

## Assessing willingness to pay for Sharia general insurance in Indonesia: A case study of the Jabodetabek region

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### Abstract

This study explores the willingness to pay (WTP) for Sharia general insurance in Jabodetabek, Indonesia, where adoption remains low. The objective is to assess how gender, residence, age, education, occupation, and income influence WTP. Using a quantitative approach, data were collected from 250 respondents through a structured questionnaire. The analysis involved descriptive statistics, cross-tabulation, and chi-square tests. Results indicate that gender, age, and income significantly affect WTP, with higher WTP observed among men, older individuals, and those with higher incomes. Conversely, residence, education, and occupation do not significantly impact WTP. The findings suggest that Sharia insurance providers should tailor products and educational efforts to better align with different demographic groups' financial capabilities and needs. These insights are crucial for enhancing the adoption of Sharia general insurance in the region.

**Keywords:** Jabodetabek, quantitative analysis, sharia general insurance, willingness to pay.

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## Introduction

Indonesia, with the largest Muslim population in the world, presents a vast opportunity for the growth of Sharia-compliant financial products. Sharia general insurance, a vital segment of Islamic finance, is structured to offer financial protection in line with Islamic principles such as risk-sharing (*ta'awun*) and the prohibition of *riba* (interest) (Syamsuri et al., 2024). For a country with a predominantly Muslim population, Sharia general insurance provides a solution for those seeking financial security while maintaining religious compliance.

Despite this potential, the adoption of Sharia general insurance remains notably low compared to conventional insurance products. While Indonesia's Islamic finance sector is expected to grow, the Sharia insurance market has yet to meet its full potential. Data from the Indonesian Sharia Insurance Association (AASI) shows a 12.7% decline in gross contributions for Sharia general insurance from IDR 38.1 billion in January 2023 to IDR 33.3 billion in January 2024, revealing a significant gap between potential demand and actual consumer participation (Indonesian Sharia Insurance Association, 2024). This downward trend highlights persistent challenges in the industry, including limited public awareness and misconceptions about the value and principles of Sharia insurance.

Several studies have explored the barriers to Sharia insurance adoption. Lubis (2020) identified a key challenge: the perceived misalignment between premium pricing and consumer expectations, discouraging many potential customers from participating. Furthermore, research by Rifas, Rahman, and Buang (2023) emphasizes the critical role of Willingness to Pay (WTP) in shaping consumer preferences for Sharia general insurance. WTP reflects consumers' product valuation and readiness to invest and is crucial for optimizing pricing strategies in line with market demand (Rumaf, 2024). Demographic and socioeconomic factors—such as gender, age, education, occupation, and income—significantly influence WTP, thus affecting consumer decisions regarding Sharia insurance (Dinç & Jahangir, 2024).

The Jabodetabek region (Jakarta, Bogor, Depok, Tangerang, and Bekasi) is selected as the focus of this study due to its role as Indonesia's economic and financial hub. With the highest population density in the country and substantial socioeconomic diversity, Jabodetabek serves as a microcosm of Indonesia's broader market dynamics (Statistics Indonesia, 2023). Despite its promising economic landscape, insurance penetration in the region remains low, indicating a critical need for targeted research to understand the factors influencing WTP for Sharia general insurance (Financial Services Authority, 2023).

The novelty of this study lies in its comprehensive analysis of WTP through six key indicators—gender, residence, age, education, occupation, and income—within the socioeconomic diversity of Jabodetabek. By addressing gaps in consumer understanding and pricing strategies, this research provides insights into optimizing Sharia insurance

products and offers broader implications for other regions in Indonesia with similar characteristics. The findings aim to help Sharia insurance providers design more competitive, consumer-aligned offerings, supporting the expansion of Sharia general insurance in Indonesia and beyond.

