

Table 1: Malaysia – Key Economic Indicators

	2003		2004		2005 ^e	
Population (million persons)	25.3		26.0		26.7	
Labour force (million persons)	10.4		10.8		11.3	
Employment (million persons)	10.0		10.5		10.9	
Unemployment (% of labour force)	3.6		3.5		3.5	
	2003		2004		2005 ^P	
	RM billion	% change	RM billion	% change	RM billion	% change
NATIONAL PRODUCT						
Gross domestic product (GDP)						
Current prices	395.0	9.1	449.6	13.8	494.5	10.0
1987 prices	232.4	5.4	249.0	7.1	262.0	5.3
Gross national product (GNP)						
Current prices	372.5	10.5	425.1	14.1	473.1	11.3
1987 prices	217.2	6.9	233.1	7.3	248.0	6.4
Gross national savings/GNP (%)	36.5		37.3		37.1	
	2003		2004		2005 ^P	
	RM billion		RM billion		RM billion	
BALANCE OF PAYMENTS						
Goods	97.8		104.5		126.5	
Exports (f.o.b.)	398.0		481.2		536.9	
Imports (f.o.b.)	300.2		376.8		410.5	
Services, income and transfers (net)	-47.1		-48.0		48.7	
Current account balance	50.6		56.5		77.8	
Current account balance (% of GNP)	13.6		13.3		16.4	
	2003		2004		2005 ^P	
	% change		% change		% change	
Consumer Price Index (2000 = 100)	1.2		1.4		3.0	
Movement of Ringgit(end-period)						
Against SDR	-8.5		-4.3		8.9	
Against USD ¹	0.0		0.0		0.5	
	2003		2004		2005 ^P	
Commercial banks base lending rate (average rates as at end-year, %)	6.00		5.98		6.20	

¹ Ringgit was pegged at RM3.80=USD1 on 2 September 1998 and shifted to a managed float against a basket of currencies on 21 July 2005.

^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

	1990²	2002	2003	2004	2005
Market Structure					
No. of licensees	147	129	127	120	119
Direct insurers	57	44	43	42	42
Life	3	7	7	7	7
General	39	28	27	26	26
Life and General	15	9	9	9	9
Professional reinsurers	1	10	10	7	7
Life	-	1	1	1	1
General	1	8	8	5	5
Life and General	-	1	1	1	1
Insurance brokers	46	35	35	34	34
Adjusters	43	40	39	37	36
No. of registered agents					
Life	37,373	87,205	86,230	82,551	78,810
General	14,456	37,879	43,401	48,678	48,088
No. of offices					
Insurers	448	738	720	722	720
Insurance brokers	n.a.	31	28	26	27
Adjusters	n.a.	122	133	143	144
No. of resources employed					
Insurers	10,173	20,143	19,716	20,614	19,453
Insurance brokers	787	1,207	1,254	1,255	1,253
Adjusters	694	1,811	1,859	1,794	1,779
No. of qualifications held by insurance personnel³					
	2,091	9,493	10,120	10,435	11,733
Premium Income					
Total (RMm)	3,170.1	16,854.5	18,812.3	22,041.9	23,564.6
Premium (% of GNP)	2.9	5.0	5.1	5.2	5.0
Life (% of GNP)	1.5	3.2	3.3	3.6	3.4
General (% of GNP)	1.4	1.8	1.7	1.6	1.6
Per capita insurance premium expenditure (RM) on:					
Life insurance ⁴	92	439	489	582	600
General insurance ⁵	111	302	324	329	352
Benefit Payments					
Total (RMm)	1,170.6	7,617.7	8,048.8	9,183.0	10,167.6
Life	522.6	4,307.3	4,593.9	5,397.3	6,261.2
General	648.0	3,310.4	3,454.9	3,785.7	3,906.4

Table 2: Insurance Key Indicators¹ (contd.)

	1990 ²	2002	2003	2004	2005
Insurance Fund Assets					
Total (RMm)	9,498.1	66,642.9	76,807.0	86,852.4	96,742.8
Life	7,097.2	51,171.5	60,195.5	69,775.4	78,753.4
General	2,400.9	15,471.4	16,611.5	17,077.0	17,989.4
% of GNP	8.6	19.8	20.6	20.4	20.4
% of total assets of the financial system	2.9	4.8	4.9	4.9	5.1
LIFE INSURANCE					
New Business					
No. of policies	498,338	1,382,020	1,600,570	1,402,207	1,364,572
Sums insured (RMm)	24,805.0	140,809.5	168,594.4	171,599.1	181,130.8
Total premiums (RMm)	573.1	3,582.4	4,852.0	6,661.2	6,701.4
Business in Force					
No. of policies	2,388,585	8,506,398	9,228,966	9,723,010	10,142,994
Sums insured (RMm)	86,678.0	482,993.0	538,779.3	593,922.7	645,047.5
(% of GNP)	78.3	143.3	144.6	139.7	136.4
Annual premiums (RMm)	1,576.7	9,137.0	10,240.2	11,251.1	12,301.7
Distribution of Sums Insured in Force (%)					
Whole Life	35.8	31.3	29.2	27.0	25.1
Endowment	13.5	10.9	10.4	10.0	9.7
Temporary	46.6	38.4	38.9	40.6	41.7
Investment-linked	–	7.1	10.5	12.8	15.1
Annuity	...	0.3	0.3	0.3	0.2
Others	4.1	12.0	10.7	9.3	8.2
Premium Income (RMm)	1,643.1	10,832.2	12,374.4	15,131.0	16,010.4
Net Policy Benefits					
Total (RMm)	522.6	4,307.3	4,593.9	5,397.3	6,261.2
Death and disability	160.2	585.5	662.3	735.8	778.1
Maturity/Vesting	178.3	1,220.0	927.5	1,153.1	1,506.0
Surrender	127.6	964.4	1,440.0	1,627.4	1,795.1
Cash bonuses	56.5	529.7	582.3	668.1	815.4
Medical	n.a.	303.8	448.8	605.4	704.5
Others	n.a.	703.9	533.0	607.5	662.1

