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Introduction to Waqf – Takaful Compensation Model: Adopting the Maqasid Shariah Concept for Socio-Economic Development in Malaysia

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Abstract

Takaful is Islamic insurance was introduced as a substitute to conventional insurance. It is free from *Gharar* (uncertainty), *Maysir* (gambling), and *Riba* (riba). According to Central Bank of Malaysia (BNM, 2019), there are 12 family/life *Takaful* companies in Malaysia as of 2020 and it was established based on cooperation and mutual assistance as it is widely used in the commercial sector but only three companies Takaful Ikhlas Family Berhad, Etiqa Takaful Company and Zurich Takaful Malaysia Berhad Company offered *Waqf* opportunities through the death compensation of *Takaful* products. But the standard of implementing the concept was inconsistent and no standard framework in managing the *Waqf* in *Takaful* through the

death compensation of *Takaful* because the submission of *Waqf* to a religious institution differs from one company to another. Therefore, this research will develop a *Waqf-Takaful* framework from the distribution of death compensation which is part of the innovation in exploring the potential of empowerable assets for as many participants as possible which has a broader Islamic value toward *Maqasiq Shariah*, so that the goal of the nation to share the *Tabarru* fund in form of *Waqf* fund for *Takaful* compensation benefits the socio-economy of the ummah as long as its management is governed by a trusted, effective and productive party. This study is done through a mixed-method where the quantitative research aims to deeply understand the phenomena related to research questions and the checklist of *Takaful* company documentations and the qualitative approach is to explore professional opinion and focus group discussion by interviewing 20 Shariah / Muamalat experts, 20 Shariah panels and 10 industry players who expert in *Takaful* industry whose very well verses with *Waqf-Takaful* framework or model in Malaysia. The data will be analyzed in descriptive statistics analysis and a T-test using SPSS. The findings of this study will offer an overview of the proposed Model of *Waqf-Takaful* operations in the *Takaful* industry in Malaysia and which will emphasize the issues of the framework, "SOP", challenges, opportunities, and recommendations. It also creates an element of distribution of death compensation in the form of *Waqf* to religious institutions and makes *Waqf* in *Takaful* product as part of the economic network has great potential to give strength to religious institutions that support the development of Islam in Malaysia

Keywords: Waqf, Takaful, Maqasid Syariah, Socio-Economic, Malaysia

Background of Waqf-Takaful Practices in Malaysia

The *Takaful* system is based on the concept of cooperation, responsibility, guarantee, protection, and mutual assistance among participants to ensure the mutual protection of members (Rafdi et al., 2017). The concept of *Waqf* in *Takaful* refers to the distribution of *Takaful* contributor death compensation benefits to selected religious institutions for the creation of permanent *Waqf* property. *Waqf* in *Takaful* can be a complement to the financial needs of contributors and at the same time to the needs of the community (Muhamat et al., 2019). In this context, the *Waqf* will exist when death occurs to the contributor and the compensation received by the *Waqf* recipient will be used for religious welfare until the Day of Judgment.

Waqf-Takaful concept had been implemented solely by the Arab countries and Malaysia should take this opportunity to create *Waqf* culture among Muslim communities since *Waqf* is the death saving for life after death and it is a long term reward given by Allah. A hadith of the Prophet s a w. Hadith narrated by Muslims.

"When the son of Adam dies, then his deeds are cut off except for three things, namely charity, useful knowledge and pious children"

Waqf in *Takaful* product was started by Syarikat Takaful Malaysia Berhad (STMB). The first *Takaful* company in Malaysia was established a year after the establishment of the first Islamic Bank in 1983 and was named Syarikat Takaful Malaysia Berhad (STMB). Syarikat Takaful Malaysia Berhad introduced the *Waqf Takaful* Plan in 2002 and it has been in effect until 2009. During the implementation period, especially from 2002 to 2004 showed a good response from the participants. However, in 2009 the plan was withdrawn from the market

and its application ended after 7 years of operation. The plan was cancelled on February 9, 2009 (Ab Rahaman & Yaacob, 2014).

