

**Chart 1 : Malaysia – Macro Economic Indicators**

	1999		2000		2001 <sup>1</sup>	
Population (million persons)	22.7		23.3		23.8*	
Labour force (million persons)	9.2		9.6		9.9	
Employment (million persons)	8.9		9.3		9.5	
Unemployment (% of labour force)	3.4		3.1		3.7	
	1999		2000		2001	
	RM billion	% change	RM billion	% change	RM billion	% change
<b>NATIONAL PRODUCT</b>						
Gross domestic product (GDP)						
Market prices	300.3	6.0	340.7	13.4	332.7	-2.4
1987 prices	193.3	6.1	209.4	8.3	210.2	0.4
Gross national product (GNP) <sup>1</sup>						
Market prices	279.5	4.3	312.2	11.7	317.9	1.8
1987 prices	179.7	4.0	190.3	5.9	195.1	2.5
Gross national savings/GNP (%) <sup>1</sup>	41.1		39.5		36.6	
	1999		2000		2001 <sup>1</sup>	
	RM billion		RM billion		RM billion	
<b>BALANCE OF PAYMENTS</b>						
Goods	86.0		79.2		69.2	
Exports	319.6		374.0		333.5	
Imports	233.5		294.8		264.3	
Services, income and transfers (net)	-38.2		-47.3		-44.1	
Current account balance	47.9		32.0		25.1	
Current account balance (% of GNP)	17.1		10.2		7.9	
	1999		2000		2001	
	% change		% change		% change	
Consumer Price Index (2000 = 100)	2.8		1.6		1.4	
Movement of Ringgit <sup>2</sup>						
Against SDR	2.7		5.2		3.8	
Against US\$	0.0		0.0		0.0	
Exchange rate (per US\$) <sup>2</sup>	3.8000		3.8000		3.8000	
	1999		2000		2001	
Commercial banks average base lending rate (% per annum) <sup>2</sup>	6.79		6.78		6.39	

<sup>1</sup> Estimates by the Ministry of Finance

<sup>2</sup> As at end of year

(Source: Bank Negara Malaysia, Department of Statistics, Malaysia and Economic Report 2001/2002 of the Ministry of Finance)

\* Figure is based on the Population and Housing census data, which has earlier been revised for under enumeration based on available preliminary under enumeration rate.

(Source: Department of Statistics, Malaysia)

**Chart 2 : Insurance Key Indicators <sup>1</sup>**

	<b>1990</b>	<b>1998 <sup>2</sup></b>	<b>1999 <sup>2</sup></b>	<b>2000 <sup>2</sup></b>	<b>2001 <sup>3</sup></b>
<b>Market Structure <sup>4</sup></b>					
<b>No. of licensees</b>	<b>147</b>	<b>147</b>	<b>145</b>	<b>141</b>	<b>140</b>
Direct insurers	57	58	56	53	52
Life	3	7	7	7	8
General	39	40	38	36	36
Life and General	15	11	11	10	8
Professional reinsurers	1	10	11	11	11
Life	–	1	1	1	1
General	1	9	10	9	9
Life and General	–	–	–	1	1
Insurance brokers	46	37	37	36	36
Adjusters	43	42	41	41	41
<b>No. of registered agents</b>					
Life	37,373	88,764	88,786	87,375	88,504
General	14,456	33,695	37,864	41,233	45,246
<b>No. of offices</b>					
Insurers	448	2,126*	882	832	786
Insurance brokers	n.a.	29	29	30	30
Adjusters	n.a.	86	96	105	116
<b>No. employed (as at June)</b>					
Insurers	10,173	19,361	19,002	19,096	20,039
Insurance brokers	787	1,155	1,167	1,126	1,132
Adjusters	694	1,294	1,407	1,558	1,783
<b>No. of qualifications held by insurance personnel <sup>5</sup></b>					
	<b>2,091</b>	<b>6,559</b>	<b>7,321</b>	<b>7,924</b>	<b>9,086</b>
<b>Premium Income</b>					
<b>Total (RMm)</b>	<b>3,170.1</b>	<b>10,903.6</b>	<b>11,833.3</b>	<b>15,216.0</b>	<b>17,101.2</b>
Premium (% of GNP)	2.9	4.1	4.2	4.9	5.4
Life (% of GNP)	1.5	2.3	2.6	3.3	3.7
General (% of GNP)	1.4	1.7	1.7	1.6	1.7
Per capita insurance premium expenditure (RM) on :					
Life insurance <sup>6</sup>	92	280	315	436	492
General insurance <sup>7</sup>	111	248	244	257	269
<b>Benefit Payments</b>					
<b>Total (RMm)</b>	<b>1,170.6</b>	<b>4,510.0</b>	<b>4,929.7</b>	<b>5,702.9</b>	<b>6,423.5</b>
Life	522.6	1,936.5	2,239.4	2,815.7	3,324.0
General	648.0	2,573.5	2,690.3	2,887.2	3,099.5

