

Chart 1: Malaysia – Macro Economic Indicators

	2001	2002	2003^P
Population (million persons)	24.0	24.6	25.1
Labour force (million persons)	9.9	10.2	10.5
Employment (million persons)	9.5	9.8	10.2
Unemployment (% of labour force)	3.6	3.5	3.5

NATIONAL PRODUCT	2001		2002		2003^P	
	RM billion	% change	RM billion	% change	RM billion	% change
Gross domestic product (GDP)						
Market prices	334.3	-2.4	360.7	7.9	392.0	8.7
1987 prices	210.6	0.3	219.3	4.1	230.7	5.2
Gross national product (GNP)						
Market prices	308.7	-1.6	335.6	8.7	369.4	10.1
1987 prices	193.0	1.2	202.1	4.7	215.4	6.6
Gross national savings/GNP (%)		34.9		34.4		36.9

BALANCE OF PAYMENTS	2001	2002	2003^P
	RM billion	RM billion	RM billion
Goods	69.9	72.1	97.7
Exports	334.3	357.7	398.9
Imports	280.2	303.1	317.7
Services, income and transfers (net)	-42.2	-41.6	-46.9
Current account balance	27.7	30.5	50.8
Current account balance (% of GNP)	9.0	9.1	13.7

	2001	2002	2003^P
	% change	% change	% change
Consumer Price Index (2000 = 100)	1.4	1.8	1.2
Movement of Ringgit(end-period)			
Against SDR	3.8	-7.3	-8.5
Against US\$ ¹	0.0	0.0	0.0

	2001	2002	2003^P
Commercial banks average base lending rate (average rates as at end of year, %)	6.4	6.4	6.0

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

^P Preliminary

Figures may not necessarily add up due to rounding

Sources: Bank Negara Malaysia and Department of Statistics, Malaysia

Chart 2: Insurance Key Indicators¹

	1990 ²	2000	2001	2002	2003
Market Structure					
No. of licensees	147	141	140	129	127
Direct insurers	57	53	52	44	43
Life	3	7	8	7	7
General	39	36	36	28	27
Life and General	15	10	8	9	9
Professional reinsurers	1	11	11	10	10
Life	–	1	1	1	1
General	1	9	9	8	8
Life and General	–	1	1	1	1
Insurance brokers	46	36	36	35	35
Adjusters	43	41	41	40	39
No. of registered agents					
Life	37,373	87,375	88,504	87,205	86,230
General	14,456	41,233	45,246	51,317	55,098
No. of offices					
Insurers	448	832	786	738	720
Insurance brokers	n.a.	30	31	31	28
Adjusters	n.a.	105	116	122	133
No. of resources employed					
Insurers	10,173	19,567	20,417	20,143	19,713
Insurance brokers	787	1,126	1,152	1,207	1,254
Adjusters	694	1,739	1,788	1,811	1,859
No. of qualifications held by insurance personnel³	2,091	7,924	9,036	9,493	10,120
Premium Income					
Total (RMm)	3,170.1	13,945.9	17,071.5	16,854.5	18,825.6
Premium (% of GNP)	2.9	4.4	5.5	5.0	5.1
Life (% of GNP)	1.5	2.8	3.8	3.2	3.4
General (% of GNP)	1.4	1.6	1.7	1.8	1.7
Per capita insurance premium expenditure (RM) on:					
Life insurance ⁴	92	378	487	440	494
General insurance ⁵	111	252	267	303	326
Benefit Payments					
Total (RMm)	1,170.6	5,516.2	6,414.6	7,617.7	8,070.8
Life	522.6	2,715.3	3,311.1	4,307.3	4,617.6
General	648.0	2,800.9	3,103.5	3,310.4	3,453.2

Chart 2: Insurance Key Indicators¹ (contd.)

	1990 ²	2000	2001	2002	2003
Insurance Fund Assets					
Total (RMm)	9,498.1	50,597.9	59,869.2	66,642.9	76,805.0
Life	7,097.2	36,806.9	44,926.4	51,171.5	60,193.3
General	2,400.9	13,791.0	14,942.8	15,471.4	16,611.7
% of GNP	8.6	16.1	19.4	19.9	20.8
% of total assets of the financial system	2.9	4.0	4.6	4.8	4.9
LIFE INSURANCE					
New Business					
No. of policies	498,338	1,174,157	1,370,448	1,382,020	1,601,689
Sums insured (RMm)	24,805.0	116,816.6	129,003.8	140,809.5	168,575.2
Total premiums (RMm)	573.1	2,942.3	5,247.9	3,582.4	4,844.9
Business in Force					
No. of policies	2,388,585	7,234,940	7,890,907	8,506,398	9,216,876
Sums insured (RMm)	86,678.0	399,662.8	440,005.8	482,993.0	539,307.0
(% of GNP)	78.3	127.4	142.5	143.9	146.0
Annual premiums (RMm)	1,576.7	7,364.7	8,170.0	9,137.0	10,240.4
Distribution of Sums Insured in Force (%)					
Whole Life	35.8	33.9	33.1	31.3	29.2
Endowment	13.5	11.7	11.4	10.9	10.3
Temporary	46.6	36.8	37.4	38.4	39.1
Investment-linked	–	2.5	4.3	7.1	10.5
Annuity	...	0.1	0.4	0.3	0.3
Others	4.1	15.0	13.4	12.0	10.6
Premium Income (RMm)	1,643.1	8,888.6	11,684.8	10,832.2	12,390.9
Net Policy Benefits					
Total (RMm)	522.6	2,715.3	3,311.1	4,307.3	4,617.6
Death and disability	160.2	495.4	560.2	585.5	729.5
Maturity/Vesting	178.3	615.0	750.1	1,220.0	941.6
Surrender	127.6	673.7	771.7	964.4	1,443.9
Cash bonuses	56.5	431.3	509.2	529.7	585.4
Medical	–	152.7	216.4	307.5	384.1
Others	–	347.2	503.5	700.2	533.1

