

Chart 1 : Malaysia – Macro Economic Indicators

	1998	1999	2000¹
Population (million persons)	22.2	22.7	23.3
Labour force (million persons)	8.9	9.0	9.2
Employment (million persons)	8.6	8.7	8.9
Unemployment (% of labour force)	3.2	3.0	2.9

	1998		1999		2000¹	
	RM billion	% change	RM billion	% change	RM billion	% change
NATIONAL PRODUCT						
Gross domestic product (GDP)						
Market prices	284.5	0.9	300.3	5.6	325.2	8.3
1987 prices	182.2	- 7.4	192.8	4.8	207.3	7.5
Gross national product (GNP)						
Market prices	269.2	0.9	279.5	3.8	299.5	7.2
1987 prices	172.8	- 5.2	179.2	3.7	191.1	6.6
Gross national savings/GNP (%)	42.0		41.1		37.2	

	1998	1999	2000¹
	RM billion	RM billion	RM billion
BALANCE OF PAYMENTS			
Merchandise balance	69.2	86.5	74.3
Exports	281.7	318.9	365.2
Imports	212.5	232.4	290.9
Services and transfers (net)	- 31.8	- 38.6	- 44.6
Current account balance	37.4	47.9	29.8
Current account balance (% of GNP)	13.9	17.1	9.9

	1998	1999	2000
	% change	% change	% change
Consumer Price Index (1994 = 100)	5.3	2.8	1.6
Movement of Ringgit ²			
Against SDR	- 1.8	2.7	5.2
Against US\$	2.3	0.0	0.0
Exchange rate (per US\$) ²	3.8000	3.8000	3.8000

	1998	1999	2000
Commercial banks average base lending rate (% per annum) ²	8.04	6.79	6.78

¹ Estimates by the Ministry of Finance

² As at end of year

(Source: Bank Negara Malaysia and Economic Report 1999/2000 of the Ministry of Finance)

Chart 2 : Insurance Key Indicators ¹

	1990	1997 ²	1998 ²	1999 ²	2000 ³
Market Structure ⁴					
No. of licensees	147	146	147	145	141
Direct insurers	57	58	58	56	53
Life	3	7	7	7	7
General	39	40	40	38	36
Life and General	15	11	11	11	10
Professional reinsurers	1	9	10	11	11
Life	0	1	1	1	1
General	1	8	9	10	9
Life and General	–	–	–	–	1
Insurance brokers	46	37	37	37	36
Adjusters	43	42	42	41	41
No. of registered agents					
Life	37,373	84,667	88,764	88,786	87,375
General	14,456	29,177	33,695	37,864	41,233
No. of offices					
Insurers	448	2,068*	2,126*	882	832
Insurance brokers	n.a.	29	29	29	30
Adjusters	n.a.	83	86	96	105
No. employed (as at June)					
Insurers	10,173	18,546	19,361	19,002	19,096
Insurance brokers	787	1,177	1,155	1,167	1,126
Adjusters	694	1,124	1,294	1,407	1,558
No. of qualifications held by insurance personnel ⁵	2,091	5,999	6,559	7,080	8,091
Premium Income					
Total (RMm)	3,170.1	11,132.3	10,902.9	11,829.9	13,855.9
Premium (% of GNP)	2.9	4.2	4.1	4.2	4.6
Life (% of GNP)	1.5	2.2	2.3	2.6	2.9
General (% of GNP)	1.4	1.9	1.7	1.7	1.7
Per capita insurance premium expenditure (RM) on :					
Life insurance ⁶	92	275	280	315	378
General insurance ⁷	111	287	248	244	254
Benefit Payments					
Total (RMm)	1,170.6	3,649.4	4,509.8	4,928.5	5,464.9
Life	522.6	1,510.8	1,936.3	2,238.2	2,657.2
General	648.0	2,138.6	2,573.5	2,690.3	2,807.7

Chart 2 : Insurance Key Indicators (contd.)

	1990	1997 ²	1998 ²	1999 ²	2000 ³
Insurance Fund Assets					
Total (RMm)	9,498.1	34,958.5	39,324.5	45,397.3	50,336.4
Life	7,097.2	23,306.7	26,314.8	31,707.0	36,594.0
General	2,400.9	11,651.8	13,009.7	13,690.3	13,742.4
% of GNP	8.6	13.1	14.6	16.2	16.8
% of total assets of the financial system	2.9	3.1	3.6	3.9	n.a.
LIFE INSURANCE					
New Business					
No. of policies	498,338	1,111,999	1,123,472	1,452,287	1,166,743
Sums insured (RMm)	24,805.0	90,051.6	87,464.4	100,769.3	114,299.1
Total premiums (RMm)	573.1	1,602.6	1,438.9	1,977.6	2,920.5
Business in Force					
No. of policies	2,388,585	5,926,324	6,318,992	7,038,691	7,240,355
Sums insured (RMm)	86,678.0	321,979.5	339,598.7	368,979.1	400,500.1
(% of GNP)	78.3	120.7	126.2	132.0	133.7
Annual premiums (RMm)	1,576.7	5,967.2	6,240.1	6,859.4	7,434.8
Distribution of Sums Insured in Force (%)					
Whole life	35.8	36.5	36.0	36.7	35.4
Endowment	13.5	11.7	11.9	11.8	11.9
Temporary	46.6	32.1	33.7	36.1	37.1
Others	4.1	19.6	18.4	15.4	15.6
Premium Income (RMm)	1,643.1	5,970.7	6,217.2	7,152.7	8,809.7
Net Policies Benefits					
Total (RMm)	522.6	1,510.8	1,936.3	2,238.2	2,657.2
Death and disability	160.2	564.5	652.9	796.1	980.6
Maturity	178.2	467.1	547.8	528.2	609.7
Surrender	127.6	307.2	475.7	578.6	674.8
Cash bonuses	56.5	171.8	259.8	335.3	392.1
Annuity	0.1	0.2	0.2	–	–

