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MAHATHIR BLAMES INSURANCE ABUSERS FOR INCREASED PREMIUMS

Mahathir-insurance 16 JAN 1992

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JITRA, Jan 16 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said the move by insurance companies to impose loadings on car insurance premiums is caused by people who +abused insurance+.

+This happens because some people make absurd insurance claims. So if there are smart people trying to cheat (insurance companies), others suffer,+ he told reporters after a closed-door meeting with members of the state Farmers' Organisation board here.

He said it was difficult for insurance companies to trace the culprits and as a result they had to get the money from others to pay the claims of the +insurance abusers+.

The Prime Minister was commenting on today's news report that several general insurance companies were revising their underwriting guidelines and imposing loadings on the premiums on most cars.

Their action follows a Bank Negara directive effective from Jan 2 which limited loadings on vehicles to only 50 per cent of their premiums.-- more

▼16/01/20-21MST

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Mahathir-insurance 2 Jitra

Before Bank Negara imposed the ruling, owners of vehicles less than eight years old or those taking a comprehensive policy did not have to pay any loadings.

Asked whether the ruling would burden the people and car buyers, Datuk Seri Dr Mahathir said: +When we change procedures, obviously there will be problems.+

However, he said, the government would study the problems to resolve them.

Datuk Seri Dr Mahathir announced that the federal government planned to give a ringgit for every ringgit contributed by farmers to a scheme which the Kedah Farmers Organisation proposed to set up to protect farmers affected by natural disasters.

The organisation had long planned to set up such fund but could not implement it because of lack of funds.-- more

▼16/01/20-33MST

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Mahathir-insurance 3 Jitra

Datuk Seri Dr Mahathir said the scheme would enable the organisation to provide aid to farmers to rehabilitate rice fields destroyed in natural disasters.

He said the Kedah farmers organisation had planned to put up a hotel on a plot given to it by the state government.

However, he said, the government did not intend to help finance the project and suggested that the organisation go into joint venture with institutions which could afford to do so.

On a news report of a meeting scheduled between Kelantan Menteri Besar Haji Nik Abdul Aziz Nik Mat and DAP secretary-general Lim Kit Siang, the Prime Minister said: + It is his right to meet anyone.+

He said he had no idea what they would be discussing.-- more

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Mahathir-insurance 4 Jitra

On the possibility of a certain group setting up a farmers bank, Datuk Seri Dr Mahathir said any proposal for such a move would not get off the ground if management problems prevailed.

Earlier, he launched a drive to increase membership and capital of the Kedah farmers organisation at Dewan Jitra here.

In his speech he said the twinning of Kedah with the Oita prefecture in Japan, which is known for its +One Village One Product+ programme, would fail if the people were lazy and lacked positive values.

Also present were Kedah Menteri Besar Tan Sri Haji Osman Aroff, Agriculture Minister Datuk Seri Sanusi Junid and chairman of the Farmers Organisation Authority Tan Sri Haji Mustaffar Jahar.

The Prime Minister and wife Datuk Seri Datin Paduka Siti Hasmah Ali later left for Langkawi for a day visit tomorrow. -- Bernama

♥16/01/21-03MST