Table 2: Insurance Key Indicators¹ (contd.)

LIFE INSURANCE (contd.)	1990²	2002	2003	2004	2005
Net Investment Income (RMm)	431.8	2,325.4	2,688.4	3,175.8	3,662.5
3 Policy Years Forfeiture Rate (%)	24.5	24.7	24.7	23.4	26.3
Surrender Rate (%)	1.5	2.5	2.8	2.7	2.7
Expense Rate (%)	45.9	29.8	30.2	30.7	29.7
Rate of Interest Earned (%) (excluding capital gains)	7.2	5.7	5.7	5.8	5.7
GENERAL INSURANCE					
Premium (RMm)					
Gross Direct Premiums ⁵	1,979.1	7,449.1	8,186.3	8,557.5	9,386.1
Net Premiums	1,527.0	6,022.3	6,437.9	6,910.9	7,554.2
Earned Premiums	1,405.8	5,709.9	6,228.4	6,744.0	7,291.0
Reinsurance Premiums placed outside Malaysia	452.1	910.9	1,084.1	977.1	956.6
Retention Ratio (%)	77.2	86.9	85.6	87.6	88.8
Overseas Reinsurance Business (RMm)	44.9	284.9	282.2	269.0	251.9
Net Premiums					
Total (RMm)	1,527.0	6,022.3	6,437.9	6,910.9	7,554.2
Marine, aviation and transit	92.3	278.7	285.2	323.6	344.3
Fire	298.4	1,070.0	1,094.0	1,146.1	1,213.9
Motor - Total	782.0	3,347.6	3,584.2	3,828.1	4,321.9
- 'Act' cover	175.2	385.3	407.4	437.2	494.5
- Others	606.8	2,962.3	3,176.8	3,390.9	3,827.4
Contractors' all risks and engineering	n.a.	208.7	186.3	218.0	204.3
Medical expenses and personal accident	n.a.	632.3	743.5	817.9	868.3
Liability	n.a.	119.3	134.5	135.8	143.0
Workmen's compensation and employers' liability	n.a.	80.4	101.8	107.1	116.8
Miscellaneous	354.3	285.3	308.4	334.3	341.7
Claims (RMm)					
Gross less local recoveries	898.6	3,598.0	3,764.5	4,196.9	4,301.1
Net claims paid	648.0	3,310.4	3,454.9	3,785.7	3,906.4

Table 2: Insurance Key Indicators¹ (contd.)

GENERAL INSURANCE (contd.)	1990²	2002	2003	2004	2005
Claims Ratio					
Total (%)	69.2	62.9	59.8	60.9	55.4
Marine, aviation and transit	64.9	58.6	58.4	62.6	39.2
Fire	29.2	45.4	34.3	39.4	38.9
Motor - Total	91.1	67.1	70.1	70.8	66.3
- 'Act' cover	198.6	141.5	162.7	179.6	160.2
- Others	58.9	57.3	58.2	56.6	54.2
Contractors' all risks and engineering	n.a.	67.7	64.3	56.6	31.2
Medical expenses and personal accident	n.a.	65.9	56.2	56.1	47.7
Liability	n.a.	44.0	23.4	35.1	34.9
Workmen's compensation and employers' liability	n.a.	22.8	22.0	22.7	19.8
Miscellaneous	56.5	90.9	64.6	58.4	51.5
Underwriting Results (%)					
Claims ratio	69.2	62.9	59.8	60.9	55.4
Management expenses ratio	20.8	21.9	21.7	21.1	20.7
Commissions ratio	19.3	11.1	11.0	11.1	10.8
Underwriting margin	-9.3	4.1	7.5	6.9	13.1
Operating Results (RMm)					
Underwriting gain/loss	-130.3	232.8	469.6	464.6	956.3
Investment income	94.7	523.8	538.1	593.7	642.0
Operating profit/loss	-147.5	819.1	1,304.1	1,178.8	1,524.4

¹ As at calendar year end, unless indicated otherwise

² As at financial year end, covering the period from 1 May - 30 April

³ Academic and professional qualifications of employees of insurers only

⁴ As per revenue accounts

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

