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MGT 666

INDUSTRIAL TRAINING

**DEMAND FOR LIFE INSURANCE: A CASE
STUDY OF PRUDENTIAL ASSURANCE
MALAYSIA BERHAD**



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EXECUTIVE SUMMARY

This report is being compiled as a requirement for student taking this course code of MGT 666, Industrial Training. As the format of this report is combining my industrial training experience with one agency under Prudential Assurance Malaysia Berhad (PAMB) and simple analysis related to the industry of the organisation. Next, this report has been prepared as a way to help the organisation improve matters that being a concern for their nature of business.

The first part of this report starts with student's profile represented by my resume as all basic information including education background, involvement and achievement are being provided. Next, the company's profile part, there are more information regarding PAMB such as the background of company, logo, vision and mission, organizational structure, and products and services offered by their company. I briefly mentioned my industrial training experience on department I had been assigned, responsibility as an intern, assignment, and benefits received throughout this industrial training duration.

On the next part which is analysis, there are many article found discussing on the same topic of 'Demand for Life Insurance' being obtained for literature review. As for methodology, the sample for this study is Malaysia and the data ranging from 2000 to 2020 with total 42 number of observations. The dependent variable is demand for life insurance and independent variables consist of inflation, economic growth, money supply and pandemic Covid-19. The regression result reveal that economic growth and money supply have a positive and significant relationship with life insurance while inflation and Covid-19 is insignificant in this study.

Based on the result achieved, a discussion has been made regarding the relationship of two significant variables with dependent variable. Follows with recommendations for PAMB to take action according to the result suggested in the next part. Last but not least, I conclude my views about analysis being made for PAMB and also for my industrial training which include my vision and goals of myself in future.

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2.0 COMPANY'S PROFILE

PRUDENTIAL ASSURANCE MALAYSIA BERHAD

I undergone an internship program for 24 weeks at one of the insurance agency named Mashitah Agency under Prudential Malaysia Assurance Berhad (PAMB).

PAMB is a public listed company that established in Malaysia in 1924 and it is an indirect subsidiary of Prudential plc which was founded in London on year 1848. The nature of this business is underwriting of life insurance business which include linked business and related thereto, the investment of funds. Also, PAMB has a significant growth throughout the years and has become top leading life insurance company and one of the region's largest asset management company in Malaysia. As the financial year ended 31st December 2012, PAMB achieved RM1.078 billion in new business annual premium equivalent (APE). The new business sales include both life insurance sales and Takaful contributions. All the takaful products is being distribute and managed by their wealth planners and agents under another subsidiary company called Prudential BSN Takaful Berhad which is formed as joint venture with Bank Simpanan Nasional.

Below here is the figure of organizational chart of Prudential Assurance Malaysia Berhad:

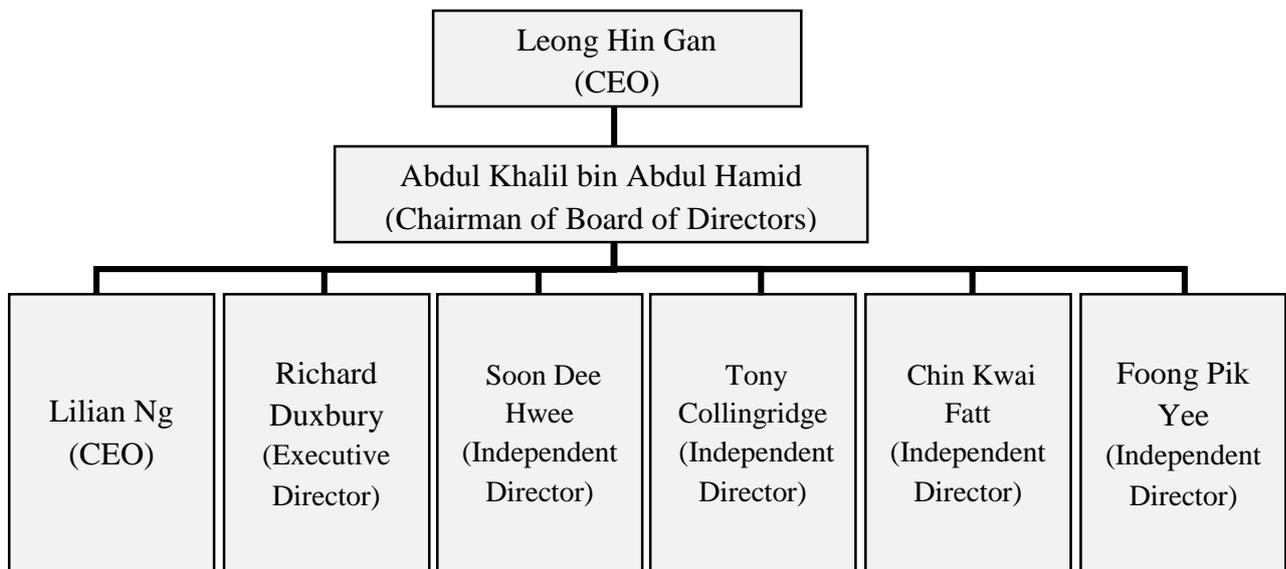


Figure 1: Organizational chart of Prudential Assurance Malaysia Berhad

The Board of Directors (The Board) reserves for its consideration significant matters such as: financial results, dividend, business plans, long-term strategic plan, annual budget, overall risk strategy, risk policies and risk tolerance, appointment of Senior Management Team, business continuity management, outsourcing framework and plans, and fair treatment of financial consumers.

