PIAM
PERSATUAN INSURANS AM MALAYSIA
General Insurance Association of Malaysia

MAKING WAVES - A YEAR OF CHANGE
ANNUAL REPORT 2016
OUR CORE VALUES

- Professionalism
- Industry-focused
- Accountability
- Make a difference
ABOUT US

The history of Persatuan Insurans Am Malaysia (PIAM), i.e. the General Insurance Association of Malaysia, originated from the establishment of various insurance and tariff associations set up in 1885 that played a role as a collective voice of the insurance industry in Malaya and Singapore, shortly after the independence of Malaya in 1957. In June 1961, the Insurance Association of Malaya was formed to maintain tariff discipline, respond to new insurance legislations and promote sound insurance practices. For the first time, an Association was established in Kuala Lumpur to safeguard the country’s general insurance interest.

Subsequently, PIAM was incorporated in May 1979 as a statutory trade association recognised by the Government of Malaysia for all registered insurers who transact general insurance business. Currently, PIAM has 27 member companies comprising direct general insurance and reinsurance companies operating in Malaysia.

OUR MISSION STATEMENT

To be a Dynamic Trade Association serving the interests of our members by creating a favourable business environment and working closely with all stakeholders to support the initiatives under our National Agenda.

OUR CORPORATE OBJECTIVES

- Articulate One Unified Voice for and on behalf of the industry
- Create Favourable Business Environment for member companies
- Promote Image of the industry and its Role in the Economy
- Educate Consumers on General Insurance Products
- Foster Public confidence by protecting the interests of Consumers
- Establish a Sound and Efficient Insurance Infrastructure with Best Practices
- Raise Professionalism and ensure Standards in Distribution
- Harmonize Approaches and Solutions to Industry Issues
- Build a pipeline of talent and profile general insurance as a career of choice
- Facilitate Information Sharing within boundaries of Competition Act
The 2016 annual report cover design is all about change. Since 2014, PIAM has transformed into a vibrant and dynamic trade association. Along the way it has elevated the profile and enhanced the image of the industry. Riding on the waves of change in 2016 PIAM is committed to forging strong partnerships with all stakeholders for the benefit of all its member companies. Thereby, fostering the growth and development of general insurance in Malaysia.
PIAM MANAGEMENT COMMITTEE
2016/2017

From left to right:

Mr. Mark Lim Kian Wei
(Chief Executive Officer)

Mr. David Fike
(Convenor, Accident, Health and Others)

Encik Zainudin Ishak
(Convenor, Education/HRD)

Mr. Antony Lee
(Chairman)
Not in Photo:
Mr. Steve Crouch
(Convenor, Public Relations/CSR)

Encik Zaharudin Daud
(Convenor, Claims Management/PARS)

Mr. Derek Roberts
(Convenor, Motor) - up to 7 Dec 2016
Representatives in Other Organisations

ASEAN INSURANCE COUNCIL
Mr. Antony Lee
(AIG Malaysia Insurance Bhd)
Mr. Mark Lim Kian Wei
(Persatuan Insurans Am Malaysia)

THE MALAYSIAN INSURANCE INSTITUTE (MII)
Mr. Antony Lee
(AIG Malaysia Insurance Bhd)

NATIONAL ROAD SAFETY COUNCIL
Ms. Joy Lim
(Persatuan Insurans Am Malaysia)

MALAYSIAN RATING CORPORATION BHD (MARC)
Mr. Chua Seck Guan
(MSIG Insurance (Malaysia) Bhd)

OMBUDSMAN FOR FINANCIAL SERVICES (OFS)
Mr. Antony Lee
(AIG Malaysia Insurance Bhd)

MALAYSIAN MOTOR INSURANCE POOL (MMIP)
Mr. Steve Crouch
(Chubb Insurance Malaysia Berhad)

NATIONAL TRANSIT TRANSPORT COORDINATING COMMITTEE (Protocol 5)
Mr. Mark Lim Kian Wei
(Persatuan Insurans Am Malaysia)

ISIM INSURANCE SERVICES MALAYSIA BHD
Mr. Derek Roberts
(AmGeneral Insurance Berhad)
up to 7 Dec 2016

CENTRAL ADMINISTRATION BUREAU (CAB) SUPERVISORY BOARD
Mr. Antony Lee
(AIG Malaysia Insurance Bhd)

JOINT INSURANCE TAKAFUL COUNCIL
Mr. David Fike
(Zurich Insurance Malaysia Bhd)
Mr. Chuang Chee Hing
(Lonpac Insurance Bhd)
Mr. Michael Wong Teck Kat
(Independent)

VEHICLE THEFT REDUCTION COUNCIL (M) BHD
Mr. Antony Lee
(AIG Malaysia Insurance Bhd)
Mr. Chua Seck Guan
(MSIG Insurance (Malaysia) Bhd)
Encik Muhammad Azlan Noor Che Mat
(Etiqa Insurance Berhad)
Mr. Mark Lim Kian Wei
(Persatuan Insurans Am Malaysia)

MII CAPACITY BUILDING FUND (STEERING COMMITTEE)
En. Zainudin Ishak
(Malaysian Reinsurance Bhd)
Puan Nor Azima Binti Abdul
(QBE Insurance (Malaysia) Berhad)
Mr. Mark Lim Kian Wei
(Persatuan Insurans Am Malaysia)

NATIONAL PAYMENTS ADVISORY COUNCIL (NPAC)
Mr. Antony Lee
(AIG Malaysia Insurance Bhd)

PORT KELANG AUTHORITY CONSULTATIVE COMMITTEE
Ms. Lee Ying Ying
(AIG Malaysia Insurance Bhd)

NATIONAL COMMITTEE ON MANAGED CARE
Ms. Lum Sau Mei
(Progressive Insurance Bhd)
Ms. Jenny Yeoh Yew Len
(MSIG Insurance (Malaysia) Bhd)
SUB-COMMITTEE MEMBERS
2016/2017

ACCIDENT, HEALTH & OTHERS

CONVENOR
Mr David Fike
Zurich Insurance Malaysia Bhd

DEPUTY CONVENOR
Mr Kevin Choong Wui Teck
Chubb Insurance Malaysia Bhd

MEMBERS
Ms Mira Florence Desai
AIG Malaysia Insurance Bhd
Ms Elaine Kok Yoke Foong
AmGeneral Insurance Bhd
deed Dec 2016
Mr Sim Siew Fuang
Berjaya Sompo Insurance Bhd
En Azmy Bin Taib
Etiqa Insurance Bhd
Mr Matthews a/l George
Liberty Insurance Bhd
Ms Jenny Yeoh Yeok Len
MSIG Insurance (Malaysia) Bhd
Ms Christine Teh
Overseas Assurance Corp. (M) Bhd
Ms Lum Sau Mei
Progressive Insurance Bhd
Ms Lily Teh
Tune Insurance Malaysia Bhd

CLAIMS

CONVENOR
Encik Zahiruddin Bin Daud
Etiqa Insurance Bhd

DEPUTY CONVENOR
Mr Harminder Singh a/l Seva Singh
MSIG Insurance (Malaysia) Bhd

MEMBERS
Mr Dilsher Singh
AIG Malaysia Insurance Berhad
Mr Sivakumar a/l Ramanalingam
Allianz General Insurance Co. (Malaysia) Bhd
Mr Darren Joseph Ryan
AmGeneral Insurance Bhd
deed Dec 2016
Mr Leong See Meng
Berjaya Sompo Insurance Bhd
Ms Siew Yoke Peng
Berjaya Sompo Insurance Bhd
En Azmy Muhammad Azlan Noor Bin Che Mat
Etiqa Insurance Berhad
Mr Richard Tee Chion Chiek
Liberty Insurance Berhad
Ms Chan Cheng Sim
Pacific & Orient Insurance Co. Bhd
Mr Alan Sii How Ping
RHB Insurance Bhd
Ms Dorine Chang
Tokio Marine Insurers (M) Bhd
Ms Andrea Looi
Zurich Insurance Malaysia Berhad

DISTRIBUTION MANAGEMENT

CONVENOR
Mr Chua Seck Guan
MSIG Insurance (Malaysia) Bhd

DEPUTY CONVENOR
Mr Ronnie Lee Seong Kar
Etiqa Insurance Bhd

MEMBERS
Mr Kevin Rajaratnam
AIG Malaysia Insurance Berhad
Mr Foo Chuen Hou
Allianz General Insurance Co. (Malaysia) Bhd
Ms Grace Quah Seok Chen
AmGeneral Insurance Bhd
deed Dec 2016
Ms Sia Meu Ing
Lonpac Insurance Bhd
Mr Teoh Guan Huat
MSIG Insurance (Malaysia) Bhd
Ms Linda Ho Yen Lai
Overseas Assurance Corp. (M) Bhd
Mr William Foo
QBE Insurance (Malaysia) Bhd
Mr Choon Kim Hoe
RHB Insurance Berhad
Mr Liew Eng Seong
Tune Insurance Malaysia Berhad
EDUCATION/HRD SUB-COMMITTEE

CONVENOR
Encik Zainudin Ishak
Malaysian Reinsurance Berhad

DEPUTY CONVENOR
Puan Nor Azima Binti Abdul
QBE Insurance (Malaysia) Berhad

MEMBERS
Ms Vimala Bhoo Pathy
AIG Malaysia Insurance Berhad
Ms Wong Siew Yong, Nicole
AmGeneral Insurance Bhd
up to 7 Dec 2016
Encik Mokhtar Abdul Razak
Etiqa Insurance Berhad
Cik Farina Mohamad Ramlan
Liberty Insurance Berhad
Puan Iszatul Mashani (Jun) Ishak
Malaysian Reinsurance Berhad
Mr Bernard Ong
MSIG Insurance (Malaysia) Bhd
Ms Kathryn Kok Poh Chee
Tune Insurance Malaysia Berhad
Ms Hemalatha Krishnan
Zurich Insurance Malaysia Berhad
Mr Liew Yoke On
The Malaysian Insurance Institute

