1 Executive Summary

In 2012, life insurance was the largest segment in the Malaysian insurance industry, representing an industry share of 61.1% compared to 58.6% in 2008. It is also considered one of the fastest-emerging life insurance segments in the Asia-Pacific region. The global financial crisis had a minimal impact on the life segment during the review period. Driven by factors such as a disciplined attitude among individuals towards savings, rising levels of consumer confidence and government initiatives on tax relief, the relatively underpenetrated Malaysian life insurance segment is expected to register a CAGR of 7.8% over the forecast period, increasing from MYR23.1 billion (US$7.5 billion) in 2012 to MYR33.6 billion (US$11.5 billion) in 2017.

Government initiatives encourage Malaysians to invest, increasing demand for life insurance

The Malaysian government increased the limit for income tax deduction for life insurance with retirement benefits from MYR6,000 (US$1,859.4) to MYR7,000 (US$2,169.3) in 2010. This initiative demonstrates the government’s favorable attitude towards life insurance as part of additional retirement benefits, which will also lead to reduced dependence on social security. This incentive is expected to support the development schemes of life insurers, with the country’s aging population being a key consideration.

Favorable economic conditions and aging population to support growth

Malaysian GDP at current prices registered a review-period CAGR of 5.0%, and is expected to grow at a forecast-period CAGR of 7.5%. The government’s substantial investment programs and goal to double per capita GDP by 2020 are expected to drive demand for life insurance. Rising employment opportunities and reduced unemployment rates are encouraging Malaysians to save for the future. By 2017, around 6.1% of the Malaysian population is expected to be more than 60 years old, and the introduction of life insurance schemes and tax incentives will drive the segment over the forecast period.

Low penetration to support growth

Malaysia’s life insurance penetration rate measured 2.46% in 2012, which was lower than that of more economically developed countries in the region, such as Singapore with a penetration rate of 5.1%, Taiwan with 13.7% and South Korea with 7.7%. However, when calculating density by dividing the number of policies by the total population, life insurance density in Malaysia stood at 40% in 2012. As consumer awareness rises, the density and penetration rate is expected to increase, supporting growth in the segment over the forecast period.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Executive Summary</td>
<td>2</td>
</tr>
<tr>
<td>2  Introduction</td>
<td>14</td>
</tr>
<tr>
<td>2.1 What is this Report About?</td>
<td>14</td>
</tr>
<tr>
<td>2.2 Definitions</td>
<td>14</td>
</tr>
<tr>
<td>2.3 Methodology</td>
<td>16</td>
</tr>
<tr>
<td>3  Malaysian Insurance Industry Attractiveness</td>
<td>18</td>
</tr>
<tr>
<td>3.1 Insurance Industry Size, 2008–2017</td>
<td>19</td>
</tr>
<tr>
<td>3.2 Key Industry Trends and Drivers</td>
<td>23</td>
</tr>
<tr>
<td>4  Life Insurance Outlook</td>
<td>25</td>
</tr>
<tr>
<td>4.1 Life Insurance Growth Prospects by Category</td>
<td>26</td>
</tr>
<tr>
<td>4.1.1 Individual life insurance</td>
<td>58</td>
</tr>
<tr>
<td>4.1.2 Individual endowment insurance</td>
<td>62</td>
</tr>
<tr>
<td>4.1.3 Individual unit-linked insurance</td>
<td>66</td>
</tr>
<tr>
<td>4.1.4 Individual term life insurance</td>
<td>70</td>
</tr>
<tr>
<td>4.1.5 Other individual insurance</td>
<td>74</td>
</tr>
<tr>
<td>4.1.6 Group life insurance</td>
<td>78</td>
</tr>
<tr>
<td>4.2 Life Insurance Growth Prospects by Product Type</td>
<td>82</td>
</tr>
<tr>
<td>4.2.1 Individual single-premium policies</td>
<td>82</td>
</tr>
<tr>
<td>4.2.2 Individual non-single-premium policies</td>
<td>86</td>
</tr>
<tr>
<td>4.2.3 Group single-premium policies</td>
<td>90</td>
</tr>
<tr>
<td>4.2.4 Group non-single-premium policies</td>
<td>94</td>
</tr>
<tr>
<td>5  Analysis by Distribution Channel</td>
<td>98</td>
</tr>
<tr>
<td>5.1 Direct Marketing</td>
<td>100</td>
</tr>
<tr>
<td>5.2 Bancassurance</td>
<td>108</td>
</tr>
<tr>
<td>5.3 Agencies</td>
<td>116</td>
</tr>
<tr>
<td>5.4 E-commerce</td>
<td>124</td>
</tr>
<tr>
<td>5.5 Brokers</td>
<td>132</td>
</tr>
<tr>
<td>5.6 Other Channels</td>
<td>140</td>
</tr>
<tr>
<td>6  Porter’s Five Forces Analysis – Malaysian Life Insurance</td>
<td>148</td>
</tr>
<tr>
<td>6.1 Bargaining Power of Supplier: Medium</td>
<td>148</td>
</tr>
<tr>
<td>6.2 Bargaining Power of Buyer: Low to Medium</td>
<td>148</td>
</tr>
<tr>
<td>6.3 Barriers to Entry: Low to Medium</td>
<td>149</td>
</tr>
<tr>
<td>6.4 Intensity of Rivalry: Medium</td>
<td>149</td>
</tr>
<tr>
<td>6.5 Threat of Substitutes: Low</td>
<td>149</td>
</tr>
<tr>
<td>7  Reinsurance Growth Dynamics and Challenges</td>
<td>150</td>
</tr>
<tr>
<td>7.1 Reinsurance segment size, 2008–2017</td>
<td>151</td>
</tr>
<tr>
<td>7.2 Reinsurance segment size by type of insurance, 2008–2017</td>
<td>155</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

