



UNLOCKING FINANCIAL RESILIENCE WITH INSURANCE LITERACY

A lack of insurance literacy can profoundly impact one's ability to navigate life's important financial decisions. Sun Life Malaysia understands the crucial role of insurance literacy and believes that improving literacy levels could boost financial resilience in a meaningful way.



Raymond Lew, CEO and President/Country Head of Sun Life Malaysia, shared that insurance literacy is a crucial financial skill for Malaysians, ensuring financial stability and better decision-making to build a financially-fit future.



For many of us, the journey of financial planning often begins with managing our modest 'school pocket money' and gradually evolving as we navigate life's milestones - from buying our first home, furthering education, starting a family, and ultimately, preparing for retirement.

However, even the most meticulously crafted financial plans can still be affected by unforeseen changes. This underscores the importance of financial literacy, as a strong grasp of financial knowledge empowers us to adeptly navigate major life milestones, ensuring sustainable financial stability.

Many may ask, why is financial literacy important? In essence, financial literacy, which includes insurance literacy, equips us with the knowledge to manage our financial future wisely.

The recent *Sun Life Asia's 'Financial Resilience Index'* found that 66% of Malaysian respondents are confident in meeting their long-term financial goals, but only 38% have a financial plan beyond one year ahead, putting their financial goals at risk.

What is insurance literacy?

Enter insurance literacy – an important aspect of financial literacy which is often overlooked. Simply put, insurance literacy means having the right knowledge, ability, and confidence to understand and evaluate information about insurance and takaful plans and using them to ensure adequate coverage to navigate the financial shocks from unexpected events.

At Sun Life Malaysia, we believe financial resilience begins with financial protection. Insurance literacy serves as the bedrock of sound financial planning, empowering individuals to make better and smarter decisions about safeguarding their assets,

health, and loved ones.

For over a decade, Sun Life Malaysia has been assisting its 1.2 million Clients, providing them with the tools and resources to navigate the complex financial landscape effectively.

How has insurance literacy evolved in Malaysia over the years?

In recent years, we have witnessed consistent strides in raising the insurance literacy levels in Malaysia, but there is much work to be done.

The *Sun Life Malaysia 2024 'Insure or Uninsure Insurance Literacy'* survey shed light on Malaysians' self-perceived level of insurance literacy. Of the 1,107 respondents, only 23% expressed confident in their knowledge of insurance and takaful products; 22% indicated low to no insurance knowledge, while 55% admitted uncertainty about their insurance/takaful knowledge, often relying on others for assistance.

Furthermore, just like financial literacy, insurance literacy is widely considered a crucial gender parity issue. Sun Life's survey revealed that women accounted for 63% of respondents who reported poor self-perceived level of understanding on insurance/takaful topics, 1.7 times higher than that of male respondents. This indicates that women are more likely to be under-insured compared to men, making them more vulnerable to financial shocks.

It is evident that ongoing efforts are necessary to bridge the gaps in insurance literacy and ensure more people, regardless of age, gender or socio-economic backgrounds, are equipped to make smarter decisions about their financial protection.

Raising insurance literacy through InsureLit Campaign

While insurance literacy is not a cure-all, Sun Life Malaysia believes that fostering insurance literacy is the right way towards securing a lifetime of financial security.

At its core, insurance literacy is about empowerment. It provides individuals with the tools they need to seize control of their financial futures and establish a strong foundation for themselves and their families.

To enhance insurance literacy among Malaysians, Sun Life Malaysia has launched a year-long InsureLit Campaign to equip Malaysians with essential financial knowledge and cultivate positive financial habit.

The campaign seeks to bolster insurance/takaful literacy through various educational initiatives such as digital and social media awareness, roadshows, sponsored financial programme, and engaging board games, along with a primary school outreach programme, a dedicated financial literacy award for women's empowerment, and more.



Scan the QR code to learn how Sun Life Malaysia's InsureLit campaign is helping Malaysians to level-up their financial literacy.