Chart 2: Insurance Key Indicators¹ (contd.)

LIFE INSURANCE (contd.)	1990²	2000	2001	2002	2003
Net Investment Income (RMm)	431.8	1,711.7	2,008.6	2,325.4	2,693.1
Weighted Forfeiture Rate (%)	24.5	33.9	20.8	20.0	18.1
Surrender Rate (%)	1.5	2.0	2.0	2.3	2.3
Expense Rate (%)	45.9	29.9	31.9	30.4	30.9
Rate of Interest Earned (%) (excluding capital gains)	7.2	5.8	5.5	5.7	5.7
GENERAL INSURANCE					
Premium (RMm)					
Gross Direct Premiums ⁵	1,979.1	5,928.6	6,404.0	7,449.1	8,185.1
Net Premiums	1,527.0	5,057.3	5,386.7	6,022.3	6,434.7
Earned Premiums	1,405.8	4,822.1	5,231.6	5,709.9	6,235.4
Reinsurance Premiums placed outside Malaysia	452.1	591.1	584.4	910.9	1,087.6
Retention ratio (%)	77.2	89.5	90.2	86.9	85.5
Overseas Reinsurance Business (RMm)	44.9	194.3	226.5	284.9	282.1
Net Premiums					
Total (RMm)	1,527.0	5,057.3	5,386.7	6,022.3	6,434.7
Marine, aviation and transit	92.3	247.4	231.7	278.7	284.5
Fire	298.4	965.6	957.4	1,070.0	1,091.0
Motor - Total	782.0	2,770.4	3,039.7	3,347.6	3,576.6
- 'Act' cover	175.2	370.9	367.8	385.3	406.9
- Others	606.8	2,399.5	2,671.9	2,962.3	3,169.7
Contractors' all risks and engineering	n.a.	134.2	149.7	208.7	185.8
Medical expenses and personal accident	n.a.	543.5	595.0	632.3	744.0
Liability	n.a.	71.1	79.1	119.3	140.8
Workmen's compensation and employers' liability	n.a.	80.4	77.8	80.4	101.1
Miscellaneous	354.3	244.7	256.3	285.3	310.9
Claims (RMm)					
Gross less local recoveries	898.6	3,210.1	3,588.2	3,598.0	3,759.1
Net claims paid	648.0	2,800.9	3,103.5	3,310.4	3,453.2

Chart 2: Insurance Key Indicators¹ (contd.)

GENERAL INSURANCE (contd.)	1990²	2000	2001	2002	2003
Claims Ratio					
Total (%)	69.2	63.7	63.0	62.9	59.0
Marine, aviation and transit	64.9	71.0	60.8	58.6	54.5
Fire	29.2	44.8	43.0	45.4	33.4
Motor - Total	91.1	66.3	65.4	67.1	69.7
- 'Act' cover	198.6	100.9	111.7	141.5	161.7
- Others	58.9	60.9	58.6	57.3	57.8
Contractors' all risks and engineering	n.a.	63.9	99.8	67.7	65.0
Medical expenses and personal accident	n.a.	59.5	63.7	65.9	55.1
Liability	n.a.	81.6	67.9	44.0	16.2
Workmen's compensation and employers' liability	n.a.	23.8	18.8	22.8	21.6
Miscellaneous	56.5	120.4	103.1	90.9	64.1
Underwriting Results (%)					
Claims ratio	69.2	63.7	63.0	62.9	59.0
Management expenses ratio	20.8	24.8	23.4	21.9	21.5
Commissions ratio	19.3	11.0	11.0	11.1	10.9
Underwriting margin	-9.3	0.5	2.6	4.1	8.6
Operating Results (RMm)					
Underwriting gain/loss	-130.3	24.1	134.0	232.8	534.1
Investment income	94.7	501.3	515.0	523.8	557.5
Operating profit/loss	-147.5	437.9	747.0	819.1	1,408.5

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 3: Total Premium Income and Assets of Insurance Funds

