

## ABSTRACT

*The low penetration rate of Islamic insurance in Indonesia, which only reached 0.13% in 2022, reflects a paradox considering Indonesia's status as the country with the largest Muslim population in the world. This condition indicates that the large number of Muslim population does not automatically encourage high public participation in purchasing Islamic insurance products. This low participation is presumed to be influenced by several factors, including word of mouth, income, financial literacy, product understanding, and religiosity. This study aims to analyze the influence of word of mouth, income, financial literacy, product understanding, and religiosity on the purchasing decision of Islamic insurance among Muslim employees at PT Paragon Technology and Innovation. This study employed a quantitative approach using binary logistic regression analysis with IBM SPSS Statistics. Primary data were collected through questionnaires distributed to 140 Muslim employees of PT. Paragon Technology and Innovation selected using purposive sampling and snowball sampling techniques. The results show that word of mouth, financial literacy, and product understanding have a positive and significant effect on Islamic insurance purchasing decisions. Meanwhile, income and religiosity do not have a significant effect on purchasing decisions. The model testing results indicate a Nagelkerke R Square value of 0.597, which means that the independent variables explain 59.7% of the variation in Islamic insurance purchasing decisions, while the remaining 40.3% is explained by other variables outside the research model. These findings indicate that interpersonal communication, financial literacy, and product understanding are the main determinants in encouraging Islamic insurance purchasing decisions among the respondents.*

**Keywords:** *Word of mouth, Income, Financial Literacy, Product Understanding, Religiosity, Purchasing Decision, Islamic Insurance*