FINANCE AND CORPORATE GOVERNANCE/ERM

CONVENOR
Mr David Tan See Dip
Liberty Insurance Bhd

DEPUTY CONVENOR
Mr Ng Seng Khin
Lonpac Insurance Bhd

MEMBERS
Mr David Oo Chih Su
AIA Bhd
Puan Zawinah Bte Ismail
AIG Malaysia Insurance Berhad
Ms Felicia Lee Chi Kwan
Allianz General Insurance Co. (Malaysia) Bhd
Ms Dang Mei Yin
AmGeneral Assurance Bhd
up to 7 Dec 2016
Mr Vincent Fong
Asia Capital Reinsurance (M) Sdn Bhd
Mr Thomas Lian
Liberty Insurance Bhd
Encik Muhammad Ridzuan Bin Ismail
Malaysian Reinsurance Bhd
Ms Khoo Sook Hooi
Overseas Assurance Corp. (M) Bhd
Ms Kan Poh Yee
Progressive Insurance Bhd
Ms Seng Soo Wy
QBE Insurance (Malaysia) Berhad
Ms Maggie Chong Sook Yin
RHB Insurance Bhd
Mr Prithpal Ruprai
Zurich Insurance Malaysia Berhad

FIRE, MARINE AND ENGINEERING

CONVENOR
Mr Looi Kong Meng
Lonpac Insurance Bhd

DEPUTY CONVENOR
Puan Nur Basmin Md Amin
Etiqa Insurance Bhd

MEMBERS
Ms Lee Ying Ying
AIG Malaysia Insurance Berhad
Mr Christopher Robert Tandy
AmGeneral Insurance Bhd
up to 7 Dec 2016
Mr Yap Foo Vee
Berjaya Sompo Insurance Bhd
Mr Jayaparagasam a/l Mugunen
Liberty Insurance Bhd
Encik Mohd Zamri Bin Zainudin
Lonpac Insurance Bhd
Encik Abd Halim Anuar Sharif
Malaysian Reinsurance Bhd
Ms Amy Tan Gow Hou
MSIG Insurance (M) Bhd
Ms Elaine Chan Choy Fong
Tune Insurance Malaysia Berhad
Ms Hemalatha Krishnan
Zurich Insurance Malaysia Berhad
Mr Liew Yoke On
The Malaysian Insurance Institute
### MOTOR

**CONVENOR**
Mr Derek Roberts  
AmGeneral Insurance Bhd  
up to 7 Dec 2016

**DEPUTY CONVENOR**
Mr Jimmy Tan Ooi Chai  
Allianz General Insurance Co. (Malaysia) Bhd

**MEMBERS**
Ms Sarala Puvanesan  
AIA Bhd  
Mr Patrick Wong Cheong Yew  
Asia Capital Reinsurance (M) Sdn Bhd  
Ms See Toh Lai Chee  
AmGeneral Insurance Bhd  
up to 7 Dec 2016  
En Azmi Abdul Wahab  
Hannover Re Malaysian Branch  
Mr Peter Ong Wooi Loon  
Liberty Insurance Bhd  
Puan Yahani Hashim  
Malaysian Reinsurance Berhad  
Ms Sophia Chan Soi Fong  
MSIG Insurance (Malaysia) Bhd  
Ms Chan Cheng Sim  
Pacific & Orient Insurance Co. Bhd  
Mr Goh Eng Chun  
RHB Insurance Berhad  
Mr Tan Chew Kuan  
Zurich Insurance Malaysia Bhd

### REGULATORY AND INDUSTRY DEVELOPMENT

**CONVENOR**
Mr Randy Hong  
Swiss Reinsurance Company Ltd

**DEPUTY CONVENOR**
Ms Fiona Yew  
Chubb Insurance Malaysia Bhd

**MEMBERS**
Ms Sara Jayne Ramalingam  
AIA Bhd  
Ms Tee Rin Na  
AIG Malaysia Insurance Bhd  
Mr Patrick Lim Kok Keong  
Allianz General Insurance Co. (Malaysia) Bhd  
Ms Joy Tey Hong Teng  
AmGeneral Insurance Bhd  
up to 7 Dec 2016  
Mr P. Maheshwar  
Chubb Insurance Malaysia Bhd  
Ms Asha a/p M. Thomas Verghese  
Liberty Insurance Bhd  
Engk Muhammad Tirmizi  
Muhammad Yew  
Malaysian Reinsurance Berhad  
Ms Gan Sye Ni  
MSIG Insurance (Malaysia) Bhd  
Mr Cheng Chuen Chee  
Overseas Assurance Corp. (M) Bhd  
Mr Vincent Ong Hock Lim  
RHB Insurance Berhad  
Mr Alan Ho  
Zurich Insurance Malaysia Bhd

### PUBLIC RELATIONS/CSR

**CONVENOR**
Mr Steve Crouch  
Chubb Insurance Malaysia Bhd

**DEPUTY CONVENOR**
Mr. Yogendra Thavakumar  
AIG Malaysia Insurance Bhd

**MEMBERS**
Ms Darshini Mahendranathan  
AIA Bhd  
Mr Benedict Gerald Rozario  
AmGeneral Insurance Bhd  
up to 7 Dec 2016  
Puan Haliza Hashim  
Liberty Insurance Berhad  
Puan Noorazimah Tahir  
Malaysian Reinsurance Bhd  
Ms Jennifer Hsu Chin Fen  
MSIG Insurance (Malaysia) Bhd  
Ms Lakshimi K.A.  
Tune Insurance Malaysia Berhad  
Puan Roziana Mohd Yatim  
Zurich Insurance Malaysia Berhad
**SUB-COMMITTEE MEMBERS**

**2016/2017**

**PARS**

**CHAIRMAN**
En Muhammad Azlan Noor Bin Che Mat
Etiqa Insurance Bhd

**MEMBERS**
Mr Yew Sin Nam
AIG Malaysia Insurance Bhd
Ms Penny Sivam Sedase Von Pillay
Allianz General Insurance Co. (Malaysia) Bhd
Mr Ho Wai Hei
AmGeneral Insurance Bhd
Mr David Chok Voon Peng
Berjaya Sompo Insurance Berhad
Puan Haslenda Md Moktar Rudin
Etiqa Insurance Bhd
Mr Jaspal Singh
MSIG Insurance (Malaysia) Bhd
Mr Siow Chon Siong
MPI Generali Insurans Berhad
Mr Alan Sii How Ping
RHB Insurance Bhd
Mr Ronnie Chan Yoon Kong
Tune Insurance Malaysia Berhad
Encik Azico Bin Abdul Rahim
Overseas Assurance Corp. (M) Bhd

**CONVENOR**
Mr Simon Teng Lung Hai
AmGeneral Insurance Bhd
up to 7 Dec 2016

**MEMBERS**
Ms Chin Vun Fong
Berjaya Sompo Insurance Berhad
Mr Michael Wong Ho On
Liberty Insurance Berhad
Mr Benedict Majin
Progressive Insurance Berhad
Ms Jocelyn Choo
Tune Insurance Malaysia Bhd
Mr Liew Chi Fui
Zurich Insurance Malaysia Berhad

**SABAH LIAISON GROUP**

**CONVENOR**
Mr Simon Teng Lung Hai
AmGeneral Insurance Bhd
up to 7 Dec 2016

**MEMBERS**
Ms Chin Vun Fong
Berjaya Sompo Insurance Berhad
Mr Michael Wong Ho On
Liberty Insurance Berhad
Mr Benedict Majin
Progressive Insurance Berhad
Ms Jocelyn Choo
Tune Insurance Malaysia Bhd
Mr Liew Chi Fui
Zurich Insurance Malaysia Berhad

**SARAWAK LIAISON GROUP**

**CONVENOR**
Mr Eric Tan Hui Chuing
Liberty Insurance Berhad

**MEMBERS**
Mr Alex Ong Liang Liang
Berjaya Sompo Insurance Bhd
Mr Tan Wee Giee
Progressive Insurance Bhd
Mr Desmond Chan Chee Sin
Tokio Marine Insurans (M) Bhd
Mr Hong Swee Leong
Zurich Insurance Malaysia Berhad
The Annual Report of PIAM 2016/2017 provides an overview of the general insurance industry and highlights the major activities and projects of the Association for the period under review.

ASSOCIATION MEMBERSHIP

As at 1 Apr 2017, the Association had 27 members comprising licensed general insurance and reinsurance companies operating in Malaysia. There were 18 general insurers, 4 composite insurers and 5 general reinsurers. Out of the 27 member companies, 12 were domestic operations whilst 15 were foreign owned.

OVERALL BUSINESS REPORT

For the year 2016, the Malaysian economy grew at a commendable rate of 4.2% down from 5% in 2015, despite the many global challenges. The key contributors to the growth were the construction sector which grew by 7.4% followed by services sector which grew at 5.6%.

The finance and insurance sub-sector turned around to register positive growth, driven by higher net interest income and better performance of the life insurance segment. The general insurance and takaful sector moderated in line with economic conditions. While the decline in new motor vehicles sales impacted the motor class of business, the fire class achieved steady growth. Insurance premium retention in the country has been flat at about 90% since 2008 and the 2016 retention ratio was at 90.4%

The total unemployment rate rose to 3.5% in 2016 (2015: 3.1%) due to a slower job market as employers adopted a cautious stance and refrained from expanding their workforce too quickly. The younger labour force was the most affected as it has become more challenging for youth to secure employment.

Inflationary pressures in the economy remained low with headline inflation averaging 2.1% in 2016 (2015: 2.1%).

In line with the development of the economy and its changing structure, it is important for the industry to strengthen its capacity to support more complex and non-traditional risks, both at a technical as well as financial level.
The general insurance industry growth tapered to 1.1% in 2016, with gross written premium income reaching RM 17.67 billion. This was half the 2.2% growth rate and RM17.5 billion achieved in 2015. (2014: 5.9% growth with RM17.1 billion gross written premium).

Motor insurance the dominant line of business grew marginally by 0.8% maintaining its market share of 46.2% with gross written premiums increasing to RM8.17 billion from RM8.09 billion in 2015. The Fire class recorded a 5% growth to RM3.27 billion, and remains the second largest business segment with a market share of 18.5% (2015: RM3.1 billion, 17.8%).

