



PIAM

PERSATUAN INSURANS AM MALAYSIA

General Insurance Association of Malaysia

MAKING WAVES - A YEAR OF CHANGE

ANNUAL REPORT 2016



WISMA PIAM

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

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ROLL OF HONOUR
1984-2017

CORPORATE INFORMATION



CHAIRMAN

Mr. Antony Lee Fook Weng



CHIEF EXECUTIVE OFFICER

Mr. Mark Lim Kian Wei



BANKERS

Hong Leong Bank Berhad
150, Jalan Tun Sambanthan
50470 KUALA LUMPUR



AUDITORS

SJ Grant Thornton
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 KUALA LUMPUR



REGISTERED OFFICE

Level 3, Wisma PIAM
150, Jalan Tun Sambanthan
50470 KUALA LUMPUR



MAKING WAVES - A YEAR OF CHANGE

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



Mr. Chua Seck Guan
*(Deputy Chairman and Convenor,
Distribution Management)*

Mr. Looi Kong Meng
*(Convenor, Fire, Marine
& Engineering)*

Mr. David Tan See Dip
*(Convenor, Finance &
Corporate Governance/ERM)*

Mr. Randy Hong
*(Convenor, Regulatory &
Industry Development)*

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)

ISM 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 Yeok 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

up to 7 Dec 2016

Mr Sim Siew Fuang

Berjaya Sompo Insurance Bhd

En Azmy Bin Taib

Etiqa Insurance Bhd

Mr Matthews a/I 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 Zaharudin Bin Daud

Etiqa Insurance Bhd

DEPUTY CONVENOR

Mr Harminder Singh a/I Seva Singh

MSIG Insurance (Malaysia) Bhd

MEMBERS

Mr Dilsher Singh

AIG Malaysia Insurance Berhad

Mr Sivakumar a/I Ramanlingam

Allianz General Insurance Co.

(Malaysia) Bhd

Mr Darren Joseph Ryan

AmGeneral Insurance Bhd

up to 7 Dec 2016

Mr Leong See Meng

Berjaya Sompo Insurance Bhd

Ms Siew Yoke Peng

Berjaya Sompo Insurance Bhd

Encik 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 Insurans (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

up to 7 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

SUB-COMMITTEE MEMBERS 2016/2017

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 Insurance 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 Sampo Insurance Bhd

Mr Jayaparagasam a/I 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

Overseas Assurance Corp (M) Bhd

Mr Yong Moh Peng

Progressive Insurance Bhd

Ms Wendy Tan

Swiss Reinsurance Company Ltd

Encik Asri Bin Suratman

Tokio Marine Insurans (M) Bhd

Ms Teresa Wong

Zurich Insurance Malaysia Berhad

SUB-COMMITTEE MEMBERS

2016/2017

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

Encik 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 Lakshmi 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
Etika Insurance Bhd

MEMBERS

Mr Yew Sin Nam

AIK Malaysia Insurance Bhd

Ms Penny Sivam Sedase Von Pillay

Allianz General Insurance Co.

(Malaysia) Bhd

Mr Ho Wai Hei

AmGeneral Insurance Bhd

up to 7 Dec 2016

Mr David Chok Voon Peng

Berjaya Sampo Insurance Berhad

Puan Haslenda Md Moktar Rudin

Etika 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

SABAH LIAISON GROUP

CONVENOR

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

MEMBERS

Ms Chin Yun Fong

Berjaya Sampo 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 Chuang
Liberty Insurance Berhad

MEMBERS

Mr Alex Ong Liang Liang

Berjaya Sampo 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



ANNUAL REPORT



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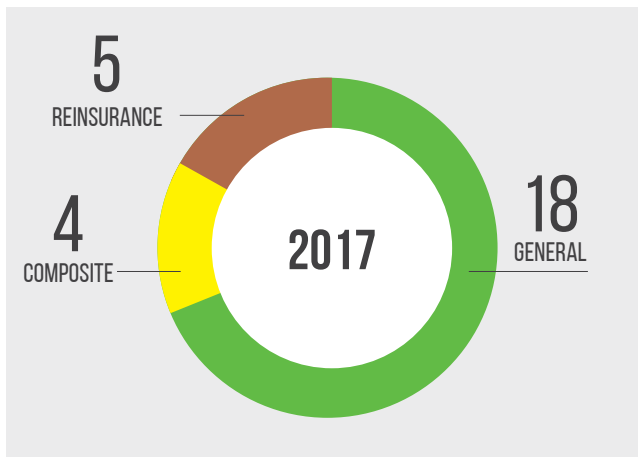
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The Annual Report of PIAM 2016/2017 provides an overview of the general insurance industry and highlights the major activities and projects of the Association for the period under review.

”

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 INDUSTRY LANDSCAPE AND PERFORMANCE

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.

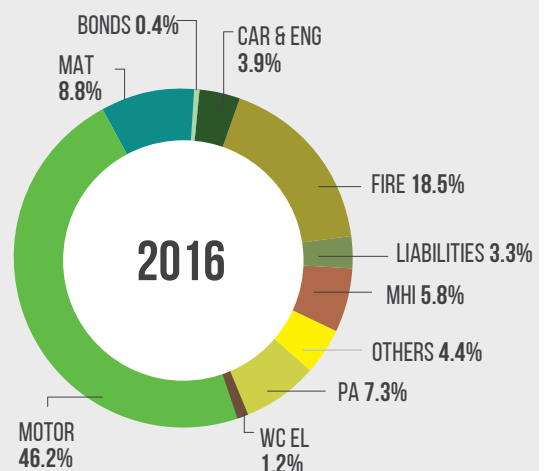
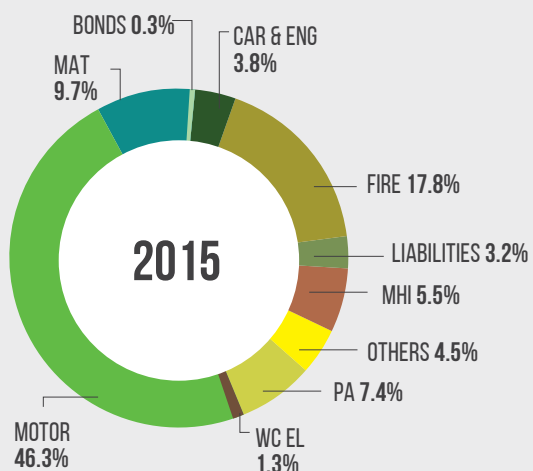
Marine Aviation and Transit (MAT) insurance declined significantly by 7.8% with gross written premiums of RM1.56 billion due largely to the reduction in Marine Hull insurance and the contraction in the Oil & Gas sector. The Personal Accident class registered a reduction of 0.2% with gross written premiums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

