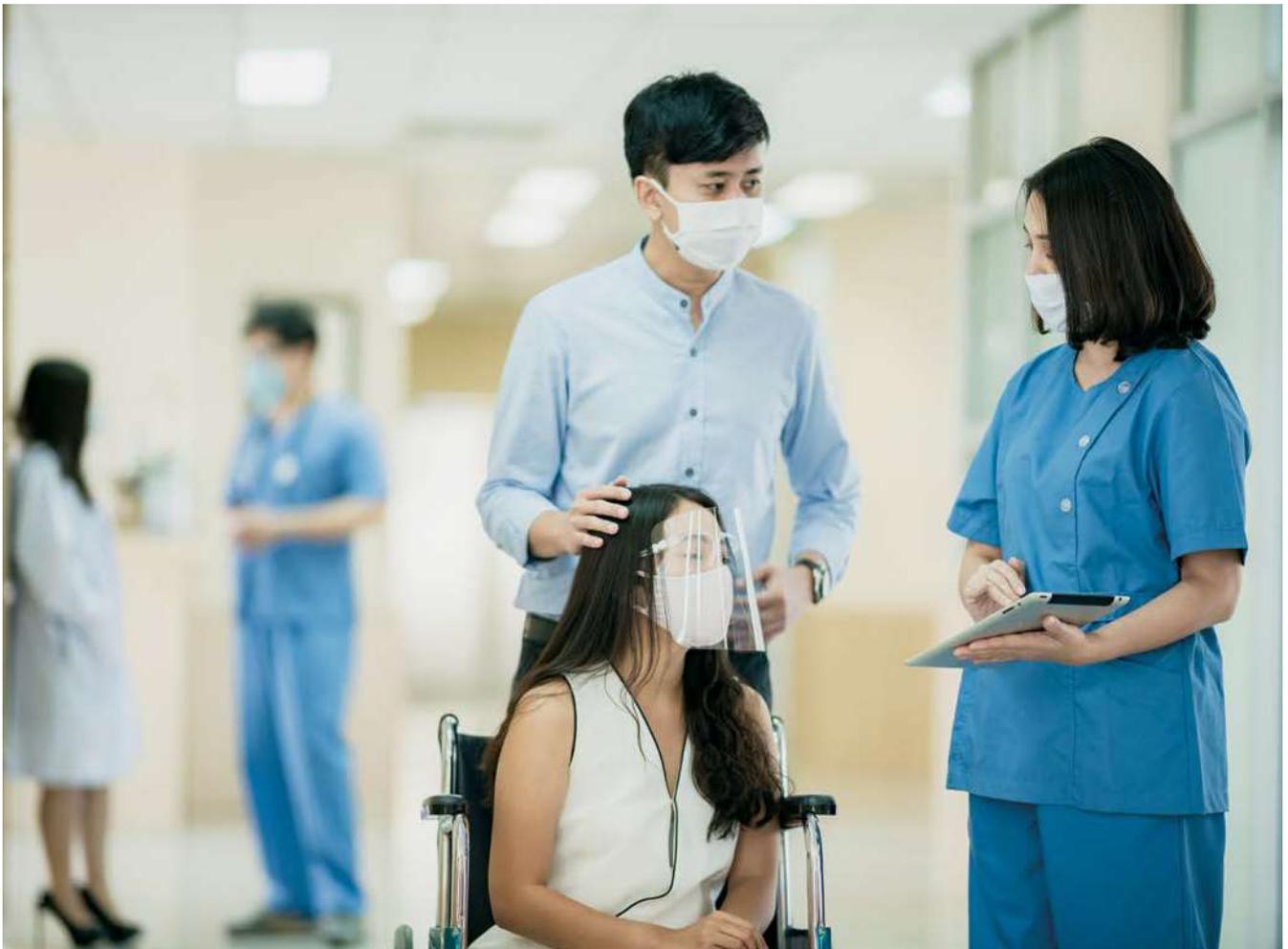


# WHAT IS AN ALTERNATIVE TO INSURANCE?

With the rising costs of medical insurance, we look for alternatives such as Lyndung. How are they different?

By **Eza Ezamie**



According to the 2020 Global Medical Trend Rates Report by Aon, the global medical inflation rate is 8.0% against the general inflation rate of 3.1%. Whereas in Malaysia, the inflation rate for 2020 is at 2.4% versus the medical inflation rate of 16.0%.

We all know how important

insurance is, but the sad fact is that only 22% of Malaysians have medical insurance. 36% of those without insurance say that insurance is unnecessary, while another 43% say that they can't afford to buy medical insurance.

The question then comes to mind: what about

the remaining 78% of the population with no insurance coverage?