## 8 Governance, Risk and Compliance .......................................................... 160

8.1 Legislation Overview and Historical Evolution ............................................. 161
8.2 Regulations by Type of Insurance ............................................................... 163
  8.2.1 Life insurance regulations ................................................................. 163
  8.2.2 Property insurance regulations ........................................................... 165
  8.2.3 Motor insurance regulations ............................................................... 167
  8.2.4 Marine, aviation and transit insurance regulations .................................. 169
  8.2.5 Personal accident and health insurance regulations .................................. 169
8.3 Compulsory Insurance .................................................................................. 170
  8.3.1 Motor third-party liability insurance ....................................................... 170
  8.3.2 Workmen’s compensation insurance ....................................................... 171
  8.3.3 Travel insurance .................................................................................... 171
  8.3.4 Insurance against liability for pollution ................................................... 172
8.4 Supervision and Control .............................................................................. 173
  8.4.1 International Association of Insurance Supervisors ..................................... 173
  8.4.2 Central Bank of Malaysia or Bank Negara Malaysia (BNM) ......................... 174
8.5 Non-Admitted Insurance Regulations .......................................................... 175
  8.5.1 Overview .............................................................................................. 175
  8.5.2 Intermediaries ....................................................................................... 175
  8.5.3 Market practices .................................................................................... 176
  8.5.4 Fines and penalties ................................................................................. 176
8.6 Company Registration and Operations .......................................................... 177
  8.6.1 Types of insurance organization ............................................................. 178
  8.6.2 Establishing a local company ................................................................. 178
  8.6.3 Foreign ownership ............................................................................... 179
  8.6.4 Types of license .................................................................................... 180
  8.6.5 Capital requirements ............................................................................ 181
  8.6.6 Solvency margins ................................................................................. 182
  8.6.7 Reserve requirements ............................................................................ 183
  8.6.8 Investment regulations ......................................................................... 184
  8.6.9 Statutory return requirements ................................................................. 184
  8.6.10 Fee structure ....................................................................................... 185
8.7 Taxation ........................................................................................................ 186
  8.7.1 Insurance premium or policy taxation ..................................................... 186
  8.7.2 Corporate tax ....................................................................................... 186
  8.7.3 VAT ........................................................................................................ 187
  8.7.4 Captives ............................................................................................... 187
8.8 Legal System ................................................................................................ 188
  8.8.1 Introduction ............................................................................................ 188
  8.8.2 Access to court ...................................................................................... 188
  8.8.3 Alternative dispute resolution (ADR) ...................................................... 190
9 Competitive Landscape and Strategic Insights .................................................. 191
  9.1 Overview ........................................................................................................ 191
  9.2 Leading Companies in the Malaysian Life Insurance Segment ................... 193
  9.3 Comparison of the Top Five Insurers ............................................................ 194
    9.3.1 Gross written premium ............................................................................. 194
    9.3.2 Net earned premium ............................................................................... 195
    9.3.3 Gross claims ........................................................................................... 196
    9.3.4 Paid claims .............................................................................................. 197
    9.3.5 Total assets ................................................................................................ 198
    9.3.6 Total investment income ......................................................................... 199
  9.4 Great Eastern Life Assurance (Malaysia) Bhd – Company Overview .......... 200
    9.4.1 Great Eastern Life Assurance (Malaysia) Bhd – key facts ..................... 200
    9.4.2 Great Eastern Life Assurance (Malaysia) Bhd – key financials .......... 200
  9.5 Prudential Assurance Malaysia Bhd – Company Overview ......................... 201
    9.5.1 Prudential Assurance Malaysia Bhd – key facts .................................... 201
    9.5.2 Prudential Assurance Malaysia Bhd – key financials ............................ 201
  9.6 ING Insurance Bhd – Company Overview .................................................... 202
    9.6.1 ING Insurance Bhd – key facts ............................................................... 202
    9.6.2 ING Insurance Bhd – key financials ....................................................... 202
  9.7 American International Assurance Bhd – Company Overview .................. 204
    9.7.1 American International Assurance Bhd – key facts .............................. 204
    9.7.2 American International Assurance Bhd – key financials ...................... 204
  9.8 Hong Leong Assurance Bhd – Company Overview ..................................... 205
    9.8.1 Hong Leong Assurance Bhd – key facts ................................................. 205
    9.8.2 Hong Leong Assurance Bhd – key financials ....................................... 205
  9.9 Allianz Malaysia Bhd – Company Overview .................................................. 206
    9.9.1 Allianz Malaysia Bhd – key facts ............................................................ 206
    9.9.2 Allianz Malaysia Bhd – key financials .................................................... 206
  9.10 Zurich Insurance Malaysia Bhd – Company Overview ............................... 207
    9.10.1 Zurich Insurance Malaysia Bhd – key facts ......................................... 207
    9.10.2 Zurich Insurance Malaysia Bhd – key financials ................................... 207
  9.11 Etiqa Insurance Berhad – Company Overview ............................................. 208
    9.11.1 Etiqa Insurance Berhad – key facts ..................................................... 208
    9.11.2 Etiqa Insurance Berhad – key financials ............................................. 208
  9.12 MCIS Zurich Insurance Bhd – Company Overview ...................................... 209
    9.12.1 MCIS Zurich Insurance Bhd – key facts .............................................. 209
    9.12.2 MCIS Zurich Insurance Bhd – key financials ..................................... 209
  9.13 Tokio Marine Life Insurance Malaysia Bhd – Company Overview ............ 210
    9.13.1 Tokio Marine Life Insurance Malaysia Bhd – key facts ...................... 210
    9.13.2 Tokio Marine Life Insurance Malaysia Bhd – key financials ................ 210

10 Business Environment and Country Risk ...................................................... 212
# TABLE OF CONTENTS

10.1 Business Confidence ............................................................................................................. 212
    10.1.1 Market capitalization trend – Bursa Malaysia, Malaysia .................................................. 212

10.2 Economic Performance ........................................................................................................ 213
    10.2.1 Net foreign direct investment ....................................................................................... 213
    10.2.2 GDP at constant prices (US$) ..................................................................................... 214
    10.2.3 GDP per capita at constant prices (US dollar) .............................................................. 215
    10.2.4 GDP at current prices (US dollar) ............................................................................... 216
    10.2.5 GDP per capita at current prices (US dollar) ............................................................... 217
    10.2.6 GDP by key segments ................................................................................................ 218
    10.2.7 Agriculture, hunting, forestry and fishing net output at current prices (US dollar) ... 219
    10.2.8 Agriculture, hunting, forestry and fishing net output at current prices as a percentage of GDP ............................................................................................................. 220
    10.2.9 Manufacturing net output at current prices (US$) ......................................................... 221
    10.2.10 Manufacturing net output at current prices as a percentage of GDP ....................... 221
    10.2.11 Mining, manufacturing and utilities at current prices (US$) ....................................... 222
    10.2.12 Mining, manufacturing and utilities at current prices as percentage of GDP .......... 223
    10.2.13 Construction net output at current prices (US$) ......................................................... 225
    10.2.14 Construction net output at current prices as a percentage of GDP ......................... 226
    10.2.15 Inflation rate ................................................................................................................ 227
    10.2.16 Current account balance as a percentage of GDP ..................................................... 228
    10.2.17 Exports as a percentage of GDP ............................................................................. 229
    10.2.18 Imports as a percentage of GDP ............................................................................. 230
    10.2.19 Exports growth .......................................................................................................... 231
    10.2.20 Imports growth .......................................................................................................... 232
    10.2.21 External debt as a percentage of GDP ...................................................................... 233
    10.2.22 Annual average exchange rate US$–MYR ................................................................. 234
    10.2.23 International tourist receipts ..................................................................................... 235
    10.2.24 Total length of roads and railways ......................................................................... 236

10.3 Infrastructure Quality and Availability ............................................................................. 237
    10.3.1 Commercial vehicles imports total value ..................................................................... 237
    10.3.2 Commercial vehicles exports total value .................................................................... 238
    10.3.3 Automotive exports total value .................................................................................. 239
    10.3.4 Automotive imports total value .................................................................................. 240
    10.3.5 Life expectancy .......................................................................................................... 241
    10.3.6 Total internet subscribers ......................................................................................... 242

10.4 Labor Force .......................................................................................................................... 243
    10.4.1 Labor force .................................................................................................................. 243
    10.4.2 Unemployment rate ..................................................................................................... 244

10.5 Demographics ...................................................................................................................... 245
    10.5.1 Household consumption expenditure (US$) .............................................................. 245
    10.5.2 Gross national disposable income ............................................................................. 246
    10.5.3 Total population ......................................................................................................... 247
    10.5.4 Urban and rural populations ....................................................................................... 248
10.5.5 Female percentage of the population ................................................................. 249
10.5.6 Male percentage of the population ................................................................. 250
10.5.7 Median age of the population ........................................................................... 251
10.5.8 Age distribution of the total population ........................................................... 252
10.5.9 Number of households ..................................................................................... 253

11 Appendix .................................................................................................................. 254

11.1 Methodology ......................................................................................................... 254
11.2 Contact Timetric .................................................................................................. 254
11.3 About Timetric ...................................................................................................... 254
11.4 Timetric’s Services ............................................................................................... 255
11.5 Disclaimer ............................................................................................................. 256
TABLE OF CONTENTS

