

A festive Chinese New Year poster for 2023. The background is a deep red with a subtle circular pattern. A large, dark red circle in the center contains a stylized orange rabbit with floral patterns, facing right. The rabbit is positioned between the numbers '20' and '23'. Above the rabbit, the text 'HAPPY CHINESE NEW YEAR' is written in a bold, orange, sans-serif font. The entire scene is framed by a gold border with traditional Chinese knotwork at the corners. Decorative elements include three blue lanterns with gold tassels and three stylized blue clouds with gold outlines, all arranged symmetrically around the central circle.

HAPPY CHINESE
NEW YEAR

20



23

NADA

PRACTITIONER

THE OFFICIAL PUBLICATION OF NATIONAL ASSOCIATION OF MALAYSIAN LIFE INSURANCE AND FAMILY TAKAFUL ADVISORS

WWW.NAMLIFA.ORG.MY



President's Message

Greetings From The President's Chair.

Time flies and here we are, ushering into the new year again.

Reflecting back since taking office in July 2022, we have completed some essential activities and have begun anew some initiatives.

Since concluding the National Akard Awards Celebration in October, NAMLIFA Branches had successfully organised the nationwide Akard Awards Celebrations at various Branches respectively. I wish to congratulate National Akard Chairman Mr Maniraja and every Branch Organising Chairman for the splendid events organised nationwide. Updating you with pleasure that for the first time in history, NAMLIFA organised APFinSA Awards for local awardees on a small scale and we are looking forward to further promote this Award aggressively in 2023.

At the education front, NAMLIFA is ready to be part of BNM's initiative in further Professionalising the agency force through the LP 101 module that was highly recommended as an option to other education programs under the Exposure Draft that would be announced anytime soon. Meanwhile, we too have successfully brought in APFinSA's FChFP program and have sealed an MOU with Kaplan, an international education provider, to manage and conduct the program in Malaysia. We hope that you capitalise on our education programs to further your competency in the business.

Dear friends, pertaining to BNM's initiatives to introduce new measures that are intended for professionalism upliftment amongst the Agency Force, NAMLIFA has had several rounds of discussions and provided feedbacks to both the Authority and other stakeholders such as LIAM and MTA pertaining to issues that are crucial to the Agency system. We await BNM's announcement on this exposure draft.

Every new year reminds us of our natural ageing process and so does a 45 years old NAMLIFA. It's time to rejuvenate and recalibrate NAMLIFA's vitality by way of bringing in young agents into our fold. Hence, the initiative to form a Branch Youth Chapter and the year 2023 is the best time to begin with. I urge each member to introduce NAMLIFA to the younger generation who will inherit the glory of this Association.

As we march into the new year ahead, the National Council will continue performing our solemn duty in upholding the importance of the agency system and be a reckoning voice of the agency force. Please stay tuned to our latest announcements from time to time.

Lastly, I wish you a Pleasant & Prosperous New Year. May the year of Rabbit be a joyful and fruitful year for each and everyone of us. Thank you and best regards.

G. Saseedaran
PRESIDENT



Secretary General's Message

Seasons Greetings and Happy New Year 2023 to all of you. I also take this opportunity to wish all Tamils a Happy Pongal which falls on 15th January 2023 and to all our Chinese members GONG XI FA CAI which will be a one month celebration from the 22nd January 2023.

Whilst we celebrate all these eventful occasions with our loved ones we must ensure that we allocate time to do our sales, marketing and recruiting which is what that will decide our financial standing, personal development and family togetherness. " So let us See People See More People, See More and More People ".

Whilst we strive for our career development let us not forget NAMLIFA that stands behind us to ensure that our business is well protected and creates a sense of belonging to the life insurance fraternity.

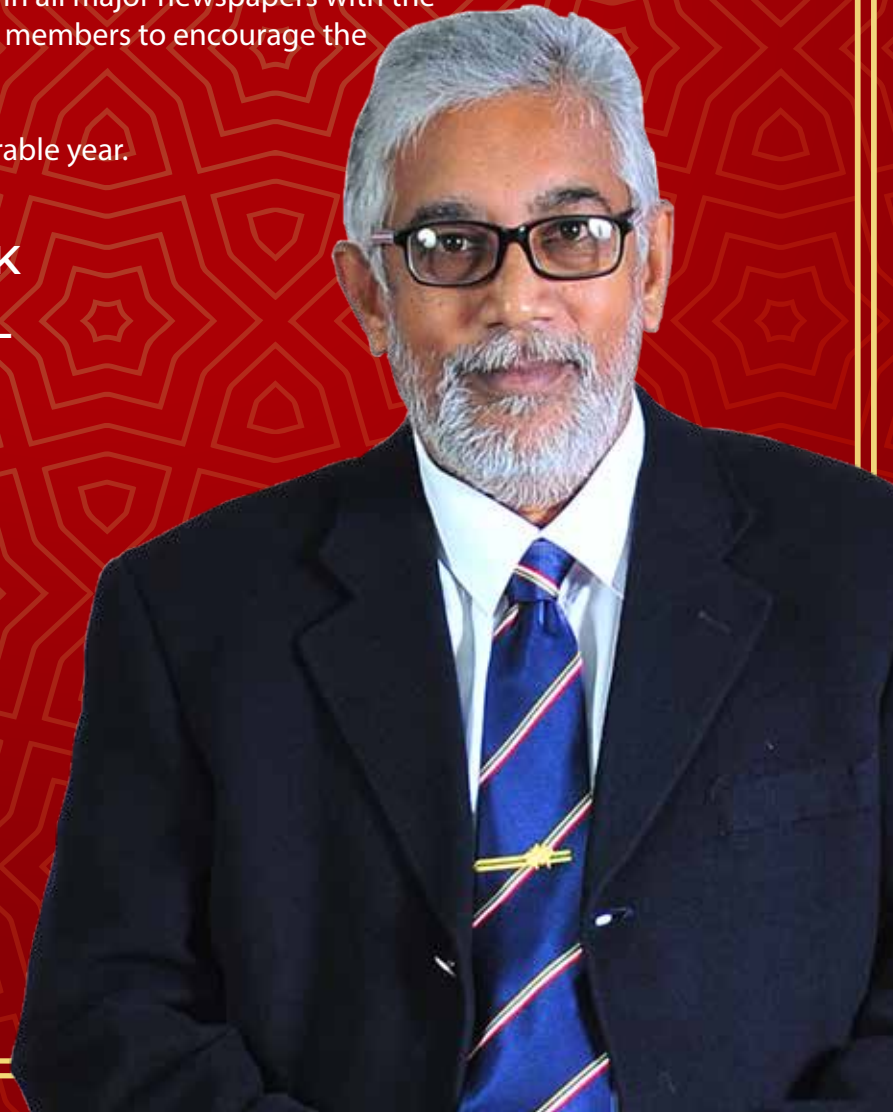
Let us, engage ourselves in 2023 by practicing and formulating EMGAM i.e Every member Get Another Member. By doing so we will double our membership in NAMLIFA.

