

The Malaysia Reserve  
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## Insurance plans continue to garner interest



(From left) Yong, CIMB Bank group consumer banking CEO Samir Gupta, Lew and Sun Life's chief actuary/chief risk officer Martin Fortier at the launch of Sun Wealth-CIMB Bank and Sun Life Malaysia latest insurance savings plan in Kuala Lumpur

PIC by Muzid Amin Nuharuli

*Life insurance is exempted from GST, while the rising medical cost is driving consumers to seek protective plans*

by IZZAT RATNA

**CONSUMERS** continue to subscribe to insurance plans which could provide financial security, despite the challenging market conditions and economic slowdown.

Sun Life Malaysia Assurance Bhd deputy CEO Raymond Lew said insurance protection plans like for medical and life products are getting sound traction among consumers.

He said life insurance products are exempted from Good and Services Tax (GST), while the rising medical cost is driving consumers to seek protective plans.

"The number of people buying health insurance and medical coverage is increasing because hospitalisation costs are extremely high now and consumers are aware of this," he said at Sun Life's latest product launch with CIMB Bank Bhd in Kuala Lumpur yesterday.

According to Bank Negara Malaysia's figure, for the first six months of 2016, 684,243 policies for life insurance were subscribed from insurance companies, higher than 661,422 policies reported for the January-June 2015 period.

Lew was asked to comment on the growth of the insurance sector with the economic slowdown and rising living cost.

However he said the uncertainties and challenging market conditions are expected to continue into 2017.

"Both insurance companies and financial institutions need to educate the public on the importance of life coverage," he added.

Lew said Sun Life had posted a 27% compound annual growth rate between 2013-2015, seven times higher compared to a 4% growth prior to 2013.

To confront the challenging market, Lew said Sun Life is also

expanding its portfolio into Shariah and takaful products targeted for Bumiputera consumers.

"We are also focussing on the health and accident products due to the escalating healthcare cost together with retirement plans," he added.

Meanwhile, CIMB Bank head of wealth management Gary Yong said the company expects the premium from the partnership with Sun Life to reach RM30 million by the year-end compared to RM21 million presently.

He said the new product, Sun Wealth, is expected to deliver about RM100 million in premium from 2,000 customers by next year.

Sun Wealth, an insurance savings plan, has garnered about RM21 million premium from 700 customers since it was introduced in June this year.

Sun Life Malaysia has 43 products marketed by CIMB Bank.

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