

UNIVERSITI SAINS MALAYSIA
Second Semester Examination

Academic Session 1996/97
April 1997

AGW608 - CORPORATE STRATEGY

Time: [3 hours]

INSTRUCTION:

Please make sure that this examination paper consists of 15 printed pages before you begin.

Answer questions 1 and 2, and two others.

1. Read the accompanying case study and answer the following questions:
 - a. What are Cosmic's present strengths and weaknesses as compared to competition?

(10 marks)
 - b. What do you think are the opportunities and threats facing Cosmic Insurance?

(10 marks)
 - c. If you were Sham, what strategies would you recommend to your Board of Directors to place Cosmic in a position of competitive advantage?

(20 marks)
2. What do you think are the critical success factors for a manufacturing Malaysian company in the late 1990's?

(20 marks)
3. Discuss the roles of vision, mission, goals, objectives and policies in strategic management. Illustrate your answer with reference to your company or a company you know best.

(20 marks)

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4. "It is only when one is pursued that one becomes swift" (Kahlil Gibran). Comment on the applicability of this statement in the context of strategic management.

(20 marks)

5. What strategic and management control measures are necessary for effective implementation of strategies? Illustrate the use of these measures in your own company.

(20 marks)

In early July 1989 Sham Ibrahim, managing director of Cosmic Insurance Sdn Bhd, (Cosmic) slumped back in his chair as his senior managers filed out of the discussion room. "Another meeting and still no concrete action plans," he thought. He had called the meeting to discuss the overall strategic direction of the company and to brainstorm ideas on how the company was to achieve the targets it had set itself for the next 5 years. These targets (see Exhibit 1) had been set in consultation with his senior managers in the course of the company's first attempt at formal corporate planning and would be incorporated into Cosmic's corporate plan for 1990-1994.

The meeting, however, had raised more questions than it had answered. During the discussion, various concerns and issues had been raised. One pressing concern was increased market competition. One of the senior managers present had pointed out that the company had lost some of its government sector market share to Syarikat Takaful Malaysia Sdn Bhd, another government-backed insurance company. Of concern also was the question of whether the company was taking full advantage of the opportunities in the market and responding quickly enough to industry demands and regulatory forces.

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THE INDUSTRY ENVIRONMENT IN THE 1980s'

The insurance industry is a financial service industry involved in the business of providing individuals and organisations protection against uncertainty of loss (risk) in return for a monetary consideration (premium). The protection given can be against loss of property, income or life.

Insurance constituted an essential feature of the Malaysian economy in the 1980s'. Although its primary function was to provide financial security and protection against risks, it was also a major non-bank source of long-term investment capital for economic development. Within the financial system, however, the industry's assets were small—averaging about 3% of the total assets of the entire financial system throughout the 1980s'. At end 1988 the industry's assets amounted to about \$7 billion, of which 76% were from the life insurance sector.

Authors' Note: The name of the company and the personalities involved have been disguised.
This case was written by June M.L. Poon and Halimah Bedrose Zaman as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.
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EXHIBIT 1
CORPORATE OBJECTIVES FOR THE PERIOD 1990-1994

Life Insurance Division

1. To achieve a 10% market share in new life business (excluding mortgage life insurance) by 1994 from its present market share of about 2%.
2. To promote investment-linked insurance.
3. To increase the yield on investment of life funds to not less than 7% as follows:

| Type of Investment | Composition | Yield |
|-----------------------|-------------|-------|
| Government securities | 25% | 8.5% |
| Shares | 25% | 12.5% |
| Loans | 30% | 11.0% |
| Properties | 18% | 12.0% |
| Others | 2% | 9.0% |

Average weighted yield = 10.9%
Net of 35% tax = 7.1%

Nonlife Insurance Division

1. To achieve a minimum annual growth in premium of 10% from its present growth rate of 5.4%.
2. To achieve at least 80% of total business under the direct control of the company from the present 45%.
3. To achieve the following class-wise premium balance:

| Class | Present | 1994 |
|-----------------|---------|------|
| Fire | 38% | 40% |
| Marine/Aviation | 39% | 30% |
| Accident | 16% | 20% |
| Motor | 7% | 10% |

4. To achieve the following net retention ratios:

| Class | Present | 1990 | 1994 |
|----------|---------|------|------|
| Fire | 44% | 48% | 60% |
| Marine | 32% | 35% | 35% |
| Aviation | 3% | 8% | 8% |
| Accident | 61% | 64% | 75% |
| Motor | 88% | 90% | 94% |

The Insurance Product

AGW608

The insurance business in Malaysia could be broadly divided into life insurance and general insurance. The life insurance business was concerned with providing security and replacing income lost or impaired by death or disability. In a typical life insurance policy, the policyholder would sign a contract promising to pay a premium periodically to the insurer (insurance company) in return for a lump sum payment in the event of death or maturity of the policy. The premium to be paid would be computed based on factors such as the face value or potential claim of the policy; the sex, age and health of the insured; and estimated mortality factors.

The 3 most common forms of life policies in force in Malaysia at end 1989 were the whole life, endowment and term policies. The whole life policy was designed for price-conscious buyers primarily interested in protection. It had the lowest premium rate of any permanent type of life insurance. Premiums could be made on a monthly, quarterly or annual basis. At the death of the policyholder, the insurer would pay the beneficiary of the policyholder the face value of the policy (the sum assured).

The endowment policy, designed for buyers who were primarily interested in savings, called for a limited number of payments and enabled a policyholder to accumulate a sum of money which would be paid to him or her at a date specified in the policy. However, in the event of death before the maturity date, the sum assured would be paid to the beneficiary of the deceased policyholder. Premiums for endowment policies were high in relation to the face value of the policy.

The term (or temporary) policy was a pure protection policy and had lower premiums than other types of life policies. It provided for payment of the sum assured on death, provided death occurs within a specified period. No money would be payable to the policyholder if he or she survived to the end of the term. In addition to the whole life, endowment and term policies, purchasers of life insurance could also purchase special-purpose policies made by combining the major forms of policies. Protection against accident and sickness risks could be purchased through special disability policies or through a disability rider to a life insurance policy. A rider was an attachment to a policy that modified its condition by expanding or restricting benefits or excluding certain conditions from coverage.

Life insurance could also be categorised into group, mortgage life and home service insurance. Group insurance provided a means of insuring a group of people (usually employees of an organisation) under one master policy. Such policies were usually issued without any evidence of individual insurability. The main advantage of group over individual insurance was its lower cost.

Mortgage life policies were sold as a death payment guarantee on mortgage loans. The insurer would undertake to repay the lender should the borrower die before completing the mortgage payments.

Another category of life insurance sales was home service insurance which was marketed to lower income groups on a door-to-door basis. The amount assured under a home service policy was small, usually less than \$5,000. Premiums were collected at the home or place of employment on a weekly, fortnightly or monthly basis.

