



# PREP

ANNUAL REPORT



THE MALAYSIAN  
INSURANCE INSTITUTE  
Building Knowledge. Together

# 2017

# 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 Malaysian Insurance Institute (MII)

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 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 accede 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.





# WHAT'S INSIDE

003	Our Vision, Our Mission & Core Values
004	Notice of Annual General Meeting
006	Corporate Information
007	Board of Directors
009	Management Team
011	Chairman's Message
013	Audit Committee Report
112	Proxy Form - 40th Annual General Meeting
113	Accredited Representative Form - 40th Annual General Meeting

## MII ACTIVITY REPORT

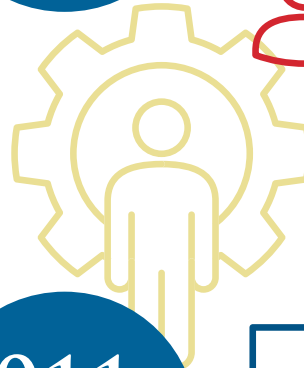
015	MII as a Training Provider
023	MII as an Examination Centre
044	MII as a Professional Body
048	MII as a Knowledge Management Unit
051	MII as a Conference Organiser
057	E-Learning@MII
062	MII as AITRI Secretariat
071	Staff Training and Development
075	Information Technology

## FINANCIAL STATEMENTS

077	Directors' Report
080	Independent Auditors' Report to The Members of The Malaysian Insurance Institute (Incorporated In Malaysia)
083	Statement of Profit or Loss and Other Comprehensive Income
084	Statement of Financial Position
086	Statement of Changes in Equity
087	Statement of Cash Flows
089	Notes to the Financial Statements
111	Statement by Directors
111	Declaration by the Officer Primarily Responsible for the Financial Management of the Institute

### 003

VISION,  
MISSION &  
CORE  
VALUES



### 011

CHAIRMAN'S  
MESSAGE



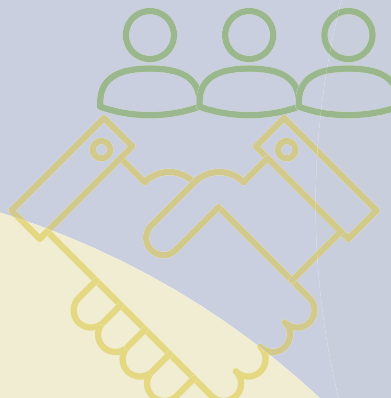
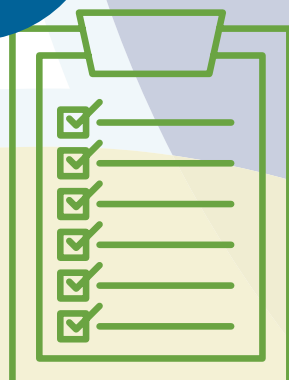
### 015

ACTIVITY  
REPORT



### 081

FINANCIAL  
STATEMENTS



# OUR VISION

MI 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

- Highest Ethical & Moral Standards
- Service-Centered
- Quality Mindset
- Growth & Teamwork Mindset
- Learning Culture





# 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 40th Annual General Meeting of The Malaysian Insurance Institute (“MII”) will be held at Concorde Ballroom, Lobby Level, Concorde Hotel Kuala Lumpur, 2 Jalan Sultan Ismail, 50250 Kuala Lumpur, on Tuesday, 26 June 2018 at 10:00 a.m. for the following purposes:

### **AGENDA AS ORDINARY BUSINESS**

1. To receive the audited financial statements for the financial year ended 31 December 2017 together with the Directors’ and Auditors’ Reports thereon.\*

2. To re-elect the following Directors in accordance with MII’s Constitution:-

(i) **Zainal Abidin Mohd Noor (Article 72 (1)(b)(i))**

**Resolution 1**

(ii) **Datuk Francis Lai @ Lai Vun Sen (Article 72 (1)(b)(ii))**

**Resolution 2**

3. To re-appoint Messrs Deloitte PLT 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 3**

### **AS SPECIAL BUSINESS**

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

4. Proposed Directors’ Benefits

**Resolution 4**

“THAT a payment of directors’ meeting allowance of RM500 per meeting with effect from 1 January 2018 and the payment of MII membership fees and subscriptions by MII for its Directors be hereby approved.”

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

Kuala Lumpur

Dated: 25 May 2018

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 MII. 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 MII, 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.4, 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

- **Toi See Jong**  
(Chairman, resigned on 30 March 2018)
- **Hashim bin Harun**  
(Former Chairman, resigned on 31 December 2017)
- **Antony Fook Weng Lee**  
(Acting Chairman)
- **Dato' Adrian Low Heong Chow**
- **Datuk Francis Lai**  
@ Lai Yun Sen
- **Tan Kok Guan**
- **Raja Zailan Putra bin Raja Dato' Seri Hj Azam**
- **Zainal Abidin bin Mohd Noor**
- **Wong Teck Wai**
- **Ezamshah bin Ismail**
- **A.K. Wong**
- **T. Sivapalan a/l Tharmapalan**
- **Philip Wallace Smith**  
(appointed on 17 November 2017)
- **Gan Leong Hin**  
(resigned on 26 May 2017)
- **Yoon Yew Khuen**  
(resigned on 18 April 2018)

## AUDIT COMMITTEE

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

**Datuk Francis Lai**  
@Lai Yun Sen

**Tan Kok Guan**

## BOARD RISK MANAGEMENT COMMITTEE

**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

**Dato' 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



**Toi See Jong**  
*MIJ Chairman*  
*(resigned on 30 March 2018)*



**Antony Fook Weng Lee**  
*Chief Executive Officer*  
**AIG Malaysia Insurance Berhad**  
*(Acting Chairman)*



**Dato' Adrian Low Heong Chow**  
*MIJ Director*



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



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



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



**Zainal Abidin Mohd Noor**  
*MIJ Director*





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



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



**A.K. Wong**  
*MII Director*



**T. Sivapalan A/L Tharmapalan**  
*MII Director*



**Philip Wallace Smith**  
*Chief Executive Officer*  
**Zurich Insurance**  
**Malaysia Berhad**



**Yoon Yew Khuen**  
*Director of Insurance Development*  
**Bank Negara Malaysia**  
*(resigned on 18 April 2018)*

# MANAGEMENT TEAM



**Dato' Syed Moheeb  
bin Syed Kamarulzaman**  
*Chief Executive Officer  
(CEO)*



**Liew Yoke On**  
*Chief Marketing Officer  
(CMO)*



**Wahida Shariff**  
*Chief Academic Officer  
(CAO)*



**Haslindah Atan**  
*Senior Vice President,  
Finance, Human Resources  
& Administration*



**Tan Li Na**  
*Senior Vice President,  
Business Development &  
Customer Relations  
Management*



**Dr. Rusli Othman**  
*Senior Vice President,  
Quality Assurance &  
Strategic Implementation*



**Hasri Hamidan**  
*Senior Vice President,  
Content Development &  
Programme Management*



**Raveendran A/L Nadarajah**  
*Senior Vice President,  
Risk Management  
& Compliance*



**Ann Margaret Joseph**  
*Senior Vice President,  
Faculty*



**Muhammad Mohsin**  
*Vice President,  
Internal Audit*



**Nor Izmawati Mostapar**  
*Vice President,  
e-Learning &  
Corporate Communications*



**Nazlihasri bin Abdul Rahman**  
*Vice President,  
Information Technology*



**Rosmaniwati Haji Agus**  
*Vice President,  
Registry & Course  
Management*

# 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 Institute in the Malaysian insurance industry. 2017 was a tough year for the local insurance industry, but 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 knowledge of the industry.

## 2017 was a year of collaboration for MII

A transformation that sets out our course to becoming the preferred institution for education in insurance, financial and risk management. Upholding our mission to raise the professional standards of the industry through the delivery of value added products and quality services; this transformation could not have come at a better time as we embark on measures heading us to the right direction.

Before getting into the details about the past year, including our financial performance and activities report, I would like to share with you our aspiration and the journey that we have taken to becoming a renowned educational and professional body.

## MII looks forward to the forthcoming shift of its head office

The ACE Project (A Centre of Excellence) initiated by Bank Negara Malaysia and driven by the Asian Institute of Finance (AIF) will house all institutions within the financial services industry, under one roof. Neighbouring Bank Negara Malaysia in Kuala Lumpur, MII will soon be working more closely with the larger family by the end of 2018. Institutions expected to occupy ACE are the Asian Institute of Chartered Bankers (AICB), Islamic Banking & Finance Institute Malaysia (IBFIM), Securities Industry Development Corporation (SIDC), and of course, The Malaysian Insurance Institute (MII). Historically, the existing building in Damansara Heights, Kuala Lumpur, which is jointly-owned by MII and AICB, was purchased in 1992 via the issuance of Zero Coupon Bonds to the insurance and banking sectors to finance the acquisition where in respect of MII, its Bonds will mature by year 2022. Knight Frank, the world's leading independent property advisor was appointed to roll out the marketing campaign to profitably dispose of the property.

## MII's new qualifications framework

In responding to the emphasis on human capital development and talent enrichment in all sectors, including the insurance and financial services industry, MII has reviewed its overall governance and qualifications framework to strengthen its roles as a professional body and an education centre. Intense effort has been in progress for the last few years in developing the new MII qualifications framework to ensure that it continues to meet the current and future needs of the profession and the industry. With a new framework, comes the upgrade and enhancement of all our programmes that are relevant to the industry as we aspire to lead in knowledge sharing as far as insurance and risk management are concerned. Working closely with its stakeholders namely the Board of Directors, industry's chief executive officers, training heads and human resource heads and representatives from the insurance industry associations namely LIAM, PIAM, MITBA and AMLA, the MII new qualifications framework caters to all levels of knowledge and serves all sectors of the insurance market.

