

Title : Equitable Access to Financial, Life Insurance for B40 and Migrant Workers
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Equitable access to financial, life insurance for B40 and migrant workers



By Ayisy Yusof - August 11, 2021 @ 10:04am



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KUALA LUMPUR: Malaysia's underserved communities, particularly the bottom 40 (B40) segment and migrant workers, should be given equitable access to financial and life insurance protection, especially in the current ongoing health and economic crises.

MCIS Insurance Bhd (MCIS Life) chief executive officer Prasheem Seebran said Malaysia's life insurance penetration rate has been hovering at about 54 per cent for the past five years, with over half of the country's population still without life insurance coverage.

"We believe everyone, especially migrant workers, should have access to life insurance.

Migrant workers play a significant role in driving the country's economic growth.

"It is important to ensure this segment of the population, which works alongside Malaysians, has equitable access to financial protection during uncertain times," he told the New Straits Times (NST) recently.

Prasheem said MCIS Life is working towards penetrating the segment in Malaysia which had been largely under-served. "The migrant workforce and the B40 income group need financial protection and life insurance as much as the rest of the population.

"Our current target market also includes the lower part of the middle 40 per cent (M40) group," he added.

According to Prasheem, the low insurance penetration rate among the B40 segment is a critical issue, as the prospects are primarily people who are highly vulnerable to financial shocks due to their low levels of savings.

"We also include millennials in our focus, a largely untapped market within the industry," he said.

According to the Life Insurance Association of Malaysia (LIAM), only four per cent of households in the lower-income group had some form of life insurance coverage.

Recently, MCIS Life teamed up with Merchantrade Asia to offer an affordable life insurance protection plan - Merchantrade Insure Life - open to all Malaysians, especially the B40 segment and the migrant workforce.

Prasheem said the new plan is timely given the Covid-19 pandemic and lack of accessibility to affordable life insurance.

Merchantrade Insure Life is underwritten by MCIS Life and supports the Tenang Coverage/Protection Voucher Programme.

The plan addresses this divide by offering affordability and an easy to understand application and claims process.

Merchantrade Asia founder and managing director Ramasamy Veeran said migrant workers were undeniably integral to Malaysia's economy.

"With the large numbers of migrants earning a living in the country, providing adequate insurance protection to these segments is a key aspect of our shared success, and everyone deserves to have access and that peace of mind and financial protection for their families," he told NST.

Ramasamy said Malaysia is the host to expatriates and migrant workers from at least 10 countries working in construction, agriculture, manufacturing and services sectors.

"Merchantrade serves a significant share of this population through its remittance and mobile services. However, we know that life insurance take-up by the migrant workers is still relatively low," he said, adding due to low financial literacy, accessibility, trust, lack of awareness and the appreciation of its benefits and the wrong medium or language of communication.

"Collaborating with MCIS Life allowed us to design Merchantrade Insure Life to be simple, affordable and accessible for our customers and empower them, provide them with an understanding of the benefits and risks of using financial services."

It also ensures subscribers be aware of their rights and responsibilities as financial consumers.

Prasheem said MCIS Life has to date paid out three claims that amounted to RM16,000 to the beneficiaries in a foreign country, which was processed within five working days.

According to the Malaysian Employers Federation, there are about 2.3 million documented migrant workers in Malaysia, accounting for about seven per cent of the country's 32.7 million population.

"Documented migrant workers are generally covered by mandatory healthcare insurance or Skim Perlindungan Insurans Kesihatan Pekerja Asing (SPIKPA) and personal accident insurance under the Social Security Organisation (Socso).

He said the Merchantrade Insure Life plan underwritten by MCIS Life is the only plan in Malaysia that currently offers access to all Malaysians, particularly the B40 and the migrant workforce, at an affordable protection plan from as low as possible RM1 a month.

"Our monthly policy allows for flexible commitment. Individuals can select the plan with the coverage of choice at a premium based on their needs.

Ramasamy said insurance provision and basic financial products must be innovative to foster better financial inclusion among the migrants and lower-income segments.

"While offering the right product and being priced affordably is important to encourage adoption, so is the method of delivery of the products, to be accessible where customers can get to them easily," he said.

"We believe this partnership is the best approach to promote insurance protection to the underserved segments.

"This collaboration offers an easier access to very affordable life insurance protection to not only to the migrant worker segment but to all Malaysians, especially the lower-income group and is available at all of Merchantrade's 98 branches nationwide as well as digitally through the Merchantrade Money e-wallet app," he added.

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INSURANCE COVERAGE

PROTECTION FOR B40, MIGRANT GROUPS

Merchantrade Insure Life plan is available from as low as RM1 monthly

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MALAYSIA'S under-served communities, particularly the Bottom 40 (B40) households and migrant workers, should be given equitable access to financial and life insurance protection.

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"We believe that everyone, especially migrant workers, should have access to life insurance. Migrant workers play a significant role in driving the country's economic growth.

"It is important to ensure this segment of the population, which works alongside Malaysians, has equitable access to financial protection during uncertain times," he told the *New Straits Times* recently.

Prasheem said MCIS Life aimed to penetrate and cater to this largely under-served segment.

"The migrant workforce and the B40 income group need financial protection and life insurance as much as the rest of the population.

"Our current target market also

includes the lower part of the Middle 40 (M40) household group."

According to Prasheem, the low insurance penetration rate in the B40 segment needed to be resolved swiftly as they were highly vulnerable to financial shocks due to their low levels of savings.

According to the Life Insurance Association of Malaysia (LIAM), only four per cent of households in the lower-income group had some form of life insurance coverage.

Recently, MCIS Life teamed up with Merchantrade Asia to offer an affordable life insurance protection plan — Merchantrade Insure Life — that was open to all Malaysians as well as the migrant workforce.

Prasheem said the new plan was timely given the Covid-19 pandemic and lack of access to affordable life insurance.

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"Merchantrade serves a significant share of this population through its remittance and mobile services. However, we know that life insurance take-up by the migrant workers is still relatively low," he said, adding that this was mainly due to low financial literacy, accessibility, trust, lack of awareness and the appreciation of its benefits, and the wrong medium or language of communication.

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