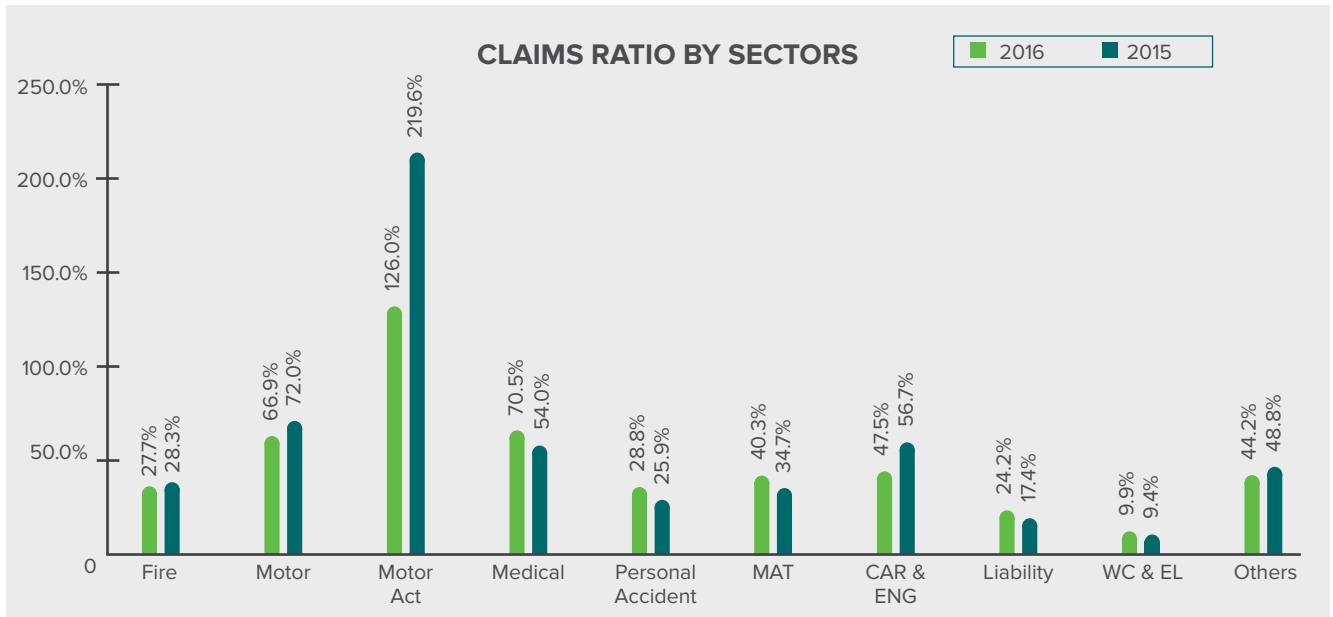
The collaborative efforts between the industry and the law enforcement agencies continued to show good results with a decline of 20% in motor theft count. The total number of stolen vehicles for all classes in 2016 amounted to 19,307 – a reduction from 24,154 in 2015 and 30,583 in 2014. All types of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







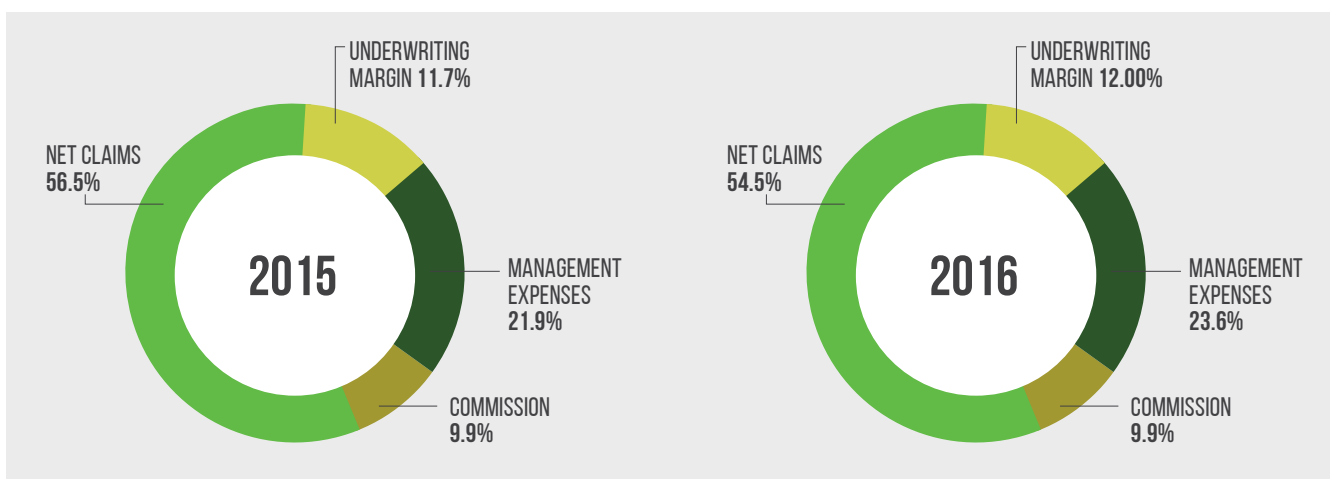
NET CLAIMS INCURRED RATIO (NCIR) BY SECTORS

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%).



Motor & Fire Tariff Liberalisation FAQs

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?



KEY INDUSTRY DEVELOPMENTS

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.

LEGISLATIVE DEVELOPMENTS

CODE OF PRACTICE ON PERSONAL DATA PROTECTION FOR THE INSURANCE AND TAKAFUL INDUSTRY IN MALAYSIA

PIAM, LIAM and MTA have developed a Code of Privacy Practice on the Personal Data Protection Act which was officially launched on 24 Feb 2017.

The development of this Code resulted from an industry-led effort to establish strict procedures to safeguard the use of personal data in the insurance industry. The Code sets out the best practice to harmonise the principles to safeguard personal information that is collected and processed. There is a ruling for this information to be disclosed to approved parties only. The Code also addresses the rights of policyholders or data subjects and the penalty that will be imposed in the event of failure to comply with the Act.

The industry is also developing a Compliance Framework which will assist member companies to ensure their operating procedures comply with the seven principles outlined in the Code. To further enhance our member companies' and their intermediaries' understanding of the Code, the Associations are also developing training materials and a trainer's guide for use by insurance companies.

COMPANIES ACT 2016

The Companies Act was revised by the Companies Commission of Malaysia and has been enforced on a staggered basis with effect from 31 Jan 2017. Some of the changes undertaken were the introduction of single member/director and documentation requirements, abolition of the authorized capital concept and shares with nominal values, abolition of the requirement for annual general meetings of private companies and decoupling of lodgement of annual returns and financial statements.

FINANCIAL TECHNOLOGY REGULATORY SANDBOX FRAMEWORK

With the Phased Liberalisation of the Motor and Fire Tariffs making significant changes in the general insurance industry, new business models and solutions have become the priority of insurance companies. Advanced financial technology (fintech) has been aggressively promoted as it will contribute to efficiency and better risk management solutions for insurance companies.