EXHIBIT 3
DISTRIBUTION OF GENERAL INSURANCE NET PREMIUMS
(In percentages)

| Year | Motor | Fire | Marine, Aviation & Transit | Miscellaneous |
|-------|-------|------|----------------------------|---------------|
| 1980 | 44.0 | 21.7 | 7.1 | 27.2 |
| 1981 | 43.2 | 21.9 | 6.6 | 28.3 |
| 1982 | 43.3 | 22.1 | 6.0 | 28.6 |
| 1983 | 42.2 | 23.2 | 6.4 | 28.2 |
| 1984 | 43.8 | 21.7 | 6.3 | 28.2 |
| 1985 | 43.5 | 21.6 | 6.5 | 28.4 |
| 1986 | 45.1 | 21.4 | 5.9 | 27.6 |
| 1987 | 42.9 | 24.4 | 6.6 | 26.1 |
| 1988 | 43.5 | 23.8 | 7.2 | 25.5 |
| 1989* | 44.9 | 22.6 | 7.4 | 25.1 |

* Preliminary data.
Source: Annual Report of the Director-General of Insurance, 1989.

acceptable level by passing the excess over that level to a reinsurer and paying the reinsurer a proportion of the premiums.

As at end 1989 there were 60 licensed insurance companies operating in the country comprising 2 life insurers, 41 general insurers, 16 composite insurers and 1 reinsurer. The life insurance sector was dominated by a few large insurance companies. Approximately 60% of its total assets were in the hands of 5 top foreign insurers. The general insurance sector, on the other hand, was fragmented with a large number of small and undercapitalised companies. The top 7 general insurers accounted for only about 34% of total written premiums. As local general insurers had limited ability to undertake large risks, they tended to rely on foreign reinsurers.

There were also 41 licensed brokers and 40 loss adjusters in Malaysia as at end 1989. More than 50% of the insurance broking business were in the hands of 9 large foreign-affiliated insurance broking firms. The loss adjusting sector was characterised by a large number of small-sized firms. These firms acted as middlemen who interpreted policies and advised their clients on the amount of claims to be paid. They relied largely on foreign expertise in assessing complex technical claims.

At end 1989 there were 32,124 registered life insurance agents and 21,761 registered general insurance agents in the country. The industry, however, continued to face a shortage of local professionals with insurance, actuarial and accounting skills, and it had to rely mostly on foreign technical expertise.

In late 1984 the first Islamic insurance company, Syarikat Takaful Malaysia Sdn Bhd, was incorporated to provide coverage against risk based on Islamic principles.

At end 1989 life insurance premium income of \$1.3 billion accounted for 54% of the insurance industry's total premium income. This was generated mainly from whole life and term insurance businesses. The distribution of life insurance businesses (in terms of sums assured) by type of policy is given in Exhibit 2.

EXHIBIT 2
DISTRIBUTION OF LIFE INSURANCE SUMS ASSURED IN FORCE
(In percentages)

| Year | Whole Life | Endowment | Term | Others |
|-------|------------|-----------|------|--------|
| 1980 | 36.3 | 30.8 | 9.9 | 23.0 |
| 1981 | 33.3 | 26.1 | 10.1 | 30.5 |
| 1982 | 32.6 | 22.8 | 10.1 | 34.5 |
| 1983 | 34.5 | 22.6 | 11.6 | 31.3 |
| 1984 | 36.4 | 21.2 | 12.1 | 30.3 |
| 1985 | 37.9 | 18.7 | 13.4 | 30.0 |
| 1986 | 36.4 | 15.6 | 18.1 | 29.9 |
| 1987 | 34.6 | 14.0 | 20.5 | 30.9 |
| 1988 | 35.8 | 13.1 | 22.7 | 28.4 |
| 1989* | 36.5 | 14.4 | 31.9 | 17.2 |

* Preliminary data.
Source: Annual Report of the Director-General of Insurance, 1989.

The general insurance business involved the provision of an insurance contract other than for life insurance. The classes of general insurance included motor, fire and other damage to property, theft; liability; pecuniary loss; marine, aviation and transit; and personal accident. General insurance premiums were computed based on the cost of expected claims plus margins for commissions, management expenses, catastrophe protection cost and profit. Standard premiums were paid for policies which included ordinary classes of risks and extra premiums were charged for cover against specific and extraordinary risks.

Net premiums from the general insurance industry for 1989 were estimated at \$1.1 billion, of which 45% were generated from motor insurance businesses and another 23% from fire insurance businesses. Exhibit 3 shows the distribution of net premiums among the various sectors of the general insurance industry.

Market and Industry Structure

The insurance market comprised the insured (buyer), the insurer (seller) and the intermediary between the buyer and seller. The intermediary was a full-time professional broker or a part-time or full-time agent. In certain cases, a reinsurer also entered the market. Reinsurance enabled the original insurer to limit the loss per risk to an

EXHIBIT 4
ASSETS OF LIFE INSURANCE FUNDS
(In millions of ringgit)

| Type of Investment | 1985 | 1986 | 1987 | 1988 |
|--|----------------|----------------|----------------|----------------|
| Fixed assets | 213.2 | 228.9 | 252.6 | 250.4 |
| Loans: | | | | |
| Mortgages | 508.1 | 572.7 | 503.6 | 482.4 |
| Policy loans | 399.1 | 483.8 | 543.7 | 582.0 |
| Others | 115.2 | 153.2 | 129.7 | 78.2 |
| Government securities and guaranteed loans | 1,018.9 | 1,118.4 | 1,279.7 | 1,538.3 |
| Corporate securities | 577.7 | 608.0 | 980.0 | 1,151.5 |
| Cash and deposits | 885.3 | 996.8 | 989.4 | 1,106.8 |
| Other assets | 146.0 | 153.0 | 177.0 | 173.5 |
| Total | 3,863.5 | 4,314.8 | 4,855.7 | 5,363.1 |

Source: Annual Report of the Director-General of Insurance, 1989.

EXHIBIT 5
ASSETS OF GENERAL INSURANCE FUNDS
(In millions of ringgit)

| Type of Investment | 1985 | 1986 | 1987 | 1988 |
|--|----------------|----------------|----------------|----------------|
| Fixed assets | 146.2 | 166.4 | 190.7 | 180.3 |
| Loans | 46.9 | 44.4 | 47.3 | 39.0 |
| Government securities and guaranteed loans | 385.2 | 398.5 | 431.3 | 478.9 |
| Corporate securities | 161.9 | 153.3 | 167.2 | 209.8 |
| Cash and deposits | 401.2 | 425.9 | 428.8 | 467.9 |
| Other investments | 4.0 | 8.1 | 14.2 | 0.7 |
| Outstanding premiums | 150.2 | 145.0 | 145.4 | 158.8 |
| Other assets | 109.0 | 134.4 | 133.5 | 130.8 |
| Total | 1,404.6 | 1,476.0 | 1,558.4 | 1,666.2 |

Source: Annual Report of the Director-General of Insurance, 1989.