Medical and Health Insurance (MHI) surged 6.6% with gross written premiums reaching RM1.03 billion. This was a positive turnaround compared to the 4.0% decline in 2015. The Miscellaneous Class comprising Bonds, Liabilities, Engineering and Workmen’s Compensation registered a 1.7% growth with gross written premiums reaching RM2.35 billion.

Marine Aviation and Transit (MAT) insurance declined significantly by 7.8% with gross written premiums of RM1.56 billion due largely to the reduction in Marine Hull insurance and the contraction in the Oil & Gas sector. The Personal Accident class registered a reduction of 0.2% with gross written premiums of RM1.30 billion.

On the financial performance of general insurance companies, the industry achieved a higher underwriting profit of RM1.530 billion in 2016, compared to RM1.464 billion in 2015 and RM1.488 billion in 2014.

The collaborative efforts between the industry and the law enforcement agencies continued to show good results with a decline of 20% in motor theft count. The total number of stolen vehicles for all classes in 2016 amounted to 19,307 – a reduction from 24,154 in 2015 and 30,583 in 2014. All types of vehicles experienced reductions with the motorcycles recording the highest percentage of 24%.

BUSINESS MARKET SHARE

In terms of market share, Motor Insurance maintained its position as the largest class with a share of 46.2% of the total business underwritten (2015: 46.3%). This was followed by the Fire insurance class which increased to 18.5% (2015: 17.8%).
NET CLAIMS INCURRED RATIO (NCIR) BY SECTORS

The overall Net Claims Incurred Ratio (NCIR) reduced to 54.5% in 2016 from 56.5% in 2015. The overall Motor NCIR dipped to 66.9% (2015: 72.0%), whilst Medical increased from 54% to 70.5% (2014: 57.4%). MAT increased to 34.7% in 2015 (2014: 33.9%).

The NCIR for “Motor Act” cover (i.e. cover for compulsory third party bodily injury and death liabilities), reduced significantly to 126.0% from 219.6% in 2015 (2014: 222.0%). This was not solely due to lesser claims being received by insurers but also due to the release of reserves by the Malaysian Motor Insurance Pool (MMIP) in early 2016.

UNDERWRITING MARGIN

The general insurance industry recorded an underwriting margin of 12.0% amounting to RM1.6 billion with an operating result of RM2.650 billion (2015: 11.7% amounting to RM1.461 billion with an operating result of RM2.265 billion). The combined management expenses and commissions ratio of insurance companies increased to 33.5% from 31.8% in 2015 (2014: 30.9%).
1) What does liberalisation of the tariff mean?
   - It means removing the tariff or freeing up the fixed premium rates.
   - Insurance companies are able to charge premiums that commensurate to the risk behavior of the consumer.

2) Why do we need to liberalise the tariff now?
   - To pave the way for the pricing of motor and fire insurance protection to be more reflective of risk behaviour of the consumer.

3) What is Phased Liberalisation of Motor and Fire Tariffs?
PHASED LIBERALISATION OF THE MOTOR AND FIRE TARIFFS

The Policy Document on Phased Liberalisation of Motor and Fire Tariffs was issued by Bank Negara Malaysia (BNM) on 30 Jun 2016.

This policy document outlines the phases and highlights the detailed requirements in the gradual disapplication of the Motor and Fire Tariffs.

The guiding principles of the Phased Liberalisation are:-

• Gradual market transition to market-based pricing supported by prudent risk management and practices
• Access to basic protection or compulsory lines to remain affordable. Any adjustment to the prices of such products is implemented gradually
• Consumers’ interests remain protected through enhanced transparency and improved sales and marketing practices
• Stability in the general insurance and takaful market is preserved

This policy document came into effect from 1 Jul 2016. It allows insurers the flexibility to introduce new products at premiums based on market rates determined by the insurers. BNM has set some parameters for this flexibility and any products outside these thresholds require the approval of the regulator.

PIAM’s role is to ensure that the introduction of new products are with common terms that are consistent and will not confuse the consumer or policy owner. In this regard, insurers are required to submit the policy wordings for all new products to be introduced, to PIAM for review. For this process to be undertaken smoothly, PIAM had set up an Industry Product Review Board (IPREB) effective 1 Aug 2016.

OPERATIONALISATION OF FINANCIAL OMBUDSMAN SCHEME

The Financial Ombudsman Scheme (FOS) which is operated under the Ombudsman for Financial Services (OFS) was formed by BNM in accordance with the Financial Services Act (FSA) and the Islamic Financial Services Act (IFSA), 2013.

The OFS commenced its operations on 1 Oct 2016 from the previous organization known as the Financial Mediation Bureau (FMB). OFS is an alternative complaint/dispute resolution body which assists consumers to resolve their complaints/disputes with financial institutions. All financial service providers are members of OFS.

The mandate of the OFS is to:-

• Provide consumers an avenue for effective and prompt resolution of complaints/disputes arising from products and services provided by financial institution on a “free of charge” basis
• Resolve complaints/disputes in an independent, impartial and fair manner
• Collaborate with the financial institutions in resolving complaints/disputes
• Create awareness on matters of common interest to consumers and the financial industry

OFS has set different monetary limits for complaints/disputes to be handled by it. For the insurance and takaful industry, the coverage of complaints/disputes are for motor third party property damage claims at a monetary limit of RM10,000 and below.
The regulator has taken on the role to provide a regulatory environment that is conducive for the deployment of fintech through its Financial Technology Regulatory Sandbox Framework. This includes reviewing and adapting regulatory requirements or procedures that may unintentionally inhibit innovation or render them non-viable. The Framework was also introduced to enable this innovation to be deployed and tested in a live environment, within specified parameters and timeframes. This framework came into effect on 18 Oct 2016.

OPERATIONAL RISK POLICY DOCUMENT

The Operational Risk Policy Document issued by BNM strengthens the governance framework and processes for managing operation risk within financial institutions. Under the policy document, emphasis is also on effective coordination in the management of operational risk with that of other risks to provide a holistic and integrated approach to a financial institution’s overall risk management strategy. The requirements under this policy focus on board’s oversight, senior management’s role, enterprise-wide operational risk management function, internal audit review governance, a sound internal control environment, identification and assessment of operational risks and reporting.

This policy document will be effective after one year of its issuance on 10 May 2016.

REVIEW OF PIAM CONSTITUTION

An extensive review of the PIAM Constitution focusing on the disciplinary measures and punitive actions/penalties applicable on breaches by members has been undertaken by the Regulatory and Industry Development Sub-committee. This review is to streamline procedures and processes on the formation of the Disciplinary Committee to make it more efficient. The Sub-committee also included a review of the provisions in the Constitution to meet the current legislative and environmental changes.

The proposed amendments will be tabled at a Special General Meeting for adoption by member companies.
STAKEHOLDER ENGAGEMENT

CLOSED DOOR DIALOGUE WITH GOVERNOR, BNM

The Annual Closed Door Dialogue between the insurance industry and the Governor, BNM was held on 18 Oct 2016 and attended by the CEOs of insurance and takaful companies.

Industry issues discussed at this session were on the migration to e-payment in the insurance industry, efforts on advancing to digital technology, having accessible and affordable micro-insurance products for the underserved, strategizing the talent development initiatives in the insurance industry for more impact and upgrading the professionalism of the intermediaries.
PIAM LIAISON MEETINGS WITH REGIONAL ASSOCIATIONS

The Management Committee of PIAM maintains close liaison with general insurance associations in Singapore, Brunei and Thailand.

A liaison meeting with the General Insurance Association of Singapore (GIA) and the Brunei Insurance and Takaful Association (BITA) was held on 26 Oct 2016 at the Mandarin Oriental Singapore.

PIAM also hosted a liaison meeting with the Thai General Insurance Association (TGIA) on 11 Nov 2016 in Kuala Lumpur.

These meetings provide an excellent platform for the various associations involved to share their respective industry’s experiences and update each other on market developments, industry performance and key projects undertaken.
PIAM organised 2 CEOs’ industry briefings and networking sessions in 2016 on 2 Mar and 23 Aug respectively. The objectives of these get-togethers are to keep member companies updated on industry developments and projects undertaken by the Association. The half yearly and full year industry performance statistics are also shared with members.

The Association has found these sessions to be highly interactive as feedback and views of the CEOs are obtained on critical areas affecting the general insurance industry. Members are also updated on the work done by the various sub-committees.
The 28th East Asian Insurance Congress (EAIC) was held from 11 to 15 Oct 2016 at The Venetian in Macau. The EAIC has been an important platform in the region where member cities and insurance practitioners meet and share information whilst networking and forging closer ties.

Themed “The Future of Insurance: Customer-Centricity”, the 28th EAIC clearly set the direction for the future of insurance in the region. The topics discussed not only highlighted the importance of customer-centricity, but also the many challenges that are expected in the near future.

Participants at this congress were from insurance companies and other insurance organizations in the East Asian region as well as insurance practitioners from countries around the world.
ALL ABOUT AUTOMOBILES

VEHICLE THEFT REDUCTION COUNCIL (VTREC)

The vehicle theft situation in Malaysia has improved considerably over the last 5 years. In 2012, there were a total of 33,394 vehicle theft claims lodged against insurance companies and takaful operators, or an average of 98 vehicle theft claims per day, with a breakdown of 31 Private Cars, 62 Motorcycles and 5 Commercial Vehicles.

By 2016, the number of claims on stolen vehicles reduced to an average of 50 claims per day. Since 2013, the total number of theft claims made against insurance companies and takaful operators for the main classes of Private Car, Motorcycle and Commercial Vehicle had declined by 65%, or at an average rate of 22% per year. This significant decline in the number of vehicle theft claims was the result of our collaboration with all relevant stakeholders in implementing the various initiatives following our Workshop held in May 2014, and the relentless effort by the enforcement agencies in busting theft syndicates.

During the year VTREC continued to monitor and coordinate the following projects with the relevant stakeholders:

i. the construction of additional rapid scanner at West Port, Port Kelang;
ii. the enhancement of risk assessment process through Customs Verification Initiatives (CVI);
iii. the exchange of information between Persatuan Insurans Am Malaysia (PIAM) and Thailand General Insurance Association (TGIA) on vehicles entering Thailand through the northern borders;
iv. Online Inspection System of BER/ATL by PUSPAKOM-JPJ;
v. Public awareness and campaign programs with the Jabatan Pencegahan Jenayah dan Keselamatan Komuniti (JPJKK) of Bukit Aman.