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.



REGIONAL MEETINGS AND CONFERENCES



REGIONAL MEETINGS AND CONFERENCES

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.











CEOS INDUSTRY BRIEFINGS AND NETWORKING SESSIONS

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

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.







INDUSTRY ISSUES AND ACTIVITIES

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.

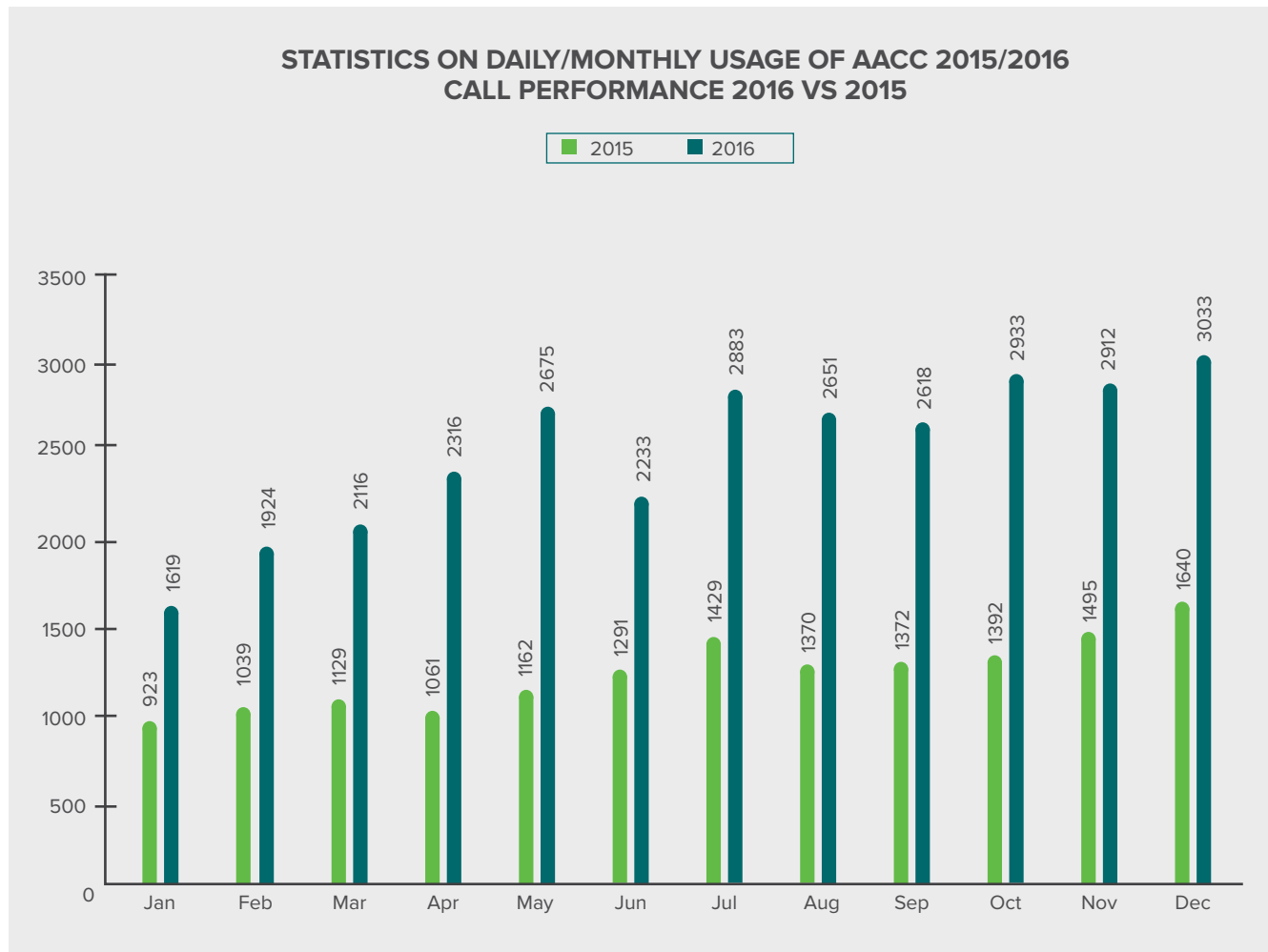
Since its inception, the MMIP's issuance of motor cover notes and policies as well as handling of Own Damage (OD)/Third Party Property Damage (TPPD) claims were undertaken by two direct insurance companies acting as Servicing Insurers. In July 2009, the Pool appointed POS Malaysia as its Servicing Agent, 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 detariffication 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.



Source: Telekom Malaysia

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

2016	Accident Towing		Road Assist		Total	General Claim Inquiry		Total	Specific Claim Inquiry		Total	Complaint			Total	Emergency	Others	Unrelated Calls	Overall				
	ICC		AACC		Total	ICC		Total	ICC		Total	ICC		PARS workshop	Total								
Jan	108	27	677	116	793	68	97	165	49	9	58	0	1	0	1	0	0	209	1,361				
Feb	80%	20%	85%	15%	848	41%	59%	211	84%	16%	51	0%	100%	0%	3	0	7	295	1,585				
	137	33	740	108		87%	13%		63%	37%		118	104	222						57	9	66	50%
Mar	146	32	893	158	1,051	53%	47%	220	86%	14%	52	0	1	1	2	0	0	317	1,904				
	82%	18%	88%	15%	140	80	210		41	11		79%	21%	73%						27%	59	0%	50%
Apr	181	34	986	112	1,098	64%	36%	258	79%	21%	56	0	0	0	0	0	1	354	2,212				
	84%	16%	90%	10%	148	110	210		44	12		79%	21%	73%						27%	59	0%	50%
May	182	19	1,191	150	1,341	57%	43%	210	43	16	59	0	1	0	1	1	0	380	1,897				
	91%	9%	89%	11%	141	69	210		73%	27%		75	39	66%						34%	114	100%	0%
Jun	145	22	975	104	1,079	67%	33%	335	75	39	114	1	0	0	1	0	0	531	2,280				
	87%	13%	90%	10%	222	113	335		66%	34%		62	15	77						0	0	1	0
Jul	262	35	1,078	173	1,251	66%	34%	317	62	15	77	0	0	1	1	0	0	501	2,215				
	88%	12%	86%	14%	235	82	26%		81%	19%		81%	19%	0						0	0	0	0
Aug	170	11	1,066	107	1,173	91%	9%	267	62	15	83	0	0	0	0	0	0	554	2,397				
	94%	6%	91%	9%	74%	26%	81%		19%	62		15	77	0						0	1	0	0
Sep	201	21	1,064	78	1,142	192	75	227	61	22	55	0	0	0	1	0	0	574	2,385				
	91%	9%	93%	7%	72%	28%	73%		27%	49		6	55	0						1	0	0	0
Oct	242	10	1,231	75	1,306	177	50	258	49	6	62	0	1	0	0	1	0	674	2,482				
	96%	4%	94%	6%	78%	22%	89%		11%	52		10	62	0						0	0	0	0
Nov	211	15	1,170	94	1,264	208	50	240	52	10	23	0	0	0	0	1	0	674	2,482				
	93%	7%	93%	7%	81%	19%	84%		16%	19		4	23	0						0	0	0	0
Dec	221	16	1,240	67	1,307	170	70	240	19	4	23	0	0	0	0	1	0	674	2,482				
	93%	7%	95%	5%	71%	29%	83%		17%	19		4	23	0						0	0	0	0
Overall YTD	2,481				13,653	2,930		756	756			12	4			12	5,209	25,057					
Overall YTD (%)	9.90%				54.49%	11.69%		3.02%	0.05%			0.05%	0.02%			0.05%	20.79%	25,057					

