



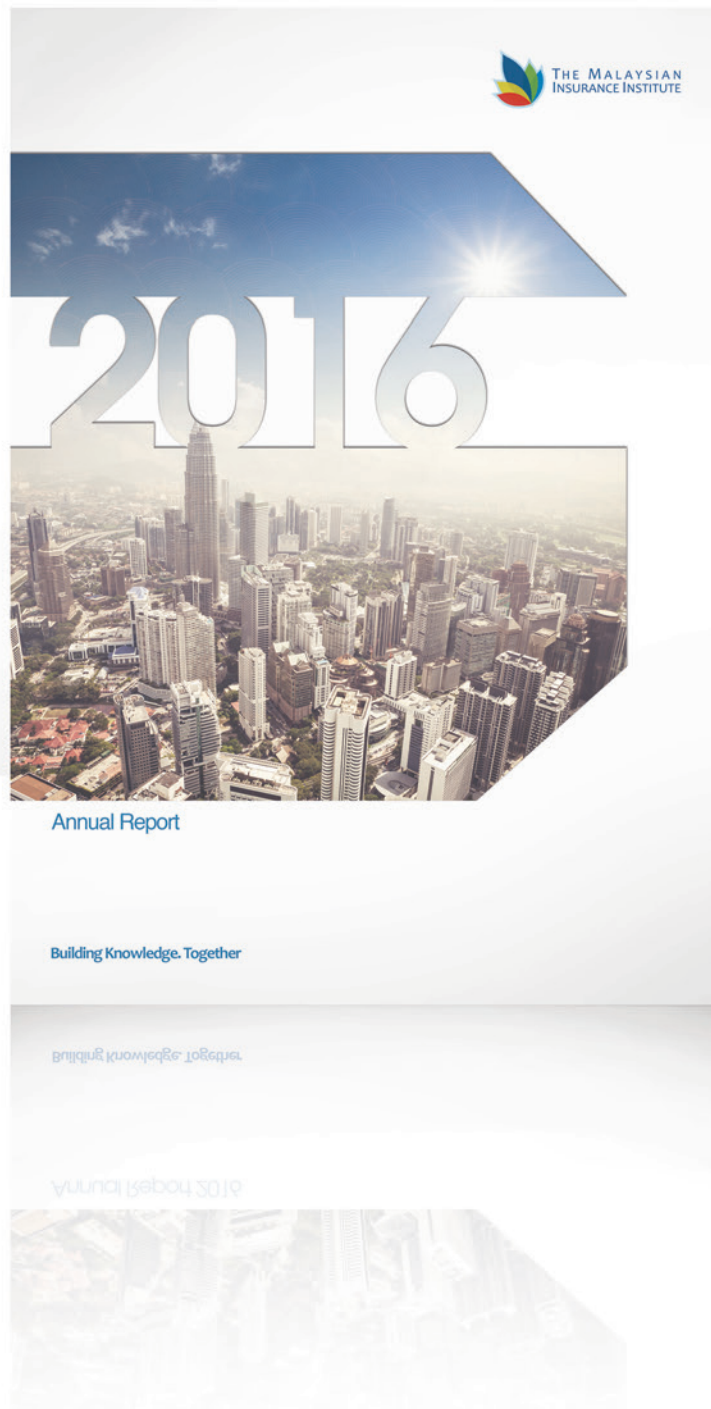
## Annual Report

# LOOKING OUT INTO THE HORIZON

Throughout the year, we have extended our platform and reach by paying attention to emerging trends and leveraging on our inherent flexibility, our virtualized learning and education structure, our consistent fiscal discipline, and our considerable resources. We have been nimble and persistently opportunistic.

The cover of this year's Annual Report explains MII as the centre that puts a premium on forward thinking whilst exploring into new ventures to accommodate to a wider angle of education perspective.

At The Malaysian Insurance Institute (MII), we strive to make a difference every day – to our customers and to the Insurance fraternity. We believe that success is about having a purpose and making an impact to the environment around us. Our corporate values include service-centred leadership. We are committed to not only understanding our customers' needs and expectations, but striving to exceed them with outstanding service. We work to ensure that interactions our stakeholders have with MII are positive and productive, from start to finish by working together as a team.



# LOGO RATIONALE

The multi-coloured leaves of the new MII logo symbolise our commitment to promote sustainability and indicate a promising future of growth and a renewed sense of enthusiasm and optimism. Each leaf corresponds to MII's five core values, while the overlapping form of the leaves and its harmonious colours signify the solidarity of MII and its associates – LIAM, PIAM, AMLA and MITBA – in contributing to the purpose of MII as a learning platform aimed at nurturing and heightening skills and knowledge of its members. The leaves are also interpreted as flames, signifying MII's burning desire to continuously innovate, evolve and excel by building knowledge, together.





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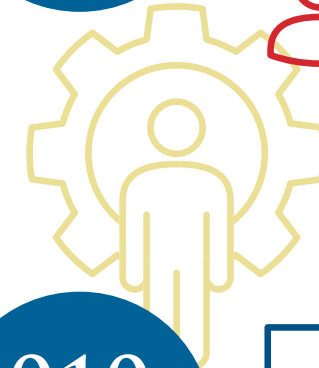
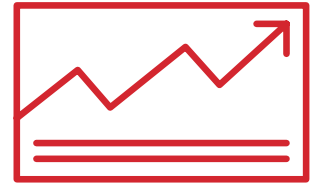
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### 003

VISION,  
MISSION &  
CORE  
VALUES



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CHAIRMAN'S  
MESSAGE



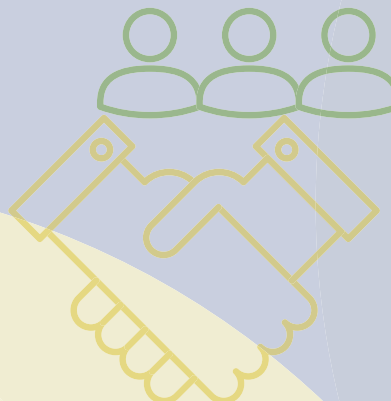
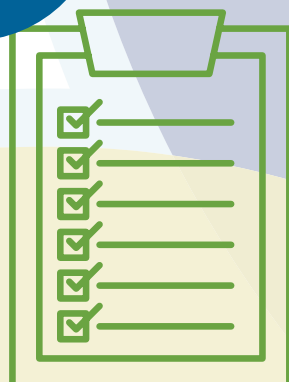
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# OUR VISION

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

# OUR 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

- Learning culture
- Quality mind-set
- Service centred leadership
- Growth & teamwork mind-set
- Highest ethical and moral standards





# NOTICE OF ANNUAL GENERAL MEETING

## **THE MALAYSIAN INSURANCE INSTITUTE (Company No. 35445-H)**

(Incorporated in Malaysia as a Company Limited By Guarantee and not having a Share Capital)

**NOTICE** is hereby given that the 39th Annual General Meeting of The Malaysian Insurance Institute (“MII”) will be held at Conference Hall 1, Sasana Kijang, Jalan Dato Onn, 50480 Kuala Lumpur, on Friday, 26 May 2017 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 2016 together with the Directors’ and Auditors’ Reports thereon.\*
2. To re-elect/elect the following Directors in accordance with Articles 72(1)(b) of MII’s Constitution
  - (i) To re-elect Mr. Tan Kok Guan as Director of MII **Resolution 1**
  - (ii) To re-elect Mr. T.Sivapalan A/L Tharmapalan as Director of MII **Resolution 2**
  - (iii) To re-elect Mr. A.K. Wong as Director of MII **Resolution 3**
  - (iv) To elect Mr. Philip Wallace Smith as Director of MII **Resolution 4**
3. To re-appoint Messrs Deloitte as the auditors of MII, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. **Resolution 5**

### **AS SPECIAL BUSINESS**

To consider, and if thought fit, to pass the following Resolution as Ordinary Resolution:

4. Proposed Directors’ Benefits **Resolution 6**

“THAT a payment of directors’ meeting a allowance of RM500 per meeting with effect from January 31, 2017 and the payment of MII membership fees and subscriptions by MII for its Directors be hereby approved.

### **Other Ordinary Business**

5. 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: 4 May 2017

**Notes:**

- 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 notarially 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](http://www.insurance.com.my).

**Explanatory Notes on Special Business****Proposed Directors' Benefits**

Section 230(1)(a) of the Companies Act 2016 provides that the fees of the directors and any benefits payable to directors of a public company shall be approved at a general meeting. As a matter of policy, MII Board members do not receive directors' fees.

The proposed Ordinary Resolution No. 6, if duly passed, is to pay a meeting allowance of RM500 per meeting to all MII directors who are not employed in the insurance industry or by Bank Negara Malaysia (hereinafter referred to as "the Retiree Directors") for all Board and Board Committees' meetings attended by the Retiree Directors and all meetings attended by the Retiree Director(s) in which they/he/she sit(s) in as an official representative(s) of MII. And also to allow to pay the annual membership fees and subscriptions for and on behalf of the Directors who are not receiving Directors' fees for their voluntary service to sit and serve on MII Board.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Hashim bin Harun**  
(Chairman)

**Aznan bin Abdul Aziz**  
(resigned on 2 December 2016)

**Y.Bhg. Dato' Adrian Low Heong Chow**  
@ Loh Heong Chow

**Y.Bhg. Dato Koh Yaw Hui**  
(retired on 2 June 2016)

**Alex Foong Soo Hah**  
(resigned on 4 March 2016)

**Md. Adnan bin Md. Zain**  
(resigned on 21 December 2016)

**Y.Bhg. Datuk Francis Lai**  
@Lai Vun Sen

**Zainal Abidin bin Mohd Noor**

**YM Raja Zailan Putra bin Raja Dato' Seri Hj Azam  
Toi See Jong**

**Antony Fook Weng Lee**

**A.K. Wong**

**Tan Kok Guan**

**T. Sivapalan a/l Tharmapalan**

**Wong Teck Wai**

**Ezamshah bin Ismail**  
(appointed on 4 March 2016)

**Gan Leong Hin**  
(appointed on 2 June 2016)

**Yoon Yew Khuen**  
(appointed on 2 December 2016)

## AUDIT COMMITTEE

**Ezamshah bin Ismail**  
(Audit Committee Chairman)  
(appointed on 26 January 2017)

**Md. Adnan bin Md. Zain**  
(resigned on 21 December 2016)

**Y.Bhg. Dato' Koh Yaw Hui**  
(retired on 2 June 2016)

**Y.Bhg. Datuk Francis Lai**  
@Lai Vun Sen

**Tan Kok Guan**

## BOARD RISK MANAGEMENT COMMITTEE

**YM Raja Zailan Putra bin Raja  
Dato' Seri Hj Azam**  
(Board Risk Management  
Committee Chairman)

**A.K. Wong**

**T. Sivapalan a/l Tharmapalan**

## CHIEF EXECUTIVE OFFICER

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

## COMPANY SECRETARIES

**Lim Seck Wah**  
(MAICSA: 0799845)

**M. Chandrasegaran A/L  
S. Murugasu**  
(MAICSA: 0781031)

## AUDITORS

**Deloitte PLT**  
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](http://www.insurance.com.my)

## MII MEMBERS' E-MAIL

[miimembers@mii.org.my](mailto:miimembers@mii.org.my)

## MII GENERAL ENQUIRY'S E-MAIL

[customercare@mii.org.my](mailto:customercare@mii.org.my)

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 5 Jalan Sri Semantan Satu,  
Damansara Heights,  
50490 Kuala Lumpur, Malaysia  
Tel: 03 2087 8882  
Fax: 03 2093 7885

## MII CITY CENTRE

Suite 6.0W, 6th Floor,  
Wisma Sime Darby,  
50350 Jalan Raja Laut  
Kuala Lumpur, Malaysia  
Fax: 03 2692 0898



# BOARD OF DIRECTORS



**Hashim Harun**  
*MII Chairman*



**Y.Bhg. Dato'  
Adrian Low Heong Chow**  
*MII Director*



**Yoon Yew Khuen**  
*Director of Insurance Development  
Bank Negara Malaysia*



**Antony Lee**  
*Chief Executive Officer  
AIG Malaysia Insurance Berhad  
(Chairman of PIAM)*



**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)*



**Wong Teck Wai**  
*Chief Executive Officer  
L.K. & Associates (M) Sdn Bhd  
(Chairman of AMLA)*



**Y.Bhg. Datuk Francis  
@Lai Yun Sen**  
*Chief Executive Officer*  
Progressive Insurance Berhad



**Tan Kok Guan**  
*Chief Executive Officer /  
Executive Director*  
LPI Capital Berhad



**A.K. Wong**  
*Chief Executive Officer*  
Asia Capital Reinsurance  
Malaysia Sdn Bhd



**T. Sivapalan Tharmapalan**  
*Senior General Manager*  
Pacific Insurance Berhad



**Zainal Abidin Mohd Noor**  
*MIII Director*



**Ezamshah Ismail**  
*Dean, School of  
Professional Studies  
International Centre  
for Education In  
Islamic Finance (INCEIF)*



**Gan Leong Hin**  
*Chief Executive Officer*  
Prudential Assurance  
Malaysia Berhad

# MANAGEMENT TEAM



**Y.Bhg. Dato' Haji Syed Moheeb  
bin Syed Kamarulzaman**  
*Chief Executive Officer*



**Joseph Wong**  
*Chief Operating Officer  
(COO)*



**Dr. Rusli Othman**  
*Chief Academic Officer  
(CAO)*



**Liew Yoke On**  
*Senior Vice President  
(Technical Services  
and Special Projects)*



**Wahida Shariff**  
*Senior Vice President  
(Registry & Examinations)*



**Hazlinda Yahaya**  
*Senior Vice President  
(Life Insurance)*



**Ng Teck Fay**  
*Senior Vice President  
(Medical & Health Insurance)*



**Tan Li Na**  
*Senior Vice President  
(Education Centre)*



**Haslindah Atan**  
*Senior Vice President  
(Finance, Human Resource  
& Administration)*



**Muhammad Mohsin**  
Vice President  
(Internal Audit)



**Mohd Khairul Reeza Ruslan**  
Vice President  
(Project Management)



**Nor Izmawati Mostapar**  
Vice President  
(e-Learning)



**Rozieana Jamaluddin**  
Vice President  
(Corporate Communications  
& Events Management)



**Nazlihasri bin Abdul Rahman**  
Vice President  
(Information Technology)



**Hasri Hamidan**  
Vice President  
(Product & Course  
Development)



**Mohd Azlin Ahmad**  
Vice President  
(Information Technology)



**Ann Margaret Joseph**  
Vice President  
(Assessment & Exemption)



**Rosmaniwati Haji Agus**  
Vice President  
(Agents Examinations)



**Nor Hayati Ibrahim**  
Vice President  
(Education Centre)



**Soon Kiam Hui**  
Vice President  
(SME General Insurance)



# CHAIRMAN'S MESSAGE



Dear Fellow MII Members,

Another challenging year has closed. Chairing the Board of the Malaysian Insurance Institute (MII), I am forging ahead, along with the team at MII with a renewed spirit to create a change in the industry and to create greater visibility of the Malaysian Insurance industry on the world map. 2016 had been tough, not just for the local insurance industry, but it spilled across to other businesses around the globe. MII has withstood the test of time, persevering for almost five decades in Malaysia. Surely, we will continue to persevere in our pursuit of elevating the level of education and professionalism of the industry.

**Hashim Harun**  
*Chairman*



### **2016 has been a year of improvement and aspiration.**

The improvement in terms of introducing an Academic Division in MII where a dedicated Academic Faculty has been operational in the past year to set the direction of our Qualifications and Professional Programmes. In addition to that, we had also launched the Fellowship of the Malaysian Insurance Institute, or better known as FMII. It is the highest level of professional insurance qualification in Malaysia to recognize a special breed of people in the industry. It is our aspiration to continually support the industry in attaining the best, and the highest in education and knowledge as that is what we are set to achieve.

### **Collaborations in the horizon.**

As the professional education body in Malaysia, MII sets forward its path through collaborations with strategic educational institutions in Malaysia. In addition to the existing understanding that we have already obtained with Chartered Insurance Institute UK (CII), and University of West Scotland, Wales (UWS) at a global level, MII has recently entered an understanding with Sunway University in October 2016. The Memorandum signed entails MII and Sunway University working together in respect of an accelerated pathway to the Associateship of the Malaysian Insurance Institute (AMII) for the varsity's Actuarial Studies students. Another venture that MII has entered is the recognition of prior learning awards for UiTM BBA Insurance students which was approved by the Academic Council in December 2016 where the period of recognition begins 1 January 2017 to 31 December 2019. These collaborations are a manifestation of the eagerness of these varsities to produce and prepare graduates and talents who are industry-ready. With MII as their strategic partner, we will be able to give them an insight of what is expected in the industry.

### **UPSCALING TRAINING**

In an overall challenging year for the industry, MII continued to conduct technical training courses for brokers, adjusters, reinsurers and regulators from Malaysia and around the world.

MIl recorded a decrease of 12% or 10 classes as compared to 2015 for general insurance training courses. The number of registered participants in 2016 was 1188, a decrease of 16% as compared to 1407 participants in 2015. Out of 74 classes conducted in 2016, 49 were conducted as public courses while the remaining 25 classes were conducted as in-house. Demand for Public Classes in 2016 remained like 2015, except for a drop of 12% for in-house classes compared to 2015.

In 2016, we conducted 6 Premier Series courses which attracted 63 participants. Comparatively, we recorded a decrease in number of participants, from 85 to 63 year on year. The participation from overseas participants also decreased from 9 participants to 5 participants in 2016.

MIl launched the Professional Certificate in General Insurance Underwriting course in the second quarter of 2016. Introducing the fundamentals of the role of an underwriter to participants without formal education in underwriting, the course consists of 3 modules with 5 streams for participants to choose. In 2016, there were 18 participants registered for the course.

In 2016, we recorded total participation of 67 foreign participants for the general insurance courses as compared to 46 in 2015, an increase by 45%. Majority of the foreign participants who attended the technical training courses were from the neighbouring ASEAN countries; Indonesia, Kribati, Laos, Singapore, Thailand, Vietnam, with the remaining countries from Maldives, Qatar and Hong Kong.

In 2016, we continued to offer customised and relevant training to meet the needs of employees and agents of life insurance companies and takaful operators. Since many of the industry's participants had attended the same courses conducted in the past years, the demand declined by 42%, from 542 in 2015 to 312 in 2016.

### **CONSOLIDATING EDUCATION**

Being the official examinations provider for the Malaysian insurance industry, MII undertakes the responsibility to organize and manage numerous examinations in varied qualifications for the employees and agency force of the industry throughout Malaysia. In August 2016, we implemented the new Associateship of the Malaysian Insurance Institute (Level 1 and 2) developed under the MII New Qualification Framework that saw the phasing off the previous flagship programmes, namely Diploma of the Malaysian Insurance Institute (DMII) and Associateship of the Malaysian Insurance Institute (AMII).

Adding on to MII's list of professional programmes is the Fellowship of the Malaysian Insurance Institute (FMII) launched in March 2016. The FMII is the highest level of professional insurance education in Malaysia, providing the competitive advantage for professionals in the industry. In the 2016 MII Graduation, we celebrated the first FMII graduate through the qualifications route.

A special accelerated route was also developed for the CEOs and Senior Leaders of the industry, where we had 13 CEOs from Takaful, Broking and General Insurance companies completing the FMII in the same graduation event.

We conducted 14 types of examinations in 2016 involving 78,965 candidates at 22 examination centres nationwide. This is a decrease by 7% or 6,130 candidates who sat for the examinations compared to 85,095 in 2015. Only CEILLI CBE and RFP reported an increase whilst the other examinations reported a decrease in number sitting for the examinations; i.e. AMII/DMII, CMII, PCEIA, CEILLI, BAMC, BCCITB and BCCILA.

The Pre-Contract Examination for Insurance Agents (PCEIA) recorded the largest number of examination candidates, numbering 46,846 candidates while the Certificate Examination in Investment-Linked Life Insurance (CEILLI) recorded 27,958 examination candidates.

### **STRENGTHENING OF HUMAN CAPITAL AND STRUCTURE**

Recognising that employees are the most important asset in a Company, we are committed to consistently upgrade and upskill their competencies through learning and development which includes 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.

In 2016, 105 of our employees participated in a total of 39 training programmes in their respective areas ranging from Academic-related, Information Technology, e-Learning, Insurance Programmes, Company Secretarial, Knowledge Management, Auditing, Project Management, Risk Management, Human Resource Management and Financial Planning.

2016 is also a full year of MII with a strengthened organizational structure where the Academic Division was introduced. This division is headed by the Chief Academic Officer reporting to the Chief Executive Officer of MII. The Academic Division is responsible for the entire development of the MII Academic Faculty, which includes portfolio such as General Insurance Curriculum, Life & Medical Insurance Curriculum, e-Learning, Registry & Examinations, Education Centre and Academic Quality Assurance.

### **EXPANDING PROFESSIONAL MEMBERSHIP**

As at 2016, we have 1,610 individual members which fall under the various categories namely, Fellow, Associate, Ordinary and Affiliate memberships. Institutional members comprise of all registered insurance and reinsurance companies, insurance brokers and loss adjusters in Malaysia, making a total of 112 Institutional members with more than 26,200 staff.

In reaching out to our members, MII hosted activities which include several Breakfast Talks and a sporting event, the MII Bowling Tournament. Topics selection for the Breakfast Talks among others are, Estate Planning, Money Laundering in the Insurance Industry, Technology in Crime Prevention, and Surviving a Hospital Visit. The MII Bowling Tournament provides a platform for social and networking opportunities within the insurance industry. It was successfully organised on 12 November 2017 at Sunway Mega Lanes, Sunway Pyramid, Selangor. This served as an excellent opportunity for the industry to get together recreationally. 260 players from 32 companies from all sectors of the insurance industry including general and life companies, takaful operator, brokers and loss adjusters participated in the tournament.



## CONFERENCES

We successfully organised 8 seminars and conferences for the insurance industry in 2016 namely the Talent Development Seminar, International Claims Convention, Detariffication Seminar, Life Insurance Medical & Health Seminar, Malaysian Insurance Summit, Takaful Seminar, Bumiputera Life Insurance Agents Convention (Konvensyen Ejen Insurans Hayat Bumiputera) and the MDRT Day. All the conferences drew more than 3,000 participants from Brunei, Indonesia, Thailand, Iran, Philippines, Singapore and Malaysia with a total of more than 60 international and local speakers who presented and shared their knowledge and expertise with the participants. We are very honoured to have received their invaluable support as we continue to strive towards providing world class knowledge and experience to delegates attending these events.

## KNOWLEDGE MANAGEMENT

Aptly suited to the MII's tagline "Building Knowledge. Together", our Knowledge Management centre provides the platform for sharing and sourcing of knowledge and expertise for the industry's personnel to leverage on in enriching their career and educational advancement in the workplace. This is in line with our aspiration for MII to assume the leading role in raising the standards of knowledge in the Malaysian insurance industry.

