

MCIS Zurich to look for niche markets

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PETALING JAYA: MCIS Zurich Insurance Bhd is identifying niche markets to help the company overcome stiff competition in the industry and propel growth.

New chief executive officer Md Adnan Md Zain said this was in line with the company's strategy to be a major player in these markets in the next few years.

"We are currently gathering information and evaluating the potential of these markets as it will chart the direction of the company going forward.

"It will take three months to identify the markets and two to three years to become the leader of these market segments," he told *StarBiz*.

Without elaborating, he added that the company would focus on higher- and middle-income segments. At present, MCIS Zurich is strong in the lower- to middle-income segments.

According to Adnan, upon identifying these markets, the company would develop products and services in collaboration with its partner and stakeholder – Zurich Financial Services of Switzerland – to meet the needs of this fast-growing segment.

The company is a 60:40 joint venture between Koperasi MCIS and Zurich Financial Services. Endowment, traditional group and



Md Adnan Md Zain

ordinary life and general products form the bulk of the company's portfolio. However, Adnan said investment-linked products were fast catching up.

To date gross written premium (GWP) from investment-linked business is close to RM12mil compared with about RM1mil a year ago.

Adnan said for the financial year ending June 30, 2007, the company expected 17% growth in GWP from RM534mil achieved in the last financial year. The growth would be partly helped by strong demand for investment-linked products and bancassurance business.

MCIS Zurich entered into a partnership with

RHB Bank in February to distribute the company's five new life insurance products, and will this month add another to its current stable.

The company is also finalising details on a life product targeted at the female segment and hopes to launch it soon.

Risk management was another area that the company would continue to strongly emphasise, he said, adding that to this end, MCIS Zurich had set up a risk-management department nine months ago and would look into strengthening it.

In a bid to boost its business, the company will tie up with more state governments and provide graduates in a given state an opportunity for employment. In this regard, Adnan said the company would provide graduates with intensive training and selling skills in insurance.

At the moment, he said, 18 graduates from Terengganu had joined the scheme and the company would collaborate with other state governments soon.

On the outlook of the insurance industry, company economist Norzahidi Alias said it was in tandem with the country's economic growth.

"There is still a lot of upside in the industry as the penetration of life insurance is about 38%. Coupled with the rolling out of the Ninth Malaysia Plan, it will help boost the insurance industry," Norzahidi noted.