## Method

This study employs a quantitative approach to assess the willingness to pay (WTP) for Sharia general insurance among residents in the Jabodetabek area, examining both the factors influencing WTP and its distribution. The sample size was determined using the formula by Hair et al. (2014), resulting in a sample of 250 respondents. The formula used is:

$$N = (5 \text{ to } 10 \times \text{Number of indicators})$$

Based on this guideline, the maximum sample size for this study is:

$$N = 10 \times 25 = 250$$

Explanation:

$$N = \text{sample size (people)}$$

Based on the calculation using Hair et al. (2014) formula, the minimum number of respondents required is 125. However, this study uses a sample size of 250 respondents to ensure robustness. The sample was selected using non-probability sampling, specifically quota sampling, with purposive sampling techniques to ensure that respondents met specific criteria: residents of Jabodetabek, not currently holding Sharia general insurance, and within the working age range (16-64 years). This approach was chosen to obtain a representative sample aligned with the study's objectives. The data collection involved online questionnaire distribution to maximize reach and response rates (Naseri & Sharofiddin, 2021). This study has six variables, including gender, residence, age, educational background, occupation, and income, based on prior research (Daradkah, Aldaher, & Shinaq, 2020; Raza et al. 2019). Descriptive statistics were used to understand the demographic characteristics and the distribution of WTP, while cross-tabulation was employed to analyze the relationships between these variables and WTP. A chi-square test was used to determine the significance of these associations, providing a robust method to evaluate how demographic factors influence the willingness to pay across various population segments in Jabodetabek.

Result and Discussion

Willingness to Pay

The results of this study reveal significant insights into the distribution of respondents' willingness to pay (WTP) for general Sharia insurance in Jabodetabek. Out of 250 respondents, the majority (50.4%, or 126 individuals) expressed a WTP between IDR 1,000,000 and IDR 5,000,000 annually. Another 38.4% (96 individuals) reported a WTP of less than IDR 1,000,000 per year, while a smaller proportion (7.2%, or 18 individuals) were willing to pay between IDR 5,000,000 and IDR 10,000,000. Only 4% (10 individuals) indicated a WTP exceeding IDR 10,000,000 annually. These findings indicate a general preference for lower allocations towards Sharia insurance, consistent with Indonesia's range of Sharia insurance offerings.

Table 1. Willingness to pay the respondent

Characteristic	Category	Total	Percentage (%)
Willingness to Pay	< IDR 1.000.000 / year	96	38.4
	IDR 1.000.000 – 5.000.000 / year	126	50.4
	IDR 5.000.000 – 10.000.000 / year	18	7.2
	> IDR 10.000.000 / year	10	4.0

Cross Tabulation Willingness to Pay and demographic variables

The study's results map the willingness to pay (WTP) for Sharia insurance in Jabodetabek across different demographic groups. Gender-wise, men predominantly show a WTP between IDR 1,000,000 and IDR 5,000,000 annually, while most women prefer to pay less than IDR 1,000,000 (Robson & Peetz, 2020; Sarigül, 2024). Geographically, urban residents, especially those in Jakarta, are more likely to allocate IDR 1,000,000 to IDR 5,000,000 for insurance, whereas suburban and rural residents tend to choose amounts under IDR 1,000,000 (Joshi, 2021; Sánchez et al., 2019).

Age also affects WTP patterns, with younger individuals (15-24 years) leaning toward lower contributions, typically under IDR 1,000,000. Older respondents, particularly those between 45 and 64 years, are more likely to allocate IDR 1,000,000 to IDR 5,000,000 (Syamsuri et al., 2024). Education level similarly correlates with WTP, as those with a bachelor's degree or higher are more inclined to pay within this range (Mate et al., 2021; Yulianto et al., 2021).

Occupational differences show that civil servants are more likely to allocate between IDR 1,000,000 and IDR 5,000,000 annually, while private employees and entrepreneurs tend to opt for lower amounts (Mahdiah & Prabawa, 2024; Rahmat et al., 2024). Income levels also influence WTP, with individuals earning more than IDR 10,000,000 per month

willing to pay over IDR 5,000,000, while those with lower incomes typically allocate less than IDR 1,000,000 (Torres & Moin, 2024; Talha et al., 2024).