One of the perks of being a Malaysian is that we have one of the best government hospital schemes for everyone, regardless of income range. Still, therein lies the problem of overcrowded wards and

an overloaded workload for medical practitioners.

With a higher cost of living and even higher medical costs, what other alternatives are there beyond depending on the government for healthcare?

On top of that, the Covid-19 pandemic has obviously impacted healthcare in more ways than one, and spilling over into the takaful industry.

**Smart Investor** spoke to



**Shamsuddin  
Salleh**

Shamsuddin Salleh, CEO of Lyndung Sdn Bhd. Lyndung is a Shariah-compliant community platform to fund your medical bills.

“The Covid-19 pandemic has

significantly impacted the insurance and takaful industry, with one of the most visible effects being a rapid decline in contributions. Many customers faced financial difficulties during this time, making it difficult to make contributions payments,” shares Shamsuddin.

“However, despite this challenge, the insurance and takaful industry saw a resurgence in the first half of 2022, with an increase in medical takaful due to increased public awareness of the importance and benefits of insurance and takaful coverage. This trend continued throughout the year, resulting in a high insurance penetration rate and takaful at 56.1%. Nevertheless, in 2021, the penetration rate for the takaful industry alone was only 18.6%,” he adds.

No doubt that the pandemic has hit the industry hard, along with other industries, but it has also presented itself with opportunities for growth and increased awareness of



the importance of takaful. As the economy recovers, it is expected that the takaful industry in Malaysia will continue to grow and reach a higher penetration rate. More needs to be done to increase the awareness on the importance of having takaful, and Lyndung is hoping to help this along the way.

Shamsuddin shares, “We believe that one of the most effective ways to increase awareness of the importance of having takaful is through the involvement of public figures or social media influencers. While many takaful agents are active and committed to spreading awareness among their family, friends, and the public, there might still be some trust issues.”

“To support this statement, according to Ipsos in their Global Trustworthiness Index 2022, many find people working in sales-related sectors, such as bankers, advertising executives and agents, to be untrustworthy. We believe the involvement of public figures and social media influencers on Instagram,

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**The primary reason for Malaysians not having insurance or takaful coverage is that they can no longer afford to have one. So, we came out with a solution that is specially made for underprivileged Malaysians.”**

Twitter and TikTok is a good move to increase awareness of having takaful among the public,” explains Shamsuddin.

We’re now facing rising interest rates and high inflation, which means that everyone will have lesser disposable income and might have to cut down on their



takaful contributions. Those who have yet to start might shy away from takaful until their cash flow improves.

“High inflation can make it difficult for people to afford takaful coverage. Some may give up their existing takaful coverage to relieve this financial burden to prioritise other expenses. However, people need to know that takaful is there to prepare us for rainy days. It is important to consider the long-term benefits of takaful coverage. While it may be challenging to afford in the short-term, takaful can provide peace of mind and financial security in the long run,” shares Shamsuddin.

According to him, there are a few ways to cope with this challenge.

First, it is important to prioritise your needs. Focus on essential forms of coverage, such as health and family (life) takaful. This will ensure you have the protection you need while also being mindful of your budget.

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**Lyndung provides a platform for Malaysians to share their medical bills through community sharing.”**

Another tip is to compare prices. Like any other purchase, shopping around and comparing prices from different providers can help you find the best deal. If you cannot find a way out, consider other alternatives, such as community-sharing platforms, to have some form of support.

This leads us to ask, “How can Lyndung help those who can’t afford traditional insurance/takaful?”

“As mentioned, the primary reason for Malaysians not

having insurance or takaful coverage is that they can no longer afford to have one. The premiums or contributions are too expensive due to inflation, and healthcare is no longer inclusive day by day. Thus, we came out with a solution that is specially made for underprivileged Malaysians,” he says.

Lyndung is not a takaful company; therefore, they do not offer any takaful products. Lyndung provides a platform for Malaysians to share their medical bills through community sharing. With a membership fee as low as RM10 and a sharing contribution that does not exceed RM50 per month, Lyndung believes that this solution is affordable for everyone. Similarly, if none of the members require medical attention, then you would not need to contribute at that time.

“The uniqueness within Lyndung itself is the concept of community-sharing. This concept allows members to share only when needed and aid the people in need, which is an act of benevolence at the same time. Aside from that, Lyndung is a fully digital community-sharing programme. Customers do not have to go through all the hassle of queueing and filling in papers just to register. Now everything is available at the tips of their fingers. And lastly, the Lyndung Community Sharing Programme is a Shariah-compliant programme.”

If you want to learn more about their programme, check out their website. [S](#)