On the recovery of stolen vehicles from abroad, a total of 39 stolen Malaysian cars were repatriated from Thailand through the close cooperation of the Malaysian Police force and the office of the Malaysian Embassy in Bangkok. We are also making in-roads in our effort to retrieve vehicles from Southern Thailand following several meetings with the Malaysian Police and the office of the Consulate General of Malaysia in Songkhla, Thailand.

Moving on from the existing initiatives, we will be engaging our ASEAN neighbours in working together towards our common objective of continuous and sustainable vehicle theft reduction within the region.

MALAYSIAN MOTOR INSURANCE POOL (MMIP)

Malaysian Motor Insurance Pool (MMIP) was formed in 1992 by all general insurance companies. The main objective of the Pool is to provide motor insurance to vehicle owners who are unable to obtain insurance protection for their vehicles. It was previously known as the High Risks Motor Insurance Pool and its formation was based on a pooling concept on equal sharing basis through a collective agreement signed by all members of the Pool. The Pool is administered by MMIP Services Sdn Bhd (MSSB), a subsidiary of MNRB Holdings, which also handles the Third Party Bodily Injuries (TPBI) claims.

Since its inception, the MMIP’s issuance of motor cover notes and policies as well as handling of Own Damage (OD)/Third Party Property Damage (TPPD) claims were undertaken by two direct insurance companies acting as Servicing Insurers. In July 2009, the Pool appointed POS Malaysia as its Servicing Agent, to make its services more accessible to the public at large. The MMIP’s service had been further expanded in May 2011 when BNM issued a directive to all Insurers and Takaful Operators to act as Servicing Agents for MMIP to guarantee availability of insurance cover. This was after the introduction of the New Motor Cover Framework which allowed gradual increases in premium for Act cover. The MMIP was also required to provide cover for “displaced” vehicles, mostly Private Cars, under this revamped scope. POS Malaysia has however, stopped being a Servicing Agent after the introduction of GST in 2015.
The Pool’s business increased from a mere RM5 million premium in 2008 to a peak of RM350 million in 2013, where 40% of its business was Private Cars. The Pool is experiencing a downward trend from the year 2014 to 2016 and it is difficult to forecast the Pool’s performance after detarification since 94% of the Pool’s business are Third Party cover. Since 2009 the Pool’s risk profile has undergone a radical transformation from high risk insurer to number one Third Party Cover provider in the market. It is evident now that member companies are writing more Third Party Cover or offer Third Party Fire & Theft cover with the goal of increasing market share during liberalisation.

For the year ending 2016, the Pool recorded a premium income of RM129 million, which was a reduction of 33% from the previous year. The largest reduction came from the Private Car segment at 40%. The policy count as at Dec 2016 was 363,243 compared to 552,137 in 2015, a reduction of 34%. MMIP’s portfolio for 2016 consists mainly of Third Party Cover (94%) with the balance (6%) being comprehensive policies.

ACCIDENT ASSIST CALL CENTRE (AACC)

Calls handled by AACC doubled in volume from 15,303 in 2015 to 29,913 in 2016.

Calls received for Dec 2016 increased by 49% compared to 2015 for the same month.
Calls received for Dec 2016 increased by 4% compared to Nov 2016.
Granular review of the types of calls handled by the Centre

<table>
<thead>
<tr>
<th>Month</th>
<th>Accident Towing</th>
<th>Road Assist</th>
<th>General Claim Inquiry</th>
<th>Specific Claim Inquiry</th>
<th>Complaint</th>
<th>Total</th>
<th>Emergency</th>
<th>Others</th>
<th>Unrelated Calls</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>108 (80%)</td>
<td>135 (85%)</td>
<td>677 (41%)</td>
<td>49 (84%)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>209</td>
<td>1,361</td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td>137 (81%)</td>
<td>170 (87%)</td>
<td>740 (63%)</td>
<td>133 (86%)</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>295</td>
<td>1,585</td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>146 (82%)</td>
<td>178 (85%)</td>
<td>893 (53%)</td>
<td>118 (86%)</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>293</td>
<td>1,814</td>
<td></td>
</tr>
<tr>
<td>Apr</td>
<td>181 (84%)</td>
<td>215 (90%)</td>
<td>986 (64%)</td>
<td>140 (79%)</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>317</td>
<td>1,904</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>182 (89%)</td>
<td>201 (89%)</td>
<td>1191 (57%)</td>
<td>148 (79%)</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>354</td>
<td>2,212</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>145 (87%)</td>
<td>167 (90%)</td>
<td>975 (67%)</td>
<td>141 (73%)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>380</td>
<td>1,897</td>
<td></td>
</tr>
<tr>
<td>Jul</td>
<td>262 (88%)</td>
<td>297 (86%)</td>
<td>1078 (66%)</td>
<td>113 (75)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>527</td>
<td>2,525</td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td>170 (94%)</td>
<td>181 (91%)</td>
<td>1066 (74%)</td>
<td>135 (81%)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>531</td>
<td>2,280</td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td>201 (91%)</td>
<td>222 (93%)</td>
<td>1064 (72%)</td>
<td>192 (73%)</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>501</td>
<td>2,215</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>242 (96%)</td>
<td>252 (94%)</td>
<td>1231 (78%)</td>
<td>177 (73%)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>554</td>
<td>2,397</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>211 (93%)</td>
<td>226 (93%)</td>
<td>1170 (81%)</td>
<td>208 (84%)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>574</td>
<td>2,385</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>221 (93%)</td>
<td>237 (95%)</td>
<td>1240 (71%)</td>
<td>170 (83%)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>674</td>
<td>2,482</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>2,481 (9.9%)</td>
<td>13,653 (54.4%)</td>
<td>2,930 (11.6%)</td>
<td>756 (3.0%)</td>
<td>12</td>
<td>4</td>
<td>12</td>
<td>5,209</td>
<td>25,057</td>
<td></td>
</tr>
</tbody>
</table>

Source: Telekom Malaysia
## CASE CATEGORY 2015 & 2016

<table>
<thead>
<tr>
<th>Accident Towing</th>
<th>Road Assist</th>
<th>General Claim Inquiry</th>
<th>Specific Claim Inquiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2016</td>
<td>%inc</td>
<td>2015</td>
</tr>
<tr>
<td>Jan</td>
<td>61</td>
<td>135%</td>
<td>368</td>
</tr>
<tr>
<td>Feb</td>
<td>101</td>
<td>68%</td>
<td>404</td>
</tr>
<tr>
<td>Mar</td>
<td>102</td>
<td>75%</td>
<td>421</td>
</tr>
<tr>
<td>Apr</td>
<td>88</td>
<td>144%</td>
<td>424</td>
</tr>
<tr>
<td>May</td>
<td>91</td>
<td>121%</td>
<td>471</td>
</tr>
<tr>
<td>Jun</td>
<td>111</td>
<td>50%</td>
<td>491</td>
</tr>
<tr>
<td>Jul</td>
<td>116</td>
<td>156%</td>
<td>495</td>
</tr>
<tr>
<td>Aug</td>
<td>97</td>
<td>87%</td>
<td>588</td>
</tr>
<tr>
<td>Sep</td>
<td>128</td>
<td>73%</td>
<td>477</td>
</tr>
<tr>
<td>Oct</td>
<td>111</td>
<td>127%</td>
<td>604</td>
</tr>
<tr>
<td>Nov</td>
<td>140</td>
<td>61%</td>
<td>737</td>
</tr>
<tr>
<td>Dec</td>
<td>162</td>
<td>46%</td>
<td>787</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emergency</th>
<th>Complaint</th>
<th>Others</th>
<th>Unrelated Calls</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2016</td>
<td>%inc</td>
<td>2015</td>
</tr>
<tr>
<td>Jan</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Feb</td>
<td>0</td>
<td>NA</td>
<td>0</td>
</tr>
<tr>
<td>Mar</td>
<td>0</td>
<td>NA</td>
<td>0</td>
</tr>
<tr>
<td>Apr</td>
<td>1</td>
<td>100%</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>100%</td>
<td>1</td>
</tr>
<tr>
<td>Jun</td>
<td>1</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>Jul</td>
<td>0</td>
<td>NA</td>
<td>1</td>
</tr>
<tr>
<td>Aug</td>
<td>1</td>
<td>-100%</td>
<td>1</td>
</tr>
<tr>
<td>Sep</td>
<td>0</td>
<td>NA</td>
<td>0</td>
</tr>
<tr>
<td>Oct</td>
<td>1</td>
<td>-100%</td>
<td>0</td>
</tr>
<tr>
<td>Nov</td>
<td>2</td>
<td>-50%</td>
<td>1</td>
</tr>
<tr>
<td>Dec</td>
<td>1</td>
<td>0%</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Telekom Malaysia
Re-constitution of the Motor Sub-committee and Formation of Motor Underwriting Task Force

The Motor Sub-committee has been restructured by establishing a Motor Underwriting Task Force from the existing members. The Task Force will deal with technical underwriting issues and be involved in developing, supporting and providing technical underwriting decisions and input to the Motor Sub-committee. It will also make recommendations and issue practice guidelines regarding the improvement, replacement or cancellation of underwriting terms as applicable so as to align with current and future market trends in motor insurance.

Implementation of Private Car and Motorcycle Plain Language Policies

Effective 1 Nov 2016 (i.e. policy commencement date), the insurance industry has implemented both Private Car and Motorcycle Plain Language Policies following consultation between the Task Force members, Malaysian Takaful Association, the legal counsel and BNM.