## We have a goal to thrive in the digital world

Understanding that the needs of the market have changed where the acquisition of education and knowledge has gone wireless, seamless and fully interactive, going digital is imperative to compete in the long term. This simply means that moving our products and services from traditional to digital channels is paramount to cater to the mass appeal, especially the millennials who are the biggest talent potential that the industry should be looking at to enter the industry as a workforce. That is what we have succeeded to accomplish within the period under review where our e-learning approach has developed an online learning environment to answer to the crucial need for continuous learning and professional growth; without compromising people's daily commitments and supporting work-life balance. This is in addition to the ongoing optimisation of the Integrated Learning Management System (ILMS), a key sales tool that will help to improve time efficiency and enhance customers experiences with MII products and services. our members and stakeholders. The support from companies is much appreciated as we expect to complete a number of strategic initiatives by this year which will contribute significantly to the achievement of our vision to be the preferred education institution in insurance, financial and risk management.



In closing, we would like to express our appreciation to the management staff, MII Board of Directors, the MII Audit Committee and the MII Board Risk Management Committee for their continued guidance and support. Lastly, to our members, students, customers and stakeholders, thank you so much for your invaluable support for MII in 2017.

Thank you.

# 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 2017, the Audit Committee met 3 times according to the requirement of the Terms of Reference i.e. on 6 April, 10 August and 7 December. The record of attendance is as follows:

Members	Attendance
Ezamshah Ismail (Chairman)	3/3
Tan Kok Guan	3/3
Datuk Francis Lai Yun Sen	3/3

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



## 5. Duties

The main duties of the Audit Committee are:

- to consider the appointment of a suitable accounting firm to act as external auditors. Among the factors that may be considered are adequacy of experience and resources of the firm, the credentials of the persons assigned to the audit, and the audit fee;
- to 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 2017:

- reviewed the Audited Financial Statements for the year ended 31 December 2016;
- reviewed the interim Audited Financial Statements for 6 months ended 30 June 2017;
- approved the 2018 Internal Audit Plan;
- reviewed the Internal Audit assurance reports concerning Risk Management Coordination, Events Management, Corporate Communications, Education Centre – General Training and Curriculum Development – Life, Insurance;
- considered and endorsed Internal Audit's recommendations and Management's responses; and
- reviewed the Audit Findings Dashboard and implementation of the agreed corrective actions.

Apart from reviewing Cybersecurity Audit report issued by the appointed IT audit firm (PKF Avant Edge), the Audit Committee also discussed future IT audits engagements, either by outsourcing or by recruitment of IT audit executive.

## 7. Internal Audit Department

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

# 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 three (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 three (3) main streams, i.e. Technical Training Courses, Premier Series and Special Courses.

#### 2.1. Technical Training Courses

The technical training courses offer three (3) levels of programmes with target audiences ranging from new entrants to management staff. The courses are structured as basic/foundation, 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 2017, the special courses focusing on technical level was conducted in the home country of our customer which was in Bangkok with 82 participants. The course conducted was titled Cyber Threat and Insurance.

The overall performance of general insurance training for 2017 reported a decrease of 21.6% or 16 classes as compared to 2016. The number of registered participants in 2016 was 1188 as compared to 822 in 2017, a decrease of 30.8%.

Out of 58 classes, 45 were conducted as public classes while the remaining 13 classes were conducted as in-house. Demand for public classes in 2017 showed a similar trend as in 2016, where demand for in-house classes showed a decrease by 12 classes or 57.9% as compared to 2016.





## ACTIVITY REPORT (CONT'D)

### General Insurance Training Courses in 2017 and 2016:

No.	Course	2017		2016	
		No. of Classes	No. of Participants	No. of Classes	No. of Participants
<b>1.</b>	<b>Public</b>				
	Technical	29	214	39	348
	Premier Series	9	115	6	63
	Special Courses for Local	4	125	2	93
	Special Courses for Foreign	1	82	1	17
	Certification	2	7	1	5
	<b>Sub-Total:</b>	<b>45</b>	<b>543</b>	<b>49</b>	<b>526</b>
<b>2.</b>	<b>In-House</b>				
	Technical	12	264	23	644
	Special Courses for Foreign Participants	0	0	0	0
	Certification	1	15	2	18
	Sub-Total	13	279	25	662
	<b>Grand Total (Public + In-house)</b>	<b>58</b>	<b>822</b>	<b>74</b>	<b>1188</b>

### Overall Number of Training Classes and Participants by Level in 2017 and 2016:

No.	Level	2017			2016		
		No. of Topics	No. of Classes	No. of Participants	No. of Topics	No. of Classes	No. of Participants
1	Basic	13	18	239	20	42	804
2	Intermediate	26	31	315	21	26	251
3	Advanced	1	1	39	0	0	0
4	Certification	3	3	22	2	3	23
5	Special Courses	5	5	207	3	3	110
	<b>Total</b>	<b>48</b>	<b>58</b>	<b>822</b>	<b>48</b>	<b>74</b>	<b>1188</b>

### Public and In-House Training Courses by Level in 2017 and 2016:

No.	Level	2017				2016			
		Public		In-House		Public		In-House	
		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	12	117	6	122	19	178	22	626
2	Intermediate	25	173	6	142	26	233	1	18
3	Advanced	1	39	0	0	0	0	0	0
4	Certification	2	7	1	15	1	5	2	18
5	Special Courses	5	207	0	0	3	110	0	0
	<b>Total</b>	<b>45</b>	<b>543</b>	<b>13</b>	<b>279</b>	<b>49</b>	<b>526</b>	<b>25</b>	<b>662</b>

The number of participants for basic courses in 2017 showed a decrease by 70.3% or 239 participants compared to 804 participants in 2016. However, the Intermediate courses reported an increase by 25.5% or 64 participants, from 251 in 2016 to 315 in 2017. The Special courses also showed a surge in participation rate, from 110 in 2016 to 207 in 2017, an increase of 88.2%.



**In House Programme**  
 27 September 2017  
 Reinsurance of Auditors  
 Malaysian Reinsurance Berhad



**Public Programme**  
 21 - 22 November 2017  
 Foundation Course in Risk Management

**2.2. Premier Series**

The Premier Series are targeted to audiences who are more advanced and focuses on topics that meet 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 2017, MII conducted nine (9) Premier Series courses. The courses attracted 115 participants, comprising 96 local participants and 19 overseas participants came from Laos, Singapore, Brunei, Sudan, Maldives and Indonesia. There were 63 participants who attended the Premier Series courses in 2016, a tremendous increase of 52.4% or 33 participants.



**Premier Course:**  
 Contractor's All Risk (CAR) & Erection All Risk Insurance (EAR) - Understanding Coverages and Claims Issues  
 13 - 14 November 2017



**Premier Course:**  
 Fire Clauses - How to Apply the Right Clauses for Maximum Protection  
 11 - 12 April 2017



## ACTIVITY REPORT (CONT'D)

### 2.3. Special Courses

Special courses are referred to the courses organised either for public or in-house based on collaboration effort with others organisation or institute in Malaysia or Overseas. A workshop methodology will be adapted. Participants are expected to have a certain level of knowledge as a lot of actual case scenarios will be used to enhance understanding as well as study visits to bring classroom knowledge to the actual work site.

In 2017, total of 5 Special courses were conducted, whereby four (4) were conducted locally and one (1) was conducted in Thailand. The courses attracted 207 participants, comprising 110 local participants and 97 overseas participants were from Thailand, Vietnam, Philippines and Indonesia. There were 110 participants attended the Special courses in 2016, an increase of 97 participants in comparison.

The 5 special courses conducted locally and abroad in 2017 are as follows:

No	Type	Topic
1	Soft Skills	The 7 Habits of Highly Effective People
2	Technical	MII-TII : Cyber Threat and Insurance
3	Technical	MII-AICLA - A Technical Workshop on How to Manage Machinery Breakdown and Business Interruption Claims
4	Technical	An Interactive Workshop: Railway Infrastructure Project Development in Malaysia - Risk and Insurance Perspective
5	Technical	A Workshop on Port and Terminal Liability



Special Course:  
A Workshop on Port and Terminal Liability  
6 - 8 December 2017



Special Course:  
An Interactive Workshop: Railway Infrastructure  
Project Development in Malaysia - Risk and Insurance  
Perspective  
27 - 29 July 2017

### 2.4. Professional and Certificated Programmes

In 2017, 22 participants registered for the professional and certificated programmes. Participation trend for professional and certification programmes in 2017 remains the same as in 2016 with a slight decrease of one (1) participant. One (1) in house class on Professional Certificate in General Insurance Agents was offered to an insurance company in Q3 of 2017 with a total of 15 participants (agents).

Professional and Certificated programmes conducted in 2017:

No	Details
1	Technical Certificate in General Insurance Underwriting(TCGIU)
2	Professional Certificate in General Insurance Agents (PCGIA)
3	Claims Technician Course (Self Study)

## 2.5. Foreign Participants

In 2017, we recorded total participation of 150 foreign participants for the general insurance courses as compared to 67 participants in 2016, an increase of 83 participants or 123.8%. Majority of the foreign participants attended the training courses were from ASEAN countries, that is, Indonesia, Brunei, Laos, Singapore, Philippines, Thailand, Vietnam with the remaining from Kiribati, Maldives, Saudi Arabia, and Oman.

