



## Reaching every life under the Malaysian sun

Coming off good financial performance in 2019, **Sun Life Malaysia's Raymond Lew** is looking forward to new opportunities in 2020, despite the challenges that lie in wait. He shares some of his insights with us.

By Amir Sadiq

**W**ith a robust focus on client experience and distribution strategies, Sun Life Malaysia (SLM) came out of 2019 with a strong showing. The company's annualised premium (AFYP) grew 30% in the first half of last year – nearly 2.5 times more than the rest of the industry, which grew at 12%.

And since its entry into the Malaysian market in 2013, SLM's AFYP has grown at a five-year CAGR of 27%.

"On the back of a solid partnership with our bancassurance partner CIMB, sales grew 21% year-on-year by the end of 2019," said SLM CEO and president/country head Raymond Lew.

"This growth included a contribution from CIMB in-branch which grew 23% - and also our efforts to improve the productivity of sales staff along with evolving the business model to meet the needs of our clients and market demands," he said.

The company also places great emphasis on its agency force – still widely considered a cornerstone of the life insurance industry – which has grown substantially over the years and delivered strong sales performances.

### Rising cost of healthcare

At the same time, it has not all been sunshine and rainbows. Like many other markets, SLM has had to address the issues of rising healthcare costs.

In 2019, Malaysia's medical infla-

tion was ranked amongst the highest in the region with 13.1% expected increase in medical costs, according to the Willis Towers Watson's 2019 Global Medical Trends Survey Report.

"Several things that have caused medical inflation to increase are the rise in non-communicable diseases, higher average life expectancy and the costs associated with employing the relevant staff to operate new and advance medical technology," said Mr Lew.

To address the situation, SLM has developed a wide range of products and tapped into multiple distribution channels to suit the needs of all Malaysians.

Of particular note is a digital microinsurance offering that offers its customers protection from MYR5 (\$1.21) per month, paid entirely through their mobile phones. Since its launch in November 2017, this microinsurance offering has covered over 55,000 people and the company has plans to launch a takaful version in Q1 2020.

### A challenging year ahead...

Mr Lew expects 2020 to be another challenging year, citing the low interest-rate environment in Malaysia and global economic uncertainties.

The rise of InsurTech is also currently disrupting the industry and driving insurers in Malaysia towards digital transformation, which is likely to exert even more cost pressure.

The situation has been further

compounded by the sudden global outbreak of the novel coronavirus which he believes will have a significant impact on the whole industry. While most cases of the viral infection are confined to China as of time of writing, the WHO has warned that the few cases in the rest of the world could just be the tip of the iceberg.

"Consumers especially those who are currently not insured and protected, are bound to look for some level of certainty and peace of mind during these times of uncertainty," he said. "We are committed to work with the industry in ensuring medical coverage for our clients to deal with this unprecedented situation."

### ...but opportunities abound

Despite the prospect of a tough year ahead, SLM is optimistic about achieving robust double-digit growth with many opportunities presented by the significantly underpenetrated takaful segment.

"We see the opportunity for us to reach out to a broad segment of Malaysians and offer them suitable and affordable solutions for all their needs and not just on health and medical-related," said Mr Lew. "We also see huge potential in the rural and less saturated markets that are particularly underserved."

To raise awareness of the needs of adequate financial planning, the company plans to conduct more campaigns, educational and community outreach programmes. ■