



The Malaysian Insurance Institute

BUILDING KNOWLEDGE. TOGETHER

ANNUAL REPORT 2014





The Malaysian Insurance Institute

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VISION

MII is the preferred institution for education in insurance, financial and risk management.

MISSION

We conduct professional examinations, qualifying assessments and applied training programs to raise the professional standards of the industry by delivering value added products and quality services.

CORE VALUES

1. Learning Culture
2. Quality Mindset
3. Service Centered Leadership
4. Highest Ethical and Moral Standards
5. Growth & Teamwork Mindset

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 37th Annual General Meeting of The Malaysian Insurance Institute will be held at Conference Hall 2, Sasana Kijang, Jalan Dato Onn, 50480 Kuala Lumpur, on Wednesday, 10 June 2015 at 10:00 a.m. for the following purposes:

AGENDA AS ORDINARY BUSINESS

1. To receive the audited financial statements for the year ended 31 December 2014 together with the Directors' and Auditors' Reports thereon.*
2. To elect Directors in accordance with Article 72(1)(b) of the Institute's Articles of Association. Resolution 1
3. To re-appoint Messrs Deloitte KassimChan as the auditors of the Institute, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. Resolution 2
4. To transact any other business which may be properly transacted at an Annual General Meeting for which due notice shall have been given.

By Order of the Board

Lim Seck Wah (MAICSA 0799845)
M. Chandrasegaran a/l S. Murugasu (MAICSA 0781031)
Company Secretaries

Dated: 19 May 2015

Note:

- a. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.
- b. A proxy shall be an individual member of the Institute. No proxy shall be a proxy for more than two (2) individual members.
- c. The instrument appointing a proxy or accredited representative and the power of attorney or other authority (if any) under which it is signed or notorially certified or office copy thereof shall be deposited at the Registered Office of the Institute, No. 5 Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting.

The Annual Report and Financial Statements can also be accessed and obtained through our homepage address, www.insurance.com.my.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hashim bin Harun
(Chairman)

Mr. Aznan bin Abdul Aziz
Y.Bhg Dato' Adrian Low Heong Chow @ Loh Heong Chow
Y.Bhg Dato Koh Yaw Hui

Mr. Alex Foong Soo Hah
Mr. Md. Adnan bin Md. Zain
Mr. Francis Lai @ Lai Yun Sen
Mr. Chua Seck Guan
Mr. Abdul Aziz bin Mohamed Nor
Mr. Zainal Abidin bin Mohd Noor
(appointed on 18 June 2014)
YM Raja Zailan Putra bin Raja Dato' Seri Hj Azam
(appointed on 17 March 2015)

Mr. Toi See Jong
(appointed on 10 April 2015)

Mr. Alex Low Choon Hoong
(resigned on 17 March 2015)

Mr. Vincent Kwo Shih Kang
(resigned on 10 April 2015)

MII EXECUTIVE COMMITTEE (EXCO)

Mr. Aznan bin Abdul Aziz
(Executive Committee Chairman)

Y.Bhg Dato' Adrian Low Heong Chow @ Loh Heong Chow
Mr. Alex Foong Soo Hah
Mr. Chua Seck Guan
Mr. Abdul Aziz bin Mohamed Nor
Mr. Zainal Abidin bin Mohd Noor
Mr. Toi See Jong
(appointed on 10 April 2015)

Mr. Vincent Kwo Shih Kang
(resigned on 10 April 2015)

AUDIT COMMITTEE

Mr. Md. Adnan bin Md. Zain
(Audit Committee Chairman)
(appointed on 27 March 2015)

Mr. Alex Low Choon Hoong
(Audit Committee Chairman)
(resigned on 17 March 2015)

Y.Bhg Dato Koh Yaw Hui
Mr. Francis Lai @ Lai Yun Sen

CHIEF EXECUTIVE OFFICER

Y. Bhg Dato' Hj. Syed Moheeb bin Syed Kamarulzaman

COMPANY SECRETARIES

Cik Lim Seck Wah
(MAICSA: 0799845)

Mr. M. Chandrasegaran a/l S. Murugasu
(MAICSA: 0781031)

AUDITORS

Messrs Deloitte KasimChan
Level 16, Menara LGB
No. 1 Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur, Malaysia
(Firm No: AF 0080)

BANKERS

Malayan Banking Berhad
RHB Bank Berhad

MII WEBSITE

www.insurance.com.my

MII MEMBERS' E-MAIL

miimembers@mii.org.my

MII GENERAL ENQUIRY E-MAIL

customercare@mii.org.my

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 5, Jalan Sri Semantan Satu,
Damansara Heights
50490 Kuala Lumpur, MALAYSIA

Tel: +603 2087 8882/3

Fax: +603 2093 7885

MII CITY CENTRE

6th Floor, Wisma Sime Darby,
Jalan Raja Laut
50350 Kuala Lumpur, MALAYSIA

Tel: +603 2692 8828

Fax: +603 2692 0898

BOARD OF DIRECTORS



Mr. Hashim bin Harun
Chairman of MII



Mr. Aznan Abdul Aziz
Director
Financial Sector Development
Department, Bank Negara
Malaysia



Mr. Chua Seck Guan
Chief Executive Officer
MSIG Insurance (Malaysia)
Berhad (Chairman of PIAM)



Mr. Toi See Jong
Chief Executive Officer
Tokio Marine Life Insurance
Malaysia Bhd
(President of LIAM)



Y.M. Raja Zailan Putra Raja
Dato' Seri Hj. Azam
Managing Director /
Chief Executive Officer
MIT Insurance Brokers Sdn Bhd
(Chairman of MITBA)



Mr. Abdul Aziz
Mohamed Nor
Chief Executive Officer
Associated Adjusters Sdn Bhd
(Chairman of AMLA)



Mr. Zainal Abidin
Mohd Noor
MII Director



Y. Bhg Dato' Adrian Loh
Heong Chow
MII Director



Y. Bhg Dato' Koh Yaw Hui
Chief Executive Officer
Great Eastern Life Assurance
(Malaysia) Berhad



Mr. Alex Foong Soo Hah
MII Director



Mr. Francis Lai Yun Sen
Chief Executive Officer
Progressive Insurance Berhad



Mr. Md Adnan Md Zain
MII Director

MANAGEMENT TEAM



**Dato' Hj. Syed Moheeb bin
Syed Kamarulzaman**
Chief Executive Officer



Wahida Shariff
Senior Vice President
(Registry and Examinations)



Tan Li Na
Senior Vice President
(Faculty Management)



Liew Yoke On
Senior Vice President
(General Insurance)



Hazlinda Yahaya
Senior Vice President
(Life Insurance)



Ng Teck Fay
Senior Vice President
(Medical and Health)



Haslindah Atan
Vice President
(Finance, Human Resource
and Administration)



Rohaya Wan Khalid
Vice President
(Information Technology)



Mohd Khairul Reeza Ruslan
Vice President
(Project Management Office)

MANAGEMENT TEAM (CONT'D)



Charan Kaur a/p Kapal Singh
Vice President
(Business Development)



Muhammad Mohsin
Vice President
(Internal Audit)



Mohd Azlin Ahmad
Vice President
(Information Technology)



Hasri Hamidan
Vice President
(Product Development)



Rosmaniwati Haji Agus
Vice President
(Agents Examinations)



Ann Margaret Joseph
Vice President
(Assessment and Exemption)



Abdullah Azmi
Vice President
(Corporate Communication
and Marketing)



Nor Izmawati Mostapar
Vice President
(e-Learning)

CEO'S MESSAGE



**Dato' Hj. Syed Moheeb bin
Syed Kamarulzaman**
Chief Executive Officer

Redefining its development path and creating new growth trajectories, MII is strongly poised to embark on its long-range transformation journey. Beginning from May 2014, we have identified some new strategic initiatives to drive this transformative exercise. This is in response to our stakeholders' concerns and suggestions.

Briefly, MII needs to increase the number of customers, the number of transaction with each customer and the value of each transaction. We need to develop new customer segments and to ensure they are effectively and efficiently served. Customer relationship programs should also be initiated to retain the loyalty of existing customers and to introduce innovative products and services based on the needs of targeted customer segments. Simultaneously, MII has to generate customised high-quality products and services at low cost and with short lead times.

We have to enhance employee skills and embed a risk management culture in our operations across the organisation. The development of research capability and consultancy services would be initiated and strengthened in due course. The optimisation of the Integrated Learning Management System (ILMS) for sales purposes will also be another key feature, together with the website redesign for maximum interactive use. We will also revisit the strategic plan so that it is aligned with all our initiatives. At the same time, we have to seriously think about our positioning and rebranding exercises, in response to the fast-changing external environment.



CEO'S MESSAGE (CONT'D)

Some of the pertinent points of the Asian Institute of Finance's (AIF) recommendations to MII are to:

- align MII's strategy to meet industry expectations.
- to develop an industry-led integrated curriculum.
- to focus on talent acquisition and development of subject-matter experts and specialists.
- to enhance industry engagement strategy and to strategically leverage the ILMS to meet industry expectations.

On our part, we are working towards jointly developing a long term strategy with industry stakeholders like Persatuan Insurance Am Malaysia (PIAM), Life Insurance Association of Malaysia (LIAM), Malaysian Insurance and Takaful Brokers Association (MITBA), Association of Malaysian Loss Adjusters (AMLA), Malaysian Takaful Association (MTA) and Bank Negara Malaysia (BNM). We also seek more mutually beneficial collaborations with local public and private universities that offer insurance or insurance-related courses as well as to create strategic alliances with foreign universities. Apart from that we will:

- develop the life insurance curriculum and to follow up on 'LIFE' (Life Insurance Framework for Education).
- develop the general insurance education framework and curriculum.
- source & recruit in-house subject matter experts with research and case-writing capabilities.
- review all existing training programs to ensure quality and standards.
- develop a Customer Relationship Management (CRM) strategy/program.
- develop e-learning, marketing and sales strategies.
- develop strategy maps and implement robust monitoring and reporting system and to rebrand and reposition MII as a premier insurance graduate business school.

2014 KEY HIGHLIGHTS

UPSCALING TRAINING

Annually, MII conducts technical training for brokers, adjusters, reinsurers and regulators from Malaysia and other countries.

The overall performance of general insurance training for 2014 reported a slight increase of 3%. In 2014, 43 classes were conducted compared to 41 in 2013, that is, an increase of 5%, reflecting the change in customers' preference to organise the courses as in-house, probably due to cost savings as well as the need to be company-focused. In 2014,

we recorded a total participation of 77 foreign participants for the general insurance courses as compared to 131 in 2013, a decrease of 70%. The majority of the overseas participants who came for the technical training courses were from Maldives, Nepal, Papua New Guinea, Saudi Arabia, Brunei, Cambodia, Indonesia, Laos, Thailand and Vietnam.

In 2014, we conducted 16 Premier Series courses. The courses attracted 221 participants, comprising 196 local participants and 25 overseas participants. The majority of the international participants who attend the Premier Series Courses were from ASEAN countries, namely Brunei, Indonesia, Philippines and Vietnam with 1 participant from Iran.

In 2014, we continued to offer customised and relevant training to meet the needs of staff and agents of life insurance companies and takaful operators. For the whole of 2014, we conducted 22 sessions of life insurance courses for 1143 participants.

CONSOLIDATING EDUCATION

MIl continued to provide high quality professional education to support the human capital development of the insurance industry. 2014 also saw the continued implementation of the 3 progressive qualifications for insurance professionals i.e. Certificate, Diploma and Associateship. The usual learning progression for the majority of students is from the Certificate of The Malaysian Insurance Institute (CMII) or Diploma of The Malaysian Insurance Institute (DMII) leading to the Associateship of The Malaysian Insurance Institute (AMII) within 3 to 4 years.

We conducted 9 types of examinations in 2014 involving 89,420 candidates who sat for the examinations at 22 examination centres in 14 states throughout Malaysia. The Pre-Contract Examination for Insurance Agents (PCEIA) recorded the largest number of examination candidates, numbering 53,687 candidates while the Certificate Examination in Investment-Linked Life Insurance (CEILLI) recorded 31,662 examination candidates. In 2014, 1,200 candidates sat for the AMII and the DMII examinations locally. 1,032 were class-based students and 168 were self-study students. The number of candidates who sat for the examination in 2014 increased by 2% as compared to 2013. In 2014 we continued to conduct the AMII and the DMII examinations outside Malaysia, in Phnom Penh, Cambodia and in a new centre in Male, Maldives. MII also established a new examination centre in Tehran, Iran.

CEO'S MESSAGE (CONT'D)

In 2014, 118 international students enrolled for the CMII, DMII and MII class-based programme conducted in international centres. There was a significant boost in the number of students by 436% as compared to 22 students in 2013. The increased was due to the introduction new classes conducted in Jakarta, Maldives and Iran.

We would like to thank the Malaysian National Reinsurance Berhad (MNRB) for its continued support by generously extending sponsorships to employees from various insurance companies. In 2014, scholarships worth RM125,500 were awarded to 19 students, 4 of whom were for the DMII programme and 15 for the AMII programme. 10 companies from the general, life, composite, takaful and broking sectors of the industry benefited from this sponsorship.

HUMAN CAPITAL DEVELOPMENT

In 2014, our staff participated in short courses and seminars in their respective areas ranging from related IT and Insurance Programmes, Accounting, Knowledge Management, Auditing, Business Writing, Project Management, Risk Management, Human Resource Management, and Strategic Sales Transformation to Safety and Health. These programmes were conducted both internally and externally by local and overseas training providers and institutions.

Throughout the year, our staff attended a range of other courses conducted locally by external training providers such as Basic Introduction to Insurance, Certificate in Insurance, Accounting, Auditing, IT, Financial Planning, Business Writing Skills, Library Information System, Risk Management, Project Management and Human Resource Management.

EXPANDING PROFESSIONAL MEMBERSHIP

In 2014, we had 1,991 individual members. Institutional members comprise all registered insurance and reinsurance companies, insurance brokers and loss adjusters in Malaysia, making a total of 123 institutional members with approximately 25,000 staff.

The significant increase of 16% or 269 in the total number of individual members in 2014 was due to the increase in the number of Affiliate, Ordinary and Associate members. This is because our membership has become better recognised through our continuous efforts to promote MII membership to potential members at our conferences and other external events. A total of 7 talks involving 436 members were

successfully organised in 2014. The activities ranged from industry-wide events to specific activities for members for networking and also to gain general knowledge.

As part of our efforts to provide a platform for sporting activity to the personnel across the insurance industry, the Inter-Insurance Companies Bowling Tournament 2014 was successfully organised for the year in October 2014 at Sunway Mega Lanes, Sunway Pyramid, Selangor. This served as an excellent opportunity for the industry to get together in recreational networking. 240 players from 30 companies of the insurance industry participated in the tournament.

CONFERENCES

We successfully organised 4 conferences for the insurance industry in 2014--International Claims Convention 2014, the General Insurance Agents Convention 2014, 4th Malaysia Insurance Summit 2014 and the (Bumitera Life Insurance Agents Convention 2014 (Konvensyen Ejen Insurans Hayat Bumiputera 2014). These attracted 1,091 participants were from Brunei, Indonesia, Thailand, Iran, Philippines, Singapore and Malaysia. The conferences which MII organised has definitely increased the knowledge and experience of the international as well as local speakers and participants, as evidenced from the feedbacks/assessments.

KNOWLEDGE CENTRE

MII Knowledge Centre (KC) has over 10,000 collection of library materials such as books, journals, magazines as well as more than 1,000 digital documents and links which are related to insurance, risk management, actuarial science and financial planning.

It has also increased the audio visual collection by purchasing 213 titles and sets of audiobooks. As for digital collection, up to 479 titles of perpetual access ebooks were purchased

Publication is one of its main activities. We have published two publications namely, Insurance and Takaful Journal (INTAJ) and the INSURANCE magazine. INTAJ was published semi-annually and the INSURANCE magazine was published as 6 issues per year. Foreign visitors from the Arab Insurance Institute, the National Bank of Ethiopia, EFU General Insurance LTD, Pakistan and Baoviet Insurance, Vietnam also visited the KC in 2014.

The 2014 developments sketched above were the foundations

CEO'S MESSAGE (CONT'D)

of continuity which we have followed. We hope to create more value for our students and stakeholders from 2015 onwards. In this connection, we would like to record our deepest appreciation to the MII Exco Members, the MII Audit Committee and the MII Board of Directors for their continued guidance and support. Finally, I would like to thank our members, students, customers and stakeholders for their confidence and strong support throughout 2014.

Thank you.



Dato' Hj. Syed Moheeb bin Syed Kamarulzaman
Chief Executive Office

AUDIT COMMITTEE REPORT

1. CONSTITUTION

The Audit Committee was established by the Board of Directors (the Board) on 15th October 2001 to implement and support the oversight function of the Board relating to:

- accounting policies, financial reporting practices, risk management, control and governance processes; and
- provision of a line of communication between the Board and the external/internal auditors.

2. MEMBERSHIP AND COMPOSITION

The members of the Audit Committee are appointed by the Board. The Audit Committee comprises no fewer than 3 members, all of whom are non-executive directors. The Chairman is either appointed by the Board or elected by members of the Audit Committee from among themselves.

3. AUTHORITY

The Audit Committee is authorised by the Board to review or investigate any activity within its terms of reference. It has full and unrestricted access to any information, records, personnel, and properties of MII.

The Audit Committee is also authorised to have access to independent professional or external legal advice, and to secure attendance of outsiders with relevant experience and expertise, whenever it is deemed necessary. MII will meet the cost of such advice or attendance.

4. MEETING AND QUORUM

The Audit Committee meets at least 3 times each year. The quorum for each meeting is 2 members, which must include the Chairman.

The Chief Executive Officer or in his/her absence the Chief Operating Officer and the Head of Internal Audit are required to attend each meeting. Any other directors and employees of MII or outsiders may attend the meeting upon invitation of the Audit Committee. The Audit Committee meets with the external auditors at least once a year.

In 2014, the Audit Committee met 3 times according to the requirement of the Terms of Reference, on 10 April, 21 August and 8 December. The record of attendance is as follows:

Members	Attendance
Mr. Alex Low Choon Hoong (Chairman)	3/3
YBhg. Dato' Koh Yaw Hui	2/3
Mr. Md. Adnan Md. Zain	3/3

The Chairman of the Audit Committee reports to the Board on all significant matters deliberated in each meeting.

5. DUTIES

The main duties of the Audit Committee are:

- to consider the appointment of a suitable accounting firm to act as external auditors. Among the factors that may be considered are adequacy of experience and resources of the firm, the credentials of the persons assigned to the audit, and the audit fee;
- to endorse decisions regarding the appointment or termination of the Head of Internal Audit;
- to discuss with the external and internal auditors, their audit plans, nature and scope;
- to review the half-year interim accounts (if any) and the audited annual financial statements;
- to discuss with the external auditors their evaluation of the quality and the effectiveness of the system of internal accounting controls;
- to review the internal audit reports and discuss with the internal auditors their evaluation of the risk management, control, and governance processes;
- to review the co-operation or assistance given by MII management and staff to the external and internal auditors;
- to examine the appropriateness of the accounting policies and management practices adopted;
- to review whether there is a reasonable ground to believe that the external auditors are not independent and/or not suitable for reappointment; and
- to consider any other matters, as proposed by the Board.

AUDIT COMMITTEE REPORT (CONT'D)

6. HIGHLIGHT OF ACTIVITIES

The Audit Committee undertook the following duties in 2014:

- reviewed the 2013 Audited Financial Statements;
- reviewed and approved the 2015 Internal Audit Plan;
- reviewed and approved the revised Internal Audit Charter;
- reviewed the internal audit reports covering 'Professional and Certification Examination Unit', 'Professional Education Unit', 'Product Development Unit', and 'Lecturer Appointment Process';
- considered and endorsed internal audit's recommendations and management's responses; and
- reviewed the 'Audit Findings Dashboard' and implementation of the agreed remedial measures.

During the year, the Audit Committee also endorsed the appointment of an advisory firm to conduct a comprehensive Information Technology audit and considered the suggestion to recruit an additional internal audit staff who shall have some background in Information Technology.

7. INTERNAL AUDIT DEPARTMENT

MII has a dedicated Internal Audit department which was established in 2002. The Internal Audit department assists the Audit Committee and the management on matters pertaining to risk management, control and governance processes. The department is currently staffed with 2 personnel, including the Head of Internal Audit, who reports functionally to the Audit Committee and administratively to the Chief Executive Officer.



MII ACTIVITY REPORT

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MII ACTIVITY REPORT

MII AS A TRAINING PROVIDER

1. OVERVIEW

Our role in training is to support and complement the human capital development initiatives of the insurance industry. Our training programmes focus on technical, professional or specialised subjects not addressed at the company level.

We offer 3 main categories of training to the public, namely General Insurance Training, Life Insurance Training, and Professional and Certificated Programmes. These programmes are developed to build technical knowledge and competencies of industry members ranging from staff of general and life insurance companies, brokers, loss adjusters, insurance agents, financial planners, risk managers and many others.

2. GENERAL INSURANCE TRAINING

General insurance training comprises of 2 main streams, Technical Training Courses and Premier Series.

2.1 TECHNICAL TRAINING COURSES

The technical training courses offer 3 levels of programmes with target audiences ranging from new entrants to management staff. The courses are structured as basic, intermediate and advanced, with each level containing the specified teaching units of the essential contents that the particular topic or subject matter must have.

In meeting the different and specific needs and requirements of individual companies in developing their staff competencies, all the above training can accordingly be customised as in-house training. In this case, the companies determine the training venue and the choice of trainers, while we recommend the topics based on the trainers' areas of specialisation, experience and market exposure. For international customers, in-house training can be held either in their home country or in Malaysia and such training is identified as special courses for foreign participants. In 2014, the special courses conducted was focused locally, with 2 sessions related to 'GST Implementation' and another session on 'Financial Budgetary Control'

The overall performance of general insurance training for 2014 reported a slight increase of 3% or 3 classes in the number of classes conducted as compared to 2013. However, there was a decrease of 13% in the number of participants registered in 2014 with 1630 participants, as compared to 1839 participants in 2013.

Out of 94 classes, 51 were conducted as public courses while the remaining 43 classes were conducted as in-house courses. Conversely, the demand for in-house training for the past years has shown a steady growth. In 2014, 43 classes were conducted, compared to 41 in 2013, that is, an increase of 5%, reflecting the change in customers' preference to organise the courses as in-house, probably due to cost savings as well as the need to be company-focused.



**94 CLASSES WERE
CONDUCTED IN 2014**

51 classes were conducted as public courses and the remaining 43 classes as in-house courses.

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

General Insurance Training Courses in 2014 and 2013:

No.	Course	2014		2013	
		No. of Classes	No. of Participants	No. of Classes	No. of Participants
1	Public				
	Technical	32	371	32	302
	Premier Series	16	221	18	212
	Special Courses for Local	3	164	-	-
	Sub -Total:	51	756	50	514
2	In-House				
	Technical	41	835	39	1,260
	Special Courses for Foreign Participants	-	-	2	65
	Certification	2	39	-	-
	Subtotal	43	874	41	1,325
	Grand Total	94	1,630	91	1,839

Overall Number of Training Classes and Participants by Level in 2014 and 2013:

No.	Level	2014			2013		
		No. of Topics	No. of Classes	No. of Participants	No. of Topics	No. of Classes	No. of Participants
1	Basic	66	57	1,024	68	50	1,241
2	Intermediate	49	32	403	134	41	598
3	Advanced	-	-	-	-	-	-
4	Certification	2	2	39	-	-	-
5	Special Courses	3	3	164	-	-	-
	Total	120	94	1,630	202	91	1,839

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

Public and In-House Training Courses by Level in 2014 and 2013:

No.	Level	2014				2013			
		Public		In-House		Public		In-House	
		No. of Classes	No. of Participants						
1	Basic	18	229	39	795	16	158	34	1,083
2	Intermediate	30	363	2	40	34	356	7	242
3	Advanced	-	-	-	-	-	-	-	-
4	Certification	-	-	2	39	-	-	-	-
5	Special Courses	3	164	-	-	-	-	-	-
Total		51	756	43	874	50	514	41	1,325

The number of participants for basic courses decreased slightly, with 1024 participants in 2014 compared to 1241 participants in 2013. Similarly, the technical courses also reported a decrease of 195 participants, from 598 in 2013 to 403 in 2014.

In 2014, we received 2 in-house requests for 'Train the Trainer' certification. The request came from a local and an overseas company:

No.	Level	Name of Company	No. of Pax	Certification
1	Certification	AIG (Malaysia)	20	Trainers for CMII
2		The Insurance Association Of Cambodia (IAC)	19	Trainers for DMII & AMII
Total Participation			39	

2.2 PREMIER SERIES

The Premier Series are targeted at a more advanced audience and focus on topics meeting the current needs, trends and practices of local and regional markets. The courses blend the trainers' extensive working experience and exposure exclusive to their respective areas of expertise with study visits to bring classroom knowledge to the actual work site. The courses have attracted many foreign participants and in view of that, hotels are considered as appropriate venues to conduct the training. This is to facilitate accommodation convenience for foreign participants.