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

Foreign Participation in General Insurance Training Courses in 2017 and 2016:

No.	Course	2017	2016	Increase / (Decrease) %
1	Technical Training*	32	29	3
2	Premier Series**	19	05	14
3	Special Courses***	99	33	66
<b>Total</b>		<b>150</b>	<b>67</b>	<b>83</b>

### 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 – These special courses were referred to as the courses organised either for public or in-house based on collaboration effort with other organisation. A workshop methodology will be adapted. Participants are expected to have a certain level of knowledge as a lot of actual case scenarios will be used to enhance understanding as well as study visits to bring classroom knowledge to the actual work site.



## ACTIVITY REPORT (CONT'D)

Number of Participants for Technical Training Courses, Premier Series and Special Courses by Country in 2017 and 2016:

No.	Country	Technical Training Courses		Premier Series		Special Courses	
		No. of Participants		No. of Participants		No. of Participants	
		2017	2016	2017	2016	2017	2016
1	Brunei	3	0	3	0	0	0
2	Cambodia	0	0	1	0	0	0
3	Hong Kong	0	0	0	0	0	1
4	Indonesia	21	23	5	1	11	12
5	Kribati	1	1	0	0	0	0
6	Laos	0	0	7	2	0	0
7	Maldives	2	4	0	0	0	0
8	Oman	2	0	0	0	0	0
9	Papua New Guinea	1	0	0	0	0	0
10	Philippines	0	0	0	0	2	0
11	Qatar	0	0	0	1	0	0
12	Saudi Arabia	2	0	0	0	0	0
13	Singapore	0	0	1	1	0	0
14	Sudan	0	0	2	0	0	0
15	Thailand	0	1	0	0	82	17
16	Vietnam	0	0	0	0	4	3
<b>Total</b>		<b>32</b>	<b>29</b>	<b>19</b>	<b>5</b>	<b>99</b>	<b>33</b>

### 3. LIFE INSURANCE TRAINING

Life Insurance Training is divided into four (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 2017, 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 2017 and 2016:

Activity	2017		2016	
	No. of Sessions	No. of Participants	No. of Sessions	No. of Participants
Life Insurance Courses	31	560	21	322

Life Insurance Training, Number of Sessions and Participants in 2017 and 2016:

Training Category	No. of Sessions		No. of Participants (Agents)		No. of Participants (Staff)	
	2017	2016	2017	2016	2017	2016
Skill-Building	28	19	98	104	337	181
Leadership & Teambuilding	2	-	103	-	-	-
Agency Management Training Course (AMTC)	1	2	22	37	-	-
<b>Total</b>	<b>31</b>	<b>22</b>	<b>223</b>	<b>141</b>	<b>337</b>	<b>181</b>

The year 2017 saw the number of courses offered, increased from 21 sessions in 2016 to 31 sessions in 2017. This is reflected in the increase of participants from 322 in 2016 to 560 in 2017.



Skill-Building training



Agency Management Training Course (AMTC)



## ACTIVITY REPORT (CONT'D)

### 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.

The Table below reports the number of participants in BTF Courses for 2017 and 2016

Training Category	No. of Sessions		Agent Participation		Staff Participation		Total No. of Participants	
	2017	2016	2017	2016	2017	2016	2017	2016
Skill-Building	1	-	50	-	-	-	50	-
Leadership & Teambuilding	2	-	103	-	-	-	103	-
Life Agents Convention	1	1	448	447	-	-	-	447
AMTC	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>1</b>	<b>601</b>	<b>447</b>	<b>-</b>	<b>-</b>	<b>153</b>	<b>447</b>

In 2017, RM 160,855 was drawn from the fund to subsidize courses that benefited a total of 601 Bumiputera staff and agents of life insurance companies.

## MII AS AN EXAMINATION CENTRE

### 1. OVERVIEW

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

We conducted 14 types of examinations in 2017 involving 68,263 examination candidates at 14 examination centres in 14 states throughout Malaysia. This is a decrease of 14% or 10,702 examination candidates from 78,965 examination candidates in 2016.

Shariah Registered Financial Planner (SRFP), Shariah Registered Financial Planning Capstone (SRFPC), Basic Certificate Course in Loss Adjusting (BCCILA) and Basic Certificate Course in Insurance and Takaful Broking (BCCITB) reported an increase whilst other examinations reported a drop in number of examination candidates; i.e Associateship of The Malaysian Insurance Institute (AMII), Certificate of The Malaysian Insurance Institute (CMII), Pre-Contract Examination for Insurance Agents (PCEIA), The Certificate Examination in Investment-Linked Life Insurance (CEILLI), Basic Agency Management Course (BAMC), Registered Financial Planner (RFP) and Registered Financial Planner Capstone (RFPC). PCEIA reported the major drop in number of examination candidates by 16% or 7,670 candidates as compared to a total of 46,846 candidates in 2016.

PCEIA recorded the largest number of examination candidates, numbering 39,176 candidates while the Certificate Examination in Investment-Linked Life Insurance (CEILLI) recorded 25,327 examination candidates.

Professional Certificate in General Insurance Underwriting and Professional Certificate for General Insurance Agents which were introduced for the first time in 2017 were conducted with a total of 96 students.

Types of Examinations, Examination Sessions, Number of Candidates Sat for Examination and Examination Centres in 2017:

No.	Examination		Month/Day of Examination in 2016	No. of Candidates for Examination	No. of Examination Centres
<b>Professional Examinations</b>					
1	Associateship of The Malaysian Insurance Institute – Level 1	AMII Level 1	January, May, September	668	12
2	Associateship of The Malaysian Insurance Institute – Level 2	AMII Level 1			
3	Registered Financial Planner	RFP	March, August, November	629	6
4	Registered Financial Planner Capstone	RFPC		147	6
5	Shariah Registered Financial Planner	SRFP	March, August, November	225	6
6	Shariah Registered Financial Planner Capstone	SRFPC		454	6





## ACTIVITY REPORT (CONT'D)

No.	Examination		Month/Day of Examination in 2016	No. of Candidates for Examination	No. of Examination Centres
<b>Certificated Examinations</b>					
7	Certificate of The Malaysian Insurance Institute – Insurance	CMII	January, May, September	188	8
8	Basic Certificate Course in Loss Adjusting	BCCILA	March, June, September, December	224	11
9	Basic Certificate Course in Insurance and Takaful Broking	BCCITB	March, June, September, December	161	6
10	Professional Certificate in General Insurance Underwriting	PCGIU	March, April, May, June, July, September, October, November, December	83	1
11	Professional Certificate for General Insurance Agents	PCGIA	December	13	1
12	Basic Agency Management Course	BAMC	March, June, September, December	968	14
<b>Agents' Qualifying 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	606	7
13 (b)		PCEIA computer-based (CBE)	KL Centre: Monday to Friday Outstation/Ad-hoc: Every Saturday	38,570	12
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	454	7
14 (b)		CEILLI computer-based (PPE)	KL Centre: Monday to Friday Outstation/Ad-hoc: Every Saturday	24,873	12
<b>Total</b>				<b>68,263</b>	<b>115</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 12 CBE centres nationwide and we are planning to open few more CBE centres in the near future.

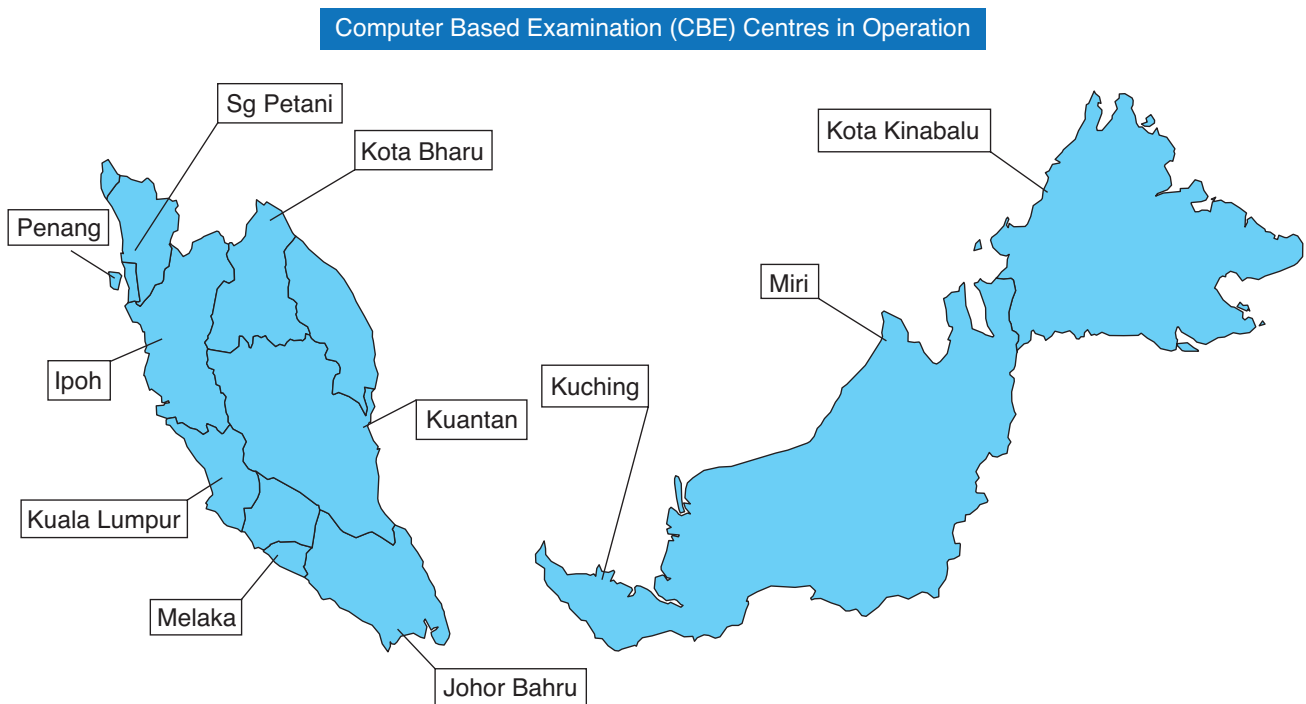
In July 2009, we began to offer the CBE in Johor Bharu and Penang. In 2012, we opened six (6) new centres, namely Kota Bharu, Kota Kinabalu, Kuching, Ipoh, Melaka and Kuantan. Another two (2) new CBE centres were opened in Sungai Petani and Miri in 2013. The newest CBE center at Sibul, Sarawak was opened in June 2017.