LIST OF FIGURES

Figure 1: Malaysian Insurance – Overall Written Premium by Segment (MYR Billion), 2008–2017 .......................................................... 21
Figure 2: Malaysian Insurance – Dynamics by Segment (%), 2008–2017 ................................................................................. 22
Figure 3: Malaysian Life Insurance – Written Premium by Category (MYR Billion), 2008–2017 .................................................. 28
Figure 4: Malaysian Life Insurance – Written Premium by Category (% Share), 2012 and 2017 .................................................. 28
Figure 5: Malaysian Life Insurance – Dynamics by Category (%), 2008–2017 .......................................................... .......................................................... 29
Figure 6: Malaysian Life Insurance – Earned Premium (MYR Billion), 2008–2012 .......................................................... .......................................................... 30
Figure 7: Malaysian Life Insurance – Earned Premium (MYR Billion), 2012–2017 .......................................................... .......................................................... 31
Figure 8: Malaysian Life Insurance – Sum Assured (MYR Billion), 2008–2012 .......................................................... .......................................................... 32
Figure 9: Malaysian Life Insurance – Sum Assured (MYR Billion), 2012–2017 .......................................................... .......................................................... 33
Figure 10: Malaysian Life Insurance – Paid Claims (MYR Billion), 2008–2012 .......................................................... .......................................................... 34
Figure 11: Malaysian Life Insurance – Paid Claims (MYR Billion), 2012–2017 .......................................................... .......................................................... 35
Figure 12: Malaysian Life Insurance – Incurred Loss (MYR Billion), 2008–2012 .......................................................... .......................................................... 36
Figure 13: Malaysian Life Insurance – Incurred Loss (MYR Billion), 2012–2017 .......................................................... .......................................................... 37
Figure 14: Malaysian Life Insurance – Loss Ratio (%), 2008–2012 ................................................................................. 38
Figure 15: Malaysian Life Insurance – Loss Ratio (%), 2012–2017 ................................................................................. 39
Figure 16: Malaysian Life Insurance – Commissions and Expenses (MYR Billion), 2008–2012 .................................................. 40
Figure 17: Malaysian Life Insurance – Commissions and Expenses (MYR Billion), 2012–2017 .................................................. 41
Figure 18: Malaysian Life Insurance – Combined Ratio (%), 2008–2012 ................................................................................. 42
Figure 19: Malaysian Life Insurance – Combined Ratio (%), 2012–2017 ................................................................................. 43
Figure 20: Malaysian Life Insurance – Frauds and Crimes (MYR Billion), 2008–2012 .......................................................... .......................................................... 44
Figure 21: Malaysian Life Insurance – Frauds and Crimes (MYR Billion), 2012–2017 ................................................................................. 45
Figure 22: Malaysian Life Insurance – Total Assets (MYR Billion), 2008–2012 .......................................................... .......................................................... 46
Figure 23: Malaysian Life Insurance – Total Assets (MYR Billion), 2012–2017 .......................................................... .......................................................... 47
Figure 24: Malaysian Life Insurance – Total Investment Income (MYR Billion), 2008–2012 .................................................. 48
Figure 25: Malaysian Life Insurance – Total Investment Income (MYR Billion), 2012–2017 .................................................. 49
Figure 26: Malaysian Life Insurance – Retentions (MYR Billion), 2008–2012 .......................................................... .......................................................... 50
Figure 27: Malaysian Life Insurance – Retentions (MYR Billion), 2012–2017 .......................................................... .......................................................... 51
Figure 28: Malaysian Life Insurance – Investment Portfolio (MYR Billion), 2008–2012 .................................................. 52
Figure 29: Malaysian Life Insurance – Investment Portfolio (%), 2008 and 2012 .......................................................... .......................................................... 52
Figure 30: Malaysian Life Insurance – Penetration (%), 2008–2012 ................................................................................. 53
Figure 31: Malaysian Life Insurance – Density (Number of Policies per Capita), 2008–2012 .......................................................... .......................................................... 54
Figure 32: Malaysian Life Insurance – Number of Active Policies (Thousand), 2008–2012 ................................................................................. 55
Figure 33: Malaysian Life Insurance – Number of Active Policies (Thousand), 2012–2017 ................................................................................. 56
Figure 34: Malaysian Life Insurance – Premium per Capita (MYR), 2008–2012 .......................................................... .......................................................... 57
Figure 35: Malaysian Individual Life Insurance – Number of Active Policies (Thousand), 2008–2012 .......................................................... .......................................................... 58
Figure 36: Malaysian Individual Life Insurance – Number of Active Policies (Thousand), 2012–2017 ................................................................................. 59
Figure 37: Malaysian Individual Life Insurance – Written Premium (MYR Billion), 2008–2012 .......................................................... .......................................................... 60
Figure 38: Malaysian Individual Life Insurance – Written Premium (MYR Billion), 2012–2017 ................................................................................. 61
Figure 39: Malaysian Individual Endowment Insurance – Number of Active Policies (Thousand), 2008–2012 .......................................................... .......................................................... 62
Figure 40: Malaysian Individual Endowment Insurance – Number of Active Policies (Thousand), 2012–2017 ................................................................................. 63
Figure 41: Malaysian Individual Endowment Insurance – Written Premium (MYR Billion), 2008–2012 .......................................................... .......................................................... 64
Figure 42: Malaysian Individual Endowment Insurance – Written Premium (MYR Billion), 2012–2017 ................................................................................. 65
Figure 43: Malaysian Individual Unit-Linked Insurance – Number of Active Policies (Thousand), 2008–2012 .......................................................... .......................................................... 66
Figure 44: Malaysian Individual Unit-Linked Insurance – Number of Active Policies (Thousand), 2012–2017 ................................................................................. 67
Figure 45: Malaysian Individual Unit-Linked Insurance – Written Premium (MYR Billion), 2008–2012 .......................................................... .......................................................... 68
Figure 46: Malaysian Individual Unit-Linked Insurance – Written Premium (MYR Billion), 2012–2017 ................................................................................. 69
Figure 47: Malaysian Individual Term Life Insurance – Number of Active Policies (Thousand), 2008–2012 .......................................................... .......................................................... 70
Figure 48: Malaysian Individual Term Life Insurance – Number of Active Policies (Thousand), 2012–2017 ................................................................................. 71
Figure 49: Malaysian Individual Term Life Insurance – Written Premium (MYR Billion), 2008–2012 .......................................................... .......................................................... 72
Figure 50: Malaysian Individual Term Life Insurance – Written Premium (MYR Billion), 2012–2017 ................................................................................. 73
Figure 51: Malaysian Other Individual Insurance – Number of Active Policies (Thousand), 2008–2012 .......................................................... .......................................................... 74
Figure 52: Malaysian Other Individual Insurance – Number of Active Policies (Thousand), 2012–2017 ................................................................................. 75
Figure 53: Malaysian Other Individual Insurance – Written Premium (MYR Billion), 2008–2012 .......................................................... .......................................................... 76
Figure 54: Malaysian Other Individual Insurance – Written Premium (MYR Billion), 2012–2017 ................................................................................. 77
Figure 55: Malaysian Group Life Insurance – Number of Active Policies (Thousand), 2008–2012 .......................................................... .......................................................... 78
Figure 56: Malaysian Group Life Insurance – Number of Active Policies (Thousand), 2012–2017 ................................................................................. 79
Figure 57: Malaysian Group Life Insurance – Written Premium (MYR Billion), 2008–2012 .......................................................... .......................................................... 80
Figure 58: Malaysian Group Life Insurance – Written Premium (MYR Billion), 2012–2017 ................................................................................. 81
Figure 59: Malaysian Individual Single-Premium Insurance – Number of Active Policies (Thousand), 2008–2012 .......................................................... .......................................................... 82
Figure 60: Malaysian Individual Single-Premium Insurance – Number of Active Policies (Thousand), 2012–2017 ................................................................................. 83
Figure 61: Malaysian Individual Single-Premium Insurance – Written Premium (MYR Billion), 2008–2012 .......................................................... .......................................................... 84
TABLE OF CONTENTS

