



Persatuan Insurans Hayat Malaysia
Life Insurance Association Of Malaysia

FOR IMMEDIATE RELEASE

Life insurance industry registers healthy growth in 2019

Industry achieves 14.19% growth in New Business Total Premiums from RM10.3 billion to RM11.8 billion, reflecting an increase in awareness among consumers on life insurance protection

Kuala Lumpur, Monday, 16 March 2020 – The Life Insurance Association of Malaysia (LIAM) continued to record an encouraging growth in 2019, registering New Business Total Premiums of RM11.8 billion, an increase of 14.19% compared to RM10.3 billion in 2018. Traditional business, Investment-linked and Group business recorded strong growth at 30.12%, 11.05% and 10.79% respectively.

The healthy performance of the life insurance industry reflects the increase in awareness among consumers on the importance of life insurance protection.

New Business – Total Premiums

Total Premium RM Million	January to December		
	2018	2019	Growth
Traditional	2,208	2,873	30.12
Investment-Linked	4,569	5,073	11.05
Annuity	99	21	-78.82
Group	3,429	3,798	10.79
Total	10,304	11,765	14.19

New policies issued in 2019 recorded an increase of 6.22% from 1,238,249 policies in 2018 to 1,315,233 policies in 2019. Investment-linked policies continued to be a popular product in 2019.

New Business - Number of Policies

Type	2018	2019	Difference	Growth
Traditional	500,051	514,982	14,931	2.99
Investment-Linked	716,813	780,467	63,654	8.88
Annuity	2,854	1,277	-1,577	-55.26
Group	18,531	18,507	-24	-0.13
Total	1,238,249	1,315,233	76,984	6.22

New business sum assured increased by 6.91% to RM483.4 billion in 2019 compared to RM452.1 billion in 2018.

New Business - Sum Assured

Type RM Million	2018	2019	Difference	Growth
Traditional	18,886	21,418	2,532	13.41
Investment-Linked	148,432	146,954	-1,479	-1.00
Annuity	30	13	-17	-55.45
Group Policies	284,753	314,972	30,219	10.61
Total	452,102	483,357	31,256	6.91

“The average sum assured for Individual Policy category (excluding Group Insurance) reached RM130,000 per policyholder. This means that each policyholder will have an average life insurance protection of RM130,000 to take care of their family in the event of a loss of the breadwinner.

However, this level of protection is still not adequate and there is a wide protection gap in terms of insurance coverage needed. Based on a study conducted by Universiti Kebangsaan Malaysia and LIAM in 2013, it is estimated that a family of five would need at least RM550,000 to meet their living expenses over the next 5 years, in the event of a loss of the breadwinner,” said Loh Guat Lan, President of LIAM.

The total in force premiums rose to 7.39% to reach RM36.9 billion from RM34.4 billion in 2018. The growth was mainly contributed by Investment-Linked and Employee Benefit Scheme under Group business.

In Force Premiums

RM Million	January to December		
	2018	2019	Growth
Traditional	15,836	15,803	-0.21
Investment-linked	18,207	20,703	13.71
Group	351	430	22.80
Total	34,394	36,937	7.39

The total number of policies registered for the whole industry rose marginally at 0.60% from 12.67 million policies in 2018 to 12.74 million policies in 2019.

The number of lives covered under group policies grew by 1% to almost 10.2 million lives as compared to 10.1 million lives in 2018.

Number of Policies in Force

Type	2018	2019	Difference	Growth
Traditional	7,315,971	7,018,922	-297,049	-4.06
Investment Linked	5,229,634	5,605,477	375,843	7.19
Annuity	95,334	92,398	-2,936	-3.08
Group Policies	26,098 (10,132,398 lives)	26,521 (10,228,145 lives)	423	1.62
Total	12,667,037	12,743,318	76,281	0.60

The total sum assured in force increased to over RM1.63 trillion, an increase of 7.83% as compared to RM1.51 trillion in 2018.

Sum Assured In Force

Type RM Million	2018	2019	Difference	Growth
Traditional	330,027	326,766	-3,261	-0.99
Investment-Linked	623,218	702,337	79,119	12.70
Annuity	422	414	-7	-1.68
Group Policies	556,297	598,622	42,324	7.61
Total	1,509,964	1,628,139	118,175	7.83

The total claims payout in 2019 increased by 10.19% to RM11.9 billion as compared with RM10.8 billion in 2018.

“Payment for medical and health insurance is the highest claims category at 41% of all claims paid. This amount has increased 20.82% in 2019, reflecting strong contribution by life insurers towards the medical treatment and healthcare needs of the nation,” explained Mark O’Dell, Chief Executive Officer of LIAM.

Claims Payout

Benefit	2018	2019	Difference	Growth
Death	1,422,474,881	1,518,538,660	96,063,779	6.75
Disability	121,945,710	112,575,767	(9,369,943)	-7.68
Medical	4,088,416,357	4,939,645,443	851,229,086	20.82
Bonuses	3,675,023,537	3,644,139,331	(30,884,206)	-0.84
Others	1,523,663,948	1,720,410,364	196,746,416	12.91
Total	10,831,524,433	11,935,309,565	1,103,785,132	10.19

On the outlook for 2020, given the uncertainties faced by the global and local economies partly due to the COVID-19 outbreak, counter-balanced by the strong resilience of life insurance industry and the low insurance penetration rate in Malaysia, it is expected that the industry will achieve a high single digit growth.

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.

For further clarifications, please contact:

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