

# AIA RM1.4b new premiums bolstered by 47% takaful spike

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**KUALA LUMPUR** — AIA Bhd saw annualised new premiums (ANP) of RM1.41 billion for its financial year ended Nov 30, 2016 (FY16), up 25% from the RM1.13 billion seen in FY15. The strong ANP performance was boosted by a whopping 47% spike in takaful annualised contributions over FY16.

This in turn, was reflected in a 6% rise in operating profit after tax to RM1.11 billion. AIA also recorded its fourth consecutive year of double-digit growth on the back of a 23% increase in value of new business to RM815 million, making Malaysia the AIA Group's third largest growth market after China and Hong Kong.

“Our consistent track record of year-on-year profitable growth is the direct result of the tremendous growth opportunities present in Malaysia, our diversified and resilient business model, and our commitment to building a high-quality, sustainable business for the long term,” chief executive officer Anusha Thavarajah said at a results briefing on Friday.

AIA's strong results were attributed to increased productivity among its agency force, or Life Planners, and its selective recruitment of quality full-time Life Planners, which led to a 25% increase in the number of active new recruits in FY16.

Overall, active Life Planner productivity rose by more than 20% in FY16.

Meanwhile, the company's family takaful business, registered under AIA Public Takaful, delivered a 47% increase in annualised new contributions to emerge as Malaysia's second largest player in the family takaful segment.

The strength of its agency force was also reflected in the 90% growth in annualised new contributions by the distribution

channel as more Life Planners focused on distributing AIA's Family Takaful solutions.

The number of active Takaful Life Planners increased by 70% to 1,400 last year.

“We will continue to focus on closing the protection gap in the bumiputera segment, which makes up more than two-thirds of our population, and yet is still one of the most under-protected segments,” Anusha said.

AIA remains optimistic about the life insurance industry's long-term growth prospects which will continue to benefit from the country's younger demographic, growing middle-class population and considerably larger protection gap.

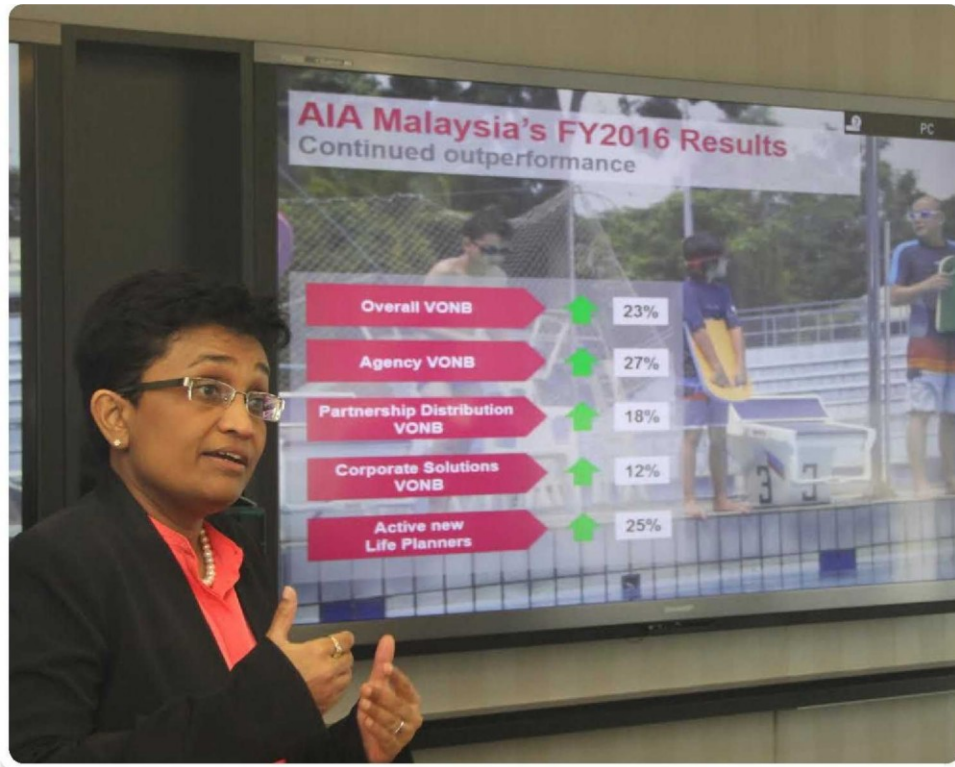
While 56% of Malaysians are insured, there still remains a significant section of the population which is either not insured or underinsured.

“The phase implementation of Bank Negara Malaysia's Life Insurance and Family Takaful Framework will guide the industry in its efforts to increase the life insurance and takaful penetration rate to 75% of the population by 2020,” Anusha said.

AIA is a member of the General Insurance Association of Malaysia (PIAM), which has been imposed a financial penalty by the Malaysia Competition Commission (MyCC).

Anusha said the impact on the company will be minimal, and that AIA had been cooperating with MyCC to resolve the “misunderstanding” and she was confident the right resolution would be announced by the commission.

“We are one of the companies involved. However, it is a small part of our business. We are probably one of the smallest players, so the impact is small,” she said.



Anusha presenting AIA's FY16 results on Friday.