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ROLE OF TAKAFUL IN SUPPORTING THE FINANCIAL WELL-BEING OF MUSLIM ELDERLY IN KANO STATE: A QUALITATIVE STUDY

Farida Mohammed Shehu
Department of Economics, Bayero University Kano, Nigeria

Corresponding Email Address: fmshehu@yahoo.com

Abstract

This qualitative study investigates the role of Takaful, a Shariah-compliant cooperative insurance model, in supporting the financial well-being of Muslim elderly (aged 60+) in Kano State, Nigeria. Data were collected through focus group discussions and key informant interviews with elderly participants, Takaful providers, Shariah scholars, and community leaders. Thematic analysis revealed that awareness and understanding of Takaful among the elderly is generally low, with many participants confusing it with conventional insurance. Religious values play a central role in shaping financial decisions, although cultural reliance on family and community support often reduces the perceived need for formal financial schemes. Participants also reported acute financial challenges, including income insecurity, high healthcare costs, and limited access to pensions. Furthermore, adoption is hindered by product complexity, trust deficits, and the lack of elderly-specific offerings; however, opportunities exist in mosque-based awareness campaigns, flexible payment options, and collaboration with religious leaders. The study concludes that Takaful has significant potential to reduce financial vulnerability among elderly Muslims if tailored to their socio-economic realities and integrated with existing Islamic social finance instruments. Recommendations include targeted financial literacy programs, simplified product design, and stronger community engagement to enhance trust, accessibility, and long-term sustainability.

Keywords: *Takaful, elderly welfare, Islamic finance, financial inclusion, Kano State*

INTRODUCTION

The global elderly population is growing rapidly, presenting new challenges for social protection, healthcare, and financial well-being. In Nigeria, elderly individuals face particularly precarious conditions due to weak institutional support, irregular pension systems, and limited access to affordable healthcare (Psychosocial health challenges of the elderly in Nigeria, n.d.). According to recent reports, most Nigerian elderly depend on informal support networks, especially family and community structures which are increasingly strained by urbanization, unemployment, and intergenerational poverty (Oseni & Affusim, 2021). As Nigeria's population continues to age, it is essential to explore sustainable, culturally appropriate models that can enhance the financial security and dignity of older adults.

Within predominantly Muslim regions such as Kano State, the challenge is further compounded by widespread avoidance of conventional insurance and interest-based financial products. This aversion is largely driven by religious prohibitions on *Riba* (interest), *Gharar* (excessive uncertainty), and *Maysir* (gambling), all of which are perceived to underpin conventional insurance contracts (Fadun, 2015). In such contexts, Islamic financial mechanisms such as *Takaful*, an Islamic form of cooperative insurance, offer a promising alternative. *Takaful*

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is built on the principles of mutual assistance (*Ta'awun*) and voluntary contribution (*Tabarru'*), and it distributes surplus among participants, thereby aligning with Shariah-compliant ethics (Kehinde & Sharofiddin, 2021). Despite its alignment with Islamic values, *Takaful* adoption in Nigeria remains low, especially among vulnerable groups such as the elderly (Kehinde & Sharofiddin, 2021). While some studies have investigated awareness and acceptance of *Takaful* in urban Nigeria or among vehicle and business owners (Maiyaki & Ayuba, 2009; Yahaya et al., 2022), there remains a significant knowledge gap concerning how elderly Muslims in rural and peri-urban communities perceive, access, and benefit from *Takaful* services. More specifically, little is known about how elderly Muslims in Kano State experience financial stress in retirement, how they perceive *Takaful* as a financial tool, and what sociocultural or religious factors influence their decisions to engage with or avoid such services.

This study seeks to fill that gap by using a qualitative, exploratory research design that centers on the lived experiences and narratives of elderly Muslims in Kano. Through focus group discussions and key informant interviews with *Takaful* providers, Shariah scholars, and community elders, the study investigates whether and how *Takaful* can support the financial well-being of this demographic. It further explores the challenges faced by *Takaful* institutions in designing and delivering elderly-focused services, and examines broader community attitudes toward institutionalized financial protection in old age. This study is justified by both academic and policy concerns. Academically, it contributes to the underexplored intersection of Islamic finance and elderly welfare in Sub-Saharan Africa. It challenges existing assumptions in the literature that financial exclusion is primarily a matter of awareness or infrastructure, by surfacing deeper cultural and religious narratives that shape financial behavior. From a policy perspective, the findings have implications for how Islamic financial institutions, regulators, and non-profit actors can co-design inclusive, Shariah-compliant financial instruments to improve elderly welfare in Kano State and similar Muslim-majority regions.

