

Insurer: Tax relief can increase insurance uptake

BUDGET

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President and country head Raymond Lew(pic) said the company fully supports the government's move to separate the tax relief for the life insurance and takaful category in the income tax, noting that further relief would boost the insurance uptake.

KUALA LUMPUR: A possible increase in tax relief may further boost insurance uptake among the public, according to Sun Life Malaysia.

President and country head Raymond Lew said the company fully supports the government's move to separate the tax relief for the life insurance and takaful category in the income tax, noting that further relief would boost the insurance uptake.

"We believe this will motivate and encourage more Malaysians to purchase insurance as a form of protection and look at it as a necessity in times of need," he said.

According to statistics, only 30% of the low-income group have insurance compared with 50.4% among those in the higher-income categories.

Lew added that public awareness on the importance of insurance and takaful varies according to financial affordability.

"As one of the most vulnerable and underserved segments, the B40 group is severely under-protected as these low-income households lack resources in terms of income and access to affordable protection options," he said.

He also said that the government needs to provide more support to public education and awareness on the importance of insurance and takaful nationwide.

"Thus, we fully support the newly launched National Strategy for Financial Literacy 2019-2023 by the government as it is a right step towards increasing financial literacy in Malaysia," he said. — Bernama