Our main exam centre is at MII City Centre in Wisma Sime Darby, Kuala Lumpur, which can cater 69 examination seats per session.

The industry has responded positively to the functions of the 12 CBE centres and the trend has shown a significant increase in the number of candidates taking the CBE over the past few years.

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

## 2.1 Map of MII Centres



## 2.2 Gallery of MII CBE

### (a) Kuala Lumpur MII City Centre (Main)



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



Sibu Centre

### (c) In-House Centres



Zurich Centre, Kuala Lumpur



Great Eastern Centre, Kuala Lumpur

## 3. PROFESSIONAL PROGRAMMES

### 3.1. Associateship of The Malaysian Insurance Institute (AMII - Level 1 & Level 2)

The Associateship of the Malaysian Insurance Institute (AMII) is an exclusive professional qualification programme tailored to the needs of the business and industry. The new AMII - Level 1 and Level 2 framework was developed by combining the intermediate and advanced levels. The introduction of the new AMII (Level 1 and Level 2) framework 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.



## ACTIVITY REPORT (CONT'D)

The AMII Level 1 and Level 2 framework was first introduced 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 first examination session was conducted in October 2016.

The new framework is certified by the Finance Accreditation Agency (FAA). 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.

### (a) AMII Level 1 and 2 - Local Students

The AMII Level 1 and 2 programmes are offered in two (2) study schemes, class-based and self-study. The self-study mode caters to students who are unable to attend class-based programmes due to distance and/or time constraints. Under the new AMII framework, both self study and class-based students have same assessment structure i.e 40% for the coursework and 60% for the final examination.

In 2017, 610 candidates sat for the AMII and the DMII examinations, locally. The average rate of passes by session ranged between 48% and 73%. Number of subjects taken is between 16 to 20 subjects.

Examination sessions were conducted on 17 - 19 January, 23 - 25 May and 26 - 28 September 2017 at various centres throughout the country.

AMII Level 1 and 2 Examinations Statistics (Local Students) for 2017 and 2016:

Exam Session	Level	2017				2016			
		No. of Subject	Sat	Passed	Average Pass %	No. of Subject	Sat	Passed	Average Pass %
		AMII New Framework				AMII/ DMII (Old Framework)			
January	Level 1	9	116	64	55%	15	247	157	64%
	Level 2	9	64	31	48%				
April	No examination in April 2017					15	281	179	64%
May	Level 1	9	121	67	55%	No examination in May 2016			
	Level 2	10	84	45	54%				
July	No examination in July 2017					14	336	198	59%
September	Level 1	8	147	82	56%	No examination in May 2016			
	Level 2	8	78	57	73%				
October	No examination in October 2017					AMII New Framework (1 <sup>st</sup> exam conducted under new AMII framework)			
						9	126	78	62%
						9	94	64	62%
<b>Total</b>			<b>610</b>	<b>364</b>	<b>57%</b>		1,084	676	62%

**(b) AMII Level 1 and 2 - International Students**

In 2017, we continued to conduct the AMII Level 1 and 2 examinations outside Malaysia, i.e. in Indonesia and Myanmar.

58 candidates sat for the AMII Level 1 and 2 examinations at these international centres. The average rate of passes by session ranged between 0% and 61% with between 1 and 2 subjects taken.

AMII Examination Statistics (International Students) for 2017 and 2016:

Examination Venue	2017				2016			
	No. of Subject	Sat	Passed	Average Pass %	No. of Subject	Sat	Passed	Average Pass %
Maldives, Male	No examination offered				2	4	0	0%
Myanmar	2	2	0	0%	No examination offered			
Jakarta, Indonesia	1	56	34	61%	15	149	82	55%
Tehran, Iran	No examination offered				11	18	10	56%
<b>Total</b>		<b>58</b>	<b>34</b>	<b>59%</b>		<b>171</b>	<b>92</b>	<b>54%</b>

**3.2. Registered Financial Planner (RFP)**

The Malaysian Financial Planning Council (MFPC) is an independent body set up with the objectives of promoting nationwide development and enhancement of the financial planning profession.

In 2017, MII was given the mandate by MFPC to facilitate the Shariah RFP, RFP Capstone and RFP Shariah Capstone examinations, besides the conventional RFP.

**3.3 RESULT PERFORMANCE OF REGISTERED FINANCIAL PLANNER (RFP)**

A total of 629 candidates sat for the RFP examination, a drop of 7% or 45 candidates for the various modules compared to 2016. The average rate of passes has dropped from 68% in 2016 to 64% in 2017. Three (3) modules i.e. Tax Planning, Retirement Planning and Application of Financial Planning recorded an increase in the rate of passes for 2017 compared to 2016.

The Risk Management and Insurance Planning module reported the highest rate of passes of 84% for all the examination sessions.



## ACTIVITY REPORT (CONT'D)

### RFP Statistics for Each Module for 2017 and 2016:

No.	Module	2017			2016		
		Sat	Passed	Pass %	Sat	Passed	Pass %
1	Fundamentals of Financial Planning	186	115	62%	213	163	77%
2	Risk Management and Insurance Planning	132	111	84%	152	127	84%
3	Investment Planning	137	60	44%	171	89	52%
4	Tax Planning	33	22	67%	38	24	63%
5	Estate Planning	34	28	82%	25	24	96%
6	Retirement Planning	86	53	62%	54	28	52%
7	Application of Financial Planning	21	12	57%	21	6	29%
	<b>Total</b>	629	401	64%	674	461	68%

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

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.

**Shariah RFP Statistics for each module for 2017 and 2016:**

No.	Module	2017			2016		
		Sat	Passed	Pass %	Sat	Passed	Pass %
1	Fundamentals of Shariah Financial Planning	79	69	87%	16	13	81%
2	Risk Management & Takaful Planning	41	35	85%	11	8	73%
3	Shariah Investment Planning	73	45	62%	9	6	67%
4	Zakat & Tax Planning	2	0	0%	1	0	0%
5	Shariah Estate Planning	6	5	83%	2	0	0%
6	Retirement Planning	22	9	41%	1	0	0%
7	Application of Shariah Financial Planning	2	1	50%	0	0	0%
	<b>Total</b>	<b>225</b>	<b>164</b>	<b>73%</b>	<b>40</b>	<b>27</b>	<b>68%</b>

**3.5 Result Performance Of RFP Capstone (RFPC)**

The RFP Capstone and Shariah RFP Capstone programme aims to equip practitioners with the updated and required professional and practical skills to practise 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.

Three (3) examinations were conducted in March, August and November 2017.

A total of 147 candidates sat for the RFP Capstone examination compared to 130 candidates in 2016, an increase of 13%. However, the average rate of passes has decreased from 62% in 2016 to 45% in 2017.





## ACTIVITY REPORT (CONT'D)

### RFP Capstone Statistics for 2017 and 2016:

Month	2017				2016			
	Registration	Sat	Pass	Pass %	Registration	Sat	Pass	Pass %
March	42	42	24	57%	30	30	21	70%
August	69	68	31	46%	61	60	40	67%
November	47	37	11	30%	43	40	20	50%
<b>Total</b>	<b>158</b>	<b>147</b>	<b>66</b>	<b>45%</b>	<b>134</b>	<b>130</b>	<b>81</b>	<b>62%</b>

### 3.6 Result Performance Of Shariah RFP Capstone (SRFPC)

A total of 454 candidates sat for the RFP Capstone examination compared to 128 candidates in 2016, an increase of 255% or 326 candidates. However, the average rate of passes has decreased from 59% in 2016 to 47% in 2017.

### Shariah RFP Capstone Statistics for 2017 and 2016:

Month	2017				2016			
	Registration	Sat	Pass	Pass %	Registration	Sat	Pass	Pass %
March	75	72	39	54%	19	18	12	67%
August	55	54	31	57%	43	42	23	55%
September	140	140	58	41%				
November	189	188	86	46%	71	68	41	60%
<b>Total</b>	<b>459</b>	<b>454</b>	<b>214</b>	<b>47%</b>	<b>133</b>	<b>128</b>	<b>76</b>	<b>59%</b>

## 4 CERTIFICATED EXAMINATIONS

### 4.1 Certificate of The Malaysian Insurance Institute (CMII)

In 2017, 188 candidates sat for the CMII examination with the average rate of passes by session ranging between 54% and 100%. The examination sessions were conducted in January, February, May, July, September and November 2017.

**CMII Examination Statistics for 2017 and 2016:**

Month	2017			2016		
	Sat	Passed	Pass %	Sat	Passed	Pass %
January	40	25	63%	41	31	76%
February	32	32	100%	No examination in February 2016		
April	No examination in April 2017			117	89	76%
May	49	32	65%	No examination in May 2016		
July	1	1	100%	108	75	69%
September	41	22	54%	No examination in September 2016		
October	No examination in October 2017			89	45	51%
November	25	18	72%	No examination in November 2016		
<b>Total</b>	<b>188</b>	<b>130</b>	<b>69%</b>	<b>355</b>	<b>240</b>	<b>68%</b>

**4.2 Basic Certificate Course in Insurance Loss Adjusting (BCCILA)**

In 2017, 224 candidates sat for the BCCILA examination. Four (4) examination sessions were conducted in March, June, September and December 2017 after the candidates attended a 4-day course at MII.