Housing over 7,000 physical collections of library materials such as books, journals, magazine as well as more than 1,000 digital documents and links covering subjects on insurance, risk management, actuarial science, management up to financial planning and others, the centre offers a wealth of insurance knowledge and related disciplines that is accessible by its members.

Moving ahead in a digital world, KM has also recorded a steep growth in digital visitors in 2016, a huge increase of 100% compared to 2015. Our MII Digital Library visitor statistics has recorded more than 1.0 million online hits and downloads while maintaining a total of 6,000 physical visitors in the same year.

## CLOSING

MI I is poised to grow further in 2017 with a focus on increasing the number of customers and further enhancing the value for our members and stakeholders. We expect to complete a number of strategic initiatives by this year which will contribute significantly to the achievement of our vision of being the preferred institution for education in insurance, financial and risk management.

In closing, we would like to express our appreciation to the MII Exco Members, the MII Audit Committee and the MII Board of Directors for their continued guidance and support. Finally, to our members, students, customers and stakeholders, thank you so much for your support in 2016.

Thank you.

---

**Hashim bin Harun**  
Chairman



# 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, the Chief Operating Officer, the Chief Academic 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 2016, the Audit Committee met 3 times according to the requirement of the Terms of Reference i.e. on 31 March, 11 August and 8 December. The record of attendance is as follows:

Members	Attendance
En Md. Adnan Md. Zain* (Chairman)	3/3
YBhg. Datuk Francis Lai @ Lai Yun Sen	2/3
Mr. Tan Kok Guan	3/3
YBhg. Dato Koh Yaw Hui**	1/1

Note:

\* Resigned on 21 December 2016 pursuant to Article 73(A) of the Articles of Association

\*\* Retired on 2 June 2016 pursuant to Article 72(4)(b) of the Articles of Association

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 decide on the appointment and 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.

## 6. Highlight of Activities

The Audit Committee undertook the following duties in 2016:

- reviewed the Audited Financial Statements for the year ended 31 December 2015;
- reviewed the interim Audited Financial Statements for 6 months ended 30 June 2016;
- approved the 2017 Internal Audit Plan;
- reviewed the Internal Audit assurance reports concerning Administration, Agents Examination, E-learning, Life Insurance Curriculum Development, and Membership;
- considered and endorsed Internal Audit's recommendations and Management's responses; and
- reviewed the Audit Findings Dashboard and implementation of the agreed corrective measures.

During the year, the Audit Committee also reviewed IT General Control Audit report issued by the appointed IT audit firm, PKF Avant Edge.

## 7. Internal Audit Department

MIl 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.

# 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 products 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 2016, the special courses focusing on technical level was conducted in the home country of our customer which was in Bangkok with 17 participants. The course conducted was a Workshop on Engineering Insurance – Contractors' All Risks and Erection All Risks.

The overall performance of general insurance training for 2016 reported a decrease of 12% or 10 classes as compared to 2015. The number of registered participants in 2015 was 1407 as compared to 1188 in 2016, a decrease of 16%.

Out of 74 classes, 49 were conducted as public courses while the remaining 25 classes were conducted as in-house. Demand for Public classes in 2016 remains the same trend as in 2015 except on in-house classes shown a decreased by 10 classes or 12% as compared to 2015,



## ACTIVITY REPORT (CONT'D)

General Insurance Training Courses in 2016 and 2015:

No.	Course	2016		2015	
		No. of Classes	No. of Participants	No. of Classes	No. of Participants
<b>1.</b>	<b>Public</b>				
	Technical	39	348	39	397
	Premier Series	6	63	10	85
	Special Courses for Local	2	93	0	0
	Special Courses for Foreign	1	17	0	0
	Certification	1	5	0	0
	<b>Sub-Total:</b>	<b>49</b>	<b>526</b>	<b>49</b>	<b>482</b>
<b>2.</b>	<b>In-House</b>				
	Technical	23	644	33	881
	Special Courses for Foreign Participants	0	0	2	44
	Certification	2	18	0	0
	Sub-Total	25	662	35	925
	<b>Grand Total (Public + In-house)</b>	<b>74</b>	<b>1188</b>	<b>84</b>	<b>1407</b>

Overall Number of Training Classes and Participants by Level in 2016 and 2015:

No.	Level	2016			2015		
		No. of Topics	No. of Classes	No. of Participants	No. of Topics	No. of Classes	No. of Participants
1	Basic	20	42	804	19	38	697
2	Intermediate	21	26	251	27	44	666
3	Advanced	0	0	0	0	0	0
4	Certification	2	3	23	0	0	0
5	Special Courses	3	3	110	2	2	44
	<b>Total</b>	<b>48</b>	<b>74</b>	<b>1188</b>	<b>48</b>	<b>84</b>	<b>1407</b>

Public and In-House Training Courses by Level in 2016 and 2015:

No.	Level	2016				2015			
		No. of Classes	No. of Participants	No. of Classes	No. of Participants	No. of Classes	No. of Participants	No. of Classes	No. of Participants
1	Basic	19	178	22	626	21	234	17	463
2	Intermediate	26	233	1	18	28	248	16	418
3	Advanced	0	0	0	0	0	0	0	0
4	Certification	1	5	2	18	0	0	0	0
5	Special Courses	3	110	0	0	0	0	2	44
	<b>Total</b>	<b>49</b>	<b>526</b>	<b>25</b>	<b>662</b>	<b>51</b>	<b>756</b>	<b>43</b>	<b>874</b>

The number of participants for basic courses in 2016 had shown an increase by 15% or 804 participants as compared to 697 participants in 2015. However, the Intermediate courses reported a decreased by 62% or 415 participants, from 666 in 2015 to 251 in 2016.



In-house Programme  
15-16 March 2016  
Pacific & Orient Insurance Co. Berhad



In-house Programme  
3 August 2016  
Tokio Marine Insurans (Malaysia) Berhad



Public Programme  
19-20 April 2016  
Introduction to Engineering Insurance  
(Contractors' All Risks/Erection All Risks)



Public Programme  
10-11 May 2012  
Introduction to Motor and Non- Motor Insurance

## 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.

In 2016, we conducted 6 Premier Series courses. The courses attracted 63 participants, comprising 58 local participants and 5 overseas participants came from Laos, Singapore, Qatar and Indonesia. There was 85 participants attended the Premier Series courses in 2015, a decreased of 26% or 22 participants in comparison.



## ACTIVITY REPORT (CONT'D)



Premier Course:  
Understanding of Upstream Oil & Gas Policies/  
Rationale of Contracts Requirements and  
Related Risk Management Process  
25-27 May 2016



Premier Course:  
Essential in Contractors All Risks (CAR) and  
Erection All Risks (EAR) Insurance  
6-7 September 2016

### 2.3. Professional Certificate In General Insurance Underwriting

The Professional Certificate in General Insurance Underwriting course was offered to the insurance industry in Quarter 2 of 2016. The course introduces the fundamentals of the role of an underwriter that allows participants without formal education in underwriting to learn about the processes involved in decision-making with regard to underwriting. This Certificate course consists of 3-module with 5 stream for participant / company to select the preferred stream.

The 5 available streams are highlighted in below table

Stream	Topic
A	Fire Insurance and Business Interruption
B	Miscellaneous Accident (Part 1) & (Part 2)
C	Marine Cargo Insurance and Marine Hull Insurance
D	Engineering Insurance (Part 1) & (Part 2)
E	Casualty Liability Insurance and Financial Line Liability Insurance

2 companies have adopted this certificate course for their staff force; all in 18 staff have undergone this certificate course in 2016.

### 2.4. Foreign Participants

In 2016, we recorded total participation of 67 foreign participants for the general insurance courses as compared to 46 in 2015, an increase of 21 participants or 45%. Majority of the foreign participants attended the technical training courses were from ASIAN countries, that is, Indonesia, Kribati, Laos, Singapore, Thailand, Vietnam with the remaining from Maldives, Qatar and Hong Kong.

Comparison of the 2-year participation summarized in below table.

Foreign Participation in General Insurance Training Courses in 2016 and 2015:

No.	Course	2016	2015	Increase/(Decrease) %
1	Technical Training*	46	37	9
2	Premier Series**	05	09	(4)
3	Special Courses***	16	-	16
<b>Total</b>		<b>67</b>	<b>46</b>	<b>21</b>

Number of Participants for Technical Training Courses and Premier Series Courses by Country in 2016 and 2015:

No.	Country	Technical Training Courses		Premier Series	
		No. of Participants		No. of Participants	
		2016	2015	2016	2015
1	Brunei	-	3	-	-
2	Cambodia	-	-	-	4
3	Indonesia	24	29	1	2
4	Kribati	1	-	-	-
5	Laos	-	3	2	-
6	Iran	-	1	-	-
7	Maldives	4	-	-	1
8	Papua New Guinea	-	1	-	-
9	Qatar	-	-	1	-
10	Saudi Arabia	-	-	-	1
11	Singapore	-	-	1	-
12	Thailand	17	-	-	-
<b>Total</b>		<b>46</b>	<b>37</b>	<b>5</b>	<b>9</b>

The 3 special courses conducted locally and abroad in 2016 as follows:-

No.	Level	Topic	Location	No. of Pax
1	Basic	Fundamental of Insurance – General Insurance, Life Insurance and Takaful	Asian Banking School - KL Sentral	69
2	Technical	MII-TII : Workshop on Engineering Insurance – Contractors' All Risks and Erection All Risks	Bangkok, Thailand	17
3	Technical	MII-AICLA: A Technical Workshop on How to Manage Contractors' All Risks Claims	Seri Pacific Hotel, KL	24
<b>Total</b>				<b>110</b>



## ACTIVITY REPORT (CONT'D)

The technical workshop jointly organized with AICLA recorded 16 foreign participants, 10 participants from Indonesia, 5 participants from Vietnam and 1 participant from Hong Kong.

### 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.

### 3. LIFE INSURANCE TRAINING

Life Insurance Training is divided into 4 main areas, namely Technical Training, Leadership and Teambuilding, Agency Management and Agents' Convention. Except training for agents was conducted as in-house, the rest of the technical courses were conducted as 'public' training.

In 2016, 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 2016 and 2015:

Activity	2016		2015	
	No. of Sessions	No. of Participants	No. of Sessions	No. of Participants
Life Insurance Courses	19	312	22	542

Life Insurance Training, Number of Sessions and Participants in 2016 and 2015:

Training Category	No. of Sessions		No. of Agents Participating		No. of Staff Participating	
	2016	2015	2016	2015	2016	2015
Skill-Building	17	13	-	-	232	247
Leadership & Teambuilding	1	8	54	275	-	-
Agency Management Training Course (AMTC)	1	1	26	20	-	-
<b>Total</b>	<b>19</b>	<b>22</b>	<b>80</b>	<b>295</b>	<b>232</b>	<b>247</b>



Since many of the industry participants had attended the same courses conducted in the past years, the demand saw a dropped of 42% in participation rate, from 542 in 2015 to 312 in 2016.

The demand for Agency Management Training Course (AMTC) collaborated with LIMRA since 2011 was encouraging at the beginning mainly one company was very supportive of the course and had registered several batches of agents' participation on in-house basis. In year 2015 and 2016, one class each was conducted.



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.



## ACTIVITY REPORT (CONT'D)

Below table reported the number of participants in BTF Courses for 2016 and 2015

Training Category	No. of Sessions		Agent Participation		Staff Participation		Total No. of Participants	
	2016	2015	2016	2015	2016	2015	2016	2015
Skill-Building	-	1	-	100	-	-	-	100
Leadership & Teambuilding	-	-	-	-	-	-	-	-
Life Agents Convention	1	1	447	445	-	-	447	445
Agency Management Training Course	-	1	-	3	-	-	-	3
<b>Total</b>	<b>2</b>	<b>3</b>	<b>447</b>	<b>548</b>	<b>-</b>	<b>-</b>	<b>447</b>	<b>548</b>

In 2016, RM 66,400.00 was drawn from the fund to subsidize courses that benefiting 415 Bumiputera staff and agents of life insurance companies.

#### 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. In August 2016, we have implemented the new AMII (Level 1 and 2) developed under MII New Qualification Framework that phasing off the current two flagship programmes, that is, Diploma of The Malaysian Insurance Institute (DMII) and Associateship of The Malaysian Insurance Institute (AMII).

The intense effort in reviewing and developing the new Qualification Framework for the last few years were necessary in supporting the Malaysian Financial Services Sector Blueprint 2011-2020 launched by the Governor of Bank Negara Malaysia in November 2011, where one of the objectives of the blueprint emphasizes on human capital development and talent enrichment in all sectors including insurance and financial services.

The new AMII (Level 1 and 2) will provide learners a firm grounding in insurance fundamentals and enable learners to advance towards higher order technical knowledge, thereby ensuring learners to function effectively in a challenging environment, as a competent, skilled and experienced professional.

Current students pursuing DMII and AMII were given transition period until September 2018 to complete the programme. The new AMII (Level 1 and 2) provide two study options, that is, class-based and self-study. Equal assessment structure was introduced for both the study options, with assessment composition of 40% course works and 60% final examination. Effective January 2017, only 3 examination sessions were made available as compared to 4 sessions previously.

Except DMII reported a decrease in participation rate, CMII recorded an increase of 17% or 51 students with AMII also recorded an increase of 98% or 209 students. Many students were seen taking the opportunity to complete the remaining subjects within the transition period that led to the surge in the registration rate.

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).

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For the past four 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. In 2016, one member companies requested for RFP (Conventional) programme to be conducted in-house with 15 students enrolled in total. In contrast, the demand for the RFP (Shariah) classes remained the same trend with no classes held since 2013.

Number of Students and Classes for Professional Programmes in 2015 and 2016:

No.	Programme	No. of Classes		No. of Students	
		2015	2016	2015	2016
1	Associateship of The Malaysian Insurance Institute (AMII)	13	20	248	422
2	Diploma of The Malaysian Insurance Institute (DMII)	29	24	495	407
3	Certificate of The Malaysian Insurance Institute – (CMII)	15	19	281	352
4	International Certificate in Risk Management (CIRM)	2	-	20	-
5	Registered Financial Planner (RFP - Conventional)	-	1	-	15
6	Registered Financial Planner (RFP - Shariah)	-	-	-	-
7	Basic Agency Management Course (Train The Trainer)	-	1	-	14
	<b>Total</b>	<b>59</b>	<b>67</b>	<b>1044</b>	<b>1210</b>

#### 4.1.1. In-House and Public Classes

The AMII (Level 1 and 2) are offered as public and in-house programmes. For larger companies that have more students, classes can be conducted in-house. Demand for the two study options were well received as compared to the trend on more public classes conducted in the past years. Out of 67 classes, 35 classes or 52% were conducted as in-house. On public classes, the number of classes held in 2016 was 32 as compared to 43 in 2015, a decrease of 26%.



## ACTIVITY REPORT (CONT'D)

Number of In-House and Public Classes and Students in 2015 and 2016:

No.	Programme	In-House				Public			
		No. of Classes		No. of Students		No. of Classes		No. of Students	
		2015	2016	2015	2016	2014	2015	2014	2015
1	Associateship of The Malaysian Insurance Institute (AMII)	1	8	14	205	10	12	199	217
2	Diploma of The Malaysian Insurance Institute (DMII)	4	11	61	133	25	13	434	274
3	Certificate of The Malaysian Insurance Institute – (CMII)	11	14	220	260	6	5	101	92
4	International Certificate in Risk Management (CIRM)	-	-	-	-	2	-	20	-
5	Registered Financial Planner (RFP) (Conventional)	-	-	-	-	-	-	-	-
6	Registered Financial Planner (RFP) (Shariah)	-	-	-	-	-	-	-	-
7	Basic Agency Management Course (Train The Trainer)	-	-	-	-	-	1	-	14
	<b>Total</b>	<b>16</b>	<b>34</b>	<b>295</b>	<b>613</b>	<b>43</b>	<b>31</b>	<b>754</b>	<b>593</b>

### 4.1.2. Classes Conducted Locally

In 2016, we conducted classes for professional programmes in Penang, Ipoh, Melaka and Kota Kinabalu. 87% or 48 classes involving 860 students were held in Kuala Lumpur while 13% or 7 classes were conducted outside Kuala Lumpur.

Number of Associateship of The Malaysian Insurance Institute (AMII) Classes Conducted Locally (Kuala Lumpur and Outstation) in 2016:

No.	Location	No. of Classes	No. of Students
1	Kuala Lumpur	16	268
	<b>Total</b>	<b>16</b>	<b>268</b>

Number of Certificate of The Malaysian Insurance Institute (CMII) Classes Conducted Locally and Overseas in 2016:

No.	Location	No. of Classes	No. of Students
1	Kuala Lumpur	17	335
2	Penang	2	20
3	Ipoh	1	10
4	Melaka	2	19
5	Kota Kinabalu	2	23
	<b>Total</b>	<b>24</b>	<b>407</b>

Number of Certificate of The Malaysian Insurance Institute (CMII) Classes Conducted Locally and Overseas in 2016:

No.	Location	No. of Classes	No. of Students
1	Kuala Lumpur	15	257
2	Maldives	1	22
3	Jakarta	3	73
	<b>Total</b>	<b>17</b>	<b>352</b>

In addition to the flagship programmes, we have also conducted an in-house RFP (Conventional) class for 15 participants and 1 BAMC Train-The-Trainer class held in MII City Centre.

#### 4.1.3. Classes Conducted Overseas

The professional programmes also conducted in Cambodia and Indonesia. Except Cambodia where the classes were facilitated by the local lecturers, classes for other Indonesia were conducted by lecturers from MII. We also conducted 3 CMII class in Jakarta, Indonesia and 1 class for Maldives.

#### 4.2. International Participation

Our flagship professional programmes, in particular the AMII, continued to attract international participants from the ASIAN market.

In 2016, 136 international students enrolled for the CMII and AMII class-based programme conducted in international centres. There was a slight increased or 17% in the number of students as compared to 116 students in 2015. The increased was because of additional CMII classes conducted in Jakarta.

Number of International classes conducted in 2016 :

No.	Programme	Location	No. of Classes	No. of Students
1	Certificate of The Malaysian Insurance Institute	Jakarta	3	73
		Maldives	1	22
2	Associateship of The Malaysian Insurance Institute	Jakarta	4	154
3	Associateship of The Malaysian Insurance Institute	Maldives	Full time study in MII since August 2016	03
	<b>Total</b>		<b>8</b>	<b>252</b>



## ACTIVITY REPORT (CONT'D)

### 4.3. Industry Sponsorship

For the 9th 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 2016, a scholarship worth RM 171,145.00 was awarded to 24 students, 15 of whom were for the AMII (Level 1) and 09 for the AMII (Level 2). 12 companies from the general, composite, takaful, broking and adjuster sectors of the industry benefited from this sponsorship.

Since 2009, a total of 192 students have been awarded the sponsorship, 100 students have graduated while the rest are still pursuing the programmes.

Number of Students Awarded MNRB Sponsorship from 2009 to 2016

Year	Batch	DMII	No. of Students Graduted	AMII	No. of Students Graduted
2016	10 <sup>th</sup>	15	Programme in progress	09	Programme in progress
2015	9 <sup>th</sup>	14	07	13	04
2014	8 <sup>th</sup>	4	02	15	05
2013	7 <sup>th</sup>	3	Programme in progress	11	06
2012	6 <sup>th</sup>	12	10	13	11
2011	5 <sup>th</sup>	14	07	13	09
2010	4 <sup>th</sup>	13	08	14	12
2009	3 <sup>rd</sup>	14	10	15	09
	<b>Total</b>	<b>89</b>	<b>44</b>	<b>103</b>	<b>56</b>

### Companies that Benefited from MNRB Sponsorship from 2007 to 2016:

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. Covermoore Asia Pte Ltd
14. Chubb Insurance Malaysia Bhd
15. Etiqa Insurance & Takaful Bhd
16. General Insurance Corporation of India, Labuan Branch
17. Great Eastern Takaful (M) Sdn Bhd
18. Gibraltar BSN Life Berhad
19. HLAP Ltd (Reinsurance Company)
20. Hong Leong Assurance Bhd

#### Companies that Benefited from MNRB Sponsorship from 2007 to 2016: (cont'd)

21. HSBC Amanah Takaful (M) Sdn Bhd
22. Insfields Insurance Brokers Sdn Bhd
23. Jardine Lloyd Thompson Sdn Bhd
24. Jerneh Insurance Berhad
25. Kurnia Insurans (Msia) Bhd
26. Labuan Reinsurance (L) Ltd
27. Lonpac Insurance Bhd
28. MAA Takaful Bhd
29. Malaysian Takaful Association
30. Malene Insurance Brokers (M) Sdn Bhd
31. Maphilindo International Sdn Bhd
32. Marsh Insurance Brokers (M) Sdn Bhd
33. McLarens Saksama (M) Sdn Bhd
34. Mestari Adjusters Sdn Bhd
35. MIT Insurance Brokers Sdn Bhd (also known as MSM International)
36. MSIG Insurance (M)Bhd
37. MUI Continental Insurance Bhd
38. Multi-Purpose Insurance Bhd
39. Oriental Capital Assurance Bhd
40. Overseas Assurance Corporation (M) Bhd
41. Progressive Insurance Bhd
42. Prudential Assurance Malaysia Bhd
43. RHB Insurance Bhd
44. Rosegate Insurance Brokers Sdn Bhd
45. Sime Darby Lockton Insurance Brokers Sdn Bhd
46. Sun Life Malaysia Assurance Berhad
47. State Insurance Brokers Sdn Bhd
48. Takaful Ikhlas Sdn Bhd
49. The Malaysian Insurance Institute
50. Tokio Marine Insurans (M) Bhd
51. Tokio Marine Life Insurance Malaysia Bhd
52. Tune Insurance Malaysia Berhad
53. Trust International Insurance & Reinsurance Co.
54. UniAsia General Insurance Bhd
55. Watkins Syndicate Labuan Limited
56. Zurich Insurance Malaysia Berhad

#### 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 and Takaful Broking (BCCITB)
- (c) Registered Financial Planner Train-The-Trainer (RFP-TTT)
- (d) Basic Agency Management Course Train-The-Trainer (BAMC-TTT)



## ACTIVITY REPORT (CONT'D)

The BCCILA is aimed at new entrants to the insurance loss adjusting field while the BCCITB is for potential insurance brokers. The BCCILA and BCCITB are offered 4 times in a year as a public programme. In 2016, both BCCILA and BCCITB remain the same trend as in 2015. Generally, we received good responses from public class where we have conducted 4 classes in BCCITB with 124 participants and 7 classes in BCCILA with 195 participants.

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 were demand for the conduct of TTT for both the programmes in 2016.

