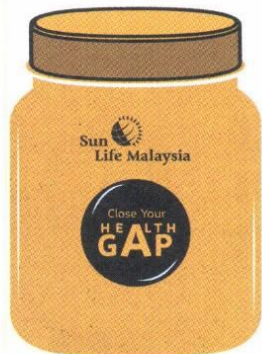


The Edge
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IT SEEMS YOUTH IS REALLY WASTED ON THE YOUNG; we do not often worry about health insurance until we really need it. By then, however, the circumstances are dire and the protection wanting. So, the question that bears asking is this: Is your health insurance keeping pace with your medical needs?

According to a *Health Gap Analysis* survey (*) provided by Sun Life Malaysia (Sun Life Malaysia Assurance Bhd and Sun Life Malaysia Takaful Bhd), the answer, at least for Malaysians, is a resounding “no”.

On average, a typical Malaysian with health insurance is covered for RM50,000. When this coverage is compared against medical care at a standard ward for strokes — estimated to be RM293,000 — this represents a whopping RM243,000 shortfall for the insured. Meanwhile, for heart attacks, medical care at a standard ward is estimated at RM231,000 — which means a RM181,000 shortfall. The gap is far wider when we look at the cost of treatment at a private ward which would be RM643,000 and RM533,000 respectively.

Of the five countries surveyed — Vietnam, Hong Kong, Indonesia, the Philippines and Malaysia, we were one of the highest in terms of healthcare costs for heart disease (that is strokes and heart attacks). Burgeoning healthcare costs are not limited to just heart disease, which is also the top cause of death in the country, as the health gap in terms of the cost of medical care for cancer in Malaysia is also significantly higher than the other countries.

These facts and figures are particularly troubling when of all the countries surveyed, Malaysia also topped the list in terms of healthcare inflation (net of general inflation) — an annual increase of 10% to 15%.

“If we take an average increase of 15%, this translates to a double increase in medical treatment cost every six years. Based on the analysis, the forecast 2018 medical cost trend for Malaysia is the highest at 10%, followed by Indonesia 7%, Philippines 6%, Hong Kong 5% and Vietnam 3%,” says Sun Life Malaysia CEO and president/country head, Raymond Lew.

KNOW AND MIND THE GAP

Unfortunately, Malaysia’s insurance penetration figures do not paint a particularly rosy picture either. “As at 2016, the ratio of life insurance policies and family takaful contracts to general population — is 56%. However, this does not account for the many people who have more than one policy which means the actual penetration rate is much lower. In other words, it reflects that a lot of Malaysians are not yet insured,” Lew explains.

Insurance is something that people take for granted and often misunderstand. The majority of people think they have sufficient coverage, so long as they have a basic medical card, one life insurance policy, or perhaps a group insurance policy from work. And there is another group that spends a lot of money on various kinds of insurance policies, thinking they will then be well protected.

Far too many people still believe that their company’s employee health scheme covers just about all of their healthcare coverage



Health is WEALTH

Raymond Liew
CEO and president/country head
Sun Life Malaysia



needs. They do not consider the inflationary nature of medical costs, the risk of them being unemployed or retirement.

“People assume that they can opt for government hospitals and enjoy lower medical costs. But our growing population is already putting a strain on the availability of these highly-subsidised healthcare resources. That’s why we have heard stories of patients abandoning important diagnostic tests or seeking alternative treatment,” says Lew.

“Hence, we need to be better prepared and more protected against the fact that just one unforeseen medical emergency could wipe out our life savings. Having the right type and amount of healthcare insurance, is critical,” he says.

Lew cites flexibility as a key component for anyone looking for health insurance products. “For example, someone who is young and healthy may opt for a lower premium during the initial years of the insurance policy. However, he should review his coverage as he gets older and the circumstances around his health evolve. This flexibility ensures that he won’t be faced with the shock of an overwhelming medical bill as he gets older,” Lew adds.

SHARING INSIGHT AND BRIGHTER LIVES

In a move to further create awareness of health gap, Sun Life Malaysia incorporated the key highlights from the *Health Gap Analysis* into its latest *Brighter Lives Roadshow* at

IOI Mall Putrajaya recently (Sept 13 to 16).

“This roadshow is part of our 2018 brand efforts — besides brand awareness, we also want to bring forth our business purpose of helping our clients achieve lifetime financial security and live healthier lives. Our advisers were also there to guide the shoppers on how best to close their health gap issues based on their health status, age, affordability, family history, and risk appetite,” Lew says.

Sun Life Malaysia is a joint venture by Sun Life Financial Inc and Avicennia Capital Sdn. Bhd, a fully owned Khazanah Nasional Bhd investment holding company. Sun Life Financial is a leading international financial services organisation with operations in markets worldwide, including Canada, the US, the UK, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda.

Since its foray into the Malaysian insurance industry back in 2013, Sun Life Malaysia has been focused on growing its core bancassurance business. In January this year, Sun Life Malaysia rolled out its new agency channel as an extension of its multi-channel distribution strategy to reach out to even more Malaysians especially those who still prefer personal advisers, face-to-face relationships versus alternative channels of phone, online and digital.

*2018 Sun Life Financial Asia Regional Health Gap Analysis

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Treatment Cost for Medical Conditions / Kos Rawatan untuk Keadaan Perubatan