In 2014, we conducted 16 Premier Series courses. The courses attracted 221 participants, comprising 196 local participants and 25 overseas participants.

The majority of the international participants who attended the Premier Series Courses were from ASEAN countries, that is, Brunei, Indonesia, Philippines and Vietnam with 1 participant from Iran.

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)



Premier Course

A Comprehensive Course in Professional Indemnity and Director's Liability Insurance
2 - 4 September 2014



Premier Course

Effective Negotiation Skills for Settlement of Claims
17 - 20 November 2014



In-house Programme

Maybank Berhad
Comprehensive Course in Liability Insurance, General Insurance, Reinsurance, Introduction to Life Insurance and Takaful Practice
27 - 30 October 2014



In-house Programme

Jerneh Insurance Berhad
Understanding GST and Its Implication on General Insurance and Takaful
17 - 18 November 2014

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

2.3 FOREIGN PARTICIPANTS

In 2014, we recorded total participation of 77 foreign participants for the general insurance courses as compared to 131 in 2013, a decrease of 70%. The majority of the overseas participants came for the technical training courses were from Maldives, Nepal, Papua New Guinea, Saudi Arabia, Brunei, Cambodia, Indonesia, Laos, Thailand and Vietnam, Comparison of the 2-year participation is summarised in the table below.

Foreign Participation in General Insurance Training Courses in 2014 and 2013:

No.	Course	2014	2013	Increase/ (Decrease) %
1	Technical Training*	52	38	14
2	Premier Series**	25	28	(3)
3	Special Courses***	-	65	(65)
Total		77	131	(54)

Notes:

- * Technical Training – 3 levels of courses (basic, intermediate and advanced) with target audiences ranging from new entrants to management staff. The courses contain the specified teaching units of the essential contents that the particular topic or subject matter must have.
- ** Premier Series – specialised courses targeted at a more advanced audience and focus on topics meeting current needs, trends and practices of local and regional markets. The courses blend the trainers' extensive working experience and exposure exclusive to their respective areas of expertise with study visits to bring classroom knowledge to the actual work site.
- *** Special Courses – specialised courses organised either for public or in-house, based on new regulations or newly developed courses.

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

Number of Participants for Technical Training Courses and Premier Series Courses by Country in 2014 and 2013:

No.	Country	Technical Training Courses		Premier Series Courses	
		No. of Participants		No. of Participants	
		2014	2013	2014	2013
1	Bangladesh	-	1	-	-
2	Brunei	5	8	9	9
3	Cambodia	2	-	-	-
4	Hong Kong	-	-	-	-
5	Indonesia	12	20	7	4
6	Laos	3	-	-	-
7	Iran	-	-	1	-
8	Maldives	1	4	-	-
9	Nepal	19	-	-	-
10	Oman	-	-	-	1
11	Papua New Guinea	1	-	-	1
12	Philippines	-	-	3	4
13	Saudi Arabia	7	-	-	-
14	South Korea	-	-	-	1
15	Thailand	1	4	-	7
16	Vietnam	1	-	5	1
Total		52	38	25	28

There were no special courses conducted for overseas companies in 2014.

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)



PIDM Alor Setar Roadshow 2014



PIDM Johor Bahru Roadshow 2014

2.4 EVENT MANAGEMENT

MII had continued to collaborate with Perbadanan Insurans Deposit Malaysia (PIDM) in offering our event management services for the fourth year, by mainly assisting in organising and supporting the industry briefings on PIDM Financial Consumer Protection System.

The roadshows were conducted throughout Malaysia and the number of participants who attended the PIDM Financial Consumer Protection System in 2014 and 2013 as shown in the table below:

Session	City	2014	2013
1	Alor Setar	64	44
2	Johor Bahru	55	82
3	Kota Kinabalu	53	64
4	Kuala Lumpur - Session 1	140	98
5	Kuala Lumpur - Session 2	95	50
6	Kuantan	71	50
7	Kuching	76	-
8	Ipoh / Manjung	76	14
9	Melaka	96	50
10	Seberang Jaya	51	50
Total		777	599

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

In 2014, MII also assisted PIDM in organising the 'Train-the-Trainer' session. All 3 sessions were conducted as part of PIDM's initiatives in expanding the trainers' pool. The table below provides information of the sessions conducted :

Session	Date	No. of Participants
1	May 21 – 22, 2014	8
2	August 26 – 27, 2014	12
3	October 27 – 28, 2014	8
	Total	28

3. LIFE INSURANCE TRAINING

Life Insurance Training is divided into 4 main areas, namely Technical Training, Leadership and Teambuilding, Agency Management and Agents' Convention. These courses, except for agents' conventions, are offered in-house where they are held in company's choice of premises.

In 2014, we continued to offer customised and relevant training to meet the training needs of staff and agents of life insurance companies and takaful operators.

Life Insurance Training Activities Conducted in 2014 and 2013:

Activity	2014		2013	
	No. of Sessions	No. of Participants	No. of Sessions	No. of Participants
Life Insurance Courses	22	1,143	39	1,760

Life Insurance Training, Number of Sessions and Participants in 2014 and 2013:

Training Category	No. of Sessions		No. of Agents Participating		No. of Staff Participating	
	2014	2013	2014	2013	2014	2013
Skill-Building	13	23	540	758	208	453
Leadership & Teambuilding	8	6	379	389	-	-
Agency Management Training Course (AMTC)	1	10	16	160	-	-
Total	22	39	935	1,307	208	453

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

Since many of the industry participants had attended the same courses conducted in the past years, the demand saw a drop from 39 sessions in 2013 to 22 sessions in 2014. This reflected a decrease of 35% from 1,760 in 2013 to 1,143 in 2014.

The Agency Management Training Course (AMTC) was collaborated with LIMRA since 2011. The demand for this course was encouraging at the beginning mainly because one company was very supportive of the course and had registered several batches of agents' participation on an in-house basis. In year 2014, the company had work with LIMRA directly; hence the demand has declined.



Skill-Building Training

Leadership & Teambuilding Training

3.1 BUMIPUTERA TRAINING FUND

The Bumiputera Training Fund (BTF) was established in 1996 with the main objective of encouraging more Bumiputera to join the agency force and providing Bumiputera life insurance agents and staff with opportunities to develop the necessary skills and knowledge towards a long term career in life Insurance selling.

Training Category, Number of Sessions and Number of Participants in BTF Courses in 2014 and 2013:

Activity	No. of Sessions		Agent Participation		Staff Participation		Total No. of Participants	
	2014	2013	2014	2013	2014	2013	2014	2013
Skill-Building	11	22	435	658	145	300	580	958
Leadership & Teambuilding	6	5	315	331	-	-	315	331
Life Agents Convention	1	1	445	474	-	-	445	474
AMTC	-	2	-	5	-	-	-	5
Total	18	30	1,195	1,468	145	300	1,340	1,768

In 2014, RM360,562.50 was utilised to subsidise 18 courses approved under the Bumiputera Training Fund that have benefited 1,340 Bumiputera staff and agents of life insurance companies.

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

4. PROFESSIONAL PROGRAMMES

4.1 PROFESSIONAL QUALIFICATIONS

We continued our role in providing high quality professional education to support the human capital development of the insurance industry. 2014 also saw the continued implementation of the 3 progressive qualifications for general insurance professionals i.e. Certificate, Diploma and Associateship. The usual learning progression for the majority of students is from the Certificate of The Malaysian Insurance Institute (CMII) or Diploma of The Malaysian Insurance Institute (DMII) leading to the Associateship of The Malaysian Insurance Institute (AMII) within 3 to 4 years. However, students may also enter at any level provided they meet the entry requirement.

A notable achievement in 2014 was the enrolment of 670 students in the DMII programme, an increase of 72% in the number of students from 390 students in 2013 to 670 students in 2014. The AMII programme also registered a 45% increase in the number of students from 197 students enrolled in 2013 to 285 students enrolled in 2014. This increase was expected as more of the DMII students completed their programme in 2013 and progressed to the DMII in 2014, similarly the AMII programme.

In contrast, there was a decrease of 54% in the number of students taking the International Certificate in Risk Management (CIRM) in 2014 with only 12 students as compared to 26 students in 2013.

MII is one of the approved training providers for the Registered Financial Planner (RFP) programme. RFP is a designation that has been approved by Bank Negara Malaysia (BNM) as the qualification to apply for the Financial Adviser's Licence and Financial Adviser's Representative Licence. The RFP designation has also been approved by the Securities Commission Malaysia (SC) as one of the qualifications to apply for the Investment Adviser's Licence and the Capital Markets Services Licence. RFP is offered in 2 streams: RFP (Conventional) and RFP (Shariah).

The demand for the RFP programme, especially for the RFP (Conventional) programme has decreased over the years as evidenced from the number of students registered for the RFP examination. For the past three consecutive years, there were no students enrolled for the RFP (Conventional) class compared to 20 students enrolled in 2011. Many companies conducted the programme in-house by their internal trainers certified by MII through the RFP Train-The-Trainer certification training organized and conducted by MII once a year. Likewise, the demand for the RFP (Shariah) classes also experienced the same trend with no classes held in 2014.

Number of Students and Classes for Professional Programmes in 2014 and 2013:

No.	Programme	No. of Classes		No. of Students	
		2014	2013	2014	2013
1	Associateship of The Malaysian Insurance Institute (AMII)	16	13	285	197
2	Diploma of The Malaysian Insurance Institute (DMII)	33	21	670	390
3	Certificate of The Malaysian Insurance Institute – (CMII)	24	31	489	702
4	International Certificate in Risk Management (CIRM)	1	2	12	26
5	Registered Financial Planner (RFP-Conventional)	-	-	-	-
6	Registered Financial Planner (RFP - Shariah)	-	4	-	103
Total		74	71	1,456	1,418

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

4.1.1 IN-HOUSE AND PUBLIC CLASSES

The CMII, DMII and AMII programmes are offered as public and in-house programmes. For larger companies that have more students, classes can be conducted in-house. The trend of 2013 continued in 2014 where more public programmes were conducted as compared to in-house programmes. Out of 74 classes, only 21 classes or 28% were conducted as in-house programmes. There was a slight increase of 16% in the number of in-house programmes in 2014 as compared to 2013. As for the public programmes, the number of classes held remains unchanged for the two years.

Number of Students and Classes for Professional Programmes in 2014 and 2013:

No.	Programme	In-House				Public			
		No. of Students		No. of Classes		No. of Classes		No. of Students	
		2014	2013	2014	2013	2014	2013	2014	2013
1	Associateship of The Malaysian Insurance Institute (AMII)	4	2	87	22	12	11	198	175
2	Diploma of The Malaysian Insurance Institute (DMII)	6	4	105	64	27	17	565	326
3	Certificate of The Malaysian Insurance Institute – (CMII)	11	8	211	167	13	23	278	535
4	International Certificate in Risk Management (CIRM)	-	-	-	-	1	2	12	26
5	Registered Financial Planner (RFP-Conventional)	-	-	-	-	-	-	-	-
6	Registered Financial Planner (RFP - Shariah)	-	4	-	103	-	-	-	-
Total		21	18	403	356	53	53	1,053	1062

4.1.2 CLASSES CONDUCTED LOCALLY

In 2014, we conducted classes for professional programmes in Alor Setar, Bukit Mertajam, Batu Pahat, Ipoh, Johor Bahru, Kota Kinabalu, Kuching, Kuantan, Kuala Terengganu, Kuala Lumpur, Melaka, Penang, Seremban, Sungai Petani and Tawau. 70% or 47 classes involving 959 students were held in Kuala Lumpur while 30% or 20 classes were conducted outside Kuala Lumpur. CMII classes were offered for the first time in Kuala Terengganu, Kota Kinabalu, Sungai Petani and Tawau.

Number of Associateship of The Malaysian Insurance Institute (AMII) Classes Conducted Locally (Kuala Lumpur and Outstation) in 2014:

No.	Location	No. of Classes	No. of Students
1	Kuala Lumpur	12	218
2	Penang	1	15
Total		13	233

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

Number of Diploma of The Malaysian Insurance Institute (DMII) Classes Conducted Locally (Kuala Lumpur and Outstation) in 2014:

No.	Location	No. of Classes	No. of Students
1	Kuala Lumpur	24	518
2	Batu Pahat	1	10
3	Ipoh	1	15
4	Alor Setar	1	19
5	Johor Bharu	1	25
6	Seremban	1	20
7	Penang	2	27
Total		31	634

Number of Certificate of The Malaysian Insurance Institute (CMII) Classes Conducted Locally, Outstation and East Malaysia in 2014:

No.	Location	No. of Classes	No. of Students
1	Kuala Lumpur	11	223
2	Ipoh	1	21
3	Johor Bahru	2	41
4	Sungai Petani	1	18
5	Penang	1	20
6	Melaka	1	21
7	Kuala Terengganu	1	15
8	Kuantan	1	19
9	Kota Kinabalu	1	32
10	Kuching	1	13
11	Bukit Mertajam	1	26
12	Tawau	1	17
Total		23	466

In addition to the flagship programmes, we have also conducted a class in International Certificate in Risk Management (CIRM) in 2014 for 12 participants held in MII City Centre.

4.1.3 CLASSES CONDUCTED OVERSEAS

The professional programmes were also conducted in Cambodia, Iran, Maldives and Indonesia. Except Cambodia, where the classes were facilitated by the local lecturers, classes for other countries were conducted by lecturers from MII. We also conducted one CMII class in Maldives.

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

4.2 INTERNATIONAL PARTICIPATION

Our flagship professional programmes, in particular the AMII, continued to attract international participants not only from the ASEAN market but also from other emerging markets such as the Middle East and Asia. The AMII is offered in two modes of study, self-study and class-based.

In 2014, 118 international students enrolled for the CMII, DMII and MII class-based programmes conducted in international centres. There was a significant boost in the number of students by 436% as compared to 22 students in 2013. The increase was due to new classes conducted in Jakarta, Maldives and Iran.

Number of International classes conducted in 2014:

No.	Location	Location	No. of Classes	No. of Students	Total (by programme)
1	Certificate of The Malaysian Insurance Institute	Maldives	1	23	
2	Diploma of The Malaysian Insurance Institute	Maldives	1	15	36
3		Iran	1	21	
4	Associateship of The Malaysian Insurance Institute	Jakarta	2	38	59
5		Maldives	1	14	
6		Cambodia	1	7	
		Total	7	118	

4.3 INDUSTRY SPONSORSHIP

For the eighth consecutive year, Malaysian National Reinsurance Berhad (MNRB) continued its support in the promotion of professionalism for the insurance industry by generously extending 50% sponsorships to personnel from various insurance companies. In 2014, a scholarship worth RM125,500 was awarded to 19 students, 4 of whom were for the DMII programme and 15 for the AMII programme. 10 companies from the general, life, composite, takaful and broking sectors of the industry benefited from this sponsorship.

Since 2007, a total of 190 students have been awarded sponsorship, 101 students have graduated while the remaining are still pursuing the programmes.

Number of Students Awarded MNRB Sponsorship from 2007 to 2014:

Year	Batch	DMII	No. of Students Graduated	AMII	No. of Students Graduated
2014	8th	4	Programme in progress	15	Programme in progress
2013	7th	3	Programme in progress	11	Programme in progress
2012	6th	12	10	13	Programme in progress
2011	5th	14	7	13	9
2010	4th	13	7	14	11
2009	3rd	14	10	15	6
2008	2nd	11	9	12	11
2007	1st	12	7	14	14
Total		83	50	107	51

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

Companies that benefited from MNRB Sponsorship from 2007 to 2014:

1. AAO Global Insurance Brokers Sdn Bhd
2. AIG Malaysia Insurance Bhd
3. Allianz General Insurance Company (M) Bhd
4. AmG Insurance Bhd
5. AMLife Insurance Bhd
6. Anika Insurance Brokers Sdn Bhd
7. Antah Insurance Brokers Sdn Bhd
8. Aon Insurance Brokers (M) Sdn Bhd
9. Asia Insurance (M) Bhd
10. AXA Affin General Insurance Bhd
11. Berjaya Sompo Insurance Bhd
12. BH Insurance (M) Bhd (merged with AXA Affin General Insurance Berhad on 1/1/2011)
13. Etiqa Insurance & Takaful Bhd
14. General Insurance Corporation of India, Labuan Branch
15. Great Eastern Takaful (M) Sdn Bhd
16. Gibraltar BSN Life Berhad
17. Hong Leong Assurance Bhd
18. HSBC Amanah Takaful (M) Sdn Bhd
19. Insfields Insurance Brokers Sdn Bhd
20. Jerneh Insurance Berhad
21. Kurnia Insurans (Msia) Bhd
22. Labuan Reinsurance (L) Ltd
23. Lonpac Insurance Bhd
24. MAA Takaful Bhd
25. Malene Insurance Brokers (M) Sdn Bhd
26. Maphilindo International Sdn Bhd
27. Marsh Insurance Brokers (M) Sdn Bhd
28. McLarens Saksama (M) Sdn Bhd
29. MIT Insurance Brokers Sdn Bhd (also known as MSM International)
30. MSIG Insurance (M)Bhd
31. MUI Continental Insurance Bhd
32. Multi-Purpose Insurance Bhd
33. Oriental Capital Assurance Bhd
34. Overseas Assurance Corporation (M) Bhd
35. Prudential Assurance Malaysia Bhd
36. RHB Insurance Bhd
37. Rosegate Insurance Brokers Sdn Bhd
38. Sime Darby Lockton Insurance Brokers Sdn Bhd
39. Sun Life Malaysia Assurance Berhad
40. State Insurance Brokers Sdn Bhd
41. Takaful Ikhlas Sdn Bhd
42. The Malaysian Insurance Institute
43. Tokio Marine Insurans (M) Bhd
44. Tokio Marine Life Insurance Malaysia Bhd
45. Tune Insurance Malaysia Berhad
46. UniAsia General Insurance Bhd
47. Watkins Syndicate Labuan Limited

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

4.4 CERTIFICATED PROGRAMMES

MII Certificated Programmes are programmes that are recognised by the insurance industry as qualifications to perform specific jobs or tasks. At the end of the programme, a certificate is awarded to participants who demonstrate that they have met the intended learning outcomes and pass the assessment. Our Certificated Programmes are categorised as mandatory and non-mandatory programmes.

Included under the mandatory programmes are programmes for licensing and Train-The-Trainer (TTT), which are as follows:

- (a) Basic Certificate Course in Insurance Loss Adjusting (BCCILA)
- (b) Basic Certificate Course in Insurance Broking (BCCIB)
- (c) Registered Financial Planner Train-The-Trainer (RFP-TTT)
- (d) Basic Agency Management Course Train-The-Trainer (BAMC-TTT)

The BCCILA is aimed at new entrants to the insurance loss adjusting field while the BCCIB is for potential insurance brokers. The BCCILA and BCCIB are normally offered 4 times in a year as a public programme. In 2014, BCCILA recorded an increase of 110% in number of students compared to 2013. Generally, we received good responses from both public and in-house where we have conducted 3 in-house classes for AM General Insurance with 90 participants and the remaining 170 participants attended the public programme. The BCCIB also recorded a slight increase of 17% in the number of students.

The RFP-TTT and BAMC-TTT are meant to certify in-house trainers to deliver the RFP and BAMC programmes in their respective companies. There was no significant change in the number of participants enrolled for both the programmes.

Number of Participants Attending Certificated Programmes in 2014 and 2013:

No.	Programme	No. of Participants	
		2014	2013
1	Basic Certificate Course in Insurance Loss Adjusting (BCCILA)	260	124
2	Basic Certificate Course in Insurance Broking (BCCIB)	134	115
3	Train-the-Trainer (TTT) for Registered Financial Planner (RFP)	30	34
4	Train-the-Trainer (TTT) for Basic Agency Management Course (BAMC)	29	24
	Total	453	297

PRODUCT DEVELOPMENT

MII is revising and developing more programmes that are in line with the current needs of the insurance industry in Malaysia and other foreign markets. In 2014, MII successfully revised four (4) professional certification programmes and 18 learning & training programmes to cater the changes and the ever-increasing needs and demands of the insurance market.

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

1. UPGRADING OF PROFESSIONAL CERTIFICATION PROGRAMMES

a. PRE-CONTRACT EXAMINATION FOR INSURANCE AGENTS (PCEIA)

The current PCEIA textbook was last updated in 2009. In 2014, there has been calls from the Associations and Industry to review the text book in order to reflect the new regulations and practices. As such the contents were updated to include changes and amendments to the regulations on Financial Services Act (FSA).

The main focus of revision is to update the content of the book in-line with the current practices and regulations affecting the agency force.

b. CERTIFICATE EXAMINATIONS IN INVESTMENT-LINKED LIFE INSURANCE (CEILLI)

Revision of the 6th edition CEILLI textbook (published in 2010), was carried out in 2014. The upgrades would be necessary to relate with the latest developments in the life insurance industry that have taken place over the last four (4) years. As such the contents were updated to include changes and amendments to the regulations on Financial Services Act (FSA) and the Guidelines on Investment-Linked business issued by Bank Negara (BNM/RH/GL 010-15).

More focus is given to deliver encompassing perspectives on Investment-Linked and related topics relevant for knowledge and practice of agents wanting to sell the product.

c. BASIC CERTIFICATE COURSE IN INSURANCE LOSS ADJUSTING (BCCILA)

The current BCCILA course note was last updated in 2011. Given the industry's current developments in this competitive market, it was timely to revise and improve the existing BCCILA syllabus to cater to the loss adjuster's current training needs. A loss adjuster requires extensive knowledge of the products and a high commitment to professionalism.

The new syllabus is designed to provide the loss adjuster with the necessary working knowledge and competency to ensure that they are able to support an efficient loss adjusting operation. It's also equipped with the latest information, data and cases which are more relevant to the current situation.

d. CERTIFICATE OF MII - INSURANCE (CMII)

CMII is one of MII flagship programmes. It was reviewed to align with the latest development of the Malaysian insurance industry and in line with the new MII education framework. The course outline and content were updated, incorporating additional information.

The focus is to provide knowledge and understanding of the basic insurance products, principles and regulatory framework of the Malaysian insurance industry. The syllabus & text book were upgraded in order to reflect the new changes.

2. UPGRADING OF LEARNING AND TRAINING PROGRAMMES

Every year, MII conduct almost 200 training courses in general and life insurance to risk management and financial planning. MII continuously develop and provide high quality insurance and related financial services education and training programme. As the insurance industry develops and changes, MII continues to review and revise the existing training programmes so that they meet the current demands of the industry.

The new amended programmes were designed to fill up the knowledge gaps of the insurance industry and to ensure that the required competencies needed to perform certain functions are acquired.

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

List of training programmes successfully revised and reviewed in 2014;

- i. Introduction to General Insurance
- ii. Introduction to General Insurance Company Operations
- iii. Introduction to Motor and Non-motor Insurance
- iv. Foundation Course in Fire Insurance
- v. Intermediate Course in Fire Insurance
- vi. Intermediate Course in Fire Insurance - Claims
- vii. Foundation Course in Business Interruption Insurance
- viii. Intermediate Course in Business Interruption Insurance
- ix. Intermediate Course in Business Interruption Insurance - Claims
- x. Foundation Course in Miscellaneous Accident Insurance
- xi. Intermediate Course in Miscellaneous Accident Insurance
- xii. Intermediate Course in Miscellaneous Accident Insurance - Claims
- xiii. Foundation Course in Health and Medical Insurance
- xiv. Intermediate Course in Health and Medical Insurance (Non-medical aspect of claims)
- xv. Intermediate Course in Health and Medical Insurance (Claims)
- xvi. Foundation Course in Marine Cargo Insurance
- xvii. Intermediate Course in Marine Cargo Insurance
- xviii. Intermediate Course in Marine Cargo Insurance - Claims

In line with MII's new education framework, and as part of the initiatives to establish and enhance MII credibility as one of the centres for human capital development and professional standards in the Malaysia insurance industry and new markets, in 2014, MII embarked to own its Intellectual Property (IP) as a publisher, which offer quality and comprehensive study and reference books.

1. DEVELOPMENT OF MII STUDY TEXTBOOKS FOR ITS PROFESSIONAL QUALIFICATION PROGRAMMES (DMII & AMII)

The study texts will be used as main references to MII's new professional qualifications, as the content syllabus has a balanced focus on international, regional and local content which are relevant to the Malaysian market as well as the overseas markets. The books will replace the current text books which are published by the Chartered Insurance Institute (CII) UK.