Prudential has been using the symbol of Prudence as their logo. Prudence is one out of four cardinal virtues, together with Fortitude, Justice and Temperance. Prudence has become a choice because it combines the qualities of ‘memoria’ which is preserving the past, ‘intelligentia’ for understanding the past and ‘providential’ which is looking forward to the future. Therefore, Prudence symbol suit the business of insurance since it represents the insight and sound judgement and it demonstrate one’s wisdom in action. Moreover, since Greek and Roman times, Prudence has always been personified as a woman and she always carry an arrow, a mirror and a serpent.



Figure 2: Logo of Prudential Assurance Malaysia Berhad

PAMB’s vision is to be preferred insurer in Malaysia, always anticipating customers’ need and delivering world class customer experience. The first mission of PAMB is to provide the customers and their dependents with financial security and peace of mind, by offering a superior range of savings, protection, investment and retirement products. The second mission is to create an environment where Prudential’s employees and distribution partners can succeed, be their best and have a better and a bright future with the Prudential family.

Next, the goal of PAMB is to help people get the maximum advantage out of their life. They pursuing this goal by providing affordable and accessible, we protect people’s wealth and

grow their assets, and we empower our customers to save for their goals. Another point to highlight is Prudential's brand commitment is "Listening. Understanding. Delivering." is to reinforce their purpose to help their customers' progress in daily life, meet with their changing requirement in a highly digital, in this era of globalisation. Thus, by making progress in innovation focusing on Prudential's customers, Prudential has continuing to be as relevant till today as this company has been operating for more than 96 years.

As being operating for more than 60 years in Malaysia, PAMB has come out with various type of insurance product in order to serve the customers demand and solve their concern by finding the right plan for them. There are 5 main type of plan introduced by PAMB which are PRUWith You, PRUMy Critical Care, PRUMy Child Plus, PRUMy Medical Plus and PRUProtect Xtra.

The first type of plan called PRUWith You is also known as investment linked insurance plan or life and savings insurance, so the function of this plan can fulfil the needs for both insurance and investment. This plan will pays the insured with lump sum amount to look after the insured's family in case of unfortunate pass away or insured become Total and Permanently Disabled (TPD) caused by injury or illness. Another benefit of signing up this plan is the insured able to plan out and have a better future as this plan can guarantee a lump sum payout in the future as it has investment features.

The second type is called PRUMy Critical Care is a critical illness policy for the terminal illness, cancer and other disease listed under coverage of PAMB. Individual signed up for this plan will get coverage that pay a lump sum amount as you have been diagnosed with critical illness. PAMB will pay a lump sum if the insured being diagnosed with any of Malaysia's top 5 most common critical illness such as cancer, heart attack, heart bypass surgery, stroke and kidney failure. This plan is very convenient to have as being critically ill can badly affecting on our finance as we are being burdened to pay for the medicine, hospital bills, and it going to be worse if we are unable to work as normal but still need to keep up with daily living expenses.

Move to the third type of insurance plan which is PRUMy Child Plus plan. This is solution offered by PAMB by using PRUWith You as the base but the different is this plan is a baby insurance, maternity and pregnancy insurance. In addition, it is such a comprehensive plan as this plan will give protection for the insured that begun in the womb and will continue as the child grow up.

Fourth one, this plan is called PRUMy Medical Plan. This plan is known as disable insurance, TPD cover and income protection. It will give solution to situation where one need to pay up medical cost one they have become TPD or unfortunately pass away. The medical coverage offered by this plan could help our loved ones continue living with a peace of mind as the insurance company will cover the medical bills on behalf the policyholder. Moreover, there are three choices of plan under PRUMy Medical Plan with different type and level of coverage to pay the medical bills as;

- PRUHealth

PAMB will cover the hospital bills up to RM 150,000 a year with RM1.56 million lifetime limit. Also, the policyholder will be paid a yearly bonus into policy account if the insured do not make a claim.

- PRUValue Med

PAMB will pay the medical bills only if the policyholder need the hospital treatment. However, under this plan there will be no annual or lifetime benefit payment limit even though the policymakers need to pay part of their future claim by themselves once PAMB has paid the 100% amount of coverage (amount is agreed depending on their plan)

- PRUMillion Med

If the policyholder need treatment, PAMB will pay all the cost up to RM1.98 million a year and without lifetime limit.

Last but not least, another type of plan offered by PAMB is PRUProtect Xtra. It is also known as personal and family financial planning for financial security plan. An individual that anxious of leaving the loved ones without any wealth when any unfortunate events happened is the target market for this insurance plan. Once the policyholder unfortunately pass away or become TPD, PRUProtect Xtra will pay the family with a lump sum of money as a financial security for them to adjust their way of life. The amount being paid will be twice the value of the coverage if the policyholder dead caused by accident, it can raise to four times from its value if the accident occur outside of Malaysia. Moreover, this plan also offer to pay RM 10,000 if the insured being hospitalised due to infectious diseases that PAMB cover.

Other than that, if the insured keep this plan in force for 9 years, he will be rewarded with a loyalty bonus every 2 years and a larger bonus will be given once your age reach 70 years old above (it is depending on your age at the beginning of policy is in force). Policyholder can

also earn extra fixed-term insurance to pay for mortgage, car loan or even their children’s school and university fees if they unfortunately pass away.