Source: Telekom Malaysia

CASE CATEGORY 2015 & 2016

	Accident Towing			Road Assist			General Claim Inquiry			Specific Claim Inquiry		
	2015	2016	%inc	2015	2016	%inc	2015	2016	%inc	2015	2016	%inc
Jan	61	135	121%	368	793	115%	225	165	-27%	35	58	66%
Feb	101	170	68%	404	848	110%	175	211	21%	39	51	31%
Mar	102	178	75%	421	1051	150%	201	222	10%	47	66	40%
Apr	88	215	144%	424	1098	159%	168	220	31%	46	52	13%
May	91	201	121%	471	1341	185%	215	258	20%	43	56	30%
Jun	111	167	50%	491	1079	120%	229	210	-8%	34	59	74%
Jul	116	297	156%	495	1251	153%	227	335	48%	62	114	84%
Aug	97	181	87%	588	1173	99%	182	317	74%	18	77	328%
Sep	128	222	73%	477	1142	139%	171	267	56%	29	83	186%
Oct	111	252	127%	604	1306	116%	168	227	35%	36	55	53%
Nov	140	226	61%	737	1264	72%	170	258	52%	21	62	195%
Dec	162	237	46%	787	1307	66%	188	240	28%	37	23	-38%

	Emergency			Complaint			Others			Unrelated Calls		
	2015	2016	%inc	2015	2016	%inc	2015	2016	%inc	2015	2016	%inc
Jan	0	0	0%	0	1	100%	13	0	-100%	145	209	44%
Feb	0	0	NA	0	3	300%	11	7	-36%	178	295	66%
Mar	0	0	NA	0	2	200%	15	2	-87%	186	293	58%
Apr	1	0	100%	0	2	200%	14	0	-100%	163	317	94%
May	0	1	100%	1	0	-100%	11	1	-91%	176	354	101%
Jun	1	1	0%	1	1	0%	9	0	-100%	239	380	59%
Jul	0	0	NA	1	1	-100%	15	0	-100%	238	527	121%
Aug	1	0	-100%	1	1	0%	17	0	-100%	217	531	145%
Sep	0	0	NA	0	0	NA	19	0	-100%	180	501	178%
Oct	1	0	-100%	0	1	100%	22	2	-91%	185	554	199%
Nov	2	1	-50%	1	0	-100%	24	0	-100%	237	574	142%
Dec	1	1	0%	3	0	-100%	29	0	-100%	243	674	177%

Source: Telekom Malaysia



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

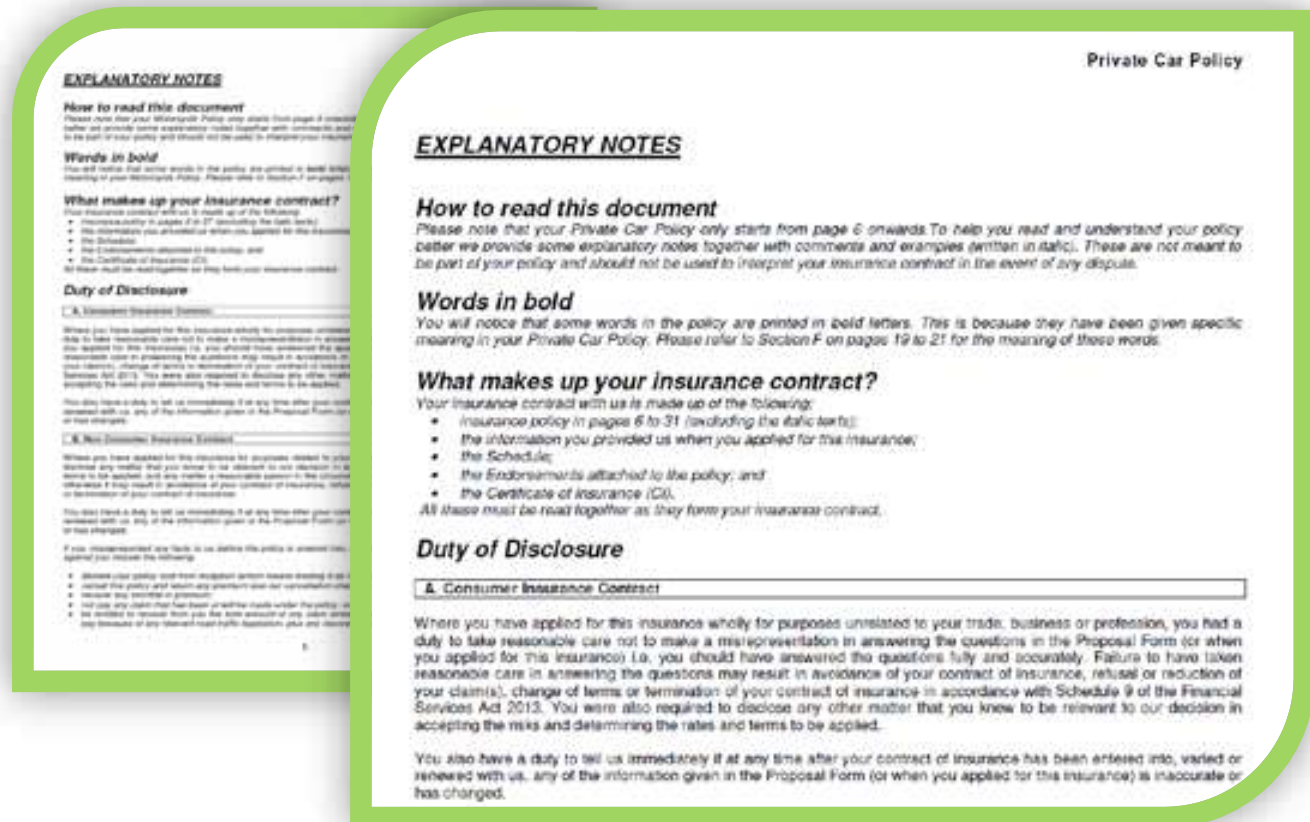
MOTOR

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.