The company operated on the concept of *takaful*, that is, mutual help among a group of people. Under its *takaful* family (life) insurance scheme, only term plans were available. Its general insurance business covered the normal motor, fire and personal accident insurance schemes.

Keen competition among the insurance companies had led to widespread premium discounting, payment of higher commissions and more relaxed underwriting standards. (Underwriting was the process of assessing the terms and conditions to be imposed on an insurance contract.) Some industry observers believed that the intense competition on premium was damaging to the long-term interests of the insuring public, as they felt that insurers would not have any margin left to invest in quality service. Other than price, factors such as the quality of service, reputation and stability of the insurer, and policy terms also influenced buyers' choice of an insurer.

Regulation

Insurance companies in Malaysia were governed by the Insurance Act, 1963. The purpose of this Act was to protect the public from irresponsible and insolvent companies as well as maintain existing companies in a healthy financial condition. Amendments to the Act had been made from time to time to strengthen and consolidate the operations of the industry.

The Insurance Act required insurers to maintain at least 80% of their total assets of funds in authorised Malaysian assets and at least 25% in securities of the federal government issued in Malaysia. Among the permissible classes of investments, insurers had discretionary powers in determining how their funds would be invested. The investment portfolio of the industry from 1985 to 1988 is given in Exhibits 4 and 5.

Insurers were also required to observe laws on the placement of statutory deposits (a minimum of \$300,000 for each class of business) and the computation of minimum reserve requirements. Insurers in either the life or general business were required to maintain a solvency margin (surplus of assets over liabilities) of \$5 million or 20% of their net premium income (premium on direct business plus reinsurance accepted less reinsurance ceded) in the preceding financial year, whichever amount was more. The solvency margin for composite insurers was the greater amount of \$10 million or 20% of net premium income in the preceding financial year.

Industry Performance, Trends and Prospects

The insurance industry had been under increased pressure to improve performance after the slowdown in growth caused by the economic recession of the mid-1980s. In line with the improvement in the Malaysian economy, both the life and general insurance sectors achieved higher profits in 1989.

The life insurance sector reported an excess of income over expenditure of \$787.6 million for 1989 against \$608.4 million in 1988. About 75% of this sector's 1988 income of about \$1.5 billion came from premium receipts while 21% were from investment proceeds (see Exhibit 6). Benefit payments accounted for 29 cents of every

life insurance dollar allocated. Operating expenses varied from company to company, but on average about 17 cents of every dollar was spent on commissions and 12 cents on salaries and other expenses.

EXHIBIT 6
1988 INCOME AND EXPENDITURE OF LIFE INSURANCE COMPANIES

| | |
|--|-------------------------|
| Income: | |
| Premium receipts | \$ 1,136,000,000 |
| Investment earnings | 320,200,000 |
| Miscellaneous income | 49,900,000 |
| Total income | \$ 1,506,100,000 |
| Expenditure: | |
| Benefit payments | 436,400,000 |
| Commissions | 260,100,000 |
| Salaries and other expenses | 188,800,000 |
| Miscellaneous expenditure | 12,400,000 |
| Total expenses | \$ 897,700,000 |
| Excess of income over expenditure | \$ 608,400,000 |

Source: DGI's Annual Report, 1989.

New life insurance business, valued at \$17.8 billion from a total of 438,176 policies, brought in premiums of \$38 million in 1989. At end 1989 the total sums assured stood at \$70.5 billion (see Exhibit 7).

Operating profits of the general insurance sector in 1989 totalled about \$56.4 million, the highest since 1985. Its underwriting loss of \$11.6 million was also the lowest since 1985. The 1989 retention ratio—ratio of premium being retained in the country vis-a-vis overseas—of this sector was 76.8%. Performance data of the general insurance sector is given in Exhibits 8 and 9.

In order to stay competitive, insurance companies in the 1980s' were offering an increased breadth of product line and expanding their range of activities. They were also engaging in more aggressive marketing including mail-order selling and distribution through nonpersonal marketing outlets such as banks, credit card companies and hospitals. However, banks and other financial institutions were also expected to step up the marketing of their own insurance services.

Large companies in Malaysia were also expected to set up their own captive insurance companies in the future. (A captive insurance company is a limited purpose, wholly-owned insurance subsidiary of an organisation not in the insurance business.)

EXHIBIT 7
LIFE INSURANCE BUSINESS VOLUME

| Year | No. of Policies (units) | | Sum Assured (\$'million) | | Annual Premium (\$'million) | |
|-------|-------------------------|-------------------|--------------------------|-------------------|-----------------------------|-------------------|
| | New Business | Business In Force | New Business | Business In Force | New Business | Business In Force |
| 1980 | 183,082 | 816,040 | 3,197.8 | 11,294.9 | 80.0 | 323.3 |
| 1981 | 206,764 | 924,851 | 5,311.1 | 15,334.8 | 95.1 | 375.2 |
| 1982 | 226,871 | 1,040,323 | 6,722.7 | 20,050.1 | 120.1 | 443.5 |
| 1983 | 252,768 | 1,172,672 | 8,111.1 | 25,846.1 | 166.0 | 548.1 |
| 1984 | 294,044 | 1,342,246 | 10,453.0 | 32,985.4 | 206.3 | 681.5 |
| 1985 | 347,377 | 1,496,030 | 12,241.6 | 40,277.5 | 231.4 | 785.5 |
| 1986 | 406,292 | 1,670,789 | 16,417.2 | 49,724.7 | 267.7 | 906.0 |
| 1987 | 370,180 | 1,783,102 | 12,867.9 | 54,924.2 | 243.3 | 958.5 |
| 1988 | 410,756 | 1,954,486 | 14,206.2 | 60,390.7 | 277.9 | 1,082.7 |
| 1989* | 438,176 | 2,083,225 | 17,773.0 | 70,518.3 | 358.2 | 1,312.7 |

* Preliminary data.
Source: DGI's Annual Report, 1989.

EXHIBIT 8
GENERAL INSURANCE UNDERWRITING PERFORMANCE
(in millions of ringgit)

| Year | Earned Premium Income* | Net Claims Incurred | Commission | Management Expense | Underwriting Margin |
|------|------------------------|---------------------|------------|--------------------|---------------------|
| 1980 | 536.8 | 279.3 | 157.4 | 101.6 | -1.5 |
| 1981 | 619.5 | 324.0 | 177.8 | 121.5 | -3.8 |
| 1982 | 692.3 | 349.2 | 189.7 | 141.3 | 12.1 |
| 1983 | 746.4 | 382.6 | 202.2 | 157.5 | 4.1 |
| 1984 | 824.9 | 434.4 | 220.6 | 173.9 | -4.0 |
| 1985 | 892.1 | 520.7 | 218.5 | 200.0 | -47.1 |
| 1986 | 887.9 | 533.3 | 211.8 | 200.3 | -57.5 |
| 1987 | 886.1 | 506.2 | 203.6 | 218.0 | -41.7 |
| 1988 | 945.0 | 611.5 | 203.9 | 219.4 | -89.8 |

* Net premium plus changes in provision for unearned premium reserves during the year.
Source: DGI's Annual Report, 1989.