This demographic mapping provides a clear picture of how different factors influence WTP for Sharia insurance in the Jabodetabek region, offering valuable insights into product and pricing strategies.

Table 2. Cross-tabulation WTP and demographic variable

		WTP			
		< IDR 1.000.000 / year	IDR 1.000.000 - 5.000.000 / year	IDR 5.000.000 - 10.000.000 / year	> IDR 10.000.000 / year
Gender	Men	20	95	9	4 128
	Women	99	18	3	2 122
Residence	Jakarta	37	29	6	5 77
	Bogor City	5	3	0	0 8
	Bogor Regency	16	25	0	0 41
	Depok City	15	3	0	0 18
	Tangerang City	17	12	0	0 29
	Tangerang Regency	9	19	2	0 30
	Bekasi City	10	11	2	0 23
	Bekasi Regency	10	12	2	1 24
Age	15-24	65	0	0	0 65
	25-34	39	1	0	0 40
	35-44	14	11	1	0 26
	45-54	1	76	4	0 81
	55-64	0	25	7	6 38
Education	Elementary/ Equivalent	1	0	0	0 1
	Junior High – Senior High/ Equivalent	17	20	1	0 38
	Diploma	18	16	1	1 36
	Bachelor's – Doctorate	83	77	10	5 175
Occupation	Civil Servant	30	38	3	2 73
	Private Employee	29	24	3	2 58
	Entrepreneur	13	12	2	1 28
	Student	20	18	2	0 40
	Other	27	21	2	1 51

	WTP				
	< IDR 1.000.000 / year	IDR 1.000.000 – 5.000.000 / year	IDR 5.000.000 – 10.000.000 / year	> IDR 10.000.000 / year	
Income	< IDR 1.000.000 / month	21	6	3	0
	IDR. 1.000.000 - 5.000.000 / month	36	35	1	0
	IDR. 5.000.000 - 10.000.000 / month	32	33	2	1
	>IDR. 10.000.000 / month	30	39	6	5
					80

### Chi-Square

Chi-square tests revealed significant relationships between WTP and demographic factors such as gender ( $\chi^2 = 108.500$ ,  $p = 0.000$ ), age ( $\chi^2 = 69.836$ ,  $p = 0.000$ ), and income ( $\chi^2 = 22.532$ ,  $p = 0.007$ ). Gender differences show that men are significantly more willing to invest in insurance than women, potentially due to differences in financial literacy and earning responsibilities. Age demonstrates a U-shaped pattern, where younger and older respondents exhibit lower WTP, with those in their middle ages more willing to invest in insurance. Income, predictably, shows that higher earners are more likely to allocate larger amounts toward insurance premiums.

However, variables such as residence ( $\chi^2 = 26.778$ ,  $p = 0.315$ ), education ( $\chi^2 = 3.805$ ,  $p = 0.924$ ), and occupation ( $\chi^2 = 4.201$ ,  $p = 0.980$ ) do not significantly influence WTP, suggesting that factors like age, income, and gender play a more critical role in shaping financial decisions related to insurance.

Table 3. Chi-Square

Variable	Value	df	Asymptotic Significance (2-sided)
Gender	108.500	3	.000
Residence	26.778	24	.315
Age	69.836	1	.000
Education	3.805	9	.924
Occupation	4.201	12	.980
Income	22.532	9	.007

## Implications of WTP Distribution

The study reveals notable gender-based differences in willingness to pay (WTP) for Sharia general insurance. Men prefer annual premiums ranging between IDR 1,000,000 and IDR 5,000,000, while an overwhelming majority of women (81.1%) prefer premiums below IDR 1,000,000. This divergence may stem from deeply rooted differences in financial behavior, perception of risk, and prioritization of household expenditure. As highlighted by Robson and Peetz (2020), men tend to exhibit higher financial risk tolerance and are more inclined to engage in investment-based decisions, including insurance. This might explain their readiness to commit to higher premium levels. In contrast, women often assume a greater role in managing household budgets and daily expenses, prompting more cautious financial decisions and a tendency to choose more affordable insurance options. Furthermore, sociocultural norms in many Indonesian households may influence women's access to financial decision-making authority, which can also impact their WTP. These findings suggest a pressing need for gender-responsive product development, such as microinsurance schemes tailored for women or family-centric plans that align with women's spending priorities and financial responsibilities.