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.

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.

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.



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PIAM APPROVED REPAIRERS SEARCH

[Home](#) > [PIAM APPROVED REPAIRERS SEARCH](#)

Today PIAM manages 500 PARM repairers that are operating nationwide. The benefits of PARM to the polygraphed industry:

- a warranty period of 6 months or workmanship given by the workshop on the repaired vehicle;
- comfort that the workshops have been approved by PIAM and
- a body that the policyholders can refer to if the services of those workshops are not satisfactory.

Members' insurance companies of PIAM may select only repairers that are registered under the PARM as their authorized workshops to repair their insured vehicles. These insurers will thus have a selected number of PARM workshops as their approved workshops.

Search for PARM authorized repairers by year and here:

[All Years \(1341\)](#)
[2014-2015](#)
[2014-2015 \(PIAM\) only](#)
[2014-2015](#)
[2014](#)
[2013](#)
[2012](#)
[2011](#)
[2010](#)
[2009](#)
[2008](#)
[2007](#)
[2006](#)
[2005](#)
[2004](#)
[2003](#)
[2002](#)
[2001](#)

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:-

Year	Agents	Direct Business Channels	Insurance Brokers	Others	Total
2016	RM11.2 billion 64%	RM3.0 billion 17%	RM2.8 billion 16%	RM0.6 billion 3%	RM17.6 billion 100%
2015	RM10.8 billion 62%	RM3.2 billion 19%	RM2.9 billion 16%	RM0.5 billion 3%	RM17.4 billion 100%

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.



GIAC

General Insurance Agents Conventi

Connexion@Nexus
Kuala Lumpur
4 August 2016

Distribution in a...



Allianz



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.

The image is a screenshot of the 'Agent's E-ID Search' web interface. At the top, it features the PIAM logo and the text 'PERSATUAN INSURANS AM MALAYSIA'. Below this, the title 'Agent's E-ID Search' is followed by the instruction 'To View your E-ID, enter the following'. There are two input fields: 'Corporate Number (REC Number)' and 'Code'. The 'Code' field contains the text 'EXPEV'. A green 'Search' button is located to the right of the input fields. Below the search button is a 'Logout' button. A note above the 'Code' field states '(P, F, L characters are not allowed)'. The entire interface is enclosed in a light green border.

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



Kuala Lumpur
10 Nov 2016









GOVERNANCE, FINANCE AND RISK MANAGEMENT

FINANCE, CORPORATE GOVERNANCE AND ENTERPRISE RISK MANAGEMENT

Goods and Services Tax – Industry Appeal on Input Tax Credit on Repair Costs of Accident Vehicles

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.



1. En Zailani Ali, ED - Group HR, UMW Corporation
2. En Zainudin Ishak, President & CEO, Malaysia
3. Mr Sharad KSK Lachu, CEO, cendo







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.

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Podcast > Morning Show > The Business Circle > Detariffication: Slowly but surely

DETARIFFICATION: SLOWLY BUT SURELY

Antony Lee, Chairman of General Insurance Association of Malaysia (PIAM)

27 JULY 10 AM 00:00



00:00 / 23:22

Book Sheng more insurance to get a better deal out of insurance providers. The liberalisation of insurance pricing, called 'detariffication' in industry speak, has taken a long time to materialise but will be implemented by the end of next year. We find out how this will impact the general insurance industry.

Top: general insurance, detariffication, disruption, futech, financial




Freeing Up The Market

Antony Lee

As the Chairman of the General Insurance Association of Malaysia (PIAM), Antony Lee is a key figure in the industry. He has been instrumental in the liberalisation of insurance pricing, known as 'detariffication'. This move is expected to bring more competition and better deals for consumers. Lee is optimistic about the future of the industry and believes that detariffication will lead to a more vibrant and competitive market.

Q: What are the challenges facing the industry?

A: The industry is facing several challenges, including the need to adapt to a more competitive market and the impact of detariffication. However, we believe that these challenges are temporary and that the industry will emerge stronger and more resilient.

Q: How do you see the future of the industry?

A: I am optimistic about the future of the industry. With the implementation of detariffication, we expect to see a more competitive market with better products and services for consumers. We will continue to work with the government and other stakeholders to ensure a smooth transition.

Q: What are the key priorities for the industry?

A: The key priorities for the industry are to ensure the stability and solvency of insurance companies, to protect the interests of policyholders, and to promote the growth and development of the industry. We will continue to work towards these goals.

Tech's role growing in insurance sector

POWERFUL TOOLS: Agencies investing in e-enabled distribution channels to better serve customers

Antony Lee

The insurance industry is embracing technology to improve its services and reach. Agencies are investing in e-enabled distribution channels to better serve customers. This includes the use of mobile apps, online portals, and social media. Technology is also being used to streamline claims processing and improve risk management. The industry believes that technology will play a significant role in the future of insurance.

Q: How is technology being used in the insurance sector?

A: Technology is being used in various ways, including the use of mobile apps, online portals, and social media. It is also being used to streamline claims processing and improve risk management.

Q: What are the benefits of using technology in insurance?

A: The benefits of using technology in insurance include improved customer service, faster claims processing, and better risk management. It also allows for more targeted marketing and sales efforts.

Q: What are the challenges of using technology in insurance?

A: The challenges of using technology in insurance include the need for investment in infrastructure and the potential for data security breaches. However, the benefits outweigh the challenges.



General insurers' gross written premiums up 3% in 1H16

General insurers' gross written premiums rose 3.5% in the first half of 2016, according to the General Insurance Association of Malaysia (PIAM). The increase was driven by growth in motor and marine insurance. The industry also reported a decline in claims paid out, which helped to improve its financial performance.

Q: What are the key drivers of growth in the insurance industry?

A: The key drivers of growth in the insurance industry are the implementation of detariffication, the use of technology, and the growing demand for insurance services. The industry is also benefiting from a more competitive market.

Q: What are the challenges facing the industry?

A: The challenges facing the industry include the need to adapt to a more competitive market and the impact of detariffication. However, we believe that these challenges are temporary and that the industry will emerge stronger and more resilient.

Q: How do you see the future of the industry?

A: I am optimistic about the future of the industry. With the implementation of detariffication, we expect to see a more competitive market with better products and services for consumers. We will continue to work with the government and other stakeholders to ensure a smooth transition.

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General insurers' gross written premiums up 3% in 1H16

KUALA LUMPUR: The general insurance industry continued to grow in the first half of 2016 (1H16), albeit moderately, amid earlier sentiments that it will be a challenging year for its members, said the General Insurance Association of Malaysia (PIAM).

Gross written premiums rose 3% to RM54.34 billion in 1H16, from RM51.67 billion a year ago. This compared with a 3.3% growth in full-year 2015 over 2014, and a 3.8% growth in 2014 over 2013.