EXHIBIT 9
GENERAL INSURANCE PREMIUM INCOME
(in millions of ringgit)

| Year | Gross Premium | Net Premium | Retention Ratio* |
|------|---------------|-------------|------------------|
| 1980 | 777.1 | 587.0 | 75.5% |
| 1981 | 887.7 | 645.2 | 72.7% |
| 1982 | 1,006.6 | 727.2 | 72.2% |
| 1983 | 1,074.4 | 767.5 | 71.4% |
| 1984 | 1,153.7 | 865.0 | 75.0% |
| 1985 | 1,214.5 | 918.9 | 75.7% |
| 1986 | 1,179.1 | 895.0 | 75.9% |
| 1987 | 1,203.8 | 892.8 | 74.2% |
| 1988 | 1,323.5 | 1,000.1 | 75.6% |
| 1989 | 1,461.1 | 1,121.8 | 76.8% |

* Retention ratio = net premium/gross premium.
Source: DGI's Annual Report, 1989.

These companies, which insured all or part of the risks of the parent and the parent's affiliates, would cause conventional insurance companies to lose some business. The government's ongoing efforts to privatise some of its public services would also have a negative impact upon insurers reliant on public sector business.

Industry observers, however, believed that with more aggressive marketing, the industry had tremendous potential for further growth since there was a vast market to be tapped still. At end 1989 only about 10% of the Malaysian population had a life policy. In the case of general insurance, there was still a fair degree of underinsurance of property and income loss as well as under-utilisation of risk management services that could still be tapped. Other environmental trends, such as the anticipated continued growth of the economy, population growth, rising disposable incomes and the growing awareness of the role of insurance, were also believed to be favourable to industry growth.

COMPANY BACKGROUND

Cosmic was incorporated in 1970 with an initial paid-up capital of \$2 million to provide insurance services of all classes. The company ventured first into the general insurance field. It then began life operations in 1971 by introducing mortgage life insurance. These mortgage insurance schemes offered protection to civil servants who had taken housing loans. From this base it had expanded into other life insurance activities.

Cosmic had shown consistent growth over the years, and in 1989 was one of the largest insurance companies in the country. One contributing factor to the growth of the company's business had been support from the government. Its major clients were the government of Malaysia and other quasi-government bodies. In 1988 only about 20% of its total life premiums were derived from private-sector business. In the general insurance division, business from the private sector formed about 25% of gross premiums.

Cosmic's 1989 corporate structure is depicted in Exhibit 10. As at mid-1989 the company had 426 employees (excluding sales agents) comprising 8 senior managers, 20 middle managers, 104 executives and 294 non-managerial employees. From its head office in Kuala Lumpur, Cosmic operated through 13 branch offices throughout Malaysia. It marketed its products by direct contact with clients as well as through a network of insurance agents (non-employees on straight commission). As of June 1989 Cosmic had about 596 life agents and 65 credit agents.

LIFE INSURANCE OPERATION

Products and Distribution

Cosmic's life business could be broadly divided into mortgage life, ordinary life and group life activities. As at mid-1989 Cosmic had about 300,000 mortgage life policies, 45,000 ordinary life policies and 50 group policies (covering over 20,000 lives) in force. Sales trends of the company's new life business is given in Exhibit 11, and data on the volume of life business Cosmic and other insurers generated in 1988 are provided in Exhibit 12.

Cosmic's mortgage life business accounted for 81% of its 1988 gross premiums, and its management believed that the company controlled more than 80% of the mortgage life market. The company obtained over 90% of its mortgage life business from the government's housing loan division. Under its mortgage insurance scheme, Cosmic would undertake to pay the lending institution the balance of any housing loans owed by a deceased borrower in return for a one-time premium payment (single premium). The company conducted most of its mortgage business directly with its clients. It paid brokers bringing in such business a commission not exceeding 15% of the premium collected. Cosmic also sold most of its group policies directly.

In the ordinary life segment, Cosmic held about 2% share of the market. About 80% of its ordinary life policyholders were employees in the public sector. According to company sources Cosmic had experienced a gradual growth in ordinary life sales, but the rate of growth was much less than that of other insurance companies.

Cosmic sold its ordinary life policies through a network of life agents who received commissions on the policies they sold. In the year the policy was sold, the agent received a percentage of the premium (usually between 30-40% depending on the type of policy sold). Renewal commissions were paid to the agent during the second

EXHIBIT 11
PERFORMANCE TRENDS OF COSMIC'S NEW LIFE BUSINESS
(In millions of ringgit)

| Year | Mortgage | | | Ordinary | | | Group | | |
|------|-------------|---------|-------------|----------|-------------|---------|-------------|---------|--|
| | Sum Assured | Premium | Sum Assured | Premium | Sum Assured | Premium | Sum Assured | Premium | |
| 1984 | 1,361 | 99.40 | 143 | 4.14 | 25 | 0.09 | | | |
| 1985 | 1,612 | 116.82 | 120 | 3.86 | 60 | 0.24 | | | |
| 1986 | 1,613 | 111.88 | 115 | 4.15 | 46 | 0.16 | | | |
| 1987 | 1,248 | 89.63 | 128 | 4.17 | 127 | 0.50 | | | |
| 1988 | 1,157 | 88.43 | 254 | 6.51 | 97 | 1.20 | | | |

through the fifth year if the policy remained in force. While an intercompany agreement limited first-year commissions to 40%, insurers were at liberty to determine renewal rates. Although renewal rates were considerably lower than first-year commission rates, renewal commissions represented a substantial source of revenue for the agents. Cosmic's commission structure (maximum rate payable) for its life agents was as follows: 40% for the first year, 30% for the second year, 20% for the third year, and 5% each for the fourth and fifth year.

