

# AmGeneral Insurance

“In FY2021, AmGeneral realigned its strategic initiatives to gain new growth opportunities and prepared for market volatilities given the current challenging operating environment due to the COVID-19 pandemic. In view of unprecedented times, we remain committed to supporting and servicing our customers and intermediaries to address their insurance concerns while adapting to the new norm. We took a proactive lead in COVID-19 measures and responses, rolling out many initiatives to support our customers, partners, and all Malaysians at large. We continue to address concerns in response to the changing landscape. The recent awards and recognitions received from both Insurance Asia News and Motordata Research Consortium (MRC) served as testaments to our market-leading capabilities.”

**DAVID TAN SEE DIP**  
Chief Executive Officer  
AmGeneral Insurance Berhad



## GROSS WRITTEN PREMIUM

**RM1,559.5** MILLION

RM1,575.9 MILLION IN FY2020



## NET PROFIT AFTER TAX

**RM232.5** MILLION

RM228.1 MILLION IN FY2020

## ABOUT US

We are one of Malaysia’s most prominent motor and leading general insurance companies in the market. Driven by a robust sales force and committed support from our business partners, we continue to deliver better-valued products and services. Under two retail brands, AmAssurance and Kurnia, we provide insurance to one in every seven cars in Malaysia. Additionally, we are ranked Top 2\* in motor with a market share of 15.4% and Top 2\* for overall general insurance. With over two million customers, we generate business from a comprehensive range of general insurance solutions distributed through a network of 33 branches and counters, servicing over 6,200 agents and dealers, as well as through AmBank Group’s branches nationwide. Our purpose is to make Malaysia a safer place and be recognised as the ‘Most Trusted Insurer’ in Malaysia, which places utmost importance on honesty and transparency in doing business.

\* Source: Insurance Services Malaysia (ISM), December 2020

# AmGeneral Insurance

## KEY INITIATIVES & OUTCOMES

### Key Initiatives

#### Enhanced Motor Services

- Launched Motorcycle365, an enhanced motorcycle product targeted at the mass market.
- Introduced Grab Daily Insurance, an e-hailing insurance coverage for Grab drivers and passengers.
- Offered complimentary motor assistance to all Malaysians during MCO.

#### Efficient Claims Management

- Strengthened the efficiency of our claims management approval process.
- Provided constant updates via calls and SMS to our customers to keep them informed of their claim's approval during MCO.

#### New Value-Added Products

- Launched several key products with new value-added benefits, gaining market recognition in property segments. These products include:
  - **Fire365:** provides additional Sabotage & Terrorism (S&T) extension benefits to the existing Fire365.
  - **Flexi SME 365:** delivers a comprehensive policy with flexible solutions for SMEs, as well as a renewal and multiple policy discounts.

### Outcomes

- Recorded RM34.2 million in gross written premium for Motorcycle365.
- Maintained our #2 position in motor, with 15.4% in market share.
- Outperformed the industry average in motor loss ratio (61.0% vs 62.5%).

- Achieved an average three-day turnaround time (TAT) for overall claims approval. For comparison, the next closest insurer had a six-day\* TAT whilst the rest averaged at 16 days.

\* Source: Motordata Research Consortium

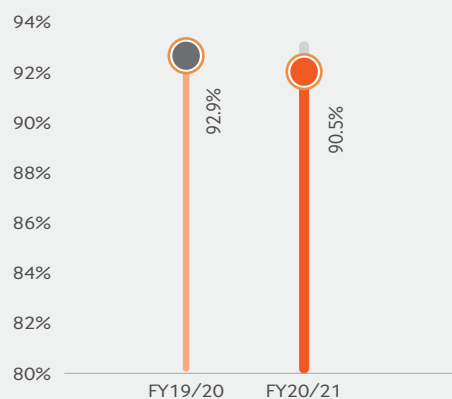
- Recorded the following gross written premium for each new product since launch until financial year-end:
  - **Fire365:** RM35.4 million
  - **Flexi SME 365:** RM976,000
- Grew AmGeneral's Fire portfolio by 3.3% YoY, which is faster than the industry average of 1.6%, despite the current economic uncertainties.