Ten years later in 2019, Syarikat Takaful Ikhlas Family Berhad introduced family *Takaful* like other companies and opens space for *Waqf* opportunities to institutional recipients such as Yayasan Waqf Malaysia and Perbadanan Waqf Selangor. The beneficiaries are then open to any religious and welfare institution registered with the Registration of Societies (ROS) or the Companies Commission of Malaysia (SSM) such as the National Madrasah Tahfiz Al Quran Association (Permata Al-Quran), Kedah Religious School Affairs Organization (HESA), Yayasan Addin Perak, Persatuan Insitusi Tahfiz Al Quran Selangor (PITAS), Yayasan Islam Kelantan (YIK) and other states Tahfiz Association Associations of between 5-30% death compensation and savings according to the *Qias* and *Hadith*. Syarikat Takaful Ikhlas Family Berhad used *Waqf-Takaful* as a part of the family *Takaful* product which is only a voluntary requirement but not part of the product policies. Etiqa *Takaful* Company also took the initiative to the agency by allowing distribution to selected religious institutions through the method of preparing special letters to companies to submit death compensation to the desired religious institutions. At the same time, the company also requires the beneficiary to prepare a letter agreeing to receive *Waqf* benefits by the contributor.

Inconsistencies of Standard on Waqf-Takaful Standard Operation (Sop)

Syarikat Takaful Ikhlas Family Berhad, Etiqa Bhd, and Zurich Takaful Malaysia were the three *Takaful* companies that offered *Waqf* opportunities through the death compensation of *Takaful* products but the issue is the standard of implementing the concept was inconsistent and no standard model used in managing the *Waqf* in *Takaful* through the death compensation of *Takaful* by the three companies because the process and procedure submission of *Waqf* to a religious institution differs from one company to another. For example, Syarikat Takaful Ikhlas Family Berhad only limits the maximum of 30% to the delivery of death compensation according to the *Qias* and *Hadith* of handing over 1/3 of the property that can be infused. Zurich Takaful Malaysia Berhad Company allows 100% death compensation to the choice of the State Religious Council. Therefore there is a need for all the *Takaful* companies in Malaysia to move forward to the *Waqf-Takaful* Model that has five fundamental elements through the concept of Maqasid Al-Shariah to ensure all the death compensation of *Takaful* products undertaken will benefit individual and community as well as facilitate the improvement of human life will be prioritized accordingly based on Al-Quran & Sunnah.

Gaps in Death Compensation Distribution

Bank Negara Malaysia in the *Takaful* report in 2019 shows that the total compensation received by customers is RM5.345 Billion. This amount is very beneficial to *Takaful* contributors throughout the country. However, this amount has not been confirmed as death compensation is channeled to customers. If 10% of the total compensation is taken to the participants, this amount represents almost RM500 million to the death benefit of the participants. Although this amount cannot be compared to the conventional Life Insurance business which records a much larger amount than *Takaful*. This can be seen from the total death claims in the Malaysian insurance and *Takaful* industry. In 2019, the Life Insurance Associations of Malaysia (LIAM) Report in its report showed an increase in overall compensation claims amounting to RM 10,831,524,433 and increased to RM11,935,309,565.

Of these total claims, death compensation increased from 2018 by RM1.422 Billion to RM1.518 Billion in 2019 (Monther Eidaia, Ainulashikin Marzuki, Mustafa Mohd Hanefah, 2021). The above statistics provide clear indications that the *Takaful* industry is fast in their business. The question is, does the distributing of death compensation was channeled to religious institutions/charity institutions/other NGO/Tahfiz Institution in form of *Waqf* were done properly?. This issue needs to be taken seriously since it involved customer/participants money who entrusted the *Takaful* company to manage their money as promised before.

Constraints in Performing Waqf As A New Element in Takaful

The *Takaful* industry needs to move to a level that has a broader Islamic *Syiar* spirit so that the goal of the world is further in the view from sharing the *Tabarru* fund to the provision of *Waqf* fund for *Takaful* compensation benefits. The effort to provide some funds to the path of Allah is a noble endeavor as a supply of the hereafter in line with the hadith of the Prophet s a w. Hadith narrated by Muslim.