No.	Programme	No. of Participants	
		2015	2016
1	Basic Certificate Course in Insurance Loss Adjusting (BCCILA)	213	195
2	Basic Certificate Course in Insurance Takaful Broking (BCCITB)	125	124
3	Train-The-Trainer (TTT) for Registered Financial Planner (RFP)	-	34
4	Train-The-Trainer (TTT) for Basic Agency Management Course (BAMC)	-	14
	<b>Total</b>	<b>338</b>	<b>367</b>

### 5. FELLOWSHIP OF MALAYSIAN INSURANCE INSTITUTE (FMII)

Fellowship of the Malaysian Insurance Institute is the highest level of insurance qualification in MII's qualifications framework. It is the culmination of a structured learning programme after completion of the Associateship (AMII/ACII). It includes planned acquisition of skills and knowledge through Ethics in Business (EIB) and completion of a Major Accomplishment all of which will form an integral part of the personal and professional development programme. In the 2016 MII Graduation, we celebrated the first FMII graduate through the qualifications route.

A special accelerated route was also developed for the CEOs and Senior Leaders of the industry, where we had 13 CEOs from Takaful, Broking and General Insurance companies completing the FMII in the same graduation event.



## 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 14 types of examinations in 2016 involving 78,965 candidates sat for the examinations at 22 examination centres in 14 states throughout Malaysia. This was a decrease of 7% or 6,130 candidates sat for the examinations from 85,095 in 2015. Only CEILLI CBE and RFP reported an increase whilst the other examinations reported a drop in number sat for the examinations; i.e AMII/DMII, CMII, PCEIA, CEILLI, BAMC, BCCITB and BCCILA. PCEIA reported the major drop in number of candidates sat for the examination by 6% or 3,265 candidates as compared to a total of 53,684 candidates in 2014.

The Pre-Contract Examination for Insurance Agents (PCEIA) recorded the largest number of candidates sat for the examinations, numbering 46,846 candidates while the Certificate Examination in Investment-Linked Life Insurance (CEILLI) recorded 27,958 examination candidates.

Types of Examinations, Examination Sessions, Number of Candidates Sat for Examination and Examination Centres in 2016:

No.	Examination		Month/Day of Examination in 2016	No. of Candidates Sat for Examination	No. of Examination Centres
<b>Professional Examinations</b>					
1	Associateship of The Malaysian Insurance Institute	AMII	January, April, July	1,034	15
2	Diploma of The Malaysian Insurance Institute	DMII			
3	Associateship of The Malaysian Insurance Institute – Level 1	AMII Level 1	October	121	8
4	Associateship of The Malaysian Insurance Institute – Level 2	AMII Level 2		125	9
5	Registered Financial Planner	RFP	March, August, November	670	8
6	Registered Financial Planner Capstone	RFPC	March, August, November	135	8
7	Shariah Registered Financial Planner	SRFP	March, August, November	40	8
8	Shariah Registered Financial Planner Capstone	SRFPC	March, August, November	134	8
<b>Certificated Examinations</b>					
9	Certificate of The Malaysian Insurance Institute – Insurance	CMII	January, April, July, October	355	15
10	Basic Certificate Course in Loss Adjusting	BCCILA	April, June, September, November	206	10
11	Basic Certificate Course in Insurance and Takaful Broking	BCCITB	March, May, August, September	145	56
12	Basic Agency Management Course	BAMC	March, June, September, December	1,196	15



## ACTIVITY REPORT (CONT'D)

No.	Examination		Month/Day of Examination in 2016	No. of Candidates Sat for Examination	No. of Examination Centres
<b>Certificated Examinations</b>					
13 (a)	Pre-Contract Examination for Insurance Agents	PCEIA paper-and-pencil (PPE)	Scheduled examinations: Every month Ad-hoc: On average every Saturday	4,247	22
13 (b)		PCEIA computer-based (PPE)	KL Centre: Monday to Friday Outstation/Ad-hoc: Every Saturday	42,599	11
14 (a)	The Certificate Examination in Investment-Linked Life Insurance	CEILLI paper-and-pencil (PPE)	Scheduled examinations: Every month Ad-hoc: On average every Saturday	1,796	22
14 (b)		CEILLI computer-based (PPE)	KL Centre: Monday to Friday Outstation/Ad-hoc: Every Saturday	26,162	11
<b>Total</b>				<b>78,965</b>	

### 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 (SARAS), comprises a robust question bank system (Q-Bank) and a computer-based examination system. SARAS is our new assessment system in place effective 2016 replacing CBASS.

We now have 11 CBE centres nationwide and we are planning to open few more CBE centres in near future.

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.

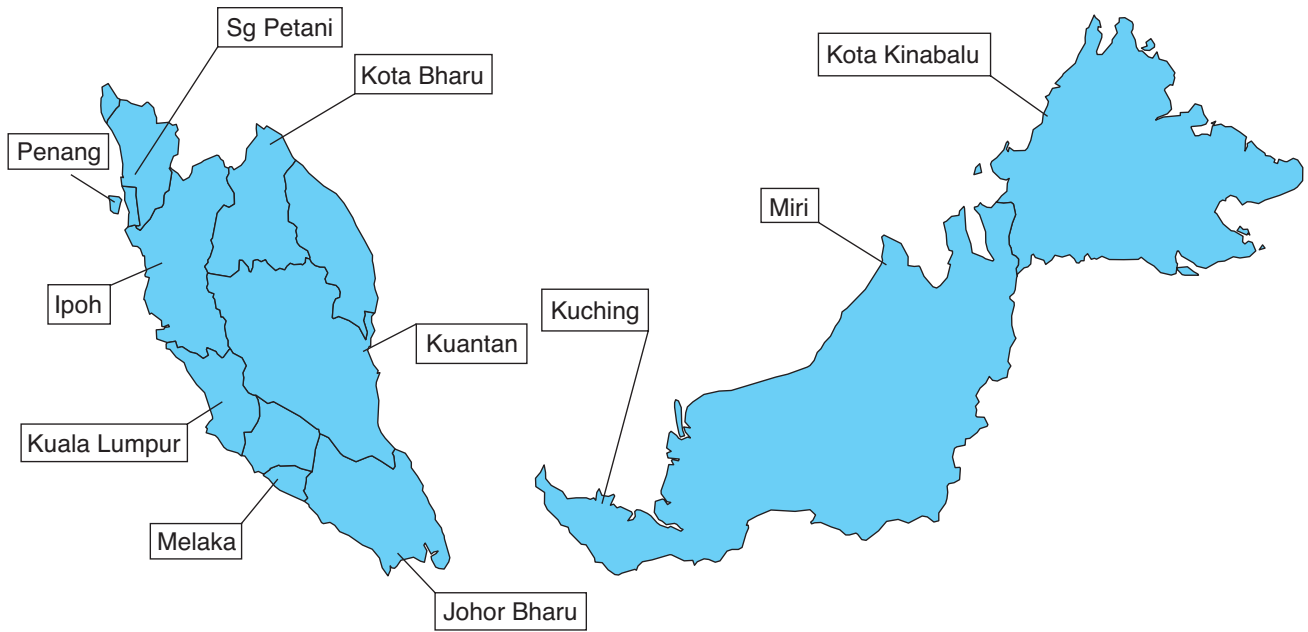
On 11 June 2013, we offer CBE exam at MII City Centre in Wisma Sime Darby, Kuala Lumpur to replace our previous venue at MII City Centre in Maju Junction Shopping Mall, Kuala Lumpur, apart from our outstation centres.

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 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.

## 2.1 CBE Centre

### Computer Based Examination (CBE) Centres in Operation



## 2.2 Computer-Based Examination Centres

### (a) Kuala Lumpur Centre



Kuala Lumpur Centre



# ACTIVITY REPORT (CONT'D)

## (b) Outstation Centres



Penang Centre



Johor Bahru Centre



Kota Kinabalu Centre



Kota Bharu Centre



Kuantan Centre



Penang Centre



Kuching Centre



Ipoh Centre



SG Petani Centre



Miri Centre

### (b) Outstation Centres



Zurich Kuala Lumpur Centre



Great Eastern Kuala Lumpur Centre

## 3. PROFESSIONAL PROGRAMMES

### 3.1. Associateship Of The Malaysian Insurance Institute (AMII) And Diploma of The Malaysian Insurance Institute (DMII)

#### (a) Result Performance of 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 the coursework and 60% for the final examination while for the AMII it is 50% for the coursework and 50% for the final examination.

In 2016, 864 candidates sat for the AMII and the DMII examinations local. The average rate of passes by session ranged between 59% and 64% which reported a better average rate of passes as compared to 2015.

Examination sessions were conducted on 26 -28 January, 19 - 21 April and 26 -28 July 2016 at various centres throughout the country.

All results were tabled and moderated at the Examination Committee and thereafter tabled and approved by the Academic Council.



## ACTIVITY REPORT (CONT'D)

### AMII and DMII Examinations Statistics (Local Students) for 2016 and 2015:

Examination Session	2016				2015			
	No. of Subject	Sat	Passed	Average Pass%	No. of Subject	Sat	Passed	Average Pass%
January	15	247	157	64%	14	241	108	35%
April	15	281	179	64%	14	267	98	37%
July	14	336	198	59%	14	298	149	59%
October	Offered under new AMII framework				14	294	195	68%
<b>Total</b>		<b>864</b>	<b>534</b>	<b>62%</b>		<b>1,100</b>	<b>550</b>	<b>50%</b>

### (b) Result Performance of AMII and DMII (Class-Based) - International Students

In 2016 we continued to conduct the AMII and the DMII examinations outside Malaysia, in, Jakarta Indonesia, Male Maldives and Tehran Iran.

170 candidates sat for the AMII and the DMII examinations at these international centres. The average rate of passes by session ranged between 0% and 61%.

The number of candidates sitting for the examinations decreased by 38% or 105 candidates in 2016 as compared to 2015.

### AMII Examination Statistics (International Students) for 2016 and 2015:

Examination Venue	2016				2015			
	No. of Subject	Sat	Passed	Average Pass%	No. of Subject	Sat	Passed	Average Pass%
Maldives, Male	2	4	0	0%	6	17	1	6%
Phnom Penh, Cambodia	No exam conducted in 2016				2	22	5	23%
Jakarta, Indonesia	15	148	82	55%	6	165	82	59%
Tehran, Iran	11	18	10	56%	6	71	41	58%
<b>Total</b>		<b>170</b>	<b>92</b>	<b>54%</b>		<b>275</b>	<b>129</b>	<b>47%</b>

### 3.2. Associateship Of The Malaysian Insurance Institute (AMII - Level 1 And 2)

#### (a) The Associateship of The Malaysian Institute - AMII Level 1 and Level 2

The **new Associateship of the Malaysian Insurance Institute (AMII - Level 1 and 2)** is developed by combining the intermediate and advanced level. The **new AMII** is an exclusive professional qualification programme tailored to the needs of the business and industry. The introduction of the **new AMII (Level 1 and 2)** will provide graduates a firm grounding in insurance fundamentals and enable them to advance towards higher order technical knowledge, thereby ensuring they have the means to function effectively in a challenging environment, as a competent, skilled and experienced professional.

AMII Level 1 and Level 2 was introduced for the first time in August 2016 to replace the MII main flagship learning programme i.e. Diploma of The Malaysian Insurance Institute (DMII) and Associateship of The Malaysian Insurance Institute (AMII) which has been phased off after July 2016 examination session.

The **new AMII (Level 1 and 2)** is certified by the Finance Accreditation Agency (FAA) will be offered in the October 2016 examination session. FAA is an independent quality assurance and accreditation body supported by Bank Negara Malaysia (Central Bank of Malaysia) and Securities Commission Malaysia and managed by a committee of technical experts, industry professionals and leading academics from the international financial services industry.

Key Facts	AMII (Level 1)	AMII (Level 2)
Learning Level	Intermediate	Intermediate/Advanced
FAA Accreditation	Level 4	Level 5
Bloom's Taxonomy Level	3 & 4   3 - Applying 4 - Analysing	4 & 5   4 - Applying 5 - Evaluating
Credits Per Subject	3 Credits	4 Credits
Credits Required to Completed (Total of 50 Credits)	18 Credits	32 Credits
Programme Completion Timeframe	3 Years	5 Years
Number of subjects to complete	6 subjects (3 Compulsory + 3 Electives)	8 subjects (2 Compulsory + 6 Electives)
Compulsory Subjects	3 Compulsory Subjects: 1) Insurance Principles and Market Practice 2) Insurance Operations and Finance 3) Legal Principles	2 Compulsory Subjects: 1) Insurance Law 2) Insurance Business and Economics



## ACTIVITY REPORT (CONT'D)

Key Facts	AMII (Level 1)	AMII (Level 2)
Elective Subjects	Choose 3 out of 6 Subjects:  1) Insurance Claims 2) Insurance Underwriting 3) Commercial Property and Business Interruption 4) Personal Lines Insurance 5) Motor Insurance 6) Liability Insurance	Choose 6 out of 9 Subjects:  1) Insurance Risk Management 2) Insurance Marketing 3) Insurance Underwriting Management 4) Insurance Claims Management 5) Reinsurance 6) Medical and Health Insurance 7) Life Assurance 8) Life and Disability Underwriting 9) Takaful
	Note : MII is in the midst of developing more subjects to be offered soon; i.e Life subjects, Financial Planning subjects and Actuarial based subjects to cater the current needs of industry	
Study Materials	Registered student will be given the MII study text upon registration of each subject	
Credits available for prior learning / exemption	<b>Yes</b> The Institute allows the students to claim credits for relevant examinations taken and qualifications obtained from awarding bodies other than the MII, such as professional bodies or universities	
Changes in MII Qualification Framework	The MII framework is evolving in response to the regulatory environment, changes in education regulation standards and customer need. As a consequence, exemption awards and accreditation criteria do change. The maximum credits awarded will be subject to changes to the MII Qualification Framework	

### Result Performance of 2016 AMII Level 1 and Level 2 – 1st sitting

The first examination session for AMII Level 1 and Level 2 was conducted on 18 to 20 October 2016. A total of 255 candidates registered of which 246 or 96% candidates sat for the examinations.

Out of 20 subjects offered, 17 subjects were registered for the October 2016 examination session. The overall average passing rate was 67% or 165 candidates who sat for the examinations passed.



**AMII – Level 1 and Level 2 Examinations Statistics for 2016:**

Examination Session	Level	2016			
		No. of Subject	Sat	Passed	Average Pass%
October	AMII Level 1	8	121	78	64%
	AMII Level 2	9	125	87	70%
	<b>Total</b>		<b>246</b>	<b>165</b>	<b>67%</b>

**3.3 MFPC - Registered Financial Planner (RFP)**

MII has been facilitating RFP examinations for the Malaysian Financial Planning Council (MFPC) since 2003. In 2015 MII was then given the mandate to facilitate the Shariah RFP, RFP Capstone and RFP Shariah Capstone examinations besides the RFP.

The MFPC is an independent body set up with the noble objectives of promoting nationwide development and enhancement of the financial planning profession. The MFPC was registered on 10th of March, 2004 under the Societies Act, 1996.

**3.4 Result Performance of Registered Financial Planner (RFP)**

670 candidates sat for the RFP examination, an increase of 30% or 156 candidates for the various modules as compared to 2015. However, the average rate of passes has dropped from 77% to 69% as compared in 2015. 2 modules i.e. modules 4 and 5 recorded an increase in the rate of passes for 2016 as compared to 2015.

Since the inception of the programme, the Estate Planning module reported the highest rate of passes of 96% for all the examination sessions.

**RFP Statistics for Each Module for 2016 and 2015:**

No.	Module	2016			2015		
		Sat	Passed	Pass %	Sat	Passed	Pass %
1	Fundamentals of Financial Planning	213	163	77%	149	127	85%
2	Risk Management and Insurance Planning	152	127	84%	113	105	93%
3	Investment Planning	171	89	52%	118	69	58%
4	Tax Planning	38	24	63%	19	7	37%
5	Estate Planning	25	24	96%	39	37	95%
6	Retirement Planning	54	28	52%	47	35	74%
7	Application of Financial Planning	17	7	41%	29	18	62%
	<b>Total</b>	<b>670</b>	<b>462</b>	<b>69%</b>	<b>514</b>	<b>398</b>	<b>77%</b>



## ACTIVITY REPORT (CONT'D)

### 3.5 Result Performance of Shariah Registered Financial Planner (SRFP)

MII has been appointed as the examination facilitator for Shariah RFP examinations in 2005 which offering the same examination sessions as RFP conventional. 3 examination sessions were conducted i.e in the month of March, August and November.

40 candidates sat for the Shariah RFP examination, an increase of 300% or 30 candidates for the various modules as compared to 2015. However, the average rate of passes has slightly dropped from 70% to 68% as compared in 2015.

#### Shariah RFP Statistics for Each Module for 2016 and 2015:

No.	Module	2016			2015		
		Sat	Passed	Pass %	Sat	Passed	Pass %
1	Fundamentals of Shariah Financial Planning	16	13	81%	4	3	75%
2	Risk Management & Takaful Planning	11	8	73%	2	2	100%
3	Shariah Investment Planning	9	6	67%	2	2	100%
4	Zakat & Tax Planning	1	0	0%	1	0	0%
5	Shariah Estate Planning	2	0	0%	1	0	0%
6	Retirement Planning	1	0	0%	0	0	0%
7	Application of Shariah Financial Planning	0	0	0%	0	0	0%
	<b>Total</b>	40	27	68%	10	7	70%

### 3.6 Result Performance of Rfp Capstone (RFPC)

The RFP Capstone and Shariah RFP Capstone programme aims to equip practitioners with updated and the required professional and practical skills to practice financial planning. The programmes also prepared the practitioners with knowledge how to set up new business or to expand their existing business apart from preparing them in providing value-added advisory services to clients.

3 examinations were conducted in March, August and November 2016.

135 candidates sat for the RFP Capstone examination as compared to 125 candidates in 2015 an increased of 8%. The average rate of passes has increased from 48% to 57% as compared in 2015.

#### RFP Capstone Statistics for 2016 and 2015:

Month	2016				2015			
	Reg	Sat	Pass	% Pass	Reg	Sat	Pass	% Pass
March	30	30	21	70%	29	29	13	45%
August	61	60	40	67%	60	58	29	50%
November	44	41	14	34%	36	34	16	47%
<b>Total</b>	<b>135</b>	<b>131</b>	<b>75</b>	<b>57%</b>	<b>125</b>	<b>121</b>	<b>58</b>	<b>48%</b>

### 3.7 Result Performance of Shariah RFP Capstone (SRFPC)

134 candidates sat for the RFP Capstone examination as compared to 66 candidates in 2015 an increased of 103%. However, the average rate of passes has decreased from 74% to 53% as compared in 2015.

#### Shariah RFP Capstone Statistics for 2016 and 2015:

Month	2016				2015			
	Reg	Sat	Pass	% Pass	Reg	Sat	Pass	% Pass
March	19	18	12	67%	12	12	10	83%
August	43	42	23	55%	30	30	23	77%
November	72	69	34	49%	24	24	16	67%
<b>Total</b>	<b>134</b>	<b>129</b>	<b>69</b>	<b>53%</b>	<b>66</b>	<b>66</b>	<b>49</b>	<b>74%</b>

## 4. CERTIFICATED EXAMINATIONS

### 4.1 Result Performance of Certificate of The Malaysian Insurance Institute - Insurance (CMII)

In 2016, 355 candidates sat for the CMII examination with the average rate of passes by session ranging between 51% and 76%. The examination sessions were conducted in January, April, July and October 2016.

#### CMII Examination Statistics for 2016 and 2015:

Month	2016			2015		
	Sat	Passed	Pass %	Sat	Passed	Pass %
January	41	31	76%	33	23	70%
April	117	89	76%	102	49	48%
July	108	75	69%	115	86	75%
October	89	45	51%	104	79	76%
<b>Total</b>	<b>355</b>	<b>240</b>	<b>68%</b>	<b>354</b>	<b>237</b>	<b>67%</b>

### 4.2 Result Performance of Basic Certificate Course In Insurance Loss Adjusting (BCCILA)

In 2016, 206 candidates sat for the BCCILA examination. 4 examination sessions were conducted in February, May, September and November 2016 after the candidates attended a 4-day course at MII.



## ACTIVITY REPORT (CONT'D)

### BCCILA Examination Statistics for 2016 and 2015:

Month	2016			2015		
	Sat	Passed	Pass %	Sat	Passed	Pass %
February	34	30	88%	58	47	81%
April	No examination in April 2016			60	41	68%
May	69	60	87%	No examination in May 2015		
August	No examination in August 2016			67	62	93%
September	56	45	80%	No examination in September 2015		
November	47	33	70%	51	46	90%
<b>Total</b>	<b>206</b>	<b>168</b>	<b>82%</b>	<b>236</b>	<b>196</b>	<b>83%</b>

### 4.3 Result Performance of Basic Certificate Course In Insurance And Takaful Broking (BCCITB)

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.

A total of 145 candidates sat for BCCITB examinations in 2016 as compared to 157 candidates in 2015, a decrease of 12 candidates or 8%.

The overall rate of passes in 2016 registered an average of 63%, which was 8% lower as compared to the 2015 average rate of passes. The examination was conducted after the candidates completed a 6-day course at MII or IBFIM. The examination sessions were held in March, June, August and November 2016.

### BCCITB Examination Statistics for 2016 and 2015:

Month	2016			2015		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	26	16	62%	No examination in March 2015		
April	No examination in April 2016			39	25	70%
June	41	33	80%	42	26	62%
August	30	19	63%	No examination in August 2015		
September	No examination in September 2016			35	25	71%
November	48	23	48%	41	33	80%
<b>Total</b>	<b>145</b>	<b>91</b>	<b>63%</b>	<b>157</b>	<b>109</b>	<b>69%</b>

#### 4.4 Result Performance of Basic Agency Management Certificate (BAMC)

In 2016, 1,196 candidates sat for the BAMC examination, an increase of 6% or 68 candidates as compared to 2015. The average rate of passes reported the same at 95% for 2016 and 2015. 4 examinations were conducted in March, June, September, and December 2016.

Examination Session	2016			2015		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	215	195	91%	155	151	97%
June	294	274	93%	372	363	98%
September	445	437	98%	408	382	94%
December	242	227	94%	193	181	94%
<b>Total</b>	<b>1,196</b>	<b>1,133</b>	<b>95%</b>	<b>1,128</b>	<b>1,077</b>	<b>95%</b>

## 5. AGENTS' QUALIFYING EXAMINATIONS

### 5.1. Pre-Contract Examination For Insurance Agents (PCEIA)

#### (a) Overview

The Pre-Contract Examination for Insurance Agents (PCEIA) is a pre-qualifying examination for which a pass is a must 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 2016, 46,846 candidates sat for the PCEIA examination throughout Malaysia. Of these, 4,247 candidates or 9% sat for the PCEIA (PPE) and 42,599 candidates or 91% sat for the PCEIA (CBE). Overall, 2016 saw decrease of 7% or 3,572 candidates for the PCEIA examination.

The number of candidates who sat for the PCEIA declined by 40% or 2,835 candidates and 2% or 737 candidates for PCEIA PPE and CBE respectively as compared to 2015. In 2016, 91% of the candidates opted for the PCEIA (CBE) as compared to 86% in 2015.



