



Persatuan Insurans Hayat Malaysia
Life Insurance Association Of Malaysia

FOR IMMEDIATE RELEASE

Life insurance industry registers double-digit growth of 12.4% or RM12.8 billion in new business total premiums in 2021

Kuala Lumpur, 28 February 2022 - The Life Insurance Association of Malaysia (LIAM) recorded an overall stronger performance with a double-digit growth of 12.4% in its new business total premiums in 2021 as compared to 2020. For the financial year ended December 2021, the industry recorded RM12.8 billion in new business total premiums from RM11.4 billion in 2020. The stronger performance of the life insurance industry reflects the increase in awareness among the consumers on the importance of life insurance protection amidst the COVID-19 pandemic.

According to LIAM President, Loh Guat Lan, the industry recorded a healthier performance, driven by the strong rebound of investment-linked policies which rose 31.2% to reach RM6.6 billion in 2021, despite the challenging business environment due to the pandemic. Group policies recorded a moderate growth of 7.7% in new business total premiums to RM4.1 billion in 2021. However, traditional policies charted a decline of 17.3% during the year.

New Business – Total Premium

RM Million Type	January to December		
	2020	2021	Growth
Traditional	2,592	2,145	-17.3
Investment-Linked	5,013	6,574	31.2
Group	3,781	4,073	7.7
Total	11,386	12,792	12.4

“The overall new business sum assured increased to RM461.1 billion, registering a modest growth of 5.4% from RM437.2 billion in 2020. The new business sum assured of investment-linked policies recorded a strong increase of 14.4% from RM107.7 billion to RM123.2 billion in 2021 while group policies recorded an increase of 2.8% and traditional policies, a slight dip of 1%,” Loh said.

New Business – Sum Assured

RM million Type	January to December		
	2020	2021	Growth
Traditional	22,978	22,752	-1.0
Investment-Linked	107,711	123,218	14.4
Group	306,558	315,091	2.8
Total	437,247	461,061	5.4

“In terms of new policies issued in 2021, we recorded a strong growth of 53.5% from 1.2 million policies in 2020 to 1.9 million policies in 2021. This was mainly due to traditional policies which charted a huge increase of 99.7% to reach 1.2 million policies in 2021. One of the factors contributing to this exponential growth was the encouraging take-up of Perlindungan Tenang (PT) policies under the Perlindungan Tenang RM50 Voucher programme which was made available to eligible Bantuan Prihatin Rakyat (BPR) recipients from end-September until end-December 2021. For the life insurance sector, a total of 784,496 vouchers worth RM39.2 million were redeemed by the BPR recipients as of end-December 2021.

The PT products which cater to the lower income group, provide basic protection and are affordable with premiums as low as a few *Ringgit* per month. These products have been specially developed to incentivize the youth, young families and B40 household segment to purchase life insurance,” Loh added.

New Business – New Policies

Type	January to December		
	2020	2021	Growth
Traditional	583,657	1,165,423	99.7
Investment-Linked	618,884	691,327	11.7
Group	19,505	19,502	0.0
Total	1,222,046	1,876,252	53.5

TOTAL BUSINESS IN FORCE

Meanwhile, the total in force premiums rose to RM46.8 billion, an increase of 8%, in 2021 as compared to RM43.4 billion in 2020. Investment-linked policies registered a growth of 14.2% in total in force premiums to reach RM26.3 billion while group policies and traditional policies recorded a growth of 5.5% and 0.6%, respectively.

In Force Premiums

RM Million Type	January to December		
	2020	2021	Growth
Traditional	16,289	16,388	0.6
Investment-linked	23,064	26,338	14.2
Annuity	475	363	-23.7
Group	3,541	3,734	5.5
Total	43,369	46,823	8.0

The sum assured in force grew by 5.6% amounting to RM1,779.5 billion in 2021 compared to RM1,685.8 billion in 2020.

The sum assured in force of investment-linked policies registered a strong growth of 9.9% from RM765.1 billion in 2020 to reach RM841 billion in 2021. Group policies registered a moderate increase of 3.4% while traditional policies recorded a slight drop of 0.7% as compared to the previous year.