Figure 126: Malaysian Premium Ceded to Reinsurance by Category (% Share), 2012 and 2017 .......................................................... 153
Figure 127: Malaysian Reinsurance – Dynamics by Category (%), 2008–2017 .......................................................... 154
Figure 128: Malaysian Premium Ceded to Reinsurance by Type of Insurance (MYR Billion), 2008–2017 .......................................................... 157
Figure 129: Malaysian Reinsurance – Dynamics by Type of Insurance (%), 2008–2017 .......................................................... 157
Table 129: Malaysian Life Insurance – Percentage of Reinsurance Ceded (%), 2008–2012 .......................................................... 158
Figure 130: Malaysian Life Insurance – Percentage of Reinsurance Ceded (%), 2008–2012 .......................................................... 158
Figure 131: Malaysian Life Insurance – Percentage of Reinsurance Ceded (%), 2012–2017 .......................................................... 159
Figure 132: Malaysia – Insurance Regulatory Framework .......................................................... 160
Figure 133: Malaysia – Insurance Supervision and Control at Various Levels .......................................................... 173
Figure 134: Malaysia – Insurance Regulatory Frameworks for Company Registration and Operation .......................................................... 177
Figure 135: Number of Insurance Companies in Malaysian Life Insurance Segment, 2009–2012 .......................................................... 192
Figure 136: Shares of Key Insurers in the Malaysian Life Insurance Segment (%), 2012 .......................................................... 193
Figure 137: Gross Written Premium – Top Five Malaysian Life Insurers (MYR Billion), 2012 .......................................................... 194
Figure 138: Net Earned Premium – Top Five Malaysian Life Insurers (MYR Billion), 2012 .......................................................... 195
Figure 139: Gross Claims – Top Five Malaysian Life Insurers (MYR Billion), 2012 .......................................................... 196
Figure 140: Paid Claims – Top Five Malaysian Life Insurers (MYR Billion), 2012 .......................................................... 197
Figure 141: Total Assets – Top Five Malaysian Life Insurers (MYR Billion), 2012 .......................................................... 198
Figure 142: Total Investment Income – Top Five Malaysian Life Insurers (MYR Billion), 2012 .......................................................... 199
Figure 143: Malaysian Stock Exchange Market Capitalization (US$ Billion), 2008–2012 .......................................................... 212
Figure 144: Malaysian Net Foreign Direct Investment (US$ Billion), 2007–2011 .......................................................... 213
Figure 145: Malaysian GDP at Constant Prices (US$ Billion), 2008–2012 .......................................................... 214
Figure 146: Malaysian GDP Per Capita at Constant Prices (US$), 2008–2012 .......................................................... 215
Figure 147: Malaysian GDP at Current Prices (US$ Billion), 2008–2012 .......................................................... 216
Figure 148: Malaysian GDP Per Capita at Current Prices (US$), 2008–2012 .......................................................... 217
Figure 149: Malaysian GDP by Key Segments (% 2007 and 2011 .......................................................... 218
Figure 150: Malaysian Agriculture, Hunting, Forestry and Fishing Net Output at Current Prices (US$ Billion), 2007–2011 .......................................................... 219
Figure 151: Malaysian Agriculture, Hunting, Forestry and Fishing Net Output at Current Prices as a Percentage of GDP (%), 2007–2011 .......................................................... 220
Figure 152: Malaysian Manufacturing Net Output at Current Prices (US$ Billion), 2007–2011 .......................................................... 221
Figure 153: Malaysian Manufacturing Net Output at Current Prices as a Percentage of GDP (%), 2007–2011 .......................................................... 222
Figure 154: Malaysian Mining, Manufacturing and Utilities Net Output at Current Prices (US$ Billion), 2007–2011 .......................................................... 223
Figure 155: Malaysian Mining, Manufacturing and Utilities Net Output at Current Prices as a Percentage of GDP (%), 2007–2011 .......................................................... 224
Figure 156: Malaysian Construction Net Output at Current Prices (US$ Billion), 2007–2011 .......................................................... 225
Figure 157: Malaysian Construction Output at Current Prices as a Percentage of GDP (%), 2007–2011 .......................................................... 226
Figure 158: Malaysian Inflation Rate (%), 2008–2012 .......................................................... 227
Figure 159: Malaysian Current Account Balance as a Percentage of GDP (%), 2007–2011 .......................................................... 228
Figure 160: Malaysian Exports as a Percentage of GDP (%), 2007–2011 .......................................................... 229
Figure 161: Malaysian Imports as a Percentage of GDP (%), 2008–2011 .......................................................... 230
Figure 162: Malaysian Exports Growth (%), 2008–2011 .......................................................... 231
Figure 163: Malaysian Imports Growth (%), 2007–2011 .......................................................... 232
Figure 164: Malaysian External Debt as a Percentage of GDP (%), 2007–2010 .......................................................... 233
Figure 165: Malaysian Annual Average Exchange Rate US$–MYR, 2008–2012 .......................................................... 234
Figure 166: Malaysian International Tourist Receipts (US$ Million), 2008–2012 .......................................................... 235
Figure 167: Total Length of Malaysian Roads and Railways (km), 2007–2011 .......................................................... 236
Figure 168: Malaysian Commercial Vehicles Imports Total Value (US$ Million), 2007–2011 .......................................................... 237
Figure 169: Malaysian Commercial Vehicles Exports Total Value (US$ Million), 2007–2011 .......................................................... 238
Figure 170: Malaysian Automotive Exports Total Value (US$ Million), 2007–2011 .......................................................... 239
Figure 171: Malaysian Automotive Imports Total Value (US$ Million), 2007–2011 .......................................................... 240
Figure 172: Malaysian Life expectancy (Years), 2008–2012 .......................................................... 241
Figure 173: Malaysian Internet Subscriptions (Millions), 2007–2011 .......................................................... 242
Figure 174: Malaysian Size of Labor Force (Million), 2007–2011 .......................................................... 243
Figure 175: Malaysian Unemployment Rate (%), 2008–2012 .......................................................... 244
Figure 176: Malaysian Household Consumption Expenditure (US$ Billion), 2007–2011 .......................................................... 245
Figure 177: Malaysian Gross National Disposable Income (US$ Billion), 2007–2011 .......................................................... 246
Figure 178: Malaysian Total Population (Million), 2008–2012 .......................................................... 247
Figure 179: Malaysian Urban and Rural Populations (%), 2008–2012 .......................................................... 248
Figure 180: Malaysian Female Percentage of the Population (%), 2008–2012 .......................................................... 249
Figure 181: Malaysian Male Percentage of the Population (%), 2008–2012 .......................................................... 250
Figure 182: Malaysian Median Age of the Population (Years), 2008–2012 .......................................................... 251
Figure 183: Malaysian Population Distribution by Age (%), 2008–2012 .......................................................... 252
Figure 184: Malaysian Number of Households (Million), 2008–2012 .......................................................... 253
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1:</td>
<td>Insurance Industry Definitions .......................................................... 14</td>
</tr>
<tr>
<td>Table 2:</td>
<td>Malaysian Insurance – Overall Written Premium by Segment (MYR Billion), 2008–2012 ........................................ 19</td>
</tr>
<tr>
<td>Table 3:</td>
<td>Malaysian Insurance – Overall Written Premium by Segment (US$ Billion), 2008–2012 ........................................ 19</td>
</tr>
<tr>
<td>Table 4:</td>
<td>Malaysian Insurance – Overall Written Premium by Segment (MYR Billion), 2012–2017 ........................................ 20</td>
</tr>
<tr>
<td>Table 5:</td>
<td>Malaysian Insurance – Overall Written Premium by Segment (US$ Billion), 2012–2017 ........................................ 20</td>
</tr>
<tr>
<td>Table 6:</td>
<td>Malaysian Insurance – Segmentation (% Share), 2008–2017 ........................................ 22</td>
</tr>
<tr>
<td>Table 7:</td>
<td>Malaysian Life Insurance – Written Premium by Category (MYR Billion), 2008–2012 ........................................ 26</td>
</tr>
<tr>
<td>Table 8:</td>
<td>Malaysian Life Insurance – Written Premium by Category (US$ Billion), 2008–2012 ........................................ 26</td>
</tr>
<tr>
<td>Table 9:</td>
<td>Malaysian Life Insurance – Written Premium by Category (MYR Billion), 2012–2017 ........................................ 27</td>
</tr>
<tr>
<td>Table 10:</td>
<td>Malaysian Life Insurance – Written Premium by Category (US$ Billion), 2012–2017 ........................................ 27</td>
</tr>
<tr>
<td>Table 11:</td>
<td>Malaysian Life Insurance – Earned Premium (MYR Billion), 2008–2012 ........................................ 30</td>
</tr>
<tr>
<td>Table 12:</td>
<td>Malaysian Life Insurance – Earned Premium (MYR Billion), 2012–2017 ........................................ 31</td>
</tr>
<tr>
<td>Table 13:</td>
<td>Malaysian Life Insurance – Sum Assured (MYR Billion), 2008–2012 ........................................ 32</td>
</tr>
<tr>
<td>Table 14:</td>
<td>Malaysian Life Insurance – Sum Assured (MYR Billion), 2012–2017 ........................................ 33</td>
</tr>
<tr>
<td>Table 15:</td>
<td>Malaysian Life Insurance – Paid Claims (MYR Billion), 2008–2012 ........................................ 34</td>
</tr>
<tr>
<td>Table 16:</td>
<td>Malaysian Life Insurance – Paid Claims (MYR Billion), 2012–2017 ........................................ 35</td>
</tr>
<tr>
<td>Table 17:</td>
<td>Malaysian Life Insurance – Incurred Loss (MYR Billion), 2008–2012 ........................................ 36</td>
</tr>
<tr>
<td>Table 18:</td>
<td>Malaysian Life Insurance – Incurred Loss (MYR Billion), 2012–2017 ........................................ 37</td>
</tr>
<tr>
<td>Table 19:</td>
<td>Malaysian Life Insurance – Loss Ratio (%), 2008–2012 ........................................ 38</td>
</tr>
<tr>
<td>Table 20:</td>
<td>Malaysian Life Insurance – Loss Ratio (%), 2012–2017 ........................................ 39</td>
</tr>
<tr>
<td>Table 21:</td>
<td>Malaysian Life Insurance – Commissions and Expenses (MYR Billion), 2008–2012 ........................................ 40</td>
</tr>
<tr>
<td>Table 22:</td>
<td>Malaysian Life Insurance – Commissions and Expenses (MYR Billion), 2012–2017 ........................................ 41</td>
</tr>
<tr>
<td>Table 23:</td>
<td>Malaysian Life Insurance – Combined Ratio (%), 2008–2012 ........................................ 42</td>
</tr>
<tr>
<td>Table 24:</td>
<td>Malaysian Life Insurance – Combined Ratio (%), 2012–2017 ........................................ 43</td>
</tr>
<tr>
<td>Table 25:</td>
<td>Malaysian Life Insurance – Frauds and Crimes (MYR Billion), 2008–2012 ........................................ 44</td>
</tr>
<tr>
<td>Table 26:</td>
<td>Malaysian Life Insurance – Frauds and Crimes (MYR Billion), 2012–2017 ........................................ 45</td>
</tr>
<tr>
<td>Table 27:</td>
<td>Malaysian Life Insurance – Total Assets (MYR Billion), 2008–2012 ........................................ 46</td>
</tr>
<tr>
<td>Table 28:</td>
<td>Malaysian Life Insurance – Total Assets (MYR Billion), 2012–2017 ........................................ 47</td>
</tr>
<tr>
<td>Table 29:</td>
<td>Malaysian Life Insurance – Total Investment Income (MYR Billion), 2008–2012 ........................................ 48</td>
</tr>
<tr>
<td>Table 30:</td>
<td>Malaysian Life Insurance – Total Investment Income (MYR Billion), 2012–2017 ........................................ 49</td>
</tr>
<tr>
<td>Table 31:</td>
<td>Malaysian Life Insurance – Retentions (MYR Billion), 2008–2012 ........................................ 50</td>
</tr>
<tr>
<td>Table 32:</td>
<td>Malaysian Life Insurance – Retentions (MYR Billion), 2012–2017 ........................................ 51</td>
</tr>
<tr>
<td>Table 33:</td>
<td>Malaysian Individual Life Insurance – Number of Active Policies (Thousand), 2008–2012 ........................................ 58</td>
</tr>
<tr>
<td>Table 34:</td>
<td>Malaysian Individual Life Insurance – Number of Active Policies (Thousand), 2012–2017 ........................................ 59</td>
</tr>
<tr>
<td>Table 35:</td>
<td>Malaysian Individual Life Insurance – Written Premium (MYR Billion), 2008–2012 ........................................ 60</td>
</tr>
<tr>
<td>Table 36:</td>
<td>Malaysian Individual Life Insurance – Written Premium (MYR Billion), 2012–2017 ........................................ 61</td>
</tr>
<tr>
<td>Table 37:</td>
<td>Malaysian Individual Endowment Insurance – Number of Active Policies (Thousand), 2008–2012 ........................................ 62</td>
</tr>
<tr>
<td>Table 38:</td>
<td>Malaysian Individual Endowment Insurance – Number of Active Policies (Thousand), 2012–2017 ........................................ 63</td>
</tr>
<tr>
<td>Table 39:</td>
<td>Malaysian Individual Endowment Insurance – Written Premium (MYR Billion), 2008–2012 ........................................ 64</td>
</tr>
<tr>
<td>Table 40:</td>
<td>Malaysian Individual Endowment Insurance – Written Premium (MYR Billion), 2012–2017 ........................................ 65</td>
</tr>
<tr>
<td>Table 41:</td>
<td>Malaysian Individual Unit-Linked Insurance – Number of Active Policies (Thousand), 2008–2012 ........................................ 66</td>
</tr>
<tr>
<td>Table 42:</td>
<td>Malaysian Individual Unit-Linked Insurance – Number of Active Policies (Thousand), 2012–2017 ........................................ 67</td>
</tr>
<tr>
<td>Table 43:</td>
<td>Malaysian Individual Unit-Linked Insurance – Written Premium (MYR Billion), 2008–2012 ........................................ 68</td>
</tr>
<tr>
<td>Table 44:</td>
<td>Malaysian Individual Unit-Linked Insurance – Written Premium (MYR Billion), 2012–2017 ........................................ 69</td>
</tr>
<tr>
<td>Table 45:</td>
<td>Malaysian Individual Term Life Insurance – Number of Active Policies (Thousand), 2008–2012 ........................................ 70</td>
</tr>
<tr>
<td>Table 46:</td>
<td>Malaysian Individual Term Life Insurance – Number of Active Policies (Thousand), 2012–2017 ........................................ 71</td>
</tr>
<tr>
<td>Table 47:</td>
<td>Malaysian Individual Term Life Insurance – Written Premium (MYR Billion), 2008–2012 ........................................ 72</td>
</tr>
<tr>
<td>Table 48:</td>
<td>Malaysian Individual Term Life Insurance – Written Premium (MYR Billion), 2012–2017 ........................................ 73</td>
</tr>
<tr>
<td>Table 49:</td>
<td>Malaysian Other Individual Insurance – Number of Active Policies (Thousand), 2008–2012 ........................................ 74</td>
</tr>
<tr>
<td>Table 50:</td>
<td>Malaysian Other Individual Insurance – Number of Active Policies (Thousand), 2012–2017 ........................................ 75</td>
</tr>
<tr>
<td>Table 51:</td>
<td>Malaysian Other Individual Insurance – Written Premium (MYR Billion), 2008–2012 ........................................ 76</td>
</tr>
<tr>
<td>Table 52:</td>
<td>Malaysian Other Individual Insurance – Written Premium (MYR Billion), 2012–2017 ........................................ 77</td>
</tr>
<tr>
<td>Table 53:</td>
<td>Malaysian Group Life Insurance – Number of Active Policies (Thousand), 2008–2012 ........................................ 78</td>
</tr>
<tr>
<td>Table 54:</td>
<td>Malaysian Group Life Insurance – Number of Active Policies (Thousand), 2012–2017 ........................................ 79</td>
</tr>
<tr>
<td>Table 55:</td>
<td>Malaysian Group Life Insurance – Written Premium (MYR Billion), 2008–2012 ........................................ 80</td>
</tr>
<tr>
<td>Table 56:</td>
<td>Malaysian Group Life Insurance – Written Premium (MYR Billion), 2012–2017 ........................................ 81</td>
</tr>
<tr>
<td>Table 57:</td>
<td>Malaysian Individual Single-Premium Insurance – Number of Active Policies (Thousand), 2008–2012 ........................................ 82</td>
</tr>
<tr>
<td>Table 58:</td>
<td>Malaysian Individual Single-Premium Insurance – Number of Active Policies (Thousand), 2012–2017 ........................................ 83</td>
</tr>
<tr>
<td>Table 60:</td>
<td>Malaysian Individual Single-Premium Insurance – Written Premium (MYR Billion), 2012–2017 ........................................ 85</td>
</tr>
<tr>
<td>Table 61:</td>
<td>Malaysian Individual Non-Single-Premium Insurance – Number of Active Policies (Thousand), 2008–2012 ........................................ 86</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

