

Business

## Sun Life Malaysia expects to achieve double-digit growth over next five years

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*Lew says Sun Life Malaysia has been growing above the industry average for the past 11 years.*

**KUALA LUMPUR:** Sun Life Malaysia, a life insurance and family takaful provider, is optimistic about the growth of the insurance sector in Malaysia, driven by the expanding economy, regulatory framework and a growing middle class.

CEO and president Raymond Lew said Sun Life Malaysia expects to achieve double-digit growth over the next five years, whereas the industry typically experiences low single-digit growth.

"We see tremendous potential, which is why we have a very aggressive plan. We want to grow our client base, work closely with our business partners, and expand our channel to make Sun Life Malaysia products accessible to everyone. We have been growing above the industry average for the past 11 years, and we hope to continue that trend over the next five years," he told *SunBiz* in an interview.

Lew highlighted the takaful segment as a growth driver, noting potential in products like *Hibah* and *Badal Hajj* that are designed to enhance market penetration and awareness.

"We see that the understanding of takaful is still fairly low, so we believe we can do a lot more. Some of these concepts like *Hibah* and *Badal Hajj* resonate very well with our clients, and we see tremendous potential in this," he said.

The "Insure or Unsure: Sun Life Insurance Literacy Survey" found that only 28% out of 1,107 Malaysians surveyed are confident in their knowledge of insurance and takaful products, while almost one-third (32%) have no insurance protection.

With 22% of the respondents indicating low to no insurance knowledge, 50% are uncertain about their insurance knowledge and are dependent upon others for assistance.

The survey, which allowed respondents to rate their self-perceived understanding of protection, aimed to assess Malaysians' level of knowledge on insurance and takaful products, discover their behavioural patterns in purchasing and managing their protection policies, and understand the barriers for insurance literacy improvement.

Women represented 63% of the respondents who reported poor self-perceived level of understanding on insurance topics, 1.7 times the proportion of male respondents. This suggests that women are more likely to be underinsured compared to men, making them more vulnerable to financial shocks. Furthermore, women are found to be twice more likely to not recall any key information about their insurance or takaful plans without referring to their policies/contract. Women were also found to be twice more likely to be reliant on agents to provide policy comparison and recommendations compared to men.

The survey also revealed that nearly one-third (32%) have no insurance/takaful protection, despite 72% of survey respondents acknowledging the role of insurance or takaful in providing financial protection against unexpected life events. Of those without a policy, 92% were in the monthly income bracket of RM5,000 and below. This disparity persists despite the government's mandate for various products catering to different income levels, such as the *Perlindungan Tenang* takaful plan, which offers coverage starting from a modest annual contribution of RM75.

Lew expressed concern over the neglected aspect of insurance literacy revealed by the survey's findings.

"It is disheartening to see such low levels of literacy among those surveyed. In today's ever-changing economy, Malaysians need to bolster their financial resilience by acquiring the necessary knowledge and skills to manage their finances and plan for the future. Insurance literacy is a crucial financial skill, ensuring financial stability during unpredictable times," he said.

Lew said that based on the survey findings, Sun Life will embark on a mission to engage consumers and level up their awareness about insurance literacy through their year-long "InsureLit Campaign", aimed at equipping Malaysians with essential insurance and takaful knowledge and instill positive financial behaviours.

"Ultimately, we hope to empower them to make better and smarter decisions for a financially-fit future," he added.

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