical appearance will be on the priority list (Voelker, Reel & Greenleaf, 2015).

By having an app that interconnected these young people and their lifestyle preference, with a combined of financial protection by Takaful, would attract more people to participate in Takaful. This will increase the penetration rate, which will help Takaful operators to enlarge their funds. By having larger funds, these Takaful operators are able to provide more competitive products as what have been offered by the conventional insurance companies.

This has resulted into the idea of 4YOUth, a financial protection mobile apps that collaborates Takaful operators, online shopping platforms and retailers that supplies health products and equipment, and also parties that supports healthy lifestyles and provide sport facility services such as gymnasiums. The mobile apps apply a scoring system, where any purchases from the registered participants, entitles the purchaser for points. These collected points can be used to reduce the monthly contributions they are required to pay to their Takaful providers. A proof of the BMI reading will be needed to support the program.

This program is entitled for youngsters aged 18-30, with normal BMI readings. This is to encourage Takaful participations from an early age. Once they embarked in the program or apps, they need to maintain their BMI to stay in the program. If they hit outside the required BMI range, they are given period of time to return to the Normal BMI, or else being disqualified for the program. For the age group with excess BMI readings, they are also eligible to join, but in probation period. During this probation period, they need to show proof of reducing their weight. Only then, they will be entitled for the program. This will encourage young people to practise a healthy lifestyle and having a financial protection from the early age, with limited source of income, without affecting their desired lifestyles.

Problem Statement

Young people, known to be at the peak of their health, on the other hand, refuse to participate in takaful, due to takaful operators not having plans that suits their needs. Most plans cover health cost, which these group of people will not be relying on much, and also death or total disabilities benefits, which are not attractive for them, as they are mostly, not married, not having high commitments or not into large debts that requires them to leave behind large amount of money after their decease. They prefer to spend money on other things, such as shopping, cars and food, making them hesitate to spend money in takaful. This leaves Takaful

operators failing to get their fund problem solved, as people with stable income and high commitment will not fulfil their criteria to contribute, and youngsters, who do not benefit in whole from the plan.

Takaful operators need to create a plan that will attract more participants to enlarge their funds so that they can offer more products at lower cost and still gain profit. This has been supported by the research done by Mohamed and Alhabshi (2015) where at their finding majority of the interviewee which is consist of Takaful operators agree in the extending the range of Takaful products, where there also a need to develop tailor-made products to suit customer needs according to the different segment of the society.

This research focuses on the issues that arose in the Takaful industry in Malaysia and recommend solutions to overcome this problem. One of the most highlighted issues by the Takaful agents are rejection from the younger age group, whereas from the previous studies, the main issue highlighted was the low penetration rates in Takaful participations.

Combining both of the issues highlighted by the agents and previous studies, the study focuses on the steps that may attract youngsters to have Takaful protections and by that, will increase the penetration rate of Takaful in Malaysia. The study focuses on youngsters in Malaysia as they are the group that were most found to reject participating in Takaful, due to limited source of income and higher lifestyles cost. The young people in this study can be define as a person who in the range of age eighteen to thirty who are healthy.

Thus, the study believes that, as more youngsters participate in Takaful protections, will solve both the problems that had been highlighted above. This will also hope to put the Takaful industry in Malaysia in line with the other sectors in the Islamic finance industry in Malaysia.

Literature Review

Lack Of Participations Of Takaful Among The Young People

Participating in Takaful requires financial commitments for the participants to commit. Any failure in paying the agreed contributions will lead difficulties in the future, and may also resulted the contract being terminated. Thus, this has caused misconceptions among the people, which believed that only people with financial stability can participate in Takaful. People with low salary, or the new employed fears to commit as their financial position are still unstable. Some may think that Takaful does not benefit them yet at the moment.

Husin (2019) through his study, listed out several recommendations to address the above issues. One of the recommendations is to take further efforts in educating potential consumers and promoting the Takaful market. This can be done by incorporating Takaful education syllabus to educate the youngsters on the important of having financial protection. This will help to enhance Takaful awareness and also increase future Takaful penetration rate. Husin (2019) also suggested to make use of technology in Takaful, as number of smartphone users increases over time. Thus, promoting Takaful market and creating Takaful awareness via smartphone advertising, or also known as mobile advertising, may help to increase the penetration rates.

Ab Rahim et.al (2020) did a study on the “Influence of Financial Socialization Agents and Financial Knowledge on Young Adults’ Perception of Takaful” which resulted in various

interesting findings. The demographic profile indicates almost 73 per cent of the young adults in this study have pre-employment experiences before pursuing their tertiary education, indicating that the majority of the young adults in this study had hands-on experiences in managing their own earnings. The study also found life experiences blended with previous employment engagements in the real-world scenario, prove to be the highly influential agent in embedded young adult's financial knowledge and shape their perceptions towards Takaful positivism with 76.8 per cent. The respondents indicate that engagement in early part-time jobs have impacted them personally on financial management issues and made initial financial decisions. From the study, it was also found institutional financial knowledge gained from informal seminar or classes had influenced young adult's perception of Takaful generally, thus may be applied by Takaful providers, to utilise public classes and seminars on Takaful campaigns amongst young adults. The study also suggests Takaful providers to utilise visual, audio and printed media in its Takaful campaign, as the young adults in the study were aged ranged between 19 to 24 years old, were found to be techno-savvy. Therefore, from the study, it can be seen that the young generations nowadays are aware of Takaful, but may not be interested due to several factors.

One of the factors, is financial instability. Being young and newly employed, most will have low salary. Young people are known be vulnerable to new trends. They are always keeping up with the latest lifestyle, which will cost them money. With the emerging of various social media, young people are introduced into the life that requires the need for publicity, to be noticed, and to be popular. Thus, these newly-employed young people will not hesitate to spend their salary on things that brings satisfactions to them, such as nice cars, nice clothes, dining at expensive restaurants and investing into healthy lifestyle such as gymnasium and food supplements. Therefore, they think that their salary will not be sufficient to participate in Takaful, and would rather spend what they have in what will make them happy.

Apart from that, another factor that leads to young people being uninterested in Takaful is the products offered that does not suit their needs. Young people are usually at the peak of their health, thus being financially protected is not one of their concerns. They are capable to work, and less likely to get sick. They also do not have many commitments that requires them to have their financial protected. Thus, they find the products offered unattractive to them at the moment.