The paper is organized into several key sections. It begins with a comprehensive literature review that explores the fundamental principles of *Takaful*, traces its development within Nigeria, and examines the current financial well-being of the elderly population in the country. This review also identifies existing gaps and potential opportunities for improvement. Following this, the research methodology is detailed, explaining the qualitative approach employed, the sampling strategy, the tools used for data collection, and the ethical considerations observed throughout the study. The subsequent section presents and analyzes the findings, drawing on emerging themes from interviews and focus groups conducted with various stakeholders and elderly participants. Finally, the paper concludes with a discussion on the implications of these findings for policy and practice, offers directions for future research, and provides recommendations aimed at enhancing the role of *Takaful* in improving the financial security and overall well-being of elderly Muslims in Nigeria. Through this structure, the paper seeks to offer both theoretical insights and practical guidance for leveraging Islamic finance tools like *Takaful* to address the urgent needs of aging Muslim populations in resource-constrained environments.

LITERATURE REVIEW

Concept of *Takaful* and Its Principles

Takaful is an Islamic insurance concept based on mutual assistance and joint indemnity, where members contribute to a pooled fund to cover losses suffered by participants (Khan & Bhatti, 2008). *Takaful* is fundamentally an Islamic cooperative risk-sharing system rooted in principles

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of solidarity, mutual assistance, and prudent governance. The underlying ethics stem from classical Islamic teachings particularly the Quraanic injunction to support each other in righteousness: "Help one another in al *Birr* and *Taqwa*" and prophetic traditions that emphasize collective responsibility (Dasuki, 2008; Arifin et al., 2013; Nazir & Noor, 2018). The core Shariah-based principles include *Tabarruʿ* (voluntary donation), *Ta'awun* (mutual assistance), *Tadhamun* (mutual indemnity), and transparency in governance (Arifin et al., 2013; Dusuki, 2008). Unlike conventional insurance, which often involves elements forbidden by Shariah such as *Riba*, *Gharar* and *Maysir*, *Takaful* operates on a cooperative model where risk is collectively shared, and surplus funds are either returned to participants or donated for charitable causes (Khan & Bhatti, 2008; Fadun, 2015). This structure enhances the acceptability of *Takaful* among devout Muslims who prioritize Shariah compliance in financial transactions (Kehinde & Sharofiddin, 2021) .

While modern *Takaful* emerged in the 1970s–80s, its roots trace back to early Islamic practices such as *Aqīla* (clan-based financial indemnity) and communal funds managed under collective responsibility (Arifin et al., 2013). Such historical precedents reflect deeply embedded ethics of voluntary support and shared accountability. Contemporary scholars emphasize that these early systems embody the same social ethos underpinning modern *Takaful*: collective resilience and equitable risk-sharing (Arifin et al., 2013; Nazarov & Dhiraj, 2019).

The concept of *Tabarruʿ* means that participants make voluntary contributions, not payments seeking profit, to facilitate mutual protection (*Takaful* knowledge.com, 2024). However, recent critiques suggest that defining contributions purely as donations may contradict participant expectations of receiving benefits. A study by Rahman and Aziz (2025) argues that Ta'awun, rather than pure donation, better encapsulates the cooperative essence of *Takaful* and supports sustainable financial inclusion and surplus-sharing (Rahman & Aziz, 2025). By framing contributions as a form of ethical assistance, *Takaful* underscores shared responsibility while preserving participants' entitlement to depreciation claims and potential surplus distributions.

Current literature debates the legitimacy of *Tabarruʿ*-based models and the fairness of underwriting surplus distribution. AAOIFI and IFSA standards insist that underwriting surplus must be fully distributed to participants, whereas other regulatory interpretations permit surplus-sharing with operators if disclosed upfront (Devi, 2024). This tension underscores the importance of clarity in contract design and adherence to Shariah principles (Devi, 2024; Rahman & Aziz, 2025). Additionally, critics argue that some operators maintain excessive control over fund management and surplus allocation, which undermines mutuality and participatory governance (Wikipedia, 2025). Transparent structure and equitable governance, where participants have meaningful oversight, are thus key to realizing *Takaful's* mutual guarantee ethos (The Central Bank of UAE, 2023) .