From a geographic perspective, WTP varies significantly between urban and rural contexts. Urban residents, particularly those living in Jakarta, are more willing to pay premiums in the range of IDR 1,000,000 to IDR 5,000,000. In contrast, respondents from suburban and rural areas tend to prefer lower premium levels, often below IDR 1,000,000. Variations in income, cost of living, and exposure to financial services likely drive this discrepancy. Urban consumers are generally more financially literate, have greater access to financial institutions, and are more familiar with the concept and utility of insurance products. Studies by Joshi (2021) and Sánchez et al. (2019) confirm that urban populations often exhibit greater confidence in engaging with financial products and services, reflecting a more developed financial ecosystem.

In contrast, residents in less urbanized areas may face challenges related to accessibility, awareness, and affordability. This highlights the importance of geographically adaptive strategies for insurance providers, including offering simplified, lower-cost insurance products in rural regions while simultaneously promoting premium, value-added products in urban markets. Mobile-based platforms and agent-based outreach in rural areas could help bridge the accessibility gap and build trust in Sharia-compliant financial products.

Age also emerges as a significant determinant of WTP. The data shows a clear pattern where younger respondents (ages 15–24) overwhelmingly prefer premiums under IDR 1,000,000, whereas older individuals—especially those aged 45–64—are more inclined to pay within the IDR 1,000,000 to IDR 5,000,000 range. These findings can be interpreted through the lens of life-cycle financial theory, which suggests that as individuals age,



their income levels, financial responsibilities (e.g., dependents, asset protection), and awareness of future risks increase, thereby raising their insurance valuation. Syamsuri et al. (2024) emphasize that older consumers possess a deeper understanding of the long-term benefits of financial protection mechanisms like insurance, making them more likely to invest in comprehensive coverage.

Conversely, younger consumers may still be in a phase of financial exploration, focusing on short-term consumption, educational expenses, or savings for milestones such as marriage or homeownership. These insights underline the need for age-specific engagement strategies. Providers should consider launching educational campaigns, gamified learning modules, or “starter plans” designed for younger consumers, emphasizing the future value and religious compatibility of Sharia insurance.

Educational attainment also plays a significant role in shaping WTP behavior. Respondents with a bachelor's degree or higher demonstrate a markedly greater willingness to pay premiums in the range of IDR 1,000,000 to IDR 5,000,000 compared to those with lower levels of education. This finding aligns with studies by Mate et al. (2021) and Yulianto et al. (2021), which show that higher education correlates with enhanced financial literacy, better understanding of insurance mechanisms, and greater ability to assess risk and value propositions. Educated consumers are more likely to perceive the long-term benefits of insurance and possess greater disposable income to allocate toward such financial instruments. This allows insurance companies to design tiered products that cater to educated consumers with more comprehensive features, including family packages, investment-linked plans, or specialized coverage that reflects their lifestyle and financial sophistication.

Regarding occupational status, the study finds that civil servants are significantly more likely to pay higher premiums than private-sector employees and entrepreneurs. This pattern may be attributed to several factors: civil servants typically enjoy steady monthly incomes, predictable financial obligations, and access to employer-supported insurance schemes, which collectively enable a higher WTP. On the other hand, entrepreneurs and private employees often face variable income streams, making them more cautious about committing to fixed financial obligations like insurance premiums. Findings by Mahdiyah and Prabawa (2024) and Rahmat et al. (2024) reinforce this argument, noting that income predictability heavily influences insurance purchasing decisions. These occupational insights underscore the need for flexible payment schemes and modular insurance plans that allow consumers—particularly those in the informal or entrepreneurial sectors—to customize coverage based on their financial capacity and seasonality of income.

