

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

- *This second edition of the survey revealed that insurance/takaful literacy or understanding levels have improved from 28% in 2023 to 35% in 2024, though 23% still lack basic understanding.*
- *Only 15% of Malaysians currently have a legacy plan, despite 65% acknowledging its importance.*
- *Married individuals with children are most proactive, yet the majority remain unprepared.*
- *Top barriers to actions are financial constraints (41%), being unsure where to start (39%), and prioritising other financial goals (35%).*
- *Low-income earners lag behind, with many disengaged from legacy planning, highlighting the urgent need for accessible solutions.*

**Kuala Lumpur, 19 March 2025** – 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**

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 increasingly blended family structures.

### **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**

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**

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**

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 well-being. For key insights of the survey, please refer infographic on page 5.

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Sun Life Malaysia (Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad) is a joint venture by Sun Life Assurance Company of Canada and Khazanah Nasional Berhad.

As a life insurance and Family Takaful provider, Sun Life Malaysia offers a comprehensive range of products and services to Malaysians across the country and is focused on helping Clients achieve lifetime financial security and live healthier lives. Sun Life Malaysia distributes its products through a range of distribution channels including bancassurance and bancatakaful, agency force, direct marketing and telemarketing, corporate and government business and e-distribution.

Sun Life Assurance Company of Canada is a principal operating life insurance subsidiary of Sun Life Financial Inc., a leading international financial services organisation providing insurance, wealth and asset management solutions to individual and corporate Clients. Sun Life has operations in a number of markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda. As of September 30, 2024, Sun Life had total assets under management of \$1.51 trillion. For more information, please visit [www.sunlife.com](http://www.sunlife.com).

Sun Life Financial Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under the ticker symbol SLF.

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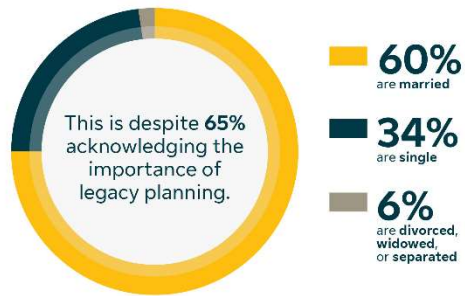


## MALAYSIA'S LEGACY PLANNING CRISIS

An overwhelming **85%** of Malaysians have **no proper legacy plans**. Are we putting our families' financial security at risk?



### Majority Remain Unprepared With **NO LEGACY PLAN**



fell into the **neutral or somewhat understand** category

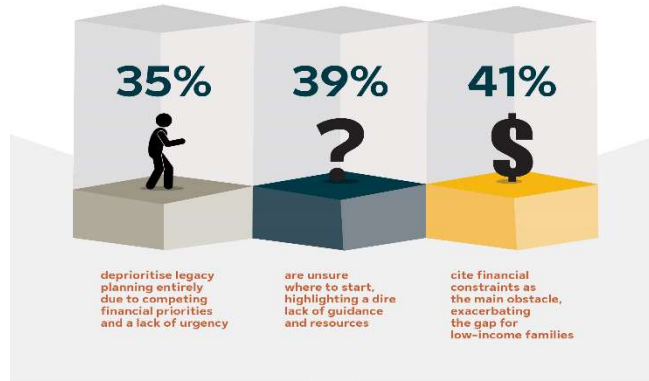


rated themselves to have **moderately well or very well understanding** in legacy planning products



have initiated legacy plans. **Married individual with children** are most proactive

## Why Are Malaysians DELAYING LEGACY PLANNING?



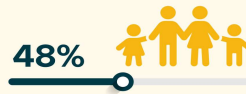
## INCOME LEVEL DISPARITY

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



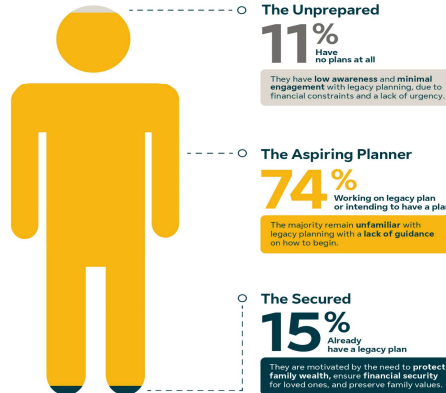
Among high-income earners (above RM5,000/month)  
**72%**  
view legacy planning as critical

## FAMILY CONFLICTS ARISE Due To Lack of Planning



hope to minimise conflicts among heirs, though the lack of planning increases the risk of disputes and financial chaos.

## 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.