



# International Information Exchange

Country : **Malaysia**

Presenter : **Tan Suan Lee**

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# Malaysia FACT SHEET: Country Overview

Criteria	Data/Stats		Source/Year
National Land	329,847 km <sup>2</sup>		Statistics Bureau, Ministry of Internal Affairs and Communication
Climate/Weather	Kuala Lumpur	Average Yearly Temp.: 28.0°C Annual Rainfall: 2,271.4mm	Department of Statistics (2012)
Population	29,336 (Thousand )		Department of Statistics (2012)
Young Population (0-14)	7,744 (Thousand, 26.4 %)		
Productive Population (15-64)	20,036 (Thousand, 68.3%)		
Elderly Population (Over 65)	1,554 (Thousand, 5.3 %)		
# of Households and Ave.ppl/h.h	6,667 (Thousand) / 4.4 ppl		Department of Statistics (2012)
Average Life Expectancy	Male: 71.7 / Female: 76.8		Department of Statistics (2012)
Total Fertility Rate (*)	2.1		Department of Statistics (2012)
GDP (Nominal GDP)	293 (USD Billion )		Cabinet Office (2012)
GDP per Capita	9.9 (USD Thousand)		Cabinet Office (2012)
Social Security Program	Social Security Organization (SOCSO)		
Remarks			

(\*) TFR: The average number of children that would be born to a woman over her reproductive life (15~49).

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## 2012 LIFE INSURANCE INDUSTRY FAST FACTS

Type	New Business		Policy In-Force		Average Policy per Person	
	# of Policies	S	# of Policies	S	# of Policies	S
Individual	897	10,007	8,889	98,609	-	-
Indiv. Annuity	-	-	85	61	-	-
Group	12	64,344	9	1,503	-	-

Criteria	Data/Stats	
# of Life Insurers	15	
Net Premium Income	7,151	
Payment of Insurance Claim	2,558 (2013)	
Total Assets	100,287	
Main Products	Whole Life, Endowment, Investment-Linked	
Distribution Channel	Tied-Agents	82,743 people
	Agencies	Corporate __ entities Individual __ entities
	Mail Order, Internet	Participation rate of __%

\*Calculated based on the exchange rate of MYR 3.25 = US\$1 (as at 2014.04.02).

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## Challenges of **Malaysia's** Life Insurance Industry

### ❑ Potential Liberalisation of Agency Remuneration

This concept paper has generated a lot of discussions among industry players, as going forward, there will be less reliance on the traditional agency channel, which has been the primary distribution method for decades in Malaysia

### ❑ Implementation of Goods and Service Tax

Rising cost of living would reduce the disposable income, thus lower ability to buy insurance policy.

### ❑ Update on Responsible Financing policy

Lower number of people qualified for housing loan and personal loan, thus may impact MRTA and other credit related business

### ❑ Financial Services Act FSA (Effective 1 July 2013)

This regulation among other things, result in the splitting of composite insurers, additional business conduct and consumer requirements to comply with , as well as the requirements that have implications to significant shareholders of insurance . FSA places greater responsibility on insurer while less onerous pre-contractual duty of disclosure on the consumers.