Lastly, income is identified as a key driver of WTP. Respondents with monthly incomes exceeding IDR 10,000,000 are significantly more likely to pay premiums above IDR 5,000,000. In contrast, those earning less than IDR 5,000,000 tend to prefer more affordable premiums, primarily below IDR 1,000,000. This mirrors established findings



by Torres and Moin (2024) and Talha et al. (2024), which assert that income level is a significant determinant in financial behavior and insurance uptake. Higher-income individuals are more capable of absorbing the cost of comprehensive insurance and tend to prioritize financial planning, including protection-oriented products. For the Sharia insurance industry, this provides a strong case for implementing tiered pricing models that cater to various income brackets, ensuring inclusivity and broader market penetration. Lower-income segments can be served with basic protection packages or subsidized premiums, possibly supported by government initiatives or zakat-based funding models. At the same time, higher-income consumers can be offered premium plans with advanced features and added value.

These findings highlight the complex interplay between demographic, socio-economic, and behavioral factors in shaping WTP for Sharia general insurance. They also offer actionable insights for insurers and policymakers aiming to design inclusive and adaptive insurance strategies across diverse consumer segments in Indonesia.

### **Demographic Influences on WTP**

Gender emerges as a significant and multidimensional factor influencing individuals' willingness to pay (WTP) for Sharia general insurance. Numerous studies have established that gender-based differences are closely tied to distinct financial behaviors, priorities, and social roles. According to Walczak and Pieńkowska-Kamieniecka (2018), gender affects not only financial decision-making styles but also the level of engagement with long-term financial planning. In many households, men traditionally assume the role of primary breadwinners, leading them to engage more frequently with financial instruments such as insurance. Their higher involvement in investment-related decisions often correlates with greater risk tolerance, a deeper appreciation for future-oriented financial planning, and, thus, a higher WTP for insurance products.

On the other hand, women who often manage short-term household finances and daily expenditures may exhibit lower WTP. This tendency does not necessarily indicate lower financial capacity but reflects a different set of financial priorities rooted in familial and caregiving responsibilities (Bucher-Koenen et al., 2017). Furthermore, sociocultural norms, particularly in Indonesia, may limit women's exposure to financial literacy and decision-making authority, thereby contributing to a more conservative financial outlook. This divergence highlights the urgent need for gender-sensitive financial literacy interventions. Specifically, insurance providers and policymakers should develop educational campaigns and tools tailored to women's experiences, emphasizing the long-term benefits and protective function of Sharia insurance. By reframing insurance not only as a financial product but also as a form of family security and religious obligation, providers can potentially increase women's engagement and WTP.

In contrast, residence was not found to be a statistically significant factor affecting WTP in this study. While urban residents generally have higher exposure to financial services and broader access to insurance options, this does not directly translate to a higher willingness to pay. This finding aligns with Wijaya and Sugiharto (2024), who argue that while urbanization improves access to information and distribution channels, other underlying factors—particularly income level, financial stability, and personal values—play a more pivotal role in influencing insurance uptake. Hence, the assumption that urban consumers are more willing to invest in insurance due to proximity to financial institutions must be reassessed.

This suggests that Sharia insurance penetration strategies should not be overly concentrated in urban markets. Instead, providers should invest in digital distribution platforms, mobile-based applications, and community-based micro-insurance models to reach consumers across both urban and rural regions. By leveraging digital ecosystems and decentralized outreach, insurance companies can overcome geographic disparities and ensure that services are equitably accessible, regardless of location.

Age stands out as another key determinant of WTP. Numerous studies, including those by Syaputri et al. (2024) and Nasution et al. (2023), emphasize that financial behavior evolves with age, often in response to life-stage factors such as career progression, family formation, asset accumulation, and retirement planning. Younger individuals (e.g., 15–24 years) typically have lower incomes, limited financial responsibilities, and a preference for short-term consumption. These characteristics result in a relatively low WTP for insurance products, which may be perceived as unnecessary or non-urgent.