Operational Models of Takaful

Takaful continues to evolve through three operational structures: *Wakālah*, *Mudharabah*, and Hybrid forms. In the Wakālah model, the *Takaful* operator functions as an agent and receives a predetermined fee for managing contributions and claims; investment gains accrue to participants (MDPI Review, 2024). Under the *Mudharabah* model, both the operator and participants share profits and losses from invested contributions per pre-agreed ratios (*Takaful* knowledge.com, 2024; MDPI Review, 2024). Hybrid models, combining elements of both *Wakālah* and *Mudharabah* have gained prominence as they provide a balanced approach: operational efficiency, transparency, and alignment of incentives, while mitigating potential

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agency issues (MDPI Review, 2024). These hybrid models help maintain fairness in surplus distribution and ensure that operators remain committed to participants' interests (MDPI Review, 2024).

Risk Pooling and Governance Principles

Takaful is distinguished by genuine risk sharing rather than the risk transfer model of conventional insurance. Rather than shifting liabilities to a company, participants collectively share losses through the aggregated pool (ANZIIF, 2023). Such design inherently excludes elements prohibited in Islamic jurisprudence, interest, excessive uncertainty and gambling (Wikipedia, 2025).

Governance frameworks within *Takaful* institutions are designed to maintain Shariah compliance and public accountability. Regulatory bodies require oversight through Shariah supervisory boards, strict fund segregation, transparent financial reporting, and clear surplus distribution policies (ANZIIF, 2023; The Central Bank of UAE, 2023). Effective governance supports consumer trust, which is essential for *Takaful's* legitimacy and uptake in Muslim communities (The Central Bank of UAE, 2023).

Robust governance is central to perceived legitimacy and financial performance in *Takaful* operations. Empirical studies from Malaysia indicate that factors such as the size and expertise of the Shariah Supervisory Board (SSB) significantly influence operators' financial outcomes (BenSaid, 2023). Larger and more qualified SSBs are associated with greater trust and institutional effectiveness. In Nigeria, operators like Jaiz *Takaful* and Noor *Takaful* have recognized the importance of governance structures aligned with Shariah principles. Jaiz *Takaful* reported distributing ₦231 million in surplus in 2022, attributing growth in part to strong governance, participant loyalty, and transparency (Adegboyega, 2024). Similarly, Salam *Takaful* in Kano reaffirmed communities' trust through equitable surplus sharing, underscoring governance as a trust-building mechanism (AllAfrica, 2025).

Comparative analyses of risk management efficiency position *Takaful* favourably relative to conventional insurance in the Middle East, showing higher, but statistically non-significant efficiency scores (Abu Al Haija & Houcine, 2024). Although context-specific, this suggests that with strong governance, *Takaful* can effectively manage risk while adhering to Shariah compliance.

Surplus Distribution

Surplus distribution, the return of underwritten surplus to claim-free participants is one of the defining features of *Takaful*. It distinguishes *Takaful* from conventional insurance, where underwriting profits benefit shareholders rather than policyholders. For instance, Noor *Takaful* distributed over ₦208 million surplus to over 1,200 participants in 2021 and ₦116 million in 2022, reflecting procedural transparency and the principle of ethical financial fairness (Nairametrics, 2023; TheCable, 2024). Salam *Takaful's* distribution of nearly ₦10 million in Kano highlights localized governance initiatives emphasizing mutual benefit (Daily Trust via AllAfrica, 2025). These distributions reinforce the model's credibility and illustrate how equitable surplus-sharing can foster consumer trust and reinforce Islamic financial ethics in practice .

For elderly-focused *Takaful* products in Kano State, clear operational models, transparent

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governance, and consistent surplus distribution are key to building trust and acceptance among elderly users. As older Muslim adults prioritize Shariah compliance and financial fairness, governance constructs such as SSB oversight and visible surplus payouts are essential to secure legitimacy (BenSaid, 2023). Localized surplus distributions, like those by Noor and Salam *Takaful*, serve as visible demonstrations of *Takaful's* promised mutual benefit (Nairametrics, 2023; AllAfrica, 2025). In designing elderly-specific products, operators should prioritize simplicity, inclusivity, and clarity around contribution and surplus mechanisms.

Development and Status of Takaful in Nigeria

The formal introduction of *Takaful* into the Nigerian financial landscape has been relatively recent, with regulatory frameworks established by the National Insurance Commission (NAICOM) in 2013 aiming to encourage Shariah-compliant insurance services (Fadun, 2015). Despite this, the Nigerian *Takaful* market remains underdeveloped. Several studies note that awareness and understanding of *Takaful* products are limited outside of urban centers and among older adults, which constrains demand and product diversification (Kehinde & Sharofiddin, 2021; Maiyaki & Ayuba, 2009). Moreover, trust in the governance and management of *Takaful* operators is a significant barrier, with concerns over transparency, fund utilization, and surplus distribution affecting uptake (Alawode & Adewole, 2021). Research focusing on Northern Nigeria, particularly Kano State, indicates that despite strong religious motivation, socio-cultural factors and low literacy contribute to cautious engagement with formal Islamic financial products (Yahaya et al., 2022).

