

MCIS looking for strategic alliances

Insurer in talks with non-financial institutions

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MCIS Zurich Insurance Bhd is looking to establish further strategic alliances with non-financial institutions to boost its distribution channel.

The partnership is in line with the insurer's strategy to realise the value of its intermediaries consisting of agents, brokers and bancassurance.

Its new chief executive officer Md Adnan Md Zain said the non-financial institutions are suitable entities that are able to add value to both parties.

"We are talking to a couple of parties right now. We hope to see something concrete within the next three months," Adnan told Business Times recently.

The new partnership will be similar to a bancassurance tie-up, whereby insurance products are sold through the banks' branches.

Additionally, MCIS may use the partners' branch network as a collection centre as well.

Both parties MCIS is negotiating with are not banks, said Adnan, and are involved in services that are relevant to insurance as part of a package to their customers.

Adnan said MCIS and the parties involved are exploring various options to churn a suitable and effective structure.

MCIS had earlier this year entered into a partnership with RHB Bank to distribute the company's five new life insurance products, and will add another to its current stable.

The company is finalising details on a life product targeted at the female segment and hopes to coincide the



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launch with the National Cancer Week next month.

Bancassurance accounted for 12 per cent of MCIS's new business premiums for the financial year ended June 2005, while agents and brokers formed the major 88 per cent.

For the year ending June 30 2007, the insurer expects its gross written premium (GWP) to grow by 17 per cent from RM534 million achieved last financial year, driven by strong demand for investment-linked products and bancassurance business.

To date, GWP from investment-linked business is close to RM12 million compared with about RM1 million a year ago.

Adnan said MCIS is identifying niche markets to propel the company to be a major player in the markets selected in the next three years.

MCIS, a 60:40 joint venture between Koperasi MCIS and Zurich Financial Services, is ranked eighth in inforce annualised premiums in the life market at RM84 million.