Table 1: Summary of the solution benefits for each insurance plan

Insurance plan	Solution benefits
PRUWith You	<ul style="list-style-type: none"> • Insurance and investment plan that fits to protect the future • Tailor your own plan to fit yourself • Cover throughout your life • Flexible enough to change
PRUMy Critical Care	<ul style="list-style-type: none"> • A lump sum if you get critically ill • Get protection on finances if your illness get worse • Can claim twice for heart attack, stroke and cancer • Getting pay for special benefits
PRUMy Child Plus	<ul style="list-style-type: none"> • Parental coverage • Coverage that grows with the child till 25 years old • Education fund for the child • Strengthen your child’s cover with add-on insurance
PRUMy Medical Plan	<ul style="list-style-type: none"> • Cover the cost of hospital treatment • Flexible medical insurance options can be chosen to match one’s needs and affordability • Comprehensive coverage with option for affordable premiums • Strengthen your coverage with a full range of add-on insurance
PRUProtect Xtra	<ul style="list-style-type: none"> • Financial security for your family • Coverage for infectious diseases • Additional coverage to strengthen your insurance plan • Loyalty rewards

3.1 TRAINING'S REFLECTION

The industrial training duration that I needed to go through are for 24 weeks in total. The first day of industrial training started on the 1st March 2021 and will be ended on 13th August 2021. At Mashitah Agency, I work for Monday to Saturday. The working hours for Monday to Friday is from 8.30 am to 5.30 pm while for Saturday, Mashitah Agency only operating from 8.30 am to 1 pm.

As I undergone my internship at an insurance agency here, there is no specific department that I have been assigned to. In spite of not having specific team, I believe the decision was made wisely to make sure I gained varies of experience by fulfilling task that suit different part of business such as administration, marketing and finance. Task has been assigned to me is somehow related to daily office administration work such as handling phone calls and maintaining general office files and digital storing of the documents. Some of specific specialization task I had done are making posters and videos for the social media posts to be used as educating purpose on the concept of insurance and takaful product. I also being appointed to handle the process of data entry for the agency's account as they are preparing for income tax filing in March.

Responsibilities that I had during this internship period are taking extra precaution while handling with documents of clients and agents in order to prevent from data leakage of their personal information, fulfil tasks set by site supervisors, updating social media platforms and create copywriting for each posting.

Benefits I have received through 24 weeks of industrial training is knowledge on various insurance, takaful concept and products offered by Prudential, process on signing up a new insurance policy, submitting a claim till withdrawal or surrender of policy process. From here, I also learn on how to multi-task, working in as team, punctuality, communication skill upon different group of people and self-confidence.

4.0 ANALYSIS

4.1 LITERATURE REVIEW

Life insurance could be defined as from two different viewpoints; from individual and the society (Chow-Chua & Lim, 2000). Normally, an individual will perceive insurance as only as instrument where people need to pay (premium) for it in order to protect themselves from circumstances that lead to financial loss. From the society's side, they view insurance as a device to reduce the severance of risk or eliminate all the risk by sharing the risk with other people in the society as whole. As people are living in uncertainty of future occasion, hence having insurance could be the best way for them to cushion themselves against the unwanted scenario such as accident or death.

There are many past research paper has been done to study about demand for insurance using primary data through survey. These studies are mostly focusing on socio-demographic variable such as age (Buric et al., 2017; Dash, 2018; Gustina & Abdullah, 2019; Jee, 2020; Meko et al., 2019; Sianipar & Hutagalung, 2021), gender (Buric et al., 2017; Dash, 2018; Jee, 2020), education level (Buric et al., 2017; Dash, 2018; Dragos et al., 2017; Gustina & Abdullah, 2019; Jee, 2020; Mulenga, 2019; Sianipar & Hutagalung, 2021), religion (Gustina & Abdullah, 2019; Mulenga, 2019) and income (Dash, 2018; Dragos et al., 2017; Jee, 2020; Kamau & Weda, 2019; Nakum, 2021) as the variable influencing the demand for insurance. However, there are less studies being done that emphasize the economic variable as the determinants for insurance. The economic factors being investigated in these past studies are as follows:

4.1.1 Inflation

There are two type of inflation named demand-pull inflation and cost-push inflation (Ahlgrim & D'Arcy, 2012) . A demand-pull inflation occurs due to the excessive demand from consumers while the aggregate supply of goods maintain at the same level so, it trigger the price of goods to be higher in the market. This type of inflation also can be indirectly affected by the foreign exchange which foreign goods become expensive thus customers will demand more for local product (Ahlgrim & D'Arcy, 2012). In contrast, cost-push inflation happened due to the cost of production from supply that being passed towards for those demanding for products. Usually the high cost of raw material, commodities and labour to made a product boost the price of the goods being sold. It is proven that when all the cost are rising, inflation does has a negative relationship with demand for insurance (Rubayah and Zaidi, 2000). As people are terrified with the increasing cost of living, surely purchasing an insurance policy

will be less attractive for them. Nahusenay (2016) found in his studies with the same result of inflation has a negative and statistically significant relationship with purchase demand of life insurance in Ethiopia. This result also supported by studies conducted by Gustina & Abdullah, (2019), inflation is negative and insignificantly influencing the demand for family takaful in Malaysia.