Elderly Financial Well-Being in Nigeria

Financial well-being among Nigeria's elderly population is a pressing social issue. Retirement income insecurity is widespread due to inadequate pension coverage, especially in informal sectors where the majority of Nigerians work (Oni-Eseleh & Badaiki, 2024). Healthcare financing is predominantly out-of-pocket, leading to catastrophic expenditures that disproportionately affect older adults with chronic illnesses (Oseni & Affusim, 2021). Social safety nets and governmental support are either insufficient or inconsistently delivered, creating a reliance on family members and community support that is increasingly unreliable due to socio-economic shifts (Psychosocial health challenges of the elderly in Nigeria, n.d.). This financial fragility undermines the dignity and quality of life for many elderly Nigerians.

Islamic Financial Instruments and Elderly Welfare

Islamic finance offers innovative approaches to address elderly financial vulnerabilities through ethical and community-oriented instruments. *Takaful*, combined with other Islamic social finance mechanisms such as *Waqf* (endowment) and *Zakat* (compulsory almsgiving), can theoretically provide sustainable support systems that align with religious and cultural values (Kahf, 2003). Recent scholarship proposes models like the "cash *Waqf Takaful*," which pools donations into long-term funds specifically earmarked for elderly care and medical expenses (Muneeza et al., 2025). These models emphasize solidarity and risk-sharing while generating returns that can subsidize elder financial needs without contradicting Islamic principles. However, such innovative models remain largely theoretical in the Nigerian context, with practical implementation still nascent.

Barriers to Takaful Uptake among the Elderly

Several barriers inhibit widespread *Takaful* adoption among elderly Muslims in Nigeria. Qualitative studies point to limited financial literacy and lack of understanding of Islamic insurance as fundamental challenges (Kehinde & Sharofiddin, 2021). Cultural norms that favor reliance on informal support networks over institutional financial products reduce the perceived necessity for *Takaful* (Alawode & Adewole, 2021). Additionally, logistical barriers such as difficulty in premium payment, complicated claims procedures, and lack of elderly-tailored products diminish accessibility (Yahaya et al., 2022). Trust issues, especially regarding fund management and the absence of visible community benefits, further reduce enthusiasm for *Takaful* participation (Fadun, 2015).

Opportunities for Enhancing Takaful's Role in Elderly Financial Security

Despite challenges, the literature identifies opportunities for increasing *Takaful's* relevance for the elderly. Community engagement through mosques and Islamic organizations can improve awareness and trust (Kehinde & Sharofiddin, 2021). Regulatory support to enforce transparency, protect participants' interests, and encourage innovation can strengthen market confidence (Alawode & Adewole, 2021). Product innovation, including micro-*Takaful* and products with flexible premium payment options, may better meet elderly needs, particularly those with irregular or limited incomes (Yahaya et al., 2022). Furthermore, integrating *Takaful* with broader Islamic social finance mechanisms, including *Waqf* funds dedicated to elderly welfare, can build sustainable support systems (Muneeza et al., 2025).

The reviewed literature highlights the potential of *Takaful* to enhance financial well-being among Muslim elderly populations in Kano State and beyond. However, empirical qualitative research that deeply investigates elderly perceptions, cultural influences, and the socio-economic realities shaping *Takaful* acceptance remains limited. This study responds to this gap by providing an in-depth qualitative exploration of the role of *Takaful* in supporting elderly Muslims' financial security in Kano State, thereby contributing both to Islamic finance scholarship and social policy debates.

Empirical Literature Review

Awareness and Understanding of Takaful

Awareness and understanding of *Takaful* remain significantly low in Nigeria, particularly among rural and elderly populations. Kehinde and Sharofiddin (2021) observed that many Nigerians conflate *Takaful* with conventional insurance, largely due to insufficient targeted financial literacy initiatives and the use of technical jargon in marketing materials. In Kano State, Yahaya et al. (2022) found that even among vehicle owners who were *Takaful* clients, product knowledge was superficial, often limited to the belief that it was Islamic without deeper comprehension of its cooperative risk-sharing principles. Similar patterns have been documented in other Muslim-majority settings, such as Pakistan and Sudan, where low product literacy limits uptake despite religious alignment (Bakar et al., 2022). This suggests that awareness campaigns in Nigeria must not only highlight Shariah compliance but also explain the operational and socio-economic benefits of *Takaful* in relatable terms.