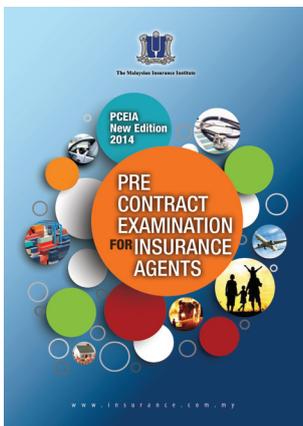
19 books have been identified to be developed and as at end of 2014, the 1st phase of development was completed which comprised of five (5) titles;

No.	Title	Status
1	Legal Principles	Phase 1
2	Insurance Law	Phase 1
3	Insurance Business & Finance	Phase 1
4	Commercial Property and Business Interruption	Phase 1
5	Insurance Company Operations	Phase 1
6	Claims Practice	Phase 2

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)

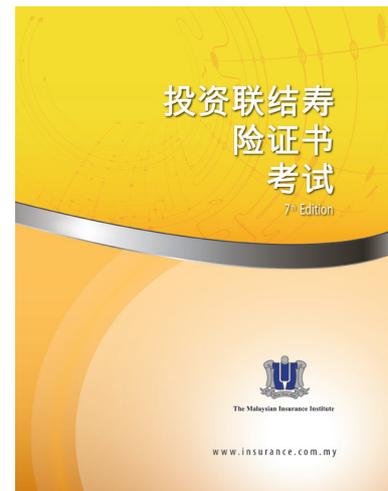
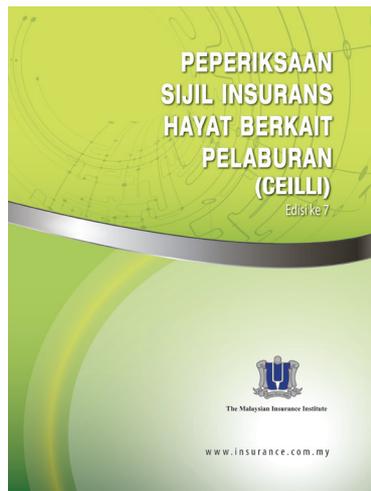
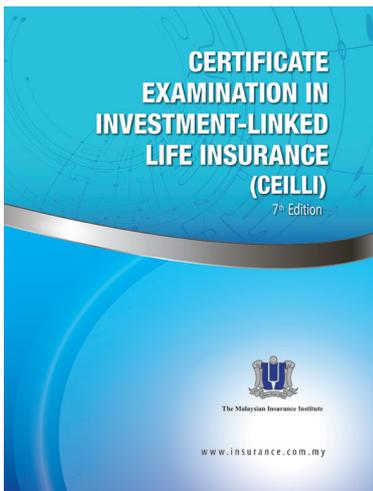
7	Claims Management	Phase 2
8	Underwriting Practice	Phase 2
9	Underwriting Management	Phase 2
10	Liability Insurance	Phase 2
11	Life Assurance	Phase 2
12	Private Medical Insurance	Phase 2
13	Life and Disability Underwriting	Phase 2
14	Reinsurance	Phase 2
15	Risk Management	Phase 2
16	Marketing	Phase 2
17	Motor Insurance	Phase 2
18	Personal Insurance	Phase 2
19	Introduction to Takaful	Phase 2



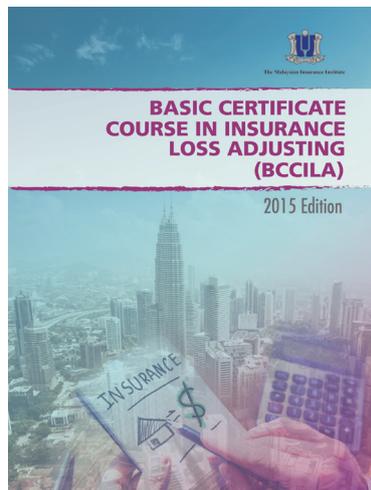
Pre-Contract Examination for Insurance Agent (PCEIA) – Book Covers

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)



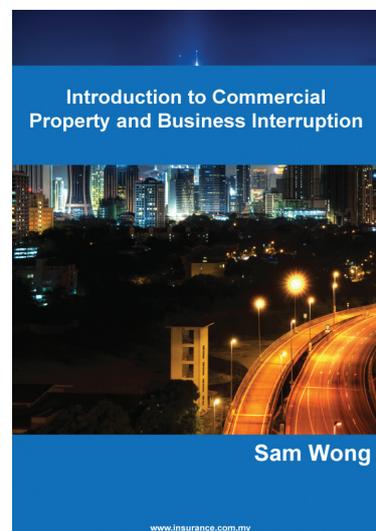
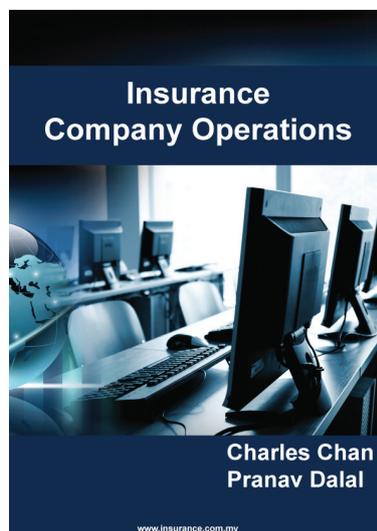
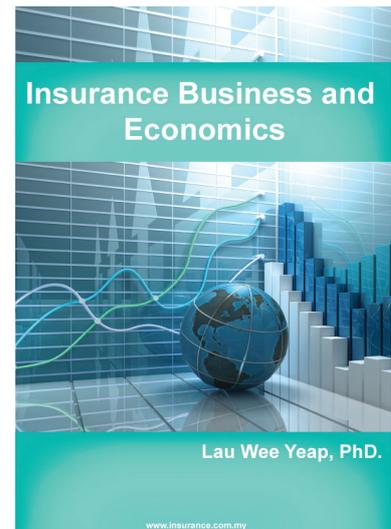
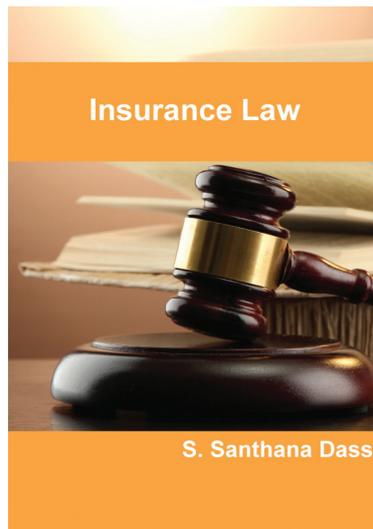
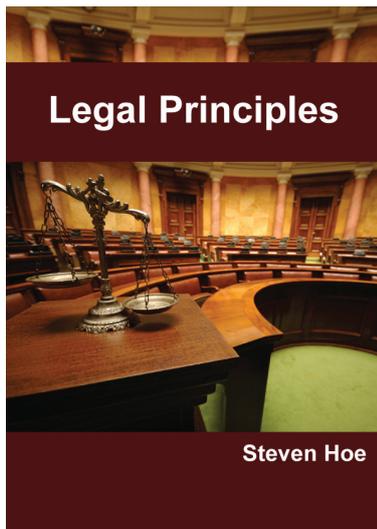
Certificate Examination in Investment-Linked Life Insurance (CEILLI) – Book Covers



Basic Certificate Course in Insurance Lost Adjusting (BCCILA) – Course Note Cover page

MII ACTIVITY REPORT (CONT'D)

MII AS A TRAINING PROVIDER (CONT'D)



MII Study Textbook - Book Covers

MII ACTIVITY REPORT (CONT'D)

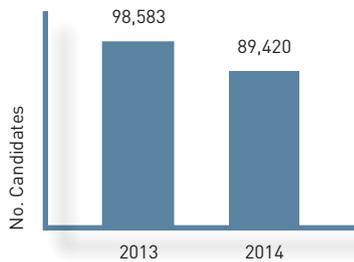
MII AS AN EXAMINATION CENTRE

1. OVERVIEW

As the official examination centre for the Malaysian insurance industry, we handle numerous examinations for various qualifications for the staff and agency force of the industry at our various centres throughout Malaysia.

We conducted 9 types of examinations in 2014 involving 89,420 candidates sat for the examinations at 22 examination centres in 14 states throughout Malaysia. This was a decrease of 9% or 9,163 candidates who sat for the examinations from 98,583 in 2013. Only AMII/DMII, BCCITB and RFP reported an increase whilst the other examinations reported a drop in number who sat for the examinations; i.e CMII, PCEIA, CEILLI, BAMC and BCCILA. PCEIA reported the major drop in the number of candidates who sat for the examination by 10% or 6,162 candidates as compared to a total of 59,849 candidates in 2013.

The Pre-Contract Examination for Insurance Agents (PCEIA) recorded the largest number of examination candidates, numbering 53,687 candidates while the Certificate Examination in Investment-Linked Life Insurance (CEILLI) recorded 31,662 examination candidates.



9% DECREASE



**53,687
EXAMINATION
CANDIDATES**

Pre-Contract Examination
for Insurance Agents
(PCEIA)



**31,662
EXAMINATION
CANDIDATES**

Certificate Examination
in Investment-Linked Life
Insurance (CEILLI)

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

Types of Examinations, Examination Sessions, Number of Candidates Sat for Examination and Examination Centres in 2014:

No.	Examination		Month/Day of Examination in 2014	No. of Candidates Sat for Examination	No. of Examination Centres
Professional Examinations					
1	Associateship of The Malaysian Insurance Institute	AMII	January, April, July, October	1,458	17
2	Diploma of The Malaysian Insurance Institute	DMII			
3	Certificate of The Malaysian Insurance Institute – Insurance	CMII	January, April, July, October	495	16
4	Registered Financial Planner	RFP	February, May, August, November	475	8
Certificated Examinations					
5	Basic Certificate Course in Loss Adjusting	BCCILA	April, June, September, November	259	10
6	Basic Certificate Course in Insurance Broking	BCCITB	March, May, August, September	197	6
7	Basic Agency Management Course	BAMC	March, June, September, October, December	1,187	13
Agents' Qualifying Examinations					
8(a)	Pre-Contract Examination for Insurance Agents	PCEIA paper-and-pencil	Scheduled examinations: Every month Ad-hoc: On average every Saturday	9,659	22
8(b)	Pre-Contract Examination for Insurance Agents	PCEIA computer-based	KL Centre: Monday to Friday Outstation/Ad-hoc: Every Saturday	44,028	11
9(a)	The Certificate Examination in Investment-Linked Life Insurance	CEILLI paper – and- pencil	Scheduled examinations: Every month Ad-hoc: On average every Saturday	3,942	22
9(b)	The Certificate Examination in Investment-Linked Life Insurance	CEILLI computer-based	KL Centre: Monday to Friday Outstation/Ad-hoc: Every Saturday	27,720	11
Total				89,420	

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

2. COMPUTER-BASED EXAMINATION (CBE)

We offer the computer-based examination (CBE) as an alternative to the paper-and-pencil (PPE) examination for the agents' qualifying examinations. The CBE, conducted via a web-based computer-based assessment system (C-BASS), comprises a robust question bank system (Q-Bank) and a computer-based examination system (CBES).

In July 2009, we began to offer the CBE in Johor Bharu and Penang. In January 2012, we started to offer the CBE at 3 other centres, namely Kota Bharu, Kota Kinabalu and Kuching. In October 2012, we opened another 3 new CBE centres in Ipoh, Melaka and Kuantan, earlier than the original plan of early 2013. In January 2013, another 2 new CBE centres were opened in Sungai Petani and Miri. We now have 11 CBE centres nationwide.

On 11 June 2013, we offer CBE exam at MII City Centre in Wisma Sime Darby, Kuala Lumpur to replace our previous venue at MII City Centre in Maju Junction Shopping Mall, Kuala Lumpur, apart from our outstation centres.

The industry has responded positively to the functions of the 11 CBE centres and the trend has shown a significant increase in the number of candidates taking the CBE over the past few years.

The main advantage of candidates taking the CBE is that immediate results can be obtained after each examination session and therefore potential agents can be recruited immediately upon their passing the agents' qualifying examinations. In addition, the examinations can be conducted more frequently, allowing more candidates to pass through the system for recruitment.



Computer-Based Examination centres in operation

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

2.2 COMPUTER-BASED EXAMINATION CENTRES

(a) OUTSTATION CENTRES



Kuala Lumpur Centre



Penang Centre



Johor Bahru Centre



Kota Kinabalu Centre



Kota Bharu Centre



Kuantan Centre



Kuching Centre



Melaka Centre



Ipoh Centre



Sg. Petani Centre



Miri Centre

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

(b) IN-HOUSE COMPANIES



ZURICH (Kuala Lumpur) Insurance



GREAT EASTERN (Kuala Lumpur) Insurance

3. PROFESSIONAL PROGRAMMES

3.1. ASSOCIATESHIP OF THE MALAYSIAN INSURANCE INSTITUTE (AMII) AND DIPLOMA OF THE MALAYSIAN INSURANCE INSTITUTE (DMII)

(a) AMII AND DMII - LOCAL STUDENTS

The AMII and the DMII programmes are offered in 2 study schemes, class-based and self-study. Self-study students are those not able to attend the class-based programme due to distance and time constraints and therefore take the examination on a 100% final examination basis. In the case of class-based students, the marks allocation for the DMII is 40% for course work and 60% for the final examination while for the AMII it is 50% for course work and 50% for the final examination.

In 2014, 1,200 candidates sat for the AMII and the DMII examinations locally. 1,032 were class-based students and 168 were self-study students. The average rate of passes by session ranged between 55% and 63%, with between 13 and 15 subjects taken. The number of candidates sitting for the examination in 2014 increased by 2% or 19 candidates as compared to 2013.

Examination sessions were conducted on 21-23 January, 22-24 April, 22-24 July and 28-29 October 2014 at various centres throughout the country.

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

AMII and DMII Examinations Statistics (Local Students) for 2014 and 2013:

Examination Session	2014				2013			
	No. of Subjects	Sat	Passed	Average Pass %	No. of Subjects	Sat	Passed	Average Pass %
January	13	206	129	63%	14	240	137	57%
April	13	332	183	63%	15	295	177	60%
July	15	338	185	55%	13	345	213	62%
October	15	324	194	60%	15	301	162	54%
Total		1,200	691	58%		1,181	689	58%

(b) AMII AND DMII (CLASS-BASED) - INTERNATIONAL STUDENTS

In 2014 we continued to conduct the AMII and the DMII examinations outside Malaysia, in Phnom Penh, Cambodia and a new centre in Male, Maldives. MII also established a new examination centre in Tehran, Iran.

258 candidates sat for the AMII and the DMII examinations at these international centres. The average rate of passes by session ranged between 50% and 94% with between 2 and 11 subjects taken.

The number of candidates sitting for the examinations reflected an increase of 387% or 205 candidates in 2014 as compared to 2013.

AMII Examination Statistics (International Students) for 2014 and 2013:

Examination Venue	2014				2013			
	No. of Subjects	Sat	Passed	Average Pass %	No. of Subjects	Sat	Passed	Average Pass %
Male, Maldives	13	77	58	75%	2	29	25	86%
Phnom Penh, Cambodia	11	63	37	59%	11	24	11	46%
Jakarta, Indonesia	2	76	43	56%	No examination conducted			
Tehran, Iran	2	42	23	55%	No examination conducted			
Total		258	161	62%		53	36	68%

3.2 REGISTERED FINANCIAL PLANNER (RFP)

In 2014, 475 candidates sat for the RFP examination, a decrease of 18% or 74 candidates for the various modules as compared to 2013. The average rate of passes decreased by 15% to 60% in 2014 as compared 75% in 2013. 3 modules i.e. modules 4, 5 and 6 recorded an increase in the rate of passes for 2014 as compared to 2013.

Since the inception of the programme, the Risk Management and Insurance Planning module has achieved the highest rate of passes of 92%. 282 candidates completed the RFP programme by completing all 7 RFP modules.

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

RFP Statistics for Each Module for 2014 and 2013:

No.	Programme	2014			2013		
		Sat	Passed	Pass %	Sat	Passed	Pass %
1	Fundamentals of Financial Planning	183	92	50%	87	75	86%
2	Risk Management and Insurance Planning	52	48	92%	89	82	92%
3	Investment Planning	77	49	64%	52	36	69%
4	Tax Planning	37	23	62%	44	22	50%
5	Estate Planning	23	21	91%	48	37	77%
6	Retirement Planning	41	27	66%	44	28	64%
7	Application of Financial Planning	62	23	37%	37	21	57%
Total		475	283	60%	401	301	75%

4. CERTIFICATED PROGRAMMES

4.1 CERTIFICATE OF THE MALAYSIAN INSURANCE INSTITUTE - INSURANCE (CMII)

In 2014, 495 candidates sat for the CMII examination with the average rate of passes by session ranging between 73% and 87%. The overall rate of passes in 2014 registered an average of 78%, which was 1% higher as compared to the 2013 average rate of passes. The examination sessions were conducted in January, April, July and October 2014.

CMII Examination Statistics for 2014 and 2013:

Month	2014			2013		
	Sat	Passed	Pass %	Sat	Passed	Pass %
January	52	38	73%	82	67	82%
April	151	132	87%	240	180	75%
July	78	57	73%	268	209	78%
October	214	159	74%	141	107	76%
Total	495	386	78%	731	563	77%

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

4.2. BASIC CERTIFICATE COURSE IN INSURANCE LOSS ADJUSTING (BCCILA)

In 2014, 259 candidates sat for the BCCILA examination, an increase of 47% or 126 candidates as compared to 2013. 4 examinations were conducted in March, May, August and November 2014 after the candidates attended a 4-day course at MII.

BCCILA Examination Statistics for 2014 and 2013:

Month	2014			2013		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	41	35	85%	40	34	85%
May	34	27	79%	26	21	81%
July	No examination in July 2014			37	34	92%
August	63	58	92%	No examination in August 2013		
October	No examination in October 2014			30	27	90%
November	121	105	87%	No examination in November 2013		
Total	259	225	87%	133	116	87%

4.3 BASIC CERTIFICATE COURSE IN INSURANCE AND TAKAFUL BROKING (BCCITB)

The Basic Certificate Course in Insurance and Takaful Broking (BCCITB) was introduced for the first time in April 2013 to replace Basic Certificate Course in Insurance Broking (BCCIB). The examination consists of 2 parts. Part A – Conventional Broking and Part B – Takaful Broking. Candidates are required to pass both parts and the passing marks were increased to 60% instead of 50% under the old programme.

In 2014, 197 candidates sat for the BCCITB, an increase of 39% or 55 candidates as compared to 2013. The examination was conducted after the candidates completed a 6-day course at MII or IBFIM. The examination sessions were held in April, June, September and November 2014.

CMII Examination Statistics for 2014 and 2013:

Month	2014			2013		
	Sat	Passed	Pass %	Sat	Passed	Pass %
April	46	20	43%	24	9	38%
June	43	18	42%	No examination in June 2013		
August	No examination in August 2014			28	14	50%
September	49	32	65%	42	17	40%
November	59	39	66%	No examination in October 2013		
December	No examination in December 2014			48	15	31%
Total	197	109	55%	142	55	39%

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

4.3 BASIC AGENCY MANAGEMENT CERTIFICATE (BAMC)

In 2014, 1,187 candidates sat for the BAMC examination, an increase of 1% or 9 candidates as compared to 2013. The average rate of passes was 95% in 2014 as compared to 92% in 2013.

5 examinations were conducted in March, June, September, and December 2014 with an additional of 1 ad hoc examinations requested by companies in the month of October.

BAMC Examination Statistics for 2014 and 2013:

Examination Session	2014			2013		
	Sat	Passed	Pass %	Sat	Passed	Pass %
Ad Hoc January	No Ad-hoc examination in Jan 2014			19	19	100%
March	240	232	97%	141	130	92%
Ad Hoc May	No Ad-hoc examination in May 2014			74	72	97%
June	375	365	97%	313	287	92%
September	337	325	96%	363	343	94%
Ad Hoc October	16	13	81%	No Ad-hoc examination in Oct 2013		
December	219	198	90%	268	235	88%
Total	1,187	1,133	95%	1,178	1,086	92%

5. AGENTS' QUALIFYING EXAMINATIONS

5.1 PRE-CONTRACT EXAMINATION FOR INSURANCE AGENTS (PCEIA)

OVERVIEW

The Pre-Contract Examination for Insurance Agents (PCEIA) is a pre-qualifying examination for which a pass is required to be a life or general insurance agent. This examination is offered in 2 modes, PPE and CBE and divided into 3 parts. Part A tests the Principles of Insurance, Part B focuses on General Insurance and Part C focuses on Life Insurance. Passing Part A of the PCEIA is compulsory for those wanting to join the agency force, whether in the life or the general insurance sector. The PCEIA (PPE) and the PCEIA (CBE) examinations are available in Bahasa Malaysia, English and Mandarin. The PCEIA (PPE) is also offered in Tamil upon request only.

In 2014, 53,687 candidates sat for the PCEIA examination throughout Malaysia. Of these, 9,659 candidates or 18% sat for the PCEIA (PPE) and 44,028 candidates or 82% sat for the PCEIA (CBE). Overall, 2014 saw a decrease of 10% or 6,162 candidates for the PCEIA examination.

The number of candidates who sat for the PCEIA declined by 27% or 3,496 candidates and 6% or 2,666 candidates for PCEIA PPE and CBE respectively as compared to 2013. In 2014, 82% of the candidates opted for the PCEIA (CBE) as compared to 78% in 2013.

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

PCEIA (PPE and CBE) Statistics for 2014 and 2013:

Year	Examination Mode	Paper-and-Pencil Examination (PPE)			Computer-Based Examination (CBE)			Total PPE & CBE
		Life	General	Total	Life	General	Total	
2014	Sat	7,029	2,630	9,659	35,616	8,412	44,028	53,687
	Passed	3,680	1,616	5,296	22,675	6,675	29,350	34,646
	Pass %	52%	61%	55%	64%	79%	67%	65%
2013	Sat	10,645	2,510	13,155	39,545	7,149	46,694	59,849
	Passed	5,140	1,517	6,657	24,750	5,688	30,438	37,095
	Pass %	48%	60%	51%	63%	80%	65%	62%
Variance 2014 vs. 2013	Sat	(3,616)	120	(3,496)	(3,929)	1,263	(2,666)	(6,162)
	Variance %	-34%	5%	-27%	-10%	18%	-6%	-10%

5.1.1 PCEIA - PAPER-AND-PENCIL EXAMINATION (PPE)

We conduct the PCEIA (PPE) twice a month on average at 23 examination centres in Malaysia. However, due to increasing demand and requests by companies, we also conduct the PCEIA (PPE) sessions on an unscheduled or ad-hoc basis, every Saturday.

2014 saw a decline of 27% or 3,496 candidates sitting for the PCEIA (PPE) as compared to the figure for 2013. However, the average rate of passes increased by 4% to 55% in 2014 as compared to 51% in 2013.

PCEIA (PPE) Overall Statistics for 2014 and 2013:

	2014			2013		
	Life	General	Total	Life	General	Total
PCEIA Paper-and-Pencil Examination						
Sat	7,029	2,630	9,659	10,645	2,510	13,155
Passed	3,680	1,616	5,296	5,140	1,517	6,657
Pass %	52%	61%	55%	48%	60%	51%
Variance 2014 vs. 2013						
	Life		General		Total	
Sat	(3,616)	-34%	120	5%	(3,496)	-27%

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

(a) PCEIA (PPE) - LIFE INSURANCE ROUTE

In 2014, the number of candidates sitting for the PCEIA (PPE) - life insurance route decreased by 34% or 3,616 candidates to 7,029 candidates. The figure for 2013 was 10,645 candidates. These candidates comprised 73% of the total number of candidates who sat for the PCEIA (PPE) in 2014 as compared to 81% in 2013. The average rate of passes increased by 4% to 52% as compared to 48% in 2013.

PCEIA (PPE) Life Route Statistics for 2014 and 2013:

	2014	2013	Variance 2014 vs 2013
Sat	7,029	10,645	[3,616] / -34%
Passed	3,680	5,140	(1,460)
Pass %	52%	48%	

In 2014, the number of candidates taking the examination in all available languages declined as compared to 2013. The number of candidates sitting for the examination in Mandarin in 2014 decreased by 42%. Candidates taking the examination in English, Bahasa Malaysia and Tamil showed a similar trend, with a drop of 31%, 30% and 47% respectively.

PCEIA (PPE) Life Route Statistics by Language for 2014 and 2013:

	Sat	Passed	Pass %
2014			
Bahasa Malaysia	2,266	823	36%
English	3,064	1,941	63%
Mandarin	1,691	916	54%
Tamil	8	0	0%
Total	7,029	3,680	52%
2013			
Bahasa Malaysia	3,256	1,147	35%
English	4,463	2,499	56%
Mandarin	2,911	1,493	51%
Tamil	15	1	7%
Total	10,645	5,140	48%

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

(b) PCEIA (PPE) – GENERAL INSURANCE ROUTE

The number of candidates sitting for the PCEIA (PPE) - general insurance route increased by 5% or 120 candidates to 2,630 candidates in 2014 as compared to 2,510 candidates in 2013. The overall rate of passes reported an increase of 1% to 61% as compared to 60% in 2013.

