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Low awareness of financial protection among Malaysians, says insurer

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MALAYSIANS need to be made aware and educated about the benefits and importance of insurance and financial protection, and how it can be accessible instead of the opposite, said Sun Life Malaysia.

“In general, there needs to be a widespread awareness campaign to educate the public on not only the benefits of insurance but also how affordable it can be. While some may understand its importance, they would also feel that they are unable to undertake an insurance policy due to the current economic climate,” Raymond Lew, CEO of Sun Life Malaysia, told *FocusM*.

“This could not be further from the truth and the industry must make an effort to shed light on the numerous options available to Malaysians,” he added.

Lew shared that, with the overall insurance and takaful penetration rate standing at about 55% among Malaysians, almost half of all Malaysians are not financially protected. This is especially concerning during the Covid-19 outbreak, where those who were not insured or protected could see a long-lasting impact.

“As such, we strongly advise Malaysians to have an insurance or takaful protection plan. This outbreak has clearly shown that a financial safety net is essential to protect themselves and their families,” said Lew.

Still, he remains optimistic for the sector, believing there remains a “huge market to tap into with strong growth potential” in the M40 and B40 segments.

“We expect an increase in demand for protection, as Malaysians have become more aware of the need to protect themselves and their loved ones in the wake of the pandemic,” said Lew.

“We are also supporting the government’s efforts to increase the take-up rate of insurance and takaful, with initiatives in place to improve the financial literacy and resilience among Malaysians. We believe it is important for Malaysians to get a better grasp of their financial situation, as well as exert better control on their savings and spending,” said Lew.

When asked about the general perception of overly-aggressive agents, Lew shared that it is “high time” for such agents to rethink their approach.

“In the wake of Covid-19, it is crucial to remember that most people are struggling. If this outbreak has taught us anything, it has to be empathy and kindness for those who are facing truly difficult times. Agents will need to rethink their approach and focus towards engaging their potential clients with professionalism and genuine care,” said Lew.

Making it work during the MCO

Taking into account the generally face-to-face nature of how insurance agents work, Lew shared that one of the initiatives taken to address the pandemic was to accelerate the digitisation of the company and business processes.

“This was to ensure that our clients had direct access to us via our digital platforms, and that the necessary coverage and assistance can be offered to help our clients deal with the impact of the pandemic,” said Lew.

He also shared that the company has taken to leveraging digital channels to take advantage of the widespread use of smartphones in Malaysia as part of the digitisation of the business.

“As we navigate these unprecedented times, this outbreak has taught us that connectivity is crucial in bringing people together. Taking a cue from that, we focused on providing alternative methods to ease our clients’ burden in doing business with us, while increasing our client engagement activities,” said Lew.

This took form in how the company prioritised digital approaches with clients and partners alike, in order to streamline the acquisition pipeline despite the restrictions faced during the MCO and CMCO. – June 26, 2020