Sum Assured in Force

RM Million Type	January to December		
	2020	2021	Growth
Traditional	327,814	325,396	-0.7
Investment-Linked	765,072	840,989	9.9
Annuity	390	365	-6.3
Group Policies	592,488	612,710	3.4
Total	1,685,764	1,779,460	5.6

The total number of policies registered for the industry charted a modest increase of 4.1% from 12.8 million policies in 2020 to 13.4 million policies in 2021. Investment-linked policies recorded a growth of 5.8% while traditional policies rose by 2.7% and group policies charted a slight increase of 1.6% in total number of policies in force as compared to the previous year.

Number of Policies in Force

Type	January to December		
	2020	2021	Growth
Traditional	6,879,454	7,068,350	2.7
Investment-Linked	5,852,960	6,191,641	5.8
Annuity	88,762	84,811	-4.5
Group	27,102	27,540	1.6
Total	12,848,278	13,372,342	4.1

Outlook

Speaking on the outlook of the industry for 2022, Loh is very positive with the developments in the country in the coming months.

“We are indeed very grateful to the Government for their noble initiative in enhancing the social protection of the lower income group via the RM50 and RM75 Perlindungan Tenang Voucher (PTV) Programme. Under the programme, about 8.4 million eligible BPR/BKM recipients from the household, single and senior citizen categories are entitled to purchase a Perlindungan Tenang protection plan from participating licensed insurers and takaful operators in the country. As of end-December 2021, over 1.7 million vouchers worth over RM85.4 million were redeemed by the BPR recipients under the RM50 PTV.

The encouraging take-up rate of the PTV programme by the BPR/BKM recipients bodes well with the industry’s financial inclusion agenda as the PTV programme is indeed the best

opportunity for the BPR and BKM recipients to introduce financial planning in their families. The waiver of stamp duty for the purchase of Perlindungan Tenang products until the year 2025, in the long run will encourage more recipients to continue with their protection plans to ensure that their family and loved ones are protected against key risks in life.

The introduction of PTV programme to the lower-income groups are expected to support the demand for life insurance policies that will help drive the adoption of life insurance in the country.”

Meanwhile, LIAM CEO, Mark O’Dell said the industry foresees the positive trends will continue in 2022.

“The industry will continue to engage proactively with our key stakeholders and embark on our on-going consumer education programmes to generate awareness on the importance of life insurance protection. We will continue to educate the consumers on medical and health insurance and how it can save their lives, factors that could lead to changes on premiums, how to maintain the sustainability of their medical policies and their role as responsible consumers.

We hope more Malaysians will benefit from the various relief measures and financial assistance programme implemented by the life insurance industry to ease the financial pressures on the rakyat and at the same time ensure that they are continuously covered with insurance protection,” O’Dell explained.

Since the COVID-19 pandemic started in early 2020, various relief measures were implemented to help the rakyat cope with the financial, mental and social impact of the pandemic. These include:

- i. the deferment of 3-month premium payment which had benefitted over 1.2 million policyholders with a total deferred value amounting to over RM3.7 billion;
- ii. the RM10 million COVID-19 Test Fund in support of the Government to conduct more tests on Malaysians. The CTF had benefitted 60,000 policyholders.
- iii. Individual life insurers’ relief measures to help policyholders to keep their policies in force;
- iv. Cash relief assistance and hospital benefits to assist policyholders and their family members who were positive COVID-19;
- v. Cash benefits for side effects of COVID-19 Vaccine under the National COVID-19 Immunisation Programme; and
- vi. the Flood Relief measures to aid victims of the floods catastrophe which hit the country on 18 December last year.

“The Government’s successful roll-out of the COVID-19 Vaccination Programme, the subsequent roll-out of booster shots to increase the immunity levels of the population against new COVID-19 variants and the reopening of the economic sectors in the later part of the year have paved the way for the National Recovery Plan and the transition to an endemic phase. All these factors augur well for the industry, and we will continue to remain focused on working with regulatory authorities and stakeholders to develop a progressive industry to better serve the nation’s needs”, O’Dell added.

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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