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Religious and Cultural Influences

Religion plays a decisive role in shaping financial choices among Nigerian Muslims, with Shariah compliance being a prerequisite for adoption (Kehinde & Sharofiddin, 2021). However, cultural norms, especially the reliance on extended family and community-based support systems, often reduce the perceived necessity of formal financial protection schemes. In Northern Nigeria, this tradition of mutual assistance is deeply ingrained, reinforced by Islamic charitable practices such as *Zakat* and *Waqf* (Balarabe et al., 2024). Comparable studies in Malaysia and Indonesia show that while religious conformity attracts customers to *Takaful*, cultural expectations around familial support can delay or reduce active participation (Yusof et al., 2019). Therefore, integrating Takaful into existing community and religious structures, such as mosque-based outreach, could enhance acceptance.

Financial Challenges Facing the Elderly

Elderly Muslims in Kano State face acute socio-economic vulnerabilities, including unstable income sources, limited pension access, and high out-of-pocket healthcare costs (World Bank, 2024; Nsofor & Yeboah, 2022). Many rely on informal income-generating activities, which offer little protection against financial shocks. In Nigeria, healthcare remains largely underinsured, with the elderly disproportionately affected by catastrophic medical expenses (CBN, 2024). Studies in other developing economies reveal that micro-*Takaful* schemes tailored to low-income elderly populations can provide affordable protection against illness and loss of income (Ahmed & Ma'in, 2020). This highlights a gap in the Nigerian context, where most *Takaful* products are designed for general consumers and not specifically adapted to the elderly's needs.

Barriers and Opportunities for Takaful Adoption

Barriers to *Takaful* adoption in Nigeria include complex product structures, lack of elderly-specific schemes, and trust deficits in financial service providers (Balarabe et al., 2024). Additionally, payment rigidity and absence of customer-centric innovations hinder participation (Daily Trust, 2025). However, emerging opportunities suggest that context-specific adaptations could drive uptake. Mosque-based awareness programs, flexible premium options, and partnerships with religious leaders have been effective in other Muslim-majority countries (Ismail et al., 2021). Local examples, such as Salam Takaful's recent surplus distribution to Kano participants (Daily Trust, 2025), indicate that demonstrating tangible community benefits can significantly build trust.

METHODOLOGY

Research Design

This study adopts a qualitative research design to explore the role of Takaful in supporting the financial well-being of Muslim elderly in Kano State. Qualitative research is particularly appropriate for understanding complex social phenomena from the perspectives of those involved (Creswell & Poth, 2018). It enables an in-depth exploration of participants' lived experiences, beliefs, and social contexts, which is essential for uncovering the nuanced perceptions and attitudes toward *Takaful* among elderly Muslims, a population whose financial behaviors are shaped by religious, cultural, and socio-economic factors (Moustakas, 1994). The exploratory nature of qualitative inquiry allows for flexibility and rich, contextual data that quantitative methods might overlook (Patton, 2015).

The Study Area

Kano State offers a rich and policy-relevant setting for examining the role of *Takaful* in elderly financial well-being for several reasons. First, Kano is a Muslim-majority state that formally adopted Sharia-based legal frameworks in 2000, making Sharia-compliant financial instruments especially salient in everyday life (U.S. Commission on International Religious Freedom [USCIRF], 2010)). Second, persistent North–South disparities in Nigeria's financial inclusion mean the North-West region lags significantly behind in access to formal financial services, heightening economic vulnerability in old age (CBN, 2024). Combined with Nigeria's high out-of-pocket health expenditure, this creates a pressing need for risk-sharing mechanisms like *Takaful* (World Bank, 2024; Nsofor & Yeboah, 2022).

Third, while Kano has active *Takaful* operations, such as Salam Takaful's 2025 surplus distributions and Jaiz Takaful's 2023 payouts, awareness and understanding among the general population, especially the elderly, remain uneven (Daily Trust, 2025; Daily Trust, 2023; Yahaya et al., 2022). This mix of market presence and knowledge gaps makes Kano an ideal place to explore both opportunities and constraints in uptake. Finally, prior studies have shown that religious considerations, locality, service quality, and awareness strongly influence *Takaful* acceptance in Northern Nigeria (Kehinde & Sharofiddin, 2021; Balarabe et al., 2024).

Sampling Strategy

A purposive sampling technique was employed to select participants who have direct experience or knowledge relevant to the research questions (Palinkas et al., 2015). The sample comprised elderly Muslim individuals aged 60 years and above residing in Kano State, *Takaful* service providers operating in the region, Shariah scholars familiar with Islamic finance principles, and community leaders with insight into the socio-cultural environment. This diverse sample ensures the collection of varied perspectives necessary for a comprehensive understanding of *Takaful's* role in elderly financial well-being (Guest et al., 2006). The sample size was determined based on the principle of data saturation, where data collection continued until no new themes or insights emerged from interviews and focus groups (Fusch & Ness, 2015). Typically, saturation in qualitative research involving heterogeneous groups occurs within 20 to 30 participants, depending on study complexity (Guest et al., 2006).

