

Sun Life Malaysia to expand market presence in 2017

BY SUPRIYA SURENDRAN

KUALA LUMPUR: Sun Life Malaysia Assurance Bhd and Sun Life Malaysia Takaful Bhd (Sun Life Malaysia) aim to expand the group's market presence in the Malaysian life insurance and Takaful space in 2017 by strengthening its distribution channels.

Sun Life Malaysia chief executive officer and country head Ooi Say Teng said the group has been seeing an average gross premium growth of 25% to 30% per annum since its incorporation in 2013.

"Our market share has grown from 2% in 2013 to 4.3%. The main growth driver for the group has been our distribution partnership with multiple partners, like CIMB Bank, Bank Rakyat, Bank Islam, Kuwait Finance House and Al Rajhi Bank.

"Our market share in the Malaysian bancassurance [space] is approximately 16%," he told *The Edge Financial Daily* in an interview.

Sun Life Malaysia is a 49:51 joint venture (JV) between Canada's Sun Life Financial Inc and Avicennia Capital Sdn Bhd, a fully owned Khazanah Nasional Bhd investment holding company.

The group's alliance with Khazanah has paved the way for partnerships with corporations that the sovereign wealth fund has a vested interest in, such as CIMB Bank, Telekom Malaysia Bhd and Celcom Axiata Bhd.

Sun Life Malaysia has an exclusive bancassurance partnership with CIMB Bank to distribute its products and services through the bank's expansive network of more than 300 branches nationwide.

Sun Life Financial Asia president Kevin Strain, who is responsible for the group's interests in Asia, said Sun Life Malaysia's partnerships have made the business model one that other Asian Sun Life operations intend to emulate.

"Regionally, we view Malaysia as a model for bancassurance. [Sun Life Malaysia] has become one of, if not the strongest, bancassurance



Ooi says the group has been seeing an average gross premium growth of 25% to 30% per annum since its incorporation in 2013. Photo by Shahrin Yahya



Strain says Sun Life Malaysia's partnerships have made the business model one that other Asian Sun Life operations intend to emulate. Photo by Shahrin Yahya

business in the Asian region. This has [set the tone] for other bancassurance partnerships the Sun Life Group has across the region, like the partnership with DBS Bank Ltd in India and China's Everbright Bank.

"Malaysia is also the first in Asia in which we [embarked on a digital pillar] by partnering with telecommunication companies such as Telekom and Celcom, to provide insurance by tapping into their client base using data analytics," he said.

Another distribution channel the group would be employing in 2017 is agency force.

"We are the only life insurance company that up until now does not have agency and that is intentional, because I believe you have to have the scale in certain things first before going into the red ocean.

"I would consider agency a red ocean in Malaysia, so now that we have created a name for ourselves in bancassurance and alternate channels, we feel it is time now to venture into agency. We hope to recruit 500 to 1,000 agents by year end," said Ooi.

Strain said a force of 1,000 agents is a good start for the group's Malaysian operation.

"We have agency in every other country we are in. We have 10,000 agents in Indonesia, 9,000 in the Philippines, 2,000 in Hong Kong, 3,000 in China, 50,000 in India and 2,000 in Vietnam. So this (Malaysian operation) can become size-

able over time," he said.

Ooi said the group intends to promote its medical products via agency in 2017.

"It is the core strategy of Sun Life to focus on health and accident [insurance], so we will start off with medical products.

"Another popular product we have is the Hajj product, a savings-cum-protection plan that helps Muslims who intend to [accumulate] funds to perform the Hajj at a future date. This is part of our emotionalised Takaful focus where we develop products that not only focus on the financial but also on the spiritual needs of the community.

"In Phase 2, which is in the pipeline, we will look at investment-linked products which will focus on [women], retirement and education [plans]," he said.

The group's strategy for 2017 and beyond is themed "Client for Life", which the group intends to sync with its agency channel.

"If you are going to have a client for life, you need to have a plan that gets revisited on a regular basis and gets integrated across products. That is what we are asking our agents to do," said Strain.

Besides Asia, the Sun Life Group has operations in Canada, the US, UK, Ireland, Australia and Bermuda. The group is listed on three stock exchanges in Toronto, New York and Manila as Sun Life Financial Inc.