However, inflation does have positive relationship on demand for life insurance. Furthermore, Meko et al., (2019) found the same result of significant and positive relationship between demand for life insurance and inflation with coefficient of 1.77. It shows that demand in Ethiopia still increasing by 1.77% when there is 1% increase of inflation and this tells that demand for insurance products does not being affected in a higher inflation period.

4.1.2 Economic growth

Growth of an economy is a concept which referring to the rise of real national income. Recently, there are quite a number of interest regarding the issue of the relationship between insurance industry and the economic growth. However, among all the research being done, the evidences found a mixed result. Even so, most of the researchers found that economic growth is positively and significantly influencing the demand for insurance. Benziane & Kamal (2019) use Augmented Dickey-Fuller (ADF) test to estimate the long-term relationship of insurance and economic growth and the result revealed that there is a positive but insignificant relationship. So, this conclude that insurance sector will not affected or improving even when the market condition is improving.

Sigortası et al., (2018) take initiative to provide the answer for the question of mixed result by using meta-regression analysis technique. After eliminate studies that do not meet the objective of the study, only 17 articles and 98 observations are being obtained. 11 out of the 98 observations were not reported to be significant at 5% level, 1 variable is significant and negative while the other 86 variable found to be have a positive and significant relationship between life insurance and economic growth. From this study, it turned out that different result could be obtained depend on the proxy of the economic growth being used in the study. Furthermore, result obtained also indicate that type of data and sample size give impact on the relationship between life insurance and economic growth too. Nevertheless, there is a significant impact of life insurance and economic growth being reported using meta-analysis method.

Next, economic development which is being measured by gross domestic product also shows a positive impact on the demand for life insurance in Western Balkan countries in research being done by Burić et al., (2017). This is proven as a higher Gross Domestic Product (GDP) supposedly cause the growth of the economic activities thus it will lead to increment of demand for life insurance as a growth tend to leads to more employment and income of an individual. In another research, Mohy Ul Din et al., (2017) conduct a study to examine the relationship between insurance and economic growth in total mixture of 20 develop and developing countries. Here insurance is being proxy by three different proxies such as written premiums of insurance, penetration and density. The result reveals that there is a positive and significant relationship between life insurance measured by proxy of net written premiums and density, and economic growth for developed countries. It is the same with developing countries but only by penetration proxy of the insurance. For non-life insurance, it shows that all three proxy of insurance has a statistically significant relationship with economic growth for developing countries and only significant when using insurance density as the proxy of insurance in case of develop countries. Thus, it can be conclude that a non-life insurance is way more significant for the developing countries to be compared with those develop countries.

In another situation, from the article written by Olayungbo & Akinlo (2016), they found a vary result regarding relationship of insurance and economic growth in eight African countries. As they are using insurance penetration of insurance, result shows that there is a positive relationship of insurance and economic growth for Egypt. Results also reveal that there is a short-run negative and long-run positive effects for country such as Kenya, Mauritius and South Africa. In opposition, negative relationship were found for countries such as Algeria, Nigeria, Tunisia and Zimbabwe.

Peleckienė et al., (2019) in his study also obtained both positive and negative result between the relationship of insurance and economic growth. The result of descriptive statistics analysis reveals that there is a positive and statistically significant relationship between insurance and economic growth in countries such as United Kingdom, Denmark, Finland, Ireland, France and The Netherlands which are a high level economic development countries. On the contrary, a negative and statistically significant relationship has been reveal for countries such as Austria, Belgium, Malta, Estonia and Slovakia. These countries are coming from upper middle level, low level and very low level of economic development. As a conclusion, it can be stated that both positive and negative statistically significant relationship between insurance penetration and economic growth in the European Union countries do exist.

4.1.3 Money supply

All currency and liquid instruments in a country are being counted as money supply and roughly it include both cash and deposits that has high liquidity to be change into cash at any time. The narrowest and commonly used is M1. M2 has a broader measure as it include all M1 and being added with savings and deposits held at all bank. Thus, it is most suitable to be used on this research as M3 are not appropriate as it include instrument which need a longer time to liquidate into cash. According to Lodha (2013), it is very essential to manage the country's money supply as it assist the whole economy to achieve a better rate of employment, output of country, stable price level and has a surplus balance of payment. This indicate that if the money supply is increase, it can help individual to have a better income and indirectly people have extra income to subscribe for insurance.

Furthermore, studies conducted by Zhou (2014), Yuan (2015), and Yang and Zhu (2019), there found out the impact of monetary policy can give out two different result towards the insurance industry in China based on type of monetary policy being implemented which is expansionary or contractionary by the ruler of that particular country. So, this variable will be used to observe current situation of money supply in Malaysia. In another studies by Cavalcante et al., (2018), by using M2 as a proxy of financial development, the result of LM test shows that there is a positive relationship of M2 on the non-life insurance premium consumption. For each 1% increase in the amount of M2, the non-life insurance premium consumption will increase by 0.77%. An article in later year written by Alzyadat (2020) supported the result as this research prove that M2 which is being used as indicator of financial development has positive and does directly affecting the demand for insurance both in long and short run term.

4.2 METHODOLOGY

The study was conducted to examine the demand for life insurance solely in Malaysia. Besides, this study uses the time horizon of twenty-one years from 2000 to 2020 semi-annually due to the availability of these data and the total number of observations is 42. The sources of all this data obtained from the Monthly Statistical Bulletin and The Insurance Annual Report published on website of Bank Negara Malaysia. The data obtained then being analysed using Least Square method thru the E-views version 11 software.