Table 62: Malaysian Individual Non-Single-Premium Insurance – Number of Active Policies (Thousand), 2012–2017 .................................................. 87
Table 64: Malaysian Individual Non-Single-Premium Insurance – Written Premium (MYR Billion), 2012–2017 .................................................. 89
Table 65: Malaysian Group Single-Premium Insurance – Number of Active Policies (Thousand), 2008–2012 .................................................. 90
Table 66: Malaysian Group Single-Premium Insurance – Number of Active Policies (Thousand), 2012–2017 .................................................. 91
Table 68: Malaysian Group Single-Premium Insurance – Written Premium (MYR Billion), 2012–2017 .................................................. 93
Table 69: Malaysian Group Non-Single-Premium Insurance – Number of Active Policies (Thousand), 2008–2012 .................................................. 94
Table 70: Malaysian Group Non-Single-Premium Insurance – Number of Active Policies (Thousand), 2012–2017 .................................................. 95
Table 71: Malaysian Group Non-Single-Premium Insurance – Written Premium (MYR Million), 2008–2012 .................................................. 96
Table 72: Malaysian Group Non-Single-Premium Insurance – Written Premium (MYR Million), 2012–2017 .................................................. 97
Table 73: Malaysian Life Insurance – Direct Marketing Commission Paid (MYR Million), 2008–2012 .................................................. 100
Table 74: Malaysian Life Insurance – Direct Marketing Commission Paid (MYR Million), 2012–2017 .................................................. 101
Table 76: Malaysian Life Insurance – New Business Written Premium Through Direct Marketing (MYR Billion), 2012–2017 .................................................. 103
Table 78: Malaysian Life Insurance – New Policies Sold Through Direct Marketing (Thousand), 2012–2017 .................................................. 105
Table 79: Malaysian Life Insurance – Number of Direct Marketing Distributors, 2008–2012 .................................................. 106
Table 80: Malaysian Life Insurance – Number of Direct Marketing Distributors, 2012–2017 .................................................. 107
Table 81: Malaysian Life Insurance – Bancassurance Commission Paid (MYR Billion), 2008–2012 .................................................. 108
Table 82: Malaysian Life Insurance – Bancassurance Commission Paid (MYR Billion), 2012–2017 .................................................. 109
Table 83: Malaysian Life Insurance – New Business Written Premium Through Bancassurance (MYR Billion), 2008–2012 .................................................. 110
Table 84: Malaysian Life Insurance – New Business Written Premium Through Bancassurance (MYR Billion), 2012–2017 .................................................. 111
Table 86: Malaysian Life Insurance – New Policies Sold Through Bancassurance (Thousand), 2012–2017 .................................................. 113
Table 87: Malaysian Life Insurance – Number of Bancassurance Distributors, 2008–2012 .................................................. 114
Table 88: Malaysian Life Insurance – Number of Bancassurance Distributors, 2012–2017 .................................................. 115
Table 89: Malaysian Life Insurance – Commission Paid to Agencies (MYR Billion), 2008–2012 .................................................. 116
Table 90: Malaysian Life Insurance – Commission Paid to Agencies (MYR Billion), 2012–2017 .................................................. 117
Table 91: Malaysian Life Insurance – New Business Written Premium Through Agencies (MYR Billion), 2008–2012 .................................................. 118
Table 92: Malaysian Life Insurance – New Business Written Premium Through Agencies (MYR Billion), 2012–2017 .................................................. 119
Table 93: Malaysian Life Insurance – New Policies Sold Through Agencies (Thousand), 2008–2012 .................................................. 120
Table 94: Malaysian Life Insurance – New Policies Sold Through Agencies (Thousand), 2012–2017 .................................................. 121
Table 95: Malaysian Life Insurance – Number of Agencies, 2008–2012 .................................................. 122
Table 96: Malaysian Life Insurance – Number of Agencies, 2012–2017 .................................................. 123
Table 97: Malaysian Life Insurance – E-Commerce Commission Paid (MYR Million), 2008–2012 .................................................. 124
Table 98: Malaysian Life Insurance – E-Commerce Commission Paid (MYR Million), 2012–2017 .................................................. 125
Table 100: Malaysian Life Insurance – New Business Written Premium Through E-Commerce (MYR Million), 2012–2017 .................................................. 127
Table 103: Malaysian Life Insurance – Number of E-Commerce Distributors, 2008–2012 .................................................. 130
Table 104: Malaysian Life Insurance – Number of E-Commerce Distributors, 2012–2017 .................................................. 131
Table 105: Malaysian Life Insurance – Commission Paid to Brokers (MYR Billion), 2008–2012 .................................................. 132
Table 106: Malaysian Life Insurance – Commission Paid to Brokers (MYR Billion), 2012–2017 .................................................. 133
Table 108: Malaysian Life Insurance – New Business Written Premium Through Brokers (MYR Billion), 2012–2017 .................................................. 135
Table 110: Malaysian Life Insurance – New Policies Sold Through Brokers (Thousand), 2012–2017 .................................................. 137
Table 111: Malaysian Life Insurance – Number of Brokers, 2008–2012 .................................................. 138
Table 112: Malaysian Life Insurance – Number of Brokers, 2012–2017 .................................................. 139
Table 113: Malaysian Life Insurance – Commission Paid to Other Channels (MYR Million), 2008–2012 .................................................. 140
Table 114: Malaysian Life Insurance – Commission Paid to Other Channels (MYR Million), 2012–2017 .................................................. 141
Table 115: Malaysian Life Insurance – New Business Written Premium Through Other Channels (MYR Million), 2008–2012 .................................................. 142
Table 116: Malaysian Life Insurance – New Business Written Premium Through Other Channels (MYR Million), 2012–2017 .................................................. 143
Table 117: Malaysian Life Insurance – New Policies Sold Through Other Channels (Thousand), 2008–2012 .................................................. 144
Table 118: Malaysian Life Insurance – New Policies Sold Through Other Channels (Thousand), 2012–2017 .................................................. 145
Table 119: Malaysian Life Insurance – Number of Distributors in Other Channels, 2008–2012 .................................................. 146
Table 120: Malaysian Life Insurance – Number of Distributors in Other Channels, 2012–2017 .................................................. 147
Table 121: Reinsurance in Malaysia by Category (MYR Billion), 2008–2012 .................................................. 151
Table 122: Reinsurance in Malaysia by Category (US$ Billion), 2008–2012 .................................................. 151
Table 123: Reinsurance in Malaysia by Category (MYR Billion), 2012–2017 .................................................. 152
Table 124: Reinsurance in Malaysia by Category (US$ Billion), 2012–2017 .................................................. 152
Table 125: Malaysian Premium Ceded to Reinsurance by Type of Insurance (MYR Billion), 2008–2012 .................................................. 155
TABLE OF CONTENTS

