

Table 1: Malaysia – Key Economic Indicators

	2002		2003		2004 ^e	
Population (million persons)	24.5		25.0		25.6	
Labour force (million persons)	9.9		10.2		10.6	
Employment (million persons)	9.5		9.9		10.2	
Unemployment (% of labour force)	3.5		3.6		3.5	

	2002		2003		2004 ^P	
	RM billion	% change	RM billion	% change	RM billion	% change
NATIONAL PRODUCT						
Gross domestic product (GDP)						
Market prices	361.6	8.1	394.2	9.0	447.5	13.5
1987 prices	220.0	4.1	231.7	5.3	248.0	7.1
Gross national product (GNP)						
Market prices	336.6	9.0	371.7	10.4	423.1	13.8
1987 prices	202.7	4.7	216.5	6.8	232.2	7.2
Gross national savings/GNP (%)	34.6		36.3		37.1	

	2002		2003		2004 ^P	
	RM billion		RM billion		RM billion	
BALANCE OF PAYMENTS						
Goods	72.1		97.7		104.5	
Exports (f.o.b.)	358.5		399.0		481.2	
Imports (f.o.b.)	286.4		301.3		376.8	
Services, income and transfers (net)	-41.6		-46.9		-48.0	
Current account balance	30.5		50.8		56.5	
Current account balance (% of GNP)	9.1		13.7		13.4	

	2002		2003		2004 ^P	
		% change		% change		% change
Consumer Price Index (2000 = 100)		1.8		1.2		1.4
Movement of Ringgit(end-period)						
Against SDR		-7.3		-8.5		-4.3
Against US\$ ¹		0.0		0.0		0.0

	2002		2003		2004 ^P	
Commercial banks average base lending rate (average rates as at end of year, %)	6.39		6.00		5.98	

¹ Ringgit was pegged at RM3.80=US\$1 on 2 September 1998

^e Estimate

^P Preliminary

Figures may not necessarily add up due to rounding

Sources: Bank Negara Malaysia, Economic Planning Unit and Department of Statistics, Malaysia

Table 2: Insurance Key Indicators¹

	1990 ²	2001	2002	2003	2004
Market Structure					
No. of licensees	147	140	129	127	120
Direct insurers	57	52	44	43	42
Life	3	8	7	7	7
General	39	36	28	27	26
Life and General	15	8	9	9	9
Professional reinsurers	1	11	10	10	7
Life	–	1	1	1	1
General	1	9	8	8	5
Life and General	–	1	1	1	1
Insurance brokers	46	36	35	35	34
Adjusters	43	41	40	39	37
No. of registered agents					
Life	37,373	88,504	87,205	86,230	82,551
General	14,456	30,881	37,879	43,401	48,678
No. of offices					
Insurers	448	786	738	720	722
Insurance brokers	n.a.	31	31	28	26
Adjusters	n.a.	116	122	133	143
No. of resources employed					
Insurers	10,173	20,417	20,143	19,716	20,614
Insurance brokers	787	1,152	1,207	1,254	1,255
Adjusters	694	1,788	1,811	1,859	1,794
No. of qualifications held by insurance personnel³					
	2,091	9,036	9,493	10,120	10,435
Premium Income					
Total (RMm)	3,170.1	17,071.5	16,854.5	18,812.3	22,038.9
Premium (% of GNP)	2.9	5.5	5.0	5.1	5.2
Life (% of GNP)	1.5	3.8	3.2	3.3	3.6
General (% of GNP)	1.4	1.7	1.8	1.8	1.6
Per capita insurance premium expenditure (RM) on:					
Life insurance ⁴	92	487	442	495	592
General insurance ⁵	111	267	304	327	333
Benefit Payments					
Total (RMm)	1,170.6	6,414.6	7,617.7	8,048.8	9,195.5
Life	522.6	3,311.1	4,307.3	4,593.9	5,410.7
General	648.0	3,103.5	3,310.4	3,454.9	3,784.8

Table 2: Insurance Key Indicators¹ (contd.)

	1990 ²	2001	2002	2003	2004
Insurance Fund Assets					
Total (RMm)	9,498.1	59,869.2	66,642.9	76,807.0	86,848.5
Life	7,097.2	44,926.4	51,171.5	60,195.5	69,814.7
General	2,400.9	14,942.8	15,471.4	16,611.5	17,033.8
% of GNP	8.6	19.4	19.8	20.7	20.5
% of total assets of the financial system	2.9	4.6	4.8	4.9	4.9
LIFE INSURANCE					
New Business					
No. of policies	498,338	1,370,448	1,382,020	1,600,570	1,410,682
Sums insured (RMm)	24,805.0	129,003.8	140,809.5	168,594.4	171,011.0
Total premiums (RMm)	573.1	5,247.9	3,582.4	4,852.0	6,615.1
Business in Force					
No. of policies	2,388,585	7,890,907	8,506,398	9,228,966	9,712,272
Sums insured (RMm)	86,678.0	440,005.8	482,993.0	538,779.3	595,768.3
(% of GNP)	78.3	142.5	143.5	145.0	140.8
Annual premiums (RMm)	1,576.7	8,170.0	9,137.0	10,240.2	11,280.4
Distribution of Sums Insured in Force (%)					
Whole Life	35.8	33.1	31.3	29.2	27.0
Endowment	13.5	11.4	10.9	10.4	10.0
Temporary	46.6	37.4	38.4	38.9	40.3
Investment-linked	–	4.3	7.1	10.5	12.9
Annuity	...	0.4	0.3	0.3	0.2
Others	4.1	13.4	12.0	10.7	9.6
Premium Income (RMm)	1,643.1	11,684.8	10,832.2	12,374.4	15,143.4
Net Policy Benefits					
Total (RMm)	522.6	3,311.1	4,307.3	4,593.9	5,410.7
Death and disability	160.2	560.2	585.5	662.3	738.7
Maturity/Vesting	178.3	750.1	1,220.0	927.5	1,150.6
Surrender	127.6	771.7	964.4	1,440.0	1,622.1
Cash bonuses	56.5	509.2	529.7	582.3	683.1
Medical	–	216.4	303.8	448.8	605.4
Others	–	503.5	703.9	533.0	610.8