Young People And Their Lifestyles

Youth Society and Youth Development Act of Malaysia defined youth as people that ages within 15 to 40 years old. However, the definition of youth differs in various countries, but they concluded that youth is people still in the growing process, more vulnerable to influences and more receptive to changes. Thus, the definition by the Youth Society and Youth Development Act of Malaysia is not very persuasive even among the Malaysians and is criticized by the general public.

According to the data from Malaysia Youth Index Survey 2006, media penetration scored fairly well with 84.8 overall values. Due to disapproval of and doubts about the reliability of the data collected as well as the confusing definitions of several important keywords in the survey, the research group did not continue their studies in the following years. According to their research, media penetration activities include watching television, browsing Internet and engaging in online social networks like Facebook at home, watching movies at the cinema after school or

work or during weekend. Besides media penetration activities, shopping is also considered as one of the popular activities among youth. Malaysia's youth are highly influenced by Western cultures as well as fashion and entertainment news and updates from other countries like Japan, Korea, Taiwan, Province of China and others, due to the high media penetration. If compared to other age groups, youth spend a lot of time shopping especially for fashion. Another activity that is popular among the youth is hanging out at Mamak (Tamil Muslims) restaurants at night for supper and chit-chatting.

When the researches look into in terms of work, they found that these youth does not only work after they graduated, but pre-university school students and university/college students were also engaged with part-time job like sales promoter, clerk, restaurant waiter/waitress during school or university breaks to earn extra pocket money. It was also found that, most of the youth who had secured a job, they usually live with friends, as the jobs are usually outside of their hometown. In this case, many of them like to hang out with colleagues or friends for meals or movies after work, if they do not have to work overtime. It is also common for them to take up courses at the gym or yoga classes as they usually do not have as much chances as before to exercise and to involve in sports.

Ching et.al (2020) conducted a study to find the relationship between youth lifestyle, digital engagement and political participation in young people in Malaysia. Eastman (1979) was one of the earliest scholars to study lifestyle and its connection with media usage, which was then, being researched enormously. Media leisure activities for today's youth, means technology and network-based media. While activities such as reading books and magazine are considered to be traditional leisure activities. Thus, it can be said that the youth today are the largest user groups of digital apparatus, as well as early adopters of new media, according to Krueger (2002) and Jones and Fox (2009).

In the Malaysian context, a survey found out that 25 million of Malaysian has access to the Internet, with 73 per cent comes from the age group of 16-24. This is aligned with the National Youth Survey in 2008, with 96 per cent from the total 2518 youth interviewed, owned a mobile phone. It is concluded that this is the lifestyle of youth today. According to Prensky (2001; 2008), the youth lifestyle is worth to study as the youth today are considered as the digital natives' group. Thus, they are different from the previous generations as they are seen to be disinterested and living in their own world. Montgomery, Robbles and Larson (2004) from their study found that the growth of internet has dramatically changed the way people uses the media, and youth are at the forefront of these changes.

Thus, it can be said that, young people tend to spend their money, despite the limit they face, on their lifestyles, which includes foods, fashions and entertainments.

Engaging Takaful With The Lifestyle Of The Young People

The potential for Takaful is beyond question. As well as the continuous support by the Government of Malaysia, Malaysia is also a country with estimated of 32.73 million people in 2020, according to the latest census figures by the Department of Statistics Malaysia. Thus, a wide market awaits the Takaful industry, as Takaful is not limited to the Muslim people only. The population of the working age group, with age range 15-64 is 69.7 per cent in 2020, being the targeted potential customers for the Takaful Industry.

Looking into the reasons behind the lack of participants in Takaful among the youth in Malaysia, and combining these reasons with the lifestyles of the youth, it can be concluded that a Takaful product that suits both the needs and the lifestyle of the youth should be introduced. As the youth are heavily engaged with the technology, but with insufficient income to cater their lifestyle, a product that uses technology which are easily assessable by them, and also, provides low monthly contributions as well as giving them a chance to live their lifestyle would definitely be attractive to them.

In order to help people who are struggling to participate in Takaful, we have come out with an idea to make an apps that allows users to buy items that benefits their health, such as buying supplements and exercising products, or even registering with the gymnasium, to collect points which will reduce their monthly contributions. This will attract the youth, who are highly conscious with their appearance and lifestyle, but at the same time, being financially protected at a young age. This apps allow them to participate in Takaful without affecting their lifestyles. The product imitates the existing Raiz investment which allows users to automatically invest their loose change from everyday purchases in unit trusts via its app. Raiz allows people without large amount of capital to kick-start their saving and investing habit, at smaller amounts, and can be done regularly and effortlessly without affecting their lifestyles.

As for in Takaful, the operators will team up with online shopping platforms, which are the medium on shopping nowadays, to develop the app and also design a suitable scoring system. This will not only help Takaful operators to enlarge their funds, by attracting more participants in their products, but also will attract the young people who is very technology-oriented, as having such apps is easily assessable and understandable to them.

Healthy Lifestyles Among Young People

People nowadays are investing themselves into the healthier lifestyle. This is due to the overflowing of instant foods, fast foods and processed foods, which are connected to the deadly diseases such as cancer, heart diseases and diabetes. Foods are said to be the main reason behind the increased of obesity cases around the world, apart from the lack of physical activities, that seems to be the new way of lifestyle adapted by the people today.

A study by Pell et.al (2016) found that Malaysians have becoming increasingly obese over recent years. The transition from adolescence to early adulthood is recognised as critical for the development of eating and activity habits. Thus, eating habits should be practised since childhood to prevent obesity from increasing in the future.

World Health Organization (WHO) stated that, in 2018, one out of three young person in Malaysia is obese or overweight, which accounted to 30%. National Health and Mobility Survey (NHMS) stated that, in 1996, the obese Malaysians were only 4.4%, whereas in 2015, it has increased to 17.7%. Milton (2018) stated that the number had increased approximately in just two decades. He also stated that Malaysia is the fattest country with approximately half of the population being overweight and obese.