The dependent variable of this study is the demand for life insurance. Meanwhile, the independent variables consist of 4 variables which are inflation, economic growth, money supply that are known as macroeconomic variables and lastly pandemic of Covid-19. The first

three determinants have been chosen in existing empirical literature because it is considered the important variables towards the demand for insurance. As for variable Covid-19, it has been added due to the pandemic outbreak since early of 2020 and the objective of making it as one of the variable is to observe either the demand for life insurance in Malaysia will be affected by it. Table 2 shows the details of the data used in this study while Figure 3 shows proposed research framework.

Table 2: The dependent and independent variables

Variables	Proxy	Symbol	Expected Sign
Dependent Variable			
Demand for insurance	Number of life insurance policies in force (in unit)	INS	N/A
Independent Variables			
Inflation	Consumer Price Index (CPI) (in unit)	INF	Negative
Economic growth	Industrial Production Index (IPI)(in unit)	EG	Positive
Money supply	Money supply (M2)(value in RM)	MS	Positive
Covid-19	Absence of pandemic Covid-19	C19	Positive

INDEPENDENT VARIABLES

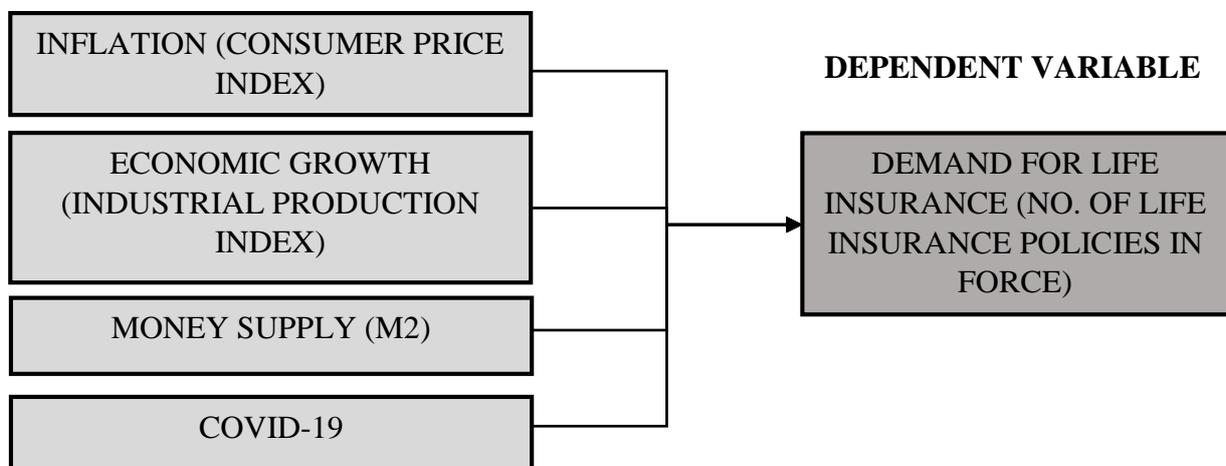


Figure 3: Proposed Research Framework

The econometric model for this research is as following:

$$\text{LINS} = \beta_0 + \beta_1\text{LINF} + \beta_2\text{LEG} + \beta_3\text{LMS} + \beta_4\text{C19} + \varepsilon$$

Where:

LINS = Log of number of life insurance policies in force in Malaysia (in unit)

LINF = Log of Consumer Price Index (CPI) in Malaysia (in unit)

LEG = Log of Industrial Production Index (IPI) in Malaysia (in unit)

LMS = Log of money supply (M2) in Malaysia (value in RM)

C19 = Absence of pandemic Covid-19 in Malaysia

ε = Error term

β_1 to β_4 = Estimated coefficients of the independent variables

4.3 FINDINGS

Table 3: Regression result of Demand for Life Insurance and Inflation, Economic Growth, Money Supply and Covid-19

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	13.04901	0.993615	13.13286	0.0000
LINF	0.146583	0.248230	0.590514	0.5584
LEG	-0.152541	0.060654	-2.514927	0.0164
LMS	0.233112	0.036393	6.405387	0.0000
C19	-0.054001	0.043355	-1.245559	0.2208
R-squared	0.919597	Mean dependent var		16.19872
Adjusted R-squared	0.910905	S.D. dependent var		0.185471
S.E. of regression	0.055361	Akaike info criterion		-2.838542
Sum squared resid	0.113399	Schwarz criterion		-2.631676
Log likelihood	64.60938	Hannan-Quinn criter.		-2.762717
F-statistic	105.7954	Durbin-Watson stat		0.322784
Prob (F-statistic)	0.000000			

After performing the regression analysis, the data can be represent through the model as below:

$$\text{LINS} = \beta_0 + \beta_1\text{LINF} + \beta_2\text{LEG} + \beta_3\text{LMS} + \beta_4\text{C19} + \varepsilon$$

$$\text{LINS} = 13.04 + 0.14\text{LINF} - 0.15\text{LEG} + 0.23\text{LMS} - 0.05\text{C19}$$

t-stat (13.13) (0.59) (-2.51) (6.40) (-1.25)

S.E [0.99] [0.25] [0.06] [0.04] [0.04]

As shown in Table 3, the regression result suggests that the model fits the data well at the 2.00 significance level. The R^2 of 0.9196 propose that all four independent variables used in this model explain only 91.96% of the variance in the demand of life insurance. The remaining of 8.04% is explained by the other variables which is not included in the model. The results of the regression also suggest that economic growth and money supply have a statistically significant relationship with the demand for life insurance.