"When the son of Adam dies, then his deeds are cut off except for three things, namely charity, useful knowledge, and pious children"

The idea of *Waqf* is very beneficial to religion, but this idea was once abandoned by Syarikat *Takaful* Malaysia Berhad in 2009. It is a challenge in the effort to make *Takaful* and *Waqf* option. At the same time, the *Waqf* element in *Takaful* is not coordinated through the creation of a plan specific to Infak. The terms *Waqf* in the product does not exist clearly and comprehensively in marketing. At the same time, there are issues related to the framework of distribution of death compensation to religious institutions is also not uniform between companies. Syarikat Zurich *Takaful* Malaysia Berhad (ZTMB) only places the *Waqf* nominee to the State Islamic Religious Council as the recipient of the *Waqf*. Perhaps this company looks at the context of Islamic jurisdiction under the states.

There are some constraints seen in performing *Waqf* as a new element in *Takaful*. Muhamat et al (2019) mentioned that lack of marketing support and lack of top management commitment to this concept has caused this idea to get less attention and become unpopular. Therefore, this research is conducted to examine the seriousness of industry players in channeling benefits to religious institutions other than compensation to participants only. This issue is very interesting to study as the commitment of top management seems to be more focused on profit compared to the welfare of religious institutions that elevate Islam. The seriousness of the company's top management in highlighting the distribution of death compensation in the form of *Waqf* to those who are eligible to receive it is crucial

Takaful Product Lack of Maqasid Shariah Element

The *Takaful* industry is seen to be too focused on marketing *Takaful* products with various marketing terms such as Hibah, income protection, cashless health card, and various other terms that attract consumers to subscribe to *Takaful* plans \ religious institutions, rather than looking at the overall concept and procedure of implementation the *Waqf-Takaful* follow the Maqasid Shariah principle. Muhamat et al (2019) claimed that *Waqf –Takaful* in Malaysia demised after 7 years of operation in 2009 due to unsolved Shariah-compliant issues by the *Takaful* companies. Therefore, to ensure the *Waqf-Takaful* been accepted and relevant in the *Takaful* industry, the *Takaful* companies need to develop an Islamic-friendly environment

where participants/customers aware of their investment returns upon death were properly managed follow the Islamic jurisdiction and Maqasid Shariah Principle.

Unclear Waqf Element in Takaful Product

Waqf does not exist in the context of a clear product such as "Hibah" used by almost all companies. *Waqf* only exists in terms of the distribution of death compensation. This means that there is only death, then the distribution of *Waqf* occurs along with customer savings. The promotion of Hibah in the market is seen to be very active and in high demand. The *Waqf* element does not have to be a competition for Hibah but rather a Hibah and *Waqf* plan to balance the needs of the world and the hereafter.

Coinciding with the above phenomenon, it is concluded that *Waqf-Takaful* Compensation Model is part of the national agendas towards Share Prosperity Vision 2020 (SPV 2030) and Sustainable Development Goal (SDG 1 & 2) developed by Malaysian Government. The sharing of prosperity in terms of wealth and health were combine in *Waqf-Takaful* Compensation Model developed in this study where this Tabarru fund and *Waqf* fund in the *Waqf-Takaful* system gives the opportunity to *Takaful* participation to Infak their wealth to the needy and reduced the poverty level in Malaysia. The existent of *Waqf* in *Takaful* product is to support the efforts of the State Islamic Religious Council (MAIN) as the sole trustee of *Waqf* by jointly finding high demand projects that covered four sectors such as economic empowerment, education, health, and investment which will increase the *Waqf* fund for the better development of our country.

As an industry that promotes *Takaful* products, the *Takaful* companies need to be serious in managing this *Takaful* systematically so that it will impact the well-being of the community, especially Islam in Malaysia. Therefore, this study was conducted to look at the operation and management of *Waqf* elements in every *Takaful* company in Malaysia and make recommendations in strengthening *Waqf* in the *Takaful* industry by focusing on developing a model on the distribution of *Waqf-Takaful* Compensation Model follows the Maqasid Shariah concept in giving *Waqf* to these religious institutions. Therefore the objectives of this study were as follows:

1. To critical analyse the procedure and management system of *Waqf-Takaful* compensation Model implement by *Takaful* companies in Malaysia.
2. To examining the implementation of *Maqasiq Shariah* principles in governance and procedure of *Waqf-Takaful* Compensation Model implement by *Takaful* companies in Malaysia.
3. To developed a new *Waqf-Takaful* Compensation Model adopting the Maqasid Shariah principles for *Takaful* Companies in Malaysia.