**BCCILA Examination Statistics for 2017 and 2016:**

Month	2017			2016		
	Sat	Passed	Pass %	Sat	Passed	Pass %
February	No examination in January 2017			34	30	88%
March	46	38	83%	No examination in March 2016		
May	No examination in May 2017			69	60	87%
June	30	22	73%	No examination in June 2016		
September	72	56	78%	56	45	80%
November	No examination in November 2017			47	33	70%
December	76	65	86%	No examination in December 2016		
<b>Total</b>	<b>224</b>	<b>181</b>	<b>81%</b>	<b>206</b>	<b>168</b>	<b>82%</b>

**4.3 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 two (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.



## ACTIVITY REPORT (CONT'D)

The overall rate of passes in 2017 registered an average of 71%, which was 8% higher compared to the 2016 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, April, June, September, October and December 2017.

### BCCITB Examination Statistics for 2017 and 2016:

Month	2017			2016		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	6	2	33%	26	16	62%
April	7	7	100%	No examination in April 2016		
June	55	43	78%	41	33	80%
August	No examination in August 2017			30	19	63%
September	38	27	71%	No examination in September 2016		
October	18	13	72%	No examination in October 2016		
November	No examination in November 2017			48	23	48%
December	37	23	62%	No examination in December 2016		
<b>Total</b>	<b>161</b>	<b>115</b>	<b>71%</b>	<b>145</b>	<b>91</b>	<b>63%</b>

#### 4.4 Professional Certificate in General Insurance Underwiring (PCGIU) The Professional Certificate for General Insurance Agents (PCGIA)

Professional Certificate in General Insurance Underwiring and The Professional Certificate for General Insurance Agents course were introduced in March 2017.

The examination consists of three (3) modules, comprising five (5) subjects. The first two (2) modules comprising three (3) subjects are compulsory, whilst the 3rd module comprising two (2) subjects are elective. Candidates are required to pass five (5) subjects and the passing marks are 70% for all three (3) modules.

**PCGIU Examination Statistics for 2017 and 2016:**

Month	2017			2016		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	9	9	100%	No examination in December 2016		
April	12	12	100%			
May	12	11	92%			
June	24	24	100%			
July	1	1	100%			
September	5	4	80%			
October	10	10	100%			
November	5	2	40%			
December	5	3	60%			
<b>Total</b>	<b>83</b>	<b>76</b>	<b>92%</b>			

**PCGIU Examination Statistics for 2017 and 2016:**

Month	2017			2016		
	Sat	Passed	Pass %	Sat	Passed	Pass %
December	13	13	100%	No examination in December 2016		
<b>Total</b>	<b>13</b>	<b>13</b>	<b>100%</b>			

**4.5 Result Performance of Basic Agency Management Certificate (BAMC)**

In 2017, 968 candidates sat for the BAMC examination, a decrease of 19% or 228 candidates compared to 2016. The average rate of passes reported the same at 95% for 2017 and 2016. Four (4) examinations were conducted in March, June, September, and December 2017.

**BAMC Examination Statistics for 2017 and 2016:**

Month	2017			2016		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	149	141	95%	215	195	91%
June	308	299	97%	294	274	93%
September	353	326	92%	445	437	98%
December	158	152	96%	242	227	94%
<b>Total</b>	<b>968</b>	<b>918</b>	<b>95%</b>	<b>1,196</b>	<b>1,133</b>	<b>95%</b>



## ACTIVITY REPORT (CONT'D)

### 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 both life and general insurance agent: This examination is offered in two (2) modes, PPE and CBE and divided into three (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).

Starting 2017, the PCEIA (PPE) was conducted once in every two (2) months. Reduction in the number of sessions conducted was due to the increase in the number of candidates taking the CBE, which releases immediate exam results to candidates.

There were only seven (7) centres for PCEIA (PPE) offered in 2017 namely Bintulu, Kuala Terengganu, Labuan, Lahad Datu, Sandakan, Sibul and Tawau. We have closed 13 PCEIA (PPE) centres, i.e. Alor Setar, Penang, Ipoh, Kuala Lumpur, Seremban, Melaka, Batu Pahat, Johor Bahru, Kuantan, Kota Bharu, Kuching, Miri and Kota Kinabalu. With the reduction of 13 PPE centres, a further reduction in the number of candidates taking PPE in 2017 is expected.

In June 2017, we replaced the PCEIA (PPE) with PCEIA (CBE) at the Sibul Centre.

As an alternative, candidates are able to register at 12 PCEIA CBE centres, i.e. Penang, Sg. Petani, Ipoh, Kuala Lumpur, Melaka, Johor Bahru, Kuantan, Kota Bahru, Kuching, Miri and Kota Kinabalu.

##### 5.1.1. Result Performance of PCEIA – Overall (PPE and CBE)

In 2017, a total of 39,176 candidates sat for the PCEIA examination throughout Malaysia. Of these, 606 candidates or 2% sat for the PCEIA (PPE) and 38,570 candidates or 98% sat for the PCEIA (CBE). Overall, 2017 saw a decrease of 16% or 7,670 candidates for the PCEIA examination.

The number of candidates who sat for the PCEIA declined by 86% or 3,641 candidates and 9% or 4,029 candidates for PCEIA PPE and CBE respectively, compared to 2016. In 2017, 98% of the candidates opted for the PCEIA (CBE) compared to 91% in 2016.

**PCEIA (PPE and CBE) Statistics for 2017 and 2016:**

Year	Examination Mode	Paper-and-Pencil Examination (PPE)			Computer-Based Examination (CBE)			Total PPE & CBE
		Life	General	Total	Life	General	Total	
2017	Sat	346	260	606	31,498	7,072	38,570	39,176
	Passed	200	167	367	20,999	5,081	26,080	26,447
	Pass %	58%	64%	61%	67%	72%	68%	68%
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%
Variance 2017 vs. 2016	Sat	(2,313)	(1,328)	(3,641)	(3,573)	(456)	(4,029)	(7,670)
	Variance %	-87%	-84%	-86%	-10%	-6%	-9%	-16%

**5.1.2. Result Performance of PCEIA - Paper-and-Pencil Examination (PPE)**

The year 2017 saw a decline of 86% or 3,641 candidates sitting for the PCEIA (PPE) compared to the figure for 2016. The average rate of passes reported a drop of 2% to 61% compared to 63% in 2016.

**PCEIA (PPE) Overall Statistics for 2017 and 2016:**

	2017			2016		
	Life	General	Total	Life	General	Total
PCEIA Paper-and-Pencil Examination						
Sat	346	260	606	2,659	1,588	4,247
Passed	200	167	367	1,579	1,097	2,676
Pass %	58%	64%	61%	59%	69%	63%
Variance 2016 vs. 2015						
	Life	General	Total			
Sat	(2,313)	-87%	(1,328)	-84%	(3,641)	-86%

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

In 2017, the number of candidates sitting for the PCEIA (PPE) - (life insurance route) decreased by 87% or 2,313 candidates from 2,659 candidates in 2016 to 346 candidates. These candidates contribute 57% of the total number of candidates who sat for the PCEIA (PPE) in 2017 compared to 63% in 2016. The average rate of passes reported a slight drop of 1% to 58% compared to 59% in 2016.

**PCEIA (PPE) Life Route Statistics for 2017 and 2016:**

	2017	2016	Variance 2017 vs 2016
Sat	346	2,659	(2,313) / -87%
Passed	200	1,579	(1,379)
Pass %	58%	59%	-1%



## ACTIVITY REPORT (CONT'D)

Out of the total of 346 candidates sat for the PCEIA (PPE) Life route in 2017, 128 sat for Mandarin language, followed by 114 candidates sat for English language and 104 candidates sat for Bahasa Malaysia. The overall average rate of passes reported a drop of 1% of 58% compared to 2016 of 59%.

### PCEIA (PPE) Life Route Statistics by Language for 2017 and 2016:

	2017					2016				
	Bahasa Malaysia	English	Mandarin	Tamil	Total	Bahasa Malaysia	English	Mandarin	Tamil	Total
Sat	104	114	128	0	346	660	1,211	783	5	2,659
Passed	56	71	73	0	200	307	804	468	0	1,579
Pass %	54%	62%	57%	0%	58%	47%	66%	60%	0%	59%

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

The number of candidates sitting for the PCEIA (PPE) - general insurance route decreased by 84% or 1,328 candidates to 260 candidates in 2017 compared to 1,588 candidates in 2016. The overall rate of passes reported a drop of 5% to 64% compared to 69% in 2016.

### PCEIA (PPE) General Route Statistics by Language for 2017 and 2016:

	2017	2016	Variance 2017 vs 2016
Sat	260	1,588	(1,328) / -84%
Passed	167	1,097	(930)
Pass %	64%	69%	

In 2017, the number of candidates sitting for the examination for English language showed a drop of 654 candidates. The same trend can be seen for both Bahasa Malaysia and Mandarin languages, with a decrease of 496 and 178 candidates respectively.

### PCEIA (PPE) General Route Statistics by Language for 2017 and 2016:

	2017					2016				
	Bahasa Malaysia	English	Mandarin	Tamil	Total	Bahasa Malaysia	English	Mandarin	Tamil	Total
Sat	132	108	20	0	260	628	762	198	0	1,588
Passed	78	73	16	0	167	400	559	138	0	1,097
Pass %	68%	80%	59%	0%	64%	64%	73%	70%	0%	69%

#### 5.1.3. 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. Four (4) sessions were conducted on Mondays to Thursdays, and three (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 date/session.