In a statement yesterday, PIAM said the industry achieved a higher underwriting profit of RM888 million in 1H16, up 13% from RM784 million in 1H15.

The overall net claims incurred rate for the industry also declined to 52.8% in 1H16 from 56.7% in 1H15. Motor claims incurred rose 6% in 1H16, compared with 14.2% a year ago.

Looking ahead, PIAM warned that the operating environment for 2016 will be as challenging as the first six months.

"Moderation in the growth rate is likely to prevail for the entire general insurance industry," it said.

In 1H16, gross premiums written in motor insurance rose a marginal 0.7% to RM16.12 billion, from RM16.09 billion in 1H15, moderat-

ing its major share of the overall insurance market at 44.1%.

PIAM said fire insurance surged 8.8% year-on-year (y-o-y) to reach premiums of RM2.73 billion in 1H16, the second-largest class with a market share of 18.7%. Other strong performers include the miscellaneous class comprising health, education, engineering and construction, compensation. This class grew 8.6% y-o-y to record premiums of RM3.24 billion in 1H16.

Gross premiums written in medical and health insurance rose 1.8% y-o-y to RM1.66 billion in 1H16, while the personal accident class grew 8.3% with gross written premiums of RM1.09 billion. Marine, aviation and travel insurance, however, declined 1.4% y-o-y to RM1.04 billion in 1H16, owing to the weak oil and energy sector and a 27.4% drop in marine hull insurance.

PIAM also noted that the industry continued to incur high motor claims for 1H16 amounting to RM2.41 billion, which equates to RM13.2 million per day paid out in motor claims for property damage, bodily injury and vehicle theft.

"On a positive note, the industry recorded a decline of 9% in the number of motor thefts,"

'General insurers to see moderate growth in 2016'

2016 general insurers' premium income forecasted to grow 2.5% to 3.5%, says PIAM

General insurers' premium income in 2016 is forecasted to grow 2.5% to 3.5%, says PIAM. The forecast is based on the assumption that the general insurers' premium income in 2015 was RM1.1 billion. The forecast is based on the assumption that the general insurers' premium income in 2015 was RM1.1 billion. The forecast is based on the assumption that the general insurers' premium income in 2015 was RM1.1 billion.



PIAM representative speaking at a press conference.

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

About 60 vehicles stolen everyday from all over Malaysia, says PIAM

By KAMRUL KAMRUL

Malaysia is ranked No. 6 on the world's top car theft list, says PIAM.

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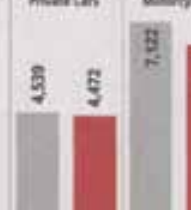
Top 10 makes stolen in 2014 and 2015

2015	2014
1. Proton Wira 1,288	1. Proton Wira 1,254
2. Toyota Hilux 762	2. Toyota Hilux 541
3. Proton Saga 713	3. Proton Saga 552
4. Proton Saga 554	4. Proton Saga 552
5. Proton Saga 554	5. Proton Saga 552
6. Proton Saga 554	6. Proton Saga 552
7. Proton Saga 554	7. Proton Saga 552
8. Proton Saga 554	8. Proton Saga 552
9. Proton Saga 554	9. Proton Saga 552
10. Proton Saga 554	10. Proton Saga 552



Proton Wira, one of the top 10 makes stolen in 2014 and 2015.

Number of vehicles stolen



Number of vehicles stolen in 2014 and 2015.

Source: PIAM, based on data from the Malaysian Police.

PIAM representative speaking at a press conference.

PIAM representative speaking at a press conference.

5.9% 保费增长放缓至2.3%

2015年保费增长5.9%，2016年保费增长2.3%。PIAM代表在新闻发布会上表示，2016年保费增长将放缓至2.3%。

PIAM Decision on detariffication to be known soon

PIAM representative speaking at a press conference.

PIAM Decision on detariffication to be known soon

PIAM representative speaking at a press conference.

PIAM sasaran pertumbuhan insurans perlahan

PIAM representative speaking at a press conference.

PIAM sasaran pertumbuhan insurans perlahan

PIAM representative speaking at a press conference.

Pertumbuhan insurans am diunjur 3.5 peratus

PIAM representative speaking at a press conference.

买火险防恐飙8.9%

PIAM representative speaking at a press conference.

买火险防恐飙8.9%

PIAM representative speaking at a press conference.

买火险防恐飙8.9%

PIAM representative speaking at a press conference.



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.





ACKNOWLEDGEMENT



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.









LIST OF MEMBERS



GENERAL INSURANCE BUSINESS

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
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Tel: 603-2117 2118
Fax: 603-2144 7297
Web: www.berjayasompo.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)**
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6, Jalan Sultan Sulaiman
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P.O. Box 10708
50722 Kuala Lumpur

Tel: 603-2262 8688
Fax: 603-2715 1332
Web: www.lonpac.com

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Capital Square
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Tel: 603-2034 9888
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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-orient.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

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40-01, Q-Sentral
2A, Jalan Stesen Sentral 2
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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. **Etika 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.etika.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
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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

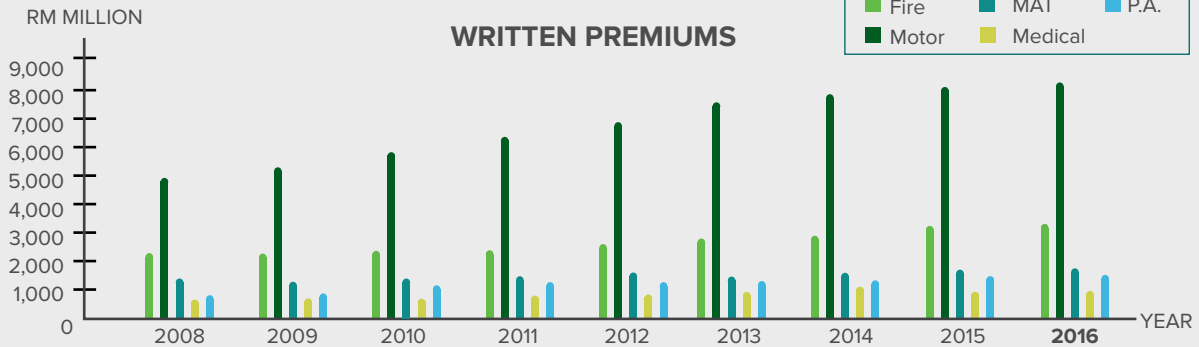
Tel : 603-2687 3600
Fax : 603-2687 3760
Web: www.hannover-re.com
3. **Malaysian Reinsurance Berhad (664194-V)**
12th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
P.O. Box 11068
50990 Kuala Lumpur