As your Secretary General together with the President and Council Members, all Branch Chairmen and Committee members, we will ensure that we will do our very best to make NAMLIFA a great organization representing all members to strive towards greater heights in 2023.

To begin the year NAMLIFA will be advertising in all major newspapers with the tag line " Get Your Best Advice " from NAMLIFA members to encourage the public to buy insurance from all of us.

Let us together make 2023 a great and memorable year.

K. Sathiaselvan PJK
SECRETARY GENERAL



Editor's Message

Happy New Year & "Gong Xi Fatt Chai" NAMLIFA Members.

Let me begin by thanking our President and Secretary General for their messages in this first edition for 2023. They have both summarized very well on what took place in the last Quarter of 2022. It was a very hectic but exciting time of the year for NAMLIFA indeed.

We appreciate the list of activities done and photos contributed by the branches for their respective activities done at branch level. The photos paint a thousand words and am sure our members enjoy viewing them.

I am also thankful for the good and relevant articles contributed by En Zainol Talib, our Past Presidents Mr K. Karunamoorthy and Mr S.K. Samy. It definitely adds value to our eNADA content and publication.

In coming editions, we hope that additional articles can be contributed by members to benefit our eNADA readers. It will increase the awareness of the subjects written on as well as keeps the members abreast with the latest development in and out of the industry.

Lastly, I would like to take this opportunity to wish all our celebrating members a very happy and prosperous Chinese New Year.

Celebrate safely with loves ones. Thank you and take care.

T. Prakash Paul Naidu

ASSIST.SECRETARY GENERAL



National Council Members



G.Saseedaran
President



Major Leow Nan Chung
Deputy President



Krishnan Appanu
1st Vice President



Mani Raja Chandran
2nd Vice President



Sathiaselvan P.Kuppusamy
Secretary General



Teeru Prakash Naidu
Assist.Secretary General



Nelson Tan Chor Heng
Treasurer General



Chew Siew Lay
Assist. Treasurer General



DR. Alan Tan Tek Tai
Council Member No.1



Ong Joo Lee
Council Member No.2



Periyasamy Chinnappaian
Council Member No.3



Karem Husin
Council Member No.4



Wooi Yu Thong
Council Member No.5



S.K.Samy
FLPC Chairman



A.M.Naidu
Immediate Past President

National Activity

SEPTEMBER

1.9.2022

NTAC Meeting Virtual

1.9.2022

Leadership Camp Meeting
(Virtual)

2.9.2022

Membership System Meeting
(Virtual)

3.9.2022

Exco Meeting (Virtual)

6.9.2022

Meeting With Central AKARD
(Virtual)

8.9.2022

Staff Meeting: Membership

12.9.2022

Blood Donation Launch
Ceremony at Medan Mara KL

13.9.2022

Graduation Organizing
Meeting Staff

15.9.2022

40th Anniversary Dinner AIA
Fam Persatuan Hokkien
Klang

15.9.2022

ManLIFPS Meeting (Virtual)

15.9.2022

AIA CEO Visit with Ben Ng

SEPTEMBER



19.9.2022

Tokio Marine CEO Visit with
Toi See Jong

21.9.2022

2nd CSSB Meeting

22.9.2022

PRULIA QL Conference with
9 staff at Setia City
Convention Centre, Shah
Alam

23.9.2022

NTAC Meeting at NAMLIFA
Boardroom

26.9.2022

MCIS CEO visits with
Prasheem

27.9.2022

25th National Council Meeting
No.3 at Hatten Hotel, Melaka

27.9.2022

NC Leadership Camp at
Hatten Hotel, Melaka

30.9.2022

Website Meeting

National Activity

OCTOBER

6.10.2022

NTAC Meeting (Virtual)
CEO visit to Etiqa Life
Insurance

7.10.2022

FLPC Graduation day visit at
WTC Kuala Lumpur

11.10.2022

Gilbraltar BSN CEO visit with
Lee Kok Wah

12.10.2022

Allianz CEO visit the Charles
Ong

12.10.2022

AmMetLife Insurance CEO
visit with Lee Jiau Jiunn

19.10.2022

25th National Council Meeting
No.4 at NAMLIFA Boardroom

20.10.2022

ManLIFPS Meeting (Virtual)

20.10.2022

QBE Meeting at NAMLIFA
Boardroom

26.10.2022

NTAC rehearsal at IEG
Campus

27.10.2022

National Takaful Convention
2022 (NTAC) at IEG Campus



NOVEMBER

3.11.2022

APfinSA Meeting (Virtual)

4.11.2022

Food testing at
Intercontinental Hotel

8.11.2022

AKARD & Branch Meeting
(Virtual)

10.11.2022

19th AKARD Award Top 120
at Intercontinental

11.11.2022

Great Eastern CEO visit with
Dato Koh Yaw Hui

11.11.2022

National AKARD Summit at
IEG Campus

16.11.2022

FCHFP of MoU meeting
(Virtual)

17.11.2022

ManLIFPS Meeting

18.11.2022

BNM Disposal Draft Meeting
(Virtual)

21.11.2022

Emergency Meeting of BNM
Professionalism (Virtual)

22.11.2022

FLPC Meeting & Post Mortem

21.11.2022

NTAC Meeting

24.11.2022

25th National Council Meeting
No.5 at NAMLIFA Boardroom

30.11.2022

LIAM Sabah Liaison Meeting
Committee Meeting (Virtual)

National Activity

DECEMBER

2.12.2022

Hong Leong CEO visit with
Ms. Loh Guat Lan

6.12.2022

Disciplinary Committee
Meeting

8.12.2022

ManLIFPS Meeting (Virtual)

10.12.2022

NAMLIFA MoU with KAPLAN
at Intercontinental Hotel

10.12.2022

APfinSA Award at
Intercontinental Hotel

11.12.2022

LIAM Sarawak Liaison
Committee Meeting (Virtual)

13.12.2022

Prudential CEO with Lim Eng
Seong

16.12.2022

MTA Fellowship Dinner at
Royal Lake Club

20.12.2022

Meeting with KAPLAN

22.12.2022

NTAC 22 Appreciation Dinner
at Mines beach Resort Seri
Kembangan

24.12.2022

Agency Goal Setting 2023 at
Hotel Excelsior, Ipoh

27.12.2022

2nd Exco Meeting (Virtual)