PCEIA (PPE) General Route Statistics for 2014 and 2013:

	2014	2013	Variance 2014 vs 2013
Sat	2,630	2,510	1263 / 18%
Passed	1,616	1,517	99
Pass %	61%	60%	

In 2014, the English version of the examination remained preferred. The number of candidates sitting for the examination increased slightly by 5% as compared to 2013. Candidates for the examination in English and Bahasa Malaysia showed the same trend, increased of 7% respectively. However, candidates taking the examination in Mandarin showed a decreased of 2%.

PCEIA (PPE) General Route Statistics by Language for 2014 and 2013:

	Sat	Passed	Pass %
2014			
Bahasa Malaysia	794	407	51%
English	1,263	851	67%
Mandarin	573	358	62%
Tamil	0	0	0%
Total	2,630	1,616	61%
2013			
Bahasa Malaysia	741	380	51%
English	1,181	767	65%
Mandarin	586	370	63%
Tamil	2	0	0%
Total	2,510	1,517	60%

5.1.2 PCEIA: COMPUTER-BASED EXAMINATION (CBE)

The PCEIA (CBE) was conducted throughout 2014 from Mondays to Friday except on public holidays at MII City Centre in Wisma Sime Darby Kuala Lumpur. 4 sessions were conducted on Mondays to Thursdays, and 3 sessions on Fridays. The increased of sessions during weekdays was to cater the demand from the companies and public. Thus, it shortened the waiting period for the next available dates/session.

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

4 sessions of the CBE were conducted each month from 9.00 am to 7.00 pm at the other outstation centres, namely Kota Kinabalu, Kuching, Kota Bharu, Ipoh, Melaka, Kuantan, Miri and Sungai Petani.

Due to increasing demand and requests by companies, the CBE sessions were conducted on Saturdays at the MII City Centre and on Sundays at the Johor Bharu and Penang centres on an ad-hoc basis in addition to the pre-determined schedule. We also have increased the number of days for Ipoh, Melaka, Sungai Petani, Kuching and Kota Kinabalu by having the examination on Saturdays bi-weekly basis.

2014 recorded a decline of 6% or 2,666 candidates as compared to 2013. The CBE is preferred due to the immediate release of results after each examination, speeding up the candidates' recruitment registration process as insurance agents. The average rate of passes reported an increase of 2% to 67% as compared to 65% in 2013.

PCEIA (CBE) Overall Statistics for 2014 and 2013:

	2014			2013		
	Life	General	Total	Life	General	Total
PCEIA Computer-Based Examination						
Sat	35,616	8,412	44,028	39,545	7,149	46,694
Passed	22,675	6,675	29,350	24,750	5,688	30,438
Pass %	64%	79%	67%	63%	80%	65%
Variance 2014 vs. 2013						
	Life		General		Total	
Sat	(3,929)	-10%	1,263	18%	(2,666)	-6%

(a) PCEIA (CBE) - LIFE INSURANCE ROUTE

In 2014, the number of candidates who sat for the PCEIA (CBE) - life insurance route declined by 10% or 3,929 candidates as compared to 2013. The average pass dropped by 1% to 62% as compared to 63% in 2013.

PCEIA (CBE) Life Route Statistics for 2014 and 2013:

	2014	2013	Variance 2014 vs 2013
Sat	35,616	39,545	(3,929) / -10%
Passed	22,675	24,750	(2,075)
Pass %	62%	63%	

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

(b) PCEIA (CBE) - GENERAL INSURANCE ROUTE

The number of candidates taking the PCEIA (CBE) - general insurance route increased by 5% or 120 candidates as compared to 2013. The average rate of passes dropped by 1% to 79% as compared to 80% in 2013.

PCEIA (CBE) General Route Statistics for 2014 and 2013:

	2014	2013	Variance 2014 vs 2013
Sat	8,412	7,149	120 / 5%
Passed	6,675	5,688	987
Pass %	79%	80%	

5.2 THE CERTIFICATE EXAMINATION IN INVESTMENT-LINKED LIFE INSURANCE (CEILLI)

OVERVIEW

CEILLI is a pre-qualifying examination for life insurance agents who want to sell investment-linked life insurance products for life insurance companies. This examination is offered in 2 modes, PPE and CBE. The PPE and CBE examinations are available in Bahasa Malaysia, English and Mandarin.

In 2014, 31,662 candidates sat for the CEILLI examinations throughout Malaysia. 3,942 candidates sat for the PPE and 27,720 sat for the CBE. Overall, the total number of candidates who sat for the examination in 2014 saw a decrease of 9% or 3,253 candidates as compared to 2013. The overall average rate of passes was 57%, an increase of 1% as compared to 2013.

The number of candidates who sat for the CEILLI (PPE) declined by 45% or 3,203 candidates as compared to 2013. The number of candidates sitting for the CEILLI (CBE) also saw a slight decrease of 0.2% or 50 candidates as compared to 2013. In 2014, 88% of the candidates opted for the CEILLI (CBE) while in 2013 the figure stood at 80%.

CEILLI Overall Statistics for 2014 and 2013:

Year	Examination Mode	Paper-and-Pencil Examination (PPE)	Computer-Based Examination (CBE)	Total PPE and CBE
2014	Sat	3,942	27,720	31,662
	Passed	2,008	16,142	18,150
	Pass %	51%	58%	57%
2013	Sat	7,145	27,770	34,915
	Passed	3,521	15,932	19,453
	Pass %	49%	57%	56%
Variance 2014 vs. 2013	Sat	(3,203)	(50)	(3,253)
	Variance %	-45%	-0.2%	-9%

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

(a) CEILLI PAPER-AND-PENCIL EXAMINATION (PPE)

The CEILLI (PPE) is conducted on average twice a month at 23 examination centres all over the country. However, due to increasing demand and requests by companies, the CEILLI (PPE) sessions were also conducted as unscheduled or on an ad-hoc basis on average every Saturday.

The number of candidates sitting for the CEILLI (PPE) declined by 45% or 3,203 candidates in 2014 as compared to 2013. However, the average rate of passes was 51%, an increase of 2% as compared to 49% in 2013.

CEILLI (PPE) Overall Statistics for 2014 and 2013:

	2014	2013	Variance 2014 vs 2013
Sat	3,942	7,145	{3,203} / {45%}
Passed	2,008	3,521	{1,513}
Pass %	51%	49%	

In 2014, the number of candidates taking the examination in all available languages declined as compared to 2013. The number of candidates sitting for the examination in English in 2014 decreased by 51%. Candidates taking the examination in Mandarin and Bahasa Malaysia showed a same trend, with a drop of 41%.

Candidates who sat for the examination in English reported the highest rate of passes of 66%, followed by Mandarin at 48% and Bahasa Malaysia at 30%. The overall average rate of passes increased by 2% from 51% in 2014 compared to 49% in 2013.

CEILLI (PPE) Statistics by Language for 2014 and 2013:

	Sat	Passed	Pass %
2014			
Bahasa Malaysia	777	231	30%
English	1,494	980	66%
Mandarin	1,671	797	48%
Total	3,942	2,008	51%
2013			
Bahasa Malaysia	1,311	410	31%
English	3,024	1,726	57%
Mandarin	2,810	1,385	49%
Total	7,145	3,521	49%

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

(b) CEILLI COMPUTER-BASED EXAMINATION (CBE)

The CEILLI (CBE) was conducted throughout 2014 from Mondays to Friday except on public holidays at MII City Centre in Wisma Sime Darby Kuala Lumpur. 4 sessions were conducted on Mondays to Thursdays, and 3 sessions on Fridays. The increased of sessions during weekdays was to cater the demand from the companies and public. Thus, it shortened the waiting period for the next available dates/session.

4 sessions of the CBE were conducted each month from 9.00 am to 7.00 pm at the other outstation centres, namely Kota Kinabalu, Kuching, Kota Bharu, Ipoh, Melaka, Kuantan, Miri and Sungai Petani.

Due to increasing demand and requests by companies, the CBE sessions were conducted on Saturdays at the MII City Centre and on Sundays at the Johor Bharu and Penang centres on an ad-hoc basis in addition to the pre-determined schedule. We also have increased the number of days for Ipoh, Melaka, Sungai Petani, Kuching and Kota Kinabalu by having the examination on Saturdays bi-weekly basis.

The number of candidates sitting for the CEILLI (CBE) declined by 0.2% or 50 candidates in 2014 as compared to 2013. However, the average rate of passes was 58%, an increase of 1% as compared to 57% in 2013. CBE has become the preferred mode of examination due to the immediate release of results after each examination, speeding up candidates' recruitment registration process as insurance agents.

CEILLI (CBE) Overall Statistics for 2014 and 2013:

	2014	2013	Variance 2014 vs 2013
Sat	27,720	27,770	(50)/(0.2%)
Passed	16,142	15,932	210
Pass %	58%	57%	

The number of candidates sitting for the CEILLI (CBE) examinations in all languages increased, with the examination in English reporting the highest increase of 47%. Candidates who sat for the examination in English reported the highest rate of passes of 70%, followed by Mandarin at 52% and Bahasa Malaysia at 40%. The overall average rate of passes increased by 1% from 57% in 2013 to 58% in 2014.

CEILLI (CBE) Statistics by Language for 2014 and 2013:

	Sat	Passed	Pass %
2014			
Bahasa Malaysia	5,005	2,003	40%
English	13,110	9,188	70%
Mandarin	9,605	4,951	52%
Total	27,720	16,142	58%
2013			
Bahasa Malaysia	4,585	1,776	39%
English	13,126	9,209	70%
Mandarin	10,059	4,947	49%
Total	27,770	15,932	57%

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

6. EXTERNAL EXAMINATIONS

We continued to be given the trust and mandate as the regional examination centre by several international examining bodies during the year. We facilitated the following examinations for 433 candidates taking various external examinations.

External Examinations Facilitated by MII in 2014 and 2013:

No.	Examination	No. of Candidates	
		2014	2013
1	Casualty Actuarial Society (CAS), UK	51	50
2	The Chartered Insurance Institute (CII), UK	90	99
3	The Chartered Institute of Loss Adjusters (CILA),UK	2	No examination
4	Society of Actuaries (SOA), USA	259	346
5	The Institute of Risk Management (IRM),UK	31	66
Total		433	561

7. EXAMINATIONS DEVELOPMENT AND EXEMPTIONS

The Examinations Development and Exemptions Unit (EDEU) under the Registry and Examinations Centre ensures quality standards while maintaining our question bank for all examinations conducted by MII.

The development of question papers involves appointing question setters, moderators, translators and proofreaders, right up to the production of the final examination papers.

EDEU also assesses and awards accreditation of prior learning for some of the major and compulsory examinations offered by MII.

The Unit is committed to continuously enhancing the quality and standard of the examinations offered to be in line with international standards. As such, the Unit

1. Develops the questions using the guidelines given by Majlis Peperiksaan Malaysia (MPM), The Chartered Insurance Institute (CII), UK, and other professional bodies to ensure reliability, validity and quality.
2. Continuously reviews the questions periodically to ensure that the questions remain current, relevant and in tandem with the needs of the industry.
3. Ensures the setting of, moderation and review of examination questions by subject matter experts (SME).
4. Imposes a high level of security in the process of ensuring the questions are reliable and valid.

MII ACTIVITY REPORT (CONT'D)

MII AS AN EXAMINATION CENTRE (CONT'D)

SIGNIFICANT ACTIVITIES IN 2014

The Examinations Development and Exemptions Unit (EDEU)

1. Developed 2,095 sets of e-papers for the PCEIA (CBE) and the CEILLI (CBE). The number of e-papers produced in 2014 decreased by overall 7% as compared to 2013 (2,251) due to decreased in number of candidates sat for CBE nationwide.
2. Developed 753 sets of questions papers for 9 different paper and pencil/pen (PPE) based examination. About 41% of these question papers developed were mainly for ad-hoc PCEIA & CEILLI examination. The number of sets of questions papers produced in 2014 decreased by overall 47% as compared to 2013 (1,409) due to decreased in number of candidates sat for PPE PCEIA, CEILLI and RFP nationwide.
3. Developed 320 new questions, for PCEIA, CEILLI & BAMC in 2014.
4. Revised examination blue-prints for PCEIA & BCCITB based on new requirements and syllabus change.
5. Developed 55 sets of assignment and 22 sets of test for DMII and AMII international class in Cambodia.
6. Carried out the processes of moderation, proof-reading, editing and translations by SMEs of a total of 2917 questions for various examinations in 2014 to uphold the quality, standards and relevancy of the examination questions.
7. Continued to process requests for exemptions in respect of prior learning that students have undertaken outside of MII qualifications. A total of 173 exemptions applications were received for AMII, DMII, PCEIA and CEILLI examinations in 2014.

MII ACTIVITY REPORT (CONT'D)

MII AS A PROFESSIONAL BODY

1. OVERVIEW

As a professional body, we maintain a membership register comprising Individual and Institutional members. Individual membership includes Fellow, Associate, Ordinary and Affiliate membership. In 2014, we had 1,991 individual members. Institutional members comprise all registered insurance and reinsurance companies, insurance brokers and loss adjusters in Malaysia, making a total of 123 Institutional members with approximately 25,000 staff.

Our membership offers a platform for members to enjoy privileges in our products and services and professional networking through invitation to our activities and events. Selected benefits are also extended to the staff of our Institutional members.

1.1 MEMBERSHIP STATUS IN 2014

As at 31 December 2014, MII had 123 institutional members and 1,991 individual members.

1.1.1 NUMBER OF INDIVIDUAL MEMBERS IN 2014:

No.	Category	No. of Individual Members	
		2014	2013
1	Fellow	15	13
2	Associate	356	400
3	Ordinary	589	694
4	Affiliate	762	884
Total		1,722	1,991

The significant increase of 16% or 269 in the total number of Individual members in 2014 was due to the increase in the number of Affiliate, Ordinary and Associate members. This is because our membership has become better recognised through our continuous efforts to promote MII membership to potential members at our conferences and other external events.

1.1.2 NUMBER OF INSTITUTIONAL MEMBERS IN 2014:

No.	Sector	No. of Institutional Members	
		2014	2013
1	Reinsurance	7	7
2	Composite	6	5
3	General	18	18
4	Life	8	9
5	Brokers	36	36
6	Adjusters	36	35
7	Others (Non- Insurance)	13	13
Total		124	123

MII ACTIVITY REPORT (CONT'D)

MII AS A PROFESSIONAL BODY (CONT'D)

All current registered insurance and reinsurance companies, insurance brokers and loss adjusters in Malaysia which are licensed under the Insurance Act 1963 remained as MII Institutional members in 2014. The overall total of Institutional members decreased from 124 in 2013 to 123 company members in 2014.

2. MEMBERSHIP ACTIVITIES

7 activities involving 436 members were successfully organised in 2014. The activities ranged from industry-wide events to specific activities for members for networking and also to gain general knowledge.

In order to cater to all categories of members that include insurance industry staff and the agency force, the topics of membership talks in 2014 ranged from technical insurance to non-technical insurance subjects such as Developing the positive Self-Belief Within and PDPA and its Impact on Insurance Market Players, among others.

We also continuously participated in exhibitions at seminars and conventions organised by external parties. These initiatives were to create awareness of our membership to potential individual members.

2.1 MEMBERSHIP TALKS IN 2014

List of Membership Activities in 2014:

No	Date	Topic
1	19 February 2014	Developing the Positive Self-Belief Within
2	14 March 2014	PDPA and its Impact on Insurance Market Players
3	02 June 2014	Understanding FSA and its Impact on Insurers
4	18 June 2014	MII 36th Annual General Meeting
5	27 August 2014	Introduction to Lean Six Sigma
6	18 October 2014	8th MII Inter-Insurance Companies Bowling Tournament



Talk on Developing the Positive Self-Belief Within on 19 February 2014 at MII City Centre



Talk on Understanding FSA and its Impact on Insurers on 2 June 2014 at MII City Centre

MII ACTIVITY REPORT (CONT'D)

MII AS A PROFESSIONAL BODY (CONT'D)

2.2 MII INTER-INSURANCE COMPANIES BOWLING TOURNAMENT 2014

As part of our mission to provide a platform for social and networking opportunities to people across the insurance industry, the Inter-Insurance Companies Bowling Tournament 2014 was successfully organised for the Eighth year on 18 October 2014 at Sunway Mega Lanes, Sunway Pyramid, Selangor. This served as an excellent opportunity for the industry to get together as a unified industry. 240 players from 30 companies from all sectors of the insurance industry including general and life companies, takaful operator, brokers and loss adjusters participated in the tournament.

Final Team Standings

Place	Company/Team	Total Score Pins
Champion	Etiqa – Team A	2,008
1st runner-up	MSIG Insurance (Malaysia) Berhad – Team A	2,006
2nd runner-up	Great Eastern Life Assurance (Malaysia) Berhad – Team A	1,988
4th placing	AIA Berhad – Team A	1,975
5th placing	Sun Life Malaysia Assurance Berhad – Sun Invest	1,948

Best Bowlers

Category	Name/Company	Total Score Pins
Men	Mohd Riduan Bin Abu Bakar – Takaful Ikhlas Berhad	600
Women	Shahlawati Mat Yusof – AON Insurance Brokers (Malaysia) Sdn Bhd	605



Ms. Shahlawati, Best Female Bowler



Mr. Mohd Riduan, Best Male Bowler

MII ACTIVITY REPORT (CONT'D)

MII AS A PROFESSIONAL BODY (CONT'D)



Team ETIQA A, Champion



Team MSIG A, 1st Runner Up



Team GELA A, 2nd Runner Up



Participants at the bowling tournament

MII ACTIVITY REPORT (CONT'D)

MII AS A CONFERENCE ORGANISER

1. OVERVIEW

Annually, we conduct about 4 to 6 national and international level conferences specially designed to meet the specific needs of the industry. These receive tremendous support from various local and international organisations. In addition to the gaining and sharing of knowledge and experiences, our conferences provide valuable platforms for networking.

We successfully organised 4 conferences for the insurance industry in 2014. These drew 1091 participants from Brunei, Indonesia, Thailand, Iran, Philippines, Singapore and Malaysia. Total of 63 International and local speakers presented exciting papers, sharing their expertise with the delegates. We have been very honoured to receive invaluable support of speakers in their voluntary presence at all the event. This has been extremely beneficial to MII in our aim of providing world class knowledge and expertise to delegates attending the conferences.

Conferences Organised in 2014:

No	Conferences	Date	No. of participants	No. of speakers
General Conferences/Conventions				
1	International Claims Convention 2014	20 – 21 May 2014	80	18
2	General Insurance Agents Convention 2014	18 September 2014	500	12
3	4th Malaysia Insurance Summit 2014	28 – 29 October 2014	60	24
Life Insurance Conferences/Conventions				
4	Konvensyen Ejen Insurans Hayat Bumiputera 2014	20 September 2014	451	9
Total			1,091	63

2. CONFERENCES ORGANISED

2.1 INTERNATIONAL CLAIMS CONVENTION 2014

With the support from General Insurance Association of Malaysia (PIAM), Life insurance Association of Malaysia (LIAM), Association of Malaysia Loss Adjusters (AMLA), The Malaysia Insurance and Takaful Brokers Association (MITBA), National Insurance Claims Society (NICS) and Malaysia Takaful Association (MTA), the fourth International Claims Convention was held at the Prince Hotel & Residence, Kuala Lumpur on 20 – 21 May 2014.

The convention which was themed '*Driving Toward Greater Customer Centricity*' attended by 80 delegates from Brunei, Indonesia, Thailand, Iran, Philippines, Singapore and Malaysia. The convention brought together 18 renowned industry experts from Singapore, Thailand, Australia, Hong Kong and Malaysia to shared their experience as speakers at this event.

YB. Senator Dato' Seri Ahmad Bashah bin Md. Hanapiah, Deputy Minister, Ministry of Domestic Trade, Co-Operatives and Consumerism (KPDNKK) Malaysia was the Guest of Honour and officiated the convention. The convention continues to be important and relevant convention for the insurance industry as it brings the discussion platform on topical issues and lessons learned from various, dynamic and complex claims experience in the recent past and potential claims risk which could undermine the future of underwriting profits. Participants were delighted as their gain knowledge information that can be used to improve their company's claims management processes, policies, approaches and framework.

MII ACTIVITY REPORT (CONT'D)

MII AS A CONFERENCE ORGANISER (CONT'D)

Testimonials from participants:

"It's is a good experience to have recent update on many claims issues particularly on fraud & legislation in other country"

Wo Yoke Fong
AXA Affin General Insurance Bhd

"I'm being well informed of the updated & new development on claims issues by the experts themselves"

Izman M Din
Progressive Ins Bhd

"Creates new horizon in claims perspective"

Ahmad Naron
ACE Jerneh

"Right place to meet the industry people face to face with exceptional protection on stage in sharing the want claims issues"

Siow Fei Yau
MSIG Insurance (M) Bhd

"Awesome conference that discusses a diverse range of issues in a manner"

Sharifah Munaem Syed Abdul Bari
Protac Insurance Brokers

"This forum is good way to know the latest issues around Asia & the topics has been interesting. The topic on customer centricity is a good focus in view by current challenges the industry is facing & the ideas shared is very helpful to handle customer today"

Anudeep Kaur
MSIG (M) Insurance Bhd



Dato' Syed Moheeb, CEO, The Malaysian Insurance Institute presented the token of appreciation to YB. Senator Dato' Seri Ahmad Bashah bin Md. Hanapiah, Deputy Minister, Ministry of Domestic Trade, Co-Operatives and Consumerism (KPDNKK) Malaysia.



Welcome address by Dato' Syed Moheeb, CEO of The Malaysian Insurance Institute

MII ACTIVITY REPORT (CONT'D)

MII AS A CONFERENCE ORGANISER (CONT'D)

2.2 GENERAL INSURANCE AGENTS CONVENTION

The General Insurance Agents Convention is an annual event organised by MII with the support of PIAM. Subsequent to the success of the event in previous years, the convention was again held on 18 September 2014 at Sunway Resort Hotel and Spa with the theme *Changes, Challenges and Choices*.

The event was officiated by Y.B Datuk Haji Ahmad Bin Haji Maslan, Deputy Finance Minister of Malaysia. This one-day convention provides a platform for agents to gain new skills that enable them to play bigger role in the insurance industry. The conventions also serve as continuous professional development (CPD) to the agents. The event was well attended by 500 participants and received two silvers sponsors which were AIG and Etiqa.

A total of 12 speakers spoke on various topics and share their experiences and expertise which aimed to inspire agents to success in the business. The highlight of the convention was the two forum session, 90 minutes with CEOs and Inside Secret's of Successful Agents. The 90 minutes with CEOs was participated by Mr. Antony Lee, CEO, AIG Malaysia Insurance Berhad, Phil Smith, CEO, Zurich Insurance Berhad and Mr. Horst Habbig, Chief Sales Officer, Allianz General Insurance Company (Malaysia) Berhad. The forum was moderated by Dato Syed Moheeb Syed Kamarulzaman, CEO, The Malaysian Insurance Institute.

Testimonials from participants:

"Dialogue session with panels were lively & interactive"

Valynn Lee
ORIX Insurance Agencies Sdn Bhd

"Well organised. Full of knowledge & insights of the industry"

Syed Shiriman Syed Abdullah
Syed Shiriman Agency

"MII has successfully shown the message of the postage role under de-tariff"

T. Chandra Sekran
AmGeneral Insurance Bhd

"The successful event I've ever attend!"

Siti Isah Ahmad
Etiqa Takaful Bhd

"A lot of questions well answered. I know I am not alone in the issue I learn. Received clarify (some) in attending insurance program"

Cynthia Jonas
CJ Doves Consulting

"Finally I see some good input. Eg - In industry, motivation & inside views of the performers after attending"

May Ng
AIG Insurance Malaysia Berhad

MII ACTIVITY REPORT (CONT'D)

MII AS A CONFERENCE ORGANISER (CONT'D)



Y.B Datuk Haji Ahmad Haji Maslan, Deputy Finance Minister of Malaysia with all VIPs during the opening ceremony.



Lucky draw winner receiving All Black Rugby Jersey from Mr. Antony Lee, CEO, AIG Malaysia Insurance Berhad



Participants at the Convention

MII ACTIVITY REPORT (CONT'D)

MII AS A CONFERENCE ORGANISER (CONT'D)

2.3 4TH MALAYSIA INSURANCE SUMMIT 2014

Following the success of the 3rd Malaysia Insurance Summit 2013, MII, with the support of PIAM, LIAM, AMLA, MTA and MITBA, organised the inaugural 4th Malaysia Insurance Summit held at the Sasana Kijang Bank Negara Malaysia, Kuala Lumpur from 28 – 29 October 2014.

With the theme 'Today's Vision, Tomorrow's Reality', the Summit gathered 60 delegates from Netherland, Singapore and Malaysia to converge with C-level executives and subject matter experts on up-to-date insight of the future market.