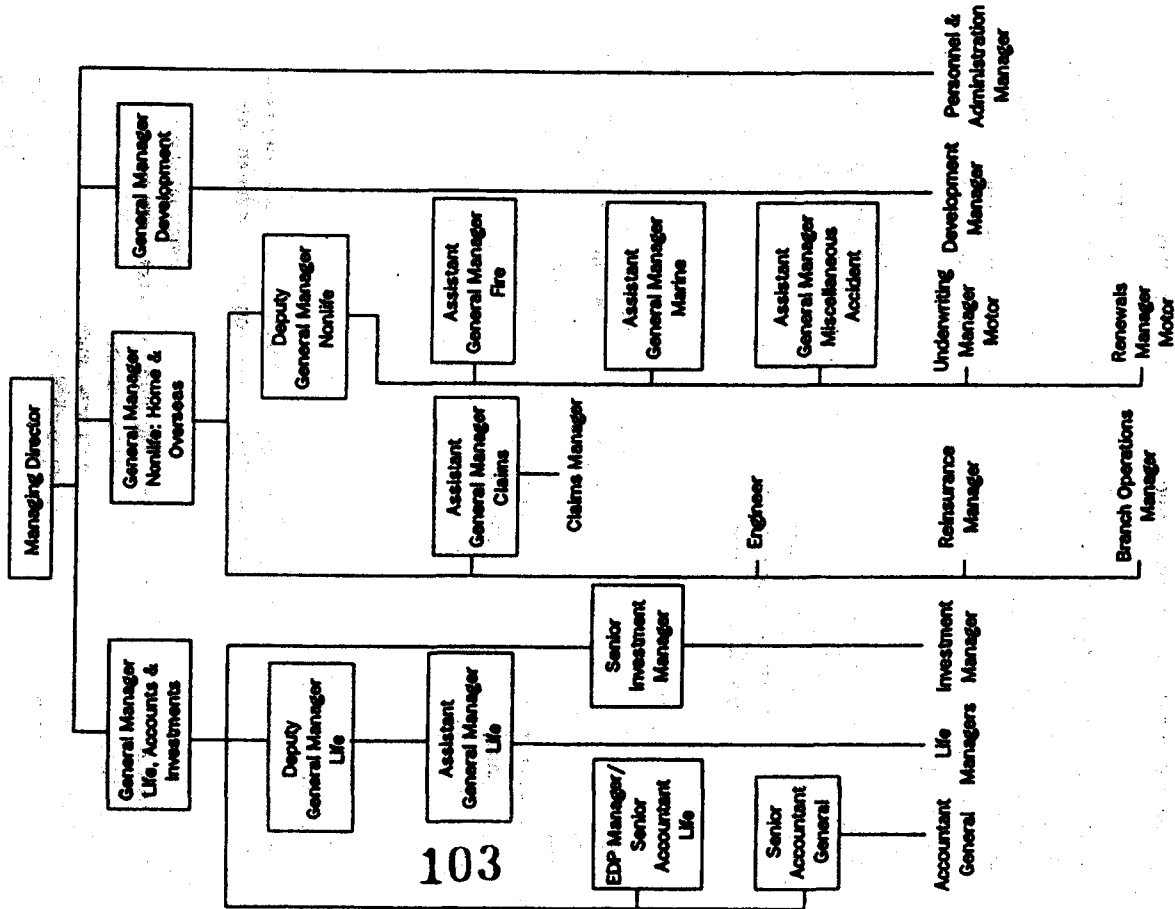
Sales Force Management

Cosmic's life agents came under the direct supervision of unit leaders who typically were promoted from among the better agents. The 115 unit leaders, like the ordinary agents, were non-salaried. They were, however, entitled to certain benefits such as medical benefits. Unit leaders were paid commissions on policies they personally sold as well as a percentage override of the commissions credited to the agents under their charge. In addition to selling, unit leaders were also responsible for helping to recruit and train new agents.

Sales force turnover at Cosmic was high, especially among the newer agents. Turnover among sales personnel was a common problem faced by insurers. The turnover rate for more experienced agents was lower primarily because of the residual compensation structure built into the industry. Cosmic also faced difficulty recruiting agents. In the opinion of a life manager, most Malaysians prefer jobs offering a more stable form of income. He commented:

"There's a stigma to the insurance selling profession in this country, and insurance selling has become a career of last resort. Cosmic is also not that well-known in the market, and many agents prefer to work for foreign-owned insurance companies like AIA and Great Eastern. These companies have already made their name in the insurance business and have thousands of agents selling for them."

EXHIBIT 10
1989 CORPORATE STRUCTURE



Note: This chart shows only reporting relationships and not status.

EXHIBIT 12
LIFE INSURANCE POLICIES ISSUED AND IN FORCE IN 1988

| Company | New Policies Issued in 1988 | | | | Policies In Force At End 1988 | | |
|----------------|-----------------------------|-----------------------|--------------------|--------------------|-------------------------------|-----------------------|----------------------|
| | Number of Policies | Amount Assured | Single Premiums** | Annual Premiums | Number of Policies | Amount Assured | Annual Premiums |
| AIA* | 47,900 | \$ 1,916,336,537 | \$ 3,501,781 | \$ 48,400,665 | 303,819 | \$ 12,534,487,386 | \$257,230,469 |
| GREAT EASTERN* | 108,976 | 3,668,142,511 | 2,769,712 | 73,790,644 | 437,183 | 12,052,077,900 | 288,521,522 |
| COSMIC | 44,054 | 1,514,676,347 | 81,231,353 | 9,196,955 | 310,817 | 11,717,218,082 | 23,691,870 |
| ULG | 54,051 | 1,922,565,692 | 344,811 | 49,055,276 | 164,360 | 5,597,125,228 | 135,822,245 |
| MCIS | 20,387 | 623,532,518 | 1,542,188 | 10,612,474 | 119,786 | 3,898,947,166 | 49,373,604 |
| OAC* | 26,043 | 678,441,872 | 262,135 | 17,291,769 | 146,213 | 2,712,470,126 | 90,509,660 |
| ASIA LIFE* | 13,912 | 490,700,854 | 427,218 | 11,819,295 | 81,631 | 2,031,991,987 | 56,559,811 |
| PRUDENTIAL | 6,418 | 426,085,434 | 13,250 | 7,913,644 | 34,510 | 1,842,018,945 | 37,282,922 |
| TALASCO | 3,071 | 369,033,207 | 10,926,663 | 942,939 | 15,027 | 1,528,785,034 | 3,212,934 |
| MAA | 11,950 | 610,008,536 | 1,888,742 | 10,878,777 | 28,343 | 1,495,178,320 | 27,060,700 |
| Others | 27,979 | 1,801,608,873 | 3,180,463 | 24,813,816 | 93,089 | 4,350,752,327 | 69,253,979 |
| Home Service: | | | | | | | |
| BALGI | 18,943 | 98,381,500 | - | 7,091,557 | 123,985 | 395,694,554 | 28,385,236 |
| ULG | 17,846 | 52,275,330 | - | 4,212,119 | 77,131 | 178,946,036 | 12,098,386 |
| MCIS | 9,226 | 34,431,319 | - | 1,903,704 | 18,592 | 54,984,940 | 3,665,096 |
| TOTAL | 410,756 | 14,206,220,530 | 106,088,316 | 277,923,634 | 1,954,486 | 60,390,678,031 | 1,082,668,434 |

* Foreign-incorporated companies

** One-time premium payments.

Source: Extracted from the Annual Report of the Director-General of Insurance, 1989.

