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EFFICIENCY ANALYSIS OF TAKAFUL INSURANCE INDUSTRY

Abstract:

This study will focus on the takaful insurance companies. First the takaful model of insurance will be discussed and it will be compared with the conventional model of insurance. After the discussion of these two models of insurance, we review the literature on the efficiency analysis methods for the insurance companies. Finally, an empirical study will be performed to analyze the comparative efficiency of the takaful insurance companies. This study provides a wide range of efficiency comparison of 41 takaful insurance companies in 16 countries between 2009 and 2014. In order to compute the efficiency score we implemented data enveloping analysis techniques by using rDEA package in R environment.

Keywords:

Efficiency analysis, insurance, takaful, performance

JEL Classification: G22, L25