Literature Review

Waqf-Takaful represents the concept of *Waqf* in *Takaful*. The mechanism of implementation *Waqf* fund established by the *Takaful* operator or company where the *Waqf* fund is part of the company's capital endowed for the participants who are affected by the disaster according to the rules of use of funds (Rahman & Wan Ahmad, 2011). Whereas the concept

of *Takaful* in Islam is based on the notion of mutual assistance (Ta'awun), mutual security and responsibility (Tadhamun), and mutual protection and assurance, incorporated into the concept of Tabarru' (donation) (Ali et al., 2014)

Waqf define as holding and preservation of a certain sadaqah (charity) with the intention of prohibiting any use or disposition of the property outside the specific purposes to which the property cannot be sold (Chowdhury et al., 1996). The *Waqf* funds is invested in Mudharabah model, Wakalah model, or Hybrid model where the profits are put into a special fund for the purpose of implementing the goals of *Waqf*. Muhammad Taqi Usmani stated that the *Waqf* model is more in line with the basic concept of *Takaful* which describes a protection plan based on human brotherhood, a sense of mutual responsibility and cooperation among participants (Abdullah & Yaacob, 2012). This is because of the *Waqf* fund is collected based on initial contributions from the participants' capital to help Muslims in need. He considers the *Waqf* model fund as a legal entity, while the *Takaful* fund does have legal entity status. The contribution of these funds is not based on profit but is managed to look after the common good, where contributors are willing to give to the less fortunate members of the community

Waqf-Takaful Knowledge

The *Waqf-Takaful* knowledge is an important factor that contributes to the successful of *Waqf-Takaful* product implementation in Malaysia. Sulaiman, Hasan, Mohd Noor, Ismail, & Noordin (2019) claimed that a well design of *Waqf-Takaful* Compensation need be run by well knowledgeable professional officers and management who well verse with *Waqf-Takaful* systems for more excellence operations to achieve the overall efficiency and effectiveness. *Waqf-Takaful* system required the *Takaful* officer/ operator to understand the overall procedure required to ensure the documentation or contract required enough and process. The capital providers are the participants while the fund managers are the *Takaful* operators. Under this contract, the *Takaful* operator will accept the contributions from the participants. The contribution is deemed as a capital (ra'sul maal) that will be managed and invested in a Shari'ah compliant manner. The contract specifies that any profit from managing the fund will be shared between the *Takaful* operator and participant based on the ratio agreed upfront. (Ali et al., 2014). All this process required both parties the participant and the fund manager to understand clearly the risk and reward include in the contract so that compensation claim later will be clear.

Waqf-Takaful Operation

Rosele & Johari (2016) studied the operating model of Wakalah and *Waqf* adopted in the *Takaful* management system were more to conceptual rather than practical. There is a need to review the evolution in the selection of Wakalah Tabarru and *Waqf* by *Takaful* companies in Malaysia which is more practical. He claimed that Tabarru model and *Waqf* module can be implemented in *Takaful-Waqf* product in *Takaful* Companies in Malaysia as part of the Islamic Muamalat system.

Ab Rahaman & Yaacob (2014) did a case study on *Waqf Takaful* implemented by Syarikat Takaful Malaysia Berhad (STMB) which offers two products namely general *Takaful* and family *Takaful* found that STMB *Waqf Takaful* has achieved success in 2002-2004 by successfully collecting more than 5000 certificates. However, this product was discontinued from the

market in 2009 due to uncertainty in the terms of the warranty contract that exists in the plan (Ab Rahaman & Yaacob, 2014). Although Syarikat Takaful Malaysia Berhad (STMB) had discontinued their *Waqf-Takaful* product but Mohamed et al (2014) study can be used as a guide for this study to look at the management elements of *Waqf-Takaful* by improving the existent *Waqf-Takaful* operations and distribution to religious institutions in line with the Shariah Maqasid. So that this study will propose a framework or standard operation procedure (SOP) that can be implemented by other *Takaful* company in Malaysia by analyzing the strengths and weaknesses of the current *Takaful Waqf* product of each company and suggest a model or framework that can be carried out to achieve the goals of the company which is more viable in the market and in line with *Maqasiq Shariah* in the future.

