

## **General Insurance Premiums Up 6.4 Per Cent To RM16.2 Billion In 2013**

**Bernama**

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KUALA LUMPUR, April 2 (Bernama) -- The general insurance industry recorded a growth of 6.4 per cent in gross written premiums to RM16.2 billion last year compared with RM15.2 billion in 2012.

In a statement, the General Insurance Association of Malaysia (PIAM) said the growth was attributed to a relatively strong domestic demand, supported by ongoing mega projects, and increased consumer awareness on business and personal risks.

The motor insurance sector grew by 7.8 per cent in gross premiums to RM7.5 billion, in tandem with the increase in the number of new vehicles registered during the year, which had exceeded 655,793 units.

Fire insurance rose 8.6 per cent to RM2.79 billion, while medical and health insurance improved to RM912 million.

PIAM chairman Chua Seck Guan said despite a moderate economic growth, the general insurance industry still managed to benefit from the sustained income growth of the middle-class consumers and from the increase in domestic and foreign direct investments.

Going forward, he said the industry was projected to be on a firm expansion path this year.

"Growth will be supported by domestic demand which is projected to grow by 6.9 per cent this year.

"The upward trend in the Consumer Price Index inflation is also expected to drive organic growth as consumers review their sum insured to avoid underinsurance," he said.

Chua said the liberalisation of the insurance sector would be a challenge for the industry and continued to come under focus this year.

"Malaysia has been regulated by a tariffed market for motor and fire classes of business for the past three decades.

"The industry has to step up its focus on raising underwriting performance, improving claims costs ratios, enhancing productivity, reducing acquisition costs and enhancing consumer protection to be able to compete in an open market," he added.

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