



It's Not a Luxury. It's the Bill Someone Else Pays.

Most Malaysians file life insurance under “nice to have, later.” Here are the objections I hear every week, answered honestly – including the ones where the objection is right.

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There is a word people reach for when they talk themselves out of life insurance, and the word is **luxury**. It sits in the same mental drawer as a nicer car, a holiday, a watch. Something you buy once the important things are handled.

But a luxury is something you buy for your own enjoyment. Life insurance is the one purchase where **you will never see the benefit**. You don't consume it. You don't upgrade it. You will never once enjoy it. It is bought entirely for other people — and that is exactly why it keeps losing to things you can enjoy today.

Where Malaysians actually stand

This isn't a small gap at the edges. Life insurance penetration in Malaysia sits at roughly 58.6%, meaning more than **four in ten Malaysians have no life cover at all**. Among B40 households the figure collapses: only about **4%** hold any form of policy. And having a policy is not the same as having enough — LIAM estimates Malaysians are underinsured by around **RM500,000** on average, while a family whose main breadwinner has no cover faces an average shortfall of **RM723,000**.

40%+

of Malaysians have no life insurance at all

~4%

of B40 households hold any policy

RM723,000

average gap where the breadwinner is uninsured

Those numbers describe a country that has decided, collectively, to deal with this later. Below are the reasons people give me for later. I've heard all of them. Some are better than others.

“I don't need it at the moment.”

Nobody needs it at the moment. That is the nature of the thing. You need it on one unannounced day, and on that day it is no longer available for purchase.

What people mean by this is usually *nothing has happened yet*. But consider what you are actually buying. You are not buying a payout; you are buying **the right to a payout**, and that right is priced on your age and your health today. Prudential's 2025 claims data shows **15% of critical illness claims were paid to policyholders aged 40 and below**. Every one of those people, the year before their diagnosis, also did not need it at the moment.

"The day you decide you need life insurance is very often the day you can no longer buy it."

"It's too expensive."

This is the objection I take most seriously, because sometimes it's true and I'll say so. But it is usually a statement about **timing**, not about cost — and the timing works against you in a specific way.

Premiums are priced on two things that only ever move in one direction: your **age** and your **health**. There is no version of next year where you are younger. There is no version where your medical history gets shorter. Which means the policy you're calling expensive today is, with near-certainty, **the cheapest it will ever be for you**. Waiting doesn't avoid the cost. It raises it, and it risks the cover being loaded, excluded, or declined altogether.

There's also a scale question worth separating. "Expensive" usually means the plan someone quoted was too big — not that protection itself is unaffordable. A smaller policy that stays in force for thirty years protects your family far better than an ideal one you cancel in year three. Start with what you can hold.

"I have EPF, savings, and cover from my employer."

Each of these is real. None of them does this job.

- » **Employer cover ends when the employment does.** Retrenchment, resignation, retirement, or the illness that stops you working — the moment you most need it is often the moment it stops. It also almost never follows you, and by the time you need to replace it you are older and possibly uninsurable.
- » **EPF is retirement money, not protection money.** Spending it to survive a crisis at 45 means arriving at 60 with nothing. You haven't solved the problem; you've moved it to your future self.
- » **Savings run out on a schedule.** That's arithmetic, not pessimism. Run the Income Protection Gap tool on my portal — most families discover their runway is measured in months, against a need measured in decades.

"I'm single. Nobody depends on me."

Sometimes true, and where it is, I'll tell you your medical card and your savings matter more than life cover. But check three things first: whether your parents would lose support they currently rely on; whether anyone **guaranteed a loan** for you, or would inherit a debt; and whether your final expenses would land on a sibling.

And there's the argument that has nothing to do with dependants: buying while young and healthy **locks in your insurability**. You are not just buying cover — you are securing the right to hold cover later, at a price set by the health you have now, for a future family you haven't met yet.

“I'll sort it out after the wedding / the house / the promotion.”

Every one of those milestones *increases* your need rather than creating a good moment to address it. The house comes with a thirty-year loan. The wedding comes with a person who now depends on your income. The promotion comes with a lifestyle your family would have to unwind if the income stopped. The milestone you are waiting for is usually the very event that makes the cover urgent.

“What if I pay for years and never claim?”

Then you will have had a long life, your family will never have needed rescuing, and the money will have bought you three decades of not having to think about it. That is not a loss. That is the **best** possible outcome, and it is the one I want for every client.

Insurance isn't a lottery ticket where not winning means you wasted your money. It's closer to the lock on your front door. You don't resent the lock for the burglary that never happened.

“Insurance companies just find ways not to pay.”

Worth testing against the numbers rather than the anecdotes. In 2025 the Malaysian insurance and takaful industry paid out **RM13.5 billion** in claims. Prudential alone paid **RM2.88 billion**. Claims are paid at enormous scale, every day, quietly — declined claims make conversation precisely because they are the exception.

Where claims do fail, the cause is most often **non-disclosure** at application: a condition left off the form, a habit understated. That is largely within your control, and it is a large part of what I am for. Declare everything, including the things you think might raise your premium. A slightly costlier policy that pays beats a cheap one that doesn't.

The three clocks running right now

The age clock — every year you wait, the same cover costs more, permanently. **The health clock** — one diagnosis, one abnormal reading, and the market closes or loads you. **The dependants clock** — your family's financial dependence on you is at or near its peak in exactly the years most people spend deciding. All three run whether or not you are thinking about them.

When I tell people to buy less, or not yet

So that this reads as advice rather than a sales pitch, here is the other side. I have told people to reduce cover, to fix something else first, or to wait:

- » If you have no emergency fund at all, build a few months of expenses first. A policy you lapse in month eight helps nobody, and lapsing costs you money.
- » If you have high-interest debt eating your cashflow, that's often the more urgent fire.
- » If nobody depends on your income and nobody would inherit your debts, a medical card and savings usually serve you better than a large life policy right now.
- » If the recommended premium is more than you can comfortably hold for decades, it is the wrong recommendation — say so, and let it be resized.

What I won't agree with is the version where protection is postponed indefinitely while the clocks keep running. There is a difference between **not yet** with a date on it, and **later** with nothing behind it.

A fair way to decide

Don't decide based on how you feel about insurance. Work out one number: if your income stopped permanently tomorrow, how much would your family need to stay in their home, keep the children in school and carry on for a reasonable number of years — and how much of that do you already have? The gap is either uncomfortable or it isn't. There's a calculator on my portal that does this in about a minute, and it costs you nothing to find out.

If the number turns out to be fine, I'll be glad to tell you so. If it isn't, at least you'll be choosing with your eyes open instead of postponing with them closed.

Let's talk about your numbers

No pressure, no obligation — just a conversation about what you read here, or about your own numbers. Every article on MyVintej can become a conversation.

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Sources & further reading

- Life Insurance Association of Malaysia (LIAM) — life insurance penetration and protection gap; LIAM–Universiti Kebangsaan Malaysia Protection Gap Study (liam.org.my)
- Malaysian Insurance Highlights 2025 / Faber Consulting — penetration and B40 coverage
- Prudential Assurance Malaysia Berhad — Claims Payout 2025 (RM2.88 billion; 15% of critical illness claims paid to those aged 40 and below), prudential.com.my
- Malaysia Medical Claims Inflation Report 2025 via Bernama / Free Malaysia Today (27 Aug 2026) — industry claims of RM13.5 billion in 2025

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