A study was done by Kasirye et.al (2020) on the factors influencing obesity among Malaysian young adult in Kuala Lumpur and found that awareness and attitudes are crucial factors in curbing obesity among young adults in Kuala Lumpur. As Kuala Lumpur is the capital of Malaysia, most of the job offerings are focused in this area, thus, we can see many youngsters,

living in the city, away from their hometown, as they have found their job here. The lifestyles of these youngsters may lead to them becoming obese and adding up to the statistics. Thus, despite their age and activities, they should be aware of their lifestyles and change their attitudes to practise a healthier lifestyle.

Obesity is a complex disease. It involves excessive amount of body fat. Despite being a cosmetic concern, obesity is also a medical problem. Obesity increases the risk of other diseases and health problems. Heart diseases, high blood pressure, hypertension, diabetes mellitus and certain type of cancers are associated with obesity.

Thus, it is important to educate and motivate healthy lifestyle in Malaysia, which should be done from an early stage.

Methodology

Research Design And Instrument

Primary and secondary data have been used for this study. Primary data was collected by survey questionnaires from both Takaful agents and also youth in Malaysia. Secondary data that was used in this research includes articles, books and internet resources.

Questionnaires were distributed using Google Form to selected respondents which took approximately ten minutes to be answered. The questionnaire contains open-ended questions to understand their opinion regarding the situations given. The questions were adapted from previous studies with appropriate changes to make the questions more relevant to the present study. In addition, the question items were designed according to theory and literature. Their constructive comments provided a basis for refinement to the construct measures.

For the Takaful agents, they were required to answer fifteen (15) questions, divided into three segments. The first segment will ask three questions on their basic personal information, followed by five questions regarding Takaful and finally seven questions on the issues in Takaful. For the youth, there were thirteen (13) questions, divided into four segments. They will need to answer three basic personal information, followed by five questions related to Takaful. The third segment requires them to answer two questions on technology and finally the last segment contains three questions on healthy lifestyles.

Selecting Sample

The main objective of this research is to identify problem that arises in the Takaful industry in Malaysia. Therefore, the sample for this study was selected from the agents of the Takaful companies in Malaysia. These agents are the frontlines that will face the rejection and comments from the customers. The study also wanted to know the reasons behind rejection of Takaful among the youth in Malaysia. Thus, young working youths and without any Takaful plans were selected.

A total of twenty-one agents from various Takaful operators, with experience of more than two years, were approached to answer the survey. Six were from Great Eastern Takaful, five from AIA Public Takaful, four from Zurich Takaful, and one each for FWD Takaful, Medisavers, PruBSN, HLMT and Etiqa answered the survey questions. While fifteen youngsters aged 21 to

33 were chosen to answer the survey. The survey was conducted from October 2021 to February 2022.

Results and Discussions

From the survey done on twenty-one Takaful agents and fifteen youths, combined with the results and discussions from previous literatures, we come out with the product named 4YOUth Takaful. This is due to the responses that were received from the distributed questionnaires.

Takaful Agents

These are the results from the takaful agents, on behalf of the Takaful operators. It can be concluded that, despite of most of them claiming of not having any difficulties approaching the participants, most of them also agreed that awareness is the main issue, and most of them also agreed that, age does matter in participating is Takaful, with participation at a younger age will give more benefits. Most of them also agreed that technology may help to attract these young participants.