Table 126: Malaysian Premium Ceded to Reinsurance by Type of Insurance (US$ Billion), 2008–2012 ........................................................... 155
Table 127: Malaysian Premium Ceded to Reinsurance by Type of Insurance (MYR Billion), 2012–2017 ........................................................... 156
Table 128: Malaysian Premium Ceded to Reinsurance by Type of Insurance (US$ Billion), 2012–2017 ........................................................... 156
Table 129: Malaysian Life Insurance – Percentage of Reinsurance Ceded (%), 2008–2012 ........................................................... 158
Table 130: Malaysian Life Insurance – Percentage of Reinsurance Ceded (%), 2012–2017 ........................................................... 159
Table 131: Malaysia – Life Insurance Regulatory Framework .......................................................................................................................... 163
Table 132: Malaysia – Property Insurance Regulatory Framework .................................................................................................................. 165
Table 133: Malaysia – Motor Insurance Regulatory Framework ......................................................................................................................... 167
Table 134: Malaysia – Licensing Fee Structure for Insurers and Intermediaries ................................................................................................ 185
Table 135: Malaysia – Annual Fee Structure for Licensed Insurers .................................................................................................................... 185
Table 136: Malaysia – Corporate Tax Rates for the Financial Year 2013 ............................................................................................................. 187
Table 137: Distribution Network of Malaysian Insurance Industry, 2009–2012 ........................................................................................... 192
Table 138: Shares of Key Insurers in the Malaysian Life Insurance Segment (%), 2012 .................................................................................. 193
Table 139: Great Eastern Life Assurance (Malaysia) Bhd, Key Facts .................................................................................................................. 200
Table 140: Great Eastern Life Assurance (Malaysia) Bhd, Key Financials (MYR Million), 2008–2012 ................................................................. 200
Table 141: Prudential Assurance Malaysia Bhd, Key Facts .............................................................................................................................. 201
Table 142: Prudential Assurance Malaysia Bhd, Key Financials (MYR Million), 2008–2012 ................................................................. 201
Table 143: ING Insurance Bhd, Key Facts .................................................................................................................................................. 202
Table 144: ING Insurance Bhd, Key Financials (MYR Million), 2011 and 2012 ............................................................................................. 202
Table 145: American International Assurance Bhd, Key Facts ...................................................................................................................... 204
Table 146: American International Assurance Bhd, Key Financials (MYR Million), 2008–2012 ................................................................. 204
Table 147: Hong Leong Assurance Bhd, Key Facts .................................................................................................................................. 205
Table 148: Hong Leong Assurance Bhd, Key Financials (MYR Million), 2008–2012 ................................................................. 205
Table 149: Allianz Malaysia Bhd, Key Facts ............................................................................................................................................ 206
Table 150: Allianz Malaysia Bhd, Key Financials (MYR Million), 2008–2012 ........................................................................................... 206
Table 151: Zurich Insurance Malaysia Bhd, Key Facts ............................................................................................................................... 207
Table 152: Zurich Insurance Malaysia Bhd, Key Financials (MYR Million), 2008–2012 ................................................................. 207
Table 153: Etiqa Insurance Berhad, Key Facts ........................................................................................................................................ 208
Table 154: Etiqa Insurance Berhad. Key Financials (MYR Million), 2008–2012 ......................................................................................... 208
Table 155: MCIS Zurich Insurance Bhd, Key Facts ................................................................................................................................ 209
Table 156: MCIS Zurich Insurance Bhd, Key Financials (MYR Million), 2008–2012 ................................................................. 209
Table 157: Tokio Marine Life Insurance Malaysia Bhd, Key Facts .................................................................................................................. 210
Table 158: Tokio Marine Life Insurance Malaysia Bhd, Key Financials (MYR Million), 2008–2012 ................................................................. 210
2 Introduction