Branch Activity

JOHOR

17.10.2022

Charity giving ang
pau & groceries
(Deepavali)
Johor Bharu

10.11.2022

Mandarin & Tamil Tea
Talk
Trove Hotel Johor
Bharu

20.11.2022

2nd Blood Donation
Segamat

25.11.2022

19th AKARD Award
2022
Grand Seaview Batu
Pahat

SABAH

24.10.2022

Blood Donation
Total 81 donor Per
147
Suria Sabah

30.11.2022

19th AKARD Award
2022
Portview Palace Hotel

SIBU

22.10.2022

Blood Donation
Campaign
Total Blood Packs -
98
Wisma UCA,Sibu

30.10.2022

Donation given to
Pertubuhan Parkison
Sibu

18.11.2022

19th AKARD Award
2022
Kingwood Hotel

9.12.2022

Christmas gathering
with NAMLIFA
Members
Wonderfood
Restaurant

10.12.2022

Christmas Charity
Party
KFC,Delta Mall,Sibu

PERAK

22.10.2022

Blood Donation
Total Blood Pack - 71
Total Register - 82
AEON, Kinta City
Mall

18.11.2022

19th AKARD Award
2022
Riverfront Hotel

KUCHING

6.10.2022

Blood Donation
Boulevard Shopping
Mall

8.12.2022

19th AKARD Award
2022
Imperial Hotel

PAHANG

9.10.2022

Blood Donation
Total Blood Pack -
105
Total Register - 169
Kuantan City Mall

Branch Activity

NEGERI SEMBILAN

9.9.2022

Leaders Get Together
Seremban
24 PAX

5.10.2022

Diabetes Health Talk
Facebook Live
232 Audience

6.11.2022

3rd Tamil Seminar
Royale Chulan
Hotel, Seremban

1.12.2022

English Tea Talk
Auditorium Aurelius
Hospital Nilai

3.12.2022

Blood Donation
Hospital Port Dickson

15.12.2022

19th AKARD Award
2022 D'tempat
Country Club,
Sendayan

MIRI

30.9.2022

Female Cancer Talk
54 Pax
Borneo Medical
Centre, Miri

1.10.2022

LP102 Examination
Gymkhana Club
21 Pax

3.11.2022

FCLP Graduation
Potrait

29.11.2022

19th AKARD Award
2022
Meritz Hotel

KLANG

18.10.2022

TALK - LEE BAN
WAN: Takdir Anda
Zoom Meeting
64 Pax

18.10.2022

MANDARIN Tea Talk
- 7 Habit
Speaker: Lee Ban
Wan - 64 Pax

2.12.2022

19th AKARD Award
2022
Premier Hotel Klang

MELAKA

4.12.2022

19th AKARD Award
2022
Lacrista Hotel

CENTRAL REGION

7.12.2022

19th AKARD Award
2022
Berjaya Time Square

PENANG

17.11.2022

19th AKARD Award
2022
Spice Arena

Branch Activity

JOHOR BRANCH



Branch Activity

KUCHING BRANCH



MALACCA BRANCH



Branch Activity

PERAK BRANCH



PAHANG BRANCH



Branch Activity

SABAH BRANCH



SIBU BRANCH



MALAYSIA

WILLS

WEEK 2022



Is a Will necessary?

Writing a Will is not compulsory, but it is highly recommended that you have one. Read on and decide for yourself.

Having a Will allows your assets to be managed quickly through probate. Probate is basically the process of admitting the validity of the Will or making your Will official. It is a legal process where assets are passed to your heirs and people named in the Will. Usually, probate starts just after the death and funeral of the owner of the Will.

The Will is also used to appoint someone of your choice to manage and distribute your wealth according to instructions on how you wish your estate to be distributed when you are no longer around. With instructions clearly written out, potential disputes among surviving family members over individual claims can be avoided.

Death Without a Will

Similarly, a Will allows Muslims to appoint an executor of their choice to carry out the same duties. Next comes the part where most people get it wrong.

A small fact that is often overlooked is that the estate of persons professing the religion of Islam is not within the scope of laws under the Wills Act 1959. It means that the rightful heirs and distribution cannot be decided by the high court because it has to follow Islamic law.

In the context of Islamic succession, should your Will increase, reduce or take away the interests of the legal heirs established by *faraid* - the laws of inheritance - than these instructions require the agreement of each and every person concerned. Also, Islamic law does not recognise the concept of 'right by birth' where a son immediately after birth gets a right to the property. An heir does not possess any right before the death of an ancestor because the heirs' rights and interest start only after the owner's death. Any instructions in the Will that follow his demise are potentially *ultra vires* or beyond the owner's control.

The *faraid* has a structure of 14 male and 9 female potential claimants categorised as primary, secondary or substitute heirs and

The faraid law has a structure of 14 male and 9 female potential claimants categorised as primary, secondary or substitute heirs and each relative's portion of rights and interest is not diminished by a Will.

each relative's portion of rights and interest is not diminished by a Will. However, the final count of proper claimants depend entirely upon their presence or absence at the point of death.

High profile cases similar to the late founder, chairman and chief executive officer of the Naza Group of Malaysia; and former politician, diplomat and Minister of Science, Technology and Innovation that have gone before the civil and shariah courts are examples of errors and miscalculations in estate and legacy planning.

The heirs' rights and interest on your estate starts immediately upon your death, and any instructions that follow after your demise is potentially *ultra vires* or beyond your control.

What should be included in a Will?

You can have a will written to appoint guardians for minor children, select executors of wills and set up trusts for beneficiaries. In practice, two executors are ideal but, you can name a trust organisation or up to four individuals for this position.

When your Will is prepared by a trust company the executor is usually the trust organisation itself. You can either agree or appoint your own executors to replace the trust company.

Basically, a Will contains a list of your assets which are either movable or immovable and a description with details of bank account number, insurance or takaful policy number, financial institution, property address, etc. In short, whatever that you own or has your name on it.

This information is especially useful when submitting a petition for the Grant of Probate and Distribution Order.

The rest of the Will is made up of a set of instructions or testament, plus a list of assets and names to whom the assets are to be given to. This is the part where consent and agreement are required from every Muslim beneficiary before distribution is carried out, as stated above.

Nevertheless, Islamic law permits a Muslim to give away a third of his/her net wealth (assets available for distribution after the payment of funeral expenses and debts) to an individual of any race and religion or organisation in the Will. This is especially beneficial for people with non-Muslim biological parents and siblings.

You can also use other conventional and sharia-compliant instruments to give away 100 percent of your wealth to anyone.



If you don't have a Will, your assets will be classified as *harta pusaka tidak berwasiat* or *intestate*.

What should you know?