Total of 24 speakers from United Kingdom, Netherland, Singapore, Hong Kong and Malaysia delivered high quality papers and lead a thought provoking discussion of the most pressing issues that affecting the industry. The Summit also provides a platform for members of the insurance industry for networking opportunities with key leaders and generates solutions for the industry's considerations. The Summit was officiated by YB Datuk Ir. Dr. Wee Ka Siong, Minister in the Prime Minister's Department.

Summit delegates also get the opportunity to attend the half day Capacity Building Seminar for CMLV Countries on 30 October 2014. The event is organized by AITRI and GIAJ and fully sponsored by Japan International Cooperation Agency (JICA) and Bank Negara Malaysia (BNM).



YB Datuk Ir. Dr. Wee Ka Siong, Minister in the Prime Minister's Department, Malaysia officiating the summit accompanied by (from left), Mr. Mark Lim, CEO of PIAM, Dato' Syed Moheeb, CEO of MII, En. Abdul Aziz Mohamed Noor, Chairman of AMLA and Mr. Alex Foong, Chairman of MITBA.



Industry leaders as panellists and speakers at the event



AXA & MII Memorandum of Agreement Ceremony witnessed by YB Datuk Ir. Dr. Wee Ka Siong

MII ACTIVITY REPORT (CONT'D)

MII AS A CONFERENCE ORGANISER (CONT'D)

KONVENSYEN EJEN INSURANS HAYAT BUMIPUTERA (BUMIPUTERA LIFE INSURANCE AGENTS CONVENTION AND AWARD)

The Bumiputera Life Insurance Agents Convention is an annual event organised with the support of LIAM. The convention organised on 20 September 2014 at Dewan Tun Dr Ismail, PWTC, Kuala Lumpur was graciously officiated by Y. Bhg. Professor Tan Sri Dr. Ghauth Jasmon, Ex Vice Chancellor of University Malaya.

The objective of the event was to create a platform for Bumiputera agents in the life insurance industry to learn and share new knowledge, skills and experiences to sustain and further enhance business success. 55 Top Agency Leaders, Top Personal Producers and MDRTs from 9 life insurance companies received their awards during the convention. The awards were introduced to acknowledge and recognise the achievements of agents of life insurance companies. It was extremely well received and highly appreciated not only by the companies but also Bumiputera agency leaders and agents.

The convention themed *Generasi Y, Generasi Teknologi*, saw the attendance of 451 Bumiputera agents, a decrease of 6% or 27 participants from 478 participants in 2013.

Testimonials from participants:

"Tahun hadapan adakan persembahan pentas dari ejen untuk menghiburkan."

Hj Hamzah Hj Mohamad
Etiqa Insurance Berhad

"Peserta kali ini lebih terbuka berbanding tahun-tahun sebelumnya."

Mohd Salmi
Prudential Assurance Berhad

"Program yang berkesan, Terbaik!"

Mohd Nurul Hafiz
Prudential Assurance Berhad

"Menjemput artis sebagai penyeri adalah sesuatu yang menceria!"

Muhamad Faiz Bin Naprabi
Prudential Assurance Berhad

"Menarik! Mungkin dengan lagi kejutan"

Mohd Shafiq Khirzani B Abdul Halim
Prudential Assurance Berhad



Y. Bhg. Professor Tan Sri Dr. Ghauth Jasmon, Ex Vice Chancellor of University Malaya, officiating the event. Also on stage are (from left) En Kamaludin Bin Ahmad, Vice President of LIAM and Dato' Hj. Syed Moheeb Syed Kamarulzaman.

MII ACTIVITY REPORT (CONT'D)

MII AS A CONFERENCE ORGANISER (CONT'D)



Participants at the convention

MII ACTIVITY REPORT (CONT'D)

MII AS A KNOWLEDGE CENTRE

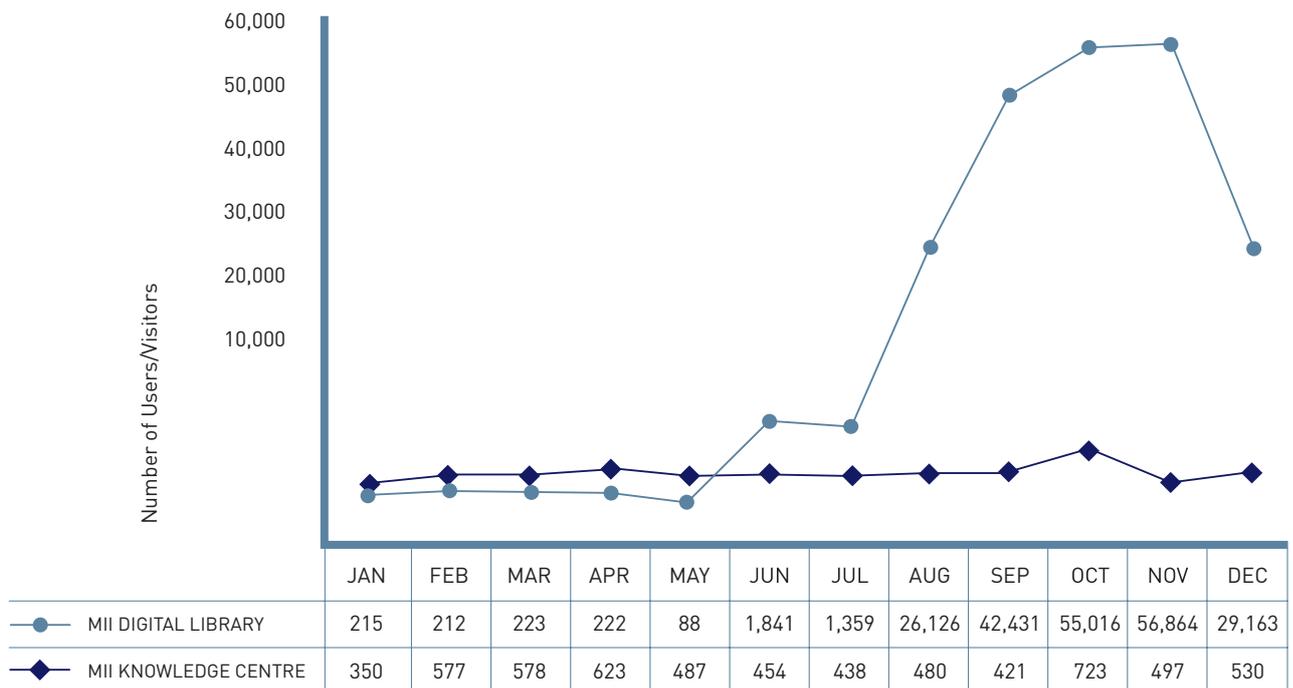
1. OVERVIEW

2014 is another successful year for MII Knowledge Centre. We have accomplished many success stories in promoting the usage of knowledge centre by strengthening our infrastructure and roadmap to gain traction in it. The knowledge Centre has profoundly proved that its mission statement to raise the professional standards of insurance industry by delivering value added products and quality services.

MII Knowledge Centre has over 10,000 collection of library materials such as books, journals, magazine as well as more than 1,000 digital documents and links which are related to insurance, risk management, actuarial science and financial planning.

MII Knowledge Centre also recorded a steep growth in MII Digital Library visitor statistic while maintaining average 513 visitors per month to MII Knowledge Centre in 2014.

Visitor Statistic 2014



**10,000 COLLECTION
OF LIBRARY
MATERIALS**

Books, Journal, Magazine



**1,000 DIGITAL
DOCUMENT & LINKS**

Related to Insurance, Risk
Management, Actuarial
Science & Financial Planning

MII ACTIVITY REPORT (CONT'D)

MII AS A KNOWLEDGE CENTRE (CONT'D)

2. DEVELOPMENT IN 2014

2.1 CAPACITY BUILDING PROJECT FUND UTILISATION

MII Knowledge Centre has given mandate to utilise CBP fund by the insurance industry, we have used the fund since 2010 with the initial stage of upscaling the knowledge centre, purchasing library systems (LMS) until integrated with the MII integrated learning management system (iLMS). Seven projects have been identified with 5 projects closed by 2014. Two projects should be closed by end of 2015. The librarian are entrusted to provide services for information and references, the development and organising of digital, audio visuals collections, organising the user literacy programs and other promotional activities.

KC CBP Projects are:

- Purchasing Library Material: Books, Periodical Subscription, CII Textbooks and Research Papers
- Purchasing Online Databases
- Purchasing Audio Visual
- Library Management System
- Library Equipment
- Insurance and Takaful Journal -INTAJ
- Library System Backup and Internet Line



In 2014, MII Knowledge Centre has purchased more than 1,200 new resources which comprise of books, study text, research papers, audio visual and e-database.

MII Knowledge Centre has also increased audio visual collection by purchasing 213 titles and seats of audiobooks and MDRT AVs. As for digital collection, KC has purchased up to 479 titles of perpetual access ebooks, and subscribed to 25 titles of e-magazine (accessible via iPad Reference Service) and 4 online databases:

- Pressreader Online Newspapers
- Bernama Library & Infolink Services (BLIS)
- OECD Insurance Statistics IG Library eBooks Database (more than 50,000 titles)

MII ACTIVITY REPORT (CONT'D)

MII AS A KNOWLEDGE CENTRE (CONT'D)

2.2 MEMBERSHIP

KC managed to record a total of 6158 visitors to MII Knowledge Centre in 2014. For MII Digital Library, 2014 has recorded 214,760.00 visitors compared to 1993 visitors in 2013. A significant increase also seen in terms of usage where the hits recorded are 243,068.00 to 24,592 hits in 2013.

New KC membership drive campaign with RM15 a year will be introduced to new member in 2015.



3. PROGRAMMES AND ACTIVITIES

3.1 VISIT FROM THE ARAB INSURANCE INSTITUTE

On 10 February 2014, KC received a visit from The Arab Insurance Institute (Mr. MufitSukkar).

3.2 VISIT FROM THE NATIONAL BANK OF ETHIOPIA

KC also received a visit from The National Bank of Ethiopia on 26 February 2014. The delegates are Mr. YemaneYoseph (Vice Governor, National Bank of Ethiopia), Mr. YewondwossenEteffa (Managing Director, Ethiopian Insurance Corporation), Mr. TemegenZelege (Director, Insurance Supervision, National Bank of Ethiopia), Mr. Belay Tulu (Director, Ethiopian Institute of Financial Studies).

3.3 VISIT FROM EFU GENERAL INSURANCE LTD, PAKISTAN

On 19 June 2014, KC received a visit from Mr. Darius Sidhwa. He is an important client from Pakistan who is in charge of the training needs at his company (EFU General, largest insurer in Pakistan) and is also a technical trainer at the Pakistan Insurance Institute and Karachi Insurance Institute. The purpose of his visit was to explore possible cooperation, exchange of ideas and sharing of experience. He also wants to develop a reading room and library at EFU training.

MII ACTIVITY REPORT (CONT'D)

MII AS A KNOWLEDGE CENTRE (CONT'D)

3.4 VISIT FROM BAOVIET INSURANCE, VIETNAM

On 7 July 2014, Mr. Nguyen Duc Hung visited KC while on his holiday trip to Malaysia. He has joined as MII member and currently works as a manager at Claims Department at Baoviet Insurance in Vietnam.



3.5 BENCHMARKING MALDIVES NATIONAL LIBRARY / 29 OCTOBER 2014



4. PUBLICATION

Publication is one of KC pillars. We have published two publications namely, Insurance Takaful Journal (INTAJ) and INSURANCE magazine. INTAJ is published semi-annually and INSURANCE magazine is bi-monthly publication.

4.1 INTAJ

We have published Volume 6 and volume 7 in January and July 2014. The papers were from the 1st Insurance and Takaful International Symposium (ITIS) that organised by MII KC with UKM in 2013. However once the CBP project closed, MII KC will no longer continue to publish INTAJ.



MII ACTIVITY REPORT (CONT'D)

MII AS A KNOWLEDGE CENTRE (CONT'D)

4.2 INSURANCE

INSURANCE magazine have published another six issues, from issue 23 to issue 28. The new concept of Insurance has been improvised to get a new look and feel with various informative articles introduced.



5. NETWORKING

5.1 KNOWLEDGE MANAGEMENT TASK FORCE (KMTF)

MII continue to support KMTF in upgrading knowledge management of the financial services industry. The leadership roles of AIF in KMTF were ended in December 2014. AIF will pass the leadership baton to AICB starting from January 2015.

5.2 MII KNOWLEDGE CENTRE COMMITTEE (MKCC)



Book Selection at KL Book Fair, PWTC / 29 April 2014

KC had invited MII Management, MII KC Committee (MKCC) members and MII trainers for books selection at KL Book Fair. The purpose of this book selection activity is to select new and related books to be purchased for the industry and ensuring updated book edition is available in KC. 262 new books have been selected on that day covering insurance and its related subjects.

MII ACTIVITY REPORT (CONT'D)

MII AS A KNOWLEDGE CENTRE (CONT'D)

5.3 SPECIAL LIBRARY COMMITTEE (SLC)



MII has been appointed as the committee of SLC since 2011. For a last two years, KC has been involved in the project of benchmarking guide for librarian. The benchmarking handbook was launched during the Annual General Meeting for Library Association of Malaysia / Persatuan Pustakawan Malaysia in March 2014. MII KC was proud to be part of the working committee.

In 2014, SLC has focused on producing Garis Panduan Lawatan Amalan Terbaik Perpustakaan as a conclusion output for their 2013 visits. Starting by referring to Malaysia Productivity Corporation (MPC), SLC has conducted meetings and a workshop "Bengkel Pelaksanaan Lawatan Penandaarasan Amalan Terbaik: Ke Arah Meningkatkan Kecemerlangan Perpustakaan" in KMC, Bank Negara Malaysia in order to develop the guideline's draft. The guideline has been launched on April 2014 during Persatuan Pustakawan Malaysia (PPM)'s Annual General Meeting and earned SLC the award of the Most Active Committee in 2014 by PPM.

MII ACTIVITY REPORT (CONT'D)

MII AS A KNOWLEDGE CENTRE (CONT'D)

6. TESTIMONIALS FROM VISITORS

YemaneYoseit - Vice Governor of the National Bank of Ethiopia

- It was my pleasure to have a visit to the MII Knowledge Centre. I have witnessed the great hospitality of the staff and excellent learning services helpful to the development of the sub-sector and to the future generation building. Thus I feel honoured! Keep it up.

Laila Johari - MDRT Malaysia

- This is my first visit and it will definitely not be the last. An awesome library, very vogue and stylish. What I love about it is the fabulous team, Puan Harizam and Cik Ily. The facilities must be utilized and look forward to more fantastic programs. Thank you.

Nordiana - UiTM Lecturer

- A very interesting library with good facilities and attractive features. Nice layout, bright and modern. A very conducive place to study, to do research and as a meeting place. All the best in the future.

Darius H Sidwa - EFVC General Insurance Karachi, Pakistan

- It was my first visit to MII Knowledge Centre and pleased to note that it is professionally run and well managed. This centre is a great help to insurance industry not only locally but regionally and world over. I wish all success to MII Knowledge Centre Management. Thank you for hosting me.

Huey Nguyen Du Hung - Bao Viet Insurance Corp.

- I am impressed by your big amount of book and there is surprised. I find many, many reference books on insurance in house. I will be back.

Francis Tey - Charleston Management Centre

- Great place to be for becoming a 'knowledge enabled' person. Cheers!

CONCLUSION

MII KC has come a long way. The time and effort given has come to fruition. The MII Knowledge Centre is proud to say that we have stand tall in providing facility and service to our patron and strive to further improve our communication and customer service to insurance industry.

The digital library has helped expanding user expectation for services such as user interfaces and self help. Librarian strive to develop a comprehensive strategic plan for sustainability, engage with patron and to ensure increase library used in the near future.

MII ACTIVITY REPORT (CONT'D)

MII AS AITRI SECRETARIAT

1. OVERVIEW

The ASEAN Insurance Training and Research Institute (AITRI), a non-profit organisation established by the Insurance Regulators of the 10 ASEAN member countries, was officially incorporated on 1 December 2004 in Malaysia. We were given the honour to lead and drive the mandate as the Secretariat of AITRI. AITRI continues to fulfil its mandate to serve and facilitate human capital development needs through education, training and research for ASEAN regulators and insurers.

2. PROGRAMMES FOR REGULATORS

In 2014, AITRI successfully conducted 6 human capital development programmes for insurance regulators in Malaysia, Indonesia, Singapore, Brunei and Thailand respectively. These training programmes were delivered by 25 field experts from regulatory bodies and private institutions.

AITRI managed to obtain funding and sponsorship from Central Bank of Malaysia, Financial Services Authority, Monetary Authority of Singapore, Autoriti Monetari Brunei Darussalam, Office of

Insurance Commission Thailand, International Association of Insurance Supervisors, Toronto Centre, The Financial Stability Institute, GIZ RFPI and AITRI Members Contribution Fund for the regulators' programmes.

In 2014, 101 participants from ASEAN countries and 41 participants from non-ASEAN countries, namely Azerbaijan, Bahrain, Bhutan, Kenya, Macau, Maldives, Mauritius, Mongolia, Myanmar, Nepal, Nigeria, Pakistan, Papua New Guinea, Sri Lanka, Sultanate of Oman and Tanzania attended the programmes.



Workshop on On-Site and Off-Site Examination for Insurance Supervisors

5 - 8 April 2014
Kuala Lumpur, Malaysia



Regional Training Seminar on IAIS - Insurance Core Principles (ICP) Assessment

2 - 6 June 2014
Bali, Indonesia

MII ACTIVITY REPORT (CONT'D)

MII AS AITRI SECRETARIAT (CONT'D)



Regional Seminar for Insurance Supervisors on Enterprise Risk Management (ERM) for Solvency Purposes
26 – 28 August 2014
Tanjung Pagar, Singapore



Training on Inclusive Insurance for Supervisors and Regulators
22 – 26 September 2014
Bandar Seri Begawan, Brunei



Capacity Building Seminar for CMLV Insurance Supervisors – AITRI / JAPAN
30 October 2014
Kuala Lumpur, Malaysia



Workshop on Reinsurance for Insurance Supervisors
15 - 19 December 2014
Bangkok, Thailand

MII ACTIVITY REPORT (CONT'D)

MII AS AITRI SECRETARIAT (CONT'D)

AITRI Programmes for Regulators Conducted in 2014:

Title	Date	Host/Venue	Funded/Supported
Workshop on On-Site and Off - Site Examination for Insurance Supervisors	5 - 8 April 2014	Kuala Lumpur, Malaysia	<ul style="list-style-type: none"> Central Bank of Malaysia Toronto Leadership Centre International Association of Insurance Supervisors
Regional Training Seminar on IAIS - Insurance Core Principles (ICP) Assessment.	2 - 6 June 2014	Bali, Indonesia	<ul style="list-style-type: none"> Otoritas Jasa Keuangan (OJK) /Indonesian Financial Services Authority, Indonesia Toronto Leadership Centre International Association of Insurance Supervisors
Regional Seminar for Insurance Supervisors on Enterprise Risk Management [ERM] for Solvency Purposes.	26 - 28 August 2014	Tanjung Pagar, Singapore.	<ul style="list-style-type: none"> Monetary Authority of Singapore (MAS), Singapore Financial Stability Institute, Bank for International Settlements Australian Prudential Regulation Authority, Australia International Association of Insurance Supervisors AITRI Members Contribution Fund
Training on Inclusive Insurance for Supervisors and Regulators	22 - 26 September 2014	Bandar Seri Begawan, Brunei	<ul style="list-style-type: none"> Autoriti Monetari Brunei Darussalam Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) Regulatory Framework Promotion of Pro-Poor Insurance Market in Asia (RFPI SIA) Insurance Institute for Asia and the Pacific, Inc (IIAP) AITRI Members Contribution Fund
Capacity Building Seminar for CMLV Insurance Supervisors – AITRI / JAPAN	30 October 2014	Kuala Lumpur, Malaysia	<ul style="list-style-type: none"> Central Bank of Malaysia Ministry of Finance, Japan Japan International Cooperation Agency, Malaysia Office (JICA) General Insurance Association of Japan (GIAJ)
Workshop on Reinsurance for Insurance Supervisors	15 - 19 December 2014	Bangkok, Thailand	<ul style="list-style-type: none"> Office of Insurance Commission, Thailand Toronto Leadership Centre International Monetary Fund Swedish International (IMF) Development Cooperative Agency (SIDA)

MII ACTIVITY REPORT (CONT'D)

MII AS AITRI SECRETARIAT (CONT'D)

Participants from ASEAN Member Countries in 2014 AITRI Programmes for Regulators:

Country	On-Site and Off Site Examination	Insurance Core Principles (ICP) Assessment	Regional Seminar on ERM for Solvency Purposes	Training on Inclusive Insurance for Supervisors & Regulators	Capacity Building Seminar for CMLV Insurance Supervisors	Workshop on Reinsurance for Insurance Supervisors	Total
Brunei			2	3			5
Cambodia	3	2	2	2	4	2	15
Indonesia		7	3	2			12
Laos	1	2	1	1	5	2	12
Malaysia	5		2	1	16	3	27
Myanmar	3				3		6
Philippines	5	6		4		2	17
Singapore	2		6				8
Thailand	4	2	3	2		10	21
Vietnam		2		2	4	2	10
Total	23	21	19	17	32	21	133

MII ACTIVITY REPORT (CONT'D)

MII AS AITRI SECRETARIAT (CONT'D)

Participants from Non-ASEAN Member Countries in 2014 AITRI Programmes for Regulators:

Country	On-Site and Off Site Examination	Insurance Core Principles (ICP) Assessment	Regional Seminar on ERM for Solvency Purposes	Training on Inclusive Insurance for Supervisors & Regulators	Workshop on Reinsurance for Insurance Supervisors	Total
Azerbaijan		2	2		2	6
Bahrain			1		1	2
Bhutan	4					4
Kenya					1	1
Macau	1		1			2
Maldives	1					1
Mauritius			2			2
Mongolia				2		2
Nepal	1			3		4
Nigeria			4			4
Pakistan				1		1
Papua New Guinea					2	2
Sri Lanka	1		1	2		4
Sultanate of Oman			2			2
Tanzania					2	2
Uzbekistan			2			2
Total	8	8	15	8	8	41

3. INDUSTRY EVENT

3.1 YOUNG ASEAN MANAGER AWARD 2014

The Young ASEAN Manager Award (YAMA) is a project initiated by the ASEAN Insurance Council (AIC) and organised by the ASEAN Insurance Training and Research Institute (AITRI). This prestigious award is inspired under the spirit of ASEAN to honour outstanding young managers for their achievement, contribution and dedication to the insurance industry and to recognise their potential, talent and leadership qualities.

The Young ASEAN Manager Award 2014 event was held in Brunei and in conjunction with the annual ASEAN Insurance Regulators Meeting (AIRM) and ASEAN Council Meeting. 10 candidates from 4 ASEAN countries competed for this prestigious award in 2014 and only 3 were shortlisted for the final selection interview with the judges. The breakdown of participation by country is as follow: Indonesia (1), Malaysia(3), Singapore (4) and Vietnam (2).

MII ACTIVITY REPORT (CONT'D)

MII AS AITRI SECRETARIAT (CONT'D)

3.1.1 YAMA 2014 JUDGES

The panel of judges for the award comprised 10 industry leaders from Brunei, Indonesia, Malaysia, Philippines and Singapore. The judges had a challenging time to name the recipient of the award due to the high quality of the finalists. The process involved online assessment based on essay write-up and interview with the finalists.

3.1.2 YAMA 2014 RECIPIENT

The recipient of the award for 2014 was Mr Loke Chang Yueh, Senior Vice President, Great Eastern Life Assurance (M) Berhad, Malaysia. He was chosen based on his commendable leadership qualities, series of achievements and significant contributions to the growth and development of the insurance industry.

The award was presented by Hajah Mahani Haji Mohsin, Executive Director of Autoriti Monetari Brunei Darussalam (AMBD) accompanied by Mr. Chua Seck Guan, Chairman of AIC and Ms. Evelina Fadil Pietreuschka the AIC Secretary General at the Welcoming Dinner held at Empire Hotel and Country Club, Brunei Darussalam. The two finalists were Ms. Susan Tay Chin Mei of Singapore, from Aviva Ltd and Mr. Azrul Azam Abdul Abas of Malaysia, from Etiqa Insurance & Takaful. Both received tokens of recognition.



Mr Loke Chang Yueh accepting the YAMA 2014 award from Hajah Mahani Haji Mohsin, the Executive Director of Autoriti Monetari Brunei Darussalam, accompanied by Mr Chua Seck Guan, Chairman of AIC, and Ms Evelina Fadil Pietrushchka, AIC Secretary General.