**Chart 2 : Insurance Key Indicators (contd.)**

	1990	1998 <sup>2</sup>	1999 <sup>2</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>Insurance Fund Assets</b>					
<b>Total (RMm)</b>	<b>9,498.1</b>	<b>39,326.6</b>	<b>45,401.4</b>	<b>52,203.2</b>	<b>59,848.5</b>
Life	7,097.2	26,316.9	31,711.1	38,228.4	44,922.3
General	2,400.9	13,009.7	13,690.3	13,974.8	14,926.2
% of GNP	8.6	14.7	16.2	16.7	18.8
% of total assets of the financial system	2.9	3.6	3.9	4.2	n.a.
<b>LIFE INSURANCE</b>					
<b>New Business</b>					
No. of policies	498,338	1,123,472	1,452,287	1,239,994	1,364,582
Sums insured (RMm)	24,805.0	87,464.4	100,769.3	118,521.3	128,418.2
Total premiums (RMm)	573.1	1,438.9	1,977.6	4,113.7	5,249.5
<b>Business in Force</b>					
No. of policies	2,388,585	6,319,027	7,038,724	7,340,334	7,843,959
Sums insured (RMm)	86,678.0	339,612.9	368,979.3	394,842.4	439,835.2
(% of GNP)	78.3	126.8	132.0	126.5	138.3
Annual premiums (RMm)	1,576.7	6,256.7	6,859.4	7,373.0	8,145.5
<b>Distribution of Sums Insured in Force (%)</b>					
Whole life	35.8	36.0	36.7	34.5	33.2
Endowment	13.5	11.9	11.8	11.9	11.4
Temporary	46.6	33.7	36.1	35.7	37.3
Others	4.1	18.4	15.4	17.9	18.1
<b>Premium Income (RMm)</b>	<b>1,643.1</b>	<b>6,217.9</b>	<b>7,156.1</b>	<b>10,151.3</b>	<b>11,712.5</b>
<b>Net Policies Benefits</b>					
<b>Total (RMm)</b>	<b>522.6</b>	<b>1,936.5</b>	<b>2,239.4</b>	<b>2,815.7</b>	<b>3,324.0</b>
Death and disability	160.2	653.0	797.3	1,073.3	1,273.7
Maturity	178.2	547.8	528.2	625.5	703.8
Surrender	127.6	475.7	578.6	688.5	767.7
Cash bonuses	56.5	259.8	335.3	428.2	532.0
Annuity	0.1	0.2	–	0.2	46.8