## ACTIVITY REPORT (CONT'D)

### PCEIA (PPE and CBE) Statistics for 2016 and 2015:

Year	Examination Mode	Paper-and-Pencil Examination (PPE)			Computer-Based Examination (CBE)			Total PPE & CBE
		Life	General	Total	Life	General	Total	
2016	Sat	2,659	1,588	4,247	35,071	7,528	42,599	46,846
	Passed	1,579	1,097	2,676	23,405	5,503	28,908	31,584
	Pass %	59%	69%	63%	67%	73%	68%	67%
2015	Sat	5,261	1,821	7,082	36,421	6,915	43,336	50,418
	Passed	2,756	1,140	3,896	23,307	5,428	28,735	32,631
	Pass %	52%	63%	55%	64%	78%	66%	65%
Variance 2016 vs. 2015	Sat	(2,602)	(233)	(2,835)	(1,350)	613	(737)	(3,572)
	Variance %	-49%	-13%	-40%	-4%	9%	-2%	-7%

#### 5.1.1. Result Performance of PCEIA - Paper-and-Pencil Examination (PPE)

We conduct the PCEIA (PPE) once a month at 20 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 on average.

2016 saw a decline of 40% or 2,835 candidates sitting for the PCEIA (PPE) as compared to the figure for 2015. However, the average rate of passes for 2016 has increased to 63% as compared to 55% in 2015.

#### PCEIA (PPE) Overall Statistics for 2016 and 2015:

	2016			2015		
	Life	General	Total	Life	General	Total
PCEIA Paper-and-Pencil Examination						
Sat	2,659	1,588	4,247	5,261	1,821	7,082
Passed	1,579	1,097	2,676	2,756	1,140	3,896
Pass %	59%	69%	63%	52%	63%	55%
Variance 2016 vs. 2015						
	Life		General		Total	
Sat	(2,602)	-49%	(233)	-13%	(2,835)	-40%

**(a) PCEIA (PPE) - Life Insurance Route**

In 2016, the number of candidates sitting for the PCEIA (PPE) - life insurance route decreased by 49% or 2,602 candidates from 5,261 candidates in 2015 to 2,659 candidates. These candidates contribute 63% of the total number of candidates who sat for the PCEIA (PPE) in 2016 as compared to 74% in 2015. However, the average rate of passes for 2016 has increased to 59% as compared to 52% in 2015.

**PCEIA (PPE) Life Route Statistics for 2016 and 2015:**

	2016	2015	Variance 2016 vs 2015
Sat	2,659	5,261	(2,602) / -49%
Passed	1,579	2,756	(1177)
Pass %	59%	52%	

Out of the total of 2,659 candidates sat for PCEIA (PPE) Life route in 2016, 1,211 sat for English language, followed by 783 candidates sat for Mandarin language, 660 candidates sat for Bahasa Malaysia and 5 candidates for Tamil language. The overall average rate of passes reported a better performance of 59% as compared to 2015 of 52%.

	2016					2015				
	Bahasa Malaysia	English	Mandarin	Tamil	Total	Bahasa Malaysia	English	Mandarin	Tamil	Total
Sat	660	1,211	783	5	2,659	1,162	2,761	1,324	14	5,261
Passed	307	804	468	0	1,579	403	1,620	733	0	2,756
Pass %	47%	66%	60%	0%	59%	35%	59%	55	0%	52%

**(b) PCEIA (PPE) – General Insurance Route**

The number of candidates sitting for the PCEIA (PPE) - general insurance route decreased by 13% or 233 candidates to 1,588 candidates in 2016 as compared to 1,821 candidates in 2015. The overall rate of passes reported an increase of 6% to 69% as compared to 63% in 2015.

**PCEIA (PPE) General Route Statistics for 2016 and 2015:**

	2016	2015	Variance 2016 vs 2015
Sat	1,588	1,821	(233) / -13%
Passed	1,097	1,140	(43)
Pass %	69%	63%	

In 2016, the English version of the examination remained preferred. Candidates for the examination for Bahasa Malaysia language showed an increase of 8%. However, both Mandarin and English languages showed a same trend, with a drop of 51% and 8% respectively.



## ACTIVITY REPORT (CONT'D)

### PCEIA (PPE) General Route Statistics by Language for 2016 and 2015:

	2016					2015				
	Bahasa Malaysia	English	Mandarin	Tamil	Total	Bahasa Malaysia	English	Mandarin	Tamil	Total
Sat	628	762	198	0	1,588	584	833	404	0	1,821
Passed	400	559	138	0	1,097	324	574	242	0	1,140
Pass %	64%	73%	70%	0%	69%	55	69	60	0%	63%

#### 5.1.2. Result Performance of PCEIA: Computer-Based Examination (CBE)

The PCEIA (CBE) was conducted 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.

2016 recorded a decline of 2% or 737 candidates as compared to 2015. 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 a slight increase of 2% to 68% as compared to 66% in 2015.

#### PCEIA (CBE) Overall Statistics for 2016 and 2015:

	2016			2015		
	Life	General	Total	Life	General	Total
PCEIA Paper-and-Pencil Examination						
Sat	35,071	7,528	42,599	36,421	6,915	43,336
Passed	23,405	5,503	28,908	23,307	5,428	28,735
Pass %	67%	73%	68%	64%	78%	66%
Variance 2016 vs. 2015						
	Life		General	Total		
Sat	(1,350)	-4%	613	9%	(737)	-2%



**a) PCEIA (CBE) - Life Insurance Route**

In 2016, the number of candidates who sat for the PCEIA (CBE) - life insurance route decreased by 4% or 1,350 candidates as compared to 2015. However, the average rate of passes reported an increase of 3% to 67% as compared to 64% in 2015.

**PCEIA (CBE) Life Route Statistics for 2016 and 2015 :**

	2016	2015	Variance 2016 vs 2015
Sat	35,071	36,421	(1,350) / -4%
Passed	23,405	23,307	98
Pass %	67%	64%	

**b) PCEIA (CBE) - General Insurance Route**

The number of candidates taking the PCEIA (CBE) - general insurance route in 2016 increased by 9% or 613 candidates as compared to 2015. The average rate of passes reported a drop of 5% to 73% as compared to 78% in 2015.

**PCEIA (CBE) General Route Statistics for 2016 and 2015:**

	2016	2015	Variance 2016 vs 2015
Sat	7,528	6,915	613 / 9%
Passed	5,503	5,428	75
Pass %	73%	78%	

**5.2. The Certificate Examination In Investment-Linked Life Insurance (CEILLI)****(a) 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 2016, 27,958 candidates sat for the CEILLI examinations throughout Malaysia. 1,796 candidates sat for the PPE and 26,162 sat for the CBE. Overall, the total number of candidates who sat for the examination in 2016 reported a decrease of 9% or 2,758 candidates as compared to 2015. The overall average rate of passes was 62%, an increase of 4% as compared to 2015.

The number of candidates who sat for the CEILLI (PPE) declined by 29% or 730 candidates as compared to 2015. The number of candidates sitting for the CEILLI (CBE) also shown the same trend reported a decrease of 7% or 2,028 candidates as compared to 2015. In 2016, 94% of the candidates opted for the CEILLI (CBE) while in 2015 the figure stood at 92%.



## ACTIVITY REPORT (CONT'D)

### CEILLI Overall Statistics for 2016 and 2015:

Year	Examination Mode	Paper-and-Pencil Examination (PPE)	Computer-Based Examination (CBE)	Total PPE & CBE
2016	Sat	1,796	26,162	27,958
	Passed	878	16,503	17,381
	Pass %	49%	63%	62%
2015	Sat	2,526	28,190	30,716
	Passed	1,174	16,731	17,905
	Pass %	46%	59%	58%
Variance 2016 vs. 2015	Sat	(730)	(2,028)	(2,758)
	Variance %	-29%	-7%	-9%

#### 5.2.1. Result Performance of CEILLI Paper-and-Pencil Examination (PPE)

The CEILLI (PPE) is conducted on average once a month at 20 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 29% or 730 candidates in 2016 as compared to 2015. The overall average rate of passes was 49%, an increase of 3% as compared to 2015.

#### CEILLI (PPE) Overall Statistics for 2016 and 2015:

	2016	2015	Variance 2016 vs 2015
Sat	1,796	2,526	(730) / -29%
Passed	878	1,174	(296)
Pass %	49%	46%	

In 2016, the number of candidates taking the examination in all available languages declined as compared to 2015. The number of candidates sitting for the examination in English in 2016 decreased by 32%. Candidates taking the examination in Mandarin and Bahasa Malaysia showed a same trend, with a drop of 29% and 21% respectively.

Candidates who sat for the examination in English reported the highest rate of passes of 63%, followed by Mandarin at 45% and Bahasa Malaysia at 33%. The overall average rate of passes increased by 3% to 49% in 2016 compared to 46% in 2015.

**CEILLI (PPE) Statistics by Language for 2016 and 2015:**

	2016				2015			
	Bahasa Malaysia	English	Mandarin	Total	Bahasa Malaysia	English	Mandarin	Total
Sat	338	627	831	1,796	427	924	1,175	2,526
Passed	112	394	372	878	110	506	558	1,174
Pass %	33%	63%	45%	49%	26%	55%	47%	46%

**5.2.2 Result Performance of CEILLI Computer-Based Examination (CBE)**

The CEILLI (CBE) was conducted throughout 2016 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) decreased by 7% or 2,028 candidates in 2016 as compared to 2015. The average rate of passes was 63%, an increase of 4% as compared to 59% in 2015. 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 2016 and 2015:**

	2016	2015	Variance 2016 vs 2015
Sat	26,162	28,190	2,028 / -7%
Passed	16,503	16,731	(228)
Pass %	63%	59%	

Out of the total of 26,162 candidates sat for CEILLI (CBE) in 2016, 13,877 sat for English language, followed by 9,647 candidates sat for Mandarin language and 2,638 candidates sat for Bahasa Malaysia. The overall average rate of passes reported a better performance of 63% as compared to 2015 of 59%.



## ACTIVITY REPORT (CONT'D)

### CEILLI (CBE) Statistics by Language for 2016 and 2015:

	2016				2015			
	Bahasa Malaysia	English	Mandarin	Total	Bahasa Malaysia	English	Mandarin	Total
Sat	2,638	13,877	9,647	26,162	3,944	13,929	10,317	28,190
Passed	1,087	10,196	5,220	16,503	1,597	9,797	5,337	16,731
Pass %	41%	73%	54%	63%	40%	70%	52%	59%

### 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 435 candidates taking various external examinations.

#### External Examinations Facilitated by MII in 2016 and 2015:

No.	Examination	No. of Candidates	
		2015	2014
1	Casualty Actuarial Society (CAS), UK	90	63
2	The Chartered Insurance Institute (CII), UK	78	90
3	The Chartered Institute of Loss Adjusters (CILA), UK	4	2
4	Society of Actuaries (SOA), USA	257	285
5	The Institute of Risk Management (IRM), UK	6	46
<b>Total</b>		<b>435</b>	<b>486</b>

### 7. EXAMINATIONS DEVELOPMENT AND EXEMPTIONS

The Assessment and Exemptions Unit (AAEU) 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 proof readers, right up to the production of the final examination papers.

AAEU 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.

### **Significant Activities in 2016**

#### **1. Quality assurance.**

##### **i. New Guidelines**

AAEU has developed a new SOP which provides guideline to determine the adequacy of questions in the bank for the conduct of its MCQ examinations. The criteria for the adequacy of the items in the bank is determined by the examination blue-print.

##### **ii. Alignment of assessments with learning outcomes.**

For further improvement and quality assurance, AAEU ensure all assessments are aligned with the learning outcomes. There are two major reasons for aligning assessments with learning objectives. First, alignment increases the probability that we will provide students with the opportunities to learn and practice the knowledge and skills that will be required on the various assessments we design. Second, when assessments and objectives are aligned, “good grades” are more likely to translate into “good learning”.

#### **2. Development of Items and question papers**

- i. Developed 1,685 digital or e-question paper for PCEIA (CBE) and CEILLI (CBE);
- ii. A total of 307 questions papers were set for 11 scheduled paper and pencil examinations. About 60% or 182 of these question papers developed were mainly for PCEIA and CEILLI examinations. In addition, 62 question papers were developed for PCEIA & CEILLI ad-hoc examinations for 2016.
- iii. Developed 528 new multiple choice questions (MCQ) for PCEIA, CEILLI, BCCILA, BAMC and CMII Life respectively. In January 2017, MII will be offering a new examinations CMII life in additional to the CMII general route.
- iv. For the first examination of AMII Level 1 and Level 2 in October 2016, AAEU has developed 378 new essay items for the AMII level 1 & 329 new essay items for AMII level 2. The items developed were used in the assignments, tests & final examinations. The Institute has developed 20 case-studies which it has incorporated in the examinations for the AMII level 2, examinations for the first time.
- v. All the essay and MCQ items had undergone the process of technical & grammar proofreading, editing and translations where applicable carried out by our appointed SME's. The moderation process is to uphold the quality, standards and relevancy of the examination items.



## ACTIVITY REPORT (CONT'D)

### 3. Recognition of prior learning

- i. Recognition of prior learning allows individuals to claim exemptions / credits for relevant exams and qualifications obtained through awarding bodies other than the MII, such as professional bodies or universities.
- ii. A total of 115 exemptions applications were received and processed for AMII, DMII, CMII, PCEIA and CEILLI examinations in 2016.
- iii. MoU was signed between MII and Sunway University on 17 October 2016 to work together in respect of an accelerated pathway to the Associateship of MII for Sunway University actuarial students. The students will be granted exemptions from 11 AMII subjects based on the current syllabus and assessment mapping carried out.
- iv. MII recognition of prior learning awards for UiTM BBA Insurance students effective 1st January 2017 to 31 December 2019 was approved by the Academic Council on 6th December 2016.

**2016 MII Graduation Ceremony**

The Malaysian Insurance Institute (MII) successfully organised its 2016 MII Graduation Ceremony on Saturday 27 August 2016 at Sasana Kijang, Bank Negara Malaysia.

The Deputy Governor Bank Negara Malaysia, En. Shaik Abdul Rasheed Bin Abdul Ghaffour presented the certificates to the graduates, accompanied by the Chairman of The Malaysian Insurance Institute, En Hashim Harun and the Chief Executive Officer of MII, Y.Bhg. Dato’ Hj, Syed Moheeb bin Syed Kamarulzaman.

The ceremony celebrated the success and recognition of the academic achievements of 545 local and international graduates who completed their studies from 2015 to April 2016 in any one of the following programme :

- 355 graduates of Certificate of The Malaysian Insurance Institute (CMII)
- 112 graduates of The Diploma of the Malaysian Insurance Institute (DMII)
- 63 graduates of the Associateship of the Malaysian Insurance Institute (AMII)
- 15 graduates of the Fellowship of the Malaysian Insurance Institute (FMII)

75 international graduates were from Bangladesh, Cambodia, Indonesia, Iran, Maldives, Pakistan, Saudi Arabia and Seychelles.





## 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 2016, we had 1,610 individual members. Institutional members comprise all registered insurance and reinsurance companies, insurance brokers and loss adjusters in Malaysia, making a total of 112 Institutional members with approximately 26,216 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 2016

As at 31 December 2016, MII had 112 institutional members and 1,610 individual members.

###### 1.1.1 Number of Individual Members in 2016:

The professional programmes also conducted in Cambodia and Indonesia. Except Cambodia where the classes were facilitated by the local lecturers, classes for other Indonesia were conducted by lecturers from MII. We also conducted 3 CMII class in Jakarta, Indonesia and 1 class for Maldives.

No.	Category	Year	
		2015	2016
1	Fellow	13	30
2	Associate	404	421
3	Ordinary	560	592
4	Affiliate	666	567
	<b>Total</b>	<b>1,643</b>	<b>1,610</b>

The substantial decrease of 2% or 33 in the total number of Individual members in 2016 was due to the decrease in the number of Affiliate.

###### 1.1.2 Number of Institutional Members in 2016:

No.	Sector	Year	
		2015	2016
1	Reinsurance	7	7
2	Composite	4	4
3	General	18	18
4	Life	10	10
5	Brokers	30	30
6	Adjusters	33	28
7	Takaful	3	2
8	IOFC	8	8
9	Others (Non- Insurance)	5	5
	<b>Total</b>	<b>118</b>	<b>112</b>

The overall total of Institutional members decreased from 118 in 2015 to 112 company members in 2016.



## 2. MEMBERSHIP ACTIVITIES

9 activities involving 554 members were successfully organised in 2016. 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 2016 ranged from technical insurance to non-technical insurance subjects such as Technology in Crime Prevention and How to Survive A Hospital Visit.

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 Activities In 2016

#### List of Membership Activities in 2016:

No	Date	Topic
1	01 March 2016	MII Breakfast Talk 2016/1 Topic: Estate Planning: Will Writing Speaker: Rafie Bin Omar
2	02 March 2016	MII Industry Engagement Talk 2016/1 Topic: Official Launch of the FMII Programme & Inaugural MII Alumni Gathering
3	18 March 2016	MII Industry Engagement Talk 2016/2 Topic: A Special FMII Preview for CEOs of Insurance Companies and Takaful Operators
4	28 April 2016	MII Breakfast Talk 2016/2 Topic: Emerging Trends & Typologies of Money Laundering in the Insurance Industry Speaker: Dr. Jeffrey Wyana
5	03 May 2016	MII Breakfast Talk 2016/3 Topic: The Importance of Islamic Estate Planning Speaker: Rafie Bin Omar
6	29 July 2016	MII Breakfast Talk 2016/4 Topic: Technology in Crime Prevention Program: what are the options available Speaker: Mr. Desmond Loke
7	24 August 2016	MII Breakfast Talk 2016/5 Topic: Ombudsman for Financial Services (OFS) Speaker: Mr. Lee Eng Huat, CEO of Financial Mediation Bureau
8	27 October 2016	MII Breakfast Talk 2016/6 Topic: How to Survive a Hospital Visit Speaker: Mr. Stuart J Venner Pack, Managing Director of Medo Asia Sdn Bhd
9	12 November 2016	10th MII Inter-Insurance Companies Bowling Tournament 2016



## ACTIVITY REPORT (CONT'D)



Talk on Ombudsman for Financial Services on  
24 August 2016 at MII City Centre



Talk on Technology in Crime Prevention on  
29 July 2016 at MII City Centre

### 2.2. MII Inter-Insurance Companies Bowling Tournament 2016

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 2016 was successfully organised for the Ninth year on 12 November 2016 at Sunway Mega Lanes, Sunway Pyramid, Selangor. This served as an excellent opportunity for the industry to get together as a unified industry. 52 teams consist of 260 players from 32 companies from all sectors of the insurance industry including general and life companies, takaful operator, brokers and loss adjusters participated in the tournament.

#### Final Standings

Place	Company/Team	Total Score Pins
Champion	AmGeneral Insurance Berhad – AmGen 1	1,976
Runner-up	Great Eastern Life Assurance (Malaysia) Berhad – G E Team	1,924
1 <sup>st</sup> runner-up	ETIQA Insurance Berhad – Etiqa A	1,871
2 <sup>nd</sup> runner-up	ETIQA Insurance Berhad – Etiqa B	1,860
3 <sup>rd</sup> runner-up	Takaful Ikhlas Berhad – Ikhlas El-Fatih	1,789

#### Best Bowlers

Place	Company/Team	Total Score Pins
Men	Mohd Riduan Abu Bakar – Takaful Ikhlas Berhad	579
Women	Siti Noor Rizan Ibrahim Khan – AmGen 1	468



Team AmGen 1, Champion



Team Great Eastern, Runner Up



Team Etiqa Insurance A, 1st Runner Up



Mohd Riduan, Best Male Bowler



Siti Noor Rizan, Best Female Bowlers



Participants at the bowling tournament



## ACTIVITY REPORT (CONT'D)

### MII AS A KNOWLEDGE MANAGEMENT UNIT

#### 1. OVERVIEW

2016 has seen many activities having taken place in MII's Knowledge Management Unit (KMU), which manages the Knowledge Center, offering library services and more, located at the City Campus.

The objective of the Knowledge Center, according to Clause III (h) of MII's Memorandum of Association (MA), read as follows: "To provide facilities as may be deemed necessary to the objects of the Institute including insurance reference library ...". MII's Knowledge Centre has come a long way to uphold the aspiration espoused in its MA.

The MII's Knowledge Center has the largest collection of insurance and insurance related titles in its library stock available for reading and on loan and thus, has claimed to be the largest insurance library in Malaysia and amongst the larger insurance libraries in the world. A specialist library service is available to all MII members on a fee basis in addition to the normal book circulation and usage of the library facilities which are complimentary. The vast collection of reference materials is available, supporting MII's vision to be a renowned professional body and educational institution for insurance, financial and risk management disciplines. Students and industry staff can avail themselves to the facilities by becoming a member. This will greatly benefit them as the library has extensive academic collection as well, which includes all the supporting material that they are likely to need for their studies.

MII's Knowledge Center has a collection of more than 7,000 physical collection of library references and more than 1,000 digital documents and links.

The physical collection included General Insurance books, Insurance Examination Textbooks, Library References, Insurance Special Collection, Insurance Periodical, serials and board games. As a special service, MII offers postal borrowing of physical books through courier service, for a fee. This service ensures accessibility of the Knowledge Center's collection of titles for members throughout Malaysia.

The MII Digital library visitors has increased to register more than 1,000,000 hits in 2016. The digital collection included Past year examination papers for AMII subjects, MII Insurance News Alert Weekly, Insurance Newspaper Clippings, E-Articles and access to Online databases.

Website address: [www.miielibrary.com](http://www.miielibrary.com) continued to be expended in 2016. This service provides full service to all MII members and ensures an equitable access to all information. A separate password and login would be created by the Knowledge Center. Please ensure that you obtain yours when you become a MII member.

In addition, the number of in-person visits has increased in 2016, with more than 6,000 personal visits to our Knowledge Center and website visits recorded more than 1,000,000 hits and downloads in 2016.

The library facilities available for MII members are, namely, K-Cyber, K-Discussion, K-Multimedia, K-Idea, open reading area, lounge area, locker room, Book Drop, Smartboard, iPad reference services etc. MII's Knowledge Management Unit welcome suggestions from the MII members in order to further enhance the usage of the Knowledge Center and to ensure that it remains relevant to the insurance industry.

Please come and visit our Knowledge Center, which has a very conducive environment with ambient design and layout, because we benchmarked with the best and modern libraries in the world.

## 2. DEVELOPMENT IN 2016

### 2.1 Capacity Building Project Fund Utilisation

The Capital Building Project for KMU started in 2010. Six projects had been closed with two more projects extended until the end of 2017, i.e. on Purchasing library materials and Knowledge Management for the Insurance Industry.