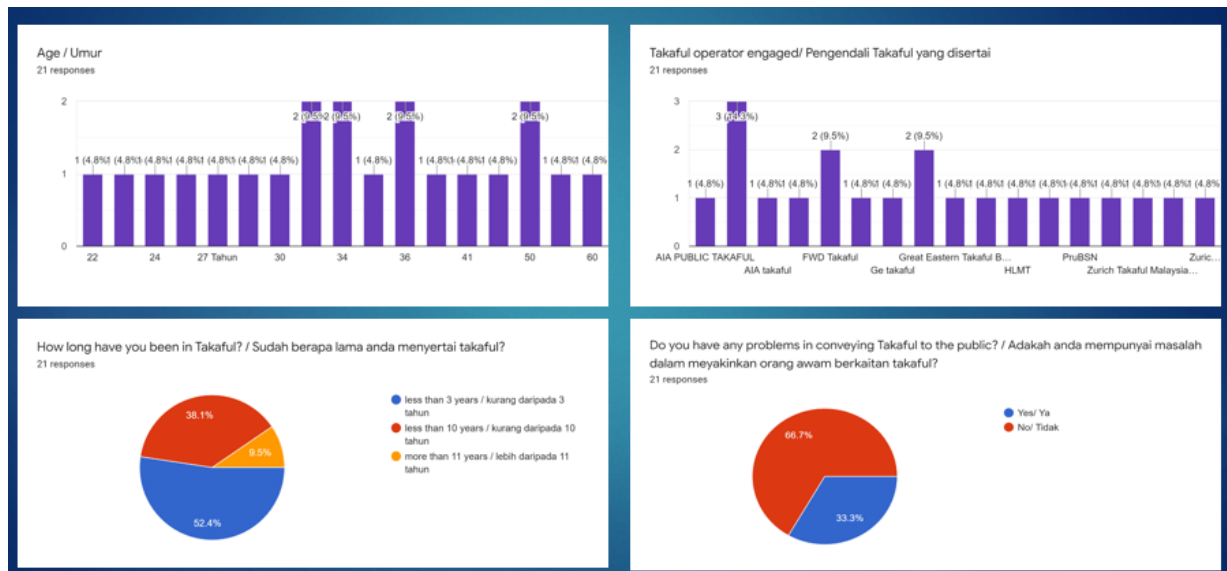


Figure 1: Takaful Agents

Source: Self Survey

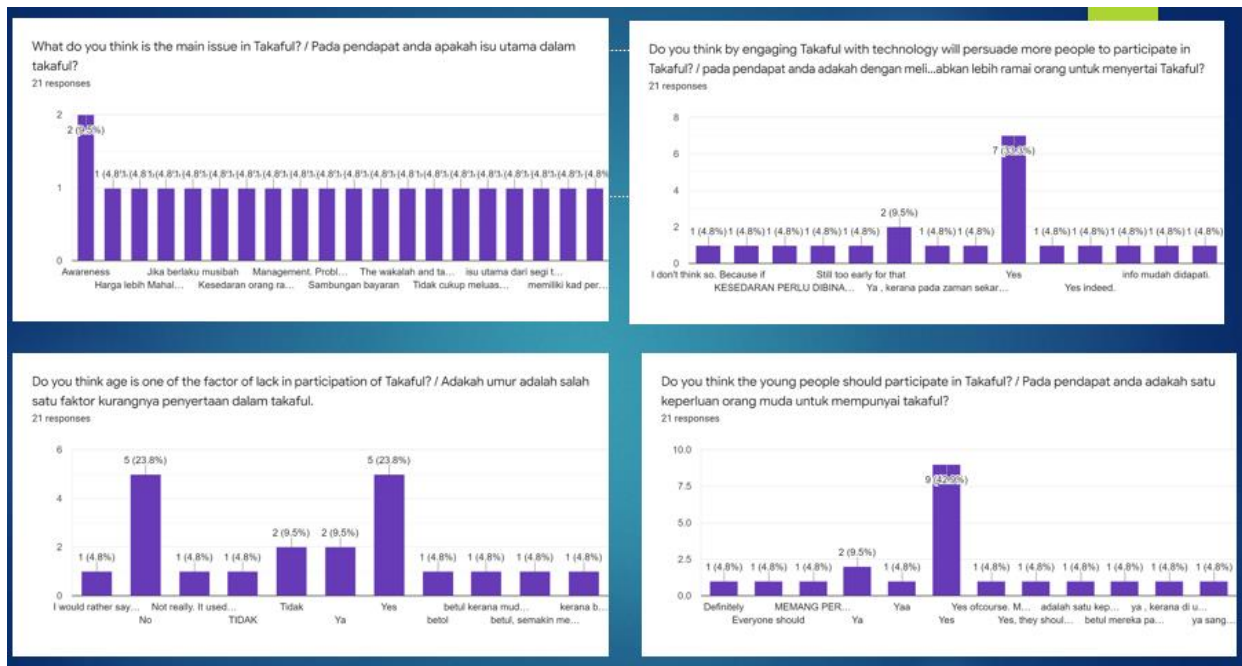


Figure 2: Takaful Agents

Source: Self Survey

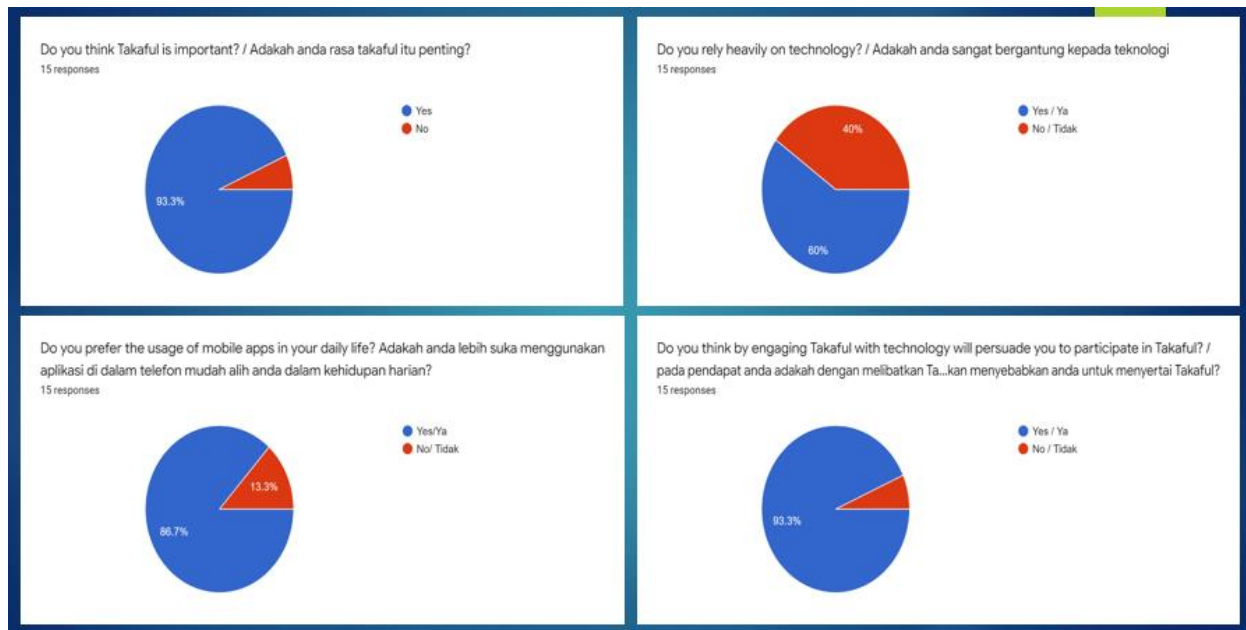
Youngsters

From the youngsters, most of them do not have any Takaful plans despite being employed, and have awareness on takaful and its importance. Most of them also rely heavily on technology and uses it in their daily life. All the youngsters wanted to have a healthy lifestyle, and most of them are willing to spend money on it. Most of them agreed that engaging technology with takaful will attract them to participate in takaful. Below will be the results from the questionnaires distributed to youngsters.

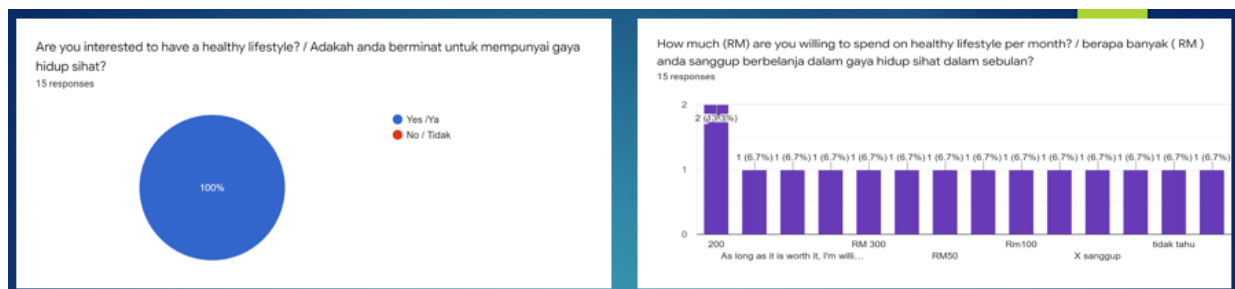


Figure 3: Youngsters

Source: Self Survey

**Figure 4: Youngsters**

Source: Self Survey

**Figure 5: Youngsters**

Source: Self Survey

Novelty

The 4YOUth takaful is a Takaful product designed to fulfil the needs of customers who wish to have protection plan as early as in youthful age at discounted rate of contribution. This product aimed the Malaysian youngsters among the group of age from 18 to 30 years old to get financial protection as well as to promote them a healthy lifestyle.