Waqf-Takaful & Maqasiq Syariah

Waqf-Takaful Compensation help in the fulfillment of religious requirement through performing various activities and mobilizing resources from rich to poor, creating employment opportunity to develop socio-economic conditions of the poor and whole society as ultimate results as what mention in *Maqasiq Shariah* concept (Chowdhury et al., 1996). According to Imam Al-Ghazali, the objectives of Sha'riah (Maqasid Al-Shariah) is to promote the well-being of all mankind which lies in safeguarding their faith (Al-din), their human life (Al-nafs), their intellect (Al-aql), their posterity (Al-nasl) and their wealth (Al-mal); whatever that ensures the safeguard of these five serves the public interest and is desirable (Farouq et al., 2015).

These five values are the fundamental elements of the human being. In order to ensure all the activities undertaken can protect the benefit of individual and community as well as to facilitate the improvement and perfection of human life in this world and the life in the Hereafter, the concept of Maqasid Al-Shariah need to be upheld all the time and to be prioritized accordingly. Table 1 highlighted the five concepts of Maqasid Al-Shari'ah.

Table 1

Five Concepts of Maqasid Al-Shari'ah

Maqasid Al-Shariah	Description
Protection of faith (<i>Al-Din</i>)	Faith is the most important value to be protected by individual Muslims. <i>Takaful products</i> must align with the Islamic principles and values, so activities are undertaken must be a shield to protect the person from committing a sin or becoming apostate and indulging in any activity that will obliterate his religion.
Protection of Life (<i>Al-Nafs</i>)	Life is very essential and valuable to everyone. Everyone needs a better and safer life. Protecting everyone's life is equally important and every individual and society should protect each other's.
Protection of Intellect (<i>Al-'Aql</i>)	Intellect is a precious gift from Allah (S.W.T) to the human being compared other creations. Everyone should protect this great gift from anything that might harm the ability and function of the brain.
Protection of Posterity (<i>Al-'Nasl</i>)	Posterity is an essential element in the life of a person. Young generation (Y generation) nowadays is a future leader of our countries. Islam is very concerned about the posterity of a person and emphasizes the important of protecting posterity.
Protection of Wealth (<i>Al-Mal</i>)	Wealth is a trust from Allah and needs to be developed and used honestly. The acquisition, as well as the use of wealth, should be complying with Islamic principles to ensure the entire wealth obtains the level of God pleasure and <i>Barakah</i> .

Source: Fauzi & Rashid (2016)

The *Takaful* concept is in line with Maqasid Al Shariah on protection of life. Its purpose is not to protect the life of the deceased, but protect the livelihood of those the deceased left behind. Looking after the wellbeing of the family left behind by the deceased is a clear concept approved by the Prophet S.A.W himself. When the Prophet S.A.W was asked by Sa'ad Ibn Abi Waqqas on how much he is allowed to donate as he only had one daughter. The Prophet S.A.W answered: "One third is much. Indeed to leave your heirs well-off is better than that you should leave them dependant on and beg from people" (Ahmad & Borhan, 2017). Ahmad & Borhan (2017) also highlighted an important Maqasid Al-Shariah or objective of Shariah pertaining to *Waqf* which is giving help and assistance to those in need in the society. The *Waqf* fund coupled with the *Takaful* concept of Ta'awun and Tabarru' given by participants, would benefit the heirs of the participants after their demise. The concept of *Takaful* itself ensures that the rights of the beneficiaries of the participants are protected and secured (Al-Shami, 2015)