If you already have a Will, the Grant of Probate will be issued by the civil court regardless of the value of your assets including property. The administrative procedures shall require the services of a lawyer and at times even a sharia lawyer for Muslims.

If you don't have a Will, your assets will be classified as *harta pusaka tidak berwasiat* or *intestate*.

Estate Administration is the process where the court will appoint an executor - someone you might not know or even trust if you were alive - to oversee and administer your estate.

For assets valued under RM2.0 million, commonly referred to as small estate, the Letters of Administration and Distribution Order will be issued by an Estate Distribution

Officer at the Department for Division of Inheritance or Pejabat Pentadbiran Pusaka. The entire process only involves immediate family members and does not require the services of a lawyer.

Although the procedure is fairly simple, the length of time taken to obtain the distribution order depends entirely on the full cooperation and agreement of each beneficiary during the hearing of the petition. In the event of a dispute, distribution of the estate will follow the law under the Small Estates (Distribution) Act 1955 for non-Muslims and the faraid inheritance system for Muslims.

An amendment to the Small Estates (Distribution) Act 1955 was passed in January 2022 to increase the threshold of RM2.0 million to RM5.0 million for estates without a Will; and shall come into effect soon.

Having a written Will does not mean that your estate is already in good hands. Unless the appointed executor acts on it, even the best written Will will only collect dust.

Amendments and additions to the Small Estates (Distribution) Act 1955 provides for a new framework where the *harta pusaka tidak berwasiat* shall be acted upon by the Estate Distribution Officer, Public Trustee or Islamic Religious Council within six months from the occurrence of death.

Recently, the **Malaysian Institute of Estate Planners (MIEP)** launched the first ever **Malaysia Wills Week 2022**. With 30 presentations held from **1 September to 9 September 2022** MIEP also announced that Malaysia Wills Week will be held every year onwards with the next event scheduled in October 2023.

Mr. See Kok Loong, President of MIEP in his opening speech said that approximately only 28% of Malaysians have their wills documented pre-death.

He also cautioned against people who wrote their own DIY Wills where the instructions could contradict certain legal clauses and eventually render it invalid, akin to “having no Will because the courts won’t recognise it.”

“There have been instances where business partnerships fall into the hands of family members who are not familiar with the work, or minors without a guardian.”

“Families have been known to split up due to poorly written Wills,” he added.

He said that MIEP is currently working on a proposal for a one-time tax relief for creating a Will, say RM500, to be provided in the next federal budget.

“There is currently no such incentive to encourage people to have their Wills written,” he said.

This year’s Malaysia Wills Week event was sponsored by UNEEDWILL with the collaboration of Kumpulan Wang Simpanan Pekerja (KWSP), Pertubuhan Keselamatan Sosial (PERKESO), Jabatan Ketua Pengarah Tanah dan Galian (JKPTG) and Amanah Raya Berhad (ARB).

ZAINOL TALIB is a regular contributor and a Business Associate with Wasiyyah Family Office. He is a member of the Malaysian Financial Planning Council (MFPC) and Malaysian Institute of Estate Planners (MIEP). Contact zainoltalibconsultancy@gmail.com



“Families have been known to split up due to poorly written Wills”

Nada Practitioner www.namlifa.org.my



WORLD
FINANCIAL
PLANNING
DAY

HOSTED BY FPSB
SUPPORTED BY
FPAM

Each year, the global financial planning profession comes together for World Financial Planning Day to help raise awareness of the value of financial planning.

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According to a consumer satisfaction survey in 2015 by the Japan Association for Financial Planners (JAFP), the most popular consultation topics among clients were: life planning 56%, financial asset planning 54% and risk management 31%.

Another survey by the American Certified Financial Planners (CFP) Board in 2020 found that 94% of CFPs agree that clients with a financial plan are more likely to make progress towards their goals, even during uncertain times.

A personal financial plan is like a blueprint that you use to organise your money to ensure economic stability throughout your life. And the best part about personal financial planning is that it doesn't have to be complicated.

However, in all your planning, where does insurance and takaful fit in?

Takaful in Financial Planning

What's the one event that can instantly mean you won't accomplish your family's financial goals?

It's your untimely death or disability.

It's the one risk that immediately puts a stop to your retirement, your children's college funding, your family home ownership, and any other plans you may have made for your family.

A financial plan without life and medical insurance/takaful is like having no financial plan at all.

A financial plan without life and medical insurance/takaful is like having no financial plan at all.

If anyone is relying on your income and would be unable to pay their bills without your support, you need to have life insurance or takaful to mitigate the sudden loss of income. That means parents with children, working adults who are supporting their parents and those with non-working spouse as well.

In order to protect your family from any form of financial stress in your absence, insurance/takaful works as your family's safety net.

According to BNM's 2019 Report of the working population, those aged 20 to 59 years old and most likely to be in employment and have dependents, the insurance/takaful penetration rate is 38.9% and 15.5%, respectively. Malaysian Takaful Association puts it at 39.3% and 16.9% for year 2020.

In urban areas such as Kuala Lumpur, 88% of non-B40 have insurance and takaful coverage, compared to 30% among the B40. The other common problem is underinsurance. Even those who have insurance/takaful are grossly underinsured.

The Report stated that B40 households are highly vulnerable as they often have low levels of savings. When death or illness occurs, the household not only loses its source of income, but also lacks the funds to pay for the unexpected expense. A terrible irony is that often those who have significant insurance/takaful needs are those least able to afford the monthly premiums to adequately insure their lives. These are the people you know and have talked to but refuse to sign up for a policy.

A concept called 'life insurance ladder' can help you buy an insurance/takaful policy that adapts to your changing financial situations.

If your budget is tight month to month, and you're working to pay off debt and survive on a limited income, you may end up taking a smaller life insurance or family takaful policy than your circumstances require. And when the coverage is not sufficient, the whole purpose of having insurance/takaful stands defeated. But there is another way.

Financial risks often decline over time. So, if you require a large policy in your life now, the amount of insurance/takaful you need will be

The diagram illustrates an 'Insurance Ladder Strategy' comparing a multi-policy approach with a single whole life policy. On the left, a vertical scale indicates 'RM 1,000,000 coverage'. The multi-policy approach consists of three horizontal bars: a yellow bar for 'RM200,000' (10 yrs, 'STUDENT CRISIS - CRISIS AND NOW PURCHASE COVER'), a blue bar for 'RM500,000' (20 yrs, 'LUMP SUM PAYOUT BEFORE RETIREMENT'), and a green bar for 'RM300,000' (30 yrs, 'CRITICAL ILLNESS COVERAGE'). A large 'VS' is placed between the two strategies. The single policy approach is represented by a single light blue bar for 'RM1,000,000' (30 yrs, 'WHOLE LIFE POLICY'). The ZC logo is in the bottom right corner.