Data Collection Methods

Data were collected through semi-structured interviews and focus group discussions (FGDs) to allow for both individual depth and group interaction. Semi-structured interviews facilitated flexible probing into participants' personal experiences with *Takaful*, their perceptions of financial well-being, and barriers to service use (DiCicco-Bloom & Crabtree, 2006). The interview guides were developed based on themes identified in the literature review, such as understanding of *Takaful*, religious motivations, and socio-economic challenges.

Focus group discussions with elderly community members encouraged dynamic discussions that revealed communal attitudes and norms influencing *Takaful* adoption (Kitzinger, 1995). Additionally, interviews with *Takaful* providers and Shariah scholars provided professional and religious insights that complemented the community perspectives. All interviews and FGDs were conducted in Hausa and English, depending on participants' preferences, and audio-

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recorded with consent for accurate transcription and analysis .

Data Analysis

Thematic analysis, as outlined by Braun and Clarke (2006), was employed to analyze the qualitative data. This method involves familiarization with the data, generation of initial codes, searching for patterns or themes, reviewing and defining these themes, and finally, producing a coherent narrative report. Thematic analysis is well-suited for exploring perceptions and experiences while maintaining flexibility to capture unexpected themes (Nowell et al., 2017). NVivo 12 software was utilized to facilitate systematic coding and organization of data, ensuring rigor and transparency in the analysis process (Bazeley & Jackson, 2013). Given the elderly participants' vulnerability, special care was taken to ensure comfortable interview settings, clear communication, and respect for cultural sensitivities (Lincoln & Guba, 1985). Personal identifiers were removed during transcription, and data were securely stored to protect participant privacy.

FINDINGS

This section presents the key findings from interviews and focus group discussions conducted with elderly Muslims, *Takaful* providers, Shariah scholars, and community leaders in Kano State. The thematic analysis revealed four major themes: (1) Awareness and Understanding of *Takaful*, (2) Religious and Cultural Influences, (3) Financial Challenges Facing the Elderly, and (4) Barriers and Opportunities for *Takaful* Adoption.

Awareness and Understanding of *Takaful*

Most elderly participants demonstrated limited awareness or understanding of *Takaful* as a financial product. While some recognized *Takaful* as a form of "Islamic insurance," many conflated it with conventional insurance or were uncertain about how it operated. One elder remarked, "I have heard of insurance, but I do not know how this *Takaful* works differently from the normal insurance we hear on the radio." This lack of clarity extended to the terms and conditions, benefits, and contribution mechanisms.

Takaful providers acknowledged this gap, noting that outreach and education efforts remain insufficient, particularly in rural areas. A *Takaful* officer stated, "We try to explain to communities that *Takaful* is based on helping each other, but many people have doubts because of unfamiliarity." These findings align with studies indicating that low financial literacy hinders *Takaful* uptake in Nigeria (Kehinde & Sharofiddin, 2021).

Religious and Cultural Influences

Religion was a central factor influencing attitudes towards financial products. Elderly participants consistently expressed that their financial decisions must align with Islamic principles. Many viewed *Takaful* positively due to its Shariah-compliant basis, contrasting it with conventional insurance, which they considered haram (forbidden).

However, cultural reliance on family and community support remained strong. Several respondents preferred to depend on their children or local community funds rather than institutionalized schemes. One participant noted, "We trust our children to care for us, and our neighbors help each other. We do not like giving money to strangers." This reflects cultural

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norms valuing informal social security networks, which can reduce perceived need for formal products like *Takaful* (Alawode & Adewole, 2021).

Shariah scholars emphasized the importance of correct religious guidance to increase *Takaful* acceptance, urging providers to collaborate with religious leaders to dispel misconceptions and promote understanding.

Financial Challenges Facing the Elderly

The elderly reported facing significant financial stress, primarily due to the absence of regular income after retirement, escalating healthcare costs, and lack of comprehensive pension coverage. Most had limited savings and relied heavily on irregular financial support.

A common concern was affordability: "We live on small incomes and cannot always pay the contributions asked by *Takaful* companies." This finding underscores the vulnerability of elderly populations in Nigeria, corroborating literature on retirement income insecurity and health expenditure burden (Oseni & Affusim, 2021; Psychosocial health challenges of the elderly in Nigeria, n.d.).

