

# Changing the Face of Insurance in Malaysia

## An under-utilised lifeline

In an uncertain world, adequate personal insurance protection can be a vital lifeline. Unfortunately, over half of Malaysia's population remain un-insured and among the insured, a sizeable number are under-insured. Furthermore, many of the current personal insurance policies held by individuals, are provided by their employers and cease when the employee exits the employment or retires, at a time when it is needed most. Less than five percent of B40 households have any form of personal insurance or takaful coverage.

The three crucial personal insurance are Medical, Life and Personal Accident (PA), and every Malaysian resident should have this.

Medical treatment at government hospitals is either free or reasonably priced. However, depending on the medical situation, there are instances when treatments that require immediate or urgent attention are better served at private hospitals. In such instances, Medical Insurance can cover the whole or a part of the medical expenses incurred at private medical facilities.

Life Insurance can ensure the financial needs of loved ones are planned for and available during an emotionally difficult time on the demise or permanent disability of the insured person due to natural causes.

Personal Accident (PA) Insurance provides cash assistance upon hospitalisation due to accidents, and also provides further cash compensation to the insured or beneficiary, in the unfortunate event of death or permanent disability of the insured, in the accident. Accidents are unpredictable, and having PA Insurance will help secure the future for the insured's family.

It is obvious that insurance, whether Medical, Life or Personal Accident, provides both financial security and peace of mind in the face of unforeseen medical and other unexpected and unfortunate situations.

The cost of insurance premiums is normally cited as one of the major reasons for the low insurance adaption in the country. However, the knowledge and understanding of the importance of insurance; the benefits to oneself and family; how insurance protects and safeguards the welfare and wellbeing of loved ones, in the unexpected loss of a life, especially the life of the breadwinner in the family; far outweigh the cost implications, in contributing towards the low insurance adaption. For the cost of a packet of cigarettes, a movie ticket, a latte etc, one can obtain valuable insurance protection. However as human beings, preference is normally for tangible items that provide immediate gratification, against spending on something where the benefit is uncertain.

While Medical, Life and Personal Accident insurance cannot be mandated by law in the manner of vehicle insurance, the lack of protection for vulnerable Malaysians begs for innovative policies, new ways of distribution, and above all, affordability.

\* Reference:

<https://www.nst.com.my/news/nation/2020/09/623238/liam-urges-malaysians-get-life-insurance-coverage>



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www.axxess.com.my

## **Funding the nation's protection**

As healthcare cost in Malaysia continues its steady march upward, AXXESS aims to level the healthcare playing field, and bring assurance to the un-insured and the under-insured.

For many low and middle-income earners, the additional monthly expenditure on insurance premiums is an obvious deterrent. Some, already burdened by monthly expenses for housing, cars, groceries and education, will balk at yet another regular cash outlay. Others, cognisant of the benefits but wary of the long-term commitment of insurance premiums, will continue to defer their decision to purchase.

Understanding this, AXXESS makes insurance accessible to those who would otherwise be unable to benefit from it. Its innovatory Insurance Benefits Programmes, for example, leverage on the regular spending habits of individuals, to provide private healthcare and other insurance benefits, at no additional cost to these individuals. It also provides the opportunity for individuals to reduce, if not pay in full, their motor and other insurance premiums. All this is made possible through specifically designed programmes utilising loyalty and reward points earned from participating Partners.

By democratising insurance for all Malaysians, AXXESS also offers insurers the opportunity to access previously untapped market segments, and brings to merchants the opportunity to enhance their own value propositions.

## **Innovative marketing opportunities**

AXXESS is paving the way for insurers to reach new, underserved markets by constantly designing products that seek to deliver innovation and bring much-needed insurance protection to un-insured Malaysians. The opportunity for insurers to extend protection to a larger segment of the population also allows for risk to be spread more widely, which can pave the way towards providing more competitively priced insurance propositions.

AXXESS' strength lies in collaborations established with an increasing number of Partners comprising retailers, grocers, F&B outlets, hospitality brands, telcos, banks, financial service providers and petroleum distributors, for its innovative and customised insurance solutions. Insurers are encouraged to participate and leverage on these non-traditional channels to broaden their customer base and product propositions.

AXXESS is, for example, working with F&B outlets who are starting to reopen after the pandemic, and are in desperate need of diners. Customers who spend a minimum amount stipulated by the outlets, will receive Covid-19 Insurance protection for one month. This also serves to deliver a subliminal message of confidence and SOP-readiness, because if any diner does get Covid-19 within one month of dining at their restaurant, they will be offered RM1,000 cash. An additional RM5,000

cash is offered in the unfortunate death of the diner due to Covid-19 or due to an accident. Similar customised promotions by AXXESS are also being offered by hoteliers to their guests and by other stakeholders who are preparing to welcome customers as the economy slowly reopens.