Policy Type	Coverage Amount	Term / Feature
Student Crisis	RM200,000	10 yrs
Lump Sum Payout	RM500,000	20 yrs
Critical Illness	RM300,000	30 yrs
Whole Life Policy	RM1,000,000	30 yrs

In a life insurance ladder, you have a policy for each major financial obligation, with different coverage end points so that you are paying for coverage only until it is no longer needed. This also typically reduces the total amount of premium you pay.

Everyone's financial plan is different, and few plans stay

In a ladder, you have multiple policies that expire in different years as your money needs reduce in later years. In some cases, this is better than buying one large life insurance/family takaful policy that tries to match the time frame of your longest debt. Laddering

Here are examples of debts and financial needs that fluctuate during your life:

- Most people have a legitimate need for a life insurance/takaful policy, but exactly

what kind depends on the family situation. Insurance and takaful advisors who have already established a trusted relationship with their clients are in a unique position to answer these questions as part of the client's wealth protection and legacy planning process.

One typical reason for life insurance/takaful is when one spouse is making more money than the other and wants to ensure an unchanged living standard for the other partner. That could mean having enough insurance/takaful to cover the house rent and education expenses for the children. It could also mean providing a lump sum to supplement the spouse's smaller salary until retirement and beyond. Having grown children with disabilities is another case in which life insurance/takaful can save the day.

The Financial Planning Association of Malaysia (FPAM) recently organised a series of events to mark World Financial Planning Day for the public from 31 August to 5 October 2022.

Among the topics were:-

- a. Financial Planning for Fresh Graduates
- b. Estate Planning for Families with Young Children
- c. Spotting a Scam and What To Do
- d. 5 Easy Steps to Achieving Financial Independence
- e. Dealing with Inflation, What Should You Do?
- f. Strategies in Dealing with Rising Healthcare Costs

Here are some reasons why insurance/takaful should be an important part of your financial plan:

1. Loss Prevention and Reduction Risk coverage

Insurance/takaful is a risk mitigation tool. It prepares you or your dependents to face the financial loss that may incur in an unforeseen event such as death or total and permanent disability.

2. Financial security

By compensating for the loss that you suffer in an emergency, insurance/takaful policies provide financial assistance with no terms and conditions attached. You are secured in the knowledge that if an emergency strikes, the insurance/takaful proceeds would shoulder the immediate loss.

3. Different plans for different needs

There are different types of insurance/takaful plans to cover the different types of risks that you might face. Life insurance and family takaful policies cover the risk of premature death while health insurance policies cover medical emergencies. Similarly, general insurance or general takaful plans cover the risk of road accidents or theft of the vehicle and travel insurance plans cover trip-related contingencies.

4. Tax benefits

Life and health insurance/takaful plans are tax saving too. Life insurance and family takaful premiums qualify for a tax relief up to RM7,000 for those working in government or self-employed with no EPF contributions. A tax relief up to RM3,000 for premiums and RM4,000 for EPF is allowed for non-civil servants. Education and Medical insurance/takaful premiums qualify for RM3,000 tax relief for self, spouse and child combined.

5. Peace of mind

Insurance/takaful plans give you peace of mind knowing that you would have money in extreme emergencies. This gives financial independence to you and your family.



*This article is an extract from the Malaysian Takaful Association (MTA) **Value-Based Intermediation for Takaful (VBIT) Framework***

Providing meaningful protection for the underserved and unserved communities

The current uptake of takaful and insurance among the underserved and unserved segments is disproportionately low relative to the national population.

Lower participation in takaful plans among these segments is commonly linked to lack of awareness about the value propositions offered by takaful products and further spurred by the lack of affordable and suitable takaful products to cater for the limited financial budgets and specific needs of these segments.

The low level of takaful literacy and the lack of understanding of the need or necessity to participate in takaful as a form of personal risk management may lead to some reluctance in subscribing to takaful in general. The complexity of the current product offerings that come along with non-competitive pricing may also

“Meaningful and Appropriate Protection”

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hinder these segments from considering takaful offerings. These challenges of accessibility, suitability and affordability further drive these segments away from obtaining meaningful and appropriate protection plan for their needs.

By embracing the VBIT principles, the takaful industry is encouraged to innovate its offerings to raise the financial capabilities of the underserved and unserved segments and enhance their product suitability assessment to cater for specific needs. It comes with a focus on providing better accessibility, delivering meaningful value and improving their overall experience with the industry.

CURRENT STATE OF TAKAFUL INDUSTRY

The takaful industry in Malaysia has experienced significant growth over the last decade. Between 2013 and 2018, the compounded annual growth rate (CAGR) of Family Takaful reached 11%, which was substantially higher than the 6% growth rate of conventional insurance, albeit starting from a lower base.

The takaful industry can further strive to improve in the following broad areas:

Low Overall Penetration | Targeting Underserved Markets

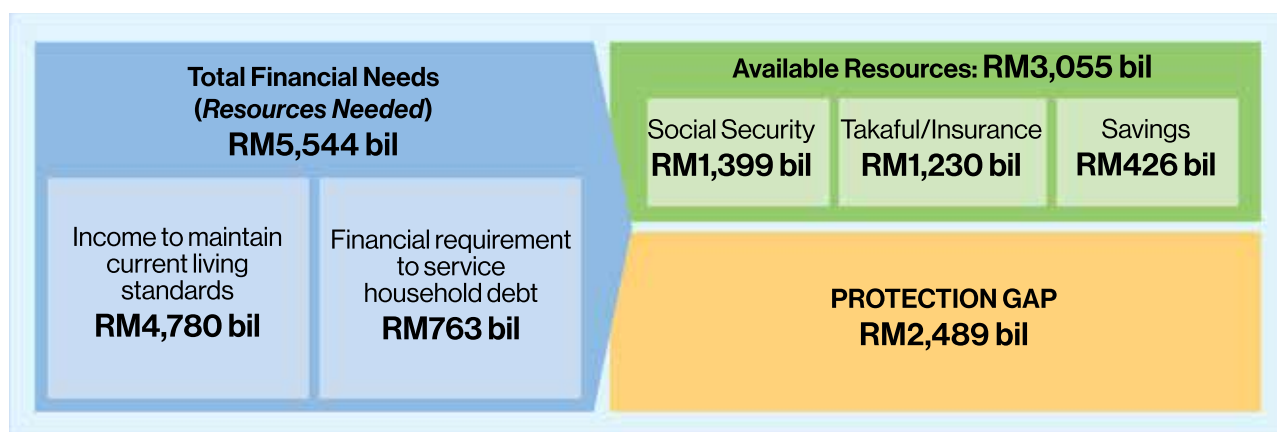
Overall penetration rate of takaful remains low, at only 15%, which is below market potential. Although certificate issuance has increased in tandem with the increase in population, the penetration rate has remained stagnant over the past few years. The market penetration rate has yet to experience any substantial growth.