Some of Cosmic's life agents had complained that the company was not providing them with enough technical support and backup and that it lacked product variety. One of its agents stated:

"The company has a limited range of life products, and its rates are not as competitive as those of some other firms. Therefore, it's difficult for us to market its products. Of course, when compared to newer and smaller companies like Takaful, Cosmic has a wider range of products and the service is far better."

Some managers were, however, sceptical of whether the present sales force was capable of marketing products more sophisticated than the presently available ones. "Most of our agents are not college graduates, and they lack the technical expertise," explained one life manager.

Administration and Claims Settlement

All of Cosmic's sales were processed at its head office. Branches functioned primarily as a service centre which provided support services to agents such as attending to customer enquiries. As branch operations were not on-line, branches were unable to provide complete services.

The company's life department maintained all records of the policies issued. These records had to be updated from time to time as various transactions, such as premium collections, change of address, loans surrenders and claims, took place continuously.

A claims section under the accounts department processed the company's life insurance claims. These claims could be classified into maturity claims and death claims. A settlement of maturity claims was usually free from any complications relating to title of the claimant as, generally, the amount insured was paid to the assured. Death claims, however, could be complicated in cases where a dispute arose as to who should be entitled to the policy moneys.

Although claims could be processed and paid within a week, actual payment usually took longer. The main reason cited for such delays was that the claimants had not submitted the necessary documents for their claims to be duly processed. Some company executives felt that the life people could play a bigger role in expediting the process. One commented, "Life people are more interested in issuing policies and less concerned about providing the customer with continuous service such as following up on the settlement of claims. This attitude has to change."

Occasionally, there was a duplication of duties between the accounts people and the life people. "This," explained one executive, "is because responsibilities here have not been clearly defined. We do not even have a formal job description."

Cosmic did not have an actuary department. Instead, it used the services of an outside consulting actuary to develop new products, determine premium rates and conduct actuarial investigations of the financial condition of its life business.

NONLIFE INSURANCE OPERATION

Products and Distribution

Cosmic was one of the largest general insurers in Malaysia in 1988 in terms of net premiums collected (see Exhibit 13). Its primary strength was in the government and quasi-government sectors. The company's underwriting performance vis-a-vis some of its competitors is as shown in Exhibit 14.

Cosmic's general business gross premium income for 1984 to 1988 is given in Exhibit 15. Fire insurance accounted for about 38% of Cosmic's nonlife sales volume in 1988 and was its most profitable general product line. The other general products were less profitable as can be seen in Exhibit 16.

Cosmic sold its general insurance services directly through its various underwriting departments and branches as well as through insurance brokers and credit agents. The company's branches (one in each state) handled about 10% of its general business. Branch executives who ran the branch operations reported directly to the branch operations manager at head office. These executives could underwrite certain classes of business only and approve claims not exceeding \$8,000. They had to refer to head office for quotations on businesses involving large risks. Although branches also serviced the life business department, administratively they reported to the nonlife division.

Insurance brokers brought in about 60% of Cosmic's general business. These brokers received a flat commission of 15% of the premium collected.

Credit agent sales accounted for about 2% of Cosmic's general business sales volume. Cosmic gave its credit agents a credit period of 90 days for non-motor sales and 7 days for motor sales (motor sales were on a cash sales basis). Commission rates for credit agents varied according to the product. For example, commission rates for marine and miscellaneous accident sales were in the region of 20-25%, while commission rates for fire and motor sales were 15% and 10% respectively.

Not all of the company's nonlife business was retained within the company. Cosmic ceded out some of the larger risks to both local and foreign reinsurers. Exhibit 17 shows the company's retention ratios for its general services from 1984 to 1988.

Departmental Relationships

Cosmic's nonlife insurance division comprised 4 main underwriting departments: fire, motor, marine and miscellaneous accident. These departments determined applicants' insurability, underwrote risks and issued policies.

The claims department of the nonlife division was responsible for processing, approving and settling claims on the company. The assistant general manager of this department was authorised to interpret policies and decide whether a particular claim was payable according to the terms of the policy.

EXHIBIT 13 GENERAL INSURANCE COMPANIES NET PREMIUMS IN 1988

| Company | Marine, Aviation & Transit | Fire | Motor | Miscellaneous | Total |
|----------------------------|-------------------------------|-------------|--------------|---------------|---------------|
| MERCANTILE | \$329,328 | \$1,957,252 | \$59,505,133 | \$6,096,912 | \$67,888,625 |
| MNRB** | 8,371,428 | 22,691,102 | 17,443,598 | 17,570,977 | 66,077,105 |
| SEA | 437,523 | 2,646,853 | 45,057,592 | 7,958,295 | 56,100,263 |
| EAST WEST-UMI | 3,563,380 | 11,674,904 | 19,222,435 | 17,546,640 | 52,007,359 |
| PANGLOBAL | 90,043 | 940,321 | 47,086,181 | 2,090,496 | 50,207,041 |
| P & O | 242,294 | 1,204,899 | 39,524,016 | 2,409,857 | 43,381,066 |
| PROGRESSIVE | 964,192 | 2,495,207 | 31,152,952 | 2,288,803 | 36,901,154 |
| MBA | 2,019,592 | 6,574,940 | 12,127,621 | 16,074,009 | 36,796,162 |
| UOA | 1,626,828 | 7,157,874 | 19,274,161 | 7,497,071 | 35,555,934 |
| COSMIC | 5,603,481 | 15,212,989 | 5,727,931 | 6,250,897 | 32,795,298 |
| CU | 5,129,374 | 13,954,611 | 5,163,222 | 7,876,190 | 32,123,397 |
| MAYBANK | 831,741 | 16,746,335 | 3,557,695 | 5,599,564 | 26,735,335 |
| STRAITS & ISLAND | 4,866,301 | 12,838,142 | 2,350,041 | 6,076,590 | 26,131,064 |
| PEOPLE'S | 25,914 | 739,855 | 19,556,576 | 1,942,507 | 22,264,852 |
| MAA | 1,558,070 | 3,279,384 | 8,820,447 | 7,394,873 | 21,052,774 |
| GRE | 3,553,370 | 9,068,335 | 3,041,793 | 5,314,176 | 20,977,674 |
| HONG LEONG | 1,531,598 | 6,318,012 | 3,122,671 | 8,603,907 | 19,576,188 |
| UNITED PRIME | 3,153,771 | 3,307,013 | 3,583,685 | 6,630,877 | 16,675,346 |
| ROYAL | 2,676,851 | 4,882,984 | 3,606,888 | 5,373,870 | 16,540,593 |
| ARAB-MALAYSIAN | | | | | |
| EAGLE | 2,452,617 | 3,664,719 | 3,973,410 | 5,188,244 | 15,278,990 |
| QAC* | 579,051 | 5,356,894 | 2,239,990 | 6,733,803 | 14,909,738 |
| JERNEH | 1,766,827 | 4,060,447 | 1,975,380 | 5,438,011 | 13,240,665 |
| AMERICAN HOME* | 2,216,452 | 2,911,055 | 2,662,178 | 5,238,990 | 13,028,675 |
| INDUSTRIAL & COMMERCIAL | 64,424 | 883,819 | 10,194,597 | 1,743,889 | 12,886,729 |
| LON PAC | 314,466 | 6,535,335 | 2,600,312 | 3,409,470 | 12,859,583 |
| CAPITAL | 1,196,846 | 5,560,248 | 3,561,193 | 2,196,038 | 12,514,325 |
| BALGI | 402,442 | 2,250,654 | 4,340,352 | 4,774,651 | 11,768,099 |
| UMBC | 943,288 | 5,940,568 | 1,868,325 | 2,640,927 | 11,393,108 |
| AMERICAN M'SIAN | 1,362,990 | 4,792,079 | 1,511,852 | 3,452,790 | 11,119,711 |
| MBF | 135,405 | 1,964,871 | 6,035,753 | 2,893,425 | 11,029,454 |
| TALASCO | 283,724 | 4,361,493 | 3,362,030 | 2,336,537 | 10,343,784 |
| AA* | 127,662 | 135,140 | 81,810 | 9,947,443 | 10,292,055 |
| SAFETY | 136,731 | 1,086,787 | 6,071,042 | 2,990,773 | 10,288,333 |
| ASIA* | 232,313 | 1,967,227 | 4,991,505 | 3,017,531 | 10,208,576 |
| NETHERLANDS | 456,785 | 3,216,217 | 2,600,107 | 3,736,578 | 10,009,687 |
| Others | 13,044,268 | 39,087,377 | 28,339,679 | 48,687,339 | 129,158,663 |
| Total | 72,291,370 | 237,468,942 | 435,334,153 | 255,022,940 | 1,000,117,405 |