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

As for the centres in Johor Bharu and Penang, four (4) sessions of the CBE were conducted every Saturday from 9.00 am to 7.00 pm.

However, due to an increase in demand, the CBE sessions were also conducted on Saturdays at the MII City Centre and on Sundays in Johor Bharu and Penang centres on ad-hoc basis, to cater to companies' requests.

We have also increased the number of CBE sessions for Ipoh, Melaka, Sungai Petani, Kuching and Kota Kinabalu by conducting the examination on Saturdays, on a bi-weekly basis.

In total, 2017 recorded a decline of 9% or 4,029 candidates compared to 2016. The CBE is the preferred mode due to the immediate release of results after each examination, which helps to accelerate the candidates' recruitment and registration process as insurance agents. The average rate of passes reported the same at 68% for 2017 and 2016.

#### PCEIA (CBE) Overall Statistics for 2017 and 2016:

	2017			2016		
	Life	General	Total	Life	General	Total
PCEIA Paper-and-Pencil Examination						
Sat	31,498	7,072	38,570	35,071	7,528	42,599
Passed	20,999	5,081	26,080	23,405	5,503	28,908
Pass %	67%	72%	68%	67%	73%	68%
Variance 2017 vs. 2016						
	Life		General		Total	
Sat / %	(3,573)	-10%	(456)	-6%	(4,029)	-9%

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

In 2017, the number of candidates who sat for the PCEIA (CBE) - life insurance route decreased by 10% or 3,573 candidates compared to 2016. The average rate of passes reported the same at 67% for 2017 and 2016.

#### PCEIA (CBE) Life Route Statistics for 2017 and 2016:

	2017	2016	Variance 2017 vs 2016
Sat	31,498	35,071	(3,573) / -10%
Passed	20,999	23,405	(2,406)
Pass %	67%	67%	

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

The number of candidates taking the PCEIA (CBE) - general insurance route in 2017 decreased by 6% or 456 candidates compared to 2016. The average rate of passes reported a drop of 1% to 72% compared to 73% in 2016.





## ACTIVITY REPORT (CONT'D)

### PCEIA (CBE) General Route Statistics for 2017 and 2016:

	2017	2016	Variance 2017 vs 2016
Sat	7,072	7,528	(456) / -6%
Passed	5,081	5,503	(422)
Pass %	72%	73%	

### 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 two (2) modes, PPE and CBE. The PPE and CBE examinations are available in Bahasa Malaysia, English and Mandarin.

In 2017, 25,327 candidates sat for the CEILLI examinations throughout Malaysia. 454 candidates sat for the PPE and 24,873 sat for the CBE. Overall, the total number of candidates who sat for the examination in 2017 reported a decrease of 9% or 2,631 candidates compared to 2016. The average rate of passes reported the same at 62% for 2017 and 2016.

The number of candidates who sat for the CEILLI (PPE) declined by 75% or 1,342 candidates compared to 2016. The number of candidates sitting for the CEILLI (CBE) also shows the same trend, reported a decrease of 5% or 1,289 candidates compared to 2016. In 2017, 98% of the candidates opted for the CEILLI (CBE) while in 2016 the figure stood at 94%.

#### CEILLI Overall Statistics for 2017 and 2016:

Year	Examination Mode	Paper-and-Pencil Examination (PPE)	Computer-Based Examination (CBE)	Total PPE & CBE
2017	Sat	454	24,873	25,327
	Passed	253	15,544	15,797
	Pass %	56%	62%	62%
2016	Sat	1,796	26,162	27,958
	Passed	878	16,503	17,381
	Pass %	49%	63%	62%
Variance 2017 vs. 2016	Sat	(1,342)	(1,289)	(2,631)
	Variance %	-75%	-5%	-9%

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

The CEILLI (PPE) is conducted on average once in two (2) months at 7 examination centres all over the country. However, due to request by companies, the CEILLI (PPE) sessions were also conducted as unscheduled or on an ad-hoc basis, every Saturday.

With the reduced number of centres offering CEILLI (PPE), the number of candidates sitting for the CEILLI (PPE) declined by 75% or 1,342 candidates in 2017 compared to 2016. The overall average rate of passes was 56%, an increase of 7% compared to 2016.

**CEILLI (PPE) Overall Statistics for 2017 and 2016:**

	2017	2016	Variance 2017 vs 2016
Sat	24,873	26,162	(1,289) / -5%
Passed	15,544	16,503	(959)
Pass %	62%	63%	-1%

Out of the total of 24,873 candidates sat for CEILLI (CBE) in 2017, 13,536 sat for English language, followed by 8,797 candidates sat for Mandarin language and 2,540 candidates sat for Bahasa Malaysia. The overall average rate of passes was 62%, a slight decrease of 1% as compared to 2016.

**CEILLI (CBE) Statistics by Language for 2017 and 2016:**

	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%

**6. EXTERNAL EXAMINATION FACILITATED BY MII**

We continued to be the preferred regional examination centre by several international examining bodies during the year. We facilitated the following examinations for 507 candidates taking various external examinations.

The overall average rate of passes reported a better performance of 63% compared to 2015 of 59%.

No.	Examination	No. of Candidates	
		2017	2016
1	Casualty Actuarial Society (CAS), UK	113	90
2	The Chartered Insurance Institute (CII), UK	56	78
3	The Chartered Institute of Loss Adjusters (CILA),UK	2	4
4	Society of Actuaries (SOA), USA	336	257
5	The Institute of Risk Management (IRM),UK		6
<b>Total</b>		<b>507</b>	<b>435</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.



## ACTIVITY REPORT (CONT'D)

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

- a) develops the questions using the guidelines given by Cambridge Assessment Network (UK), Finance Accreditation Agency (FAA), Majlis Peperiksaan Malaysia (MPM), The Chartered Insurance Institute (CII), UK, and other professional bodies to ensure reliability, validity and quality.
- b) continuously reviews the questions periodically to ensure that the questions remain current, relevant and in tandem with the needs of the industry.
- c) ensures the setting of, moderation and review of examination questions by subject-matter experts (SME).
- d) imposes a high level of security in the process of ensuring the questions are reliable and valid.

### 1. Significant AAEU Activities in 2017

- a) Quality assurance - All essays and MCQs had undergone the process of technical and grammar proofreading, editing and translations where applicable, carried out by our appointed SME's.
- b) The moderation process is to uphold the quality, standards and relevancy of the examination items.
- c) The focus in 2017 was to develop and increase the question bank for AMII Level 1 and Level 2 qualifications which was offered for the first time in October 2016. Through out 2017, a total of 768 new essays for the AMII level 1 and 742 new essays for AMII level 2 were developed by subject-matter experts, to be used in assignments, tests and final examinations.

### 2. Continuous Development of items and question papers

- a) A total of 219 questions papers were set for 10 scheduled paper and pencil examinations. About 43% or 94 of these question papers developed were mainly for PCEIA and CEILLI examinations. In addition, 21 question papers were developed for PCEIA, CEILLI, RFP, BCCILA and BCCITB ad-hoc examinations for 2017.
- b) Developed 115 new multiple-choice questions (MCQ) for PCEIA.
- c) Developed 1,805 digital or e-question paper for PCEIA (CBE) and CEILLI (CBE);

### 3. Recognition of prior learning / exemptions

- a) 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.
- b) A total of 66 exemptions applications were received and processed for AMII, DMII, CMII, PCEIA and CEILLI examinations in 2017.

### 2017 MII Graduation Ceremony

The Malaysian Insurance Institute (MII) has successfully organised its 2017 MII Graduation Ceremony on Saturday 12 August 2017 at Lanai Kijang, Bank Negara Malaysia.

En. Hashim Harun, Chairman of MII, delivered the keynote address and presented the certificates and awards to each graduating students.

The ceremony celebrated the success and recognition of the academic achievements of total 351 graduates (286 local and 65 international) who completed their studies from 2016 to April 2017 in any one of the following programme :

- 20 graduates of the Fellowship of the Malaysian Insurance Institute (FMII – Senior Route)
- 1 graduate of the Fellowship of the Malaysian Insurance Institute (FMII – via FCII)
- 77 graduates of the Associateship of the Malaysian Insurance Institute (AMII)
- 50 graduates of The Diploma of the Malaysian Insurance Institute (DMII)
- 38 graduates of The Diploma of the Malaysian Insurance Institute (DMII – PCUC Allianz)
- 152 graduates of Certificate of The Malaysian Insurance Institute (CMII-General)
- 2 graduates of Certificate of The Malaysian Insurance Institute (CMII-Life)
- 11 graduates of Professional Certificate of General Insurance Underwriting (PCGIU)





## 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 memberships. In 2017, we had 1,444 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 27,084 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 2017

As at 31 December 2017, MII had 112 institutional members and 1,444 individual members.

##### 1.1.1 Number of Individual Members in 2017:

No.	Category	Year	
		2016	2017
1	Fellow	30	46
2	Associate	421	429
3	Ordinary	592	535
4	Affiliate	567	434
	<b>Total</b>	<b>1,610</b>	<b>1,444</b>

The substantial decrease of 10% or 166 in the total number of Individual members in 2017 was due to the decrease in the number of Affiliate and Ordinary Members.

##### 1.1.2 Number of Institutional Members in 2017:

No.	Sector	Year	
		2016	2017
1	Reinsurance	7	7
2	Composite	4	4
3	General	18	18
4	Life	10	10
5	Brokers	30	30
6	Adjusters	28	28
7	Takaful	2	2
8	IOFC	8	8
9	Others (Non- Insurance)	5	5
	<b>Total</b>	<b>112</b>	<b>112</b>

The overall number of Institutional members remains at 112 companies in 2017, which witnessed the increase in number of company staff from 26,216 persons in 2016 to 27,084 persons in 2017.

