



Persatuan Insurans Hayat Malaysia  
Life Insurance Association of Malaysia



## FOR IMMEDIATE RELEASE

### **Life Insurers and Family Takaful Operators Extend Deferment of Premium/Contribution Payment to 31 December 2021; General Insurers continue to offer additional relief measures to policyholders affected by the COVID-19 pandemic to year end.**

**Kuala Lumpur, 22 June 2021** - The Life Insurance Association of Malaysia (LIAM) and Malaysian Takaful Association (MTA) are pleased to inform that all life insurers and family takaful operators have extended the **COVID-19 Relief Program on deferment of premium payment/takaful contribution and additional relief measures** to 31 December 2021 for their policy/certificate holders who are financially affected by the COVID-19 pandemic.

Persatuan Insurans Am Malaysia (PIAM) also wishes to inform that all general insurers will continue to offer **additional relief measures** to 31 December 2021 to policyholders affected by the pandemic.

Under the COVID -19 Relief Program, life insurers and family takaful operators will continue to provide insurance/takaful protection to the affected policy/certificate holders including those who are unable to earn an income to have a grace period of three months (or 90 days) to pay premium/contribution due. The extension of COVID-19 Relief Program is in response to the need of affected policy/certificate holders who may continue to face financial difficulties during this COVID-19 pandemic. The deferment of three months premium/contribution payment was introduced since April 2020 as an optional premium/contribution deferment program where policy/certificate holders may approach their insurer/family takaful operator to apply for this Relief Program.

Life insurers and family takaful operators have pledged to assist policy/certificate holders who are in need and are unable to meet insurance premium/takaful contribution payments because of job loss or other effects on the economy stemming from the pandemic. This include the individuals who have been infected or suffered a

loss of income; and small and medium enterprises (SMEs) which have suffered a loss of income, as a result of the economic impact of the COVID-19 situation. Examples of events that lead to such loss of income include retrenchment, shorter working hours and salary or commission reductions for individuals; and loss of business income for self-employed and SMEs.

They can get assistance via the following:

- The COVID -19 Relief Program on deferral of premiums/contributions for up to three months has officially been extended to the end of 2021 for affected policy/certificate holders;
- Policy/certificate holders who have been granted the premium/contribution deferral benefit earlier in 2020 and have been timely in repaying deferred premiums/contributions, may apply to defer again for another three months. A 6-month interest-free instalment repayment option is also made available to policy/certificate holders.
- Additionally, policy/certificate holders can contact their insurer/family takaful operator to understand other individual options available to assist them to maintain their valuable coverage during these difficult times.

As at 17 May 2021, over 1.2 Million life insurance policyholders and 0.5 million family takaful certificate holders have benefited from the deferment of premium/contribution payment initiative with premium/contribution value amounting to over RM2.6 billion for life insurance and RM0.8 million for family takaful which have been deferred respectively.

In addition, the insurance and takaful industry has taken proactive steps in assisting its policy/certificate holders who are impacted both financially and physically from the pandemic since early 2020. Individual life insurers and family takaful operators have extended cash relief efforts for customers who were diagnosed with COVID-19, which include cash allowance for hospitalisation (RM150-RM250 per day and up to 30 days of hospitalisation), and a special lump-sum death benefits (ranging from RM5,000-20,000) upon death of the insured/covered person.

Another RM10 million were contributed towards the COVID-19 Test Fund that was fully utilised in May 2021 and benefitted over 65,000 policy/certificate holders.

From April this year to December 2021, life insurers and family takaful operators have pledged additional fresh funds to assist policy/certificate holders in the form of medical assistance for COVID-19 treatment in Government or Private hospitals as well as serious vaccine side effects under the National Immunisation Programme. Policyholders are advised to contact their respective insurance company directly to find out more about the assistance offered in the event that they may develop side effects or complications resulting in hospitalization from the COVID-19 vaccination.

Meanwhile, PIAM also confirmed that up to-date the general insurance industry has mobilized relief measures to a total value of RM69 million. These measures include deferments and instalment payments of premiums extension of the 60-day premium warranty period and allowing short term renewals.

Notwithstanding in spite of restrictions applicable to Cash Before Cover (CBC) and tariff policies some PIAM members had allowed premium deferments for non-CBC/tariff policies on their own initiative to assist policyholders who were facing financial difficulties.

General insurers have also come forward to provide financial assistances benefitting 190,000 policyholders. With the recent announcement of MCO 3.0, general insurers will continue to allow their policyholders these reliefs. However, policyholders are advised to check with their respective insurers on these relief measures as consideration will be granted on a case-by-case basis based on the insurers' underwriting provisions. Some insurers are offering extra coverage for COVID-19 with no increase in premiums while some waived certain exclusions on medical policies where the pandemic was concerned.

With the above relief measures, we hope policy/certificate holders affected by COVID-19 were able to continue with their livelihoods during these trying times and were given

much-needed assistance to cope with the immediate health effects of the virus and its economic consequences.

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#### **About LIAM**

Formed in 1974, the Life Insurance Association of Malaysia (LIAM) is a trade association registered under the Societies Act 1966. LIAM has a total of 16 members, of which 14 are life insurance companies and 2 life reinsurance companies. LIAM's objectives are to promote a progressive life insurance industry; to enhance public understanding and appreciation for life insurance; to upgrade the image and professionalism of the life insurance industry and to support the regulatory authorities in developing a strong industry.

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#### **About MTA**

Malaysian Takaful Association (MTA) was established on November 2002 under the Societies Act 1966. It is a trade association representing all 18 licensed Takaful and Retakaful operators in the country. The objectives and the powers of MTA are to promote the interests of its members and to inculcate the implementation of self-regulation within the Takaful industry.

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#### **About PIAM**

PIAM is the national trade association of all licensed direct and reinsurance companies for general insurance in Malaysia. Currently, PIAM has 25 member companies. More information on PIAM can be obtained from its website: [www.piam.org.my](http://www.piam.org.my)

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