Some of new references purchased in 2016

### 2.2 KMU Library Membership

There is an increase in number of membership since KM Library Membership was introduced in June 2015. In 2016, number of new library member is 103 members which totals to 175 members. However, moving forward, with the setting up of our Professional Membership Council and its Committees, this category of library membership will be phased out.

## 3. PROGRAMMES AND ACTIVITIES

Many events were organized by KMU for MII members throughout the year. These events were aimed at increasing awareness and participation among insurance employees and those engaged in insurance industry through many activities that has taken place. These events included the MII membership drive, members' activities and visitation by schools and polytechnics to our Knowledge Center.

### 3.1 Members' Activities

- 3.1.1** Our MII members from MAA Takaful Agents have held their sales and motivation meetings and classes at the Knowledge Center in the K-Research room facility. They held their classes on every Mondays and Thursdays afternoon. We strongly encourage our MII members to use the facilities that KMU have provided in the Knowledge Center.





## ACTIVITY REPORT (CONT'D)

- 3.1.2 Al-Baghdadi Tajweed Class by Ustazah Ungku Atilia Binti Ungku Mohamed – Every Thursdays in Februarys 2016.



- 3.1.3 Sharing session: How to close 2,300 individual cases in less than a year by Encik Radin Sallehuddin Bin Radin Abd. Rahman , held on 8 November 2016.



- 3.1.4 Sharing session: Lipstick's Party by Puan Rosmarlin Khalid, held on 9 November 2016



### 3.2 Visit from Politeknik Sultan Abdul Aziz Shah, Shah Alam

KMU received a delegation of students and lecturers from Politeknik Sultan Abdul Aziz Shah, Shah Alam twice in 2016. The aim of the visits was to introduce the students to MII and its facilities at the Knowledge Center and to expose them to consider having insurance as a career, and further study options though MII's professional programme.



First visit by Politeknik Sultan Abdul Aziz Shah, Shah Alam to MII City Center on 4 February 2016



Second visit by Politeknik Sultan Abdul Aziz Shah, Shah Alam to MII City Center on 21 September 2016

### 3.3 Visit from Politeknik Kota Bharu, Kelantan

KMU also received a delegation of 23 students and 5 lecturers from Politeknik Kota Bharu, Kelantan on 23 September 2016. The aim of the visit was similar to the Politeknik Sultan Abdul Aziz, Shah Alam.



Visit by Politeknik Kota Bahru, Kelantan to MII City Center on 23 September 2016



## ACTIVITY REPORT (CONT'D)

### 3.4 Selling Back Issues of dated INSURANCE Magazines

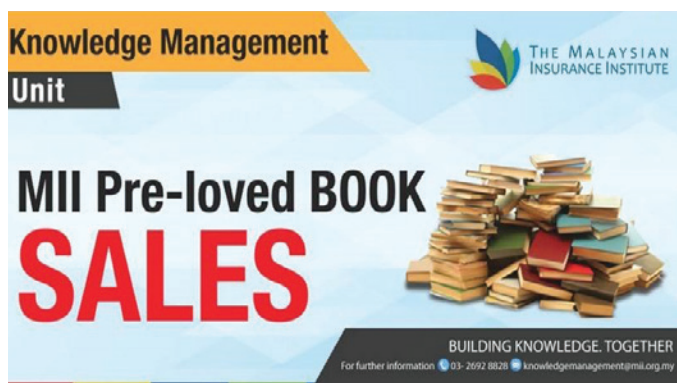
KMU has cleared all back issues of dated INSURANCE Magazines. Selling price was set at RM2 for each.



### 3.5 MII's Inaugural Pre-Loved Books Sale

KMU held its inaugural Library Pre-loved Books Sale from 14 November 2016 until 13 January 2017, Mondays to Fridays (from 8.30 am to 5.30pm) at MII Knowledge Center.

Most of the books on clearance sale are the library's old collections in the fields of insurance and management, which may no longer be available from the bookstores. All books were sold at a very affordable price ranging from RM 1.00 to a maximum of RM 5.00 per book, to the delight of MII members.



## 4. PUBLICATION

The INSURANCE magazine, together with MII website, [www.insurance.com.my](http://www.insurance.com.my), are the primary means of communication with MII members and students. The Editorial Board is appointed for the sourcing of noteworthy cover story and articles. Many MII members and industry practitioner have contributed articles to ensure the relevancy and sustainability of the magazine. KMU published four issues of INSURANCE magazine in a year on quarterly basis, which is complimentary to MII members.



#### 4.1 INSURANCE magazine

INSURANCE magazine has published another four quarterly issues, from issue no. 33 to issue no. 36 in 2016. A series of advertisements has been placed in the magazine which indicates significant interest in the MII's readership.



## 5. NETWORKING

### 5.1 Knowledge Management Task Force (KMTF)

MII continued to support KMTF in upgrading knowledge management of the financial services industry. The leadership roles now is under Asian Institute of Chartered Bankers (AICB) (2015-2016). The Task Force consists of The Malaysian Insurance Institute, AICB, INCEIF, AIF and IBFIM. In 2016, the new KMTF Steering Committee (KMTF-SC) was formed and it consists of all KMTF CEOs and two Bank Negara Malaysia Assistant Governors. The KMTF-SC has discussed the future plan for KMTF toward the Knowledge Management aspiration and challenges in financial services. The future building namely called A Centre of Excellent (ACE) will see the commitment and collaboration from the financial services industry to realize the vision of an integrated knowledge management system.

### 5.2 MII Knowledge Centre Committee (MKCC)

MKCC has been formed since October 2011 and its role is to advise on MII's initiatives to enhance Knowledge Management Unit's capacity and to serve the industry better.

The committee members are representatives from the staff of companies who are members of the four industry associations, namely; LIAM, PIAM, AMLA and MITBA. The representatives were nominated by their respective Association's Executive Secretary.

As an annual activity, KMU will invite MKCC to participate and involve in title selection on book purchase activity during Book Fairs within the Klang Valley and / or Selangor.

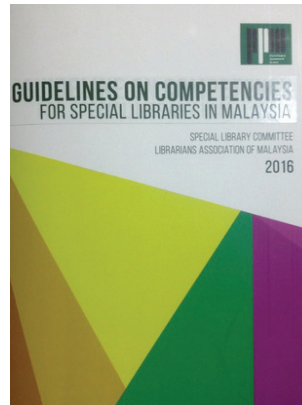
### 5.3 Special Library Committee (SLC)

MII has been appointed as the a committee member of the Special Library Committee (SLC) since 2011. The SLC under the umbrella of Persatuan Pustakawan Malaysia (PPM) has been carrying out various activities such as meetings, visits, seminars and the publication of a newsletter known as SLIB Link for the compilation of all the activities.



## ACTIVITY REPORT (CONT'D)

In 2016, a second guideline was published by SLC entitled, the 'Guidelines on competencies for special libraries in Malaysia'. This publication was aimed as a guide for the development of special libraries in terms of knowledge, skills and ability requirements. It will be useful to the special librarian community for planning, budgeting, hiring as well as training of new staffs, and the benchmarking of performance based on the objective of each library.



### 6. SOME TESTIMONIALS FROM VISITORS TO OUR KNOWLEDGE CENTER

- i. Blown away with the facility – Zanita Zalidin
- ii. Good environment and excellent view – Dr Zaidi Isa, UKM
- iii. 'Kawasan yang tenang dan mudah untuk mencari rujukan buku'- Nur Rapahin Yaaakub, Institut Professional Baitumal
- iv. 'Banyak maklumat insuran yang di cari dan tempat yang tenang' – Nur Zaidatul Akmar bt Razak , IPD
- v. Good working condition and suitable for student doing their assignment – Mohd Hafizuddin Ismail, IPD
- vi. A very conducive environment, good set up. Very suitable for examination preparation, client meetings etc. Excellent and helpful staff - K.Sugita, APU
- vii. Good environment and facility- Muhammad Shafiq bin Abdullah- Politeknik Shah Alam
- viii. 'Kawasan yang lapang dan selesa. Mudah dan cepat untuk mencari maklumat' – Tuan Muhammad Shafiq bin Abdullah, Politeknik Shah Alam
- ix. Very nice, tidy and convenient place to find information. Well Done – Mustaqim, AIA agent
- x. 'Kemudahan yang first class dan suasana yang positif' – Darul, MAA Takaful
- xi. Staff Anne is very friendly and helpful. Pn Harizam also very friendly, Mastina, VTEC
- xii. So very very impressive, a great credit to you all – Benedict Burke, President, CILA
- xiii. Comprehensive collections for people in insurance industry and friendly and helpful staff- Chin Lit Ching
- xiv. Nice and great facilities – Dr Azura, CEO, CIIF
- xv. Enthusiastic and great facilities and environment. Dedicated staff – Yee Yat Pheang, AIA
- xvi. Very impressive facility. Very conducive- Datin Paduka Dato' Dr Noorul Zila Junid
- xvii. 'Aktiviti ini sangat best dan library menarik sangat' – Nur Afizah, Politeknik Shah Alam
- xviii. Thank you for the information- Normi Mat Hassan, Politeknik Kota Bahru
- xix. Very Good explanation and good facilities – Chandran, MCIS
- xx. Excellent facilities- K. Vlok, CEO, MCIS

### Conclusion

MII's Knowledge Management Unit will strive to build a knowledge community in insurance by providing the excellent facilities and services and as well to encourage the highest level of professionalism among MII members. With a wealth of insurance knowledge potential, KMU constantly aims to increase better usage of its Knowledge Center by MII members and together strengthen the industry's engagement.

MII's Knowledge Management Unit would like to record its appreciation to the KM team, MII members, library members and visitors for their commitment and support given throughout the exciting and very challenging year.

**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 6 conferences for the insurance industry in 2016. These drew more than 800 participants from Brunei, Indonesia, Thailand, Iran, Philippines, Singapore and Malaysia. Total of 53 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 2016:**

No.	Conferences / Convention / Seminar	Date	No. of participants	No. of speakers
1	Talent Development Seminar	24 February 2016	76	3
2	International Claims Convention 2016	13 & 14 April 2016	118	13
3	Detariffication: Winning Strategies in a Competitive Environment	15 August 2016	149	5
4	Life Medical & Health Insurance Seminar	20 September 2016	105	5
5	6th Malaysia Insurance Summit 2016	18 & 19 October 2016	291	20
6	Takaful Seminar 2016	17 November 2016	90	7

**2. CONFERENCES ORGANISED**

**2.1. Talent Development Seminar 2016**

The Talent Development Seminar were joint event between MII and Ardent Conference & Events Manager Sdn Bhd. The seminar was held on 24 February 2016 at Sasana Kijang, Kuala Lumpur with the theme Growing Greatness: How to be Better at Getting Better, the Essentials of a High-Performance Culture.

The event was officiated by Dr. Raymond Madden, Chief Executive Officer of Asian Institute of Finance (AIF). This one-day seminar is dedicated to why and how to attain, sustain and retain the top talent. It will also examine the value of human capital to organizations and further examine how the optimization of the human capital contribution is key to the creation of a sustainable competitive advantage. The event was well attended by 76 participants.

The speaker line up are; Denis Hevey, CEO & Founder of Positive Performance Academy Asia and Ireland. Panelist; Neil Smith, Director Communications and Public Relations, Asian Institute of Finance and Dr. Simon Locke, Ambassador, Positive Performance Academy Asia.



Figure 1 – Distinguish Moderator and Panelists



Figure 2 – Networking session during the Seminar



## ACTIVITY REPORT (CONT'D)

### 2.2. International Claims Convention 2016

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 Pullman KLCC

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.

#### Testimonials from participants:

*"Very informative and a good platform to improve insurance industry. Well done to the organizer and all speakers."*  
**Wong Then Yau, Manager, AM General Insurance**

*"Topic discussed were very relevant and relates much current issues. Very informative."*  
**Sharifah Farah, Lecturer of Actuarial Science Program, UKM**

*"Highly informative! Powerful! Awareness of cyber-attacks are red. Would recommend all the claims people to attend this. Health talk was superb!"*  
**Simon Quah, Senior Claims Manager, AIA Bhd**

*"It's a great experience to have current/latest update on claims issues in insurance industry. Practitioners should not miss this ICC."*  
**Mohd Faizol Rizal bin Mohd Rasid, Lecturer, UITM**



Figure 1 – Y. Bhg. Dato' Syed Moheeb Syed Kamarulzaman handed over the token of appreciation to MII Chairman, En. Hashim Harun



Figure 2 – Mr. Jeremy Lee presenting on "Financial Mediation Bureau Moving Forward"



Figure 3 – Forum Session, Topic – "New Strategy in Motor Claims Management"

### 2.3. Detariffication Seminar

MII and learn@AP jointly organized a one day seminar to further support the insurance industry in its preparation for detariffication and the challenges. This seminar was held on 15 August 2016 at Sasana Kijang, Kuala Lumpur with the support of PIAM with the theme of Detariffication: Winning Strategies in a Competitive Environment.

Speakers from the US and Singapore as well as local experts shared their fresh perspectives, ranging from a holistic enterprise risk management angle to a comprehensive pricing framework covering business, technical and governance aspects. The seminar is also looking ahead beyond the current challenges, and concluded with a panel discussion.

#### **Testimonials from participants:**

*"This seminar gathers many experts in the GI industry and enlightens the audience with new ideas to succeed in the de-tariffed environment."*

**Reanne Ding Li Yu, Executive, Actuarial, Overseas Assurance Corporation (M) Bhd**

*"Timely & Informative. Please share with industrial more often. Let us know what other countries doing. Thanks."*

**Siow Voon Fong, AVP, Product Development, Etiqa Insurance Berhad**

*"Interesting food for thought."*

**Karamjeet Singh, Assistant Professor, Herriot Watt University Malaysia**



Figure 1 – Y. Bhg. Dato' Syed Moheeb Syed Kamarulzaman, Y. M. Raja Zailan bin Raja Azam, Raymond Cheung, Nurul Syhada Nurazmi, Nicholas Yeo, Y. Bhg. Dato' Adrian Loh Heong Chow



Figure 2 – Distinguish Speaker and Moderator

### 2.4. Life Medical & Health Insurance Seminar

The Life Medical & Health Insurance Seminar was held on 20 September 2016 at Lanai Kijang, Kuala Lumpur. The seminar was designed to provide a review of current issues pertaining to the hike of healthcare cost, the resurfacing of common communicable disease, fraud and updates on the current Critical Illness definition.

MII brings a Seminar on Medical & Health Insurance for physicians, insurance underwriters, Life & Medical claim examiners, intermediaries, insurance trainers and other relevant personnel directly involved in Life & Health Insurance industry.



## ACTIVITY REPORT (CONT'D)

### Testimonials from participants:

*"Good Speaker, good Location, good food. Excellent!!"*

**Shahiedatul Zhafirah Sharudin, BCD Executive, Archipelago Insurance Limited**

*"It is good and interesting as the issues discussed are current."*

**Masni Sulaiman, Asst Mediator, FMB**

*"Very educational and informative. Many were relevant to my work, but even some were not, still useful for our own knowledge."*

**Zurina Binti Zainal Abidin, Senior Manager, AM General Insurance**



Figure 1 – Distinguish Speaker and Moderator



Figure 2 – Part of the Attendees

## 2.5 Takaful Seminar

The Malaysian Insurance Institute has successfully organized an event named Takaful Seminar which jointly organized with Chartered Institute of Islamic Finance Professionals (CIIF). The seminar flagship event called Malaysian Insurance Summit was officiated by Y.Bhg Dato' Badlishah Abdul Ghani, President of CIIF, Datuk Muhammad bin Ibrahim, Governor of Bank Negara Malaysia, accompanied by En. Hashim Harun, Chairman of The Malaysian Insurance Institute and Y. Bhg Dato' Haji Syed Moheeb Syed Kamarulzaman, CEO of The Malaysian Insurance Institute

Seminar The Summit that was held for 2 days 18 and 19 October 2016 at The Majestic Hotel, Kuala Lumpur was well attended almost 300 participants locally and internationally. The summit has provided a stage for lively debate, meaningful content and acknowledge sharing sessions by experts and leaders in Takaful insurance in the region. Total of 21 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

### Testimonials from participants:

*"Current Issues brought forth, Good subject-matter content"*  
**Hajah Mili, Malaysian Reinsurance Berhad**

*"Moderator split the forum."*  
**Anonymous**

*"Keep up good work."*  
**Zulkifly Zaiyan, Great Eastern Takaful**

*"Good, maybe further seminar can be in series focus on specific area on issues related shariah governance in Takaful"*  
**Khairul Ikhwan, Zurich Takaful Malaysia**

*"Perhaps the seminar could be further enhanced by a participation from a BNM speaker"*  
**Anonymous**

*"To organize more seminar / forums etc. specific on takaful / retakaful / syariah"*  
**Anonymous**



Figure 1 – Distinguish Speaker and Moderator



Figure 2 – Y. Bhg. Dato' Badlishah Abdul Ghani with Y. Bhg Dato' Syed Moheeb Syed Kamarulzaman during the press conference session



## ACTIVITY REPORT (CONT'D)

### 2.6 Malaysian Insurance Summit 2016

The Malaysian Insurance Summit 2016 was held on 18 and 19 October 2017 at the Majestic Hotel, Kuala Lumpur, and the Summit was officiated by the Governor of the Malaysian Central Bank, Y.Bhg. Dato' Muhammad bin Ibrahim, gracing the opening ceremony of the Summit. At least, 290 participants locally and internationally from the insurance and other related financial services professionals who is participating in the summit. More than 20 speakers featuring concurrent Life and General Insurance streams sessions, the event was an excellence platform for the participants discussing the dynamics and growth of the insurance sector, particularly in coming up with winning strategies to address uncertainties affecting the industry.

A special closed-door dialogue session between Bank Negara Malaysia, chaired by the Governor, Dato' Muhammad bin Ibrahim with more than 50 participating CEOs of the Malaysian Insurance industry.

The objectives of the Summit among others are to have senior leaders in the industry offering thought-provoking and strategic insights, identify trends that would impact the local market, provide a networking platform for insurance professionals, key leaders and service providers, and generate solutions and measures for the industry's consideration.



Figure 4 – Mr. Antony Lee, En Hashim Harun and Y Bhg. Dato' Muhammad bin Ibrahim



Figure 5 – En. Hashim Harun delivering his Welcoming Address



Figure 6 – Y Bhg. Muhammad bin Ibrahim delivering his Keynote speech



Figure 7 – Y. Bhg. Dato' Syed Moheeb Syed Kamarulzaman, CEO of MII, Mr. Toi See Jong, CEO of Tokio Marine Life Insurance Malaysia Bhd and Mr. Yoon Yew Khuen, Director of BNM



Figure 8 – MII Text book Writer Appreciation Award Ceremony



## 2.7. Malaysia MDRT Day

MII and the MDRT Communication Committee Malaysia (MCC) organised the Malaysia MDRT Day 2016 with the theme Think Big, Think MDRT on 13 August 2016 at Dewan Merdeka, PWTC, Kuala Lumpur. A line-up of top MDRT, COT and TOT speakers shared their success stories at the event.

This one-day convention aimed to inspire insurance agents and financial planners to face challenges to ensure survival and sustain success in the business. The convention also provided a platform for insurance agents and financial planners to acquire new knowledge, skills and experiences. 2016 saw the attendance of 1,950 agents, an increase of 9% or 162 participants from 1,788 participants in 2015.

### Testimonials from participants:

*"Great Event! Thanks."*

**Chew, Prudential BSN Takaful**

*"I'm next coming up MDRT 2016!"*

**Vadivook Karasee, Zurich Insurance**

*"This year session was much better than previous year!"*

**Choong Wei Hean, Allianz Life**

## 2.8. 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 23 July 2016 at Renaissance Hotel, Kuala Lumpur was graciously officiated by En Hashim Haron, MII Chairman.

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 *Transformasi Menuju Kecemerlangan*, saw the attendance of 445 Bumiputera agents, a decrease of 3% or 12 participants from 457 participants in 2015.

### Testimonials from participants:

*"Konvensyen yang terbaik untuk meningkatkan motivasi ejen-ejen melayu!"*

**Abdul Razak, MCIS Insurance**

*"Program yang bagus! Dijadikan 2 kali setahun."*

**Megat Harizal Bin Hazan, MCIS Insurance**

*"Baik! Perlu diteruskan."*

**Raja Iza Sharina, Zurich Insurance**

*"Memperbanyakkan lagi aktiviti untuk merapatkan ukhwah antara lain-lain agensi dan syarikat"*

**Mohd Faisal Ikbar, Zurich Insurance**



## ACTIVITY REPORT (CONT'D)

### **E-LEARNING@MI ONLINE LEARNING CONTENT**

#### **Introduction**

The Malaysian Insurance Institute has developed an online learning environment to launch the industry's e-pedagogy initiative. Teaching and learning industry-related courses is now made available without the constraints of time, space and location. Traditional contents are converted into interactive, age-appropriate and self-paced modules. e-Learning offers countless benefits to the users as it is accessible anywhere and at any time. As an alternative and complementary solution to learning, MII's e-learning answers to the crucial need for continuous learning and professional growth; without jeopardizing daily commitments and work-life balance.

#### **Benefits of e-learning**

- Lower costs
- Customizable
- Faster delivery
- Lower environmental impact
- Minimal time-space constraints

#### **MII e-Learning Features**

- Affordable
- SCORM-compliant
- User-friendly navigation
- Trackable Self-assessment activities
- Attractive multimedia interface and animations
- Interactive content designed using sound Instructional Design
- Comprehensive content approved by Subject Matter Experts of the insurance industry

#### **System requirements**

- Windows
- 1 GHz or faster processor Intel® Pentium® 4, Intel Centrino®, Intel Xeon®, or Intel Core™ Duo (or compatible) processor Microsoft® Windows® XP with Service Pack 3, Windows 7 with Service Pack 1, or Windows 8
- 2 GB minimum of RAM (4 GB recommended)
- 3 GB hard disk space
- DVD-ROM drive (for offline content)
- 1024 x 768 display (1280 x 1024 recommended) with 16-bit graphics adapter Broadband Internet connection (for online content) Java Runtime Environment 8 (for online content) Adobe Flash Player 11

### **e-Learning is Cost-effective**

*“e-learning is more cost effective to deliver than traditional classroom-based training.”*

The single largest cost of training in organisations is the cost of staff attending the training course, rather than the direct costs in delivering the trainings such as in terms of trainers, course materials, travel and accommodation. e-Learning provides benefits by reducing the time it takes to train people because:

- learners can learn at their own pace (not at the pace of the slowest student in the class).
- it takes less time to start and end a learning session.
- learners are not obliged to sit in during Q&A sessions which most often than not, solely benefits the curious/confused student.
- there is less travel time to and from a training event.
- learners can select what they need to learn and omit parts that are irrelevant/ redundant to their personal knowledge.

### **Go Green with e-Learning**

Online learning promotes sustainability as it is the most effective way for organizations to reduce carbon emissions. The main reduction is in the frequency of student travel.

e-learning can also save trees by saving paper. Many e-learning courses are entirely self-contained, presenting all learning content online, or providing alternatives to paper-based forms of communication through such tools as email, PDF manuals, authoring tools, VLEs, LMS and other web-based systems and tools.