As far as what have been studied, there is no other product that resembles 4YOUth takaful at the moment, either in Malaysia or in the world. Thus, it can be said that this is the first product that sees a collaboration between Takaful operators, retailers, online shopping platforms, that takes advantages of the technology that is most relied by the youngsters nowadays.

The structure of this product is based on Raiz Investment (2021), a robo advisor that used a scoring system paired with the application. Raiz Investment Malaysia is a partnership between

Permodalan Nasional Berhad (PNB) and Raiz Invest Australia Limited. Instead of investment, this scoring system used to keep track on the healthy lifestyle practiced by the participant. 4YOUth Takaful will develop and build apps that will become the platform that connects the Takaful operators, online shopping platforms and e-wallets such as Shopee, touch n go, Boost and Grab and also retailers and business owners providing health and sports products and services, with the takaful participants. 4YOUth Takaful will design a scoring system, where whenever the participant shops and make a payment using the apps, they will be rewarded with points that is convertible into RM. This RM value can be used for them as part of their Takaful monthly contribution. The more points collected will reduce the amount of contribution to pay in particular months. The collected points will come from range of products that promotes healthy lifestyle and engages participants to live healthily such as sports equipment and wealth-nutrient foods which will be determined by 4YOUth Takaful. This will reduce the burden of participants in paying their monthly contributions, motivates them to participate in takaful and indirectly promotes healthy lifestyle from young age in the midst of getting protection. BMI readings will be a factor that contributes to the discounted amount of the monthly Takaful contributions required to be paid.

Social Responsibility

4YOUth Takaful is a program assisted by the mobile apps that is created to ease the burden of the youngsters to pay their Takaful protection plans. It does not only help in reducing the amount of required payment, the product also promotes healthy lifestyles among the youngsters, and motivates them to stay healthy. As Malaysia is labelled as the fattest country in Asia, it is crucial to educate the Malaysian people to practise healthy lifestyles, and this should start at an early age. Healthy lifestyles reduce health problems and increase life quality. A country with healthier people will have better economic growth and manage to provide a better-quality life for their people. Educating and encouraging young people to have financial protection from an early age is important as misfortunes may happens that resulted in financial incapability, despite of their age and health condition.

Thus, 4YOUth Takaful is introduced to benefit the people, the society, the economy as well as the country. It is hope that through this product, more awareness is being created especially among the young people, of the importance of having financial protection. And it is also hope that, with this product, it will change the attitude of the people, especially youngsters, to practise a healthier lifestyle and making it as a habit, in order to create a better future for the people of Malaysia.

Health is gold. Financial protection gives peace of mind. Technology is the new way of life. And youngsters are the hope of the country. 4YOUth Takaful understands all these, and combined them together for the benefit of everyone.

Usage of the Product

Participants must fulfil the criteria as follows in order to be entitle to the features of this product:

- i. Malaysian
- ii. Youngster among 18-30 years old
- iii. No critical illness
- iv. Having normal range of BMI

Takaful Operators must fulfil the criteria as follows in order to be entitle to the features of this product:

- i. Registered under BNM
- ii. Initial fee, advertising fee, and commissions will be applied
- iii. Takaful operators can use their existing products and plans.
- iv. Strictly for products that follows Islamic principles.

Business owners must fulfil the criteria as follows in order to be entitle to the features of this product:

- i. Business registered with the ROC and ROB
- ii. Offers health, sports related products and services
- iii. Initial fee, advertising fee, and commissions will be applied

Among the products offered by the Takaful Operators are:

a. Tabarru'

Participant willingly undertake to pay contributions into the Family Takaful Account whereby all participants agreed to contribute all or partial of their contributions to serve for the takaful benefits.

b. Wakalah

This contract can be applied in two relationships. The first relationship is between participant and takaful operator whereby Participants agreed and authorize takaful operator to manage the Family Takaful Account and in return, takaful operator receive wakalah fee. Another relationship is between takaful operator and the e-wallet platform whereby the e-wallet platform will charge service fee to the takaful operators for using their system.

c. Ju'alah

Takaful operator entitle to receive commission (reward) for the good performance in managing the Family Takaful Account.

d. Qard

A zero-interest loan will be provided by the takaful operator in the case of deficit in Tabarru' fund.

e. Hibah

Given to the beneficiary upon the death of the contributor during takaful period.

Covered Event

All Takaful Operators may apply their existing products which promotes and focuses on life protection for the participants. The takaful operators will handle all the claims by the participants involving cases of critical illness, permanent total disability and death, which resulted in loss of income. Meanwhile, in the case of Participant's death, the total amount of contribution will be given to the beneficiary as hibah.

The table 1 shows the basic covered events offered by Takaful Operators that participate to the 4YOUth Takaful. Takaful Operators are free to offer or design their own takaful products and plans but must ensure that their products follow the below basic covered events.

Table 1: Basic Covered Events Offered By Takaful Operators Under 4YOUth Takaful Product

Basic Covered Events	Descriptions
Death	In the case of Participant's death, the total amount of contribution will be given to the beneficiary as hibah.
Total Permanent Disability	Coverage on total and permanent disability caused by accidents. It reimburses medical and hospitalization benefits.
Critical Illness	Covered the Participant on 39 types of critical illness within the period of coverage.

Practicality of the Product

This product also involves business owners and retailers and online shopping platforms such as Shopee, Boost and Lazada. Let's take Shopee as an example. 4YOUth Takaful will choose several brands for health and fitness products and/or equipment. The examples of products or services are shown in Table 2 below.

