

Fomca: More than 1,500 complaints on insurance industry received over past year

Written by admin3

Monday, 19 July 2021 12:59 -

 

Friday, 16 Jul 2021 6:25 PM MYT
PETALING JAYA: The Federation of Malaysian Consumers Associations (Fomca) received more than 1,500 complaints regarding insurance companies last year, a number of them involving the substantial increase of medical insurance premiums.

Fomca national consumer complaints centre senior manager S. Baskaran said some of the increases were so steep that consumers could not afford the premium under short notice.

"Even more so during the pandemic when people have lost their jobs or taken drastic pay cuts.

It's not fair to increase the premiums as it (medical insurance) is an important thing to have," he told a press conference on Friday (July 16).

Baskaran said one complainant, a 60-year-old physically challenged woman who bought her policy 12 years ago and was paying a monthly premium of RM159, received a notification that it had been increased to RM459, an increase of 188%.

"If the premium increases by too much, there is a possibility that the policy may lapse and eventually be terminated if the holder is unable to keep up with the payments," he said.

Fomca had on Friday submitted a memorandum to Bank Negara deputy president Abdul Rasheed Ghaffour on the issue and six other matters regarding insurance.

It urged the central bank to look into the complaints, saying that consumers need policies that are able to protect them and their families.

"The onus is on the insurance industry to develop and revamp in the areas where there are many weaknesses.

"It has to cover every angle so as not to put policyholders in a difficult situation. Bank Negara must be more vigilant and ensure that consumers are well protected," said Baskaran.

The other complaints Fomca received included cash values accumulated over time being utilised to cover revised total premiums without the consent of the policyholder; consumers told to pay first and claim later; disputes on claim; as well as misleading terms in policies.

Source: <https://www.thestar.com.my/news/nation/2021/07/16/fomca-more-than-1500-complaints-on-insurance-industry-received-last-year>