Standing proud: Finalists of YAMA 2014
From left: Azrul Azam Abdul Abas (Malaysia), Mr Loke Chang Yueh (Malaysia)
and Ms. Susan Tay Chin Mei (Singapore)

MII ACTIVITY REPORT (CONT'D)

MII AS AITRI SECRETARIAT (CONT'D)

4. RESEARCH

The third essential component in AITRI is research. Since AITRI started its operation in 2001, two researches have been carried out by AITRI so far. They are:

- i) A Comparative analysis on Current Insurance Law and Its Supervision in the ASEAN region
- ii) A study on Human resource Development Needs for ASEAN Insurance Regulators and Insurance Industry

This year, AITRI has been mandated to carry out another research: "Comparative Analysis and Harmonization of Market Conduct among ASEAN States".

The Terms of Reference below was established at the 15th AIRM in Bangkok in 2012 and the research team from Universitas Gadjah Mada Indonesia was selected to conduct the research.

STUDY AREAS

- a. Cross boarder selling of non-complex insurance products via local licensed intermediaries
 - Criteria used to approve the product
 - Criteria to license intermediaries
 - Regulations on cross border selling of products
 - Similarities and differences
- b. Sales conduct
 - Rules and regulations for the local intermediaries on product selling
 - Similarities and difference
- c. Cross recognition of market personnel such as brokers, agents and actuaries
- d. Criteria approval and qualification on key persons in insurance companies such as senior expert executive officer and specialist (fit and proper)

TASKS

- a. Study the similarities and differences of the above areas.
- b. Suggest areas of reconciliation / harmonization of differences, where possible.
- c. Elaborate on pre-requisites for harmonization to take place.

MII ACTIVITY REPORT (CONT'D)

STAFF TRAINING AND DEVELOPMENT

1. OVERVIEW

We recognise our employees as our most important resource and are committed to consistently upgrading their competencies and skills through training and development such as on-the-job-training and coaching, external courses, internal sharing sessions conducted by management staff, job rotation and further education through sponsorships and study loans.

As an on-going effort in developing our human capital, the learning needs of the staff are carefully planned. The objective is to determine the appropriate training programmes for the staff to further strengthen and further expand their knowledge and skills. These efforts will be a catalyst in pursuing the mandates entrusted to us as a professional body and an education centre.

In 2014, our staff participated in 28 short courses and seminars in their respective areas ranging from related IT and Insurance Programmes, Accounting, Knowledge Management, Auditing, Business Writing, Project Management, Risk Management, Human Resource Management, and Strategic Sales Transformation to Safety and Health. These programmes were conducted both internally and externally by local and overseas training providers and institutions.

2. IN-HOUSE TRAINING

In 2014, MII conducted 2 in-house courses facilitated by an external trainer. The in-house courses were held at MII Head Office in Damansara Heights, Kuala Lumpur.

In-house Training for Staff Conducted in 2014:

No.	Category	Date	Programme	No. of Employees Attending
1	Non-Executive, Executive and Management Staff	17 April 2014	Emergency Response Plan	30
2	Management Staff	22 August 2014	GBTB Mental Models forChange	21

3. EXTERNAL TRAINING (LOCAL)

Throughout the year, 107 staff attended 26 courses conducted locally by external training providers. 10 non-executive staff participated in 3 courses, 36 executives participated in 16 courses and the entire management staff participated in 17 courses covering topics such as Basic Introduction to Insurance, Certificate in Insurance, Accounting, Auditing, IT, Financial Planning, Business Writing Skills, Library Information System, Risk Management, Project Management and Human Resource Management.

MII ACTIVITY REPORT (CONT'D)

STAFF TRAINING AND DEVELOPMENT (CONT'D)

External Training (Local) for Staff Conducted in 2014:

Month	Programme	Non-Executive	Executive	Manager & Above
January	Overcoming Instructional Design Challenges		2	1
February	The MDRT Experience		1	2
March	AIF & AIs Case Writing Workshop		2	2
	Train The Trainer 2014			1
April	International Digital Library Conference 2014		1	
	Fast Closing – Improving Processes, Technology & Management		2	
	Emergency Response Plan	8	13	9
May	Basic Introduction to Insurance	1		
	System Development Auditing			2
August	Jordan Belfort 'The Wolf of Wall Street' – The Truth Behind His Success		1	
	GBTB Mental Models for Change			21
September	Basic Introduction to Insurance	1	1	
	Engaging Adult Learners Through Case Teaching Workshop		1	4
October	OLIS-LIAM-MII Life Insurance Seminar 2014		2	6
	Asian Management Conference & Exhibition			2
	2014 National Conference on Internal Auditing "Embracing Change"			1
	Managing Talent and Retaining the Skilled Workers			1
	Effective Project Risk Management		2	2
November	Training Workshop on Developing Professional Standards for the Financial Services Industry (FSI)			2
	MIA Conference 2014			2
	Broadening The Horizon of Company Secretaries			1
	Citation, Journal Impact Factor, H-index: Their Meaning and Impact on Researchers and Institutions		1	
	VMware Solutions Symposium 2014		1	2
	Bengkel KWPSM		2	
December	Bengkel Taklimat Penambahbaikan dan Persediaan Penarafan MyQuest 2014/2015		2	
	Mock Up Training for Introduction to General Insurance		2	

MII ACTIVITY REPORT (CONT'D)

STAFF TRAINING AND DEVELOPMENT (CONT'D)

4. INTERNAL SHARING (BY MANAGEMENT TEAM)

As part of our continuous efforts in encouraging life-long learning and knowledge enhancement for the staff force, management staff took the initiative to contribute their knowledge sharing in the effort to further enhance organisational effectiveness and cultivate workforce synergy across the organisation. The sessions were conducted on 2 Saturdays in April and August 2014.

5. INDUSTRY AND EXTERNAL SUPPORT

We continued to receive good support from the Asian Institute of Finance (AIF) that organised a number of training courses as part of the ongoing initiative in the development of human capital. The supportive climate benefited many individuals to gain new knowledge continuously and further strengthen their capacities to drive them forward and contribute optimally.

Several MII staff members attended the following 6 training courses:

Organisation	Date	Topic Shared
Asian Institute of Finance (AIF)	January 8 – 9	Overcoming Instructional Design Challenges
	March 13 – 14	AIF & AIs Case Writing Workshop
	September 8	Engaging Adult Learners Through Case Teaching Workshop
	October 28 – 29	Effective Project Risk Management
	November 3 – 4	Training Workshop on Developing Professional Standards for the Financial Services Industry (FSI)
	December 8	National Occupational Skills Standard Transformation Towards a Dynamic and Responsive Human Capital Development

6. STAFF SPONSORSHIP PROGRAMME

The staff sponsorship programme aims to develop the capabilities and expand the knowledge pool of our staff force through the acquisition of insurance qualification. A dedicated budget is set aside every year to encourage staff to pursue qualifications approved under the sponsorship scheme with 60% of the course fee fully sponsored by MII and 40% by the staff themselves.

The 3 approved sponsorship programmes are DMII, AMII and RFP. 2 staff participated in the sponsorship programmes in 2014, details of which are as follows:

Staff Sponsorship Programmes in 2014:

No.	Approved Programm	Position	No. of Staff Sponsored
1	Diploma of The Malaysian Insurance Institute (DMII)	Executive	1
2	Associateship of The Malaysian Insurance Institute (AMII)	Executive	1

MII ACTIVITY REPORT (CONT'D)

INFORMATION TECHNOLOGY

1. OVERVIEW

We developed an IT roadmap as a strategy to support our business plans. The roadmap was carefully planned and the stages of implementation will continue to be put in place. The focus for 2014 was the renewal PC rental; subscription of new Antivirus; upgrade Email Exchange and email disaster recovery; CBE computer lab's assessment; developed booking seat availability for customer; changed MHQ internet lines from cooper to fibre; relocation of MII Data Centre.

1.1 COMPUTER-BASED EXAMINATION LAB AT MII CITY CENTRE (MCC)

Keeping to the latest computer hardware is important as to ensure the examinations received continues IT support for MII Computer-based Examination's lab at MCC.

We renewed rental computer at MCC Examination Lab for another next 3 years. With this renewal its replaced with latest hardware to ensure that the performance and reliability to run Computer-Based Examination. It is common in any business computer types have maximum three years manufacturer warranty and the performance most probably will be drop after that.

1.2 ANTIVIRUS

It is part and partial of internal IT policy to evaluate the Antivirus at least in every 3 years. MII used on-premises kind of Antivirus for past years that required quite hassle to managed.

In 2014, we evaluated few types of Antivirus and decided to choose Antivirus with cloud-based technology. This cloud-based technology provides better management and control by IT personnel. By replacing the Antivirus product use, we are mitigating risk in terms of the type of protection that used by MII. On top of that we also reduced the maintenance cost because the cloud-based Antivirus does not require own server to be hosted.

1.3 CORPORATE EMAIL

Email is one very important and crucial communication media for MII. Therefore, the management has decided that email is one of the critical systems that require disaster recovery within 24 hours as a lot of MII business operations rely on email communication.

In early 2014, we have upgraded Email system from Exchanged 2007 to Exchange 2013. The upgrade also includes the server operating system from Windows Server 2003 to Windows Server 2012.

Email Exchange 2013 has many enhancement features such as;

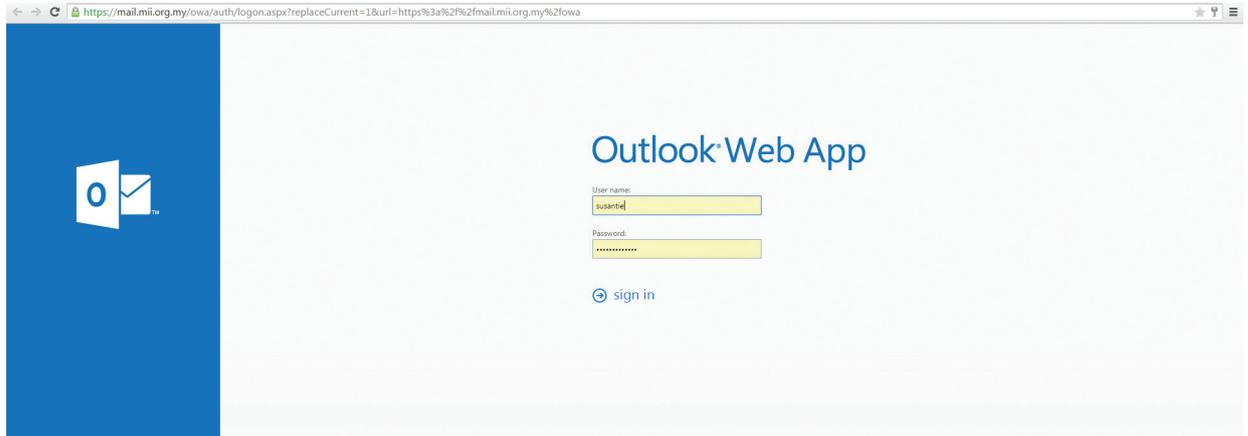
- i. Outlook connections via outlook anywhere that allow client on the internet to connect securely to a Microsoft Email Exchange Server.
- ii. Exchange ActiveSync is a protocol designed for the synchronization of email, calendar, contact, task and notes from.
- iii. Outlook Web app (OWA) is webmail service with new user interface, support major web browser, 3 types view for phone, tablet and desktop.

With this upgrade Corporate Email exercise is completed, we are mitigated risk in terms of the obsolete Email system besides keeping abreast with latest technology. As for hardware server it may impact on the security vulnerability due to end support by manufacturer.

We also completed the disaster recovery for Email Exchange by having warm sites backup that comes with the upgrade. With that it is complies with IT Disaster Recovery Objective.

MII ACTIVITY REPORT (CONT'D)

INFORMATION TECHNOLOGY (CONT'D)



Login screen for OWA

1.4 IT TECHNICAL ASSESSMENT FOR NEW COMPUTER-BASED CENTRES

In meeting the current increasing demand and continues support for computer-based examinations (CBE), we evaluated and conducted technical assessment standard of computer labs at a few companies due to some centres are not able to continue support MII CBE. These were ICYM and MMU in Melaka, KPTM and MasterSkill in Kota Bahru, Kelantan and IKIP in Kuantan, Pahang.

All the computer labs technical assessments standard are complied with our technical requirements. Besides technical assessment standard requirements must be complied, Exams department also has other criteria in making a decision chosen the suitable computer lab.

With all the consideration of criteria been evaluated carefully, Management had decided ICYM in Melaka and KPTM in Kotabaru, Kelantan replaced Cosmopoint in Melaka as well as in Kota Bahru. In 2014 MII started conducting CBE at ICYM and KPTM. CBE centre at IKIP, Kuantan, Pahang was put on hold as the existing centre willing to continue for another year.



KPTM and MasterSkill computer labs.

MII ACTIVITY REPORT (CONT'D)

INFORMATION TECHNOLOGY (CONT'D)

1.5 CBE EXAMINATION BOOKING SEAT AVAILABILITY

Computer-based Examinations (CBE) was high demand year by year compared to Paper and Pencil Exams. Hence, MII customer demands on seating the CBE at the soonest available seats is important for them.

We developed a web page for MII customers to access online with ability to list CBE available seats for all CBE centres and schedule examination dates. The system installed onto one available PC at the MII City Centre (MCC) as MCC received quite high walk-in customer for the registration as well as at MII Corporate Website. This helps especially the Insurance company runner because they are usual registered for one whole group of future candidates.

Having to know the CBE availability seats helps a lot in reducing time for registration over the counter too as the candidates has selected the seat that available rather than the service counter to recheck and negotiate with the customer.

The screenshot displays the 'BookingView.aspx' page for CBE-PCIEA & CEILLI examinations. It includes a calendar for April 2015, a table of seat availability for centers like JOHOR BAHRU, KOTA KINABALU, KUANTAN, MELAKA, PENANG, and SUNGAI PETANI, and detailed exam frequency tables for Kuala Lumpur and Outstation Centres.

CENTER	S1	S2	S3	S4
JOHOR BAHRU	0	0	0	0
KOTA KINABALU	0	0	0	0
KUANTAN	0	0	0	0
MELAKA	0	0	0	0
PENANG	0	0	0	0
SUNGAI PETANI	0	0	0	0

TYPE OF EXAM	SESSION 1	SESSION 2	SESSION 3	SESSION 4	LANGUAGE
MONDAY, TUESDAY, WEDNESDAY & THURSDAY					
PCIEA (AB or AC)	9.30 - 11.30 am	12.30 - 2.30 pm	3.00 - 5.00 pm	6.30 - 7.30 pm	ENGBMMAND
PCIEA (B or C only)	9.30 - 11.00 am	12.30 - 2.00 pm	3.00 - 4.30 pm	6.30 - 7.00 pm	
CEILLI	9.30 - 11.00 am	12.30 - 2.00 pm	3.00 - 4.30 pm	6.30 - 7.00 pm	
FRIDAY					
PCIEA (AB or AC)	9.30 - 11.30 am		3.00 - 5.00 pm	6.30 - 7.30 pm	ENGBMMAND
PCIEA (B or C only)	9.30 - 11.00 am	nil	3.00 - 4.30 pm	6.30 - 7.00 pm	
CEILLI	9.30 - 11.00 am		3.00 - 4.30 pm	6.30 - 7.00 pm	

TYPE OF EXAM	SESSION 1	SESSION 2	SESSION 3	SESSION 4	LANGUAGE
SATURDAYS & SELECTED SUNDAYS					
PCIEA (AB or AC)	9.00 - 11.00 am	11.30 - 1.30 pm	2.30 - 4.30 pm	6.00 - 7.00 pm	ENGBMMAND
PCIEA (B or C only)	9.00 - 10.30 am	11.30 - 1.00 pm	2.30 - 4.00 pm	6.00 - 6.30 pm	
CEILLI	9.00 - 10.30 am	11.30 - 1.00 pm	2.30 - 4.00 pm	6.00 - 6.30 pm	

Login screen for OWA

1.6 MHQ INTERNET LINE SERVICE

Internet line is another crucial and critical service in MII as certain systems require the internet to run and also to access latest information. The traditional internet line from cooper type is not flexible enough to increase the bandwidth. Therefore, we changed the type of internet lines from cooper to fibre internet lines. The fibre internet lines provided better bandwidth subscription utilization. Its also allow flexibility to upgrade the internet line service bandwidth should MII require it in nearly future requirement especially when MII Integrated Learning Management System (ILMS) go-live.

1.7 RELOCATION OF MII DATA CENTRE (MDC)

MII Data Centre (MDC) at Menara Park, Jalan Yap Kwang Seng had been expired and the new owner of the building has not favour to renew the tenancy.

MII Data Centre relocated from Menara Park to IDC JARING. The decision to relocate to IDC JARING is because of the new MII Integrated Learning Management System will be host over there.

MII ACTIVITY REPORT (CONT'D)

INFORMATION TECHNOLOGY (CONT'D)



DC Jaring Building



CCTV inside the room



Thumb device security at entrance



Fire fighter – Pyrogen gas



Sans Storage of NetApps



Network equipments



Servers



Tape backup storage

MII ACTIVITY REPORT (CONT'D)

CAPACITY BUILDING PROJECT

1. CAPACITY BUILDING PROJECT STATUS

Below is the significant development status of MII Capacity Building Projects:

Status of Approved MII Projects as at December 2014:

No.	Projects	Project Status
A	Curriculum and Programme Enhancement	
1	Competency Framework Development	Closed
2	External Advisory Council (EAC)	Closed
3	Development of Study Texts for the DMII and the AMII Programmes	In progress
4	Development of Professional Qualifications Programmes	In progress
5	Development of Technical Training Programmes	In progress
6	Subsidised Courses	In progress
7	CII Accreditation	Closed
8	MII Education Framework	In progress
9	Competency Framework for Insurance and Takaful Brokers	Closed
B	Web-Based Learning System	
10	Integrated Learning Management System (iLMS)	In Progress
11	Online Learning Content	In Progress
12	E- Learning@MII	Recategorised to ILMS
C	IT Infrastructure	
13	IT Infrastructure – Data Centre Project	Closed
14	IT Infrastructure – Accounting System	Closed
D	Knowledge and Resource Upscaling	
15	Research and Resource Centre - Purchase of Books, Magazines, Periodicals, Journals	In progress
16	Research and Resource Centre - Library Management System	Closed
17	Research and Resource Centre - Purchase of Audio Visual Materials	Completed
18	Research and Resource Centre - Purchase of Electronic Database	Completed
19	Research and Resource Centre - Purchase of Library Equipment	Completed
20	Research and Resource Centre - Library Management System IT Backup Solution/Internet Line	On Hold due to ILMS

MII ACTIVITY REPORT (CONT'D)

CAPACITY BUILDING PROJECT (CONT'D)

Status of Approved MII Projects as at December 2014 (cont'd):

No.	Projects	Position
E	Research and Publication	
21	Research and Publication Centre - Insurance and Takaful Journal (INTAJ)	Completed
F	Faculty Enhancement and Expansion	
22	Internal Faculty and Support Facilities	In progress
G	Customer Service and Branding	
23	Corporate Branding and Value Added Partnership	Closed
24	MII City Centre	Closed
25	New MII City Centre – Wisma Sime Darby	Completed

MII ACTIVITY REPORT (CONT'D)

CAPACITY BUILDING PROJECT (CONT'D)

Category	Project Name	Budget Amount (RM)	Budget (%)	Project Progress (%)	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Curriculum and Programme Enhancement	Competency Framework Development	1,500,000.00	3.35%	100%										
	Development of Study Text for the DMII and AMII	4,100,000.00	9.15%	90%										
	Development of Professional Qualifications	1,000,000.00	2.23%	87%										
	Development of Technical Training Programmes	2,500,000.00	5.58%	59%										
	Subsidized Courses	1,200,000.00	2.68%	81%										
	MII EDUCATION FRAMEWORK	2,000,000.00	4.46%	74%										
	Competency Framework for Ins Takaful & Brokers	198,000.00	0.45%	100%										
iLMS	ONLINE LEARNING CONTENT	1,500,000.00	3.35%	30%										
	iLMS	7,450,000.00	14.72%	93%										
Knowledge & Resource Up Scaling	Purchase Library Management System	960,000.00	2.01%	100%										
	Purchase Audio Visual Materials	300,000.00	0.67%	78%										
	Purchase Books/Magazines/Journals/Periodicals	2,250,000.00	5.00%	54%										
	Purchase Electronic Database	900,000.00	2.01%	75%										
	Purchase Library Equipments	45,000.00	0.10%	100%										
	LMS Backup Solution & Internet Line	623,000.00	1.45%	0%										
	Support Knowledge Management Activities	120,000.00	0.27%	0%										
	Infrastructure Requirement - BCP & DR Required	1,335,000.00	2.98%	0%										
Research & Publication	Publication of Insurance & Takaful Journals (INTAJ)	460,000.00	2.01%	100%										
	Event, Conference, Seminar and Symposium	600,000.00	1.34%	0%										
	Research Articles	1,400,000.00	3.13%	0%										
Customer Service & Branding	Corp Branding & Value Added Partnership	2,500,000.00	5.58%	100%										
	MII City Centre	2,300,000.00	5.13%	100%										
	New MII City Centre	3,300,000.00	8.26%	100%										
Internal Faculty and Support Facilities	Internal Faculty & Support Facilities	3,400,000.00	7.59%	75%										
IT Infrastructure	Back End System (2.2% is for iLMS) - Acc System	300,000.00	2.90%	100%										
	IT Infrastructure (Data Centre)	2,600,000.00	5.80%	100%										

Figure 1: CBP Projects List & Budget Allocation as at December 2014

MII ACTIVITY REPORT (CONT'D)

CAPACITY BUILDING PROJECT (CONT'D)

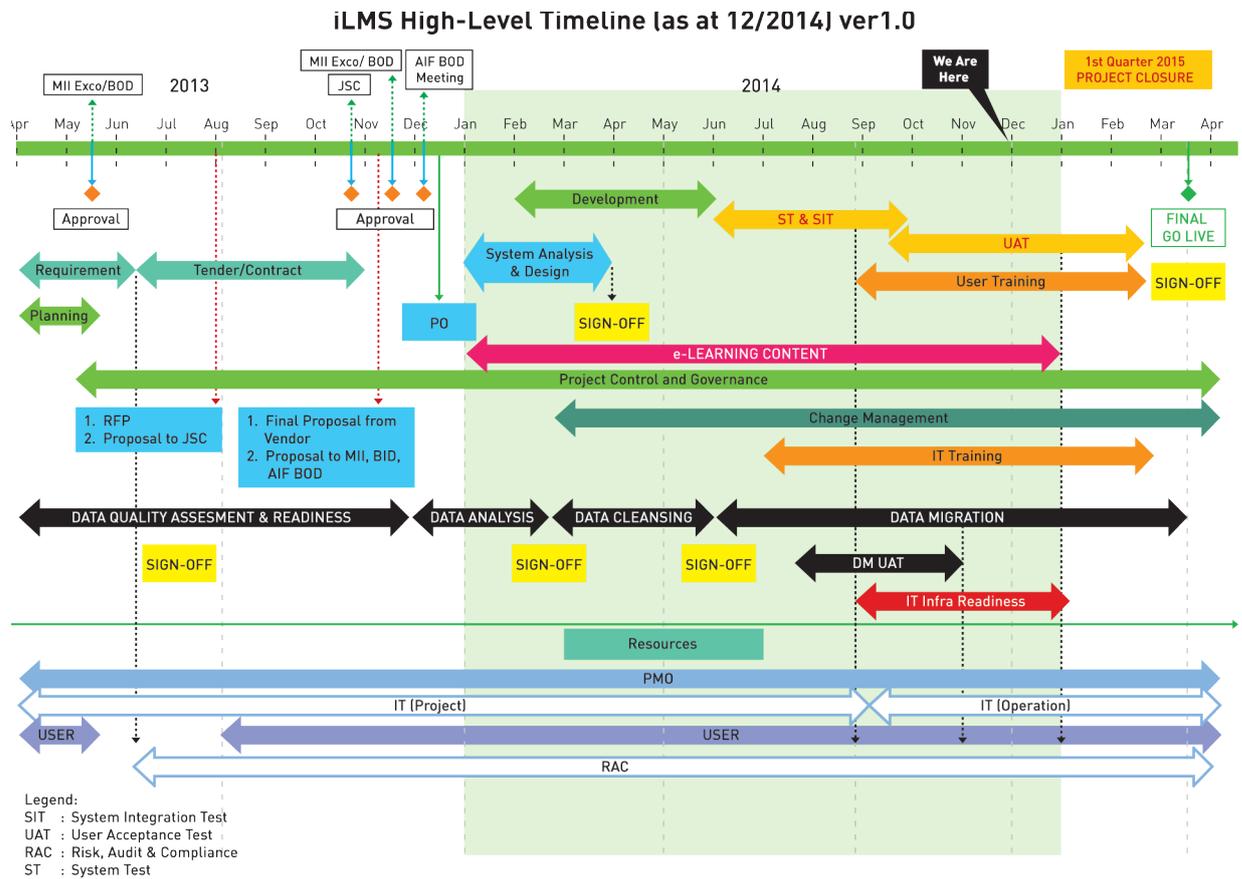


Figure 1: User Acceptance Test (UAT) Sessions

MII ACTIVITY REPORT (CONT'D)

CAPACITY BUILDING PROJECT (CONT'D)

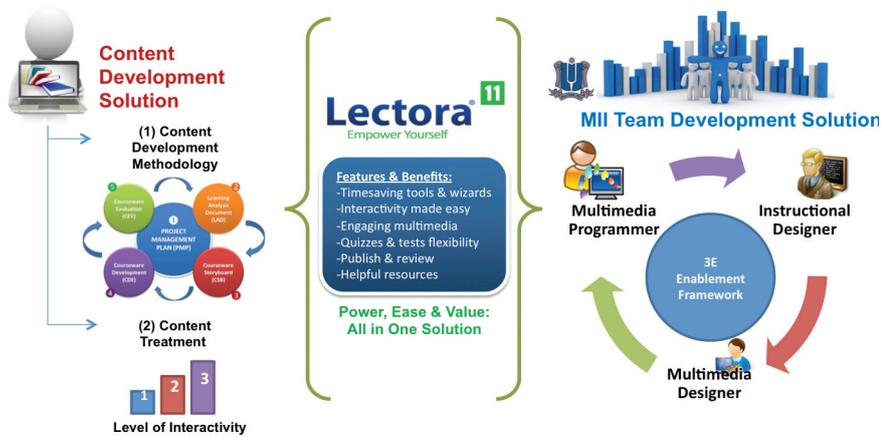
1.2 MII ONLINE LEARNING CONTENT (OLC)

1.2.1 PROJECT OVERVIEW

MII is embarking on a project to offer its programs and modules via Integrated Learning Management System (ILMS). To complement the ILMS, MII requires qualified and experienced e-Learning content developer to convert and develop MII’s current and upcoming training modules into e-Learning content, which shall be uploaded onto the upcoming ILMS.