Table 2: Insurance Key Indicators¹ (contd.)

LIFE INSURANCE (contd.)	1990²	2001	2002	2003	2004
Net Investment Income (RMm)	431.8	2,008.6	2,325.4	2,688.4	3,175.1
3 Policy Years Forfeiture Rate (%)	24.5	28.4	24.7	24.7	23.4
Surrender Rate (%)	1.5	2.4	2.5	2.8	2.7
Expense Rate (%)	45.9	30.6	29.8	30.2	30.5
Rate of Interest Earned (%) (excluding capital gains)	7.2	5.5	5.7	5.7	5.7
GENERAL INSURANCE					
Premium (RMm)					
Gross Direct Premiums ⁵	1,979.1	6,404.0	7,449.1	8,186.3	8,532.5
Net Premiums	1,527.0	5,386.7	6,022.3	6,437.9	6,895.5
Earned Premiums	1,405.8	5,231.6	5,709.9	6,228.4	6,749.0
Reinsurance Premiums placed outside Malaysia	452.1	584.4	910.9	1,084.1	962.3
Retention Ratio (%)	77.2	90.2	86.9	85.6	87.8
Overseas Reinsurance Business (RMm)	44.9	226.5	284.9	282.2	269.0
Net Premiums					
Total (RMm)	1,527.0	5,386.7	6,022.3	6,437.9	6,895.5
Marine, aviation and transit	92.3	231.7	278.7	285.2	323.7
Fire	298.4	957.4	1,070.0	1,094.0	1,151.3
Motor - Total	782.0	3,039.7	3,347.6	3,584.2	3,814.9
- 'Act' cover	175.2	367.8	385.3	407.4	430.6
- Others	606.8	2,671.9	2,962.3	3,176.8	3,384.3
Contractors' all risks and engineering	n.a.	149.7	208.7	186.3	216.4
Medical expenses and personal accident	n.a.	595.0	632.3	743.5	816.5
Liability	n.a.	79.1	119.3	134.5	135.3
Workmen's compensation and employers' liability	n.a.	77.8	80.4	101.8	106.2
Miscellaneous	354.3	256.3	285.3	308.4	331.2
Claims (RMm)					
Gross less local recoveries	898.6	3,588.2	3,598.0	3,764.5	4,194.8
Net claims paid	648.0	3,103.5	3,310.4	3,454.9	3,784.8

Table 2: Insurance Key Indicators¹ (contd.)

GENERAL INSURANCE (contd.)	1990²	2001	2002	2003	2004
Claims Ratio					
Total (%)	69.2	63.0	62.9	59.8	60.5
Marine, aviation and transit	64.9	60.8	58.6	58.4	62.7
Fire	29.2	43.0	45.4	34.3	39.2
Motor - Total	91.1	65.4	67.1	70.1	70.7
- 'Act' cover	198.6	111.7	141.5	162.7	177.8
- Others	58.9	58.6	57.3	58.2	57.0
Contractors' all risks and engineering	n.a.	99.8	67.7	64.3	50.3
Medical expenses and personal accident	n.a.	63.7	65.9	56.2	56.2
Liability	n.a.	67.9	44.0	23.4	31.3
Workmen's compensation and employers' liability	n.a.	18.8	22.8	22.0	23.2
Miscellaneous	56.5	103.1	90.9	64.6	56.6
Underwriting Results (%)					
Claims ratio	69.2	63.0	62.9	59.8	60.5
Management expenses ratio	20.8	23.4	21.9	21.7	20.7
Commissions ratio	19.3	11.0	11.1	11.0	11.1
Underwriting margin	-9.3	2.6	4.1	7.5	7.7
Operating Results (RMm)					
Underwriting gain/loss	-130.3	134.0	232.8	469.6	518.3
Investment income	94.7	515.0	523.8	538.1	595.9
Operating profit/loss	-147.5	747.0	819.1	1,304.1	1,219.8

¹ As at calendar year end, unless indicated otherwise

² As at financial year end, consolidation from 1 May - 30 April

³ Academic and professional qualifications

⁴ As per revenue account

⁵ Premiums on original gross rate charged to clients in respect of direct insurance business without any deduction for commission or brokerage

n.a. Not available

... Negligible

Chart 1: Total Premium Income and Assets of Insurance Funds

