

Nearly Twice As Many Women In Malaysia Are At Risk Of Compromising Their Financial Health Due To Low Insurance Literacy

*Sun Life Malaysia launches **InsureLit Campaign** to boost insurance literacy levels among Malaysians*

Kuala Lumpur, 5 March 2024 — Sun Life Malaysia, a leading life insurance and family takaful provider, recently conducted a survey “*Insure or Unsure: Sun Life Insurance Literacy Survey*” which found that only 23% 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. 22% of the respondents indicate low to no insurance knowledge, while 55% 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 under-insured 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 unveiled 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.

Raymond Lew, CEO and President/Country Head of Sun Life Malaysia, 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."

Other key findings from the Sun Life Insurance Literacy Survey include:

- Respondents who have moderate to high self-perceived understanding of insurance and takaful products and terms are likely to own at least one life insurance policy/takaful contract. Conversely, those with a low self-perceived understanding or no understanding of insurance are also more likely to not own any life insurance policy/takaful contract.
- 42% of those who do not own a life insurance or takaful plan stated it is because they cannot afford it. This figure increases to 47% among those who earn below RM2,000 a month.
- Most insurance policy holders or takaful contract holders in Malaysia still depend a lot on their agents to supply them with information about products both before and after a purchase. Agents who are insightful and helpful are also the leading factor behind most of the policy purchasing decisions.

Raising literacy levels is not a one-size-fits-all approach

Notably, the findings indicate a significant shift in preferences for learning platforms, with Malaysians increasingly turning to online content, particularly from social media platforms and websites, as compared to traditional workshops and webinars, in their pursuit of protection knowledge.

Meanwhile, high-income earners are more likely to take the initiative to equip themselves with insurance knowledge by conducting their own research through informational articles. This suggests that these individuals prefer a more independent and self-guided learning experience when it comes to understanding insurance concepts and products.

"Based on the survey findings, we will embark on a mission to actively engage consumers and level up their awareness about insurance literacy through our 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," Lew explained.

Closing the gaps with Sun Life InsureLit initiative

Inspired by the company's purpose of helping people achieve lifetime financial security and live healthier lives, the **InsureLit Campaign** integrates a range of educational initiatives, both in-person and online. This includes digital and social media awareness, roadshows, sponsored financial programmes, a dedicated financial literacy award targeting women's financial empowerment, engaging board games and a primary school outreach programme, all aimed at bolstering insurance literacy.

The Sun Life Insurance Literacy Survey measures insurance literacy as a self-perceived assessment of respondents' understanding towards insurance and takaful terms, including ranking the importance of various financial planning components, types of information that they remember about their existing policies, forms of research before purchasing a product, and preferred method of learning about insurance. For key insights from the survey, please refer to the infographics on Page 4.

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About Sun Life Malaysia

Sun Life Malaysia (Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad) is a joint venture by Sun Life Assurance Company of Canada and Khazanah Nasional Berhad.

As a life insurance and Family Takaful provider, Sun Life Malaysia offers a comprehensive range of products and services to Malaysians across the country and is focused on helping Clients achieve lifetime financial security and live healthier lives. Sun Life Malaysia distributes its products through a range of distribution channels including bancassurance and bancatakaful, agency force, direct marketing and telemarketing, corporate and government business and e-distribution.

Sun Life Assurance Company of Canada is a principal operating life insurance subsidiary of Sun Life Financial Inc., a leading international financial services organisation providing insurance, wealth and asset management solutions to individual and corporate Clients. Sun Life has operations in a number of markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda. As of September 30, 2023, Sun Life had total assets under management of \$1.34 trillion. For more information, please visit www.sunlife.com.

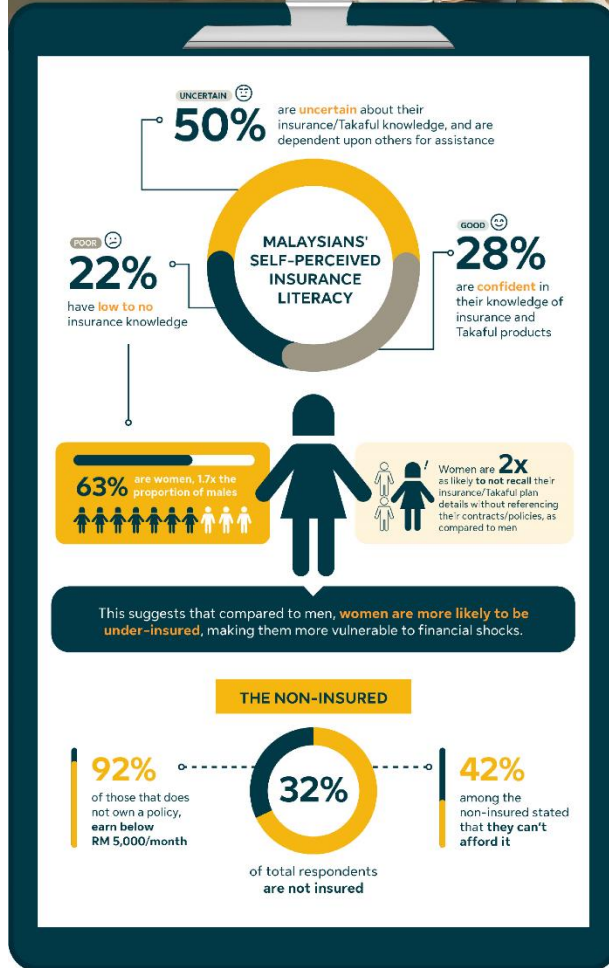
Sun Life Financial Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under the ticker symbol SLF.

For more information, please visit www.sunlifemalaysia.com.

INSURE OR UNSURE?

Sun Life Insurance Literacy Survey

Sun Life Malaysia surveyed around 1,107 Malaysians to assess their 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.



Other key findings:



Respondents with **good understanding** of insurance/Takaful are more likely to own at least one policy, while those with **low understanding** are less likely to have one.

Many insurance policy owners and Takaful contract holders in Malaysia **rely heavily on agents** for product information before and after purchase. **Insightful and helpful agents** are key influencers in purchasing decisions.

The Findings are based on a Sun Life Malaysia survey of 1,107 Malaysians in 2024.

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