The purpose of this project is to perform the conversion and development of e-Learning content over MII training modules, which currently exist as either text handbook or power point presentation slides. The Online Learning Content Framework is illustrated as per below:

Introduction: PROJECT SUMMARY



MII ACTIVITY REPORT (CONT'D)

CAPACITY BUILDING PROJECT (CONT'D)

Project Name	MII Online Learning Content	
Project Objective	<ol style="list-style-type: none"> To build MII as prominent training provider for local and international insurance industry To provide the local and international insurance industry wider access into MII's training programs and modules via utilization of integrated Learning Management System. To make teaching and learning easier To have integrated platform to deliver online, physical and hybrid learning To increase MII customer base with e-Learning with global deliveries that support multiple time zones, currency and languages To become 24x7 learning institution via e-learning To reduce cost and made education and learning offering more attractive and accessible to more customers To monitor the effectiveness of training solutions Centralized learning environment to ensure consistency in delivery and evaluation 	
Project Scope	<ol style="list-style-type: none"> To create new MII CBT course as per development work plan and specification To provide high quality CBT content following industry standards To deploy CBT content into MII integrated Learning Management System To present course material in understandable and graphically appealing way To structure and create content following a didactical standards such as IMS Learning Design To deploy and implement the OLC to the public and MII customer. This shall be ready from functional, technical and user perspectives. Total programmes to be developed are minimum 20 modules. To train and impart MII personnel a full knowledge of eContent development and to independently execute the online learning content. 	
Project Objectives		
	Content Development	Training Team Development
	<p>Development of MII 20 Modules of e-learning content</p> <div style="border: 1px solid #0070c0; border-radius: 15px; background-color: #0070c0; color: white; padding: 10px; margin-top: 20px;"> <p>Content Development Solution</p> <ul style="list-style-type: none"> • Content Development Methodology • Content Treatment </div>	<p>To train and development MII Internal Content Development Team</p> <div style="border: 1px solid #0070c0; border-radius: 15px; background-color: #0070c0; color: white; padding: 10px; margin-top: 20px;"> <p>3E Enablement Framework</p> <ul style="list-style-type: none"> • Enable • Empower • Enrich <p>(MII Trainees will be co-developing a small part of the content from the 20 modules)</p> </div>
Project Duration	January 2014 – June 2015	

MII ACTIVITY REPORT (CONT'D)

CAPACITY BUILDING PROJECT (CONT'D)

1.2.2 ADVANTAGES & BENEFITS OF IMPLEMENTING OLC

1. Create new MII Computer Based Training (CBT) courses as per development work plan and specification.
2. Provide high quality CBT content following industry standards.
3. Present course material in understandable and graphically appealing way.
4. Structure and create content following a didactical standards.
5. Can be exported and incorporated to the companies via their LMS.
6. To provide and offer integrated platform to deliver online, physical and hybrid learning to the industry.
7. To provide 24x7 learning institution via e-learning

1.2.3 LIST OF MII PROGRAMMES TO BE CONVERTED INTO E-LEARNING

Programme Name		No. of E-Content Module	E-learning Hours
Compulsory CPD/ Certification	1. PCEIA	2	6.5 hours
	2. CEILLI	2	3 hours
Basic			
Short Training Courses General Insurance	1. Introduction to General Insurance	1	1.5 hours
	2. Foundation Course in Motor Insurance	1	1.5 hours
	3. Foundation Course in Marine Cargo Insurance	1	1.5 hours
	4. Foundation Course in Fire Insurance	1	1.5 hours
	5. Foundation Course in Business Interruption Insurance	1	1.5 hours
	6. Foundation Course in Medical & Health Insurance	1	1.5 hours
	7. Foundation Course in Miscellaneous Accident Insurance	1	1.5 hours
	9. Introduction to Takaful	1	1.5 hours
	10. Foundation Course in Life Assurance	1	1.5 hours
	11. Foundation Course in Liability Insurance	1	1.5 hours
	12. Foundation Course in Engineering	1	1.5 hours
	13. Introduction to Insurance Company Operations	1	1.5 hours
	14. Foundation Course in Reinsurance	1	1.5 hours
	15. Foundation Course in Marine Hull	1	1.5 hours



MII FINANCIAL STATEMENT

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DIRECTORS' REPORT

The directors of THE MALAYSIAN INSURANCE INSTITUTE ("the Institute") have pleasure in submitting their report and the audited financial statements of the Group and of the Institute for the year ended December 31, 2014.

PRINCIPAL ACTIVITIES

The Institute is engaged in the provision and promotion of insurance education, training and research in insurance and related disciplines. The Institute is the sole examining body for professional insurance examinations in the country leading to the award of the Associateship of the Institute. It is also a society of insurance professionals. The Institute is affiliated to other insurance examining institutes internationally and works closely with local institutions of higher learning in promoting the development of insurance education in Malaysia.

The subsidiary company was incorporated on September 3, 1999 and has not commenced operations since the date of incorporation.

There have been no significant changes in the nature of the activities of the Institute and of its subsidiary company during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Institute for the financial year are as follows:

	The Group RM	The Institute RM
Surplus before tax	372,950	369,963
Tax expense	(319,240)	(317,788)
Surplus for the year	53,710	52,175

In the opinion of the directors, the results of operations of the Group and of the Institute during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Institute were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that no bad debts need to be written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of the business had been written down to their estimated realisable values.

DIRECTORS' REPORT (CONT'D)

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Institute inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Institute misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Institute misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Institute misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability of the Group and of the Institute which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Institute to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the Group and of the Institute for the succeeding financial year in which this report is made.

DIRECTORS

The following directors served on the Board of the Institute since the date of the last report:

Encik Hashim bin Harun (Chairman)
Y.Bhg Dato Koh Yaw Hui
Y.Bhg Dato' Adrian Low Heong Chow @ Loh Heong Chow
Encik Foong Soo Hah
Encik Md. Adnan bin Md. Zain
Encik Francis Lai @ Lai Yun Sen
Encik Chua Seck Guan
Encik Aznan bin Abdul Aziz
Encik Abdul Aziz bin Mohamed Nor
Encik Zainal Abidin bin Mohd Noor (appointed on 18.6.2014)
YM Raja Zailan Putra bin Raja Dato' Seri Hj Azam (appointed on 17.3.2015)
Encik Toi See Jong (appointed on 10.4.2015)
Encik Low Choon Hoong (resigned on 17.3.2015)
Y.Bhg Dato' Hj. Syed Moheeb bin Syed Kamarulzaman (resigned on 18.6.2014)
Encik Kwo Shih Kang (resigned on 10.4.2015)

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Institute has received or become entitled to receive any benefit by reason of a contract made by the Institute with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Institute was a party whereby the directors of the Institute might acquire benefits by means of the acquisition of shares in, or debentures of, the Institute or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

HASHIM BIN HARUN
(DIRECTOR)

FOONG SOO HAH
(DIRECTOR)

Kuala Lumpur,
April 14, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE MALAYSIAN INSURANCE INSTITUTE (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **THE MALAYSIAN INSURANCE INSTITUTE**, which comprise the statements of financial position of the Group and of the Institute as of December 31, 2014 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Institute for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 99 to 130.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Institute are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Institute as of December 31, 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE MALAYSIAN INSURANCE INSTITUTE (INCORPORATED IN MALAYSIA) (CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Institute and by the subsidiary company have been properly kept in accordance with the provisions of the Act;
- (b) we are satisfied that the accounts of the subsidiary company that have been consolidated with the financial statements of the Institute are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (c) our auditors' report on the accounts of the subsidiary company did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Institute, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE

AF 0080

Chartered Accountants

KHONG SIEW CHIN

Partner - 3049/03/17(J)

Chartered Accountant

April 14, 2015

STATEMENTS OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	THE GROUP		THE INSTITUTE	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	6	15,777,439	17,298,584	15,777,439	17,298,584
Other income		897,850	866,462	890,560	859,320
Employee benefits expense		(6,799,448)	(6,868,205)	(6,799,448)	(6,868,205)
Depreciation of property, plant and equipment	9	(545,152)	(579,068)	(545,152)	(579,068)
Amortisation of prepaid lease payments	10	(65,039)	(65,038)	(65,039)	(65,038)
Interest on zero coupon bonds	21	(524,891)	(503,560)	(524,891)	(503,560)
Other expenses		(8,367,809)	(8,760,386)	(8,363,506)	(8,755,930)
Surplus before tax	7	372,950	1,388,789	369,963	1,386,103
Tax expense	8	(319,240)	(348,257)	(317,788)	(347,455)
Surplus for the year		53,710	1,040,532	52,175	1,038,648
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		53,710	1,040,532	52,175	1,038,648

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014

The Group

	Note	2014 RM	2013 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	9,659,856	9,684,968
Prepaid lease payments	10	3,804,775	3,869,814
Fixed deposits	12	7,005,409	6,287,568
Total Non-Current Assets		20,470,040	19,842,350
Current Assets			
Inventories	13	31,365	101,892
Trade receivables	14	679,555	915,262
Other receivables and prepaid expenses	15	1,599,808	1,419,926
Bumiputra Training Fund	17	-	-
Capacity Building Fund	18	1,028,838	3,652,562
Fixed deposits	12	14,809,009	18,052,320
Cash and bank balances	23	8,396,848	2,693,105
Total Current Assets		26,545,423	26,835,067
Total Assets		47,015,463	46,677,417
RESERVES AND LIABILITIES			
General reserves	19	6,673,042	6,673,042
Surplus		20,914,575	20,860,865
Accumulated Fund		27,587,617	27,533,907
Non-Current Liabilities			
Deferred tax liabilities	20	2,426,863	2,488,342
Zero coupon bonds - Secured	21	12,916,077	12,391,186
Total Non-Current Liabilities		15,342,940	14,879,528
Current Liabilities			
Trade payables	22	483,841	350,511
Other payables and accrued expenses	22	3,316,998	3,754,452
Tax liabilities		284,067	159,019
Total Current Liabilities		4,084,906	4,263,982
Total Liabilities		19,427,846	19,143,510
Total Reserves and Liabilities		47,015,463	46,677,417

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014 (CONT'D)

The Institute

	Note	2014 RM	2013 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	9,659,856	9,684,968
Prepaid lease payments	10	3,804,775	3,869,814
Investment in subsidiary company	11	200,002	200,002
Fixed deposits	12	7,005,409	6,287,568
Total Non-Current Assets		20,670,042	20,042,352
Current Assets			
Inventories	13	31,365	101,892
Trade receivables	14	679,555	915,262
Other receivables and prepaid expenses	15	1,599,368	1,419,507
Amount due from subsidiary company	16	55,234	49,519
Bumiputra Training Fund	17	-	-
Capacity Building Fund	18	1,028,838	3,652,562
Fixed deposits	12	14,570,717	17,814,028
Cash and bank balances	23	8,358,412	2,661,898
Total Current Assets		26,323,489	26,614,668
Total Assets		46,993,531	46,657,020
RESERVES AND LIABILITIES			
General reserves	19	6,673,042	6,673,042
Surplus		20,893,643	20,841,468
Accumulated Fund		27,566,685	27,514,510
Non-Current Liabilities			
Deferred tax liabilities	20	2,426,863	2,488,342
Zero coupon bonds - Secured	21	12,916,077	12,391,186
Total Non-Current Liabilities		15,342,940	14,879,528
Current Liabilities			
Trade payables	22	483,841	350,511
Other payables and accrued expenses	22	3,315,998	3,753,452
Tax liabilities		284,067	159,019
Total Current Liabilities		4,083,906	4,262,982
Total Liabilities		19,426,846	19,142,510
Total Reserves and Liabilities		46,993,531	46,657,020

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

	General Reserves RM	Surplus RM	Total RM
The Group			
As of January 1, 2013	6,673,042	19,820,333	26,493,375
Total comprehensive income for the year	-	1,040,532	1,040,532
As of December 31, 2013	6,673,042	20,860,865	27,533,907
As of January 1, 2014	6,673,042	20,860,865	27,533,907
Total comprehensive income for the year	-	53,710	53,710
As of December 31, 2014	6,673,042	20,914,575	27,587,617
The Institute			
As of January 1, 2013	6,673,042	19,802,820	26,475,862
Total comprehensive income for the year	-	1,038,648	1,038,648
As of December 31, 2013	6,673,042	20,841,468	27,514,510
As of January 1, 2014	6,673,042	20,841,468	27,514,510
Total comprehensive income for the year	-	52,175	52,175
As of December 31, 2014	6,673,042	20,893,643	27,566,685

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Surplus before tax	372,950	1,388,789	369,963	1,386,103
Adjustments for:				
Depreciation of property, plant and equipment	545,152	579,068	545,152	579,068
Interest on zero coupon bonds	524,891	503,560	524,891	503,560
Amortisation of prepaid lease payments	65,039	65,038	65,039	65,038
Allowance for doubtful debts	-	143,358	-	143,358
Property, plant and equipment written off	-	148	-	148
Gain on disposal of property, plant and equipment	(54,999)	(20,399)	(54,999)	(20,399)
Interest income	(759,828)	(774,340)	(752,538)	(767,198)
Operating Profit Before Working Capital Changes	693,205	1,885,222	697,508	1,889,678
Decrease/(Increase) in:				
Inventories	70,527	620	70,527	620
Trade receivables	235,707	(597,102)	235,707	(597,102)
Other receivables and prepaid expenses	(144,395)	(175,903)	(144,395)	(175,903)
Amount due from subsidiary company	-	-	(5,715)	(6,042)
(Decrease)/Increase in:				
Trade payables	133,330	(82,552)	133,330	(82,552)
Other payables and accrued expenses	(437,454)	717,033	(437,454)	717,033
Cash Generated From Operations	550,920	1,747,318	549,508	1,745,732
Income tax paid	(255,671)	(169,806)	(254,219)	(169,004)
Net Cash From Operating Activities	295,249	1,577,512	295,289	1,576,728
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Interest received	724,341	807,935	717,072	800,788
Proceeds from disposal of property, plant and equipment	55,000	22,399	55,000	22,399
Increase in fixed deposits	(717,841)	(1,172,262)	(717,841)	(1,172,262)
Additions to property, plant and equipment	(520,041)	(118,936)	(520,041)	(118,936)
Net Cash Used In Investing Activities	(458,541)	(460,864)	(465,810)	(468,011)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014 (CONT'D)

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Bumiputra Training Fund received	79,640	484,715	79,640	484,715
Utilisation of Bumiputra Training Fund	(79,640)	(484,715)	(79,640)	(484,715)
Capacity Building Fund received	8,854,644	1,863,781	8,854,644	1,863,781
Utilisation of Capacity Building Fund	(6,230,920)	(5,402,846)	(6,230,920)	(5,402,846)
Net Cash From/(Used In) Financing Activities	2,623,724	(3,539,065)	2,623,724	(3,539,065)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	2,460,432	(2,422,417)	2,453,203	(2,430,348)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20,745,425	23,167,842	20,475,926	22,906,274
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	23,205,857	22,929,129	20,475,926

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Institute is a private company limited by guarantee, incorporated and domiciled in Malaysia.

The Institute is engaged in the provision and promotion of insurance education, training and research in insurance and related disciplines. The Institute is the sole examining body for professional insurance examinations in the country leading to the award of the Associateship of the Institute. It is also a society of insurance professionals. The Institute is affiliated to other insurance examining institutes internationally and works closely with local institutions of higher learning in promoting the development of insurance education in Malaysia.

The subsidiary company was incorporated on September 3, 1999 and has not commenced operations since the date of incorporation.

There have been no significant changes in the nature of the activities of the Institute and of its subsidiary company during the financial year.

The principal place of business and registered office of the Institute is located at No.5, Jalan Sri Semantan 1, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Institute have been authorised by the Board of Directors for issuance on April 14, 2015.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the provisions of Companies Act, 1965 in Malaysia.

2.1 APPLICATION OF NEW AND REVISED MALAYSIAN FINANCIAL REPORTING STANDARDS

In the current year, the Group and the Institute have applied a number of new and revised MFRSs and IC Interpretation issued by the Malaysian Accounting Standards Board (MASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2014.

Amendments to MFRS 10, MFRS 12 and MFRS 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements - Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
IC Int. 21	Levies

The application of the abovementioned amendments to Standard and IC Interpretation had no material impact on the disclosures or on the amounts recognised in the financial statements of the Group and of the Institute during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2.2 STANDARDS AND AMENDMENTS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation for issue these financial statements, the new and revised Standards relevant to the Group and the Institute which were in issue but not yet effective and not early adopted by the Group and the Institute are as listed below.

MFRS 9	Financial Instruments ^{4,6}
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 (IFRS 9 as issued by IASB in November 2009 and October 2010) and Transition Disclosures ^{4,5}
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations ²
MFRS 14	Regulatory Deferral Accounts ²
MFRS 15	Revenue from Contracts with Customers ³
Amendments to MFRS 116 and 138	Clarification of Acceptable Methods of Depreciation and Amortisation ²
Amendments to MFRS 116 and 141	Agriculture: Bearer Plants ²
Amendments to MFRS 119	Defined Benefit Plans - Employee Contributions ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statements ²
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 - 2012 Cycle ¹	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 - 2013 Cycle ¹	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 - 2014 Cycle ²	

¹ Effective for annual periods beginning on or after July 1, 2014

² Effective for annual periods beginning on or after January 1, 2016

³ Effective for annual periods beginning on or after January 1, 2017

⁴ Effective for annual periods beginning on or after January 1, 2018

⁵ Issued by MASB in March 2012 with an immediate effective date upon issuance. The amendments defer the mandatory effective date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010) from January 1, 2013 to January 1, 2015 and modified the relief from restating comparative periods and the associated disclosures in MFRS 7. The aforementioned effective date was removed with the issuance of MFRS 9 Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139).

⁶ Effective for annual period beginning on or after January 1, 2018, with early application permitted. In addition, an entity may elect to early apply only the requirements for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss for annual periods beginning before January 1, 2018, as stated in paragraph 7.1.2 of MFRS 9. The earlier version of MFRS 9 (IFRS 9 issued by IASB in July 2014) can be early adopted if and only if, the entity's date of initial application is before February 1, 2015, after which these pronouncements will be withdrawn.

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and of the Institute when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group and of the Institute in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES

The Group's and the Institute's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Institute's business whilst managing their risks. The Group and the Institute operate within guidelines that are approved by the Board, and the Group's and the Institute's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the Institute and the policies in respect of the major areas of treasury activities are set out as follows:

(a) Foreign currency risk

The Group and the Institute are exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's and the Institute's policy is to minimise the exposure to foreign currency risk by monitoring and approving requisitions which involves foreign currencies. No sensitivity analysis is prepared as the Group and the Institute do not expect any material effect on the Group's and the Institute's profit net of tax and equity arising from the effect of reasonably possible changes to exchange rates on the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as the balances are immaterial. The Group and the Institute did not engage in any transactions involving financial derivative instruments during the financial year.

(b) Credit risk

The credit risk is controlled by not granting any credit to individuals and companies with the exception of entities within the insurance industry, which have a special arrangement with the Group and the Institute.

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the statements of financial position.

The Group and the Institute have no significant concentration of credit risk with any single counterparty.

(c) Liquidity and cash flow risks

The Group and the Institute seek to achieve a balance between certainty of funding even in difficult times for the markets of the Group and the Institute and to meet its cash obligation in a timely and cost-effective manner. This is to ensure that at the minimum, all projected net funding needs are covered by committed contributions. Also, the objective for debt maturity is to ensure that the amount of debts maturing in any one year is not beyond the Group's and the Institute's means to repay and refinance.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES (cont'd)

(c) Liquidity and cash flow risks (cont'd)

The maturity analysis and the effective interest rates for the class of financial assets and liabilities is as follows:

	Effective interest rate during the year %	Less than 1 year/ on demand RM	1 to 5 years RM	More than 5 years RM	Total RM
The Group					
2014					
Financial assets:					
Fixed deposits	3.00 to 4.00	15,327,324	7,250,598	-	22,577,922
Cash and bank balances	-	8,396,848	-	-	8,396,848
Trade receivables	-	679,555	-	-	679,555
Other receivables and refundable deposits	-	1,333,223	-	-	1,333,223
Capacity building fund	-	1,028,838	-	-	1,028,838
Financial liabilities:					
Trade payables	-	483,841	-	-	483,841
Other payables	-	503,874	-	-	503,874
Accrued expenses	-	1,328,310	-	-	1,328,310
Zero coupon bonds	-	-	-	18,000,000	18,000,000
2013					
Financial assets:					
Fixed deposits	3.00 to 3.35	18,625,481	6,487,198	-	25,112,679
Cash and bank balances	-	2,693,105	-	-	2,693,105
Trade receivables	-	915,262	-	-	915,262
Other receivables and refundable deposits	-	1,077,010	-	-	1,077,010
Capacity building fund	-	3,652,562	-	-	3,652,562
Financial liabilities:					
Trade payables	-	350,511	-	-	350,511
Other payables	-	1,086,050	-	-	1,086,050
Accrued expenses	-	1,363,158	-	-	1,363,158
Zero coupon bonds	-	-	-	18,000,000	18,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES (cont'd)

(c) Liquidity and cash flow risks (cont'd)

The maturity analysis and the effective interest rates for the class of financial assets and liabilities is as follows: (cont'd)

	Effective interest rate during the year %	Less than 1 year/ on demand RM	1 to 5 years RM	More than 5 years RM	Total RM
The Institute					
2014					
Financial assets:					
Fixed deposits	3.00 to 4.00	15,080,692	7,250,598	-	22,331,290
Cash and bank balances	-	8,358,412	-	-	8,358,412
Trade receivables	-	679,555	-	-	679,555
Other receivables and refundable deposits	-	1,332,783	-	-	1,332,783
Amount due from subsidiary company	-	55,234	-	-	55,234
Capacity building fund	-	1,028,838	-	-	1,028,838
Financial liabilities:					
Trade payables	-	483,841	-	-	483,841
Other payables	-	503,874	-	-	503,874
Accrued expenses	-	1,328,310	-	-	1,328,310
Zero coupon bonds	-	-	-	18,000,000	18,000,000
2013					
Financial assets:					
Fixed deposits	3.00 to 3.35	18,379,623	6,487,198	-	24,866,821
Cash and bank balances	-	2,661,898	-	-	2,661,898
Trade receivables	-	915,262	-	-	915,262
Other receivables and refundable deposits	-	1,076,591	-	-	1,076,591
Amount due from subsidiary company	-	49,519	-	-	49,519
Capacity building fund	-	3,652,562	-	-	3,652,562
Financial liabilities:					
Trade payables	-	350,511	-	-	350,511
Other payables	-	1,086,050	-	-	1,086,050
Accrued expenses	-	1,363,158	-	-	1,363,158
Zero coupon bonds	-	-	-	18,000,000	18,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES (cont'd)

(c) Liquidity and cash flow risks (cont'd)

Sensitivity analysis for interest rate

At the end of reporting period, if the Group and Institute's averse interest rate increased or decreased by 24 basis point (2013:Nil basis points), with all other variable held content, the Group's surplus after tax will be higher or lower by RM53,173 (2013:Nil), and the Institute's surplus after tax will be higher or lower by RM52,592 (2013:Nil).