### Chart 2 : Insurance Key Indicators (contd.)

<b>LIFE INSURANCE (contd.)</b>	<b>1990</b>	<b>1998 <sup>2</sup></b>	<b>1999 <sup>2</sup></b>	<b>2000 <sup>2</sup></b>	<b>2001 <sup>3</sup></b>
<b>Net Investment Income (RMm)</b>	431.8	1,634.1	1,633.6	1,740.4	2,022.2
<b>Weighted Forfeiture Rate (%)</b>	24.5	39.2	33.0	31.2	21.6
<b>Surrender Rate (%)</b>	1.5	1.9	2.0	2.0	2.0
<b>Expense Rate (%)</b>	45.9	31.9	30.9	30.1	31.9
<b>Rate of Interest Earned (%)</b> (excluding capital gains)	7.2	7.6	6.5	5.8	5.7
<b>GENERAL INSURANCE</b>					
<b>Premium (RMm)</b>					
Gross Direct Premiums <sup>7</sup>	1,979.1	5,505.3	5,541.0	5,996.8	6,405.7
Net Premiums	1,527.0	4,685.7	4,677.2	5,064.7	5,388.7
Earned Premiums	1,405.8	4,886.0	4,614.1	4,851.4	5,233.9
Reinsurance Premiums placed outside Malaysia	452.1	737.2	651.2	608.6	578.2
Retention ratio (%)	77.2	86.4	87.8	89.3	90.3
<b>Overseas Reinsurance Business (RMm)</b>	44.9	244.1	199.1	209.5	225.8
<b>Net Premiums</b>					
<b>Total (RMm)</b>	<b>1,527.0</b>	<b>4,685.7</b>	<b>4,677.2</b>	<b>5,064.7</b>	<b>5,388.7</b>
Marine, aviation and transit	92.3	232.9	227.4	232.7	231.5
Fire	298.4	933.1	923.1	957.6	955.0
Motor – Total	782.0	2,475.4	2,498.7	2,795.7	3,025.2
– ‘Act’ cover	175.2	367.7	343.3	368.6	363.5
– Others	606.8	2,107.7	2,155.4	2,427.1	2,661.7
Contractors' all risks and engineering	n.a.	139.5	128.7	132.2	153.4
Medical expenses and personal accident	n.a.	498.8	513.1	549.9	610.6
Liability	n.a.	55.1	67.4	70.1	78.4
Workmen's compensation and employers' liability	n.a.	71.4	79.5	80.1	77.6
Miscellaneous	354.3	279.5	239.3	246.4	257.0
<b>Claims (RMm)</b>					
Gross less local recoveries	898.6	4,163.3	3,188.2	3,436.7	3,583.8
Net claims paid	648.0	2,573.5	2,690.3	2,887.2	3,099.5

## Chart 2 : Insurance Key Indicators (contd.)

<b>GENERAL INSURANCE (contd.)</b>	<b>1990</b>	<b>1998 <sup>2</sup></b>	<b>1999 <sup>2</sup></b>	<b>2000 <sup>2</sup></b>	<b>2001 <sup>3</sup></b>
<b>Claims Ratio</b>					
<b>Total (%)</b>	<b>69.2</b>	<b>64.1</b>	<b>63.7</b>	<b>63.4</b>	<b>62.4</b>
Marine, aviation and transit	64.9	72.8	65.0	68.0	58.7
Fire	29.2	52.1	39.3	44.5	42.7
Motor – Total	91.1	66.7	69.8	66.2	65.4
– ‘Act’ cover	198.6	132.8	81.6	100.6	114.6
– Others	58.9	56.0	67.8	60.9	58.3
Contractors' all risks and engineering	n.a.	76.9	72.7	73.9	94.1
Medical expenses and personal accident	n.a.	54.0	62.2	59.1	64.1
Liability	n.a.	68.1	86.1	77.7	54.6
Workmen's compensation and employers' liability	n.a.	17.9	20.0	23.1	19.0
Miscellaneous	56.5	91.3	98.9	115.8	100.4
<b>Underwriting Results (%)</b>					
Claims ratio	69.2	64.1	63.7	63.4	62.4
Management expenses ratio	20.8	20.4	22.4	22.6	22.8
Commissions ratio	19.3	9.7	10.7	10.9	11.0
Underwriting margin	– 9.3	5.8	3.3	3.1	3.7
<b>Operating Results (RMm)</b>					
Underwriting gain/loss	– 130.3	284.0	150.1	150.5	192.4
Investment income	94.7	754.8	591.6	506.2	516.3
Operating profit/loss	– 147.5	948.1	1,090.2	299.6	767.4

<sup>1</sup> As at financial year end

<sup>2</sup> Financial period used for consolidation changed from 1 May – 30 April to 1 July – 30 June

<sup>3</sup> Preliminary data as at calendar year end

<sup>4</sup> As at calendar year end

<sup>5</sup> Academic and professional qualifications

<sup>6</sup> As per revenue account

<sup>7</sup> Premiums on original gross rate charged to clients in respect of direct insurance business without any deduction for commission or brokerage

\* Including computer terminals

n.a. Not available

**Chart 3: Total Premium Income and Assets of Insurance Funds**

