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Malaysia's Legacy Crisis: 85% Are Unprepared to Secure Their Family's Future: Sun Life Malaysia Insurance Literacy Survey 2024/25



85% of Malaysians face a looming legacy crisis without a financial legacy plan in place.

This conclusion is highlighted in a Sun Life Malaysia's survey 'Insure or Unsure: Sun Life Insurance Literacy Survey 2025' examining Malaysians' level of knowledge and behaviour towards insurance literacy and legacy planning.

The survey reported that only a small percentage of Malaysians have taken concrete steps towards family wealth planning, despite the majority possessing a self-perceived understanding of the subject.

The survey was conducted among 1,040 Malaysians across different income brackets and geographical locations.

A Society at Risk



Raymond Lew, President/Country Head of Sun Life Malaysia

The survey revealed a troubling disconnect: while 65% of Malaysians acknowledge the importance of legacy planning, only 15% have taken concrete steps to safeguard their family's financial future.

Proactive planners tend to utilise tools such as insurance/Takaful (71%), trust funds (53%), and wills (44%), yet the majority remain unprepared, leaving their families vulnerable to financial instability, potential conflicts, and the absence of intergenerational wealth transfer.

'We are building upon our previous year's survey which focused on how insurance and takaful literacy impacts financial wellness.

In this second edition, we aim to delve deeper by exploring how financial legacy planning impacts financial security,' said Raymond Lew, President/Country Head of Sun Life Malaysia.

'Unfortunately, the results shine a spotlight on a worrying phenomenon.

The majority of families are unprepared, placing their loved ones at significant risk of financial insecurity.

With a more unified approach that respects cultural nuances and provides accessible tools, we can reverse this trend and secure brighter futures for Malaysian families.'

Among the 65% who recognise the need for legacy planning, 60% are married, 34% are single, and 6% are divorced, widowed, or separated, suggesting that married individuals with children are most aware of the need to secure wealth within their families.

Without a solid plan, however, they still risk the financial security of their dependents.

The findings also highlight that cultural and religious beliefs significantly shape legacy planning practices, particularly among Malay respondents who favor Islamic inheritance tools such as Hibah (a gift) and Wasiat (Islamic wills), in adherence to Shariah law.

These practices underscore the importance of culturally tailored guidance to meet the diverse needs of Malaysian families.

Encouragingly, 54% of those who have initiated legacy planning sought professional advice, indicating a growing trust in experts to navigate the complexities of legacy planning.

However, for families without clear plans, the lack of professional guidance or culturally appropriate tools increases the likelihood of disputes, especially in Malaysia's diverse and

Barriers Preventing Progress



The survey revealed systemic obstacles that hinder Malaysians from prioritising legacy planning.

- Financial Constraints (41%): Low-income families face the greatest hurdles, with 68% of non-planners earning below RM5,249/month.
- Lack of Knowledge (39%): Many Malaysians remain unsure of how to begin, highlighting a lack of accessible resources and guidance.
- Competing Financial Goals (35%): Immediate needs often overshadow long-term planning, especially among single individuals and childless couples.

The Silent Wealth Divide

Why Are Malaysians DELAYING LEGACY PLANNING?



INCOME LEVEL DISPARITY

Among low-income earners (less than RM5,000/month)
45%
view legacy planning as critical



Among high-income earners (above RM5,000/month)
72%
view legacy planning as critical

The findings expose a growing wealth gap in legacy planning.

Among high-income earners with more than RM5,000 monthly household income, 72% view legacy planning as critical.

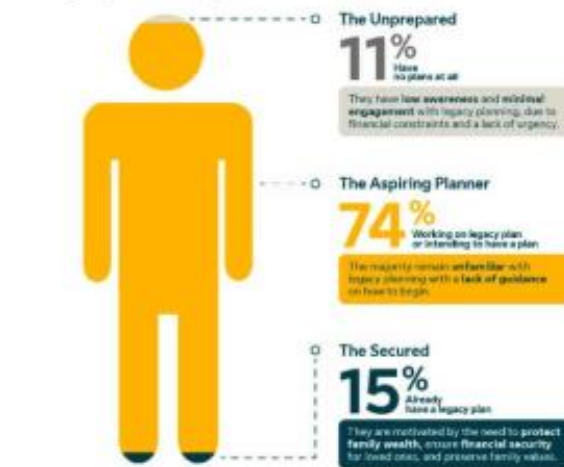
Conversely, only 45% of low-income earners with less than RM2,000 monthly household income view legacy planning as important.

Additionally, among 11% of survey respondents who have not taken any steps towards legacy planning, 68% belong to the lower-income group and are completely disengaged from the topic, creating a ticking time bomb for wealth inequality.

Family Feuds on the Horizon



3 DIFFERENT PERSONAS In Legacy Planning



The above data is from Sun Life Malaysia's survey assessing 1,040 Malaysians' level of knowledge and perspective on legacy planning. The survey was conducted in December 2024.

The lack of legacy planning exacerbates the risk of disputes among heirs, with 48% of Malaysians citing minimising conflicts as a top priority.

Blended and mixed-culture families, however, lead by example, with 82% actively discussing their plans compared to less proactive nuclear households.

'Without a solid plan, families are left vulnerable to financial turmoil and relational rifts – an issue that is particularly pronounced in Malaysia's multicultural landscape and with the growing prevalence of blended families,' added Raymond Lew.

'We often witness how the absence of proper financial planning leads to not only financial hardship but also strained relationships among family members left behind.

This underscores the critical need to prioritise family wealth management early to safeguard both financial security and familial harmony.'

Improved Literacy but Not Enough



Self-perceived insurance/takaful literacy or understanding levels improved from 28% in 2023 to 35% in 2024, attributed to initiatives like Sun Life Malaysia's year-long InsureLit campaign.

However, 23% of respondents still lack basic understanding, underscoring the need for continuous education.

'We are glad to see a rise in the number of Malaysians with positive insurance literacy levels, contributed in part by our InsureLit campaign since last year.

Nevertheless, there remains a continued need for awareness initiatives among Malaysians as we hope to ensure that every Malaysian is well-protected financially, and insurance/takaful knowledge plays a big part in helping them achieve it,' added Raymond Lew.

United Approach to Save a Society on the Brink of a Legacy Crisis



(Left to Right) Mr Raymond Lew, President and Country Head of Sun Life Malaysia, Mr Alvis Wee, Chief Distribution & Marketing Officer, Sun Life Malaysia, Mr Yuen Tuck Siaw, CEO, Jinxoxi and Dr Malar Santhi Santharas

Now in its second year, the InsureLit campaign by Sun Life Malaysia aims to raise insurance literacy levels of Malaysians, particularly legacy planning, to ensure that families are prepared to face.

'Malaysia's families are the bedrock of our society. We must empower them with the knowledge, tools and solutions needed to ensure stability and prosperity for future generations,' expressed Raymond Lew.

'There needs to be a concerted effort by financial institutions, policymakers, community leaders and individuals to address this crisis, be it making legacy planning accessible for all income levels or offering multilingual resources to guide Malaysians in this area,' expressed Raymond Lew.

Building on the success of InsureLit Campaign 2024, Sun Life Malaysia plans to amplify its efforts in 2025 with targeted initiatives, including digital and social educational resources, roadshows, explainer video series, youth financial literacy programme and more.

In 2024, the InsureLit campaign included educational programs to promote financial literacy among children, brand activations such as a wellness festival to instill health and wellness habits, innovative product launches, and nationwide roadshows, all designed to enhance financial and insurance literacy while empowering Malaysians to take control of their financial wellbeing.

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