

## ‘One in three working Malaysians still not personally protected’ – Zurich Malaysia

- *Misconception and lack of information and understanding are prevalent, causing almost half the working adults to not set aside any money for protection*

Creating a brighter future and being able to embrace life is the dream of all. Being resilient with financial buffers provided by insurance and takaful is one way to achieve this.

It is thus a concern that 30% of working Malaysians in the prime financial planning age have no form of personal protection. Compounding this is that 16% of them said they have no plans whatsoever to set aside any money for insurance or takaful.

This is despite 75% of Malaysians not being able to raise RM1,000 in an emergency, according to Bank Negara Malaysia, and 6.62 million EPF members aged under 55 having savings of less than RM10,000.

Diving deeper into the reasons behind the inaction in obtaining personal protection, the overarching theme is misconception as well as lack of information and understanding.

- **Misconception**  
The thinking that it is sufficient when there is protection provided by employer (21%) and that insurance or takaful is not necessary (14%) point to misconception among these respondents aged 25 to 40. The bad perception about insurance/takaful (9%) also does not help to convince them to invest for their future.
- **Lack of information and understanding**  
Despite the numerous initiatives by insurers and takaful operators, Malaysians indicated they still do not have enough information on insurance and takaful (22%). Although not necessarily the cause, this could have contributed to a lack of understanding (18%) on the purpose and benefit of insurance and takaful.

These findings were part of Zurich Malaysia’s survey commissioned in late 2021 titled ‘Impact of Pandemic on Protection’ involving 1,201 respondents nationwide. This group of 25 to 40 year old working adults make up 41% (491 respondents) of the total sample size, and 30% of this group stated that they do not have protection.

The findings highlight the important role that life insurance agents and takaful advisors play in ensuring understanding among the public. This is critical to increasing the insurance and takaful penetration rate and reducing the protection gap towards a sustainable way of life.



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