## OUR PERFORMANCE

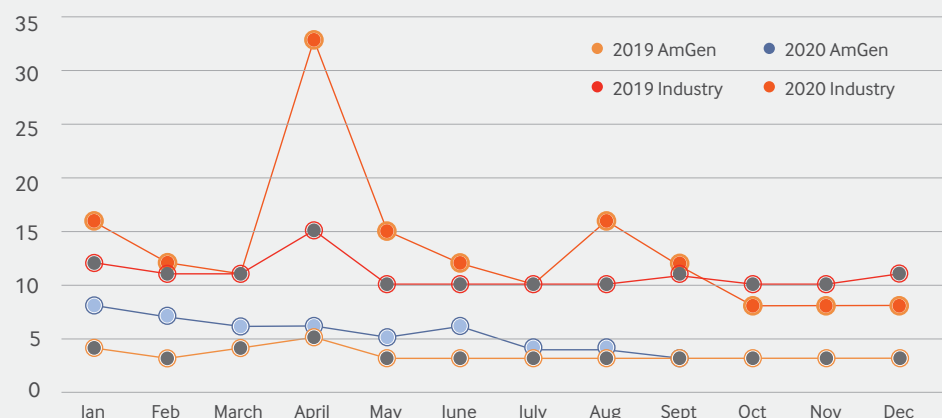
Despite the effects of COVID-19 lockdowns, our lead in COVID-19 response helped protect the scale of the business, with a Gross Written Premium of RM1.56 billion. Additionally, our underwriting combined ratio significantly improved over FY2021. This is due to the favourable impact of reduced accident frequency, which led to a lower loss ratio. As a result, we recorded an underwriting profit of RM133.0 million, which is higher than the same period last year by RM32.0 million. Concurrently, we continued to spearhead the competitive general insurance market by delivering the fastest claims turnaround time in the industry.

	FY2020	FY2021
Gross Written Premium (RM Million)	1,575.9	1,559.5
Net Profit After Tax (RM Million)	228.1	232.5

### Combined Ratio (COR)



### Claims Turn Around Time (TAT) Comparison



Source: Motordata Research Consortium



## AWARDS & RECOGNITION

- **Domestic General Insurer of the Year (Malaysia)**
  - Insurance Asia Awards 2020
- **Best P&C Insurer of the Year in Malaysia**
  - Insurance Asia News Awards for Excellence 2019
- **Motor Claims Insurer of the Year 2019**
  - Fastest Estimate Claim Approval Time for Own Damage Claims' by Motordata Research Consortium (MRC)
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  - Fastest Estimate Claim Approval Time for Own Damage Claims' by Motordata Research Consortium (MRC)

## COVID-19 IMPACT & RESPONSE

COVID-19 Impact	Our Response	Outcomes
<p>Lockdown measures created customer concerns such as underutilisation of vehicles, difficulties in road tax/license renewals, travel plan disruptions, bereavement benefits and temporary liquidity issues.</p>	<ul style="list-style-type: none"> <li>• Extended complimentary assistance for stationary cars with flat batteries/tyres.</li> <li>• Assured the validity of customers' Motor insurance claims, even if they have not been able to renew their road tax/license.</li> <li>• Extended complimentary coverage for all annual Kurnia Travel Supreme (KTS) policies.</li> <li>• Introduced an ex-gratia benefit for travel policy holders for cancellations/curtailments due to COVID-19.</li> <li>• Pledged a fund of up to RM1 million through a series of support initiatives and insurance protections, such as Complimentary Bereavement Benefit to all AmGeneral policyholders.</li> <li>• Provided an interest-free instalment facility for customers with Corporate Non-Motor policies, with fast-tracking of payments to both customers and suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• Delivered continuous support to customers amid the COVID-19 pandemic.</li> <li>• Improved customer satisfaction and loyalty, with an 8-point growth in Net Promoter Score (NPS) compared to the same period last year.</li> </ul>
<p>Delays in claims and vehicle repair services due to the closure of mechanical and panel workshops.</p>	<ul style="list-style-type: none"> <li>• Set up MCO Express claims, whereby customers could submit photos of minor damages via WhatsApp for prompt assessments and repair payments.</li> <li>• Kept customers regularly informed on their vehicle's status and repair progress through text messages and personal phone calls.</li> <li>• Offered a cash incentive to repairers who repaired customers' vehicles within a certain timeframe.</li> <li>• Provided repairers with up to 50% advance payment for their outstanding repair invoices to maximise cash flow.</li> <li>• Waived external adjuster assignments to fasten the repair process and avoid travel needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintained our leadership position in the motor claims ecosystem and customer services.</li> <li>• Delivered improved Claims services and seamless user experience with higher value for both customers and business partners.</li> </ul>