## 2. MEMBERSHIP ACTIVITIES

In 2017 we successfully organised 11 activities involving 819 members. The activities ranged from industry-wide events to specific activities for members networking and knowledge sharing.

In our efforts to cater all categories of members that include insurance industry staff and agency force, the topics of membership talks in 2017 ranged from technical insurance to non-technical insurance.

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

### 2.1. MEMBERSHIP ACTIVITIES IN 2017

#### List of Membership Activities in 2017:

No	Date	Topic
1	10 January 2017	MII Breakfast Talk 2017/1 Topic: An Overview of Companies Act 2016 – Key Challenges and Its Impact Speaker: Mr Gan Khong Aik & Ms Fan Xiao Jun
2	22 February 2017	MII Breakfast Talk 2017/2 Topic: Blockchains and FinTech Speaker: Mr Mark Smalley
3	22 March 2017	MII Breakfast Talk 2017/3 Topic: Preparing for the IFRS Insurance Transformation – A new era for Asian insurers Speaker: Mr Raj Juta
4	20 April 2017	MII Breakfast Talk 2017/4 Topic: Competitive Advantage with Optimization Speaker: Dr Anwar Ali
5	23 May 2017	MII Breakfast Talk 2017/5 Topic: Arbitration. Speaker: Mr Foo Joon Liang
6	22 June 2017	MII Breakfast Talk 2017/6 Topic: An Introduction to Financial Planning (Part 1) Speaker: Mr Bryan Zeng
7	27 July 2017	MII Breakfast Talk 2017/7 Topic: Solvency II requirements and how it relates to RBC Speaker: Mr. Gilbert Soubie
8	23 August 2017	MII Breakfast Talk 2017/8 Topic: Liability – Coverage Development and Evolving Claims Speaker: Mr Wayne Griffiths
9	25 September 2017	MII Breakfast Talk 2017/9 Topic: The nuts and bolts in designing a robust compliance framework Speaker: Andrew Glover
10	25 October 2017	MII Breakfast Talk 2017/10 Topic: The amazing human body Speaker: Dr Kamalanathan Sappani
11	22 November 2017	MII Breakfast Talk 2017/11 Topic: Arresting The Deterioration of Underwriting Speaker: Mr Sam Wong



## ACTIVITY REPORT (CONT'D)



Talk on Blockchains and Fintech  
on 22 February 2017 at MII City Centre



Talk on Liability - Coverage Development and  
Evolving Claims on 23 August 2017 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 within the insurance industry, the Inter-Insurance Companies Bowling Tournament 2017 was successfully organised for the 11th year on 4 November 2017 at Sunway Mega Lanes, Sunway Pyramid, Selangor. This served as an excellent opportunity for the industry to get together as a unified industry. Despite the recent increase of the tournament fee from RM400 to RM650 per team, all 48 lanes were fully booked. The 48 teams consist of 240 players from 29 companies from all sectors of the insurance industry including general and life companies, takaful operator, brokers and loss adjusters.

#### Final Standings

Place	Company/Team	Total Score Pins
Champion	ETIQA Insurance Berhad – Etiqa A	2,113
Runner-up	Great Eastern Life Assurance (Malaysia) Berhad – G E Team	2,032
2 <sup>nd</sup> runner-up	Lonpac Insurance Berhad - Lonpac	1,983
3 <sup>rd</sup> runner-up	MSIG Insurance (Malaysia) Berhad – MSIG A	1,897
4 <sup>th</sup> runner-up	AmMetLife Insurance Berhad – AmMetLife	1,826

#### Best Bowlers

Category	Company/Team	Total Score Pins
Men	Khairul Anuar Sidek – Great Eastern Life Assurance (M) Bhd	588
Women	Mastura Ahmad – Etiqa Takaful Berhad	526



Team Etiqa A, Champion



Team Great Eastern, Runner Up



Team Lonpac, 2nd Runner Up



Khairul Anuar Sidek, Best Male Bowler



Mastura Ahmad, Best Female Bowler



Participants at the bowling tournament



Participants at the bowling tournament



Participants at the bowling tournament





# ACTIVITY REPORT (CONT'D)

## MII AS A KNOWLEDGE MANAGEMENT UNIT

### 1. OVERVIEW

MII Knowledge Centre has made substantial progress in many aspects to support MII's vision to be the renowned professional body and institution for education in insurance, financial and risk management. With the rapid pace of information and communication technology in the current world, there are greater expectations and demands in the delivery of library and information services. MII Knowledge Centre is prepared to excel beyond the boundaries.

With the support from the Capacity Building Fund, we have increased our reference materials in both printed and digital materials. We have more than 7,000 physical collection of library references and more than 1,000 digital documents in MII Digital Library.

In 2017, MII Knowledge Centre has recorded a total of 5,539 physical visitors. Whereas, our MII Digital Library visitor statistics has recorded more than 1 million digital visitors.

#### Fast Facts:

Loans - 513

Visits - 5,539

Digital Library Visits - 1,572,490

Digital Downloads - 4,659

### 2. DEVELOPMENT IN 2017

#### 2.1 Capacity Building Project Fund Utilisation

The Capital Building Project for KM started in 2010 and the last project completed in 2017 is Purchasing Library Material: Books and Other References.

The KM CBP projects that are successfully completed are:

- Purchasing of Online Databases
- Purchasing of Audio Visual Materials
- Library Management System (LMS)
- Library Equipment
- Insurance and Takaful Journal (INTAJ)
- Library System Backup and Internet Line
- Purchasing of Library Materials: Books and Other References

### 3. PROGRAMMES AND ACTIVITIES

#### 3.1 Politeknik Seberang Perai, Pulau Pinang

KM received a delegation of 32 students and 2 lecturers from Politeknik Seberang Perai, Pulau Pinang, on 20th March 2017. The aim of the visit was to introduce the students to MII and its facilities at the Knowledge Centre. Also, to encourage them to consider insurance as a career and further study options through MII's professional programmes.



### 3.2 Books Selection at KL Book Fair

On 28th April and 4th May 2017, we visited Kuala Lumpur Book Fair at Putra World Trade Centre (PWTC). The purpose was to select and purchase new books for the Knowledge Centre collection. An invitation was extended to all MII trainers, MII management team and members to participate in this activity to help us purchase relevant books for MII education purpose.

Thank you very much to Ms. Tan Eng Bee (MII trainer), Puan Hazlinda Yahaya (MII staff), Puan Izmawati (MII staff), Puan Harizam Mahaili (MII staff) who participated and helped on the books selection.



### 3.3 Visit from Institut Integriti Malaysia



MII Knowledge Centre also received a visit from Resource Centre team of Institut Integriti Malaysia on 16th May 2017. The visit aimed to foster good collaboration in terms of information sharing and exchange of ideas and information towards providing better library services.



## ACTIVITY REPORT (CONT'D)

### 4. NETWORKING

#### 4.1 Knowledge Management Task Force (KMTF)

The KMTF was established in 2010 with the mutual effort to strengthen collaboration via MOU in 2012. MII continues to support KMTF in upgrading knowledge management of the financial services industry. KMTF is now led by Asian Institute of Finance (AIF). The task force that includes The Malaysian Insurance Institute, AICB, INCEIF, AIF and IBFIM.

#### 4.2 MII Knowledge Centre Committee (MKCC)

MKCC was established in October 2011 and its role is to advise on MII's initiatives to enhance the capacity of the Knowledge Management Unit 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 in title selection on book purchase activity during Book Fairs within the Klang Valley and/or Selangor.

#### 4.3 Special Library Committee (SLC)

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

### 5. TESTIMONIALS FROM VISITORS

*"Clean, tidy environment and well stocked library"*

**Gan Partnership**

*"Great colour scheme and facilities are conducive for learning."*

**Raj Juta, Deloitte**

*"Very impressive facilities."*

**Stanley Yew**

*"Very nice ambience! Well done!"*

**Arif Rusli, Asian Institute of Finance**

*"Very well maintained, clean."*

**Tan Chye Ting, Asian Institute of Finance**

*"Fabulous learning environment."*

**Nick Wilson, LIMRA Connecticut**

*"Very pretty library and convenient."*

**Amelia Nur Zolkefly, AmGeneral Insurance Bhd**

*"Very comfortable atmosphere."*

**Cham Ho Sien**

## MII AS A CONFERENCE ORGANISER

### 1. OVERVIEW

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

We successfully organised three (3) main conferences and four (4) seminars for the insurance industry in 2017. These drew at least 680 participants from Brunei, Cambodia, Indonesia, Seychelles, Thailand, Iran, Philippines, Singapore and Malaysia. A total of 87 International and local speakers presented papers and shared their expertise with the delegates. We are 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 2017:

No.	Conferences / Convention / Seminar	Date	No. of participants	No. of speakers
1	Talent Development Seminar	15 February 2017	87	7
2	International Claims Convention 2017	26 & 27 April 2017	103	17
3	Liability Insurance Seminar	16 May 2017	54	12
4	General Takaful Agents Mini Convention 2017	2 August 2017	84	6
5	Medical & Health Insurance Seminar	26 September 2017	97	8
6	Malaysian Insurance Summit 2017	30 & 31 October 2017	219	29
7	Takaful Future Forum Seminar	14 November 2017	34	8
8	Konvensyen Ejen Insurans Hayat Bumiputera	21 October 2017	448	
9	Malaysia MDRT Day	13 August 2017	1950	

### 2. CONFERENCES

#### 2.1. Talent Development Seminar 2017

The Talent Development Seminar was held on 15 February 2017 at Sasana Kijang, Kuala Lumpur with the theme *Preparing For The Future Workplace, Today!*

The event was officiated by Mr. Yoon Yew Khoo, Director of Insurance Department, Bank Negara Malaysia. The objective of this one-day seminar is to plan for the future of organizations and significant changes at the workplace. Working and learning in the future will take on different approach as the world becomes seamless and without boundaries. Developing talents will be as challenging as retaining them, especially for the millennials, who will largely occupy the workplace in the next decade. From disruptions in the workplace in terms of technology and innovation, to growing a business through talents, both organizations and the workforce must be ready to accept the inevitable and embrace the challenges head on. The event was attended by 87 participants.

