

## Premiums won't go up for current ILP policyholders: LIAM

BERNAMA / 11 JUN 2019 / 20:56 H.



**KUALA LUMPUR:** 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).

... CEO 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.