* Foreign-incorporated companies.

** Reinsurance company.

Source: Extracted from the Annual Report of the Director-General of Insurance, 1989.

EXHIBIT 14

GENERAL INSURANCE UNDERWRITING ACCOUNT OF SELECTED COMPANIES IN 1988
(excludes overseas business and shareholders' funds)

| Company | Earned Premium Income | Net Claims Incurred | Commissions | Management Expenses | Underwriting Gain/(Loss) |
|----------------|-----------------------------|---------------------|-------------|---------------------|--------------------------|
| AA* | \$10,628,390 | \$3,089,356 | \$4,167,815 | \$1,736,180 | \$1,655,039 |
| AMERICAN | 10,374,011 | 3,636,527 | 2,851,723 | 3,510,146 | 375,615 |
| ARAB-MALAYSIAN | 14,098,837 | 9,575,369 | 2,928,886 | 5,280,284 | (3,685,702) |
| EAGLE | 10,519,460 | 6,781,328 | 1,501,492 | 3,878,936 | (1,642,296) |
| ASIA* | 11,881,060 | 13,170,074 | 3,113,598 | 3,431,981 | (7,834,593) |
| BALOI | 12,196,986 | 5,381,753 | 2,142,600 | 5,247,730 | (575,087) |
| CAPITAL | 31,429,140 | 16,882,700 | 3,457,293 | 8,816,132 | 2,273,015 |
| COSMIC | 29,970,260 | 9,127,507 | 8,856,817 | 8,451,277 | 3,534,859 |
| CU | 42,516,967 | 27,910,379 | 9,832,705 | 9,400,517 | (4,626,634) |
| EAST WEST/UMI | 20,138,065 | 9,416,585 | 3,721,064 | 5,986,687 | 1,013,729 |
| GRE | 1,328,772 | 732,823 | 322,280 | 175,692 | 97,917 |
| GREAT EASTERN* | 17,943,642 | 8,764,359 | 3,678,503 | 4,747,683 | 753,097 |
| HONG LEONG | 19,794,310 | 12,270,232 | 5,126,966 | 4,932,292 | (2,535,180) |
| MMA | 26,145,832 | 7,235,211 | 9,198,577 | 5,769,054 | 3,942,990 |
| MAYBAN | 36,338,502 | 20,125,397 | 7,892,749 | 9,191,777 | (871,421) |
| MBA | 10,409,462 | 5,817,112 | 1,489,293 | 3,542,243 | (439,186) |
| MBF | 7,429,871 | 4,553,274 | 1,155,371 | 1,846,334 | (125,108) |
| MCIS | 59,809,384 | 36,376,344 | 18,185,825 | 6,147,719 | (2,900,504) |
| MERCANTILE | 2,710,960 | 1,200,239 | 1,252,891 | 882,370 | (634,540) |
| NAVYANG | 14,605,633 | 3,594,441 | 4,228,454 | 4,147,113 | 2,635,625 |
| OMC* | 3,084,093 | 1,003,557 | 694,017 | 1,009,823 | 376,696 |
| OUI | 42,172,074 | 69,810,039 | 6,046,440 | 3,808,961 | (37,463,369) |
| P & O | 44,890,846 | 33,226,120 | 5,549,274 | 9,348,592 | (3,243,144) |
| PANGLOBAL | 23,301,340 | 14,868,225 | 4,106,508 | 3,473,773 | 1,052,834 |
| PEOPLES | 32,088,186 | 31,266,169 | 3,210,575 | 6,044,308 | (8,432,866) |
| PROGRESSIVE | 5,759,877 | 3,714,067 | 1,640,187 | 1,830,273 | (1,424,650) |
| PRUDENTIAL | 3,094,413 | 1,855,356 | 192,259 | 444,988 | 601,810 |
| PUBLIC | 16,773,326 | 7,934,136 | 3,733,796 | 3,641,784 | 1,463,610 |
| ROYAL | 11,063,203 | 16,610,257 | 2,815,826 | 2,985,191 | (11,348,071) |
| SAFETY | 52,563,497 | 8,130,427 | 8,830,178 | 11,308,054 | (1,705,162) |
| SEA | STRATIS & ISLAND 24,869,532 | 8,526,837 | 7,667,093 | 8,098,484 | 577,112 |
| TALASCO | 10,937,068 | 11,706,707 | 3,178,086 | 4,227,417 | (8,175,142) |
| ULG | 4,837,793 | 3,314,545 | 1,817,970 | 1,435,889 | (1,730,611) |
| UMBC | 10,829,110 | 5,002,888 | 1,907,850 | 4,407,121 | (488,749) |
| UNION | 10,274,436 | 6,430,897 | 2,617,093 | 2,105,317 | (878,871) |
| UOA | 36,424,696 | 29,034,476 | 9,155,777 | 7,963,148 | (9,728,705) |

* Foreign-incorporated companies.

Source: Extracted from the Annual Report of the Director-General of Insurance, 1989.