Barriers and Opportunities for *Takaful* Adoption

Multiple barriers to *Takaful* adoption emerged as follows:

i. Complexity of products and procedures deterred elderly people who are unfamiliar with formal financial systems.

ii. Trust issues concerning management and fund usage were prevalent.

iii. Limited availability of elderly-specific *Takaful* products further constrained participation.

Nonetheless, participants identified opportunities for greater engagement as follows:

i. Community-based awareness programs led by mosques and elders could improve trust and knowledge.

ii. Flexible payment plans and simplified claims processes tailored for elderly needs were recommended.

iii. Collaboration between *Takaful* providers and religious institutions could enhance legitimacy and uptake.

These findings echo recommendations from existing scholarship advocating community-centered, culturally sensitive approaches to expanding *Takaful* services (Kehinde & Sharofiddin, 2021; Yahaya et al., 2022).

DISCUSSION

This study explored the role of *Takaful* in supporting the financial well-being of Muslim elderly in Kano State through qualitative inquiry, revealing nuanced insights into awareness, cultural and religious influences, financial challenges, and the barriers and opportunities for *Takaful* adoption. This section discusses these findings in relation to existing literature, highlighting their significance and implications for Islamic finance and social welfare policy.

Awareness and Understanding of *Takaful*

The limited awareness and understanding of *Takaful* among elderly participants aligns with previous studies indicating that financial literacy remains a major impediment to *Takaful* uptake in Nigeria and similar contexts (Kehinde & Sharofiddin, 2021; Maiyaki & Ayuba, 2009). The confusion between conventional insurance and *Takaful* suggests a critical need for targeted educational initiatives that clearly articulate the distinct Shariah-compliant features and benefits of *Takaful*. This gap underscores the importance of not only developing products but also investing in community-based financial literacy programs that cater specifically to elderly Muslims' educational and linguistic needs.

Religious and Cultural Influences

The findings affirm that Islamic principles strongly influence financial decision-making among the elderly, confirming literature emphasizing the importance of Shariah compliance in financial services patronage (Dusuki, 2008; Khan & Bhatti, 2008). The preference for informal support networks, such as family and community, reflects deeply rooted socio-cultural values prevalent in Kano and broader Nigerian society (Alawode & Adewole, 2021). While these networks provide essential social safety nets, their sustainability is increasingly challenged by economic and demographic changes (Oni-Eseleh & Badaiki, 2024). The coexistence of religious endorsement for *Takaful* and reliance on informal support highlights an opportunity to integrate formal Islamic financial products with community-based mechanisms, thus creating a hybrid support system that aligns with cultural realities.

Financial Challenges Facing the Elderly

The study's findings on financial insecurity and health-related expenditure burden among elderly Muslims in Kano mirror broader research on pension inadequacy and out-of-pocket healthcare financing in Nigeria (Oseni & Affusim, 2021; Psychosocial health challenges of the elderly in Nigeria, n.d.). This precarious financial status amplifies the relevance of *Takaful* as a protective mechanism. However, the reported affordability issues reveal that without tailored product design, such as micro-*Takaful* schemes or flexible premium options, elderly individuals may remain excluded from these benefits. This corroborates recent calls in Islamic finance scholarship for innovative, inclusive products to serve marginalized groups (Muneeza et al., 2025).

Barriers and Opportunities for *Takaful* Adoption

The barriers identified, product complexity, trust deficits, and lack of elderly-specific offerings are consistent with findings from similar qualitative investigations in Nigeria and other Muslim-majority contexts (Fadun, 2015; Yahaya et al., 2022). The trust issue, in particular, resonates with broader challenges facing financial inclusion initiatives, where transparency and accountability are paramount (Alawode & Adewole, 2021). On the other hand, the articulated opportunities underscore actionable pathways for enhancing *Takaful* penetration, especially through community engagement and religious endorsement. These strategies echo successful interventions in other Islamic finance markets where collaboration with religious leaders has boosted product acceptability and uptake (Kehinde & Sharofiddin, 2021).

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Contribution to Knowledge and Practice

This study contributes to the growing body of knowledge on Islamic finance by illuminating the specific financial needs and perceptions of Muslim elderly in Kano State, an under-researched demographic and geographic focus. By adopting a qualitative approach, the study uncovers rich contextual insights often obscured in quantitative surveys. Practically, the findings inform *Takaful* operators, policymakers, and Islamic financial institutions of the critical need to design culturally sensitive, transparent, and accessible products that align with elderly consumers' socio-religious realities. Moreover, integrating *Takaful* within broader Islamic social finance frameworks, such as *Waqf* and *Zakat*, could foster sustainable support systems for elderly financial well-being.

