

Headline	LIAM New business weighted premium records 21pc growth		
MediaTitle	The Star		
Date	07 Sep 2016	Language	English
Circulation	338,368	Readership	1,032,000
Section	StarBiz	Page No	6
ArticleSize	245 cm ²	Journalist	N/A
PR Value	RM 36,990		



LIAM: New business weighted premium records 21% growth

KUALA LUMPUR: The life insurance industry registered a 20.8% growth in new business weighted premium in the first half of 2016.

According to the Life Insurance Associations of Malaysia (LIAM), the new business weighted premiums hit RM2.44bil in the first six months compared with RM2.02bil achieved in the same period in 2015.

Traditional life insurance business which grew 39.3% outpaced investment-linked business which achieved a respectable 8.0% growth rate.

Gross sum assured for all new individual policies combined hit RM53.5bil compared with RM45.2bil achieved in first half of 2015. Investment-linked business grew faster in terms of gross sum assured compared with traditional life insurance with growth rates of 21.9% and 6.5% respectively.

For the first half of 2016, the life insurance industry paid out higher claims amounting to RM4.82bil compared with RM4.09bil in the same period of 2015. The industry as a whole saw a 17.8% increase in benefit payments for death, disability, medical, bonuses and others.

LIAM said the increase in benefit payments came from all types of claims except disability. The increase in insurance payments was within expectations and in line with the growth in business. The industry also paid out RM1.86bil in bonuses, as a result of surpluses in the life funds as a payback to policyholders.

"On the new business mix, despite the strong growth in traditional life business, investment-linked business continues to be dominant over traditional life business.

"Overall investment-linked business contributed 53% of the new business weighted premiums with the remaining 47% made up of traditional life insurance business," LIAM said in a statement.

The life insurance industry is currently undergoing significant changes and developments in the provision of its products and services for the *rakyat* as outlined under the Life Insurance and Family Takaful Framework (LIFE Framework) which came into force on Nov 23, 2015.

"Moving forward, the life insurance indus-



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try will remain focus in implementing the various key initiatives under the LIFE Framework.

"Apart from promoting innovation and long term growth, the industry is gearing itself to improve productivity and create a more competitive market.

"This will be supported by higher level of professionalism and transparency which augurs well to meet the Government's aspiration of insuring 75% of the population by 2020 and reducing the protection gap among Malaysians," LIAM president Toi See Jong said.

"The industry believes that the professionalism, brand image and appeal factor of the life insurance industry will be further enhanced as well as consumers' interest are adequately safeguarded which will lead to strong and healthy financial industry."