Table 2: Example of Health Products and Equipment

Category	Health Products	Medical Device	Fitness Equipment	Gym (Klang Valley area)
Brands	1. Appeton 2. Brand's 3. Blackmores 4. Cosway 5. Kinohimitsu 6. Shaklee 7. VitaHealth	1. Omron 2. Rossmax 3. Medisana 4. Terumo	1. Decathlon 2. Gintell 3. Homefit 4. Johnson Fitness 5. XCore Fitness	1. Blitz Gym 2. KOA Fitness 3. Ministry of Burn 4. My Addict Fitness 5. UNIFIT Gym
Type of Products	1. Supplements 2. Vitamins	1. Blood pressure monitor 2. Digital body weighing scale 3. Glucose monitor	1. Indoor exercise bike 2. Skipping rope 3. Treadmill 4. Yoga mat	1. Monthly subscription fees 2. Training program

Participants must fulfil the eligibility of this product as listed in Section 11.3.1 above in order to be entitled for the features of this product. First step, Participant may start with create an account and fill in the required personal details in the application. One of the important details is the medical status which include BMI index. After the registration process has completed, Participant is given a recommendation on Takaful policy that suits the Participant's details. Participant may also use the policy advised by the Takaful agents. Participant is given 7 days

period to review the policy before agreed to the term and conditions stated in the policy. When Participant has agreed and accept his/her Takaful policy, Participant require to pay the normal contribution rate for the first month. Starting from the second month, participant can enjoy the features of this product.

Upon approval, participant may download the 4YOUth Takaful apps in their mobile phone. Upon filling up their particulars, participant will be directed to their Takaful policy.

One of the features in the apps will be online shopping platform (Shopee) and the payment need to be settled through e-wallet (for instance, Shopee Pay). If the purchase reach minimum limit of RM25, Participant will collect 10 points and this collected points are convertible into RM value whereby each 1-point equals to RM1.

Let's put into a situation where Participant make a registration for gymnasium. In the application, Participant may choose any of the registered gymnasium r under 4YOUth Takaful and make a payment through e-wallet such as Boost. The completed registration will give points in return. All these collected points can be view in the Rewards page and Participant may convert into RM value to deduct from the monthly contribution payment.

In another situation whereby Participant lost track from normal BMI to the obese index, Participant is given 6 months recovery period to recover back the BMI index. During the 6 months recovery period, Participant is required to make at least one minimum purchase of RM25 and keep updating the BMI index from time to time. If there is no improvement on BMI index within the recovery period, Participant will be withdrawn from getting the benefits of this product. After being withdrawn from the program, Participant will no longer be able to subscribe into the program at any time in the future.

The reason is to promote youngsters to maintain healthy lifestyle from a younger age, with the hope that it will be implemented all through their life. The product is also eligible for 18-30 years old youngsters, to encourage and motivates them to participate in Takaful protections from an early stage. If they have passed the age group, they are no longer qualified to join the product or program, and has to apply the normal products offered by the Takaful operators, which does not give them the opportunity to have reduce in monthly contribution payments. The flow of the process is shown below:



Figure 6: Process Flow of 4YOUth Takaful

Source: Self

Benefits of the Product

This product will be able to assist the youngsters in practicing healthy lifestyle in spite of getting financial protection at minimal cost. Table 11.3 below shows the benefits of the product towards the target market.

Table 3: Benefits of 4YOUth Takaful Product

Target Market	Benefits
College students Young Working people	<ul style="list-style-type: none"> • Able to have financial protection at discounted monthly contribution payment. • Able to understand the importance of being financially protected. • Able to learn on how to manage cash flow • Able to live a healthier lifestyle • Able to benefit from the lower payment of monthly contribution due to age and better state of health • Able to ease the process of Takaful • Easy to use, monitor and maintain
Takaful Operators	<ul style="list-style-type: none"> • Able to attract more participants • Able to increase rate of participations • Able to enlarge the funds • Able to collaborate with other parties that promotes health • Able to engage technology with their products • Able to provide competitive products in the market • Reduces probability of claims due to health problems
Business owners	<ul style="list-style-type: none"> • Boost more sales • Able to have loyal customers
Online shopping platforms	<ul style="list-style-type: none"> • Attracted more business owners and customers to the platforms

Commercialization Value

According to the Department of Statistics Malaysia, the cumulative number of youth (15-40 years old) for the year 2020 is 15.061 million. Based on data collected by the DOSM, the percentage on three main causes of death for this age group are transport accidents (16.8%), ischaemic heart diseases (8.4%) and pneumonia (6.6%). In order to tackle the problem of increment of death among youngsters in Malaysia, this product aimed to educate the youngsters on the importance of practicing healthy lifestyle starting as early as 18 years old.

The amount of contribution will be in par with the market value for existing Family Takaful products provided by Takaful operators in Malaysia. It also influenced by the age, gender, BMI status and also smoking habit. The older the age of Participant may increase the contribution rate.

The practicality of the product may attract many parties to come out with the same product. It is believed that the combination of health and technology will attract many people to have Takaful protection as it benefits them monetary, mentally and physically. Thus, the product will be applied to be patented at the Intellectual Property Corporation of Malaysia, MyIPO.

4YOUth Takaful that creates the platform will be granted with the patent. Takaful operators who want to collaborate will need to pay subscription fees. The product is eligible only for Takaful operators. Retailers who wish to join the program will need to register with the platform, and will be evaluate to measure their contributions towards the program. Only retailers that can bring significant contribution towards the product will be offered into the platform.

4YOUth Takaful is a product that brings together Takaful operators, retailers and online shopping platforms with the objectives to promote Takaful protection and healthy lifestyles from the young age, among Malaysians.

Design, Display and Packaging of Product

This product is named as 4YOUth Takaful to clearly present that it is specializes for the youth people protection. The capital letter on 4YOU is to attract or emphasizes that this product is for them (youth people) and small letter on 'th' is resembles takaful and health which means it is a takaful product that mainly focus on health or life protection. Nowadays, technology has become one of the essential things for people in daily life. Almost all single things are connected to technology and due to the rapid technology development, it is crucial for us to keep up and be relevant with the current generation's demand or requirement.

