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LIAM SUPPORTS INSURANCE GUIDELINES, PLEDGES LOWER PREMIUMS

KUALA LUMPUR, Jan 3 (Bernama) -- The Life Insurance Association of Malaysia (LIAM) today reiterated its support for Bank Negara's new guidelines on operating costs of life insurance business (OCC).

"The association is receptive to new ideas and changes to enable the life insurance industry to play an effective role as a mobiliser of long-term savings in the financial system," LIAM president Alex Foong said in a statement released here.

He said the association had implemented the OCC guidelines on Jan 1, 1996 to comply with the directive issued by Bank Negara.

"In support of the objectives of the guidelines, the association is positive that life insurance companies will be able to offer better benefits to the policy holders in the form of lower premium rates or higher bonus and dividend.

"More Malaysians will certainly enjoy life insurance coverage through more attractive pricing and innovative products," he said.

To ensure that the guidelines are implemented smoothly, he said the association had requested its member companies to work closely with their agencies on the OCC requirements.

"The association would also urge all life insurance agents to put aside any negative feelings and work together to attain the objectives and spirit of the guidelines," he said.

The OCC guidelines had sparked dissatisfaction among agents who claimed that the guidelines severed their earnings by as much as 50 percent.

Last week, the National Association of Malaysian Life Insurance Agents, Bumiputera Life Insurance Agents and In-House Agents' Association made an appeal to Prime Minister Datuk Seri Dr Mahathir Mohamad and submitted a petition to Bank Negara governor Datuk Ahmad Mohd Don to reconsider the OCC guidelines.

Two months ago, they submitted a memorandum to Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim through the Finance Ministry's secretary-general, Tan Sri Clifford Herbert. -- BERNAMA