



The Wealth Pyramid

Protection first, accumulation second, distribution last. Why building wealth in the wrong order puts everything above it at risk.

By Kumaran Nadaraja — Licensed Wealth Planner, Prudential Assurance Malaysia Berhad

Agent ID 1115217 · Agency KP100054 · MyVintej — Plan Wisely, Act Brilliantly

Nobody builds a house by starting with the roof. Yet in financial planning, that is almost exactly what most of us do — we begin with the exciting part (investments, returns, the plan that will make us wealthy) and get to the boring part (protection) only when something has already gone wrong.

The Wealth Pyramid is the simplest correction I know. It says wealth has three layers, they must be built in order, and each one only holds if the layer beneath it is solid.

Layer 1 — Protection: the foundation

The base of the pyramid is everything that stops a single bad event from erasing years of progress: medical cover, critical illness cover, income and life protection, and an emergency fund. It produces no returns and nobody boasts about it at dinner. It is also the layer that decides whether the other two survive.

Malaysia's numbers show how thin this foundation usually is. The Life Insurance Association of Malaysia, with UKM, found that a family whose main breadwinner has **no life insurance** would need on average **RM723,000** to sustain their lifestyle for just five years — and even families who *do* hold both life and medical cover still faced an average shortfall of **RM553,000**. Meanwhile, medical inflation ran at about **15% in 2025**, well above the global average of 10%.

RM723,000

average gap for families with no life cover
(LIAM-UKM)

~15%

Malaysian medical inflation in 2025

67%

have ≤3 months of emergency savings
(RMFLS 2023)

Layer 2 — Accumulation: the walls

Once the base holds, you build. This is EPF, savings plans, unit trusts, property, the education fund, the retirement income layer. It is where wealth actually grows — and it is the layer most people want to start with.

Here is why order matters. Every ringgit in this layer is funded by next month's income, and every ringgit is reachable in an emergency. Skip the foundation, and one hospital admission converts your accumulation layer

into a medical bill. A heart bypass in a private hospital runs roughly **RM50,000 to RM120,000**; cancer treatment can range from **RM18,000 to RM395,000** depending on type and stage. That is a decade of disciplined saving, spent in a season.

Layer 3 — Distribution: the roof

The top layer decides where everything goes when you are no longer here to direct it: nomination, will, trust, and instruments like the Legacy Settlement Option that release money in stages instead of one lump sum. It is the smallest layer and the one most often skipped — which is why Malaysia carries an estimated **RM90 billion in frozen inheritance assets** and only about **5% of adults hold a written will**.

“Protection decides whether you keep what you build. Accumulation decides how much you build. Distribution decides who it actually reaches.”

The order test

You can audit your own pyramid in about two minutes. Ask, in this order:

- » **Foundation:** If I were hospitalised next month, would the bill come from insurance — or from my savings?
- » **Foundation:** If my income stopped for a year, would my family's lifestyle survive it?
- » **Walls:** Am I saving toward goals with dates attached — retirement, education — or just saving what's left over?
- » **Roof:** If I passed away this year, would my family receive money quickly, and in a shape that protects them?

The most common mistake I see

It isn't buying the wrong plan. It's buying a good plan **at the wrong layer** — a strong savings plan sitting on top of no medical card, or an investment portfolio protecting nobody. The plan isn't wrong; its position in the pyramid is.

Building it in the right order

In practice this is why every MyVintej conversation starts with your cashflow rather than a product. We map what you earn, what you owe and what you're aiming at, then fill the pyramid from the bottom: medical and critical illness cover first (PRUMillion Med 2.0, PRUValue Med, PRUMy Critical Care), then the accumulation layer (PRUCash Enrich, PRUCash Double Reward, PRUElite Flex), then distribution (PRUWealth Enrich 2.0 with the Legacy Settlement Option). Same ringgit, deliberately sequenced.

The pyramid isn't about spending more. It's about spending in the order that keeps everything standing.

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.

WhatsApp / Call 016-546 1256

kumaran.prudential@gmail.com

facebook.com/MyVintej

Sources & further reading

- LIAM–Universiti Kebangsaan Malaysia — Protection Gap / Underinsurance Study (liam.org.my)
- RinggitPlus Malaysian Financial Literacy Survey 2023 (ringgitplus.com)
- Asia News Network / New Straits Times (2025) — frozen inheritance assets; AmanahRaya estate planning data
- Prudential Assurance Malaysia — product pages (prudential.com.my)

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