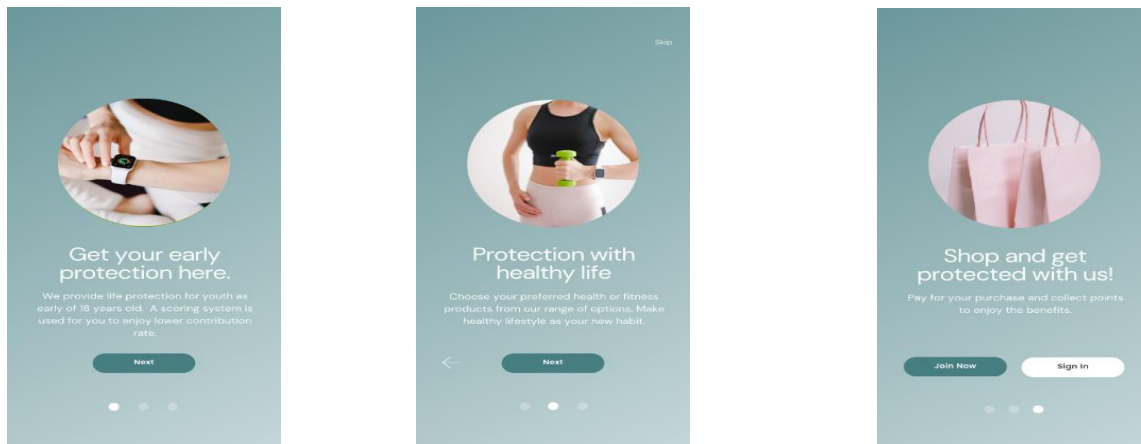
Besides, the commencement of COVID-19 pandemic which has spread globally brings changes to everyone and make it vital to be adapt with technology. One of the changes is contactless transactions and business to avoid any spread of virus. This change has benefited many people for instance, those who unable to go out and shops still can make it through online shopping. Hence, this product can ease those who has insufficient times to shop can do online shopping and pay monthly contribution as well. Whenever Participant made a minimum purchase of RM25 he is eligible for 10 points which convertible into RM value and those collected RM value can be used to pay monthly contribution.

Other than shopping feature as one of the uniqueness of this product, another uniqueness is the scoring system applied whereby the body mass index (BMI) will be tracked every month. As long as the Participant maintained his/her BMI in normal range, he/she is entitled for any features provided in the applications. When Participant made a purchase and collect points, an extra of 10 points will be rewarded if his/her BMI is detected as normal.

The Application Process

The product application can be done online through applications provided. The flow of the application process can be illustrated as follow.

1. Participant need to subscribe a Takaful plan with any registered Takaful operators. Then, Participant may install the 4YOUth application either from Playstore or Appstore.

**Figure 7: Application Process**

Source: Self

2. Once the application has been installed, the application will show three pictures above as introduction of the product. Participant may skip the introduction part or click on the next button until there are Join Now and Sign In button.
3. Participant who yet have an account may click the Join Now button to create a new account.

Figure 8: Application Process

Source: Self

4. In the Create New Account page, Participant requires to fill in details such as name, email address, password and date of birth as shown in picture above.

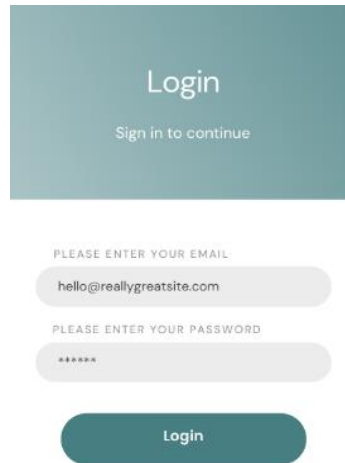
The image shows a login screen with a teal background. At the top, the word "Login" is centered in white, with "Sign in to continue" below it. Below this, there are two input fields: "PLEASE ENTER YOUR EMAIL" with the placeholder "hello@reallygreatsite.com" and "PLEASE ENTER YOUR PASSWORD" with masked characters "*****". A teal "Login" button is at the bottom.

Figure 9: Application Process

Source: Self

5. If the Participant already have an account, Participant may click Sign in button and fill in details like email and password.
6. After Participant has sign in/login into account, Participant is required to fill in personal details and medical information as shown in the picture below.

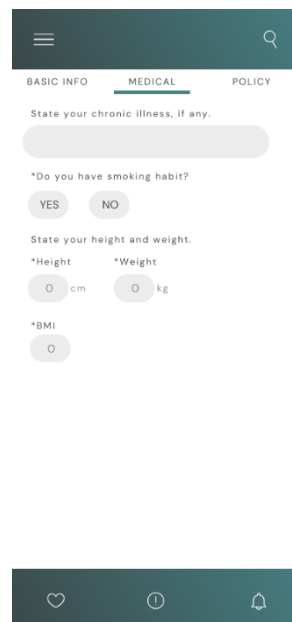
The image shows a medical information form. At the top, there's a dark teal header with a menu icon and a search icon. Below the header, there are three tabs: "BASIC INFO", "MEDICAL" (which is selected), and "POLICY". The form contains several input fields: "State your chronic illness, if any.", "*Do you have smoking habit?" with "YES" and "NO" buttons, "State your height and weight.", "*Height" with a unit "cm", "*Weight" with a unit "kg", and "*BMI" with a unit "kg/m²". At the bottom, there's a dark teal footer with three icons: a heart, a clock, and a bell.

Figure 10: Application Process

Source: Self

7. After fill in personal details and medical information, Participant need to choose Takaful plan that he/she had subscribed earlier under Policy section and click the 'Confirm' button. If the takaful plan that Participant subscribed is not listed, Participant may click on 'Others' and state the takaful plan.

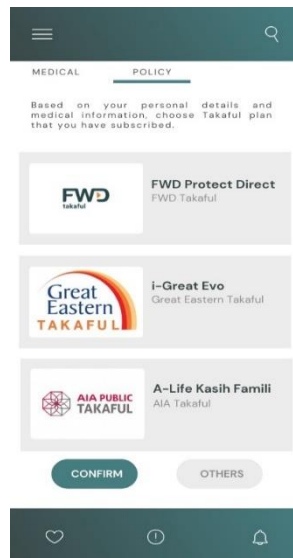


Figure 11: Application Process

Source: Self

8. After the confirmation on takaful plan, Participant can explore the features of the apps. The picture below shows the homepage of the apps. The first tab shows gymnasium feature whereby Participant will be able to subscribe any of the registered gymnasium centre available. Each payment of the subscription fee with minimum of RM25 is eligible for 10 points to be collected.

