

HOME / **MONEY**

## Life insurance industry grows 14.19pc in 2019

Monday, 16 Mar 2020 12:08 PM MYT

KUALA LUMPUR, March 16 — The life insurance industry registered a 14.19 per cent increase in new business total premiums to RM11.8 billion last year as compared with RM10.3 billion in 2018, driven by an increase in awareness among consumers on the importance of life insurance protection.

In a statement, the Life Insurance Association of Malaysia (LIAM) said traditional business, investment-linked and group business also recorded strong growth at 30.12 per cent, 11.05 per cent and 10.79 per cent, respectively.

New policies issued in 2019 recorded an increase of 6.22 per cent to 1,315,233 policies from 1,238,249 policies in 2018, with investment-linked policies continuing to be a popular product in 2019.

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

“The average sum assured for the 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,” LIAM said.

LIAM president Loh Guat Lan said this level of protection, however, 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 five years, in the event of a loss of the breadwinner,” she said.

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