

FOR IMMEDIATE RELEASE

Insurance and Takaful Industry Commits to Private and Public Partnership to Manage the COVID-19 Pandemic

Kuala Lumpur, Sunday, 17 January 2021 – The insurance and takaful industry is fully supportive of the Government's call on private and public partnership to manage the increasing cases of COVID-19 patients.

Generally, pandemic-related risks are not covered under any insurance and takaful plans worldwide. The exclusion stems from the difficulty in pricing for coverage relating to an event like a pandemic that may occur once in a lifetime, having an incalculable impact and cost. COVID-19 is a pandemic hence it is not insured/covered under Medical and Health insurance/takaful benefits.

Nevertheless, in response to the nation's immediate need in the early stage of the pandemic in 2020, majority of life insurers and takaful operators have provided supplementary benefits such as daily hospital income to be paid to the affected policyholders/certificate holders.

Efforts were also swiftly galvanised by the industry to put in place various relief measures to help policyholders/certificate holders cope with the financial impact of the pandemic. Among others, this included the deferment of policy premiums/takaful contributions that have benefitted over 1 million policyholders/certificate holders with premium/contributions valued over RM1.6 billion. A RM8 million COVID-19 Testing Fund (CTF) was set up in March 2020 to enable MHI policyholders to undergo testing for COVID-19. In addition to industry-wide efforts, individual ITOs have also rolled out various schemes to aid policyholders/certificate holders.

The industry is currently working with the Ministry of Health and Bank Negara Malaysia to explore avenues where insurers/takaful operators can ease some of the expenses

of patients whose conditions are required to be treated in private hospitals under the present circumstances.

The industry is supportive of protecting the policyholders'/certificate holders' interests and contributing to the success of the private and public partnership in winning the battle against COVID-19 pandemic.

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ABOUT LIFE INSURANCE ASSOCIATION OF MALAYSIA (LIAM)

LIAM is a trade association registered under the Societies Act 1966. LIAM has a total of 16 members, of which 14 are life insurance companies and 2 life reinsurance companies. More information on LIAM can be obtained at www.liam.org.my.

ABOUT PERSATUAN INSURANS AM MALAYSIA (PIAM)

PIAM is the national trade association of all licensed direct and reinsurance companies for general insurance in Malaysia. Currently, PIAM has 26 member companies. More information on PIAM can be obtained from its website: www.piam.org.my.

ABOUT MALAYSIAN TAKAFUL ASSOCIATION (MTA)

MTA is a trade association for the Takaful industry in Malaysia. MTA has a total of 18 members and is dedicated in promoting the interest of its members and to supervise the exercise of self-regulation within the Takaful industry. More information on MTA can be obtained at www.malaysiantakaful.com.my.