Initiatives to Promote the AACC

A project team was set up in Feb 2016 immediately after an industry brainstorming session to review the AACC. The following initiatives are being pursued by this Project Team:-

- Call 999 – Adoption of road accident calls by MERS
- Collaboration with Highway Authority
- Application for a short form telephone code and LED advertising of the 15500 hotline number.
  TM’s team accelerated the application process and secured the short form code for AACC in the record time of 1 month. Subsequently, TM also provided a 2 months free LED advertisement of the 15500 number on the Menara TM at Federal Highway for Jan and Feb 2017.
- Tow truck Aps
- TM’s Schedule of Services for offer to industry
Compliance and Co-operation Index (CCI) for Motor

The new structure and format of Motor inspection which measures companies’ compliance and co-operation level via an index has been implemented in April 2016.

CCI also covers members’ response to Underwriting, System, Compliance of Motor Anti-Fraud Register (MAFR) alerts and other non-compliance areas of fraud detection and prevention.

CLAIMS MANAGEMENT

Voluntary Trust for Third Party Claimants under Disability in TPBI Claims

PIAM is involved in a project on voluntary trust for nursing care and persons under disability in TPBI claims. A Trust Deed has been drawn-up by PIAM’s solicitors and is under negotiation with Amanah Raya Bhd (ARB) to facilitate these kind of settlements.

Upon finalizing the Trust Deed, PIAM will arrange a presentation to BNM on the function of ARB and the structure of this trust arrangement. This meeting is to seek BNM’s approval and also to discuss how PIAM can best approach the Judiciary on the matter.

Briefing by the Ombudsman for Financial Services (OFS)

PIAM organized a market briefing on 14 Oct 2016 which was attended by 94 participants from Claims, Underwriting, Compliance, Legal, Administration and General Management departments of insurance and takaful companies. This was the Ombudsman’s first liaison with the general insurance and takaful industry since its incorporation on 1 Oct 2016.
The CEO of OFS spoke on the operations and procedures and this was followed by a lively question and answer session. One of the key areas of members’ concern was the non-refundable case fee of RM1,500 that would be charged upfront on per case referred basis, even if repudiation had been correctly enforced.

**Collaboration with Jabatan Pengangkutan Jalan (JPJ)**

Initiatives for the industry in collaboration with VTREC, ISM, Financial Link, PUSPAKOM and JPJ are in the final stages of implementation to facilitate JPJ’s administrative procedures regarding ownership, roadworthiness and the prevention of the ‘rebirthing of vehicles’ using direct online transaction platforms which will improve administrative ease and quality of transactions. The areas covered are:-

- ‘Beyond Economic Repairs’ (BER) Inspection
- Online delisting of Stolen Vehicles and Total Loss Vehicles (ATL)
- Temporary and Final Ownership Transfer on Sale of BER and Wrecks (STMS)
- Online Vehicle Ownership (VOC)

The BER Project is in the final stage of conclusion and JPJ’s end approval is required before implementation. For country-wide promotion, a Schedule will be set for roadshows and training that will be held at PUSPAKOM venues across the country. This will involve insurers, workshops, adjusters, PUSPAKOM staff and JPJ staff.

With regards to ATL and STMS, the procedures can be independently launched by PIAM if the BER project implementation is delayed. ISM is in the final stage of concluding a security procedure regarding submission of ATL data, online to JPJ in view that JPJ will not permit a wrong submission to be reversed.

**Review of Knock for Knock (KfK) Application in a Detariff Environment**

Based on the industry survey conducted, members preferred to continue with the practice of the KfK Agreement in the future detariff market until such time there is a dramatic change to the coverages offered. It was felt that the cost of subrogation was a critical inhibitive factor.

Under recommendation of the Task Force, another survey was conducted with regards to enhancement of the KfK Agreement to allow a handling insurer to volunteer settlement on behalf of a third party insurer. The outcome was favourable and changes will be made to enable members who were interested to use the facility.

**PIAM Approved Repairers Scheme (PARS)**

The PARS Online Portal went live on 1 Aug 2015 with new features of uploading documents and e-payments through system gateway for ease of workshops in submitting their applications and renewals online. It avoids the need to dispatch originals and allows for insurers to check data information in a secured online environment. Onsite inspections by adjusters are captured and translated into a point system to simplify the assessment and recording of member workshops. PARS Certifications are tagged and issuance automated online. Communications are also issued and filed online.

Workshop login through our provider Merimen’s system by choosing the PARS Online Portal from the Main Menu screen to submit the application.

**Meeting with Police (PDRM) on their request to review need for Lodgement of Police Reports**

A meeting was held with the Police on 19 Oct 2016 to discuss the necessity of police reports in documenting insurance claims. The Police have favourably accepted that the practice of police reports can continue although a police file for investigations need not be opened.
A full cycle of the PARS registration was completed on 31 Dec 2016 and achieved a total of 655 workshop registrations.

An updated listing of approved workshops is posted on PIAM’s website.
TECHNICAL AND DISTRIBUTION MANAGEMENT

DISTRIBUTION MANAGEMENT

Overview on Registered Agents

The total number of registered agents as at 31 Dec 2016 stands at 38,794 (2015: 39,220).

An analysis of the business generated in 2016 by insurance agents and other distribution channels is as appended:

<table>
<thead>
<tr>
<th>Year</th>
<th>Agents</th>
<th>Direct Business Channels</th>
<th>Insurance Brokers</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM11.2 billion 64%</td>
<td>RM3.0 billion 17%</td>
<td>RM2.8 billion 16%</td>
<td>RM0.6 billion 3%</td>
<td>RM17.6 billion 100%</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RM10.8 billion 62%</td>
<td>RM3.2 billion 19%</td>
<td>RM2.9 billion 16%</td>
<td>RM0.5 billion 3%</td>
<td>RM17.4 billion 100%</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the analysis, the role played by insurance agents in the Malaysian market is still very significant.

Guidelines on Online Channels and E-Insurance Portals Appointed and/or Engaged by Agents

With the continuous development of internet and mobile applications, the general insurance industry witnessed a growing trend in which intermediaries utilize online channels not belonging to or appointed by insurers to seek more business opportunities as well as to promote, transact and service their customers.

To ensure the orderly functioning and use of online channels by agents and to protect the interest of the insuring public as well as insurers, proposed Guidelines on the Online Channels and E-Insurance Portals Appointed and/or Engaged by Agents have been drawn up. The Guidelines have been submitted to the relevant authorities for clearance prior to its implementation.

Development Roadmap for General Insurance Agents

A task force named “Agents Professionalism and Excellence (APEX)” has been set up comprising selected members of the Distribution Management and Education/HRD Sub-committees. The focus of the APEX task force is to develop a roadmap for general insurance agents to help them confront the challenges in a liberalised market. The roadmap will take into account the educational aspects as well as to chart a continuous professional development path for new and existing agents.

The Exposure Draft is expected to be circulated to members once it is ready by Q3 2017.
General Insurance Agents Convention (GIAC) 2016 - Distribution in a Liberalised Environment

The theme for the GIAC 2016 “Distribution in a Liberalised Environment” was to impart and share with the agents the Phased Liberalisation of the Motor and Fire Tariffs which will have a significant impact on the insurance industry and the distribution landscape.

The GIAC 2016 was held in Kuala Lumpur on 4 Aug 2016 with a total of 852 participants attending the main convention. Half-day Roadshows were also held in Johor Bahru, Penang, Kota Kinabalu and Kuching and a total of 683 participants attended at these 4 locations.

The topics covered were Market Liberalisation – “A Race to the Bottom?”, Industry Performance and Update on Phased Liberalisation, Empowerment and Transformation, Impact of Social Media and Big Data on Distribution and Thriving in a Competitive Market – An Agent’s Perspective.
Agent’s E-Identification and E-GIARR

Effective 15 Dec 2016, the Agent’s E-Identification was rolled out to replace the physical Identification Card which was issued to agents in the past. Agents can now view and retrieve their respective E-Identification and E-GIARR from PIAM’s website at www.piam.org.my.
ACCIDENT, HEALTH AND OTHERS

Ministry of Health’s Proposal to Revise/Increase the Benefits of the Foreign Workers Hospitalisation and Surgical Insurance Scheme (SKHPPA)

The Overall Annual Limit (OAL) per Insured Person was increased from RM10,000 to RM20,000 effective 1 Aug 2016.

With the increase in OAL the Association had engaged Actuarial Consultant JPWALL to submit an Addendum on behalf of member companies.

Purchase of Mandatory Insurance for Foreign Workers

Bestinet commenced imposing the transaction fees of RM3 per foreign worker for the facilitation of online purchase of foreign workers insurance via the online insurance module of the Foreign Workers Centralised Management System (FWCMS) effective 1 Jul 2016.

A specimen copy of the “Agreement for Purchase of Mandatory Insurance for Foreign Workers between Bestinet Sdn Bhd and Participating Insurance Providers” in connection with the terms and conditions for use of the FWCMS was circulated to member companies on 7 Sep 2016 for execution between Bestinet and individual insurance companies.

Managing Medical Healthcare Cost - Proposal to BNM on Published Rate by Private Hospitals

With the increasing costs of healthcare nationwide, the Life Insurance Association of Malaysia (LIAM) is currently leading the above initiative on behalf of the industry.

One of the quick-win measures identified that could be introduced immediately to curb the vast disparity of medical charges by different private hospitals was to require all private hospitals to publish their charges on common surgeries and treatments if they wish to be on the panel of insurers.

In this regard, LIAM had written on behalf of the industry to BNM with the proposal to mandate the private hospitals to publish their charges for treatment of common conditions, as a pre-requisite for them to be appointed as panel hospitals of any insurance company that market medical healthcare products. In addition it is recommended that all private hospitals should adopt the Standardised Billing format.

Joint Technical Committee (JTC) of LIAM, PIAM and MTA on Medical and Health Insurance

It was agreed by the JTC on 11 Jan 2005 that the position of the Chairman is to be rotated among the Associations every 2 years and the Secretariat will be the Association from which the Chairman is elected.

The JTC was handed over by PIAM to MTA on 1 Jan 2016. MTA had appointed Dr Sharliza Mohd Salleh from Prudential BSN Takaful Bhd as the new Chairman of the JTC for 2016/2017.

Revised Hospital & Surgical Insurance (HSI) Underwriting Guide (now re-named as the Revised Hospital & Surgical Insurance/Takaful Guide [HSI Guide])

BNM reverted with their comments on the revised Guide on 9 May 2016. Following the JTC’s meeting with BNM on 30 Jun 2016, the JTC made some further revisions to the HSI Guide and it was resubmitted on 12 Oct 2016. The JTC is awaiting BNM’s approval of the Guide.

