

CHALLENGES FACED BY TAKAFUL INDUSTRY IN SRI LANKA SPECIAL REFERENCE AMANA TAKAFUL (PLS)

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Abstract: The rapid development of Islamic insurance is viable worldwide. However, the Islamic Insurance Industry has been facing a number of challenges in its practices. Thus, Islamic insurance Institutions of Sri Lanka has also been facing remarkable challenges while growing fast in the nation. This is because of lack of financial techniques and human resources. This study is examined the challenges of Islamic insurance practices in Sri Lanka. The purpose of this research is to investigate serious challenges of Islamic Insurance in Sri Lanka. Therefore, this study examines the impact of selected challenges on practices of Islamic insurance and it is practiced by Amana Takaful (plc). Findings indicate that there is a significant positive relationship between selected challenges and practices of Islamic Insurance from the sample point of view. According to Finding, Lack of product innovation, High turnover of sales agent in market environment, Lack of Shari'ah compliant fix income investment, Lack of employee productivity and lack of Employee's experience are also has been Facing challenges in their practice. They further reveal that managing employees of Amana Takaful have perceptions that the selected challenges are impacted on practices of Amana Takaful (plc).

Key words: Islamic Insurance, Challenges of Islamic Insurance, Takaful, Shari'ah Compliant