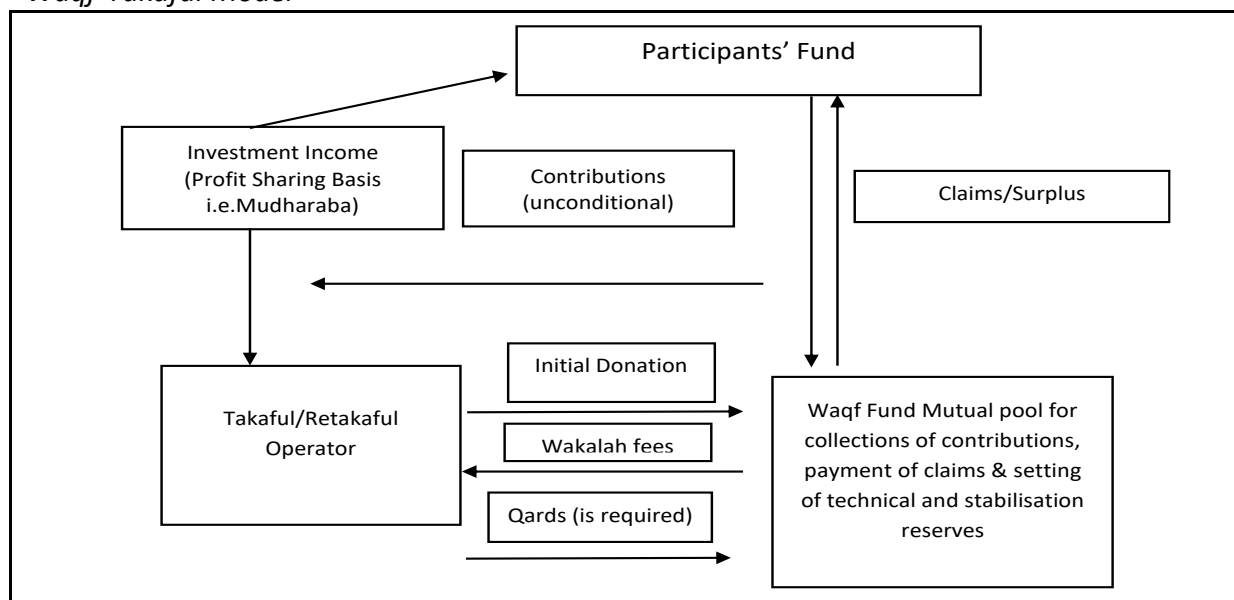
Waqf –Takaful Model

There were several type of *Takaful* model in the *Takaful* market today namely Wakalah Model, Modified Wakalah Model, Mudharabah Model, Hybrid Model, Wakalah –*Waqf* Model and *Waqf-Takaful* Model. Among the *Takaful* model developed by the previous researchers,

Wakalah-*Waqf* Model and *Waqf -Takaful* Compensation Model suggested by Ibrahim et al (2016) were the models that focus on the *Waqf* fund in *Takaful* product.

Both model Wakalah-*Waqf* Model and *Waqf -Takaful* Compensation Model suggested by Ibrahim et al (2016) define their model as the proportionate of ownership of Tabarru/donation remains to participants if it is not used for payment of claims but will be transferred to *Waqf* fund and then will be transferred to secured Shariah-compliant investment companies to generate profit. The profit will be used for benefit of the participants for unfortunate events and donate to charities approved by *Takaful* company Shariah board (Al-Shami, 2015). Based on these two models, The *Takaful* company works as wakeel and Mudharib on behalf of the participants for the *Waqf* fund. The participant needs to sign up the form, gain the certificate after pay an unconditional donation to be a member of the *Waqf* fund with *Takaful* coverage. The participant and the *Takaful* company can enjoy the benefit from the *Waqf* fund including provide Qardh Hassan any other *Takaful* benefit to it participants. Table 2 describes the process of both models.

Table 2
Waqf-Takaful Model



Waqf-Takaful Governance

Waqf-Takaful Model is a combination of the concept of *Takaful* practice by using *Waqf*-based contracts. This means that the participant becomes a member of a *Takaful* plan provided it submits a certain amount of money as *Waqf* which was previously Tabarru. With that action, participants will benefit from a spiritual (faith and reward) as well as physical point of view, which is compensation when disaster strikes. The money endowed by the participants in the *Takaful* scheme is intended to help other participants who are affected by the disaster (Hashim, 2007).

In Malaysia *Waqf* model based on *Takaful* application were lack of implementation because they were lack of disclosure in the standard procedure of the *Waqf -Takaful* product by the takaful companies. Many weaknesses exist in takaful operations especially in the distribution of death compensation to selected institutions of *Waqf* fund because there is lack of standard

framework or model that would cater the problems (Rosele & Johari, 2016). Currently there is no coordination for these institutions to benefit due to conflicts between federal and state jurisdictions. Religious jurisdiction including *Waqf* is state jurisdiction. Therefore, there are some problems in determining the context of *Waqf* in the distribution of funds and compensation for the death of participants who want to be endowed. Therefore, this study will examine the existent model of *tabarru* and *mudharabah* compared to *Waqf-takaful* and develop a model or framework *Waqf-takaful* procedure of distribution funds and compensation for the death of participants under *Waqf* fund.

Methodology

Description of Methodology

This study uses a qualitative and quantitative (mixed) method. Quantitative research aims to deeply understand the phenomena related to research questions and the checklist of *Takaful* company documentations. A checklist will be transferred to Google Form and will be distributed to 300 respondents/*Takaful* operators' staff who were involved in the product development department or unit. The Checklist is focused on the question adopted with some modification from the study done by Muhamat et al (2019); Hassan et al (2018); Hassan et al (2013) to suit objectives of this study.

There were 4 matters discussed in the *Waqf-Takaful* Checklist (WTC) checklist: *Waqf-Takaful* Knowledge, *Waqf-Takaful* Operation, *Waqf-Takaful* Maqasiq Shariah, and *Waqf-Takaful* Governance. The method used to score was based on an unweighted index or dichotomous scores. All information was equally valued using the content analysis method and relevance to the items in each matter, which was given the score of "2" if the items available/implemented by the company, the score "1" given if the item partially available/implemented by the company, and "0" if it was not available/implemented by the company. The unweighted method scores adopted with modification from the studies of Arsad et al (2018) and Rahayati et al. (2017) were as follows:

$$WTC = \frac{nj \sum_{t=1} M_{ij}}{Nj * 2}$$

*WTC=*Waqf-Takaful* Index

*Nj= Number of items expected for the company $n_j \geq$ items of each matters

*Mij="2" if the items available/implemented by the company, the score "1" given if the item partially available/implemented by the company, and "0" if it was not available/implemented by the company

The qualitative approach is to explore professional opinion and focus group discussion by interviewing 50 respondents including 20 Shariah / Muamalat experts, 20 Shariah panels, and 10 industry players who expert in the *Takaful* industry whose very well versed with *Waqf-Takaful* framework or model in Malaysia.

The next stage is to conduct a pilot study of 5 *Takaful* companies randomly selected for validity testing. Based on the pilot study result some adjustments will be made to the index before the real field study will be done. This study required the researchers to do physical observation (fieldwork) and interview of each element stated in the framework. This study covers a checklist related to the *Waqf-Takaful* management framework conducted in 12

Family *Takaful* Companies. This checklist covers the operating framework of the company's corporate framework which consists of the following variables:

1. *Waqf* model carried out in *Waqf* operations - *Waqf* guardians and *Waqf* recipients application Form with a contract that has a *Waqf* element
2. Letter of confirmation of granting rights such as the assignment of absolute right/ absolute assignment
3. Claim form that has the option of delivery process channel to the institution of *Waqf* Recipient
4. *Takaful* certificate which has a record of recipients and endowers
5. Our marketing materials are products that have the element of *Waqf*
6. Proof of submission that has been carried out to the institution involved with the Beneficiary

Each of these variables will be made a checklist to ensure that each company has similarities, differences, or no differences. The checklist/ indexes developed in this study will be score using the dichotomous score of "2" if similar in each item listed in the checklist/indexes ."1" if different in each item required on each item and lastly "0" if no different in any of the items stated in the checklist/indexes mention above.

The qualitative study in this research involved an interview to obtain additional information as well as further information on the views of Shariah experts, company shariah panels, and *Takaful* industry players. The questions were adopted and adapted from the study done by Naim, Isa, & Rahim (2018). The sample taken were based on the number of *Takaful* companies in Malaysia which is 12 *Takaful* companies which involved in *Waqf-Takaful* product. Therefore, an interview protocol was held to *Takaful* industry players consisting of 20 Shariah / Muamalat experts, 20 Shariah panels, and 10 industry players who expert in the *Takaful* industry whose very well verses with *Waqf-Takaful* framework or model in Malaysia. An interview protocol has been developed to facilitate the interview technique to be carried out. Interviews will be held in the form of recordings. Each recording will be transcribed.