The assumed movement in interest rates for interest rate sensitivity analysis is based on the current observable market environment.

CAPITAL RISK MANAGEMENT

The Group and the Institute manage its capital to ensure that entities in the Group will be able to continue as going concerns, through regular reviews of the capital structure.

The capital structure of the Group and the Institute consists of net debts (zero coupon bonds as disclosed in Note 21 offset by cash and cash equivalents as disclosed in Note 23) and reserves and surplus as disclosed in the statements of changes in equity.

The Group and the Institute are not subject to any externally imposed capital requirements.

4. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements of the Group and the Institute have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Institute take into account the characteristics of the assets and liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but not fair value, such as net realisable value in IAS 12 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Institute and the subsidiary company mentioned in Note 11 controlled by the Institute. Control is achieved when the Institute:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Institute reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of income and expenses of subsidiary companies acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiary company is attributed to the owners of the Institute.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those used by other members of the Group.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary company that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Institute.

When the Group loses control of a subsidiary company, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary company (i.e. reclassified to profit or loss or transferred to another category of equity as specified by applicable Standards). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

REVENUE

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of returns and trade discounts after eliminating sales within the Group.

Revenue consists of seminar and course fees, membership fees, examination fees and sale of books. Fees revenue is accounted for on an accrual basis.

Revenue from sale of books is accounted for when the risks and rewards of ownership have passed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FOREIGN CURRENCY

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Ringgit Malaysia ("RM") which is the functional currency of the Institute and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each group entity, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year, calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

Deferred tax is provided for, using the "liability" method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Institute intend to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

EMPLOYEE BENEFITS

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group and the Institute are required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' applicable remuneration. Contributions are charged to profit or loss in the period in which they relate. The Group's and the Institute's contributions to EPF are disclosed separately and the employees' contributions to EPF are included in salaries, bonuses, allowances and other staff benefits. Once the contributions have been paid, the Group and the Institute have no further payment obligations.

LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term. However, contingent rentals arising from operating leases are recognised as an expense in the periods in which they are incurred.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the Institute and the cost can be measured reliably. The carrying amount of the part of the asset being replaced is derecognised. All other repairs and maintenance costs are charged to profit or loss in the year in which they are incurred.

Depreciation of property, plant and equipment are computed on the straight-line method at the following annual rates based on the estimated useful lives of the various property, plant and equipment:

Leasehold building	2%
Furniture and fittings, audio visual and office equipment	10% - 33.33%
Motor vehicles	20%
Computers and peripherals	20% - 33.33%
Renovation	20% - 33.33%

At the end of each reporting period, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

PREPAID LEASE PAYMENTS

Lease of land where title is not expected to pass to the lessee at the end of the lease term is classified as operating leases as land normally has an indefinite useful life. The upfront payments made on entering into or acquiring a leasehold land that is an operating lease represents prepaid lease payments which are amortised on a straight line basis over the lease term.

INVESTMENT IN SUBSIDIARY COMPANY

Investment in subsidiary company, which is eliminated on consolidation, held on long term basis is stated at cost less any impairment losses in the Institute's separate financial statements.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Inventories represent books and publications for sale.

In arriving at net realisable value, due allowance is made for obsolete and slow moving inventories.

Cost included the cost of purchase plus the cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated cost necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROVISIONS

Provisions are made when the Group and the Institute have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of each reporting period, and are discounted to a present value where the effect is material.

At the end of each reporting period, provisions are revised by the directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group and the Institute will be required to settle the obligation.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Institute become a party to the contractual provisions of the financial instruments.

(i) Financial Assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The financial assets of the Group and of the Institute are designated as "loans and receivables".

Loan and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method less impairment losses, if any. Interest income is recognised by using the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Receivables are assessed for indicators of impairment at the end of each reporting period. Receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the trade receivables, the estimated future cash flows of the receivables have been impacted.

For receivables, objective evidence of impairment could include:

- Significant financial difficulty of the customers; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the customers will enter bankruptcy or financial re-organisation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

(i) Financial Assets (cont'd)

Impairment of financial assets (cont'd)

Receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Institute's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the receivables is reduced by the impairment loss through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Derecognition of financial assets

Financial assets are derecognised when the contractual right to receive cash flows from the asset has expired or when the Group and the Institute transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Institute neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Institute recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Institute continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable transactions costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

(ii) Financial liabilities and equity instruments (cont'd)

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'.

Other financial liabilities comprising payables, accrued expenses and debt instruments such as bonds are initially measured at fair value net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group and the Institute derecognise financial liabilities when, and only when, the Group's and the Institute's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid or payable is recognised in profit or loss.

CASH AND CASH EQUIVALENTS

The Group and the Institute adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short-term, highly liquid investments and are readily convertible to cash with insignificant risk of changes in value.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's and the Institute's accounting policies

In the process of applying the Group's and the Institute's accounting policies, which are described in Note 4 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. REVENUE

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Fees received	15,526,346	16,942,294
Sale of books	251,093	356,290
	<u>15,777,439</u>	<u>17,298,584</u>

7. SURPLUS BEFORE TAX

Surplus before tax is arrived at after crediting/(charging):

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest income	759,828	774,340	752,538	767,198
Rental income	37,245	54,970	37,245	54,970
Gain on disposal of property, plant and equipment	54,999	20,399	54,999	20,399
Realised gain/(loss) on foreign exchange	232	(4,363)	232	(4,363)
Rental of venue and office premises	(1,465,905)	(1,565,268)	(1,465,905)	(1,565,268)
Rental of equipment	(74,288)	(79,300)	(74,288)	(79,300)
Auditors' remuneration	(36,000)	(36,000)	(35,000)	(35,000)
Allowance for doubtful debts	-	(143,358)	-	(143,358)
Property, plant and equipment written off	-	(148)	-	(148)

Employee benefits expense includes salaries, contributions to EPF and all other staff related expenses. During the financial year, contributions of EPF made by the Group and by the Institute amounted to RM868,120 (RM827,196 in 2013).

Included in other income is Hibah, a voluntarily gift on saving account in licenced banks, amounted to RM37,605 (RM34,400 in 2013).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. TAX EXPENSE

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Current year:				
Estimated tax payable	392,997	299,603	391,545	297,977
Deferred tax (Note 20)	(53,886)	180,342	(53,886)	180,342
	339,111	479,945	337,659	478,319
Under/(Over)provision in prior years:				
Estimated tax payable	(12,278)	(4,688)	(12,278)	(3,864)
Deferred tax (Note 20)	(7,593)	(127,000)	(7,593)	(127,000)
	319,240	348,257	317,788	347,455

A numerical reconciliation of tax expense applicable to the surplus before tax at the statutory income tax rate to tax expense at the effective tax rate of the Group and of the Institute is as follows:

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Surplus before tax	372,950	1,388,789	369,963	1,386,103
Tax of RM13,850 for the first RM100,000 of chargeable income and the remaining at 26%	84,040	348,237	84,040	348,237
Tax at statutory rate at 20%	598	537	-	-
Tax effects of:				
Expenses not deductible for tax purposes	313,537	203,859	312,683	202,770
Non-taxable items	(59,064)	(72,688)	(59,064)	(72,688)
Overprovision in prior years:				
Current tax	(12,278)	(4,688)	(12,278)	(3,864)
Deferred tax	(7,593)	(127,000)	(7,593)	(127,000)
Tax expense for the year	319,240	348,257	317,788	347,455

The Budget 2014 gazetted on December 30, 2014 enacts the reduction of corporate income tax from 25% to 24% with effect from year of assessment 2016. Following this, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the respective expected rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. PROPERTY, PLANT AND EQUIPMENT

The Group and The Institute

	Leasehold building RM	Furniture and fittings, audio visual and office equipment RM	Motor vehicles RM	Computers and peripherals RM	Renovation RM	Total RM
Cost						
As of January 1, 2013	13,212,131	1,729,814	454,016	3,897,050	1,842,264	21,135,275
Additions	-	14,579	69,850	34,507	-	118,936
Disposals	-	-	(74,077)	(2,499)	-	(76,576)
Write offs	-	(22,320)	-	(595,630)	(703,469)	(1,321,419)
As of December 31, 2013	13,212,131	1,722,073	449,789	3,333,428	1,138,795	19,856,216
As of January 1, 2014	13,212,131	1,722,073	449,789	3,333,428	1,138,795	19,856,216
Additions	-	49,820	312,931	157,290	-	520,041
Disposals	-	-	(274,568)	-	-	(274,568)
As of December 31, 2014	13,212,131	1,771,893	488,152	3,490,718	1,138,795	20,101,689
Accumulated Depreciation						
As of January 1, 2013	4,030,812	1,436,162	396,882	3,286,657	1,837,514	10,988,027
Charge for the year	151,757	87,004	69,991	270,316	-	579,068
Disposals	-	-	(74,076)	(500)	-	(74,576)
Write offs	-	(22,289)	-	(595,588)	(703,394)	(1,321,271)
As of December 31, 2013	4,182,569	1,500,877	392,797	2,960,885	1,134,120	10,171,248
As of January 1, 2014	4,182,569	1,500,877	392,797	2,960,885	1,134,120	10,171,248
Charge for the year	151,757	94,991	77,665	216,105	4,634	545,152
Disposals	-	-	(274,567)	-	-	(274,567)
As of December 31, 2014	4,334,326	1,595,868	195,895	3,176,990	1,138,754	10,441,833
Net Book Value						
As of December 31, 2014	8,877,805	176,025	292,257	313,728	41	9,659,856
As of December 31, 2013	9,029,562	221,196	56,992	372,543	4,675	9,684,968

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The following assets were acquired using the Capacity Building Fund (Note 18) during the current year:

The Group and The Institute

	Leasehold building RM	Furniture and fittings, audio visual and office equipment RM	Motor vehicles RM	Computers and peripherals RM	Renovation RM	Total RM
2014						
Cost	-	24,100	-	3,780,268	-	3,804,368
Fund received	-	(24,100)	-	(3,780,268)	-	(3,804,368)
Net book value	-	-	-	-	-	-
2013						
Cost	-	2,457	-	7,366	2,972,375	2,982,198
Fund received	-	(2,457)	-	(7,366)	(2,972,375)	(2,982,198)
Net book value	-	-	-	-	-	-

The leasehold building has been charged as a security for the Zero coupon bonds as disclosed in Note 21. Included in property, plant and equipment of the Group and of the Institute are fully depreciated assets which are still in use, with costs totalling RM5,465,088 (RM4,938,314 in 2013).

10. PREPAID LEASE PAYMENTS

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Cost		
At beginning and end of year	5,662,342	5,662,342
Accumulated Amortisation		
At beginning of year	1,792,528	1,727,490
Amortisation for the year	65,039	65,038
At end of year	1,857,567	1,792,528
Carrying amount	3,804,775	3,869,814

The unexpired portion of the said leasehold land as of December 31, 2014 is 58 years (59 years in 2013).

The leasehold land has been charged as a security for the Zero coupon bonds as disclosed in Note 21.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. INVESTMENT IN SUBSIDIARY COMPANY

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Unquoted shares, at cost	200,002	200,002

The details of subsidiary company incorporated in Malaysia are as follows:

Name of Institute	Effective equity interest		Principal activity
	2014 %	2013 %	
M.I.I. Academy Sdn. Bhd.	100	100	Dormant

The establishment of M.I.I. Academy Sdn. Bhd. is a requirement under Section 12 of Akta IPTS 1996.

12. FIXED DEPOSITS

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Short-term:				
Deposits placed with licensed bank	14,809,009	18,052,320	14,570,717	17,814,028
Long-term:				
Deposits placed with licensed bank	7,005,409	6,287,568	7,005,409	6,287,568
	21,814,418	24,339,888	21,576,126	24,101,596

The long-term fixed deposits of the Group and of the Institute placed with a licensed bank amounting to RM7,005,409 (RM6,287,568 in 2013) is deposited for the purpose of redemption of the Zero coupon bonds as disclosed in Note 21.

Fixed deposits placed with licensed banks earn interest at rates ranging from 3.00% to 4.00% (2013: 3.00% to 3.35%) per annum.

All fixed deposits are denominated in Ringgit Malaysia.

13. INVENTORIES

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Bookshop books	31,365	101,892

The cost of inventories recognised as an expense for the year was RM70,527 (RM76,506 in 2013).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. TRADE RECEIVABLES

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Trade receivables	679,555	1,058,620
Allowance for doubtful debts	-	(143,358)
Total	679,555	915,262

Trade receivables comprise amounts receivable from customers for academic and training courses conducted. These are non-interest bearing and recognised at their original invoice amounts which represent their fair values on initial recognition. In general, the Group and the Institute practice no credit to its customers. However, the Group and the Institute allow credit to customers with special arrangement with the Group and the Institute.

The Group's and the Institute historical experience in collection of trade receivables and other receivables (as disclosed in Note 15) falls within the recorded allowances and management believes that there is no additional credit risk inherent in the Group's and the Institute's trade and other receivables.

Trade receivables as disclosed include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group and the Institute have not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group and the Institute do not hold any collateral over these balances.

Ageing analysis of trade receivables

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Neither past due nor impaired	158,622	575,431
Past due but not impaired:		
1-30 days	228,392	66,793
31-60 days	165,225	48,606
61-90 days	127,316	224,432
	520,933	339,831
Past due and impaired:		
>180 days	-	143,358
	679,555	1,058,620

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. TRADE RECEIVABLES (cont'd)

Movement in the allowance for doubtful debts

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
At beginning of year	143,358	-
Allowance for doubtful debts	-	143,358
Doubtful debts written off against allowance	(143,358)	-
At end of year	-	143,358

In determining the recoverability of a trade receivable, the Group and the Institute consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

15. OTHER RECEIVABLES AND PREPAID EXPENSES

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Prepaid expenses	266,585	342,916	266,585	342,916
Other receivables	908,912	662,852	908,912	662,852
Refundable deposits	284,819	310,153	284,819	310,153
Interest receivable	139,492	104,005	139,052	103,586
	1,599,808	1,419,926	1,599,368	1,419,507

Included in other receivables of the Group and of the Institute is an amount of RM535,377 (RM419,433 in 2013) representing amount owing by the ASEAN Insurance Training and Research Institute. This amount arose mainly from expenses paid on behalf, is unsecured, interest-free and repayable on demand.

16. AMOUNT DUE FROM SUBSIDIARY COMPANY

Amount due from subsidiary company, which arose mainly from payment on behalf, is interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. BUMIPUTRA TRAINING FUND

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
At beginning of year	-	-
Payment of subsidies for Bumiputra life insurance agents	79,640	484,715
Subsidy received	(79,640)	(484,715)
At end of year	-	-

The Bumiputra Training Fund ("BTF") was set up with the objective of assisting the development of the Bumiputra life insurance agents and staff in Malaysia.

The contributions are collected by Life Insurance Association of Malaysia ("LIAM") from the various life insurance companies. Eligible Bumiputra life agents and staff would utilise this fund to subsidise the course fees for approved programmes conducted by the Institute. The basis of subsidy depends on the programme and it is determined and approved by LIAM.

18. CAPACITY BUILDING FUND

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
At beginning of year	3,652,562	113,497
Payments/Activities	6,230,290	5,402,846
Fund received	(8,854,644)	(1,863,781)
At end of year	1,028,838	3,652,562

Following the idea of having a permanent funding mechanism from the industry, Bank Negara Malaysia initiated the move to set up a capacity building fund to be jointly funded by Bank Negara Malaysia and the insurance industry. The basis of the contribution is that Bank Negara Malaysia will match ringgit-for-ringgit the contribution by the insurance industry. The funds will be channelled through the Board of Trustees of Asian Institute of Finance which will disburse the necessary funds for any approved projects. The balance at the end of the reporting period of RM1,028,838 (RM3,652,562 in 2013) is pending reimbursement by the fund. The fund was also utilised to acquire assets as disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. GENERAL RESERVES

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Building and renovation fund	157,037	157,037
Scholarship fund	85,646	85,646
Institute Insurans Malaysia (IIM) fund	122,171	122,171
General reserves	6,308,188	6,308,188
	<u>6,673,042</u>	<u>6,673,042</u>

General reserves arose mainly from contributions by insurance companies, brokers, agents and adjusters and the surplus arising on the disposal of a subsidiary company in prior years.

20. DEFERRED TAX LIABILITIES

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
At beginning of year	2,488,342	2,435,000
(Credited)/Charged to profit or loss for the year (Note 8)	(61,479)	53,342
At end of year	<u>2,426,863</u>	<u>2,488,342</u>

The deferred tax liabilities comprise the following:

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Tax effects of taxable temporary differences arising from:		
Property, plant and equipment	2,390,709	2,461,410
Other receivables	36,154	26,932
	<u>2,426,863</u>	<u>2,488,342</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. ZERO COUPON BONDS - SECURED

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Zero coupon bonds	18,000,000	18,000,000
Less: Accumulated amortisation		
At beginning of year	(5,608,814)	(6,112,374)
Interest charged to profit or loss	524,891	503,560
At end of year	(5,083,923)	(5,608,814)
Amortised cost	12,916,077	12,391,186

The bonds are secured by way of a fixed charge over the leasehold land and the building erected thereon and a floating charge over the assets of the Institute.

These bonds carry a 30 year maturity period which is subject to early redemption by the Institute. The directors of the Institute do not expect to undertake an early redemption of these bonds.

Date of redemption of the bonds is December 1, 2022.

The bonds are measured at amortised cost. The interest expense is calculated by applying an effective interest rate of 4.2% (4.2% in 2013).

22. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. These payables are non-interest bearing and the credit period granted to the Group and the Institute for trade purchases ranges from 30 days to 90 days (30 days to 90 days in 2013).

Other payables and accrued expenses consist of the following:

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred income	1,484,818	1,305,244	1,484,818	1,305,244
Other payables	503,874	1,086,050	503,874	1,086,050
Accrued expenses	1,328,310	1,363,158	1,327,310	1,362,158
	3,316,998	3,754,452	3,315,998	3,753,452

Included in other payables of the Group and of the Institute in 2013 is RM3,970 representing registration fees collected on behalf of the Malaysia Financial Planning Council ("MFPC"), an association in which a director and key management personnel of the Institute is the MFPC's council and member.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. CASH AND CASH EQUIVALENTS

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and bank balances	8,396,848	2,693,105	8,358,412	2,661,898
Fixed deposits (Note 12)	14,809,009	18,052,320	14,570,717	17,814,028
	<u>23,205,857</u>	<u>20,745,425</u>	<u>2,929,129</u>	<u>20,475,926</u>

The currency profile of cash and bank balances is as follows:

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Ringgit Malaysia	8,379,864	2,654,110	8,341,428	2,622,903
United States Dollar	16,984	38,931	16,984	38,931
Others	-	64	-	64
	<u>8,396,848</u>	<u>2,693,105</u>	<u>8,358,412</u>	<u>2,661,898</u>

24. CAPITAL COMMITMENTS

As of the end of the financial year, the Group and the Institute have the following capital commitments in respect of property, plant and equipment:

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Approved but not contracted for	<u>639,471</u>	<u>1,159,500</u>

25. RENTAL COMMITMENT

As of the end of the financial year, the Group and the Institute have the following rental commitment in respect of office premises and equipment:

	Future Minimum Lease Payments	
	2014 RM	2013 RM
Financial years ending December 31,		
2014	-	1,125,673
2015	981,826	901,156
2016	315,143	235,033
2017 onwards	46,287	9,792
	<u>1,343,256</u>	<u>2,271,654</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The compensation of key management personnel which comprises key members of senior management of the Group and of the Institute during the financial year are as follows:

	THE GROUP & THE INSTITUTE	
	2014 RM	2013 RM
Short-term employee benefits	1,599,600	1,597,469
Contributions to EPF	250,253	263,068
	<u>1,849,853</u>	<u>1,860,537</u>

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

	THE GROUP		THE INSTITUTE	
	2014 RM	2013 RM	2014 RM	2013 RM
Financial assets				
Fixed deposits	21,814,418	24,339,888	21,576,126	24,101,596
Cash and bank balances	8,396,848	2,693,105	8,358,412	2,661,898
Trade receivables	679,555	915,262	679,555	915,262
Other receivables and refundable deposits	1,333,223	1,077,010	1,332,783	1,076,591
Amount due from subsidiary company	-	-	55,234	49,519
Capacity Building Fund	1,028,838	3,652,562	1,028,838	3,652,562
Loans and receivables at amortised cost	3,041,616	5,644,834	3,096,410	5,693,934
Financial liabilities				
Trade payables	483,841	350,511	483,841	350,511
Other payables	503,874	1,086,050	503,874	1,086,050
Accrued expenses	1,328,310	1,363,158	1,327,310	1,362,158
Zero coupon bonds	12,916,077	12,391,186	12,916,077	12,391,186
Other financial liabilities at amortised cost	15,232,102	15,190,905	15,231,102	15,189,905

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL INSTRUMENTS (cont'd)

FAIR VALUES

The carrying amounts of all financial assets and liabilities of the Group and of the Institute at the end of the reporting period approximate their fair values of these assets and liabilities because of the immediate or short-term maturity of these financial instruments except for the following financial liability:

	2014		2013	
	Carrying value RM	Fair value RM	Carrying value RM	Fair value RM
The Group and The Institute				
Zero coupon bonds	12,916,077	13,041,662	12,391,186	12,494,370

The above fair value is estimated based on Level 2 fair value measurement using discounted cash flow analysis based on current borrowing rates for similar type of borrowing arrangement. The discounted rate used is 4.11% (4.14% in 2013).

STATEMENT BY DIRECTORS

The directors of **THE MALAYSIAN INSURANCE INSTITUTE** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Institute as of December 31, 2014 and of the financial performance and the cash flows of the Group and of the Institute for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

HASHIM BIN HARUN
(Director)

FOONG SOO HAH
(Director)

Kuala Lumpur,
April 14, 2015

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE INSTITUTE

I, **DATO' HJ. SYED MOHEEB BIN SYED KAMARULZAMAN**, the Officer primarily responsible for the financial management of **THE MALAYSIAN INSURANCE INSTITUTE**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATO' HJ. SYED MOHEEB BIN SYED KAMARULZAMAN
Subscribed and solemnly declared by the abovenamed
DATO' HJ. SYED MOHEEB BIN SYED KAMARULZAMAN
at KUALA LUMPUR this April 14, 2015

Before me,

COMMISSIONER FOR OATHS

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PROXY FORM

THE MALAYSIAN INSURANCE INSTITUTE 37TH ANNUAL GENERAL MEETING

I, _____ Membership No.: _____
of _____
a member of The Malaysian Insurance Institute, hereby appoint _____ individual member,
Membership No.: _____ of _____
_____ failing him/her, _____
also an individual member, (Membership No.: _____) of _____
_____ to attend and vote on my behalf at the **37th Annual General Meeting of the
Institute** to be held on **Wednesday, 10 June 2015 at 10:00 a.m.** and at any adjournment thereof.

My proxy is to vote as indicated below:
(Please indicate with an "x" in the space provided on how you wish your vote to be cast.)

Ordinary resolution		For	Against
1.	To elect Directors in accordance with Article 72(1)(b) of the Institute's Articles of Association		
2.	To re-appoint Messrs Deloitte KassimChan as the auditors of the Institute		

Dated this _____ day of _____, 2015.

Signature of individual member

Note:-

- A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his/her stead.
- A proxy shall be an individual member of the Institute. No proxy shall be a proxy for more than two (2) individual members.
- The instrument appointing a proxy under which it is signed thereof shall be deposited at the Registered Office of the Institute, No. 5 Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting.

ACCREDITED REPRESENTATIVE FORM

THE MALAYSIAN INSURANCE INSTITUTE 37TH ANNUAL GENERAL MEETING

We, _____ Membership No.: _____
of _____
an institutional member of The Malaysian Insurance Institute, hereby appoint _____
NRIC No.: _____ of _____
and _____
failing him/her, _____ NRIC No.: _____
of _____

to attend and vote for us on our behalf at the 37th Annual General Meeting of the Institute to be held on Wednesday, 10 June 2015 at 10:00 a.m. and at any adjournment thereof. Our nominee is to vote as indicated below:

(Please indicate with an "x" in the space provided on how you wish your vote to be cast.)

Ordinary resolution		For	Against
1.	To elect Directors in accordance with Article 72(1)(b) of the Institute's Articles of Association		
2.	To re-appoint Messrs Deloitte KassimChan as the auditors of the Institute		

In witness whereof the Common Seal of the Company is affixed on this _____ day of _____, 2015.

Signature(s) & Common Seal



- Note:-**
- a) A member entitled to attend and vote at this meeting is entitled to appoint an accredited representative to attend and vote in its stead.
 - b) The instrument appointing an accredited representative shall be in writing under the seal of the institutional member.
 - c) The instrument appointing an accredited representative and the power of attorney or other authority (if any) under which it is signed or notarially certified thereof shall be deposited at the Registered Office of the Institute, No. 5 Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting.

Head Office

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