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

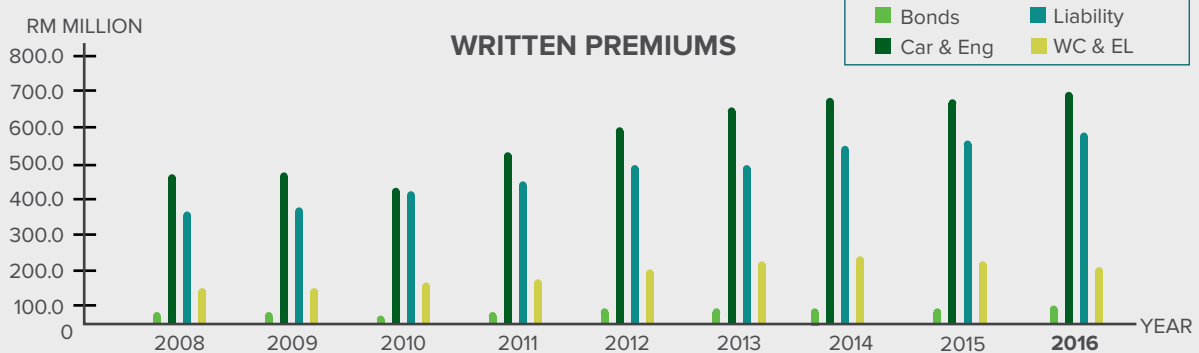
INSURANCE INDICATORS

Written Premiums (RM Million)

YEAR	FIRE	MOTOR	MAT	MEDICAL	P.A.
2008	2,123.7	4,911.5	1,248.4	550.0	852.2
2009	2,237.3	5,288.2	1,231.5	587.3	965.7
2010	2,291.8	5,968.6	1,353.6	643.5	1,088.4
2011	2,398.9	6,382.4	1,489.4	822.2	1,151.2
2012	2,571.2	6,978.3	1,565.5	875.7	1,173.2
2013	2,793.4	7,524.2	1,519.3	920.0	1,236.2
2014	2,954.7	7,932.8	1,651.9	1,006.3	1,264.6
2015	3,118.6	8,097.5	1,695.1	963.3	1,301.3
2016	3,273.7	8,165.2	1,562.9	1,027.0	1,298.3

Source: ISM



Written Premiums (RM Million)

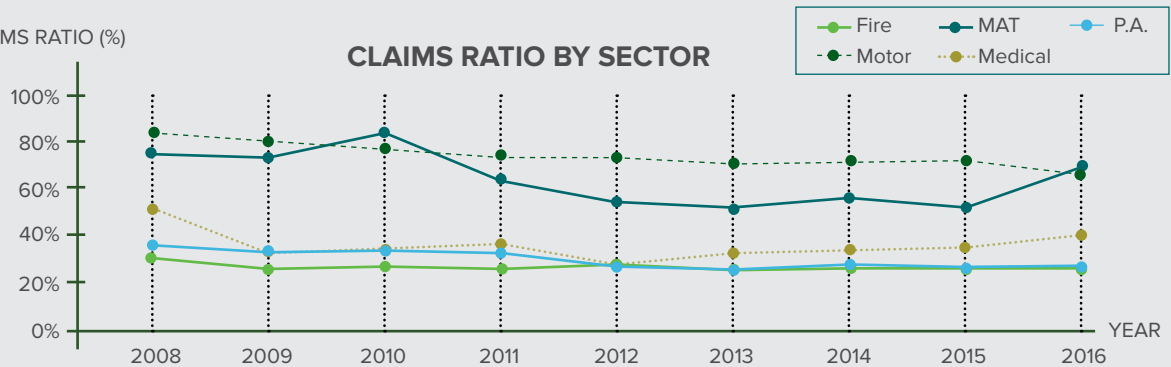
YEAR	BONDS	CAR & ENG	LIABILITY	WC & EL
2008	49.6	454.8	376.5	149.7
2009	47.0	457.3	411.5	147.4
2010	38.6	423.5	415.6	159.6
2011	43.3	524.3	446.4	171.3
2012	52.0	610.5	496.3	205.5
2013	53.0	644.7	495.8	233.2
2014	51.1	672.8	547.9	240.6
2015	60.6	670.1	560.6	232.3
2016	74.2	695.7	577.1	220.2

Source: ISM

INSURANCE INDICATORS

CLAIMS RATIO (%)

CLAIMS RATIO BY SECTOR



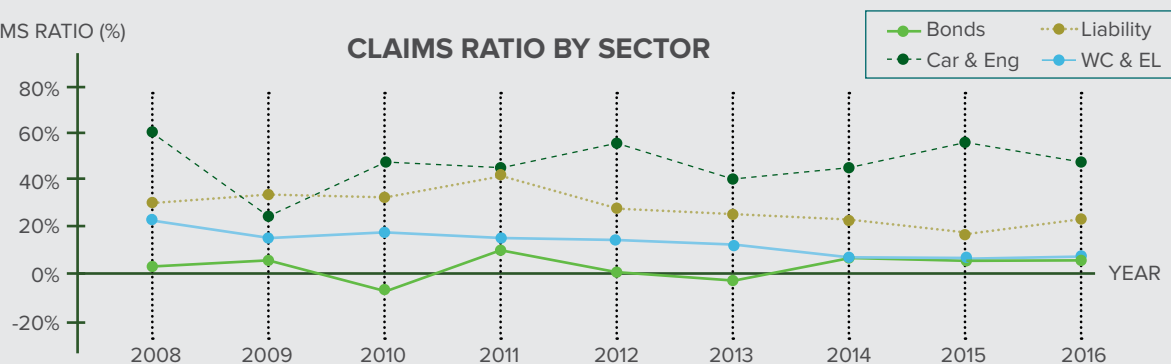
Claims Ratio By Sector (RM Million)

YEAR	FIRE	MOTOR	MAT	MEDICAL	P.A.
2008	30.7%	82.7%	74.7%	50.0%	36.0%
2009	26.4%	79.8%	73.6%	31.1%	35.7%
2010	28.7%	79.5%	82.7%	34.5%	33.0%
2011	30.8%	76.8%	64.4%	38.8%	31.5%
2012	27.6%	72.3%	56.6%	29.8%	28.9%
2013	29.4%	72.7%	50.6%	31.1%	26.5%
2014	28.8%	71.5%	57.4%	33.9%	29.4%
2015	28.3%	72.0%	54.0%	34.7%	26.0%
2016	27.7%	66.9%	70.5%	40.3%	28.8%

Source: ISM

CLAIMS RATIO (%)