2.1 What is this Report About?

This report is the result of extensive research into the life insurance segment in Malaysia, covering its dynamics and competitive landscape. It provides insights into the size and forecast for the overall life insurance segment, and categories such as individual and group insurance, and provides details of products in each category. This report also provides an overview of the leading companies in the life insurance segment, along with details of strategic initiatives undertaken.

2.2 Definitions

All data is collected in local currency. Conversions into US dollars (US$) of current and forecast data are made at the 2012 average annual conversion rate. Most values are displayed to one decimal place. As such, growth rates may appear inconsistent with absolute values due to rounding. For the purposes of this report, the review period is 2008–2012 and the forecast period is 2012–2017.

The key insurance industry terms covered in the report are defined below:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceding company</td>
<td>A primary insurer that transfers some of its insurance risk by ceding a proportion of its total written premium through a reinsurance contract.</td>
</tr>
<tr>
<td>Incurred loss</td>
<td>The sum of claims paid by an insurance company and the change in the provision for outstanding claims irrespective of whether or not they have been reported.</td>
</tr>
<tr>
<td>Claim ratio</td>
<td>Claims payable as a percentage of premium income.</td>
</tr>
<tr>
<td>Commission and expenses</td>
<td>The sum of acquisition cost and administrative cost. The acquisition cost is the percentage of a premium produced that is retained as compensation by insurance agents and brokers.</td>
</tr>
<tr>
<td>Comprehensive loss ratio</td>
<td>The ratio of claims incurred to net premium earned.</td>
</tr>
<tr>
<td>Earned premium</td>
<td>The amount of money considered to have been earned on a policy by an insurer. It is calculated by multiplying the original premium by the percentage of the policy’s term which has expired without a claim being made.</td>
</tr>
<tr>
<td>Endowment policy</td>
<td>A scheme in which the term of the policy is defined for a specified period, such as 15, 25 or 30 years. The insurer pays the claim to the family of the assured in an event of his or her death within the policy’s term or in an event of the assured surviving the policy’s term.</td>
</tr>
<tr>
<td>Facultative reinsurance</td>
<td>An arrangement for separate reinsurance for each risk that the primary insurer underwrites. The reinsurer can accept or reject any risk presented by the primary insurer seeking reinsurance.</td>
</tr>
<tr>
<td>Gross claim</td>
<td>The amount payable by an insurance company before allowances is made for credits that may be due in the form of reinsurance, subrogation or salvage.</td>
</tr>
<tr>
<td>Gross written premium</td>
<td>The total amount of premiums (before deduction of reinsurance costs) customers are required to pay for insurance policies written during the year.</td>
</tr>
<tr>
<td>Group annuity</td>
<td>A life insurance scheme providing annuities at retirement to a group of people under a single contract. It is usually bought by an employer for the benefit of its employees.</td>
</tr>
<tr>
<td>Insurance density and penetration</td>
<td>The percentage of total written premium to the country's GDP.</td>
</tr>
</tbody>
</table>
### Table 1: Insurance Industry Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance fraud</td>
<td>Any act committed with the intent to obtain payment from an insurer through fraudulent means.</td>
</tr>
<tr>
<td>Lapsed policy</td>
<td>A policy that is terminated due to the non-payment of the premium.</td>
</tr>
<tr>
<td>Loss ratio</td>
<td>The ratio of total losses paid out in the form of claims plus adjustment expenses divided by the total earned premium.</td>
</tr>
<tr>
<td>Liability insurance</td>
<td>A type of insurance that covers legal claims by third parties against the insured.</td>
</tr>
<tr>
<td>Loss reserve</td>
<td>The estimated amount of claims incurred but not yet settled.</td>
</tr>
<tr>
<td>Maturity claim</td>
<td>The payment made to a policyholder at the end of the stipulated term of a term life insurance policy.</td>
</tr>
<tr>
<td>Per capita premium</td>
<td>The ratio of the total written premium to the country’s total population.</td>
</tr>
<tr>
<td>Premium ceded</td>
<td>The share of premiums transferred to a reinsurer company by a primary insurer.</td>
</tr>
<tr>
<td>Single-premium life insurance policy</td>
<td>A life insurance scheme in which a lump sum is paid into the policy in return for an assured sum of money in the event of the policyholder’s death.</td>
</tr>
<tr>
<td>Term insurance</td>
<td>A life insurance scheme that provides protection for a specified period, usually between five and 20 years. The policy expires without value if the insured survives the stated period.</td>
</tr>
<tr>
<td>Treaty reinsurance</td>
<td>A reinsurance agreement applying to the reinsurance of a class or some classes of business, instead of an individual risk.</td>
</tr>
<tr>
<td>Direct marketing</td>
<td>Direct Marketing channels for insurance policies include insurance companies’ sales forces, telemarketing, postal mail, e-mail, call centers and mobile phones.</td>
</tr>
<tr>
<td>E-commerce</td>
<td>The distribution of insurance policies online through a company or third-party website.</td>
</tr>
<tr>
<td>Agencies</td>
<td>Individuals and corporate agencies which are licensed to sell insurance for one or more specific insurance companies.</td>
</tr>
<tr>
<td>Insurance brokers</td>
<td>Individuals or businesses which sell insurance policies, and advise and represent the policyholder. They differ from insurance agents, which act on the behalf of an insurance company.</td>
</tr>
<tr>
<td>Bancassurance</td>
<td>The partnership between a bank and an insurance company in which the insurance company uses the bank’s sales channel to sell insurance.</td>
</tr>
<tr>
<td>Other distribution channels</td>
<td>Other distribution channels include post offices, convenience stores, multi-level marketing, any channel other than agencies, direct marketing, bancassurance and the above-mentioned channels.</td>
</tr>
</tbody>
</table>