FIRE, MARINE AND ENGINEERING

Building Cost Calculator

The services of a Quantity Surveying company were engaged to develop the Building Cost Calculator (BCC). The BCC aims to provide a more accurate estimate on the sum insured of residential properties, simple shop houses and shop offices.

The Fire, Marine and Engineering Sub-committee is currently in its final stage of verifying the accuracy of the values generated by the BCC before the official roll out to the industry.

Marine Insurance Knowledge Seminar (MIKS)

The Association continues to hold its MIKS series to enhance the knowledge of industry practitioners and to uplift the profile of the marine class of business in Malaysia.

During 2016, two MIKS series were held:

• 16 Mar 2016 with the theme “Claims Adjustment on Cargo with Case Studies”
• 10 Nov 2016 with the theme “Marine Cargo Liability and Port Risks including Assessment of Risks Accumulation”
Marine Cargo Liability and Port Risks including Assessment of Risks Accumulation

Organized by
PIAM
Kuala Lumpur
10 Nov 2016
The Goods and Services Tax (GST) which was introduced in April 2015 disallows insurance companies from claiming Input Tax Credit on repair costs of accident vehicles. The Association has made several appeals and submissions to the Customs and the Ministry of Finance for a relief on this prohibition.

Customs stipulates that ITC is not claimable by virtue of Regulation 47(2A)(b) of the GST Regulations 2014. The industry however is of the view that Customs’ stand on the matter means that there is double taxation of GST as GST has already been paid on the spare parts used for repairs in the first instance by the repairer or workshop. PIAM is pursuing the matter further with the authorities on behalf of insurance companies. A similar relief was granted in the Singapore general insurance industry.
Compliance Officers Networking

The Compliance Officers’ Networking sessions are held to provide Compliance Officers of member companies a platform to exchange and share experiences on compliance issues in the industry and their respective companies.

The Compliance Working Group (WG) which reports to the Finance and Corporate Governance/ERM Sub-committee organized an engagement session with BNM on the Compliance Policy Document. This networking session was held on 11 May 2016 and provided an avenue for Compliance Officers to seek clarifications on the Policy Document from BNM and to better appreciate the demarcation between operation and compliance risks. PIAM also invited the Compliance Officers from the life and takaful sector to attend this session.

Compliance Risk Assessment Template

The Compliance WG has also formulated a Compliance Risk Assessment template for use by member companies as a guide for assessment of their compliance risks. Member companies are at liberty to amend or change this template to suit their own companies’ requirements.
Enterprise Risk Management

The Enterprise Risk Management (ERM) Working Group which reports to the Finance and Corporate Governance/ERM Sub-committee promotes and facilitates the development of enterprise risk management in the industry by providing a platform for knowledge sharing on risk management issues. This WG also represents the industry’s views on matters concerning ERM and assists industry members to identify and respond to new emerging risks.

The WG organized a roundtable dialogue on Key Risk Indicators (KRIs) on 20 Apr 2016 and the focus was on challenges and solutions to identify, select and set thresholds for KRIs. The participants also discussed the tracking and reporting of KRIs by member companies.

A Knowledge Sharing Forum on Business Continuity Management (BCM) and Crisis Management was held on 20 Sep 2016. The Session focused on BCM planning methodology and case scenarios with role plays. Positive feedback was received from the many participants across all member companies.
Accounting Standards

A Working Group on Accounting Standards has been formed which will be the contact point on all matters relating to accounting standards impacting member companies. This WG will provide a platform for discussion and response to MASB, BNM and other Government agencies on accounting matters. With the impending introduction of MFRS 9, the WG organized a briefing by PricewaterhouseCoopers on 23 Sep 2016 for member companies to discuss the impact of these standards on member companies’ operations.

E-payment Migration

The migration to e-payment in the financial sector under the Finance Sector Blueprint 2011 – 2020 is a national agenda and BNM has set several targets for insurance companies to achieve under this migration initiative.

On an industry average, general insurance companies process 90% of their payments using electronic fund transfer, whereas their collections are at 79%. The focus of the Working Group overseeing this project is to reduce cheque usage for payments received (collections) by insurers. The WG is working with electronic payments service providers on promoting their services to consumers via a contest. The WG is also in constant contact with member companies to alert them on areas which need to be improved and how they can support the overall initiatives of the industry.
TALENT

EDUCATION AND HUMAN RESOURCE DEVELOPMENT

*Industry Forum on Human Capital and Talent - “Stepping Up for Tomorrow’s Workplace”*

The fourth Industry Forum on Human Capital and Talent was held on 20 Oct 2016.

Since its inception, this forum has been an important networking platform for industry practitioners to engage in brainstorming on critical issues facing human capital in the industry. Themed “Stepping Up for Tomorrow’s Workplace”, the fourth forum attracted more than 40 Human Resource practitioners from member companies.

In his opening speech, Encik Zainudin Ishak, Convenor of PIAM Education/HRD Sub-committee emphasized that it was important to leverage on the talents that the industry has, citing a study by the Asian Institute of Finance (AIF) in 2015 which showed an alarming skill gaps across all sectors in the financial services industry in Malaysia. He further stressed that empowerment and retention are essential to ensure competency building with the required skillset. He also urged that succession planning be given prominence on the corporate agenda at the highest level. This will ensure the sustainability of a highly skilled work force to cater to growing business needs, continuity of a capable work force, the progress of the business as well as for the industry.

External speakers shared key development tips on Leveraging Talent for Organisation and Industry, Developing HR Core Competencies in Strategic Thinking as well as Planning and Raising Engagement for Business Results.

This was followed by a panel discussion where valuable insights on HR development and industry best practices were deliberated upon.
The 6th Young Managers’ Forum - “Changes and Choices”

The 6th Young Managers’ Forum (the Forum) was held on 26 Apr 2016 with an encouraging turn-out of 82 young leaders from member companies.

Themed “Changes and Choices”, this was the sixth year the Young Managers Think Tank (YMTT) of PIAM organized the Forum since its first forum in 2010. The Forum had since gained strong support amongst the young talents of the industry.

The Forum is aimed at synergizing the capabilities of these young talents whilst providing a networking opportunity to foster a cohesive spirit among them.

PIAM CEO, Mr. Mark Lim started the first session by providing an update on industry performance and development. Speakers from organizations such as Talent Corporation Malaysia Berhad (TalentCorp) and Asian Institute of Finance (AIF) shared their expertise on talent management and challenges.

Whilst the Forum had previously invited speakers from other industries to share their career experiences, this year the YMTT decided that the young talents should have the opportunity to hear from and be motivated by our industry CEOs.

PIAM Chairman, Mr. Antony Lee recounted his eventful journey from being an architect to IT Consultancy before landing in the world of general insurance. It was indeed interesting to hear his story as he described the circumstances which brought him into the industry. He urged young leaders to build on their passion, strive to enjoy and excel in their work.

Convenor Encik Zainudin Ishak encouraged participants to set their targets high and always be willing to explore new learning opportunities to accelerate their personal growth.

Another highlight of the Forum was the sharing by four young leaders of the industry on their career journey, their “secret recipe formula” for success in their work assignments. The forum ended with a brainstorming workshop for the participants to share their inner thoughts and ideas on how the industry can work together to leverage on the talent pool for long term benefit.
YMTT 2nd Leadership Camp and CSR Project 2016

YMTT organized the 2nd Leadership Camp and CSR Project on 7 and 8 Oct 2016 at Port Dickson. Befitting the theme “Changes and Choices”, the objective of the camp was to encourage young managers to strive beyond their existing capabilities and arm themselves with skillsets to tackle impending industry changes in an increasingly dynamic working environment. The camp also aimed to create a platform of sharing good leadership behaviours, empowering, motivating and inspiring each participant.

The learning experience for the 44 young managers who attended this Leadership Camp was conducted in both indoor classroom and outdoor settings.

The CSR Project on Day 2 allowed young managers to appreciate the power and beauty of uplifting the less fortunate members of our society. The young managers hosted orphans from Pusat Jagaan Pertubuhan Kebajikan Kanak-Kanak Yatim Dan Miskin Wawasan Port Dickson with interesting activities. As a token, PIAM contributed RM5,000 in cash and in kind to the orphanage.
YMTT 6th Breakfast Talk

On 9 Nov 2016, YMTT had its 6th Breakfast Talk with a total of 45 young leaders from PIAM member companies attending. The speaker at this session was the founder of BFM89.9 business radio station, Encik Malek Ali.

In line with this year’s theme of “Changes and Choices”, Malek shared his journey of “Taking the Road Less Travelled”. He said as an entrepreneur, it is important to experiment and try new things, and be prepared for huge “bumps” in life. He added that entrepreneurs should be confident in their products and services, as it is not easy to deliver new innovative products especially when ideas and concepts are new and unfamiliar to the market.

PIAM’s CEO, Mr Mark Lim shared his takeaway from a key note speech delivered by Dato’ Muhammad Ibrahim, the Governor of Bank Negara Malaysia. The Governor highlighted the importance of the 3Ts i.e. Technology, Trust and Talent for the general insurance industry. Mark believes that the young leaders of today should embrace the 3Ts in order to strive and grow in an ever changing business environment.

The Breakfast Talk is an annual event which provides young managers in the industry with an opportunity to listen to renowned and inspiring speakers outside the insurance industry who share their words of wisdom as well as passion in work and life. This talk also acts as a networking and motivation platform for the industry’s young talents.
General Insurance Internship for Talent (GIIFT) Project

It has been one-and-a-half years since PIAM officially launched its GIIFT Project in July 2015. As of Dec 2016, a total of 117 interns had undergone their internship training at PIAM member companies.

GIIFT is positioned as an awareness building program to reach out and showcase the industry to the pool of young talent at our universities. It is aimed at enhancing the profile and uplifting the image of the industry by highlighting the global nature of general insurance and the spectrum of career opportunities available. In this way it will attract top talent among the undergraduate pool from local and international universities in Malaysia to build up a pipeline of talent for the industry.