# AmGeneral Insurance

## RISKS & MITIGATION

Key Risks	Mitigation Strategies	Outcomes
<p><b>Strategy Execution</b> Prolonged COVID-19 threat leading to Movement Control Orders implemented nationwide would affect consumer spending capabilities and poses threat to meeting our strategic objectives.</p> <hr/> <p><b>Cybersecurity</b> Cyber threats to our core systems may lead to business and customer data breaches.</p> <hr/> <p><b>Economic Uncertainties</b> The challenges in the economic outlook will give rise to volatilities in earnings from our investments.</p>	<ul style="list-style-type: none"> <li>• Continue to improve product offerings to provide the best prospective proposal to customers.</li> <li>• Setup an Underwriting, Pricing &amp; Product (UPPCo) Committee to review underwriting, pricing and product development.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Implement preventive measures according to regulatory requirements and best practices to protect the integrity and privacy of sensitive data.</li> <li>• Work closely with AmBank Group to monitor for potential threats and enhance cyber resilience.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Actively manage and revise our investment portfolio holdings to manage market uncertainties.</li> <li>• Work closely with AmFunds to ensure our investment strategy is able to optimise the Company's investment returns.</li> <li>• Implement the Tactical Asset Allocation and Strategic Asset Allocation of the Company set within our risk appetite.</li> </ul>	<p>Delivered competitive product pricing and attractive product features that meet consumer protection needs.</p> <hr/> <p>Effectively secured our customers' and company's data as well as improving our cyber resilience to effectively respond in the event of a cyber-incidence.</p> <hr/> <p>Successfully lowered our investment earnings' volatility with optimised investment returns.</p>

## PROSPECTS & OUTLOOK

In view of the challenging market landscape, we are taking a holistic view of the potential impacts of COVID-19, reprioritising our initiatives and investments to ensure business growth and sustainability. We will continue with our current 'Big 4' Strategic Pillars, which aligns with our purpose and mission:

- Grow to be One of Malaysia's Largest Most Profitable Motor Insurer
- Accelerate Non-Motor Growth to 30% of Total Portfolio
- Offer Market Leading Customer & Agent Servicing
- Develop Outstanding Internal Capabilities

Additionally, in FY2022, we will intensify our efforts on becoming the leading insurer in Malaysia. We have set out strategies to win in the changing landscape by growing profitably in our portfolios. With this, we will be embracing agency challenges whilst intensifying broking and Banca relationships. Our aim is to increase productivity by scaling up IT and expand analytics capabilities. This will be achieved by strengthening our core systems, front-end systems and processes.

As customers and our employees play a significant role in our current and future successes, we will also continue to enhance our customer experience by digitalising customer touchpoints. We aim to improve our good Net Promoter Score and increase customer retention and loyalty. To drive high-performance capabilities within AmGeneral, we will keep investing in employee development to drive stronger engagements with our customers. Overall, we are poised to continue to be a market leader, as we move into a more agile business environment in the 'new normal' – embracing change and adapting to market challenges.