Source: Timetric analysis © Timetric
2.3 Methodology

All Timetric insurance reports are created by following a comprehensive, four-stage methodology. This includes market study, research, analysis and quality control.

1) Market Study
   A. Standardization
      • Definitions are specified using recognized industry classifications. The same definition is used for every country.
      • Annual average currency exchange rates are used for the latest completed year. These are then applied across both the historical and forecast data to remove exchange rate fluctuations.
   B. Internal audit
      • Review of in-house databases to gather existing data:
         - Historic market databases and reports
         - Company database
   C. Trend monitoring
      • Review of the latest insurance companies and industry trends

2) Research
   A. Sources
      • Collection of the latest market-specific data from a wide variety of industry sources:
        - Government statistics
        - Industry associations
        - Company filings
        - International organizations
        - Insurance regulatory agencies
   B. Expert opinion
      • Collation of opinion taken from leading insurance industry experts
      • Analysis of third-party opinion and forecasts:
        - Broker reports
        - Media
        - Official government sources
   C. Data consolidation and verification
      • Consolidation of data and opinion to create historical datasets
      • Creation of models to benchmark data across sectors and regions

3) Analysis
   A. Market forecasts
      • Feeding forecast data into market models:
        - Macroeconomic indicators
        - Industry-specific drivers
      • Analysis of insurance industry database to identify trends:
        - Latest insurance trends
        - Key drivers of the insurance industry
B. Report writing
   - Analysis of market data
   - Discussion of company and industry trends and issues
   - Review of financial deals and insurance trends

4) Quality Control

- Templates
  - Detailed process manuals
  - Standardized report templates and accompanying style guides
  - Complex forecasting tools to ensure that forecast methodologies are consistently applied
  - Quality-control checklists

- Quality-control process
  - Peer review
  - Senior-level QC
  - Random spot checks on data integrity
  - Benchmark checks across databases
  - Market data cross-checked for consistency with accumulated data from:
    - Company filings
    - Government sources
3 Appendix

3.1 Methodology

Timetric’s dedicated research and analysis teams consist of experienced professionals with an industry background in marketing, market research, consulting and advanced statistical expertise.

Timetric adheres to the Codes of Practice of the Market Research Society (www.mrs.org.uk) and the Society of Competitive Intelligence Professionals (www.scip.org).

All Timetric databases are continuously updated and revised.

3.2 Contact Timetric

If you have any queries about this report, or would like any further information, please contact info@timetric.com.

3.3 About Timetric

Timetric is a leading provider of online data, analysis and advisory services on key financial and industry sectors. It provides integrated information services covering risk assessments, forecasts, industry analysis, market intelligence, news and comment.

Timetric helps over 1,500 financial services institutions and their partner companies around the world benefit from better, timelier decisions.

Timetric provides:

- High-quality data including proprietary, specialized industry data, survey-based research, social media monitoring, macroeconomic data and forecasts
- Expert analysis from experienced economists and analysts, who use robust proprietary models, indices and forecasts
- Powerful proprietary visualization and workflow technologies developed over years of extensive investment

Timetric has office locations in London, New York, San Francisco, Hyderabad, Seoul, Singapore and Sydney. It employs 500 people, including 150 analysts and economists, and 200 professional researchers.
3.4 Timetric’s Services

Intelligence Centers

Timetric’s industry intelligence centers are premium web-based services that provide access to interactive tools, comprehensive research and expert analysis in key sectors. They provide invaluable decision support presented in an easily digestible format and grounded in deep research.

Timetric offers Intelligence Centers covering the following industries:

- Banking
- Insurance
- Wealth
- Construction
- Travel and Tourism

Briefing Services

Timetric offers a range of briefing services, which offer cutting-edge thought leadership and expert commentary on and for the financial services industries. Driven by influential and respected editorial teams with years of experience in their respective fields, these services deliver need-to-know insight and analysis to decision makers across the financial services value chain.

Timetric offers briefing services covering the following financial sectors:

- Accountancy
- Asset Finance
- Banking
- Cards and Payments
- Insurance

Consultancy

Timetric specializes in the development and delivery of innovative research solutions that are designed to provide competitive advantage and profitability to clients.

Dedicated industry analysts and economists provide expert advice and actionable recommendations underpinned by Timetric’s market and country knowledge, experience and proprietary databases, panels and research infrastructure.

For projects requiring quantitative data, Timetric undertakes special research projects using its in-house panels and survey technology. These provide ready access to an extensive source of specialist business executives and consumers.
Core capabilities include:

**Economic Research and Consulting**
Highly experienced economists provide a number of bespoke research services covering subjects ranging from macroeconomic forecasting to sector outlooks, business presentations and workshops.

**Industry Analysis and Consulting**
Information analysis, independent expert opinion and advice, facilitated decision or strategic support, are provided by Timetric’s extensive body of proprietary data and analysis models. It provides expertise-based consulting to deliver solutions that best suit its clients’ requirements.

**Quantitative Research**
Timetric connects with thousands of potential customers for various markets every day. Using sophisticated, interactive and highly engaging graphical surveys, research speed is increased and costs reduced, while ensuring that respondents deliver the insight needed.

**Qualitative Research**
Timetric’s Qualitative Research service helps customers understand the emotional and cultural behaviors of a target audience. Timetric provides unique access through market-leading publications and information services to decision makers specifically brought together to discuss topics that are important to the client.

**Technology Solutions**
Timetric has built a unique technological platform to collect and visualize data, and employs some of the world’s leading experts on data collection and visualization. Through technology and software consulting services, Timetric can provide clients with the means to gather and visualize the data the client has, or wants to collect.

### 3.5 Disclaimer

All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, Timetric.

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Timetric delivers will be based on information gathered in good faith from both primary and secondary sources, the accuracy of which Timetric is not always in a position to guarantee. Timetric will accept no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect.