

## Determinants of Takaful Insurance in Addis Ababa

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**Abstract :** The purpose of this study was to examine the determinants of Takaful insurance in Addis Ababa. In this study, descriptive and explanatory research design was used. We have taken marketing and business development from 17 insurance company and manager and officer from 5 insurance company those are active currently in takaful and all of them were taken as a sample. Questionnaire was used as instrument for data collection. The questionnaire contained 79 items with 5-point Likert scale, 1 being strongly disagree and 5 being strongly agree. The questionnaire was developed based on past literature and a pilot test was conducted to check normality, reliability and validity of the scale. The dependent variable used in this research was Takaful Insurance and the independent variables were Awareness, human resource, sharia rules, Regulation and interest free banking service. The collected data was analyzed using descriptive Statistics, correlation, and multiple linear regressions through SPSS 25. The result of this research indicates that Awareness and interest free banking service have a positive and significant impact on Takaful Insurance. However, this research did not find any significant impact of human resource, sharia rules and regulation on Takaful. And also, the research indicates that, any positive improvement on these variables will result in improvement Takaful insurance. Therefore, this research recommends that the Ethiopian insurance companies to formulate strategies that boost Takaful insurance awareness as well as train manpower for the service.

**Keywords :** Takaful, insurance, human resource, IFB

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