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## Tokio Marine still discussing sale of stake in M'sian unit

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**PETALING JAYA:** Japan's Tokio Marine Holdings Inc is still in the discussion stage on the proposed divestment of its stake in its wholly-owned life insurance unit in Malaysia.

Tokio Marine Life Insurance Malaysia Bhd CEO Toi See Jong told *StarBiz* at this juncture its parent was having a board management discussion on the matter.

"We are still in discussion and do not have any comment at this moment," he said when asked whether a potential buyer has been identified for the proposed sale of a stake in Tokio Marine Life Insurance Malaysia.

Currently, there are 11 Malaysia-incorporated conventional insurers that are fully-owned by foreign firms. Japan's Tokio Marine Holdings together with two of the largest insurance companies in Malaysia – AIA Group and Great Eastern Holdings – are among the foreign companies that have wholly-owned general insurance and life insurance operations locally.

Under Bank Negara's ruling, foreign insurers operating in Malaysia would need to sell

at least 30% of their stakes to encourage local participation in the insurance sector.

As to when does he expect the divestment of at least 30% of the stake in Tokio Marine Life Malaysia to be completed, echoing the central bank's explanation, Toi said the deadline would now depend on the bilateral agreement between the foreign insurance companies like Tokio Marine Holdings and Bank Negara.

The new central bank governor Datuk Nor Shamsiah Mohd Yunus stated that the divestment remained intact, adding that instead of imposing the June 30 deadline for all foreign insurers to reduce their stakes, it would now be based on the respective agreements between the foreign insurers and Bank Negara.

Former governor Tan Sri Muhammad Ibrahim had set a firm deadline as of June 30 for all foreign insurers to reduce their shareholdings in local units. Among the foreign insurers, Allianz Malaysia Bhd and Manulife Holdings Bhd are two foreign insurers that are listed on Bursa Malaysia. Their major shareholders are Allianz SE of Germany and Manulife Century Holdings (Netherlands) BV respectively.

Meanwhile, as for its digitalisation initiatives, Toi said digitalisation enabled the insurer to provide better customer experience and improve agents productivity through the digital applications and online tool. Tokio Marine Life started its digital journey by underwriting the first ever internet life insurance in Malaysia – U for Life on 2015.

Tokio Marine Life besides being the first life insurer to offer e-claims to customers, would also be launching OneTokio – a mobile app that enables customers to monitor and check policies via mobile phones. The unclaimed money checking facility would also be included in the mobile app.

As for agents, Toi said the insurer was also innovating its digital tools to improve agents productivity by making the insurance application process simpler and easier.

On the outlook of the insurance landscape this year, he said the outlook was a positive one.

"The national insurance penetration rate is still low with only 55% Malaysians being insured. The remaining 45% who are still not yet being insured mostly come from the B40 group.



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SUMMARIES

PETALING JAYA: Japan's Tokio Marine Holdings Inc is still in the discussion stage on the proposed divestment of its stake in its wholly-owned life insurance unit in Malaysia. Tokio Marine Life Insurance Malaysia Bhd CEO Toi See Jong told StarBiz at this juncture its parent was having a board management discussion on the matter.