### **Localization & Customization**

e-Learning is customizable in the sense that it does not promote generic content. Companies can easily customize content based on the learning needs of the employees. Taking into consideration diversity of cultures and languages, e-learning enables localization of content whether images or text; to benefit different groups of learners with different needs. Real-time assessments can be made available with instantaneous results and useful references for future learning.

### **A Multimedia Melting Pot**

An e-learning module is not merely an animated version of traditional training slides. It constitutes instructional capabilities that are essential in learning and curriculum delivery; as well as allowing learners to experience multimedia – all on a single screen. Static content is made visually attractive and useful to learners. Learners can read, download, copy, comment, watch videos, listen to narration, and undergo assessment activities; all of which are integral to the entire sphere of learning.

### **How to Subscribe**

Subscriptions to MII e-Learning modules can be made via MII's iLMS - [www.mii4u.org](http://www.mii4u.org)



## ACTIVITY REPORT (CONT'D)

### MII e-Learning Products and Pricing

MII e-Learning content complements the actual training materials used in its traditional classroom trainings. The e-contents in the modules listed below are created by e-learning experts and approved by Subject Matter Experts (SME) of the insurance industry.

#### Bundled Certification Courses e-Learning

PCEIA e-Learning and CEILLI e-Learning are the first batch of modules that were made available to the public. Learning content of these modules are extracted from the PCEIA and CEILLI textbooks and approved by Subject Matter Experts in the insurance industry. These certifications are offered in a special bundled package with PCEIA Examination and CEILLI Examination.

Module	No. of Modules	Min. Learning Hours	Available Language	Normal Price (per subscription)	Bundled Price via Exam registration (e-learning content + e-book)	Validity (per subscription)
PCEIA (Part A, B & C)	4	6	<ul style="list-style-type: none"> <li>• English</li> <li>• Bahasa Malaysia</li> <li>• Mandarin</li> </ul>	RM 60	RM5	3 months
CEILLI	2	3		RM 80	RM5	3 months

#### IMPORTANT NOTE:

- Prices are inclusive of 6% GST.
- The listed modules are made up of Level 1 and Level 2 Interactivity:
  - **Level 1 Interactivity:** The learning process is linear. This level may include simple images and graphics, simple video and audio, test questions, etc.
  - **Level 2 Interactivity:** Learners may have some control over their learning experience, as they are required to make simple interactions with the e-learning contents. This level may include animations, clickable menus, drag and drop interactions, and multimedia.
- **Bundled Price:** Candidates who register for the exam(s) are given access to the e-learning content and e-book, which can be used as study material and revision purposes.
- **Minimum Learning Hours** indicates the minimum time needed for learners to complete the module.
- Other T&Cs apply.

### Short Courses e-Learning

Learning content of the Foundation Short Courses e-Learning is packed with useful information, illustrations, examples and quizzes that promote self-paced learning. The content mirrors that of the actual face-to-face trainings, ensuring relevancy and scope of content is maintained throughout the learning experience.

Module	No. of Modules	Min. Learning Hours	Available Language	Normal Price (per subscription)	Validity (per subscription)
Foundation Course in Miscellaneous Accident Insurance	1	2.5	English	RM 250	3 months
Foundation Course in Medical and Health Insurance	1	1.5	English	RM 150	3 months
Foundation Course in Fire Insurance	1	2	English	RM 200	3 months
Introduction to General Insurance Company Operations	1	1.5	English	RM 150	3 months
Introduction to General Insurance	3	4.5	English	RM 450	3 months
Foundation Course in Reinsurance	1	1.5	English	RM 150	3 months
Foundation Course in Marine Cargo Insurance	1	1.5	English	RM 150	3 months

#### IMPORTANT NOTE:

- Prices are inclusive of 6% GST.
- The listed modules are made up of Level 1 and Level 2 Interactivity:
  - **Level 1 Interactivity:** The learning process is linear. This level may include simple images and graphics, simple video and audio, test questions, etc.
  - **Level 2 Interactivity:** Learners may have some control over their learning experience, as they are required to make simple interactions with the e-learning contents. This level may include animations, clickable menus, drag and drop interactions, and multimedia.
- **Minimum Learning Hours** indicates the minimum time needed for learners to complete the module.
- Other T&Cs apply.



## ACTIVITY REPORT (CONT'D)

### e-RFP (Registered Financial Planner) Module 1 & Module 2 CPD

Learning content of the Registered Financial Planner (RFP) e-Learning is a new and improved version of the previous video-based content. The contents in Module 1 and Module 2 are designed using sound instructional design and theories of self-paced learning. The content is extracted from the textbooks, ensuring accuracy and scope of content is maintained throughout the learning experience.

Module	No. of Chapters	Min. Learning Hours	Available Language	Normal Price (per subscription)	Validity (per subscription)
RFP Module 1	13	6	English	RM 70	3 months
RFP Module 2	11	5	English	RM 70	3 months

**IMPORTANT NOTE:**

- Prices are inclusive of 6% GST.
- **Minimum Learning Hours** indicates the minimum time needed for learners to complete the module.
- Other T&Cs apply.

### Interactive e-Book

MII continuously supports the use of e-technology in education. With this, MII is producing a collection of interactive e-books which are unlike the common e-books available off-the-shelf. MII interactive e-books incorporates user-interactivity with the content displayed. Readers can further enhance their understanding via various clickable buttons and links that enables them to do more than just read. Interactive e-books transform readers into users.

Title	Available language	Price (per download)
PCEIA	English / BM	RM15 per language
CEILLI	English / BM	RM20 per language
RFP Module 1	English	RM40
RFP Module 2	English	RM40
Insurance Principles and Market Practice	English	RM40
Insurance Business and Economics	English	RM40
Legal Principles	English	RM40
Insurance Operations and Finance	English	RM40
Insurance Claims	English	RM40
Insurance Underwriting	English	RM40
Commercial Property and Business Interruption Insurance	English	RM40
Personal Lines Insurance	English	RM40
Motor Insurance	English	RM40
Liability Insurance	English	RM40
Insurance Marketing	English	RM40
Insurance Law	English	RM40
Insurance Risk Management	English	RM40
Insurance Underwriting Management	English	RM40
Insurance Claims Management	English	RM40
Medical and Health Insurance	English	RM40
Reinsurance	English	RM40
Takaful	English	RM40
Life Assurance	English	RM40
Life & Disability Underwriting	English	RM40

#### IMPORTANT NOTE:

- Prices are inclusive of 6% GST.
- **Minimum Learning Hours** indicates the minimum time needed for learners to complete the module.
- Other T&Cs apply.



# ACTIVITY REPORT (CONT'D)

## MIl's e-Learning Content Development Services

The Malaysian Insurance Institute provides e-learning development services to help convert, develop and modify e-learning content to suit industry and organizational needs.

### Customized e-Learning Content Development

MIl's customized eLearning content development service is attuned to the specific needs and requirements of each of our clients and their user base. For time-critical information, this may involve creating short courses. For larger scale projects, it may involve the design, development and delivery of highly interactive multimedia content.

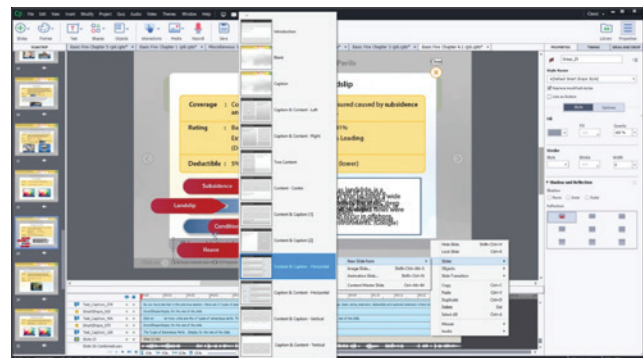
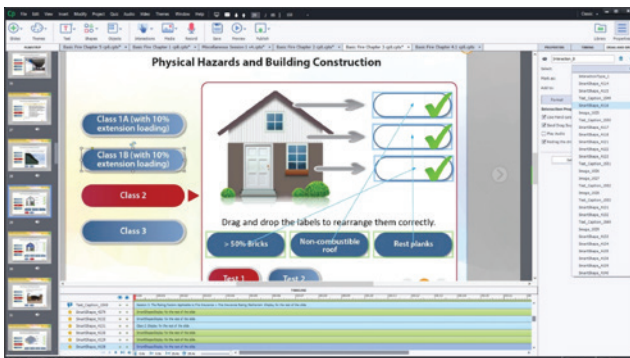
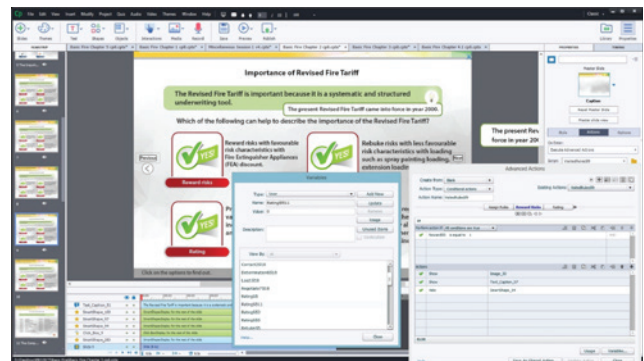
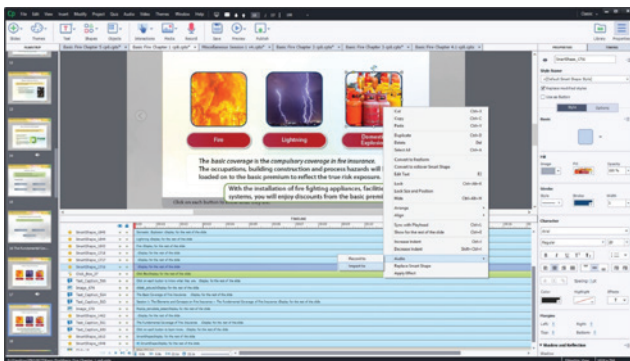
Our strength lies in the application of best-in-class instructional design techniques. With job-relevant storylines and client-specific scenarios, our experts can transfer core knowledge in an engaging manner, assuring users' confidence in learning. As an industry-specific learning institution, MII understands industry requirements and expectations, offering only the best content for the holistic growth of the insurance industry.

### e-Learning Strategic Assessment Service

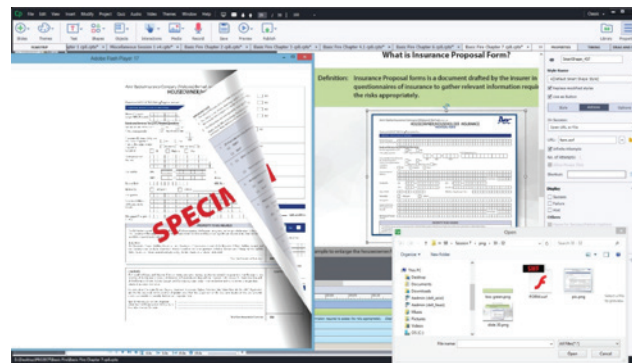
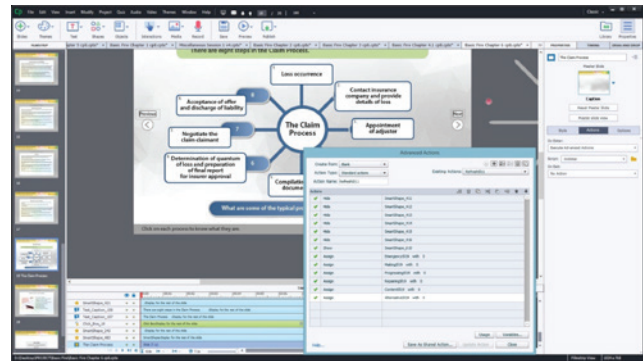
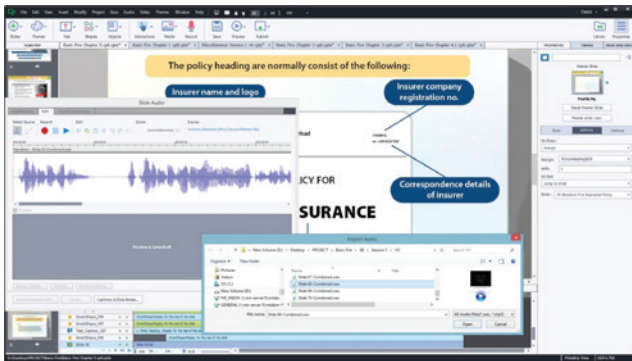
MIl's e-Learning experts can assess your current resources and capabilities and develop an e-Learning plan of action tailored to your needs. In developing an organization's bespoke solution, we are focused on the learner experience and the business issue.

### Save on Costs

By building a course once and deploying to desktop, iPad and Android tablet, organizations have the flexibility to support corporate device and BYOD policies.







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**Inquiries**

For corporate demos and/or any inquiries regarding our MII e-Learning products, please write to us at: [elarning@mii.org.my](mailto:elarning@mii.org.my)



## ACTIVITY REPORT (CONT'D)

### MII AS THE 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 2016, AITRI successfully conducted 4 human capital development programmes for insurance regulators in Thailand, Philippines, Indonesia and Singapore respectively. These training programmes were delivered by 16 field experts from regulatory bodies and private institutions.

AITRI managed to obtain funding and sponsorship from Office of Insurance Commission Thailand, Insurance Commission Philippines, Indonesia Financial Services Authority, International Association of Insurance Supervisors, Toronto Centre, The Financial Stability Institute and AITRI Members Contribution Fund for the regulators' programmes.

In 2016, 81 participants from ASEAN countries and 23 participants from non-ASEAN countries, namely Chinese Taipei, Maldives, Nepal, Pakistan, Papua New Guinea, Sri Lanka, Sultanate of Oman and United Arab Emirates attended the programmes.



Workshop on Inclusive Insurance Training Program for  
Supervisors in Asia 14 – 18 March ,2016  
Bangkok, Thailand



Seminar on Corporate Governance and Enterprise  
Risk Management By Insurers  
26 – 29 July, 2016  
Manila, Philippines



Workshop on Inclusive Insurance Training Program for  
Supervisors in Asia 14 – 18 March ,2016  
Bangkok, Thailand



## ACTIVITY REPORT (CONT'D)



Seminar on Supervisory Cooperation, Cross Border  
Collaboration and Crisis Management  
11 – 13 October, 2016  
Singapore

Number of Students Awarded MNRB Sponsorship from 2009 to 2016

Title	Date	Host/Venue	Funded/Supported
Seminar on Inclusive Insurance for Supervisors in Asia	14 – 18 March, 2016	Bangkok, Thailand	<ul style="list-style-type: none"> <li>Office of Insurance Commission, Thailand</li> <li>Toronto Leadership Centre</li> <li>International Association of Insurance Supervisors</li> <li>Access to Insurance Initiative (A2ii)</li> </ul>
Seminar on Corporate Governance and Enterprise Risk Management by Insurers	26 – 29 July, 2016	Manila, Philippines	<ul style="list-style-type: none"> <li>Insurance Commission of Philippines</li> <li>Toronto Leadership Centre</li> <li>International Association of Insurance Supervisors</li> <li>Global Affairs Canada</li> <li>International Monetary Fund</li> </ul>
Seminar on Reinsurance for Insurance Supervisors	22 -26 August, 2016	Jakarta, Indonesia	<ul style="list-style-type: none"> <li>Indonesia Financial Services Authority</li> <li>Fatimide Associates Inc.</li> <li>AITRI Members Contribution Fund</li> </ul>
Seminar on Supervisory Cooperation, Cross Border Collaboration and Crisis Management	11-13 October, 2016	Singapore	<ul style="list-style-type: none"> <li>Monetary Authority of Singapore</li> <li>Financial Stability Institute (FSI)</li> <li>International Association of Insurance Supervisors (IAIS)</li> </ul>

Participants from ASEAN Member Countries in 2016 AITRI Programmes for Regulators:

Country	Inclusive Insurance for Supervisors in Asia	Corporate Governance and Enterprise Risk Management	Reinsurance for Insurance Supervisors	Supervisory Cooperation, Cross Border Collaboration and Crisis Management	Total
Brunei	-	-	-	-	-
Cambodia	2	-	-	1	3
Indonesia	-	-	13	1	14
Laos	3	1	2	1	7
Malaysia	-	3	2	-	5
Myanmar	-	-	-	-	-
Philippines	2	20	2	-	24
Singapore	-	-	2	9	11
Thailand	13	2	-	2	17
Vietnam	-	-	-	2	-
<b>Total</b>	<b>20</b>	<b>26</b>	<b>21</b>	<b>16</b>	<b>83</b>

Participants from Non-ASEAN Member Countries in 2015 AITRI Programmes for Regulators:

Country	Inclusive Insurance for Supervisors in Asia	Corporate Governance and Enterprise Risk Management	Reinsurance for Insurance Supervisors	Supervisory Cooperation, Cross Border Collaboration and Crisis Management	Total
Nepal	1	2	-	-	3
Maldives	2	-	1	-	3
Sri Lanka	2	-	-	-	2
Pakistan	1	-	-	-	1
Papua New Guinea	1	-	4	-	5
Sultanate of Oman	-	2	-	1	3
United Arab Emirates	3	2	-	-	5
Chinese Taipei	-	-	-	1	1
<b>Total</b>	<b>10</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>23</b>
<b>Grand Total</b>	<b>30</b>	<b>32</b>	<b>26</b>	<b>18</b>	<b>106</b>



## ACTIVITY REPORT (CONT'D)

### 3. INDUSTRY EVENT

#### 3.1. YOUNG ASEAN MANAGER AWARD 2016

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 2016 event was held in Yogyakarta, Indonesia and in conjunction with the annual ASEAN Insurance Regulators Meeting (AIRM) and ASEAN Council Meeting. A total of 32 candidates from 9 ASEAN countries competed for this prestigious award in 2016 and only 3 were shortlisted for the final selection interview with the judges. The breakdown of participation by country is as follow:

##### 3.1.1. YAMA 2016 Judges

The panel of judges for the award comprised 10 industry leaders from Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. 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 2016 Recipient

The recipient of the award for 2016 was Mr. Nitipong Pruchyanimit, Chief Actuary & Executive Vice President, Thai Life Insurance Public Company Limited. 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 Mr. Firdaus Djelani, Chief Executive Functioning as Non-Bank Financial Institutions Supervisor accompanied by Mr. Michael R. Fellarosa, Chairman of AIC, Ms. Evelina Fadil Pietreuschka, the AIC Secretary General and Ms Pitchay Emmett, Assistant Director of Market Integration Directorate, Department of AEC at the Gala Dinner held at Arena Theatre of Prambanan Temple.

The two finalists were Mr. Julius Pratama, Head of Digital Channel, PT Asuransi Jiwa Sequis Life, Indonesia and Mr. Lo Chin Loon, Head of Strategic Planning, Great Eastern Life Assurance (M) Bhd. Malaysia. Both received tokens of recognition.



From left: , Ms. Evelina Fadil Pietreuschka (AIC Secretary General), Mr. Firdaus Djelani (Chief Executive Functioning as Non-Bank Financial Institutions Supervisor, Indonesia) , Mr. Lo Chin Loon, Mr. Nitipong Pruchyanimit, Mr. Julius Pratama, Ms Pitchay Emmett (Assistant Director of Market Integration Directorate, Department of AEC) and Mr. Michael R. Fellarosa (Chairman of AIC)



**Standing proud: Finalists of YAMA 2016**

From left:

Mr. Lo Chin Loon (Great Eastern Life Assurance (M) Bhd. Malaysia),

Mr. Nitipong Pruchyanimit (Thai Life Insurance Public Company Limited) and

Mr. Julius Pratama (PT Asuransi Jiwa Sequis Life Indonesia)



## ACTIVITY REPORT (CONT'D)

### 4. RESEARCH

#### 4.1. AITRI as a research body

AITRI undertakes regional study projects on a collective need basis for the member countries. Two researches have been carried out by AITRI, so far. They are "A Comparative Analysis on Current Insurance Law and Its Supervision in the ASEAN Region" and "Study on Human Resource Development Needs for ASEAN Insurance Regulators and Insurance Industry".



**STAFF TRAINING AND DEVELOPMENT**

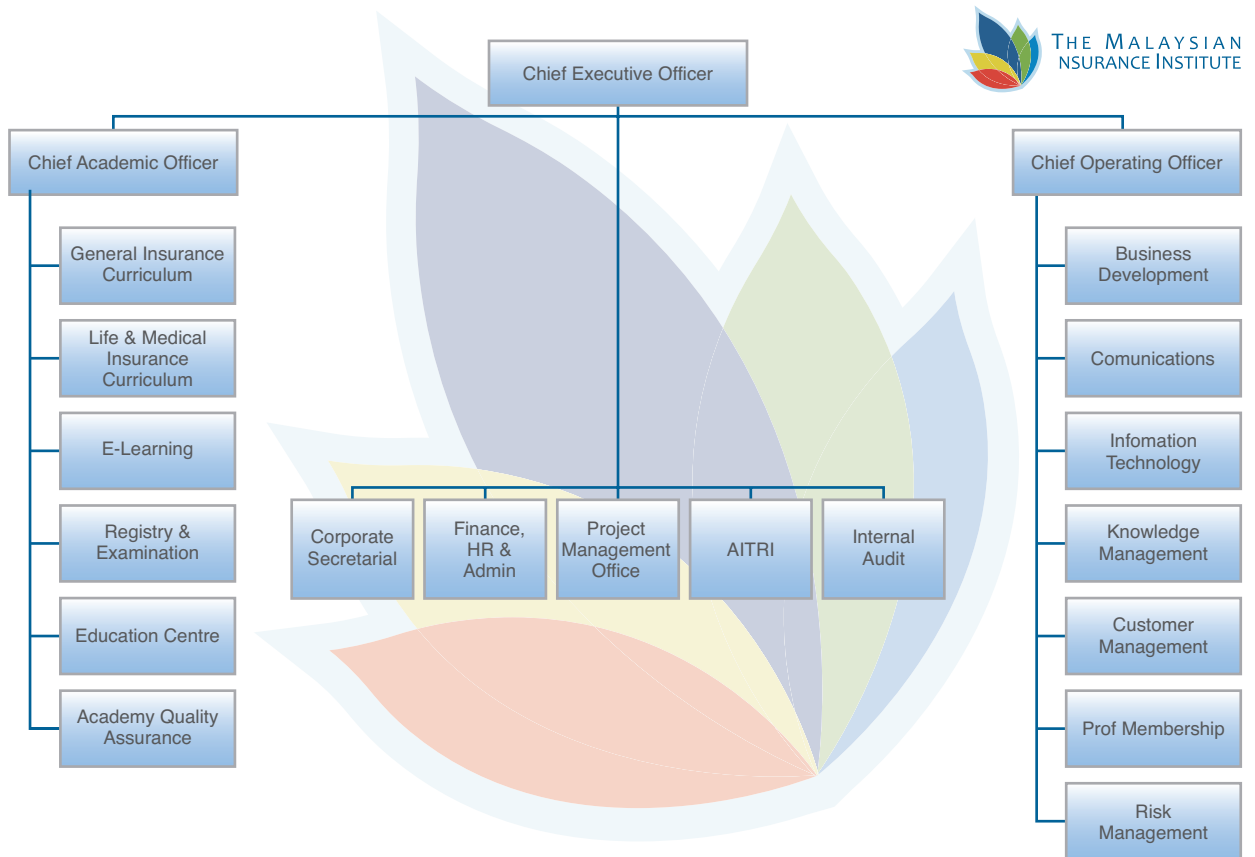
**1. OVERVIEW**

We recognise our staff as our most important resource and are committed to consistently upgrade 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.