Chart 2 : Insurance Key Indicators (contd.)

LIFE INSURANCE (contd.)	1990	1997 ²	1998 ²	1999 ²	2000 ³
Net Investment Income (RMm)	431.8	1,372.0	1,634.1	1,633.5	1,712.2
Weighted Forfeiture Rate (%)	24.5	31.2	39.2	33.0	34.0
Surrender Rate (%)	1.5	1.4	1.9	2.0	1.9
Expense Rate (%)	45.9	37.1	31.9	30.9	29.9
Rate of Interest Earned (%) (excluding capital gains)	7.2	7.2	7.6	6.5	5.8
GENERAL INSURANCE					
Premium (RMm)					
Gross Direct Premiums ⁷	1,979.1	6,227.8	5,505.3	5,541.0	5,908.2
Net Premiums	1,527.0	5,161.6	4,685.7	4,677.2	5,046.2
Earned Premiums	1,405.8	4,885.2	4,886.0	4,614.1	4,826.5
Reinsurance Premiums placed outside Malaysia	452.1	912.6	737.2	651.2	582.8
Retention ratio (%)	77.2	85.0	86.4	87.8	89.6
Overseas Reinsurance Business (RMm)	44.9	342.5	244.1	199.1	194.2
Net Premiums					
Total (RMm)	1,527.0	5,161.6	4,685.7	4,677.2	5,046.2
Marine, aviation and transit	92.3	250.1	232.9	227.4	244.0
Fire	298.4	869.9	930.7	923.1	964.3
Motor – Total	782.0	2,859.0	2,475.4	2,498.7	2,762.6
– ‘Act’ cover	175.2	372.9	367.7	343.3	366.9
– Others	606.8	2,486.1	2,107.7	2,155.4	2,395.7
Contractors’ all risks and engineering ⁸	n.a	179.8	139.5	128.7	133.2
Medical expenses and personal accident ⁸	n.a	415.7	498.8	513.1	545.3
Liability ⁸	n.a	54.1	55.1	67.4	70.0
Workmen’s compensation and employers’ liability ⁸	n.a	97.5	71.4	79.5	80.3
Miscellaneous	354.3	435.5	281.9	239.3	246.5
Claims (RMm)					
Gross less local recoveries	898.6	2,612.6	4,163.3	3,188.2	3,203.1
Net claims paid	648.0	2,138.6	2,573.5	2,690.3	2,807.7

Chart 2 : Insurance Key Indicators (contd.)

GENERAL INSURANCE (contd.)	1990	1997 ²	1998 ²	1999 ²	2000 ³
Claims Ratio					
Total (%)	69.2	58.0	64.1	63.7	64.8
Marine, aviation and transit	64.9	67.4	72.8	65.0	70.4
Fire	29.2	50.1	52.1	39.3	44.3
Motor – Total	91.1	60.7	66.7	69.8	68.5
– ‘Act’ cover	198.6	158.3	132.8	81.6	103.9
– Others	58.9	45.9	56.0	67.8	62.9
Contractors' all risks and engineering ⁸	n.a.	76.9	76.9	72.7	60.7
Medical expenses and personal accident ⁸	n.a.	45.0	54.0	62.2	59.3
Liability ⁸	n.a.	86.4	68.1	86.1	80.8
Workmen's compensation and employers' liability ⁸	n.a.	16.4	17.9	20.0	24.7
Miscellaneous	56.5	66.4	91.3	98.9	122.5
Underwriting Results (%)					
Claims ratio	69.2	58.0	64.1	63.7	64.8
Management expenses ratio	20.8	19.7	20.4	22.4	22.4
Commissions ratio	19.3	9.6	9.7	10.7	11.0
Underwriting margin	– 9.3	12.7	5.8	3.3	1.8
Operating Results (RMm)					
Underwriting gain/loss	– 130.3	619.9	284.0	150.1	87.7
Investment income	94.7	618.1	754.8	591.6	499.5
Operating profit/loss	– 147.5	466.2	948.1	1,090.2	393.6

¹ As at financial year end

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

³ Preliminary data as at calendar year end

⁴ As at calendar year end

⁵ Academic and professional qualifications

⁶ As per revenue account

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

⁸ Prior to 1997, classes were grouped under miscellaneous class

* Including computer terminals

n.a. Not available

Chart 3: Total Premium Income and Assets of Insurance Funds

