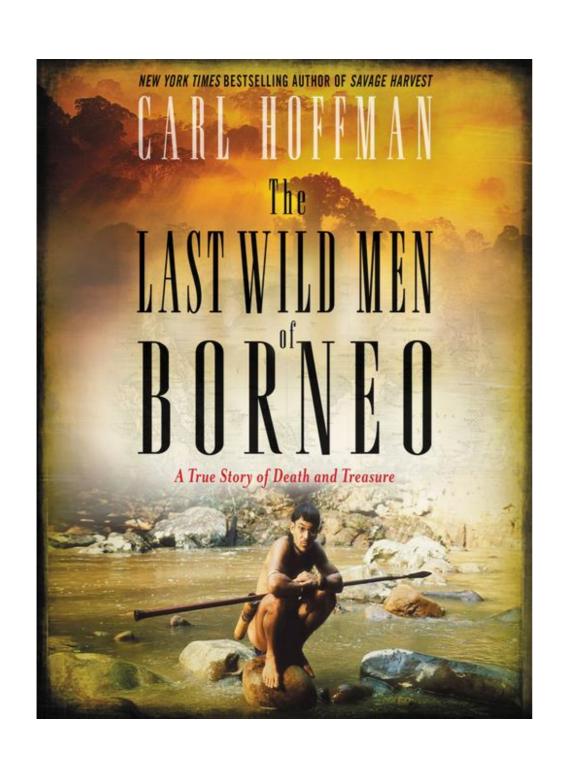
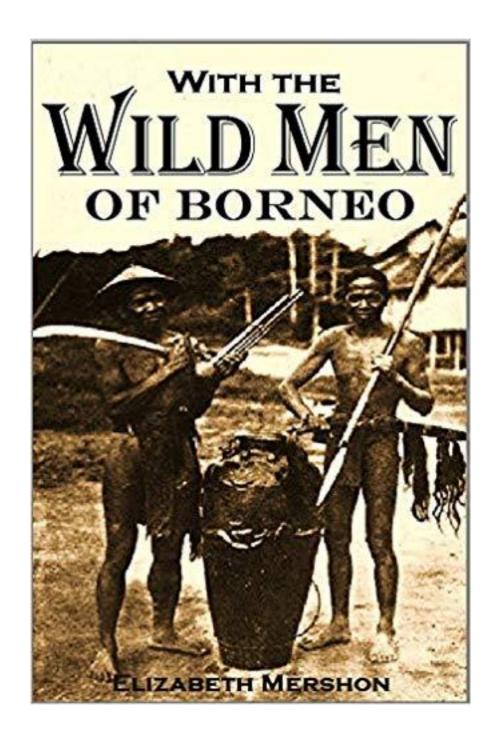
# FOUR DECADES OF TAKAFUL IN MALAYSIA

# Where Is Malaysia?



# BORNEO?





# MISCONCEPTION ABOUT MALAYSIA AND THE

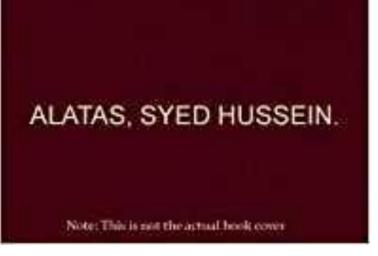
REGION

The Myth of the Lazy Native. Routledge. 1977.

**?\$\$4?\$\$4?\$\$4?\$\$4?\$\$4?\$\$4?\$\$4?\$\$4?\$** 









# MALAYSIA RECORDS

Tallest



Oldest



Longest



Most mysterious



### This is also a world record!



# WORLDRECORD IN TAKAFUL...?

- MOST COMPREHENSIVE GUIDELINES
  - Shariah Governance Framework
  - Takaful Operational Framework
  - Guideline on Accounting for Takaful
  - OTHER supporting Guidelines & Parameters

# THE DEVELOPMENT...

BASIC INFRA

ALLOW
GREATER
COMPETITION

FINANCIAL
SECTOR
MASTERPLAN

1984

1994

2004

2014

2018

## **IMPLICATIONS**

- GENERAL LIBERALISATION
  - NEW INTERNATIONAL PLAYERS, LOCAL CONGLOMERATES
- FINTECH
- MUTUAL TAKAFUL MANAGER

#### Liberalisation of the Motor and Fire Tariffs

- industry will have the flexibility to offer motor and fire products with new features or differentiated scope of cover, at market-based prices
- expected to spur product innovation
- risk-based pricing will incentivise good risk management behaviour among consumers
- healthy competition => benefit consumers who will gain access to a wider array of motor and fire products, along with higher quality services provided by professional intermediaries