CLAIMS RATIO BY SECTOR

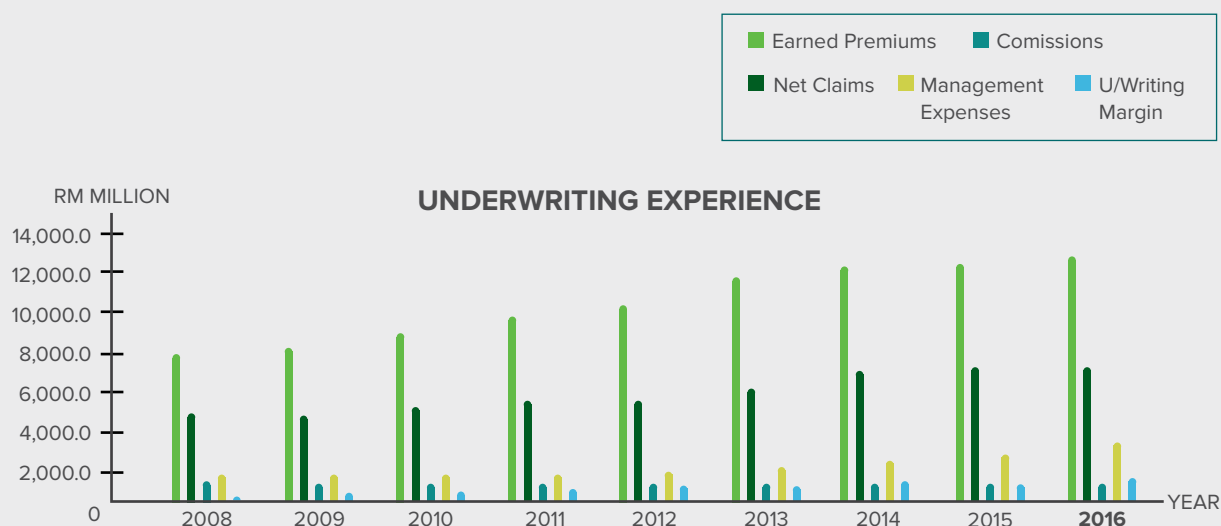


Claims Ratio By Sector (RM Million)

YEAR	BONDS	CAR & ENG	LIABILITY	WC & EL
2008	2.3%	60.2%	13.5%	22.0%
2009	7.6%	23.9%	33.3%	16.5%
2010	-8.9%	48.9%	33.1%	19.2%
2011	10.4%	45.8%	41.1%	16.0%
2012	0.6%	55.0%	29.8%	14.4%
2013	-1.3%	40.4%	26.9%	12.2%
2014	9.7%	44.5%	20.1%	9.7%
2015	9.4%	56.5%	17.4%	9.4%
2016	7.1%	47.5%	24.2%	9.9%

Source: ISM

INSURANCE INDICATORS



Underwriting Experience (RM Million)

YEAR	EARNED PREMIUMS	NET CLAIMS	COMMISSIONS	MANAGEMENT EXPENSES	U/WRITING MARGIN
2008	7,696.9	5,041.4	757.1	1,735.4	163.0
2009	8,241.0	5,067.8	802.5	1,757.8	612.9
2010	8,741.1	5,495.7	818.9	1,787.5	639.0
2011	9,359.7	5,683.2	901.9	1,866.9	907.8
2012	10,120.8	5,743.9	1,000.4	2,079.1	1,297.4
2013	11,189.0	6,340.3	1,144.6	2,242.5	1,461.6
2014	11,979.0	6,790.0	1,241.6	2,460.5	1,486.9
2015	12,548.4	7,090.0	1,246.9	2,747.5	1,464.0
2016	12,822.9	6,991.9	1,270.9	3,030.5	1,529.6

Source: ISM

ROLL OF HONOUR 1984 TO 2017

TERM	CHAIRMAN	DEPUTY CHAIRMAN
2016-2017	Mr Antony Lee (AIG Malaysia Insurance Bhd)	Mr. Chua Seck Guan (MSIG Insurance (Malaysia) Bhd)
2015-2016	Mr. Chua Seck Guan (MSIG Insurance (Malaysia) Bhd)	Mr Antony Lee (AIG Malaysia Insurance Bhd)
2012-2015	Mr. Chua Seck Guan (MSIG Insurance (Malaysia) Bhd) (from 31 October 2012)	Mr. Kong Shu Yin (RHB Insurance Berhad) (from 31 October 2012)
	Mr. Wong Kim Teck (Kurnia Insurans (Malaysia) Berhad) (from 23 April to 30 October 2012)	Mr. Chua Seck Guan (MSIG Insurance (Malaysia) Bhd) (from 23 April to 30 October 2012)
2011-2012	En. Hashim Harun (Malaysian Reinsurance Bhd)	Mr. Wong Kim Teck (Kurnia Insurans (Malaysia) Bhd)
2010-2011	En. Hashim Harun (Malaysian Reinsurance Bhd)	Mr. Tan Kok Guan (Lonpac Insurance Bhd)
2009-2010	En. Hashim Harun (Malaysian Reinsurance Bhd)	Mr. Jahanath Muthusamy (AXA Affin General Insurance Bhd)
2008-2009	Mr. Cliff Lee Koon Yew (Tahan Insurance Malaysia Berhad) (from 13 March 2008 to 31 March 2009)	En. Mohd Yusof Idris (Oriental Capital Assurance Bhd)
2007-2008	En. Zainal Abidin Mohd Noor (Etiqa Insurance Berhad) (from 20 April 2007 to 29 February 2008)	Mr Cliff Lee Koon Yew (Tahan Insurance Malaysia Berhad)
2006-2007	En. Hashim Harun (Uni.Asia General Insurance Bhd)	En. Mohd Yusof Idris (Oriental Capital Assurance Bhd)
2005-2006	En. Hashim Harun (Uni.Asia General Insurance Bhd)	En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)
2002-2005	En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)	En. Hashim Harun (Uni.Asia General Insurance Bhd)
2000-2002	En. Kassim Zakaria (Mayban General Assurance Bhd)	En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)
1999-2000	En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)	-
1997-1999	En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)	Mr. Adrian Loh Heong Chow (Kurnia Insurans (M) Bhd)
1994-1997	Mr. Adrian Loh Heong Chow (Hong Leong Assurance Bhd)	En. Anuar Mohd Hassan (Malaysian National Reinsurance Bhd)
1993-1994	En. Subri Abdullah (Malaysian Co-operative Insurance Society Ltd)	En. Dzulkifli Mohd Salleh (Malaysian National Reinsurance Bhd)
1990-1993	En. Dzulkifli Mohd Salleh (Malaysian National Reinsurance Bhd)	En. A. Subri Abdullah (Malaysian Co-operative Insurance Society Ltd)
1988-1990	YBhg Datuk Abdul Latiff Hussain (Malaysia British Assurance Bhd)	En. Dzulkifli Mohd Salleh (Malaysian National Reinsurance Bhd)
1985-1988	En. Dzulkifli Mohd Salleh (Malaysian National Reinsurance Bhd)	Mr Lau Khuan Siew (Malaysia British Assurance Bhd)
1984-1985	Tuan Haji Mansor Masikon (Progressive Insurance Sdn Bhd)	En. Abdullah Bin Ishak (Arab Malaysian Insurance Sdn Bhd)

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