We also introduced programme for our faculty members and staff within the Academic Division. This is part of our effort to strengthen our faculty side. With the establishment of Academic Division in our Organisation Structure, there is a need to equip our team with the correct method of teaching.

Below are our Organisation Structure which was approved by the Board in December 2015:



In 2016, 105 staff and faculty members participated in a total of 39 training programmes in their respective areas ranging from related Academic, Information Technology, e-Learning and Insurance Programmes, Company Secretaries, Knowledge Management, Auditing, Project Management, Risk Management, Human Resource Management and Financial Planning. They were either conducted internally, in-house, or by external providers which were attended by the staff.



## ACTIVITY REPORT (CONT'D)

Below are the details of training programmes by category:

No.	Type of Training	No of Programmes	Attendance
1	In-house Training Programme	7	105 staff
2	Academic Programme	4	34 staff & 33 faculty members (lecturers)
3	External Training	24	43 staff
4	MII Directors' Training	2	MII Board Members & Senior Management Team
5	Internal Briefing	2	All Staff
	<b>Total</b>	<b>39</b>	

### 2. INHOUSE TRAINING PROGRAMME

In 2016, MII conducted 7 in-house programmes facilitated by an external trainer. A total of 105 staff were involved and attended the courses. The courses were held at MII Head Office in Damansara Heights, Kuala Lumpur:

No.	Category	Date	Programme	Attendance
1	Management Staff	22 – 23 Feb 2016	Project Management	22
2	Management & Supervisors	8 March 2016	KPI Writing Workshop	35
3	Management Staff	29 March 2016	The Life Framework: Strategy Briefing	16
4	e-Learning & Selected Executive Staff	8 June 2016	Adobe inDesign	11
5	Non- Exec & Exec Staff (Group 1)	13 – 14 July 2016	Customer Relationship Management (CRM) / POS Living Seminar	27
6	Non- Exec & Exec Staff (Group 2)	20 – 21 July 2016	Customer Relationship Management (CRM) / POS Living Seminar	26
7	Non- Exec & Exec Staff (Group 3)	27 – 28 July 2016	Customer Relationship Management (CRM) / POS Living Seminar	27

### 3. ACADEMIC PROGRAMME

We started to introduce Andragogy Training, a training on methods and principles used in adult education. There were 4 classes conducted in year 2016, and attended by 34 staff and 33 faculty members (lecturers):

No.	Programme	Date	Pax
1	Andragogy Workshop	23 & 24 April 2016	11 staff
2	Case Writing Workshop	14 & 24 May 2016	8 staff
3	Andragogy Workshop (Module 1-3) Batch 1	29 May and 11,12,18 & 19 Jun 2016 (5 days)	8 staff & 23 lecturers
4	Andragogy Workshop (Module 1-3) – Batch 2	13, 14, 20 & 21 Aug 2016	7 staff & 10 lecturers
	<b>Total</b>		<b>34 staff &amp; 33 lecturers</b>

#### 4. EXTERNAL TRAINING PROGRAMME

Throughout the year, 43 staff attended 24 external training programmes, conducted locally and overseas.

##### 3 (a) External Programmes conducted Locally

There were 23 external programmes conducted locally and attended by 42 staff.

Month	Programme	Executive & Below	Manager & Above	Total
Jan	Adobe Design Advantage Forum	2		2
	Direct Money and Sense for Money Event		1	1
Mar	International Conference on Islamic Wealth Management & Financial Planning	1	7	8
	Persatuan Pustakawan Malaysia - Mesyuarat Agung Tahunan	3		3
	Responsible Finance Summit		1	1
May	Project Cost Management	1		1
	Inaugural AFPSC Annual Financial Planning Signature Conference 2016		1	1
	Striking Off a Company & LLP Voluntary Winding Up		1	1
Jul	Premier RFP Capstone Programme		1	1
	MARIM Risk Management Conference		1	1
Aug	Negotiation Skills	1		1
	AIF International Symposium 2016		2	2
	Talent Ecosystem Conference 2016	2		2
Sep	Certificate in Safety and Health Officer (SHO)	1		1
	The Takaful Rendezvous 2016		2	2
Oct	8th International Conference on Financial Crime and Terrorism Financing (IFCTF) 2016		1	1
	2016 IIA National Conference Navigate Waves of the Digital Revolution		1	1
	Company Secretaries Training Programme Significant	1		1
	Introduction to General Insurance	1		1
	e-Learning Design Essentials	2		2
Nov	MIA Conference 2016		2	2
	Advance Effective Minutes Writing Skill Workshop	1		1
Dec	Conflict Management Skills Workshop		4	4
<b>Total</b>		<b>16</b>	<b>25</b>	<b>42</b>



## ACTIVITY REPORT (CONT'D)

### 3 (b) External Programmes conducted Overseas

1 Management Team attended a seminar organised by AICLA in Phuket, Thailand. This is a complimentary seat given by AICLA:

Month	Programme	Venue	Manager & Above
Apr	Asian Claims Convention 2016	Phuket, Thailand	1

### 5. MII DIRECTORS' TRAINING PROGRAMME

In 2016, we introduce MII Directors' Training Programme for our Board of Directors, with the objective of providing updates to our Board Members. There were 2 programmes conducted and attended by MII Board Members, Academic Council Members and Senior Management Team:

No.	Date	Programme
1	19 Jan 2016	MII Directors Training 1/2016
2	6 Oct 2016	MII Directors Training 2/2016

### 6. INTERNAL BRIEFING

Besides the training programmes, MII also organised internal briefings to its staff force to keep them updated on the current development as well as enhancing their knowledge. 2 briefings were conducted and attended by all staff:

No.	Date	Programme
1	29 Jan 2016	Town Hall Meeting 1/2016
2	29 Sep 2016	Town Hall Meeting 2/2016

## INFORMATION TECHNOLOGY

### 1. OVERVIEW

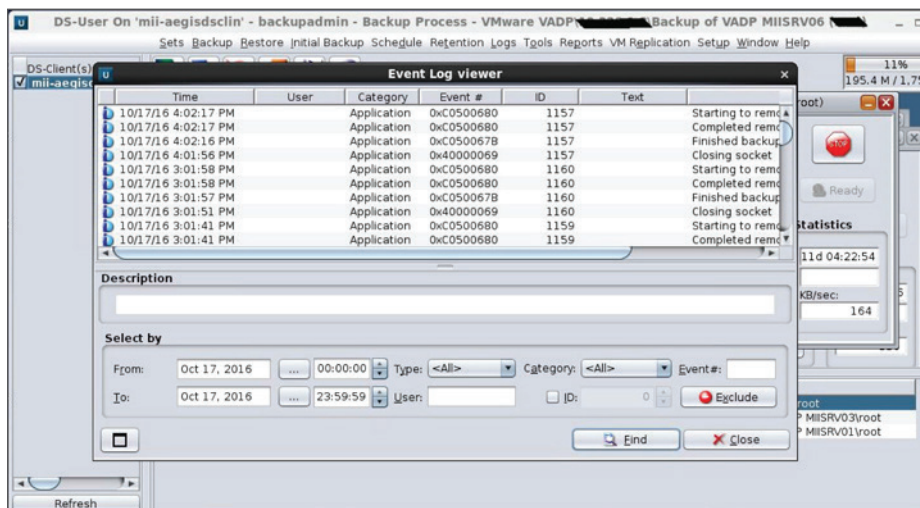
In 2016, the IT strategy roadmap is a continuation from the previous year that focused on improving existing system operations to support our business plans. It was carefully planned and the stages of implementation will continue to be put in place. The focus for 2016 was to improve on the ILMS support system and operations; and the migration of our Corporate Email System.

#### 1.1 Backup Management System for ILMS

As part of ensuring the ILMS system continuity and to protect data in the ILMS modules that go-live on August 2015, this Backup Management System is one of the crucial support system to be implement to reduce interruption on the ILMS system operations.

This backup system is running on a private cloud-based storage between our production data centre and our disaster recovery centre that reduce operation cost such as logistic in transporting and maintaining the tapes and storage.

The backup management system features and control has simplified the restoration and recovery process compared to previous backup process. This will improve the recovery time objectives and recovery point objectives for the ILMS system. It also improves management's monitoring of the backup data copy, which has a positive impact on our IT operations.



Backup Management System for ILMS System



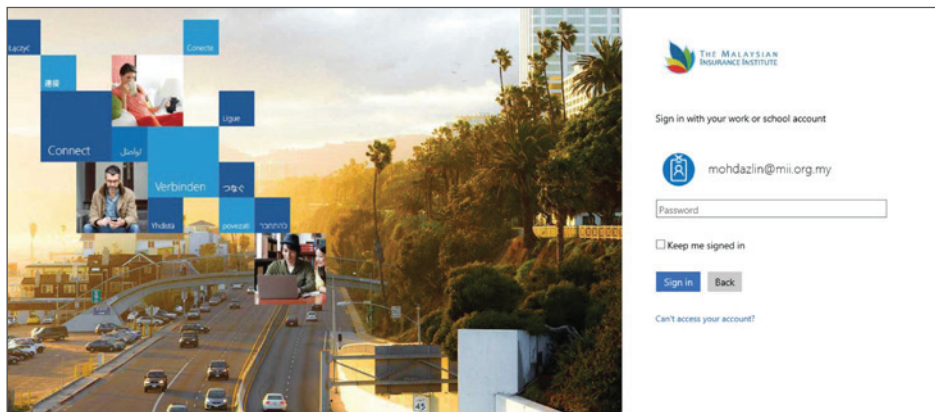
## ACTIVITY REPORT (CONT'D)

### 1.2 Migration of our Corporate Email System to Cloud Based Email Service

MII's Corporate Email System is one of the critical communication system for business operations. To improve the operation of our Email System, we have migrated the system to Cloud-based platform service that have better infrastructure operations and system to ensure continuity of business activities.

This cloud-based platform will increase our email system's availability, reliability and security for better service to the internal users. This platform has also reduced our annual operation cost on maintaining the hardware and software such as server, network and security appliance that was previously required for operating the Email System.

This cloud-based email platform was acquired on a subscription basis that come with the latest and up to date email system platform. This would reduce upgrading license cost and hardware cost subsequently whenever any upgrade to the email platform is required. It also gives better control and improved services to the management of the email system's operation time and cost.



New Webmail landing page

## CAPACITY BUILDING PROJECTS

### 1. Capacity Building Project Status

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

Status of Approved MII Projects as at December 2016:

No.	Projects	Project Status
<b>A</b>	<b>Curriculum and Programme Enhancement</b>	
1	Competency Framework Development	Closed
2	External Advisory Council (EAC)	Closed
3	CII Accreditation	Closed
4	Competency Framework for Insurance and Takaful Brokers	Closed
5	Development of Study Texts for the DMII and the AMII Programmes	In progress
6	Development of Professional Qualifications Programmes	In progress
7	Development of Technical Training Programmes	In progress
8	Subsidised Courses	In progress
9	MII Education Framework	In progress
10	Skill-Based Certification Programme	New CBP 2016
11	AMII Fast Track Programme	New CBP 2016
12	Insurance Undergraduate Internship Programme	New CBP 2016
<b>B</b>	<b>Web-Based Learning System</b>	
13	Integrated Learning Management System (ILMS)	In Progress
14	Online Learning Content (OLC)	In Progress
15	E- Learning@ MII	Re-categorised to ILMS
<b>C</b>	<b>IT Infrastructure</b>	
16	IT Infrastructure – Data Centre Project	Closed
17	IT Infrastructure – Accounting System	Closed
<b>D</b>	<b>Knowledge and Resource Upscaling</b>	
18	Research and Resource Centre -Library Management System	Closed
19	Research and Resource Centre -Purchase of Audio Visual Materials	Closed
20	Research and Resource Centre -Purchase of Electronic Database	Closed
21	Research and Resource Centre -Purchase of Library Equipment	Closed
22	Research and Resource Centre -Library Management System IT Backup Solution/Internet Line	Closed
23	Research and Resource Centre - Purchase of Books, Magazines, Periodicals, Journals	In progress
24	Knowledge Management Activities	New CBP 2016
<b>E</b>	<b>Research and Publication</b>	
25	Research and Publication Centre - Insurance and Takaful Journal (INTAJ)	Closed
26	Caselet & Research Articles	New CBP 2016
<b>F</b>	<b>Faculty Enhancement and Expansion</b>	
27	PMO & SME (Internal Faculty and Support Facilities)	In progress
<b>G</b>	<b>Customer Service and Branding</b>	
28	Corporate Branding and Value Added Partnership	Closed
29	MII City Centre	Closed
30	New MII City Centre	Closed
31	University Collaboration	New CBP 2016



## ACTIVITY REPORT (CONT'D)

Category	Project Name	Budget Amount (RM)	Budget (%)	Project Progress (%)	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Curriculum & Programme Enhancement	Competency Framework Development	1,500,000.00	3.35%	100%	[Progress bar: 100%]									
	Competency Framework for Ins Takaful & Brokers	198,000.00	0.44%	100%	[Progress bar: 100%]									
	Development of Study Text for the DMII and AMII	4,100,000.00	9.15%	86%	[Progress bar: 86%]									
	Development of Professional Qualifications	1,000,000.00	2.23%	90%	[Progress bar: 90%]									
	Development of Technical Training Programmes	2,500,000.00	5.58%	93%	[Progress bar: 93%]									
	Subsidized Courses	1,200,000.00	2.68%	92%	[Progress bar: 92%]									
	MII Education Framework	2,000,000.00	4.46%	71%	[Progress bar: 71%]									
	Skill-Based Certification Programme	720,000.00	1.61%	36%	[Progress bar: 36%]									
	AMII Fast Track Programme	1,020,000.00	2.28%	71%	[Progress bar: 71%]									
	Insurance Undergraduate Internship Programme	700,000.00	1.56%	90%	[Progress bar: 90%]									
iLMS	Online Learning Content (OLC)	1,500,000.00	3.35%	98%	[Progress bar: 98%]									
	iLMS	7,450,000.00	16.63%	91%	[Progress bar: 91%]									
Knowledge & Resource Upscaling	Purchase Library Management System	960,000.00	2.14%	100%	[Progress bar: 100%]									
	Purchase Audio Visual Materials	300,000.00	0.67%	100%	[Progress bar: 100%]									
	Purchase Electronic Database	900,000.00	2.01%	100%	[Progress bar: 100%]									
	Purchase Library Equipments	45,000.00	0.10%	100%	[Progress bar: 100%]									
	LMS Backup Solution & Internet Line	623,000.00	1.39%	100%	[Progress bar: 100%]									
	Purchase Books/Magazines/Journals/Periodicals	2,250,000.00	5.02%	85%	[Progress bar: 85%]									
	Knowledge Management Activities	145,000.00	0.32%	32%	[Progress bar: 32%]									
Research & Publication	Publication of Insurance & Takaful Journals (INTAJ)	460,000.00	1.03%	100%	[Progress bar: 100%]									
	Caselet & Research Articles	700,000.00	1.56%	39%	[Progress bar: 39%]									
Customer Service & Branding	Corp Branding & Value Added Partnership	2,500,000.00	5.58%	100%	[Progress bar: 100%]									
	MII City Centre	2,300,000.00	5.13%	100%	[Progress bar: 100%]									
	New MII City Centre	3,300,000.00	7.37%	100%	[Progress bar: 100%]									
	University Collaboration	300,000.00	0.67%	43%	[Progress bar: 43%]									
Faculty Enhancement & Expansion	PMO & SME (Internal Faculty & Support Facilities)	3,400,000.00	7.59%	87%	[Progress bar: 87%]									
IT Infrastructure	Back End System - Acc System	300,000.00	0.67%	100%	[Progress bar: 100%]									
	IT Infrastructure ( Data Centre )	2,600,000.00	5.80%	100%	[Progress bar: 100%]									

Figure 1: CBP Projects List & Budget Allocation as at December 2016



# FINANCIAL STATEMENTS

096	Directors' Report
099	Independent Auditors' Report
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103	Statement of Financial Position
105	Statement of Changes in Equity
106	Statement of Cash Flows
108	Notes to the Financial Statements
131	Statement by Directors
131	Declaration by the Officer Primarily Responsible for the Financial Management of the Institute





# DIRECTOR REPORT

The directors of **THE MALAYSIAN INSURANCE INSTITUTE** (“the Institute”) hereby submit their report and the audited financial statements of the Institute for the year ended December 31, 2016.

## 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 Malaysian Insurance Institute (AMII). It is also a membership body 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. It was placed under member’s voluntary liquidation on July 22, 2015.

## RESULTS OF OPERATIONS

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

	<b>RM</b>
Deficit before tax	(2,157,558)
Tax expense	(138,923)
<hr/>	
Deficit for the year	(2,296,481)
<hr/>	

In the opinion of the directors, the results of operations 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 statement of profit or loss and other comprehensive income and statement of financial position 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 there were no known bad debts need to be written off and that no allowance for doubtful debts was necessary; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of the business including the value of current assets as shown in the accounting records of the Institute had been written down to an amount which the current assets might be expected so to realise.

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 Institute inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Institute misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities 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 Institute misleading.

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

- (a) any charge on the assets 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 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 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 Institute for the succeeding financial year in which this report is made.

## **DIRECTORS**

The directors of the Institute in office during the financial year and during the period from the end of the financial year to the date of this report are:

Encik Hashim bin Harun (Chairman)  
 Y.Bhg. Dato' Adrian Low Heong Chow @ Loh Heong Chow  
 Y.Bhg. Datuk Francis Lai @ Lai Yun Sen  
 Encik Zainal Abidin bin Mohd Noor  
 YM Raja Zailan Putra bin Raja Dato' Seri Hj Azam  
 Encik Toi See Jong  
 Encik Antony Fook Weng Lee  
 Encik Wong Ah Kow  
 Encik Tan Kok Guan  
 Encik T. Sivapalan A/L Tharmapalan  
 Encik Wong Teck Wai  
 Encik Ezamshah bin Ismail (appointed on 4 March 2016)  
 Encik Gan Leong Hin (appointed on 2 June 2016)  
 Encik Yoon Yew Khuen (appointed on 2 December 2016)  
 Encik Foong Soo Hah (resigned on 4 March 2016)  
 Y.Bhg. Dato' Koh Yaw Hui (retired on 2 June 2016)  
 Encik Aznan bin Abdul Aziz (resigned on 2 December 2016)  
 Encik Md. Adnan bin Md. Zain (resigned on 21 December 2016)



## DIRECTOR 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.

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Institute maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover of RM7,000,000 for the directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM16,440.

### AUDITORS

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

### AUDITORS' REMUNERATION

The amount paid as remuneration of the auditors for the financial year ended December 31, 2016 is disclosed in Note 7 to the financial statements.

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

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**HASHIM BIN HARUN**  
(DIRECTOR)

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**YOON YEW KHUEN**  
(DIRECTOR)

Kuala Lumpur,  
April 12, 2017

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MALAYSIAN INSURANCE INSTITUTE (INCORPORATED IN MALAYSIA)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **THE MALAYSIAN INSURANCE INSTITUTE**, which comprise the statement of financial position of the Institute as of December 31, 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Institute for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 102 to 131.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as of 31 December 2016, and of its financial performance and its 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.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Institute in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Institute are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The directors of the Institute are responsible for the preparation of financial statements of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 of the Institute that are free from materials misstatement, whether due to fraud or error.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MALAYSIAN INSURANCE INSTITUTE (INCORPORATED IN MALAYSIA) (CONT'D)

In preparing the financial statements of the Institute, the directors are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Institute or to cease operations, or have no realistic alternatives but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Institute's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Other Matter**

This report is made solely to the members of the Institute, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

**DELOITTE PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**

**KHONG SIEW CHIN**  
**Partner - 03049/03/2019 J**  
**Chartered Accountant**

April 12, 2017



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	2016 RM	2015 RM
Revenue	6	14,005,655	15,851,015
Other income		1,007,085	1,023,080
Employee benefits expense		(7,565,400)	(7,236,314)
Depreciation of property, plant and equipment	9	(487,167)	(464,762)
Amortisation of prepaid lease payments	10	(65,039)	(65,039)
Interest on zero coupon bonds	21	(570,301)	(547,125)
Other expenses		(8,482,391)	(8,396,147)
(Deficit)/Surplus before tax	7	(2,157,558)	164,708
Tax expense	8	(138,923)	(123,998)
<b>(Deficit)/Surplus for the year</b>		<b>(2,296,481)</b>	<b>40,710</b>

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



## STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2016

	Note	2016 RM	2015 RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	9	9,110,750	9,540,056
Prepaid lease payments	10	3,674,697	3,739,736
Investment in a subsidiary company	11	-	200,002
Fixed deposits	12	7,609,922	7,275,445
<b>Total Non-Current Assets</b>		<b>20,395,369</b>	<b>20,755,239</b>
<b>Current Assets</b>			
Inventories	13	86,465	54,996
Trade receivables	14	1,401,118	1,571,145
Other receivables and prepaid expenses	15	1,696,317	1,429,356
Amount due from a subsidiary company	16	59,720	59,720
Bumiputra Training Fund	17	-	-
Capacity Building Fund	18	2,981,470	1,617,846
Tax recoverable		430,634	-
Fixed deposits	12	16,477,630	20,804,155
Cash and bank balances	23	2,317,163	852,935
<b>Total Current Assets</b>		<b>25,450,517</b>	<b>26,390,153</b>
<b>Total Assets</b>		<b>45,845,886</b>	<b>47,145,392</b>



## STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2016 (CONT'D)

	Note	2016 RM	2015 RM
<b>RESERVES AND LIABILITIES</b>			
General reserves	19	6,673,042	6,673,042
Surplus		18,637,872	20,934,353
<b>Accumulated Fund</b>		25,310,914	27,607,395
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	20	2,483,609	2,314,182
Zero coupon bonds - Secured	21	14,033,503	13,463,202
<b>Total Non-Current Liabilities</b>		16,517,112	15,777,384
<b>Current Liabilities</b>			
Trade payables	22	485,262	786,048
Other payables and accrued expenses	22	3,532,598	2,942,314
Tax liabilities		-	32,251
<b>Total Current Liabilities</b>		4,017,860	3,760,613
<b>Total Liabilities</b>		20,534,972	19,537,997
<b>Total Reserves and Liabilities</b>		45,845,886	47,145,392

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

	General Reserves RM	Surplus RM	Total RM
<b>As of January 1, 2015</b>	6,673,042	20,893,643	27,566,685
Surplus for the year	-	40,710	40,710
<b>As of December 31, 2015</b>	6,673,042	20,934,353	27,607,395
<b>As of January 1, 2016</b>	6,673,042	20,934,353	27,607,395
Deficit for the year	-	(2,296,481)	(2,296,481)
<b>As of December 31, 2016</b>	6,673,042	18,637,872	25,310,914

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



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 RM	2015 RM
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
(Deficit)/Surplus before tax	(2,157,558)	164,708
Adjustments for:		
Depreciation of property, plant and equipment	487,167	464,762
Interest on zero coupon bonds	570,301	547,125
Amortisation of prepaid lease payments	65,039	65,039
Interest income	(851,298)	(937,417)
(Deficit)/Surplus Before Working Capital Changes	(1,886,349)	304,217
(Increase)/Decrease in:		
Inventories	(31,469)	(23,631)
Trade receivables	170,027	(891,590)
Other receivables and prepaid expenses	(299,019)	266,531
Amount due from subsidiary company	-	(4,486)
(Decrease)/Increase in:		
Trade payables	(300,786)	302,207
Other payables and accrued expenses	590,284	(373,684)
Cash Used In Operations	(1,757,312)	(420,436)
Income tax paid	(432,381)	(488,495)
Net Cash Used In Operating Activities	(2,189,693)	(908,931)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	883,356	840,898
Placement of fixed deposits	(334,477)	(270,036)
Additions to property, plant and equipment	(57,861)	(344,962)
Proceeds from liquidation of a subsidiary company	200,002	-
Net Cash From Investing Activities	691,020	225,900

	Note	2016 RM	2015 RM
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Bumiputra Training Fund received		-	15,000
Utilisation of Bumiputra Training Fund		-	(15,000)
Capacity Building Fund received		2,790,979	2,915,797
Utilisation of Capacity Building Fund		(4,154,603)	(3,504,805)
Net Cash Used In Financing Activities		(1,363,624)	(589,008)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(2,862,297)	(1,272,039)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		21,657,090	22,929,129
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	23	18,794,793	21,657,090

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



# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Institute is a 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 Malaysian Insurance Institute (AMII). It is also a membership body 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. It was placed under member's voluntary liquidation on July 22, 2015.