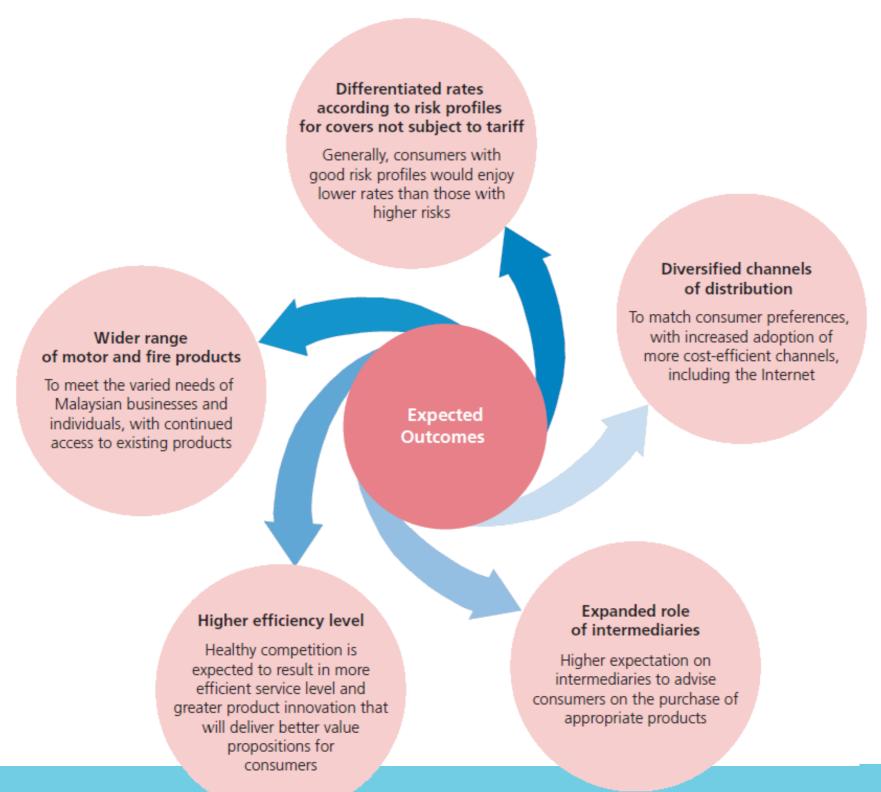


#### **Phased Liberalisation**

**Motor Class** Fire Class All available products are defined in the Motor\* and Fire Tariffs and are subject to tariff rates Prior to 2016 Gradual adjustments to tariff rates for identified risk groups New products and new optional add-on covers\*\* can be offered at market rates 2016 onwards Disapplication of tariff rates for Motor Comprehensive and Motor Third Party Fire and Theft Gradual adjustments to tariff rates 2017 for identified risk groups Gradual adjustments to tariff rates onwards for Motor Third Party for identified vehicle classes Assessment of the state of readiness of the industry and consumers for further liberalisation 2019 onwards



#### Objectives and Expected Outcomes of Liberalisation





#### NEW INTERNATIONAL PLAYERS

- MAA ZURICH
- ACE Jerneh CHUBB
- Uni. Asia General Insurance Liberty Insurance Berhad
- Pacific Insurance Berhad under FAIRFAX

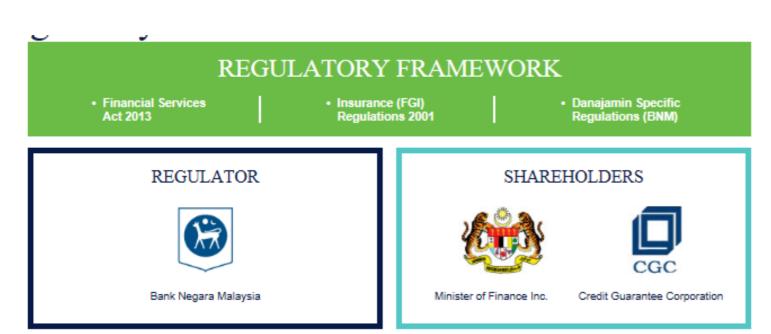








#### 'NEW' INSURANCE PLAYER?





Malaysia's First Financial Guarantee Insurer

Danajamin





#### INSURANCE/TAKAFUL PENETRATION

Country	Total (%)	Life Insurance (%)	Non-life Insurance (%)
Taiwan	18.4	15.4	3
Hong Kong	11.4	10.1	1.4
South Korea	11.2	7	4.2
Japan	10.1	8	2.1
Singapore	6.1	4.6	1.6
India	5.1	4.4	0.7
Malaysia	4.8	3.2	1.6
Thailand	4.3	2.6	1.7
PR China	3.8	2.5	1.3
Sri Lanka	1.4	0.6	0.9
Bangladesh	0.9	0.7	0.2
Pakistan	0.7	0.3	0.3



#### **TECH TRENDS**

- 1. Advanced analytics not yet
- 2. PAYGO, PAYUSE, PAYDRIVE,
- 3. Greater autounderwriting







### MTM

- NEED NOT GET BNM PERMISSION, BUT CANNOT DO PROPERTY AND LIABILITY
- ASSOCIATION
- TECHNOLOGY WILL SPUR

### THANK YOU

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