

INSURANCE POLICIES

# 'Zero-rated GST, tax holiday a boon'

**KUALA LUMPUR:** The implementation of the zero-rated Goods and Services Tax (GST) and tax holiday are expected to benefit consumers as it would help reduce the insurance premium and boost the number of policy holders, said Sun Life Malaysia Takaful Bhd.

GST was zero-rated effective June 1, giving a two to three months tax holiday before the reintroduction of the Sales and Services Tax.

"It can be an incentive for consumers to make purchases.

"They should take this opportunity to buy insurance policies," said Sun Life chief executive officer, president and country head Raymond Lew at the signing cer-



Raymond Lew

emony of the 10-year bancatakal agreement with Al Rajhi Bank Malaysia, here, yesterday.

Previously, insurance providers charged GST for provision of non-life insurance coverage. However, life insurance policies were exempt supplies and, therefore, the premiums paid were not subject to GST.

Meanwhile, Sun Life expects its collaboration with Al Rajhi to raise RM3.5 million in gross written premiums by year-end.

The exclusive bancatakal agreement will see Sun Life becoming the sole distributor of family takaful products and services to Al Rajhi's 150,000 customers nationwide.

Sun Life and Al Rajhi will be bringing their latest product into the market together — Sinar Ri'ayah — a coverage against credit facilities given by the bank.

Both companies have two products in the market, including Sinar Health Plan, a medical plan that provides hospital and health benefits, and Sinar Baraqah, a universal takaful savings plan to help clients save for their haj while providing relevant protection.

Lew said since its foray into the Malaysian insurance industry in 2013, Sun Life had been focusing on growing its core bancatakal business through exclusive partnerships.

"The partnership with Al Rajhi Bank is an extension of its multi-channel distribution strategy to expand its market share in the takaful industry," he said. **Amir Hisyam Rasid**