AXXESS is continually liaising and exchanging ideas with its Panel of Insurers to develop more attractive and targeted insurance propositions to reach underserved and untapped segments of the population.

## **Collaborations that leverage the power of numbers**

In an increasingly competitive marketplace, AXXESS offers original opportunities that can help business owners enhance their competitive edge by providing their customers a relevant and tangible insurance benefit.

An example would be our collaboration with Petronas Dagangan Bhd, where Petronas Mesra members are rewarded for spending a minimum monthly amount at Petronas Stations, with up to RM50,000 Personal Accident insurance, and RM50.00 cash for each day they are hospitalised subsequent to an accident (up to a maximum of 30 days per accident).

Another example is a collaboration that was developed with a leading grocer, The Food Purveyor Group (TFP). Bites points earned by customers from shopping at TFP outlets such as Village Grocer and B.I.G., can be used to redeem customised Covid-19 insurance protection. Similarly, another programme is being developed with a partner, where customers spending a minimum amount every month, will be provided with an insurance benefit that entitles the insured to daily cash allowance when hospitalised subsequent to an accident, and the insured's family to FREE grocery for 3-years, in the unfortunate death or permanent disability of the insured, in an accident.

Similar programmes are currently launched with AmBank, Antah Healthcare, MyCookingStory, Purefolio and other companies.

AXXESS continues to structure innovative insurance plans that hinge on other regular spending habits such as online shopping, travel and holiday bookings, and other business scenarios.



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## **The PERKS of vehicle insurance**

PERKS by AXXESS is primarily focused on motor insurance and takaful renewals, and represents trusted insurers and takaful operators in Malaysia. PERKS also offers vehicle owners road tax renewal services, as well as advice and consultancy to help them better understand their insurance and takaful needs.

In an unceasing effort to provide valuable protection to Malaysians who may not have adequate personal insurance coverage, PERKS leverages obligatory vehicle insurance into crucial protection

for Malaysians, at no additional cost. PERKS is currently collaborating with a renowned insurance provider, to provide complimentary Personal Accident insurance worth up to RM500,000, valid for between one to 12-months, for motorists who renew their vehicle insurance with PERKS.

Ever mindful of the difficulties faced by Malaysians, AXXESS also seeks to deliver much needed financial assistance during the Covid-19 pandemic with complimentary Covid-19 insurance for anyone renewing their motor insurance with PERKS. In addition to providing RM1,000 cash in the event of hospitalisation or quarantine at MOH approved quarantine centres subsequent to Covid-19 infection, a further RM5,000 will be disbursed in the unfortunate event of a death due to Covid-19 or due to an accident.

With a profound empathy for the financial challenges brought about by the pandemic, PERKS also makes it possible for customers to pay their road tax and motor insurance in 3 equal interest-free monthly instalments. In addition, customers may also choose to reduce or pay in full, their insurance premiums, with loyalty and reward points earned from our participating partners.



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## **SIGNALing unprecedented value for smartphone users**

In 2020, about 87.6 percent of Malaysians used a smartphone, and the number is expected to increase\*\*. A majority of smartphone users subscribe to a contractual telco communication services plan. SIGNAL is another first-of-its-kind product, designed by AXXESS, due for launch in January 2022, that leverages this much-needed and highly-utilised telco service across demographics, to once again provide crucial insurance protection, at no additional cost.

AXXESS has developed a customised suite of insurance benefits in collaboration with several global insurance providers and packaged this with telecommunication services from a leading telco provider - effectively bundling two essential and valuable needs of an individual, insurance protection and telco services.

SIGNAL subscribers will receive this bundle at the cost of a standard post-paid telco plan.

SIGNAL subscribers will be provided with four key personal insurance protection policies bundled with a mobile telco post-paid plan. These are: -

1. Medical Insurance - private hospitalisation and surgical benefits, with cashless admission
2. Life Insurance – death and disability benefits
3. Personal Accident Insurance - daily cash hospital income, death and disability benefits, with 24/7 worldwide coverage, and
4. Covid-19 Insurance - cash assistance on hospitalisation (or quarantine at MOH facilities) due to Covid-19 and a further cash payment in the unfortunate death due to Covid-19. This benefit is for a limited time only.

The telco services will come with 40GB data, unlimited local calls and SMS among other benefits.