ELEVATING THE POTENTIAL OF TAKAFUL

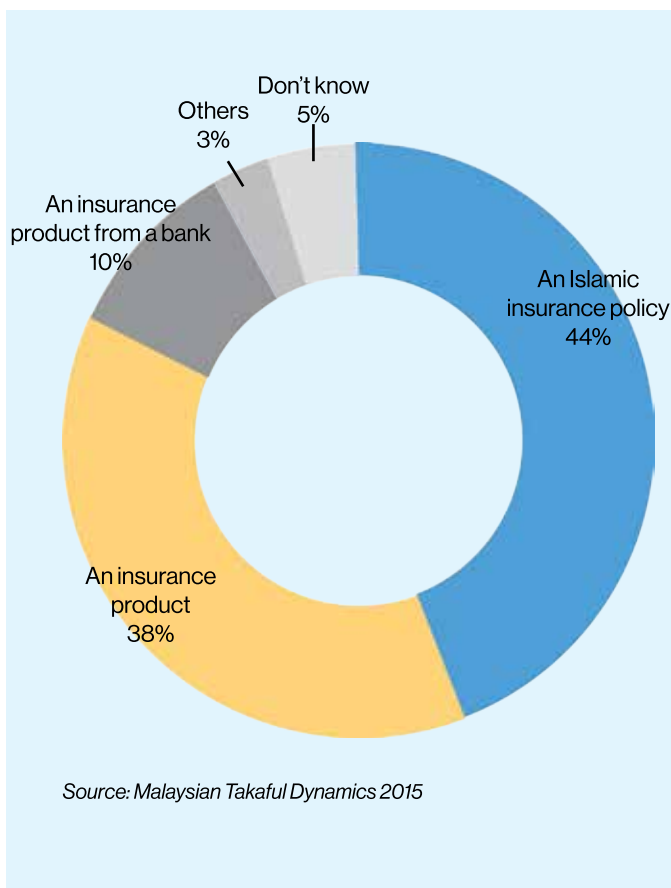
The takaful industry can aspire to further penetrate or focus their efforts to support untapped and/or underserved market

$$\text{PENETRATION RATE} = \frac{\text{NUMBER OF IN-FORCE POLICIES/CERTIFICATES}}{\text{TOTAL POPULATION}}$$

segments (B40, Rural areas, Senior Citizens, etc.) to address their respective protection gaps. **Protection Gap** is the difference between the financial resources available to the family of the breadwinner against the amount required to maintain the current standard of living for the dependents, in the event of death or disability of the breadwinner. The Protection Gap shows that Malaysians are not sufficiently insured (via life insurance or takaful) to protect and provide for their loved ones in the event of



On a broad macro level, Malaysia's protection gap amounts up to RM2,489 billion presenting a major gap which needs to be addressed by the takaful and Insurance industry



Perception of Takaful

1. Most people perceive it as Islamic insurance. However, most admit to having little knowledge of how it works; only a few have some basic knowledge.
2. Some believe that takaful offers the same types of products as those in conventional business and similar coverage and benefits.
3. General Takaful: more for self or personal coverage, i.e., life insurance, motor and personal accident.

Family Takaful: extends the coverage beyond self to include the family, i.e., medical for family, home and education.

It is observed that most people have an inaccurate perception of takaful, hence it diminishes their understanding of takaful offerings.

4. Most admit for not having the correct understanding of the main differences between takaful and conventional insurance. The Islamic aspect was rarely mentioned by respondents.

their death or disability.

Low Awareness of Takaful & Financial Literacy

One of the main challenges faced by the takaful industry in its efforts to increase market penetration is the low level of financial literacy and awareness of the importance of financial planning among the unserved and underserved market segments, thus resulting in high protection gaps, as illustrated earlier. The general awareness of Takaful remains low, as evident from the chart above.

The takaful industry should explore new avenues in order to promote better understanding of basic financial knowledge, thus increasing the public's awareness of having sufficient financial protection as well as educating them on the uniqueness of takaful solutions compared to conventional products.

By doing so, the takaful industry will be able

to expand its offerings and meet the evolving needs of the various market segments. By engaging with the diverse market segments, Takaful Operators (TOs) will gain access to a wider range of stakeholders within the society and the market at large. This can lead to increasing business opportunities and greater expansion of the industry.

Distribution Channel Models & Reach

The takaful industry's main distribution channels follow agency and bancatakal business models. As these distribution channels remain the dominant channels in Malaysia, there is still a lack of geographical reach nationwide to markets and communities which remain underserved and unserved as highlighted earlier. As such, TOs have begun expanding into new, alternative distribution channels to improve accessibility for the public to participate in takaful, such as digital/online platform, post offices, retail outlets, among others. Nevertheless, these distribution

channels are still at the infancy stage in Malaysia and have yet to achieve significant scale and volume for sustainable business growth.

Product Innovation & Value Proposition

As the general public mainly perceives takaful solutions as the Islamic version of conventional insurance products, it is important for TOs to establish themselves as product innovators in their own right. This can be achieved by emphasising the principles of Maqasid Shariah as the foundations of takaful to differentiate it from conventional insurance. TOs can also portray themselves as thought-leaders in product innovation.

Currently, there is growing demand for TOs to provide protection propositions that consider Environmental, Social and Governance (ESG) risks. This presents an additional opportunity for TOs to differentiate themselves and their offerings from conventional solutions. TOs may establish themselves as global thought-leaders in addressing progressive market demands by partnering with and/or supporting environmentally conscious businesses and socially responsible organisations, in alignment with the spirit of ESG in focusing on sustainability and responsible investing.

In today's world, TOs are expected to play a role of more than just solution providers to address protection gaps. As socially responsible organisations, TOs would be expected to advocate or be part of the ecosystem that promotes health and well-being agenda. As such, TOs are advised to explore and develop impactful solutions, products or program propositions that encourage good behaviour and practices, not only for the benefit of the certificate holders but also for the community

at large. Currently, such propositions remain at a nascent stage for TOs in Malaysia.



Value-Based Intermediation for Takaful (VBIT) Roadmap 2022

The chairman of MTA, **YBrs Elmie Aman Najas**, launched the VBIT on 5 October 2022 at the **7th Global Islamic Finance Forum** held at Sasana Kijang, BNM Kuala Lumpur from **4 October to 6 October 2022**.