Limitations and Future Research

While the qualitative approach provided depth, the study's findings may not be generalizable beyond Kano State due to cultural and regional variations within Nigeria. Future research could employ mixed methods to quantify *Takaful* adoption determinants and assess program impacts longitudinally. Comparative studies across different Nigerian states or West African countries would further enrich understanding and facilitate cross-contextual learning.

CONCLUSION

This study has shed light on the critical role that *Takaful* can play in supporting the financial well-being of Muslim elderly in Kano State. The qualitative findings reveal a complex interplay of limited awareness, strong religious and cultural influences, pressing financial challenges, and significant barriers that affect *Takaful* adoption among this vulnerable population. Despite these challenges, there is a clear potential for *Takaful* to enhance financial security, particularly if products and services are designed with sensitivity to the elderly's socio-economic realities and religious values. The reliance on informal social support networks, coupled with the elderly's preference for Shariah-compliant financial solutions, presents an opportunity for Islamic financial institutions to deepen community engagement and foster trust. The study underscores the importance of comprehensive education programs, simplified product structures, and collaboration with religious and community leaders to bridge the gap between product availability and user acceptance. Addressing these issues can contribute significantly to improving the economic resilience and quality of life of elderly Muslims in Kano State and similar contexts.

RECOMMENDATIONS

In light of the findings and discussion, this study proposes a set of strategic recommendations aimed at policymakers, Islamic financial institutions, and community stakeholders to enhance the role of *Takaful* in promoting the financial well-being of the elderly Muslim population in Kano State.

First, there is a critical need to enhance awareness and financial literacy concerning *Takaful* principles and operations. Many elderly individuals remain unaware of *Takaful's* benefits or perceive it as inaccessible. Therefore, targeted educational initiatives should be developed and implemented to address this gap. Such campaigns must be culturally and linguistically adapted to the elderly population, utilizing accessible communication channels, including local radio broadcasts, community workshops, and mosque-based sermons delivered in Hausa. Financial

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education programs should emphasize *Takaful's* compatibility with Islamic values, risk-sharing benefits, and the simplicity of participation.

Second, Islamic financial institutions should prioritize the design of elderly-friendly *Takaful* products. This entails developing innovative products that align with the financial realities and needs of older adults. Features such as flexible contribution schedules, reduced premium requirements, simplified claims processes, and minimal documentation burdens are essential for enhancing participation. Additionally, introducing micro-*Takaful* models and family-inclusive coverage options can increase accessibility for elderly individuals, especially those with irregular incomes or without formal retirement savings.

Third, religious and community networks should be leveraged to build trust and promote *Takaful's* adoption. Collaborating with respected Shariah scholars, imams, and local elders can significantly influence the perceptions and behaviors of the elderly regarding Islamic financial services. These figures are often trusted sources of guidance and can effectively dispel misconceptions about *Takaful* while advocating for its role in providing Shariah-compliant financial protection.

Fourth, there is considerable potential in integrating *Takaful* with other Islamic social finance instruments such as *Waqf* and *Zakat*. A synergistic approach can create a holistic support system that addresses the broader financial, social, and health-related needs of the elderly. For example, surplus generated from *Takaful* operations could be partially reinvested into *Waqf*-based endowments or directed toward *zakat*-eligible senior citizens. This integration can foster sustainability and resource efficiency in delivering social protection services to vulnerable elderly populations.

Finally, supportive policy frameworks and regulatory interventions are vital. Government agencies and regulatory bodies should establish enabling environments that incentivize the development of inclusive Islamic financial products. This includes formulating guidelines for elderly-focused *Takaful* schemes, ensuring transparency in surplus distribution, and protecting consumer rights. Moreover, aligning national financial inclusion strategies with Islamic finance tools can help bridge the gap between conventional welfare programs and faith-based financial solutions.

By implementing these recommendations, stakeholders can strengthen the foundational role of *Takaful* in enhancing the financial resilience and dignity of elderly Muslims in Kano State. More broadly, these actions would contribute to a more inclusive, equitable, and sustainable Islamic social protection ecosystem across Nigeria, which in turn could reduce old-age poverty, lessen dependence on informal family support systems, and demonstrate the viability of Sharia-compliant risk-sharing mechanisms in addressing social welfare gaps. This has important policy implications for integrating Islamic finance instruments into national social protection strategies, practical implications for designing culturally resonant financial products, and theoretical implications for advancing knowledge on the intersection of religion, ageing, and financial inclusion in Muslim-majority societies.

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