Focus Group Questions

1. Understanding *Waqf-Takaful*
 - a. What is your opinion on *Waqf -Takaful*?
2. *Waqf* Operations in Companies.
 - a. Explain the *Waqf* operations in your company?
3. Marketing techniques
 - a. To what extent does *Waqf Takaful* help contributors in cultivating interest in *Takaful*?
 - b. How to market the agency (marketing)
 - c. How is the *Takaful* element promoted in your company?
4. *Waqf* distribution framework to institution
 - a. Can you state the process framework involving the distribution of death compensation funds as an endowment element?.
5. Training related to *Waqf -Takaful*
 - a. What efforts have been made in developing companies using *Waqf -Takaful*?
 - b. Documents / SOP in *Waqf* of payment to the customer

- c. Please state the list of documents related to *Waqf*. certificate, pamphlet, absolute assignment form, contract form, slide training, claim form and proof?.
- d. List of eligible institutions/recipients of *Waqf* through
- e. In your opinion, did *Waqf* through the *Takaful* system based on Maqasid Shariah concept?

The study will have 6 development stages (summary of the stage).

Stage 1: Past Literature review analysis.

Stage 2: Pre - Development of *Waqf-Takaful* Model

Stage 3: Interview for verification of professional expert 50 respondents including 20 Shariah /Muamalat experts, 20 Shariah panels, and 10 industry players who expert in the *Takaful* industry whose very well verses with *Waqf-Takaful* framework or model in Malaysia.

Stage 4: Modified and improve the *Waqf - Takaful* Model

Stage 5: Data Analysis and brainstorming session with team members and developed Focus group discussion Stage 6: Final writing including presentation, publication, and conferences.

DATA ANALYSIS -Phase 1: Quantitative Data analysis

The raw data from the checklist will go through Reliability Test using Cronbach's Alpha testing in SPSS statistics software. The items that pass the Cronbach's alpha value range from 0.70 to 0.90 were the excellent reliability result (Taherdoost, 2018) will be included in the framework developed in this study-Stage 2

DATA ANALYSIS -Phase 2: Qualitative Data analysis

A focus group interview will be done to verify the Pre-Development of *Waqf-Takaful* Model. This semi structure interview data will record and later transcribed using the NVivo software. The data will be analyse and interpret based on the 4 matters discussed in this study and several modifications will be done to *Waqf-Takaful* Compensation Model to achieve the objectives of this study.

Conclusion

The concept of *Waqf* in *Takaful* refers to the distribution of *Takaful* contributor death compensation benefits to the nation in term of permanent *Waqf* property. In order make Malaysia as one of the centers of Islamic Financial Hub in Asia especially in *Takaful* industry, the government need to coordinate with the private *Takaful* institution such as Malaysian Takaful Association to review the management of *Takaful-wakaf* implemented by *Takaful* companies in Malaysia. *Takaful-Waqf* Model create productive social-economic ummah in Malaysia. Although this study still in progress but the end result of this study will contribute to a development of a *Waqf -Takaful* Compensation Model that can be part of the national agendas towards Share Prosperity Vision 2020 (SPV 2030) and Sustainable Development Goal (SDG 1 & 2) since the sharing of prosperity in term of wealth and health were combine in *Waqf -Takaful* Compensation Model which gives the opportunity to *Takaful* participation to infak their wealth to the needy and reduced the poverty level in Malaysia

This research may contribute to the new knowledge when the development of the new *Takaful-Waqf* compensation model will adopt the Maqasid Syariah principles in *Takaful* Companies management system and product in Malaysia. *Maqasiq Syariah* is an

important principle in Islam and it should be focus seriously so that the *Waqf-Takaful* Model developed will not shift away from Islamic value such as safeguarding their faith (Al-din), their human life (Al-nafs), their intellect (Al-aql), their posterity (Al-nasl) and their wealth (Al-mal).

The *Waqf Takaful* Compensation Model will definitely benefit religious institutions, charity organization, pondok/tahfiz institution since the the *Waqf* fund through this tabarruk system will definitely benefit if it can be carried out systematically by all *Takaful* companies in Malaysia. This study can also be used as a source of Management research in the context of muamalat which can be used as a guide for future *Takaful* researchers

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