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**Insurance premiums maintained for current ILP policyholders - LIAM**

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Chief executive officer Mark O'Dell. Pic: Halrul

KUALA LUMPUR, June 11 (Bernama) -- Insurance premiums will not be going up for current investment-linked product (ILP) policyholders following the implementation of new guidelines for ILPs by Bank Negara Malaysia (BNM) on July 1, 2019, says Life Insurance Association of Malaysia (LIAM).

Chief executive officer Mark O'Dell said the premiums for ILPs bought before the guidelines come into effect should sustain the policy for the full contract term.

"Nothing changes after the guidelines are in effect," he told Bernama in an interview recently, quashing the misleading information by insurance agents who claimed that the premiums would be going up following the introduction of new guidelines.

BNM issued the Policy Document on Investment-linked Business in January this year, with the primary objective of protecting the interest of consumers.

The document introduced several key initiatives, including the minimum standard of sustainability tests and minimum allocation rate to protect the account values of ILP policy/certificate owners.

The disclosure of the sustainability of coverage aim to improve transparency at the point of sale and ensure that consumers are provided with sufficient and timely information to facilitate active management of their ILP policies.

"Starting from Jan 1, 2020, you will receive an annual statement telling you the length of your coverage based on your current premium. If you find you need a longer coverage, you can voluntarily increase your premium payment," said O'Dell.

He noted that it was important to differentiate between policies bought before July 1 and new policies purchased after the date, as insurance companies would quote premiums for the entire contract term as required by the central bank.

O'Dell said existing owners of ILP policies and consumers who intend to purchase the policies before July 1 should check the terms of the contract and be aware of the length of their coverage, based on their current premiums.

"They should contact their insurer or takaful operator for further clarification, if necessary," he added.

O'Dell pointed out that ILPs were introduced in Malaysia in 1999, and has become the leader in terms of market share of life insurance products.

The ILP constituted 45.1 per cent and 52.9 per cent of new business premiums and in-force premiums respectively in 2018.

Meanwhile, O'Dell said Malaysia's insurance industry has a lot of room for expansion in line with the country's economic growth.

"As insurers come up with more sophisticated products to meet consumers' needs, we are confident that it will help move the needle over time," he added.

He said the low premium insurance scheme, Perlindungan Tenang, was a huge step in promoting financial inclusion to serve the diverse needs of the society, particularly the B40 household segment.

To date, about 37,600 policyholders have signed up for life insurance products offered under the Perlindungan Tenang initiative, with a total sum assured of RM714.29 million.

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