EXHIBIT 15

PERFORMANCE TRENDS OF COSMIC'S GENERAL BUSINESS IN TERMS OF GROSS PREMIUM INCOME
(in millions of ringgit)

| Type of Service | 1984 | 1985 | 1986 | 1987 | 1988 |
|------------------------|--------|--------|--------|--------|--------|
| Fire | 34.12 | 37.25 | 37.63 | 41.38 | 40.56 |
| Motor | 7.37 | 5.93 | 6.37 | 5.39 | 6.59 |
| Marine | 33.24 | 31.93 | 33.70 | 35.24 | 32.77 |
| Aviation | 9.30 | 12.05 | 12.28 | 10.31 | 8.78 |
| Miscellaneous accident | 13.98 | 13.06 | 13.46 | 13.86 | 11.30 |
| Engineering | 5.83 | 5.35 | 6.49 | 5.42 | 5.59 |
| Total | 103.84 | 105.57 | 109.93 | 111.60 | 105.59 |

EXHIBIT 16

COSMIC'S UNDERWRITING PROFIT/(LOSS) BEFORE MANAGEMENT EXPENSES
(in millions of ringgit)

| Type of Service | 1984 | 1985 | 1986 | 1987 | 1988 |
|------------------------|--------|--------|--------|------|--------|
| Fire | 4.44 | 2.89 | 3.75 | 5.27 | 6.86 |
| Motor | 0.26 | 0.86 | 1.06 | 1.48 | 2.28 |
| Marine | 0.95 | 1.41 | 1.64 | 0.81 | 2.10 |
| Aviation | (0.32) | (0.69) | 0.70 | 0.08 | 0.69 |
| Miscellaneous accident | 1.90 | 2.09 | 0.88 | 1.13 | (0.73) |
| Engineering | 0.89 | 0.31 | (0.20) | 0.08 | 0.06 |
| Total | 7.92 | 6.87 | 7.83 | 8.85 | 11.26 |

EXHIBIT 17

RETENTION RATIO OF COSMIC'S GENERAL BUSINESS
(in percentages)

| Type of Service | 1984 | 1985 | 1986 | 1987 | 1988 |
|------------------------|-------|-------|--------|-------|-------|
| Fire | 53.26 | 50.37 | 47.96 | 41.16 | 43.40 |
| Motor | 84.27 | 84.73 | 88.08 | 87.67 | 86.91 |
| Marine | 19.76 | 33.88 | 21.52 | 20.13 | 28.37 |
| Aviation | 4.29 | 9.46 | (3.28) | 4.05 | 5.45 |
| Miscellaneous accident | 56.02 | 53.87 | 47.76 | 44.53 | 57.18 |
| Engineering | 21.52 | 13.39 | 7.20 | 9.88 | 9.71 |

Differences between the claims people and the underwriting people often arose on the issue of claims settlement. The underwriting people viewed the claims people as being overly concerned with legalities and technicalities. One underwriting manager complained:

"The claims people tend to interpret the policy contracts too strictly. We've lost a few accounts simply because those guys at claims refused to pay our clients due to minor technical mistakes made at the time the policy was underwritten. Since our general manager does not see the importance of claims, he usually rules in favour of the claims department when such matters are brought to his attention."

A former claims department manager, however, gave another view of the situation:

"The underwriting people always want to please their clients while our job is to give a fair and objective assessment. It's not our intention to cheat anybody, and if we repudiate a claim, it's because the claim is not payable. We will always pay if a claim is payable; otherwise, the client can initiate court proceedings against us. And, when a case goes to court, the court will always interpret any ambiguity in the contract language in favour of the client. It is, therefore, our maxim to pay when in doubt. We also try not to be too petty about technicalities. Admittedly, we've a lot of outstanding claims, but there are valid reasons for them."

Coordination among the underwriting departments was also not always smooth. As each department specialised in its own product and could not commit to clients on products not under their jurisdiction, clients wishing to take up more than one class of insurance with Cosmic had to go from department to department. This had caused some clients to complain of poor customer service. A senior manager observed:

"When making sales calls, underwriting executives do not project Cosmic as a total company but only represent a portion of Cosmic. Employees have become overly identified with their functional area and loyalty is more to the individual departments rather than the company."

Each underwriting department head sought its own clients and developed its own marketing procedures and strategies. These were often not documented. "Why should I," remarked one manager of an underwriting department, "put my strategies in writing and benefit someone else who may take over my position?"

Information Technology

Cosmic's information needs became more apparent in the 1980s as the company continued to expand. The inadequacy of the company's management information systems had resulted in many decisions being made based on a qualitative basis. A manager had described the nonlife division as "running without statistics." Efforts to

computerise the division and set up a data base failed due to lack of expertise. The company's EDP department was headed by a senior accountant who had no computer background.

INVESTMENT

The investment department of Cosmic was responsible for the company's investment operation including the selection, purchase, sale and review of all securities; the servicing and acquisition of loan investments; and the acquisition of equity investments in properties. Investment activities contributed to the company's income in the form of interest earnings and capital gains. Since return on investment was one of the factors determining premium rates, investment income played an important role in enabling Cosmic to compete with other companies on premium rates. "Other factors that determine our rates such as loading expenses and mortality experience are more difficult to control so we must make good investments to enhance our competitive standing," explained a manager. Cosmic's investment income data from 1984 to 1988 are presented in Exhibits 18 and 19.

EMPLOYEE COMPENSATION AND DEVELOPMENT

More than 90% of its non-management employees belonged to the company's in-house union which was affiliated to the National Union of Commercial Workers. These employees received a 2-month contractual bonus and one contractual increment (ranging from \$20 to \$50) annually. Management-level employees were paid annual bonuses (usually between 2-3 months' base salary) based on the company's performance. The maximum annual increment was \$200.

EXHIBIT 18
COSMIC'S LIFE BUSINESS INVESTMENT INCOME
(in millions of ringgit)

| Type of Investment | 1984 | 1985 | 1986 | 1987 | 1988 |
|---------------------------|--------|-------|-------|---------|-------|
| Quoted shares | 3.58 | 6.35 | 3.85 | 5.00 | 7.73 |
| Loans | 11.53 | 16.11 | 19.23 | 15.47 | 13.68 |
| Government securities | 12.98 | 15.49 | 17.71 | 19.68 | 20.33 |
| Fixed deposits | 16.10 | 7.29 | 7.67 | 11.30 | 9.93 |
| Short-term deposits/bills | 0.73 | 2.38 | 3.29 | 0.88 | 0.90 |
| Capital Gain/(Loss) | (0.01) | 2.42 | 0.74 | (22.65) | 5.89 |
| Policy loans | 0.12 | 0.15 | 0.17 | 0.25 | 0.30 |
| Others | 0.33 | 1.10 | 0.84 | 0.67 | 0.71 |
| Total | 45.36 | 51.29 | 53.50 | 30.60 | 59.47 |