Middle-aged individuals (35–54 years), however, represent the demographic with the highest WTP, as they tend to be in their peak earning years and more attuned to long-term financial security. Insurance becomes more relevant at this stage, particularly for protecting dependents, securing wealth, and ensuring healthcare coverage. Interestingly, WTP may begin to decline in older age groups (65+) as individuals shift from income generation to resource management, often becoming more risk-averse and budget-conscious in retirement. These observations imply that age-targeted product designs and communications are essential. For younger segments, insurers could emphasize affordability and digital convenience. At the same time, for older consumers, the focus could shift to lifetime value, end-of-life security, and alignment with Islamic values on financial responsibility.

Income consistently emerges as one of the strongest predictors of WTP. Individuals with higher monthly incomes possess greater disposable income, enabling them to allocate funds toward future-oriented financial products such as insurance. Research by Bayked et al. (2024) confirms that income positively correlates with financial risk management behavior, including asset protection and health or life insurance investment. High-income individuals are more likely to appreciate the value of Sharia-compliant

insurance, especially when positioned as a mechanism for ethical wealth preservation and risk mitigation.

In contrast, despite being more vulnerable to unexpected financial shocks, lower-income individuals often prioritize basic consumption needs and have limited financial buffers. This group's lower WTP is not reflective of a lack of interest in insurance but rather a capacity constraint. Therefore, insurance providers must address this gap by designing affordable, flexible, and inclusive financial products. Micro-insurance, subsidized contributions, or waqf-based cooperative models may serve as effective solutions to ensure that even low-income groups can access and benefit from Sharia insurance.

Although education level is traditionally associated with financial behavior, this study finds that formal education does not significantly influence WTP for Sharia general insurance. This challenges conventional assumptions and underscores the distinction between academic credentials and financial literacy. As Sari (2024) notes, formal education alone does not guarantee an individual's ability to comprehend and evaluate complex financial products. Instead, targeted financial literacy—especially content tailored to Islamic financial principles—is a more direct driver of insurance adoption. This finding advocates for comprehensive and culturally contextual financial literacy programs, which can be implemented through religious institutions, online platforms, or workplace training to enhance consumer understanding and trust in Sharia-compliant financial instruments.

Finally, the study reveals that occupation does not affect WTP statistically significantly. While certain professions, such as civil servants, may enjoy more stable income and benefits, this does not automatically result in higher WTP across all occupational categories. As Aydin and Cali (2023) explain, income heterogeneity within occupational groups leads to varying financial capabilities and consumption behaviors. For example, two individuals working in the private sector may have vastly different incomes and levels of job security, leading to varying WTPs despite sharing the same occupational label. Moreover, personal values, family obligations, and financial literacy can vary widely even within professional groups, further weakening the predictive power of occupation on WTP.

This implies that occupation should not be used in isolation as a segmentation criterion for insurance targeting. Instead, insurers should focus on more granular factors such as income brackets, risk profiles, and financial behaviors. By combining demographic data with psychographic insights, providers can create more precise consumer profiles and develop products that align with actual needs and payment capacities.

### **Strategic Implications for Sharia Insurance Providers**

First, Tiered Product Offerings: Developing tiered product offerings that cater to different income levels can help capture a wider market share. Insurers should create affordable packages with lower premiums, specifically targeting lower-income groups

and younger demographics, who may have limited financial resources but a growing need for insurance. Conversely, premium offerings should be directed toward higher-income individuals who demonstrate a greater willingness to pay (WTP) for enhanced coverage and services (Alam et al., 2024). By offering a range of products at varying price points, insurers can effectively address the diverse needs of a broader audience, potentially increasing overall market penetration and consumer satisfaction.

Second, Gender-Specific Educational Campaigns: Addressing the WTP disparity between men and women requires targeted educational campaigns. Collaborating with financial literacy programs to educate women on the benefits of Sharia insurance can enhance product uptake. These campaigns should emphasize how Sharia insurance aligns with Islamic values and provides financial protection for families. Research indicates that increasing financial literacy among women can significantly improve their WTP for insurance products (Aydin & Cali, 2023). By tailoring educational initiatives to address women's specific financial concerns and priorities, insurers can effectively bridge the gender gap in insurance adoption, leading to greater overall participation in the market.