There have been no significant changes in the nature of the activities of the Institute 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 Institute have been authorised by the Board of Directors for issuance on April 12, 2017.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements 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.

### Application of new and revised Malaysian Financial Reporting Standards

In the current financial year, the Institute has applied a number of amendments to MFRSs and new interpretations issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for an accounting period that begins on or after January 1, 2016 as follows:

Amendments to MFRS 101	Disclosure Initiative
Amendments to FRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 - 2014 Cycle	

The adoption of these revised Standards and Amendments have not affected the amounts reported in the financial statements of the Institute.

### Standards and Amendments in issue but not yet effective

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

Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transaction <sup>2</sup>
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts <sup>2</sup>
MFRS 9	Financial Instruments <sup>2</sup>
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 <sup>2</sup>
MFRS 15	Revenue from Contracts with Customers <sup>2</sup>
Amendments to MFRS 15	Clarification to MFRS 15 <sup>2</sup>
MFRS 16	Leases <sup>3</sup>
Amendments to MFRS 107	Disclosure Initiative <sup>1</sup>
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses <sup>1</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to MFRS 140	Transfer of Investment Property <sup>2</sup>
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration <sup>2</sup>
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2014 - 2016 Cycle <sup>1,2</sup>	

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted

<sup>4</sup> Effective date deferred to a date to be determined and announced, with earlier application still permitted

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Institute when they become effective and that the adoption of these Standards and Amendments may have an impact on the amounts reported and disclosures made in the Institute's financial statements. However, it is not practicable to provide a reasonable estimate of the effects until the Institute performs a detailed review.

### 3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES

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

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

#### (a) Foreign currency risk

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 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 Institute do not expect any material effect on 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 Institute did not engage in any transactions involving financial derivative instruments during the financial year.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### (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 Institute.

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

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

### (c) Liquidity and cash flow risks

The Institute seeks to achieve a balance between certainty of funding even in difficult times for the markets of 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 Institute's means to repay and refinance.



The following tables detail the Institute's remaining contractual maturity for its financial assets and financial liabilities. The tables have been drawn up based on the undiscounted cash flows for financial assets and financial liabilities based on the earlier date on which the Institute expected to earn or may be required to pay. The tables included both interest and principal cash flows.

To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

	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
<b>2016</b>					
Financial assets:					
Fixed deposits	3.00 to 4.00	17,054,347	7,876,270	-	24,930,617
Cash and bank balances	-	2,317,163	-	-	2,317,163
Trade receivables	-	1,401,118	-	-	1,401,118
Other receivables and refundable deposits	-	893,778	-	-	893,778
Amount due from subsidiary company	-	59,720	-	-	59,720
Capacity building fund	-	2,981,470	-	-	2,981,470
Financial liabilities:					
Trade payables	-	485,262	-	-	485,262
Other payables and accrued expenses	-	2,888,428	-	-	2,888,428
Zero coupon bonds	-	-	-	18,000,000	18,000,000
<hr/>					
<b>2015</b>					
Financial assets:					
Fixed deposits	3.00 to 4.00	21,532,300	7,530,086	-	29,062,386
Cash and bank balances	-	852,935	-	-	852,935
Trade receivables	-	1,571,145	-	-	1,571,145
Other receivables and refundable deposits	-	1,098,028	-	-	1,098,028
Amount due from subsidiary company	-	59,720	-	-	59,720
Capacity building fund	-	1,617,846	-	-	1,617,846
Financial liabilities:					
Trade payables	-	786,048	-	-	786,048
Other payables and accrued expenses	-	1,898,916	-	-	1,898,916
Zero coupon bonds	-	-	-	18,000,000	18,000,000

#### Sensitivity analysis for interest rate

At the end of reporting period, if the Institute's average interest rate increased or decreased by 24 basis point (2015: 24 basis point), with all other variables held constant, the Institute's surplus for the year will be higher or lower by RM58,713 (2015: RM68,444).

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



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### Capital risk management

The Institute manages its capital to ensure that the Institute will be able to continue as going concerns, through regular reviews of the capital structure.

The capital structure of 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 statement of changes in equity.

The Institute is not subject to any externally imposed capital requirements.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

The financial statements of 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 Institute takes 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 MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value but not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

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.

### 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.

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.

## Foreign Currency

The Institute's financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the Institute, 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 Institute intends to settle its current tax assets and liabilities on a net basis.



## NOTES TO THE FINANCIAL STATEMENTS (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 Institute is 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 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 Institute has 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 Institute 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 Institute 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.

## 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 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 equipmen	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 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)

### Provisions

Provisions are made when the Institute has 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 Institute will be required to settle the obligation.

### Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when, and only when, the Institute becomes 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 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.

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 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 Institute transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Institute neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Institute recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues 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.

#### 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.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 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 Institute derecognise financial liabilities when, and only when, 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 Institute adopts the indirect method in the preparation of the statement 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 Institute's accounting policies**

In the process of applying 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.

## **6. REVENUE**

	2016 RM	2015 RM
Fees received	13,590,880	15,245,445
Sale of books	414,775	605,570
	14,005,655	15,851,015



**7. SURPLUS/(DEFICIT) BEFORE TAX**

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

	2016 RM	2015 RM
Interest income from fixed deposits	851,298	937,417
Rental income	37,468	25,121
Realised loss on foreign exchange	(2,690)	(159)
Rental expense on:		
Venue and office premises	(1,503,478)	(1,383,927)
Equipment	(210,688)	(183,940)
Auditors' remuneration	(40,000)	(35,000)

Employee benefits expense includes salaries, contributions to EPF and all other staff related expenses. During the financial year, contributions of EPF made by the Institute amounted to RM862,310 (2015: RM840,926).

Included in other income is Hibah, a voluntarily gift on saving account in licenced banks, amounted to RM23,271 (2015: RM45,204).

**8. TAX EXPENSE**

	2016 RM	2015 RM
Estimated tax payable:		
Current tax	156,767	1,224
Deferred tax (Note 20)		(243,459)
	156,767	(242,235)
Over/(Under)provision in prior years:		
Current tax	30,504	6,780
Deferred tax (Note 20)	(326,194)	111,457
	(138,923)	(123,998)

For tax purpose, the Institute is treated as a "Trade Association" under Section 53 (3) of the Income Tax Act 1967 under which its income is taxed at scale rates.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

A numerical reconciliation of tax (credit)/expense applicable to the (deficit)/surplus before tax at the statutory income tax rate to tax expense at the effective tax rate of the Institute is as follows:

	2016 RM	2015 RM
(Deficit)/Surplus before tax	(2,157,558)	164,708
Tax of 28% (2015: RM11,900 for the first RM100,000 of chargeable income and the remaining at 24%)	604,116	(27,430)
Tax effects of:		
Expenses not deductible for tax purposes	(471,965)	(269,806)
Non-taxable items	24,616	55,001
Over/(Under) provision in prior years:		
Current tax	30,504	6,780
Deferred tax	(326,194)	111,457
Tax expense for the year	(138,923)	(123,998)

### 9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold building RM	Furniture and fittings, audio visual and office equipment RM	Motor vehicles RM	Computers and peripherals RM	Renovation RM	Total RM
<b>Cost</b>						
As of January 1, 2015	13,212,131	1,771,893	488,152	3,490,718	1,138,795	20,101,689
Additions	-	23,099	-	238,543	83,320	344,962
As of December 31, 2015/ January 1, 2016	13,212,131	1,794,992	488,152	3,729,261	1,222,115	20,446,651
Additions	-	20,058	-	13,780	24,023	57,861
As of December 31, 2016	13,212,131	1,815,050	488,162	3,743,041	1,246,138	20,504,512

	Leasehold building RM	Furniture and fittings, audio visual and office equipment RM	Motor vehicles RM	Computers and peripherals RM	Renovation RM	Total RM
<b>Accumulated Depreciation</b>						
As of January 1, 2015	4,334,326	1,595,868	195,895	3,176,990	1,138,754	10,441,833
Charge for the year	151,757	66,213	76,556	151,675	18,561	464,762
As of December 31, 2015/ January 1, 2016	4,486,083	1,662,081	272,451	3,328,665	1,157,315	10,906,595
Charge for the year	151,757	45,249	76,556	190,239	23,366	487,167
As of December 31, 2016	4,637,840	1,707,330	349,007	3,518,904	1,180,681	11,393,762
<b>Net Book Value</b>						
As of December 31, 2016	8,574,291	107,720	139,145	224,137	65,457	9,110,750
As of December 31, 2015	8,726,048	132,911	215,701	400,596	64,800	9,540,056

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

	Furniture and fittings, audio visual and office equipment RM	Computers and peripherals RM	Renovation RM	Total RM
<b>2016</b>				
Cost	-	596,340	-	596,340
Fund received	-	(596,340)	-	(596,340)
Net book value	-	-	-	-
<b>2015</b>				
Cost	-	379,238	1,350	380,588
Fund received	-	(379,238)	(1,350)	(380,588)
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 Institute are fully depreciated assets which are still in use, with costs totalling RM5,797,453 (2015: RM5,571,294).



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 10 PREPAID LEASE PAYMENTS

	2016 RM	2015 RM
<b>Cost</b>		
At beginning and end of year	5,662,342	5,662,342
<b>Accumulated Amortisation</b>		
At beginning of year	1,922,606	1,857,567
Amortisation for the year	65,039	65,039
At end of year	1,987,645	1,922,606
Carrying amount	3,674,697	3,739,736

The unexpired portion of the said leasehold land as of December 31, 2016 is 56 years (2015: 57 years).

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

### 11. INVESTMENT IN A SUBSIDIARY COMPANY

	2016 RM	2015 RM
Unquoted shares, at cost	-	200,002

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

	Effective equity interest		Principal activity
	2016 %	2015 %	
Unquoted shares, at cost	-	-	Dormant

The establishment of M.I.I. Academy Sdn. Bhd. is a requirement under Section 12 of Akta IPTS 1996. Compliance with Akta IPTS 1996 is for the Institute to obtain accreditation from Malaysian Qualifications Agency (MQA). However, now since the Institute has decided to seek the accreditation from Financial Accreditation Agency (FAA), the subsidiary company is not a requirement any more.

The subsidiary company has been placed under member's voluntary liquidation on July 22, 2015. Accordingly, the Institute has ceased consolidating the subsidiary company.

The cost of investment in subsidiary company had been recovered in full during the financial year.

**12. FIXED DEPOSITS**

	2016 RM	2015 RM
Deposits placed with licensed bank		
Current	16,477,630	20,804,155
Non-current	7,609,922	7,275,445
	24,087,552	28,079,600

The long-term fixed deposits of the Institute placed with a licensed bank amounting to RM7,609,222 (2015: RM7,275,445) 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% (2015: 3.00% to 4.00%) per annum.

All fixed deposits are denominated in Ringgit Malaysia.

**13. INVENTORIES**

	2016 RM	2015 RM
Bookshop books	86,465	54,996

The cost of inventories recognised as an expense for the year was RM31,469 (2015: RM23,631).

**14. TRADE RECEIVABLES**

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 Institute practices no credit to its customers. However, the Institute allows credit to customers with special arrangement with the Institute.

The Institute's 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 Institute's trade and other receivables.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### Ageing analysis of trade receivables

	2016 RM	2015 RM
Neither past due nor impaired	305,196	518,610
Past due but not impaired:		
1-30 days	392,372	409,906
31-60 days	212,320	201,181
61-90 days	491,230	441,448
	1,095,922	1,052,535
	1,401,118	1,571,145

In determining the recoverability of a trade receivable, the Institute considers 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.

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Institute. None of the Institute's trade receivables that are neither past due nor impaired have been renegotiated during the financial period.

#### Receivables that are past due but not impaired

The Institute has trade receivables amounting to RM1,095,922 (2015: RM1,052,535) that are past due at the reporting date for which the Institute has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. Trade receivables that are past due but not impaired are unsecured in nature.

### 15. OTHER RECEIVABLES AND PREPAID EXPENSES

	2016 RM	2015 RM
Prepaid expenses	802,539	331,328
Other receivables	384,032	561,673
Refundable deposits	306,233	300,784
Interest receivable	203,513	235,571
	1,696,317	1,429,356

Included in other receivables of the Institute is an amount of RM76,482 (2015: RM169,716) 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 A SUBSIDIARY COMPANY**

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

As disclosed in Note 1, the Institute resolved to place the subsidiary company under member's voluntary liquidation. Accordingly, the Institute has ceased consolidating the subsidiary company since previous financial year.

The directors of the Institute has performed an assessment on the recoverability of the amount due from the subsidiary company and concluded that the said amount will be recovered in full and no impairment is required to be made.

**17. BUMIPUTRA TRAINING FUND**

	2016 RM	2015 RM
At beginning of year	-	-
Payment of subsidies for Bumiputra life insurance agents	-	15,000
Subsidy received	-	(15,000)
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**

	2016 RM	2015 RM
At beginning of year	1,617,846	1,028,838
Activities	4,154,603	3,504,805
Fund received	(2,790,979)	(2,915,797)
At end of year	2,981,470	1,617,846

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 RM2,981,470 (2015: RM1,617,846) 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

	2016 RM	2015 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
	6,673,042	6,673,042

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

	2016 RM	2015 RM
At beginning of year	2,314,182	2,426,863
Debited/(Credited) to profit or loss for the year (Note 8)	169,427	(112,681)
At end of year	2,483,609	2,314,182

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets and current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax liabilities/assets of the Institute comprise the following:

	2016 RM	2015 RM
<b>Deferred tax liabilities (before offsetting):</b>		
Taxable temporary differences arising from:		
Property, plant and equipment	2,478,290	2,256,467
Other receivables	56,984	57,715
	2,535,274	2,314,182
Offsetting	(51,665)	-
<b>Deferred tax liabilities (after offsetting)</b>	2,483,609	2,314,182
<b>Deferred tax assets (before offsetting):</b>		
Unutilised tax losses	17,884	-
Unabsorbed capital allowances	33,781	-
	51,665	-
Offsetting	(51,665)	-
<b>Deferred tax assets (after offsetting)</b>	-	-



**21. ZERO COUPON BONDS - SECURED**

	2016 RM	2015 RM
Zero coupon bonds	18,000,000	18,000,000
Less: Accumulated amortisation		
At beginning of year	(4,536,798)	(5,083,923)
Interest charged to profit or loss	570,301	547,125
At end of year	(3,966,497)	(4,536,798)
Amortised cost	14,033,503	13,463,202

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 4.11% (2015: 4.11%).

**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 Institute for trade purchases ranges from 30 days to 90 days (2015: 30 days to 90 days).

Other payables and accrued expenses consist of the following:

	2016 RM	2015 RM
Other payables	1,907,797	618,678
Accrued expenses	980,631	1,280,238
Deferred income	644,170	1,043,398
	3,532,598	2,942,314

Included in other payables is deposit received in relation to disposal of Wisma IBI amounted to RM1,209,610 as disclosed in Note 28.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 23. CASH AND CASH EQUIVALENTS

	2016 RM	2015 RM
Cash and bank balances	2,317,163	852,935
Fixed deposits (Note 12)	16,477,630	20,804,155
	18,794,793	21,657,090

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

	2016 RM	2015 RM
Ringgit Malaysia	2,302,023	833,734
United States Dollar	15,140	19,201
	2,317,163	852,935

### 24. CAPITAL COMMITMENTS

As of the end of the reporting period, the Institute has the following capital commitments in respect of property, plant and equipment:

	2016 RM	2015 RM
Approved but not contracted for	289,639	651,351

### 25. RENTAL COMMITMENT

As of the end of the reporting period, the Institute has the following rental commitment in respect of office premises and equipment:

	Future Minimum Lease Payments	
	2016 RM	2015 RM
Financial years ending December 31,		
2016	-	399,293
2017	960,935	159,260
2018 onwards	1,197,313	-
	2,158,248	558,553

## 26. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	2016 RM	2015 RM
Short-term employee benefits	2,188,720	1,596,341
Contributions to EPF	279,746	210,445
	2,468,466	1,806,786

## 27. FINANCIAL INSTRUMENTS

	2016 RM	2015 RM
<b>Financial assets</b>		
Fixed deposits	24,087,552	28,079,600
Cash and bank balances	2,317,163	852,935
Trade receivables	1,401,118	1,571,145
Other receivables and refundable deposits	893,778	1,098,028
Amount due from a subsidiary company	59,720	59,720
Capacity Building Fund	2,981,470	1,617,846
Loans and receivables at amortised cost	5,336,086	4,346,739
<b>Financial liabilities</b>		
Trade payables	482,262	786,048
Other payables and accrued expenses	2,888,428	1,898,916
Zero coupon bonds	14,033,503	13,463,202
Other financial liabilities at amortised cost	17,407,193	16,148,166

The carrying amounts of all financial assets and liabilities of the Institute at the end of the reporting period approximate their fair values except for the following financial liability:

	2016		2015	
	Carrying value RM	Fair value RM	Carrying value RM	Fair value RM
Zero coupon bonds	14,033,503	14,135,717	13,463,202	13,577,674

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 discount rate used is 4.11% (2015: 4.11%).



## **28. SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE FINANCIAL YEAR**

On November 22, 2016, the Institute entered into a conditional sale and purchase agreement binding the Institute, Asian Institute of Chartered Bankers (“AICB”) (formerly known as Institut Bank-Bank Malaysia), both are the joint owners of Wisma IBI, and a third party, for the proposed disposal of Wisma IBI to the third party at a total consideration of RM36,288,288.

The carrying amounts of Wisma IBI owned by the Institute as of the end of the reporting period are as disclosed in leasehold building (Note 9) and prepaid lease payments (Note 10).

As of the end of the reporting period, a deposit of RM1,209,610 received by the Institute had been included in other payables and accrued expenses (Note 22).

As of the date of this report, the completion of this proposed disposal is conditional upon certain conditions precedent being fulfilled.

## 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 Institute as of December 31, 2016 and of the financial performance and the cash flows of the Institute for the year ended on that date.

Signed in accordance with  
a resolution of the Directors,

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**HASHIM BIN HARUN**  
(DIRECTOR)

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**YOON YEW KHUEN**  
(DIRECTOR)

Kuala Lumpur,  
April 12, 2017

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

I, **DATO' HAJI 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.

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**DATO' HAJI SYED MOHEEB  
BIN SYED KAMARULZAMAN**

Subscribed and solemnly declared by the abovenamed **DATO' HAJI SYED MOHEEB BIN SYED KAMARULZAMAN** at **KUALA LUMPUR** this

Before me, April 12, 2017

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**COMMISSIONER FOR OATHS**



# PROXY FORM

## THE MALAYSIAN INSURANCE INSTITUTE 39<sup>TH</sup> 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 **39th Annual General Meeting** of the Institute to be held on **Friday, 26 May 2017** 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 re-elect Mr. Tan Kok Guan as Director of MII		
2.	To re-elect Mr. T.Sivapalan A/L Tharmapalan as Director of MII		
3.	To re-elect Mr. A.K. Wong as Director of MII		
4.	To elect Mr. Philip Wallace Smith as Director of MII		
5.	To re-appoint Messrs Deloitte as the Auditors of MII		
6.	To approve Directors' Benefits		

Dated this ..... day of ....., 2017.

\_\_\_\_\_  
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 39<sup>TH</sup> 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 .....

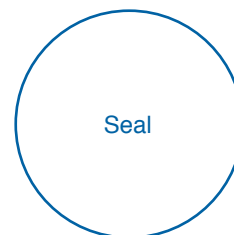
to attend and vote for us on our behalf at the **39th Annual General Meeting** of the Institute to be held on **Friday, 26 May 2017 at 10:00 a.m.** and at any adjournment thereof.

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 re-elect Mr. Tan Kok Guan as Director of MII		
2.	To re-elect Mr. T.Sivapalan A/L Tharmapalan as Director of MII		
3.	To re-elect Mr. A.K. Wong as Director of MII		
4.	To elect Mr. Philip Wallace Smith as Director of MII		
5.	To re-appoint Messrs Deloitte as the Auditors of MII		
6.	To approve Directors' Benefits		

In witness whereof the Common Seal of the Company is affixed on this ..... day of....., 2017.

\_\_\_\_\_  
Signature(s) & Common Seal



Note:-

- A member entitled to attend and vote at this meeting is entitled to appoint an accredited representative to attend and vote in its stead.
- The instrument appointing an accredited representative shall be in writing under the seal of the institutional member.
- 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**

**THE MALAYSIAN INSURANCE INSTITUTE** (35445-H)

No 5, Jalan Sri Semantan Satu  
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Malaysia.

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