Moreover, the results also convey that economic growth is negatively related with demand for insurance with coefficient of -0.15 whereas money supply are positively related to demand of life insurance based on the coefficient value of 0.23. So, when there is increment of 1% of economic growth in Malaysia, thus the demand for life insurance in Malaysia will be dropped by 0.15% due to their negative relationship.

On the contrary, if the money supply in Malaysia increase by 1%, the demand for life insurance in Malaysia will also increase by 0.23%. In addition to that, income seems to have the greatest influence on demand for life insurance, which is explained by the highest t-stat value of 6.40. However, both variable of inflation and pandemic Covid-19 do not appear to be significantly related with the demand for life insurance in Malaysia.

5.0 DISCUSSION & RECOMMENDATION

From the regression result, it shows that economic growth is inversely and statistically significant influencing the demand for life insurance in Malaysia with a regression coefficient of -0.15 and t-stat value of -2.51. The result of economic growth is significantly in influencing the demand for life insurance is consistent with past studies (Ahmad Baharul Ulum et al., 2012; Benziane & Kamal, 2019; Burić et al., 2017; Mohy Ul Din et al., 2017; Olayungbo & Akinlo, 2016; Peleckienė et al., 2019; Sigortası et al., 2018). Apart from that, a huge number of past studies found that economic growth has a positive relationship with the demand for insurance. So, this study too is expecting to have the same result as past studies. However, the result is contrast with expected result, the relationship between economic growth and demand for life insurance to be negative and significantly related.

Nevertheless, this result can be supported as few researchers such as Kjosevski (2011), Olayungbo & Akinlo (2016) and Peleckienė et al. (2019), obtained the same result of negative and statistically relationship of insurance and economic growth. Although the result is negative and significant for insurance and economic growth, Kjosevski (2011) found evidence that both insurance and bank sectors are having the same changes of result to be having negative relationship with economic growth. It happened since people is changing their interest in spending their money and actually they seek for the best investment channel to gain back more in future.

Even though Prudential have potential to make more sales of life insurance as productivity in economy increase, but when the situation is contrast, Prudential can still boost their sales by promoting their insurance plan which is affordable to the customers while this plan can both protect their financial and work as a saving fund for their future. A low premium with great coverage of a life insurance surely like PRUWith You as an example of investment-linked plan should be able to attract people to subscribe for insurance plan. All this while, majority of people have a thought of not getting insurance as they afraid they cannot be committed for monthly payment, or paying premium is such a waste of money since they cannot submit for claim unless they fall ill or unfortunately dead.

Other result of this negative relationship between economic growth and life insurance that being identified in Austria, Belgium, Malta, Estonia and Slovakia on article by Peleckienė et al., (2019) is relevant since there is tendency to receive this result by using linkage analysis between groups of the country. It is known that insurance sector are the best developed in the

UK, The Netherlands, Denmark, Finland, Ireland and France. Moreover, these country are from both group of high and upper middle economic development countries. Other countries such as Romania, Bulgaria, Latvia and Estonia have the least developed insurance sectors. Thus, the negative relationship of demand for life insurance and economic growth in Malaysia could be due to our country might be categorised as a country that has a lower level of economic development or has a lower rate of insurance development all this while. In addition, Olayungbo & Akinlo (2016) also recommend in their article that Nigeria, Tunisia and Zimbabwe which having a negative effect between economic growth and insurance demand suggest that these country should make effort and new policies to increase the awareness and focusing on educating the people on the importance of having insurance as protection.

For money supply, results of the regression analysis conveys that money supply has positive and it is significantly related to the demand for life insurance with regression coefficient of 0.23 and t-stat value of 0.64. This variable is having the highest t-stat value among others variables being tested suggested that money supply is the most significant variable that affecting demand for life insurance in Malaysia. There are no counter-argument regarding the positive influence of money supply on demand for life insurance as it is also in line with past study being conducted (Alzyadat, 2020; Cavalcante et al., 2018). So, it is proven that any suitable fiscal policy or monetary policy being implemented by the policymakers depending on the current situation of economy in a country could help increase the money supply in the circulation.

When the money supply in the economy increase, it means people also having more income to be used for transaction, precautionary or speculative purposes. So, it is a good sign to the insurance company to plan out strategies to attract more customers to subscribe for any insurance plan available that suit with one's goals and budget of expenses as the trend of the money supply (M2) is steadily increasing. Moreover, Prudential also can step up their campaign of spreading awareness on benefit to manage one's financial wisely. By having insurance policy in force, if there is any misfortune or the policyholders fall sick or pass away, insurer will come to the rescue and pay amount based on what have agreed on the policy. Another recommendation on money supply aspect is our country's policymakers also need to maintain their best choice of policy to solve this macroeconomics problems either using fiscal or monetary policy as long as it can help boost the money supply in the economy.

