

Title : December News Clipping  
Media : The Sun  
Date : 21/12/2015

## ON MONDAY

DECEMBER 21, 2015

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KLCI	1,643.90 ▼ 12.62	Hang Seng	21,755.56 ▼ 116.50	Nikkei	18,986.80 ▼ 366.76	KOSPI	1,975.32 ▼ 2.64
STI	2,852.84 ▼ 8.34	SCI	3,578.96 ▼ 1.03	TSEC	8,257.32 ▼ 62.35	S&P/ASX200	5,106.66 ▲ 4.65

# MCIS Insurance eyes takaful business

> Major shareholder still interested but there have been no discussions or proposals yet, says CEO

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**PETALING JAYA:** Life insurer MCIS Insurance Bhd, which disposed of its general insurance business in March this year, wants to enter the fast-growing takaful business, said its CEO Kevin Jones (pic).

He told SunBiz in an interview recently that the company is keen on entering the takaful market but has no



proposals on the table yet. "Our major shareholders are interested to venture into takaful but there have been no discussions so far," he said.

MCIS Insurance, formerly MCIS Zurich Malaysia, is a partnership between Sanlam Emerging Markets Proprietary Ltd (SEM) and Koperasi MCIS Bhd. SEM bought a 51% controlling stake in MCIS Zurich Insurance Bhd in 2014, which saw the resultant exit of Zurich Asia Holdings Ltd (Zurich).

SEM is part of Sanlam Group, a leading financial services group based in South Africa with a presence in 11 African countries as well as in India, the UK, the US, Australia and Malaysia.

Major shareholder Koperasi MCIS has made known its intention to enter the takaful business since 2008. Back then, MCIS Zurich Malaysia said it was scanning for opportunities for a piece of the takaful business, including entering into partnership with existing operators.

Malaysia is the world's second largest takaful market in terms of gross

billion (RM9.6 billion at current exchange rates) as at end-2013. Within Asean, Malaysia has about 76% of total gross takaful contributions.

The takaful market in Malaysia is served by 11 takaful operators. Between 2009 and 2014, Malaysia's takaful segment saw an encouraging compound annual growth rate of 12.4% in net contributions, which was much higher than conventional insurance's 7.81%.

Currently, the market penetration rate of Malaysia's family takaful sector is just 14.5%, compared with life insurance's penetration rate of 41.2%. Overall, the insurance penetration rate in the country is 55.7% and the industry aspires to achieve a life/family takaful insurance penetration rate of 75% by 2020.

On its life business, Jones revealed that MCIS Zurich is achieving double-digit growth in terms of new business. He said the insurer will continue to retain a balanced investment portfolio with exposure into equity and government linked securities, among others, and is in a financially strong position to support initiatives to be rolled out in 2016.

The life insurance industry is expected to be resilient as fund managers remain reasonably cautious and MCIS Insurance concentrates on its commitment to