Being mindful of the adverse impact of the Covid-19 pandemic and subsequent negative impact on businesses, SIGNAL would be an excellent telecommunication plan for corporations which would maintain their existing communication costs, but with no additional expenditure, also provide Medical, Life and Personal Accident benefits to their employees. Many SMEs are not able to provide insurance benefits to their employees due to budget constraints and AXXESS through SIGNAL has removed this barrier.

\*\*Reference:

<https://www.statista.com/statistics/625418/smartphone-user-penetration-in-malaysia/>



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## Added value for ESSENTIAL items

Essentials by AXXESS is yet another first-of-its kind customised “Prepaid” programme for essential products and services, targeted for launch in February/March 2022. Essentials leverages on the regular spending habits of individuals on essential items, to provide crucial insurance benefits, in addition to reducing (if not paying in full) members mandatory motor and other insurance premiums. Essentials will initially be available for groceries, pharmaceuticals (including health & beauty products), ride-hailing, food delivery and e-commerce, working in collaboration with leading partners for each category.

Offered in the form of a mobile app, members will be required to pre-purchase vouchers (with 12-month validity) for use at partners online and in-store purchase. The entire “purchase to usage” of vouchers, is seamless and managed via the Essentials app. Minimum purchase of vouchers every month will entitle members to the following benefits;

1. 5% discount on groceries
2. Insurance protection;
  - ✓ Up to RM500,000 Personal Accident Insurance
  - ✓ RM100 Hospital Cash Assistance, on hospitalisation due to an accident, and
  - ✓ RM30,000 Life Insurance
  - ✓ Up to RM6,000 Covid-19 Insurance
3. Rebate on Motor Insurance – up to 5% of total purchase of vouchers every month

Notwithstanding the benefits above offered by Essentials for pre-purchase of vouchers, members will continue to be entitled to all discounts and reward/loyalty points offered by collaborating partners, for their customers in generals and/or members of their respective loyalty/rewards

programmes. Essentials members will as such gain substantially more benefits for the same amount spent on essential items

## **Responding to adversity**

AXXESS customised insurance solutions have been designed to ensure all Malaysian residents and legally-residing foreign nationals have adequate insurance protection with the ability and option to seek medical treatment at private medical facilities, as opposed to being solely reliant on government healthcare. In a time of crisis, this service becomes more important than ever.

When the Covid-19 pandemic hit Malaysian shores, it was clear that insurance protection was crucial, especially with regards to cash assistance for those hospitalised or quarantined with subsequent loss of income. Cognisant of this, AXXESS was the first company in Malaysia to launch a range of customised and affordable Covid-19 insurance products, in collaboration with our insurance partners, to safeguard and protect the well-being of residents.

AXXESS also added a coverage for Dengue which was ravaging our country but did not get sufficient media attention and publicity due to the ongoing Covid-19 pandemic.

## **Your Future Our Mission**

AXXESS is focused on ensuring all Malaysian residents have adequate Medical, Life and Personal Accident insurance, to safeguards the health and wellbeing of themselves and their families.

Once a sizeable segment of the population is covered with the benefits offered through our various insurance programmes in this first phase, AXXESS aims to extend critical healthcare benefits to individuals with pre-existing conditions, such as diabetes and hypertension, who are generally excluded from existing insurance programmes. Phase 3 will similarly extend Phase 1 and Phase 2 coverage to the older segment of the population once the targeted critical mass is obtained

Armed with a noble vision of transforming Malaysia from a country with one of the lowest insurance penetrations, to being among the highest, AXXESS aims to bolster insurance adoption, at no additional cost to the government or the people. AXXESS aims to offer more residents the option to seek private healthcare, thus reducing the burden and workload on government hospitals. This would enable the government to use its limited resources to vastly improve primary healthcare for its citizens and significantly reduce the waiting time for crucial treatments provided at government hospitals.

With the increased demand for private healthcare and its related services, AXXESS is hopeful that this will lead to a surge in both local and foreign direct investments in the industry that will benefit the country.

## Our panel of insurers

AXXESS currently has 12 highly-regarded insurers in our platform.



Note: Registration process ongoing for AmGen & Kurnia

## A Personal Quest

YAM Tunku Naquiyuddin ibni Almarhum Tuanku Ja'afar is the Executive Chairman of Shieldcard Holdings Sdn Bhd, the brand owner of AXXESS, and the three wholly owned subsidiaries, Perks Holdings Sdn Bhd, MySignal Marketing Sdn Bhd and MyEssentials Sdn Bhd. Tunku is steadfast in his quest to ensure every Malaysian resident has the crucial insurance protection needed, to safeguard and protect the interest and wellbeing of themselves and their families.