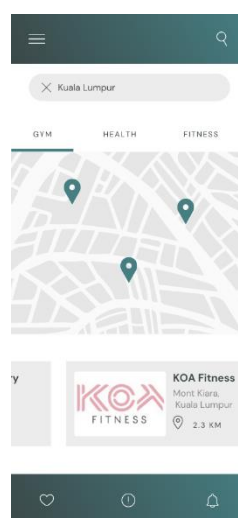


Figure 12: Application Process

Source: Self

9. Other than gymnasium features, there are also health, fitness and medical section for participant to shop. Participant can swipe left to browse each category and choose any available products from both health and fitness section, make a payment and collect points.

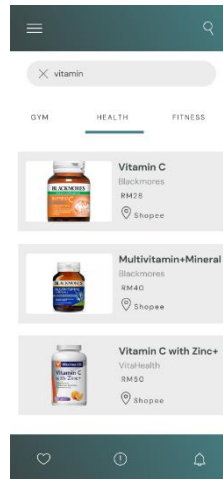


Figure 13: Application Process

Source: Self

10. Participant may also browse the categories of products through the Menu tab on the top left side.

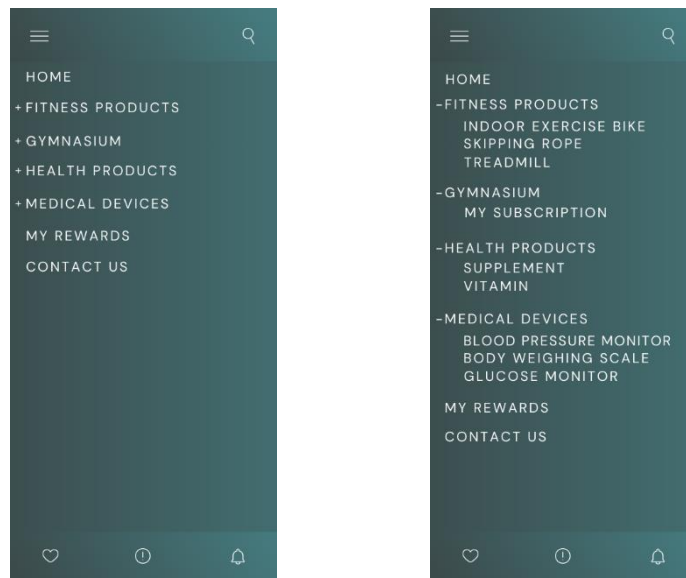


Figure 14: Application Process

Source: Self

11. Each point collected can be reviewed in My Rewards page. If Participant would like to convert the collected points into RM, Participant may click the Convert Now button and used the converted RM value to pay monthly contribution.



Figure 15: Application Process

Source: Self

12. When Participant used the converted RM value to pay monthly contribution, each transaction will be recorded in the 'History' section.

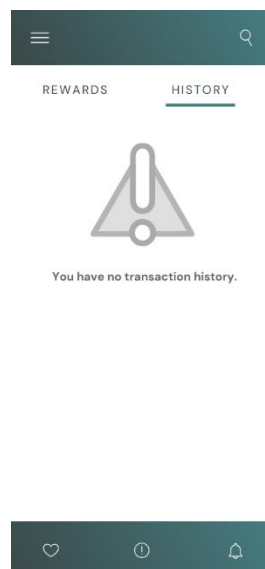


Figure 16: Application Process

Source: Self

Conclusion

From the research done, we have identified the issues circulating in the Takaful industry in Malaysia, that resulted the low penetration rate of takaful as compared to their counterpart, the conventional insurance. We also realised that this low penetration rate is contributed by the lack of interest among youngsters to have takaful plans. We tried to dig down the reasons behind this, and found that, being financially unstable was most of the reason. Despite having lower range of income, these youngsters prefer to spend their money on lifestyles that includes being techno-savvy and healthier lifestyle. Thus, the results of this research has led to the idea of 4YOUth Takaful.

4YOUth Takaful is a mobile apps that integrates the Takaful operators, business owners and online shopping platforms with the participants among the youngsters. The apps is strictly applicable to Takaful participants within the stated age range only. This is to encourage participation in Takaful from an early age. BMI readings are required to encourage these participants to maintain healthy lifestyles. Only business owners that are involved with health and sport products and services can join 4YOUth Takaful, as their nature of business promotes healthy lifestyles.

Implication

Through 4YOUth Takaful, it is hope that, more participations in Takaful will come from the youngsters. As they can reduce their monthly contribution payment by purchasing product and services that can improve their health and lifestyles. This will also lead to a healthier citizen of Malaysia, where reduce in obesity will reduce the diseases related to it.

As for the Takaful operators, 4YOUth Takaful is hope to help attract more participants to join Takaful, which will help to enlarge their contribution funds, enabling them to offer products that will be competitive in the market. Through this, it is hope that, Takaful industry in Malaysia will grow in line with the other Islamic finance elements, being the top players in the financial protection business. This will also boost the economy of the country.

The business owners will enjoy more sales as customers will want to shop or use their services. This will boost their sales and enabling them to have loyal customers. This will also contribute to the economy of the country.

Finally, for the country, 4YOUth Takaful hopes to not only contribute to the growth of economy, but also to help Malaysia become the top Islamic Finance country. 4YOUth Takaful promotes health and financial protection from an early age, thus, contributes to Malaysia being a country with healthy citizens, physically, mentally and emotionally.

Recommendations

For youngsters, 4YOUth Takaful recommend them to grab the opportunity joining the product, as they will not only be financially protected by having Takaful plans, they can also enjoy monthly contribution payment at a lower rate. On top of that, 4YOUth Takaful will keep them in track of their BMI, which will lead them to be healthier.

For the Takaful operators, they are welcomed to promote any add-on services that will benefit the participants, on top of the services offered by 4YOUth Takaful. They may include their

plans and promotions that can be accessible by the participants. They can also provide guidance through the apps.

For business owners, 4YOUth Takaful recommends them to invest in more quality and competitive products that can benefit the participants' health. People are more health-concerned nowadays, thus business owners should take the opportunity to capture the market. They are welcomed to share any promotions through the apps.

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