Third, Age-Specific Marketing Strategies: In addition to educational campaigns, implementing age-specific marketing strategies can effectively address the diverse needs of different life stages. For younger individuals, who typically have lower incomes and fewer financial commitments, insurers should offer affordable and flexible plans that accommodate their financial constraints. Marketing these plans as essential tools for future financial security and family protection can enhance their appeal. In contrast, insurers should emphasize comprehensive health and retirement products for older adults, who often have higher incomes and greater financial responsibilities. Highlighting the long-term benefits and security provided by Sharia insurance can resonate with this demographic and encourage higher WTP (Syaputri et al., 2024), ultimately contributing to a more robust insurance market.

Fourth, Building Trust through Transparency and Ethical Alignment: Trust is a critical factor in consumer adoption of Sharia insurance. Providers should focus on transparent communication, clearly demonstrating how their products align with Islamic principles and ethical values. This includes providing detailed information on fund management and ensuring compliance with Sharia law. Consistent and honest messaging can build consumer confidence, especially among religiously motivated consumers (Syuhada & Mursyid, 2024; Ruma, 2024). Furthermore, exceptional customer service and support, along with community engagement initiatives, can further enhance consumer trust and loyalty. By fostering a strong relationship with their clients, insurers can create a more sustainable business model that benefits both the organization and the community.

## Conclusion

This study analyzed the willingness to pay (WTP) for Sharia general insurance among the Jabodetabek community, focusing on gender, residence, age, education, occupation, and income. The findings revealed that gender, age, and income significantly influence WTP for Sharia general insurance. Gender disparities in financial literacy and priorities affect WTP, with men generally exhibiting higher WTP than women. Age also plays a critical role, with older individuals showing greater WTP due to increased financial responsibilities and income stability. Higher-income individuals are more willing to pay for comprehensive insurance coverage, reflecting their financial capacity to invest in Sharia-compliant products.

The findings from this study, while focused on the Jabodetabek region, provide insights that can be applied to other regions in Indonesia with similar socioeconomic characteristics. In less urbanized or rural areas, where income levels and financial literacy are generally lower, the impact of these factors on WTP is likely more pronounced. Therefore, Sharia insurance providers should prioritize tailored educational programs to enhance awareness and adoption of Sharia insurance products. Digital channels can be particularly effective in delivering these programs. In areas with medium levels of urbanization, it is crucial to adjust pricing and product offerings to match the local cost of living and consumer preferences. Flexible and locally adapted marketing strategies can make Sharia insurance products more appealing and relevant. Regions outside Java, such as Kalimantan, Sumatra, and Papua, face unique challenges, including lower insurance penetration and limited awareness of Sharia insurance. Providers should adopt adaptive strategies, such as community engagement and localized marketing efforts, to expand coverage and increase adoption in these areas. While this study offers valuable insights specific to Jabodetabek, these findings can inform broader strategies across Indonesia. Future research should extend the analysis to various geographical contexts to enhance the external validity and support the development of more inclusive Sharia insurance strategies nationwide. By addressing these regional differences, Sharia insurance providers can develop a more effective and inclusive strategy, ensuring broader market penetration and meeting the diverse needs of Indonesian consumers.

Future research should explore the applicability of these findings in other countries and regions, particularly in Africa, the Middle East, and Southeast Asia, where Sharia insurance markets are experiencing growth. Investigating the intersection of financial literacy, income, and cultural factors in shaping WTP for insurance products could provide valuable insights into strategies for expanding insurance coverage in underserved areas. Additionally, research focused on the role of digital platforms—such as mobile applications and online insurance marketplaces—in enhancing insurance adoption, especially among

younger and rural populations, would contribute significantly to developing inclusive financial strategies.

This research is essential for fostering a better understanding of Sharia insurance markets' dynamics and improving access to financial protection for diverse communities. However, the limitations of this study are confined to the Jabodetabek region, suggesting that future research should focus on examining WTP in different cultural and economic contexts to gain a comprehensive view of consumer behavior in the Sharia insurance market.

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