The roadmap, which is aligned to BNM's national Financial Sector Blueprint 2022-2026, identifies eight high-scoring initiatives which Takaful operators and re-Takaful operators are recommended to prioritize implementing in their VBIT journey. The industry-wide initiatives primarily center around promoting literacy and outreach.

The key outcomes that have been identified are financial resilience for B40 (bottom 40% of the Malaysian household income) customers, financial literacy and awareness, green and sustainable operations, efficiency and effectiveness of takaful operations, green investment, strong corporate governance and professionalism and knowledge and competency of the industry.

If fully implemented, by the end of 2024, some or the majority of takaful products will be affordable and simple, a marketplace for takaful products will have been established for easy reference and comparison, VBIT will be part of takaful companies' strategy in some or all departments, scorecards for VBIT will be available for the industry and programs on VBIT will be available at the industry level, among others.

Top 10 Cancer Diseases

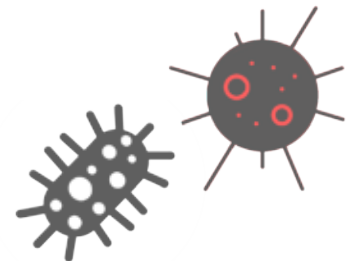
In Malaysia



Cancer is a disease that most people fear, and Malaysians still view a cancer diagnosis as “receiving the death penalty,” despite the disease being treatable if detected early.

With 48,639 new cancer cases recorded in Malaysia last year, the World Health Organization (WHO) predicts that cancer cases in Malaysia is expected to double by 2040. According to the Malaysia National Cancer Registry Report, there was an 11% increase in new cancer cases and nearly 30% more deaths from cancer between 2012–2016 compared to 2007–2011. The rising number of cancer cases is a major health issue as the growing cancer burden continues to put tremendous physical, emotional, and financial strain on people with cancer, communities, and the country’s health care system.

Tobacco use, alcohol use, excess weight, and physical inactivity are recognised as major cancer risk factors worldwide



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Based on the Global cancer observatory (Globocan) data in 2018, the **top 10 cancers among Malaysia's population were breast, colorectal, lung, nasopharynx, liver, prostate, non-Hodgkin lymphoma, leukaemia, cervix uteri and stomach.**

Breast, colorectal, and lung cancers make up about half of the total cancer cases reported by the National Cancer Registry.

Both breast cancer and cervical cancer are among the leading causes of death for Malaysian women with cancer.

treatment that helps your immune system fight cancer) are not funded by the government.

Private hospitals with advanced equipment and shorter waiting times are generally expensive and unaffordable to many people.

The cause for cancers can be multifactorial, meaning dependent on several factors, especially a person's genetic or environmental risk. Some of these risk factors that cause cancer can be avoided when people modify or change their lifestyle habits.



Approximately 65% of Malaysians seek health care services in government hospitals. These hospitals however, offer only the most basic cancer treatments, as newer or more expensive treatments like targeted therapies and immunotherapies (a type of cancer



In regard to this, tobacco use, alcohol use, excess weight, and not doing enough physical activity are recognised as major cancer risk factors worldwide.

A systematic assessment of the burden of cancers in Malaysia

in 2018 using epidemiologic approach (the study of how often diseases occur in different groups of people and why) entitled "Burden of cancers attributable to modifiable risk factors in Malaysia", BMC Public Health volume 21, Article number: 410 (2021) was carried out by H. S. Teh & Y. L. Woon for Centre for Clinical Epidemiology, Institute of Clinical Research, National Institute of Health, Ministry of Health Malaysia.

clinicians in the country to conduct impactful research and collaborate with top scientists around the world to bring innovative treatments to people with cancer in Malaysia.

Later in 2016, the Malaysian National Strategic Plan for Cancer Control Programme was created. This was to put a bigger emphasis on improving access to cancer care, diagnosis, treatment, and research.



From this study, evidence showed that cancer in Malaysia is influenced by certain risk factors that, if changed, may prevent the development of many cancers, including lifestyle factors like excess weight, alcohol intake, physical inactivity, and smoking.

According to the WHO, between 30 - 50% of cancer cases can currently be prevented by avoiding risk factors and implementing cancer prevention strategies.

The government established Clinical Research Malaysia in 2012 to assist

The objective is to increase access to drugs by making them more affordable to patients, and to have oncologists lend their expertise to government hospitals in states that do not have oncology services such as Perlis, Pahang and Terengganu.

Malaysia has many resources available to people with cancer. The Social Security Organisation (SOCSO) provides social security protection to employees and their dependents through the Employment Injury Scheme and the Invalidity Scheme. It helps by providing screening vouchers, pensions, rehabilitation services, and financial

aid to employees facing cancer.

These are a few organisations that help people with cancer:

1. Breast Cancer Welfare Association (BCWA). BCWA is an NGO that has provided support to people with breast cancer for more than 30 years. It collaborates with various international organisations and provides educational resources to teach the Malaysian public about breast cancer.

2. Majlis Kanser Nasional (MAKNA). MAKNA is a not-for-profit organisation that provides curative, preventive and support services to cancer patients and their families, high-risk groups and the general public. With three (3) Digital Mobile Mammogram Units (DMMU) in Peninsular Malaysia, Sarawak and Sabah MAKNA travels across Malaysia in their effort towards increasing and promoting early breast cancer detection.

3. National Cancer Society of Malaysia (NCSM). NCSM provides education, care, and support services to people affected by cancer. NCSM has its own center that provides counseling and screening programs, as well as some cancer medications at cheaper costs.

4. Together Against Cancer Association Malaysia (TAC). TAC is made up of health care providers and other NGOs that work to provide a unified voice for all people with cancer in Malaysia. They aim to improve access to high-quality health care in

Malaysia through health policy and legislative reform. TAC is actively promoting cancer education, awareness, and support, and they coordinate with policymakers to allocate resources equitably.

5. Pusat Pungutan Zakat (PPZ). PPZ is an Islamic organisation that collects zakat contributions from Muslims in Malaysia and channels the funds to charitable causes each year, including to help people with cancer. Zakat is a religious duty for all Muslims who meet the necessary criteria of wealth to help the needy.

There are many more advocacy associations available in Malaysia for people with cancer to reach out to for more information on cancer, including for prevention, screening, treatment, and support. The number of associations is only going to continue to grow as cancer literacy improves throughout Malaysia.