The 12-week structured program equips students with hands on work experience. Placing students as interns in the insurance companies increases their employability upon graduation. As of end 2016, 17 interns have been recruited as permanent staff in member companies of PIAM.

GIIFT is funded by the Capacity Building Projects (CBP) scheme administered by AIF from Jul 2015 to Dec 2016.

PIAM wishes to express its appreciation to BNM, AIF, MII, member companies and the various institutions of higher learning for their steadfast support and commitment to this project. PIAM look forward to a sustained and dedicated effort by all stakeholders concerned to make GIIFT an ongoing success for many years to come.
CORPORATE COMMUNICATIONS
PUBLIC RELATIONS/CSR

Media Briefings

In 2016, the Association organised two high profile media briefings on 3 Mar and 24 Aug respectively. The primary objectives of these briefings are to update the media on the industry’s performance and communicate key messages on critical issues affecting the industry to the general public. PIAM received overwhelming response from the media with regards to their attendance at these sessions and garnered widespread coverage across all mainstream media in the English, Malay and Chinese languages.

Through these media briefings, PIAM also took the opportunity to educate the media representatives on general insurance and its contribution to our national economy.

Media Engagements

The Association continuously engaged with the media through various interviews on both print and broadcast channels.

These interviews covered a wide range of insurance topics impacting the consumers, economic environment and legislative changes affecting the industry. One of the highlights for 2016 was the Phased Liberalisation of the Motor and Fire Tariffs.

To educate the general public on detariffication, PIAM issued a media statement on ‘Top 10 Things That You Should Know about Phased Liberalisation of Motor and Fire Tariffs’. On top of that, media releases were also issued on practical steps to be taken in the event of a road accident, as well as a flood advisory with recommendations and precautionary measures in preparation for the monsoon season.
General insurers to see moderate growth in 2016

No. 6 on the world’s top car theft list

PIAM: Decision on detarification to be known soon

PIAM sasar pertumbuhan insurans perlihatan

Pertumbuhan insurans am dijunjung 3.5 peratus

5.9% premium growth reduced to 2.3%
General Insurance Day (GID) 2016

The General Insurance Day (GID) 2016 was commemorated with a Drive Safe Campaign at a shopping complex in Kuala Lumpur on 22 Oct 2016.

The campaign, which was themed “Every Road User Has A Family, Drive Safe” focused on Road Safety, as the number of road accidents in Malaysia has been steadily increasing over the past few years resulting in loss of precious lives and severe property damages. All these are also considered to be a loss of productivity to companies and the country in general.

The GID 2016 event also ran parallel with a social media campaign by PIAM that promoted the hashtag #DriveSafe4Family. Guests and visitors who attended the event had family portraits taken superimposed with road safety messages which were shared on social media.

Other activities organised were an edutainment Drive Safe activity where visitors, especially the young children, were invited to experience driving remote controlled cars with various road signs and obstacles along the way to make them more conscious of traffic safety rules and defensive driving. Car and motorcycle stickers with the meaningful tagline “Every Road User Has A Family, Drive Safe” were distributed at the venue. These stickers were also made available for member companies to distribute to their policyholders.

Overall the campaign served as an education and communications platform to the public on the Phased Liberalisation of Motor Tariffs by spreading the road safety message and shaping the behaviour of motorists to drive safely at all times.
**PIAM 55th Anniversary Celebration**

2016 witnessed the commemoration of PIAM’s 55th year of existence since 1961 when the Insurance Association of Malaya was first set up in Kuala Lumpur. To mark the auspicious occasion, a 55th year Emerald anniversary celebration was organized. The occasion was graced by the past Chairmen of PIAM and present at this memorable event were Y. Bhg Datuk Abdul Shukur Hassan, Mr. Wong Kim Teck, Y. Bhg Dato’ Adrian Loh, Mr Cliff Lee and Mr. Tan Kok Guan.

Members who had represented the Management Committee in previous years joined in the fun-filled event together with invited guests from other organisations and staff from member companies.

Stage performances and crowd participation made the event a memorable one indeed.

**ACKNOWLEDGEMENT**

PIAM and the Management Committee would like to express its gratitude to all member companies for their support and commitment. In particular the Association wishes to put on record its deepest appreciation to all members of the various Sub-committees, Task Forces and Working Groups who have generously contributed their precious time for the benefit of the industry.

PIAM would also like to thank the officers of BNM, Ministries of Finance and Transport, Royal Malaysian Customs Department, Royal Malaysian Police, Road Safety Department, JPJ, MIROS, OFS, Malaysian Insurance Institute, Asian Institute of Finance and many other key stakeholders for their steadfast support and invaluable guidance over the years.
1. **AIG Malaysia Insurance Berhad (795492-W)**
   Level 18, Menara Worldwide
   198, Jalan Bukit Bintang
   55100 Kuala Lumpur
   Tel: 603-2118 0188
   Fax: 603-2118 0288
   Web: www.aig.my

2. **Allianz General Insurance Company (Malaysia) Berhad (735426-V)**
   Level 29, Menara Allianz Sentral
   203, Jalan Tun Sambanthan
   Kuala Lumpur Sentral
   50470 Kuala Lumpur
   Tel: 603-2264 1188
   Fax: 603-2264 1199
   Web: www.allianz.com.my

3. **AmGeneral Insurance Berhad (44191-P)**
   Menara Shell
   No. 211, Jalan Tun Sambanthan
   50470 Kuala Lumpur
   G. P.O. Box 11228
   50740 Kuala Lumpur
   Tel: 603-2268 3333
   Fax: 603-2268 2222
   Web: www.amgeneralinsurance.com

4. **AXA Affin General Insurance Berhad (23820-W)**
   Ground Floor, Wisma Boustead
   71, Jalan Raja Chulan
   50200 Kuala Lumpur
   P.O. Box 12200
   50770 Kuala Lumpur
   Tel: 603-2170 8282
   Fax: 603-2031 7282
   Web: www.axa.com.my

5. **Berjaya Sompo Insurance Berhad (62605-U)**
   1-38-1 & 1-38-2, Menara Bangkok Bank
   Laman Sentral Berjaya
   No. 105 Jalan Ampang
   P.O Box 12433
   50778 Kuala Lumpur
   Tel: 603-2117 2118
   Fax: 603-2144 7297
   Web: www.berjaysombo.com.my

6. **Chubb Insurance Malaysia Berhad (9827-A)**
   18th Floor, Wisma Chubb
   38, Jalan Sultan Ismail
   50250 Kuala Lumpur
   Tel: 603-2058 3000
   Fax: 603-2145 8436
   Web: www.chubb.com.my

7. **Liberty Insurance Berhad (16688-K)**
   9th Floor, Menara Liberty
   1008, Jalan Sultan Ismail
   50250 Kuala Lumpur
   P.O. Box 6120 (Pudu)
   55916 Kuala Lumpur
   Tel : 603-2619 9000
   Fax : 603-2693 0111
   Web : www.libertyinsurance.com.my

8. **Lonpac Insurance Bhd (307414-T)**
   6th Floor, Bangunan Public Bank
   6, Jalan Sultan Sulaiman
   50000 Kuala Lumpur
   P.O. Box 10708
   50722 Kuala Lumpur
   Tel: 603-2262 8688
   Fax: 603-2715 1332
   Web: www.lonpac.com
9. **MPI Generali Insurans Bhd** (14730-X)
   8th Floor, Menara Multi-Purpose Capital Square
   No. 8, Jalan Munshi Abdullah
   50100 Kuala Lumpur
   P.O. Box 10122
   50704 Kuala Lumpur
   Tel: 603-2034 9888
   Fax: 603-2694 5758
   Web: www.mpigenerali.com

10. **MSIG Insurance (Malaysia) Bhd** (46983-W)
    Level 15, Menara Hap Seng 2
    Plaza Hap Seng
    No. 1, Jalan P. Ramlee
    50250 Kuala Lumpur
    Tel: 603-2050 8228
    Fax: 603-2026 8086
    Web: www.msig.com.my

11. **Overseas Assurance Corporation (Malaysia) Berhad** (102249-P)
    Level 18, Menara Great Eastern
    303, Jalan Ampang
    50450 Kuala Lumpur
    G.P.O. Locked Bag No. 11036
    50734 Kuala Lumpur
    Tel: 603-4259 7888
    Fax: 603-4813 2737
    Web: www.oac.com.my

12. **Pacific & Orient Insurance Co. Berhad** (12557-W)
    11th Floor, Wisma Bumi Raya
    No. 10, Jalan Raja Laut
    50350 Kuala Lumpur
    P.O. Box 10953
    50730 Kuala Lumpur
    Tel: 603-2698 5033
    Fax: 603-2693 8145
    Web: www.pacific-oriented.com

13. **Progressive Insurance Bhd** (19002-P)
    9th & 10th Floors, Menara BGI,
    Plaza Berjaya
    12, Jalan Imbi
    55100 Kuala Lumpur
    P.O. Box 10028
    50700 Kuala Lumpur
    Tel: 603- 2118 8000
    Fax: 603-2118 8103
    Web: www.progressiveinsurance.com.my

14. **QBE Insurance (Malaysia) Berhad** (161086-D)
    No. 638, Level 6, Block B1
    Pusat Dagang Setia Jaya
    (Leisure Commerce Square)
    No. 9, Jalan PJS 8/9
    46150 Petaling Jaya
    Selangor Darul Ehsan
    P.O. Box 10345
    50720 Kuala Lumpur
    Tel: 603-7861 8400
    Fax: 603-7873 7430
    Web: www.qbe.com.my

15. **RHB Insurance Berhad** (38000-U)
    Level 12, West Wing, The Icon
    No. 1, Jalan 1/68F
    Jalan Tun Razak
    55000 Kuala Lumpur
    Tel: 603-2180 3000
    Fax: 603-9281 2729
    Web: www.rhb.com.my/insurance/main
16. The Pacific Insurance Berhad (91603-K)
   40-01, Q-Sentral
   2A, Jalan Stesen Sentral 2
   Kuala Lumpur Sentral
   50470 Kuala Lumpur
   P.O. Box 12490
   50780 Kuala Lumpur
   Tel: 603-2633 8999
   Fax: 603-2663 8998
   Web: www.pacificinsurance.com.my

