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MAA-ANNUITY

MAA REASSURES POLICYHOLDERS CONTRACTS REMAIN VALID

KUALA LUMPUR, Oct 8 (Bernama) -- Malaysian Assurance Alliance Bhd (MAA Assurance) today reassures its Employees Provident Fund (EPF) annuity scheme policyholders that their policy contracts remain valid.

"The benefit guarantees of those policies remain unaltered and will be honoured," said its chief executive officer Razman Hafidz Abu Zarim in a statement here today.

On Friday, prime minister Datuk Seri Dr Mahathir Mohamad announced that the EPF's annuity scheme would be fully managed by the EPF.

The scheme was introduced as an option to provide financial security through a guaranteed lifetime income to EPF members for their post-retirement years. It was launched in July last year.

It was operated by the EPF jointly with several insurance companies. The scheme was suspended in May this year after strong objections from various groups including the Malaysian Trades Union Congress (MTUC).

"With the strength of RM130 million paid-up capital of MAA Holdings Bhd, and the close and prudential supervision of Bank Negara Malaysia (BNM), we will continue to manage the annuity policy according to the rules and regulations of the Insurance Act 1996," Razman said.

He said that additionally, the business of MAA Assurance is subject to the continuing prudential supervision of the Central Bank.

As such, Bank Negara Malaysia would monitor its ongoing compliance with the Act with regard to:

- * the creation of an annuity fund separate to other insurance policies of the insurer;

- * the investment of assets of the insurer's annuity fund;

- * minimum capital and solvency requirements;

- * policyholders' right to share in the surplus (or profits) generated by the insurer's annuity fund and the allocation of surplus by way of bonuses; and other relevant regulations.

Razman also denied an allegation by MTUC president Senator Zainal Rampak that there has been no distribution of profits to policyholders.

"In fact, for the year ended Dec 31, 2000, we have previously announced our first declaration of Bonus Pension Income to the value of RM6.645 billion. Furthermore, the amount of profit allocated to shareholders was nil.

He said that MAA Assurance would continue to strive to annually declare future Bonus Pension Income. -- BERNAMA

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