6.0 CONCLUSION

In conclusion, the main objective of this study being conducted was to observe the relationship between demand for life insurance and variable such as inflation, economic growth, money supply and pandemic Covid-19 in Malaysia. The overall result disclosed that the demand for life insurance in our country is being significantly influenced by both economic growth and money supply. The demand also being related negatively to economic growth and positively with money supply. On the contrary, this study found that demand for life insurance did not being affected by inflation and Covid-19 as both variable is insignificant. From this mini research, I hope that this information could help Prudential Assurance Malaysia Berhad could use the result as a base for them to make plan and act accordingly to increase and fulfil all the demand by the customers.

As for industrial training, I gained a very beneficial new knowledge and adapting a whole new surrounding of a real workplace. All knowledge and skills such as the demand of the industry, work ethics and building network within profession obtained during this 24 weeks of industrial training in the organisation could help me be prepared for my future journey in any workplace I may join after graduating from Universiti Teknologi MARA. Now, my vision of life is to continue seek as many ways to keep on learning and growth in all aspect (knowledge, new acquaintances, skills, personality). I would like to keep pursue myself till I become someone respected for having knowledge and be expertise of my job field.

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APPENDICES



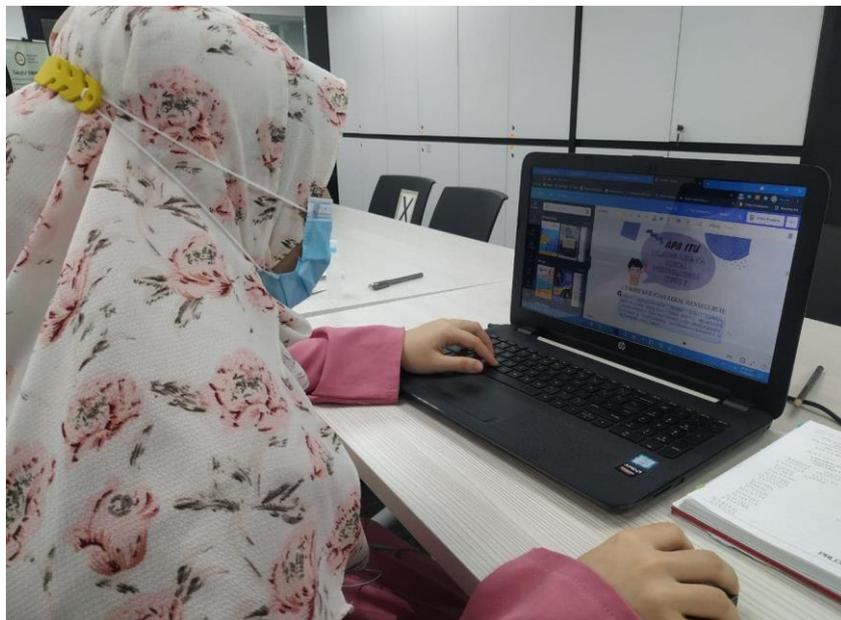
Picture 1: Prudential logo at office building



Picture 2: Task of calling customer service of Prudential



Picture 3: Shredding unused paper



Picture 4: Editing poster as content on Facebook



Picture 5: Place to keep all letters or documents according to agent's code files



PELUANG BEKERJA BERSAMA MASHITAH AGENCY

TAWARAN FAEDAH

1. Masa kerja yang fleksibel
2. Kerjaya terjamin dengan potensi membina agensi sendiri
3. Latihan dan bimbingan yang efektif dan percuma
4. Peluang melancong ke luar negara secara percuma
5. Peluang membina pendapatan pasif sepanjang hayat
6. Pendapatan tanpa had

SIAPAKAH YANG LAYAK MEMOHON

- Berumur 21-45 tahun
- Berkelulusan Diploma & ke atas
- Mempunyai kenderaan sendiri
- Sambilan @ sepenuh masa
- Berperwatakan menarik dan berketerampilan

HUBUNGI:

Picture 6: Vacancy poster I have made

**ADAKAH ANDA MEMPUNYAI WANG SIMPANAN
DAN SANGGUP MENGGUNAKANNYA
UNTUK MENANGGUNG SEGALA KOS RAWATAN
SEKIRANYA DITIMPA MUSIBAH?**