17. Tokio Marine Insurans (Malaysia) Berhad (149520-U)
   29th & 30th Floor, Menara Dion
   27, Jalan Sultan Ismail
   50250 Kuala Lumpur
   P.O. Box 10794
   50724 Kuala Lumpur
   Tel: 603-2783 8383
   Fax: 603-2026 9708
   Web: www.tokiomarine.com.my

18. Tune Insurance Malaysia Berhad (30686-K)
   Level 9, Wisma Tune
   No. 19, Lorong Dungun
   Damansara Heights
   50490 Kuala Lumpur
   Tel: 603-2087 9000
   Fax: 603-2094 1366
   Web: www.tuneprotect.com

COMPOSITE BUSINESS

1. AIA Bhd (790895-D)
   Menara AIA
   No. 99, Jalan Ampang
   50450 Kuala Lumpur
   P.O. Box 10140
   50704 Kuala Lumpur
   Tel: 603-2056 1111
   Fax: 603-2056 2992
   Web: www.aia.com.my

2. Etiqa Insurance Berhad (9557T)
   Level 22, Tower C
   Dataran Maybank
   No. 1, Jalan Maarof
   59000 Kuala Lumpur
   Tel: 603-2297 1888
   Fax: 603-2297 1800
   Web: www.etiqa.com.my

3. Prudential Assurance Malaysia Berhad (107655-U)
   Level 17, Menara Prudential
   No. 10, Jalan Sultan Ismail
   50250 Kuala Lumpur
   P.O. Box 10025
   50700 Kuala Lumpur
   Tel: 603-2031 8228
   Fax: 603-2032 3939
   Web: www.prudential.com.my

4. Zurich Insurance Malaysia Berhad (8029-A)
   Menara Zurich,
   No. 12, Jalan Dewan Bahasa
   50460 Kuala Lumpur
   P.O. Box 10553
   50716 Kuala Lumpur
   Tel: 603-2146 8000
   Fax: 603-2142 5863
   Web: www.zurich.com.my
1. Asia Capital Reinsurance Malaysia Sdn Bhd (762294-T)
   Unit A-12A-8 Level 12A
   Menara UOA Bangsar
   5 Jalan Bangsar Utama 1
   59000 Kuala Lumpur
   Tel: 603-2299 6800
   Fax: 603-2299 6900
   Web: www.asiacapitalre.com.my

2. Hannover Rueck SE Malaysian Branch (993601-H)
   Suite 29-01, Integra Tower
   The Intermark
   348 Jalan Tun Razak
   50450 Kuala Lumpur
   Tel: 603-2687 3600
   Fax: 603-2687 3760
   Web: www.hannover-re.com

3. Malaysian Reinsurance Berhad (664194-V)
   12th Floor, Bangunan Malaysian Re
   No. 17, Lorong Dungun
   Damansara Heights
   50490 Kuala Lumpur
   P.O. Box 11068
   50990 Kuala Lumpur
   Tel: 603-2096 8000
   Fax: 603-2096 7000
   Web: www.malaysian-re.com.my

4. Swiss Reinsurance Company Ltd (993718-U)
   No. 10, Persiaran KLCC
   Level 13A-2, Naza Tower @ Platinum Park
   50088 Kuala Lumpur
   Tel: 603-2633 5800
   Fax: 603-2633 5803
   Web: www.swissre.com

5. The Toa Reinsurance Company, Limited (993924-T)
   Kuala Lumpur Branch,
   28th Floor, UBN Tower
   10, Jalan P. Ramlee
   50250 Kuala Lumpur
   Tel: 603-2732 5911
   Fax: 603-2732 5915
   Web: www.toare.co.jp
**Written Premiums (RM Million)**

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<th>YEAR</th>
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Source: ISM

**Written Premiums (RM Million)**

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<tr>
<th>YEAR</th>
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<th>WC &amp; EL</th>
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Source: ISM
### Claims Ratio By Sector (RM Million)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>FIRE</th>
<th>MOTOR</th>
<th>MAT</th>
<th>MEDICAL</th>
<th>P.A.</th>
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<td>64.4%</td>
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<td>2012</td>
<td>27.6%</td>
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<tr>
<td>2013</td>
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<td>2014</td>
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<td>71.5%</td>
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<tr>
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<td>70.5%</td>
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Source: ISM

### Claims Ratio By Sector (RM Million)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>BONDS</th>
<th>CAR &amp; ENG</th>
<th>LIABILITY</th>
<th>WC &amp; EL</th>
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<tbody>
<tr>
<td>2008</td>
<td>2.3%</td>
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</tr>
<tr>
<td>2011</td>
<td>10.4%</td>
<td>45.8%</td>
<td>41.1%</td>
<td>16.0%</td>
</tr>
<tr>
<td>2012</td>
<td>0.6%</td>
<td>55.0%</td>
<td>29.8%</td>
<td>14.4%</td>
</tr>
<tr>
<td>2013</td>
<td>-1.3%</td>
<td>40.4%</td>
<td>26.9%</td>
<td>12.2%</td>
</tr>
<tr>
<td>2014</td>
<td>9.7%</td>
<td>44.5%</td>
<td>20.1%</td>
<td>9.7%</td>
</tr>
<tr>
<td>2015</td>
<td>9.4%</td>
<td>56.5%</td>
<td>17.4%</td>
<td>9.4%</td>
</tr>
<tr>
<td>2016</td>
<td>7.1%</td>
<td>47.5%</td>
<td>24.2%</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

Source: ISM
INSURANCE INDICATORS

Underwriting Experience (RM Million)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>EARNED PREMIUMS</th>
<th>NET CLAIMS</th>
<th>COMMISSIONS</th>
<th>MANAGEMENT EXPENSES</th>
<th>U/Writing Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>7,696.9</td>
<td>5,041.4</td>
<td>757.1</td>
<td>1,735.4</td>
<td>163.0</td>
</tr>
<tr>
<td>2009</td>
<td>8,241.0</td>
<td>5,067.8</td>
<td>802.5</td>
<td>1,757.8</td>
<td>612.9</td>
</tr>
<tr>
<td>2010</td>
<td>8,741.1</td>
<td>5,495.7</td>
<td>818.9</td>
<td>1,787.5</td>
<td>639.0</td>
</tr>
<tr>
<td>2011</td>
<td>9,359.7</td>
<td>5,683.2</td>
<td>901.9</td>
<td>1,866.9</td>
<td>907.8</td>
</tr>
<tr>
<td>2012</td>
<td>10,120.8</td>
<td>5,743.9</td>
<td>1,004.4</td>
<td>2,079.1</td>
<td>1,297.4</td>
</tr>
<tr>
<td>2013</td>
<td>11,189.0</td>
<td>6,340.3</td>
<td>1,144.6</td>
<td>2,242.5</td>
<td>1,461.6</td>
</tr>
<tr>
<td>2014</td>
<td>11,979.0</td>
<td>6,790.0</td>
<td>1,241.6</td>
<td>2,460.5</td>
<td>1,486.9</td>
</tr>
<tr>
<td>2015</td>
<td>12,548.4</td>
<td>7,090.0</td>
<td>1,246.9</td>
<td>2,747.5</td>
<td>1,464.0</td>
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<tr>
<td>2016</td>
<td>12,822.9</td>
<td>6,991.9</td>
<td>1,270.9</td>
<td>3,030.5</td>
<td>1,529.6</td>
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</tbody>
</table>

Source: ISM

Underwriting Experience (RM Million)
<table>
<thead>
<tr>
<th>TERM</th>
<th>CHAIRMAN</th>
<th>DEPUTY CHAIRMAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2017</td>
<td>Mr Antony Lee (AIG Malaysia Insurance Bhd)</td>
<td>Mr. Chua Seck Guan (MSIG Insurance (Malaysia) Bhd)</td>
</tr>
<tr>
<td>2015-2016</td>
<td>Mr. Chua Seck Guan (MSIG Insurance (Malaysia) Bhd)</td>
<td>Mr Antony Lee (AIG Malaysia Insurance Bhd)</td>
</tr>
<tr>
<td>2012-2015</td>
<td>Mr. Chua Seck Guan (MSIG Insurance (Malaysia) Bhd)</td>
<td>Mr. Kong Shu Yin (RHB Insurance Berhad) (from 31 October 2012)</td>
</tr>
<tr>
<td></td>
<td>Mr. Wong Kim Teck (Kurnia Insurers (Malaysia) Berhad)</td>
<td>Mr. Chua Seck Guan (MSIG Insurance (Malaysia) Bhd) (from 23 April to 30 October 2012)</td>
</tr>
<tr>
<td>2011-2012</td>
<td>En. Hashim Harun (Malaysian Reinsurance Bhd)</td>
<td>Mr. Wong Kim Teck (Kurnia Insurers (Malaysia) Bhd)</td>
</tr>
<tr>
<td>2010-2011</td>
<td>En. Hashim Harun (Malaysian Reinsurance Bhd)</td>
<td>Mr. Tan Kok Guan (Lonpac Insurance Bhd)</td>
</tr>
<tr>
<td>2009-2010</td>
<td>En. Hashim Harun (Malaysian Reinsurance Bhd)</td>
<td>Mr. Jahanath Muthusamy (AXA Affin General Insurance Bhd)</td>
</tr>
<tr>
<td>1999-2000</td>
<td>En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)</td>
<td>-</td>
</tr>
<tr>
<td>1997-1999</td>
<td>En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)</td>
<td>Mr. Adrian Loh Heong Chow (Kurnia Insurers (M) Bhd)</td>
</tr>
<tr>
<td>1994-1997</td>
<td>Mr. Adrian Loh Heong Chow (Hong Leong Assurance Bhd)</td>
<td>En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)</td>
</tr>
<tr>
<td>1985-1988</td>
<td>En. Dzulkifli Mohd Saileh (Malaysian National Reinsurance Bhd)</td>
<td>Mr. Lau Khuan Siew (Malaysia British Assurance Bhd)</td>
</tr>
</tbody>
</table>