Investing in a Cancer Cure



Seated L to R: Prof. Datin Paduka Setia Dato Dr. Aini Ideris - Vice-Chancellor, Universiti Putra Malaysia and MAKNA ExCo, Prof. Emerita Datuk Dr. Asma Ismail - President of ASM, Prof. Emeritus Tan Sri Dato' Dzulkifli Abdul Razak - Chairman, MAKNA's Board of Trustees, Pn Farahida Farid - Gen Manager MAKNA and Prof. Dr. Noorsaadah Abd Rahman - Fellow ASM

Standing L to R: Mr A. Vemanna - Dep. Gen Manager MAKNA, Tn Hj Zainol Talib - MAKNA ExCo, Associate Professor Dr Ooi Ean Hin - Monash University Malaysia, Dr Lee Sau Har - Taylor's University, Dr Phan Chia Wei - Universiti Malaya and En Rohaizad bin Ismail - CEO, KAF Investment Bank and MAKNA ExCo.

MAKNA Cancer Research Award 2022

MAKNA recently held a ceremony to recognise the recipients of the MAKNA Cancer Research Award on **9 November 2022**. Held at the Akademi Sains Malaysia (ASM), MATRADE Tower, the event was jointly officiated by **Professor Emerita Datuk Dr. Asma Ismail**, President, Academy of Sciences Malaysia and **Professor Emeritus Tan Sri Dato' Dzulkifli Abdul Razak**, MAKNA's Board of Trustees Chairman, ASM Senior Fellow and Rector Universiti Islam Antarabangsa Malaysia.

With three (3) awards per year and two (2) decades of collaboration with ASM since 2001, MAKNA has given financial grants to 66 scientists with close to RM2.0m to support cancer research in order to push towards discovering potential cures for the disease by young researchers below 40 years of age.

Below are 2022's three (3) successful recipients out of 50 applicants with their research titles:-

1. Dr Lee Sau Har - Taylor's University
Nano formulation of Doxorubicin co-loaded with miR-145 mimics in PEGylated liposome and conjugated with A6 peptide for tumour-targeted anticancer effects.
2. Associate Professor Dr Ooi Ean Hin - Monash University Malaysia
Ex vivo investigations on the safety and effectiveness of gold nanorods photothermal therapy for liver cancer treatment.
3. Dr Phan Chia Wei - Universiti Malaya
Oral microbiota diversity and metabolome analysis in oral cancer and periodontitis patients.



Issues In Professional (General) Partnerships

Observations for purposes of Marketing of Life Insurance & Family Takaful

1. Partnerships may be of registered businesses or professional practices. Registered Businesses must be registered with the Companies Commission of Malaysia (CCM or SSM). Professional Practices must be registered with their respective professional bodies with whom the individual partners obtain their annual practicing certificates or licenses, example, lawyers with the Bar Council and doctors with the Malaysian Medical Council. Professional partnerships are not required to register with the CCM (or SSM).



MR.K.KARUNAMOORTHY

2. Partnerships are regulated by the Partnership Act 1961 (revised 1974) which provides for the general rules that apply to partnerships. However, a partnership may have an agreement among the partners on specific matters relating to their practice and business operations. In practice however, most partnerships do not enter into such agreements. This is mainly because of the “trust factor” among the partners when they start their practice.

3. Although, some partnerships may have an agreement amongst themselves, they usually do not provide for the arrangements if death occurs to any one partner, as well as the benefits that would be payable to the deceased’s estate, and incidental matters relating to these issues.

This matter usually becomes a serious dispute between the surviving partners and the deceased partner’s family. Such disputes are not often heard by the public nor are they disputed in the courts. This is simply because there is no agreement among the partners that addresses this issue and there is no formula as how to provide for compensation to the deceased’s estate.

In most cases, especially, in long standing and established practices, the surviving partners would want to continue their practice and business. In almost all cases, the deceased’s estate will eventually accept whatever the surviving partners pay them as compensation, as they would hardly have any bargaining power.

4. Sections 35 (1) of the Partnership Acts states as follows: Subject to any agreement between the partners, every partnership is dissolved as regards all the partners by the death or bankruptcy of any partner.

In the simplest terms, this means, that if partners do not have any agreement that provides for the continuation of the partnership, it must be closed (dissolved) and wound up.

However, as often seen amongst partnerships, although there is no agreement as such, the death of a partner does not lead to the partnership being dissolved. Why is this so? This is because the “agreement” has been entered into by the surviving partners and the deceased partner’s family (or estate).

As stated above, the essence of this “agreement” is that the estate has agreed to receive a certain sum of moneys as compensation and agrees to surrender any interest in the partnership thereafter.

How do we resolve these issues?

- i) The answer lies in ensuring that there is an agreement amongst the partners during their lifetime.
- ii) The main objective of such an agreement is to buy out the interest of a partner should he suffer death or total permanent disability (popularly known as Buy- Sell Agreements).
- iii) The agreement should provide for a definite sum or a formula to provide for compensation upon death or total permanent disability of a partner.
- iv) The mechanism of creating these funds is by life insurance or family takaful contracts on each partner's life.
- v) There are several other incidental matters that will have to be addressed and provided in these arrangements. These include the paying of premiums or contributions, and any tax implications.
- vi) The agreement will have to be prepared by a lawyer who has sufficient knowledge and experience in these arrangements.

Notes:

- Individual partners may have their own insurance policies or takaful contracts but that is not the relevant for purposes of “compensation” when surviving partners take over the partnership.
- General partnerships must be distinguished from Limited Liability Partnerships (LLPs) which were introduced in Malaysia in 2012.

Memorandum of Understanding (MOU) By Organising Chairman

Today the 10th December is a milestone in the annals of National Association of Malaysian Life Insurance Agents and Takaful Advisors. It's the launching of the FCHFP in Malaysia in collaboration with world renowned education provider KAPLAN.

As Alvin Toffler once said "The illiterate of the future will not be the person who cannot read. It will be the person who does not know how to learn."

So have were are gentlemen & ladies, under the strong leadership of President G. Saseedaran, NAMLIFA is moving ahead to educate the agency force furthermore, in line within the everchanging Financial landscape. By completing the FCHFP programme, life agency advisors will be able to address their customers better moving into new horizon of business improvement.

S.K.SAMY *B.SC, LUTCF, FChFP, RFP, F.NAMLIFA*

Fellow Chartered Financial Practitioner

The Fellow Chartered Financial Practitioner (FChFP) Certification is a new international education benchmark for financial services professionals. Designed to provide practitioners with the essential skills and knowledge to excel within the financial advice profession, the FChFP Certification balances academic rigour with applied practice development. The innovative curriculum will challenge and redefine how you think about professional education.

Students of this course will gain an understanding of the step-by-step process of providing professional financial advice to clients in areas of investments, insurance, retirement and estate planning.

The assessments encourage progressive learning and develop technical, interpersonal, ethical and client engagement skills, enabling individuals to build their knowledge and skills as they move through the course.

Thank you.

S.K.SAMY *B.SC, LUTCF, FChFP, RFP, F.NAMLIFA*



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