SAKIT KRITIKAL



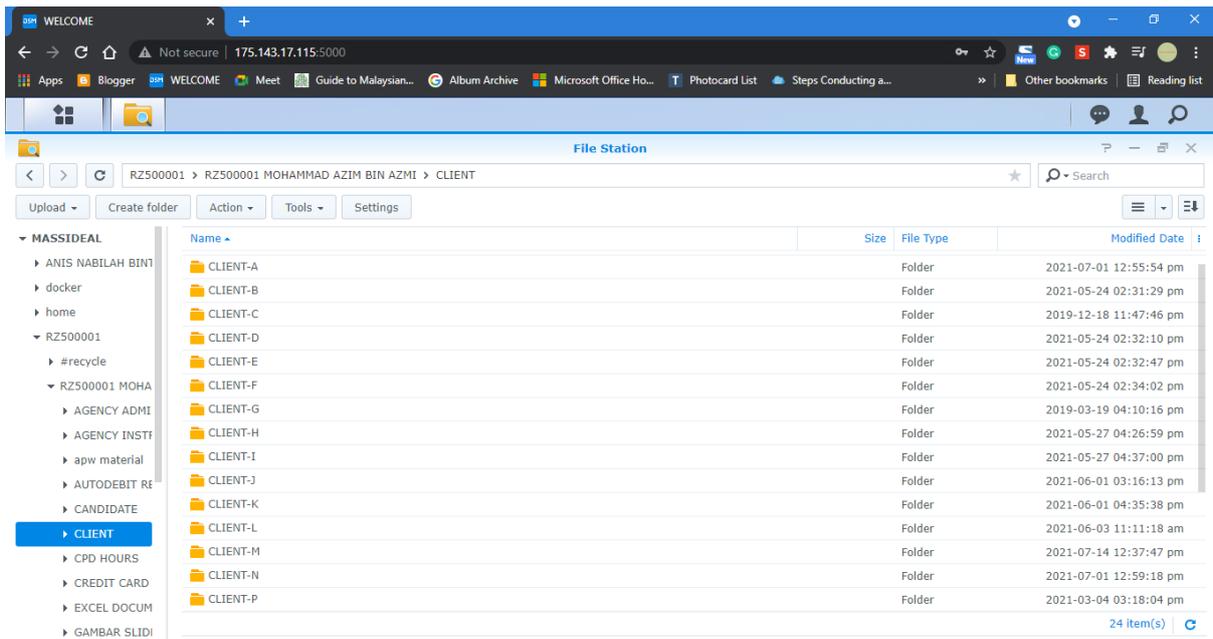
HILANG UPAYA

	RAWATAN PAKAR	RAWATAN SEGERA	KOS RAWATAN
	✓	✗	RENDAH
HOSPITAL KERAJAAN	✗	✓	
	✓	✓	TINGGI
HOSPITAL SWASTA			

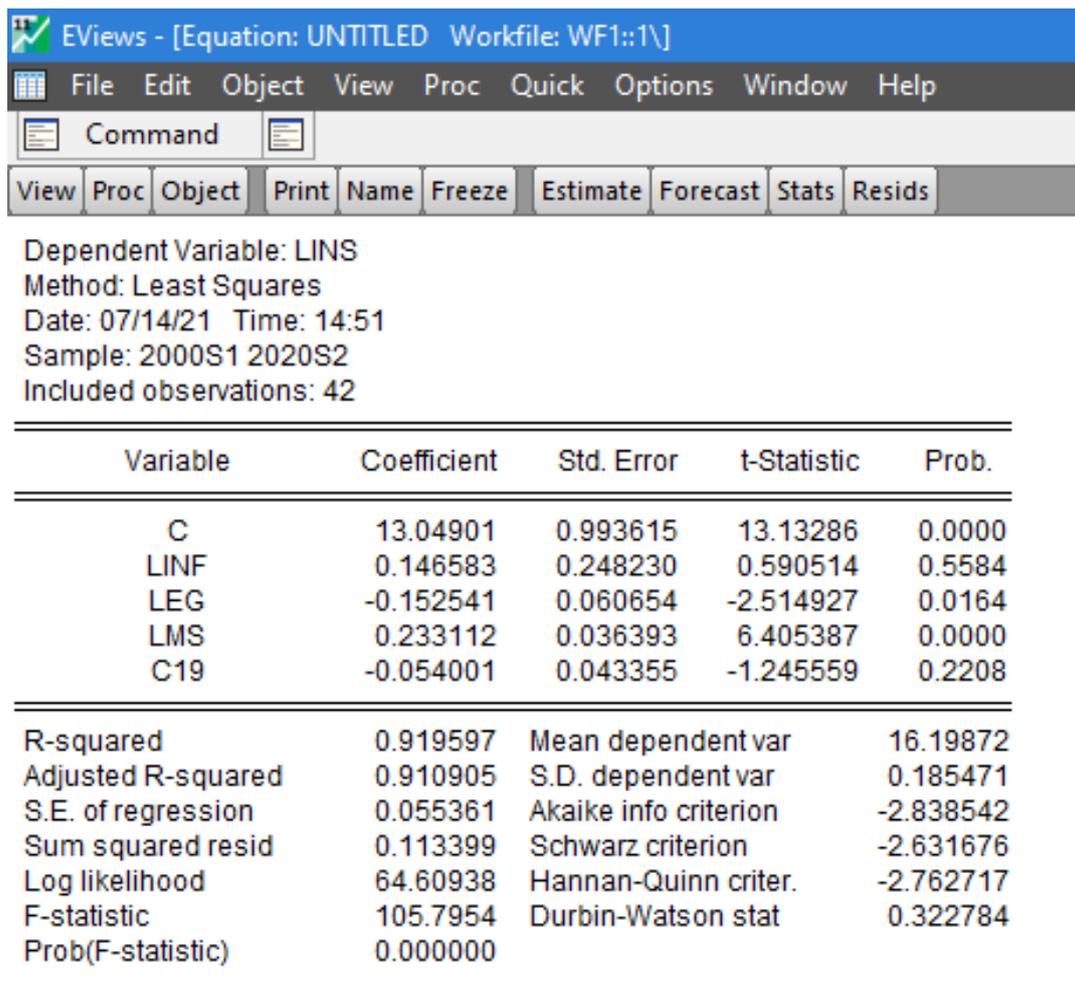
*SEMUA TERTAKLUK KEPADA TERMA & SYARAT

Dengan adanya pelan takaful, ia dapat membantu meringankan beban anda menanggung kos rawatan yang mahal. Ingin maklumat lebih lanjut? Sila hubungi:

Picture 7: Takaful concept poster I have made



Picture 8: Agency's server stores digital documents



Picture 9: Result of regression analysis using E-Views 11 software

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