The line up of speakers are as follows:

- Anil Shivadas, Executive Director, People and Organization of PwC
- Amir Aswadi Mohd Radin, General Manager of CIO Technology Office from Huawei Malaysia
- Param Moorthi, Director of MUSE Consultancy Asia
- Dr. Wilson Tay, Principle of Omniview Consulting Sdn Bhd
- Dr. Cordelia Mason, Research Fellow, Strategy, Policy Development and Research of Asian Institute of Finance
- Mr. Haneef Gordon, Managing Partner of My Management & Partner PLT
- Mr. Abdul-Samad Saadi, Associate Director, Chartered Institute of Islamic Finance Professionals



## 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), and Insurance Services Malaysia (ISM), the International Claims Convention 2017 was successfully held at Sasana Kijang, Kuala Lumpur with theme "Claims Practices In A New Era". The convention was attended by 103 participants, locally and internationally.

The International Claims Convention 2017 discussed topical issues and looked at new approaches in Claims Management. A total of 17 experienced speakers shared their experiences and expertise. The panel discussion and questions from the floor drew out new information and perspectives.



### 2.3. Liability Insurance Seminar

The Liability Insurance Seminar was held on 16 May 2017 at Sunway Putra Hotel, Kuala Lumpur. The seminar provided invaluable professional development opportunities and featured leading industry trends and developments, as well as insights into what the future might hold.

Speakers from Singapore as well as local experts shared their fresh perspectives, overview of the South-East Asia Liability Market. The seminar is also looking ahead beyond the current challenges, and concluded with a panel discussion on the challenges. The seminar was attended by 54 participants, mostly from Malaysia and Singapore.



### 2.4. General Takaful Agents Mini Convention 2017

The General Takaful Agents Mini Convention 2017 was held on 2 August 2017 at the Multi-Purpose Hall, Lanai Kijang, Kuala Lumpur. The convention was designed to provide a review of current issues on Industry Performance and Update on Phased Liberalization, Empowerment and Transformation, Impact of Social Media and Big Data on Distribution; and also panel discussion on Distribution in a Liberalized Environment.

The Convention was officiated by Mr. Muhammad Fikri Mohamad Rawi, Chairman of the Malaysian Takaful Association (MTA).

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

*"This is very good convention where agents can interact directly to panelist or authorised people regarding things that are not cleared"*

**Syameem Ahmad, Etiqa Takaful Insurance Berhad**

*"Good & informative session"*

**Dr Mohd Dhari Othman Etiqa Takaful Insurance Berhad**



## ACTIVITY REPORT (CONT'D)



### 2.5 Medical & Health Insurance Seminar 2017

The Medical & Health Insurance Seminar 2017 was held on 26 September 2017 at Lanai Kijang, Bank Negara Malaysia, Kuala Lumpur. The seminar was attended by 34 participants.

Among the line up of experts were Mohan Manthiry, Founder & CEO, InfoMed; Associate Professor Dr Amrizal Muhammad Nur, Centre Deputy Chief, International Centre for Casemix & Clinical Coding, The National University of Malaysia Medical Centre; Dr. Richard Jones, Regional Medical Director, Indonesia, International SOS; and Emeritus Professor P.T. Thomas, Executive Dean, Faculty of Health and Medical Sciences, Taylor's University.

#### Testimonials from participants:

*"A very good effort of MII to share knowledges with us."*

**Ong Su San - Great Eastern General**

*"Very good speakers. Informative."*

**Michelle Tan - AIA**

*"This seminar is very informative and the speakers are well experience to share their industry knowledge."*

**Candice Wong - Gibraltar BSN**

*"Keep up the good works to the organizing committee! Congratulations!"*

**Eddy Salman - Alloy Insurance Broker**

### 2.6 Malaysian Insurance Summit 2017

The Malaysian Insurance Summit 2017 discussed topical issues and raised awareness in preparing for the future. Both local and international speakers shared their diverse experiences for the industry to learn, adopt and change.

A total of 219 participants and 29 speakers, attended the Summit that was held on **30 & 31 October 2017** at the **Sunway Putra Hotel, Kuala Lumpur**, and was officiated by the **Governor of the Malaysian Central Bank, Y.Bhg. Dato' Muhammad bin Ibrahim** who also delivered the keynote address. Other internationally-renowned speakers addressed current issues and challenges facing the industry.

ISM Insurance Services Malaysia Bhd launched their Fraud Intelligence System, which is latest initiative by the Malaysian insurance and takaful industry to address issues in claims.

#### Testimonials from participants:

*"Exceeded my expectation, good selection of topic & speakers, I stayed engaged 100% of the time."*

**Farhana - PNB**

*"The choice of topics & speakers is excellent, and keeping each topic to 30 - 40 mins is just brilliant"*



### 2.7. Takaful Forum Seminar

The Takaful Forum Seminar was held on 14 November 2017 at Seri Pacific Hotel, Kuala Lumpur. The seminar is a continuation from 2016 MII-CIIF Takaful Seminar, where the discussions were more in depth, about the common issues and challenges faced by the Malaysian Takaful Industry.

The seminar triggered a more holistic thought process and decision making with the perspective shared from multiple disciplines in the industry. The seminar provided a platform for sharing of skills, best practices and expertise among delegates.







## ACTIVITY REPORT (CONT'D)

### 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 held on 21 October 2017 at Istana Hotel, Kuala Lumpur was graciously officiated by En Hashim Harun, 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. 97 Top Agency Leaders, Top Personal Producers and MDRTs from nine (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 *Pilihan, Peluang, Perubahan* saw the attendance of 448 Bumiputera agents, an increase of 1% or 3 participants from 445 participants in 2016.

#### Testimonials from participants:

*"My first time attending this convention. I found its satisfactory and beneficial."*

*"This year 2017 speakers all are awesome!"*

*"Berharap agar program dipanjangkan kepada 2 hari, kerana topik-topik agak banyak yang terkejar-kejar masa."*

### 2.9 Malaysia MDRT Day

MIl and the MDRT Communication Committee Malaysia (MCC) organised the Malaysia MDRT Day 2017 with the theme Dash To MDRT on 26 August 2017 at Setia City Convention Centre, Setia Alam. 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. 2017 saw the attendance of 1,782 agents, a decrease of 11% or 168 participants from 1,950 participants in 2016.

#### Testimonials from participants:

*"Time control."*

*"Awesome, great energy."*

*"Keep it up and thank you."*

*"Thanks to Malaysia MDRT Committee and organizers."*

*"Good and successful."*

*"Thank for the organizing committee team and all the speakers sharing. Thank you."*

*"Platform to gather great ideas."*

*"Great. Keep it up for 2018 MDRT Day."*

## **E-LEARNING@MII**

### **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**

- 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



## ACTIVITY REPORT (CONT'D)

### **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 diverse groups of learners with unique 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)

**MII'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**

MII'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.

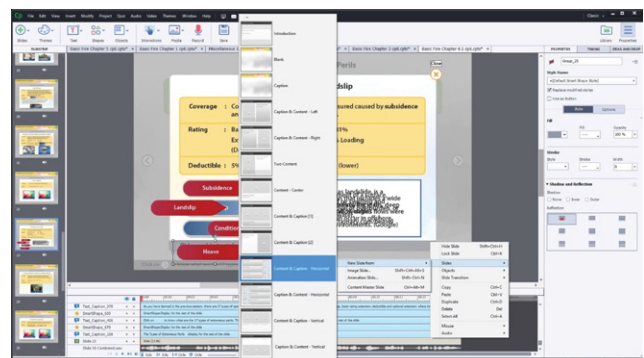
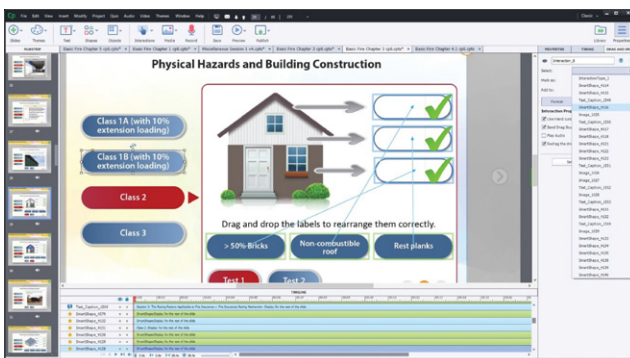
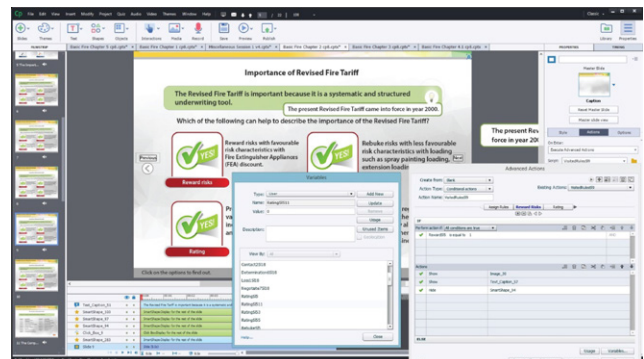
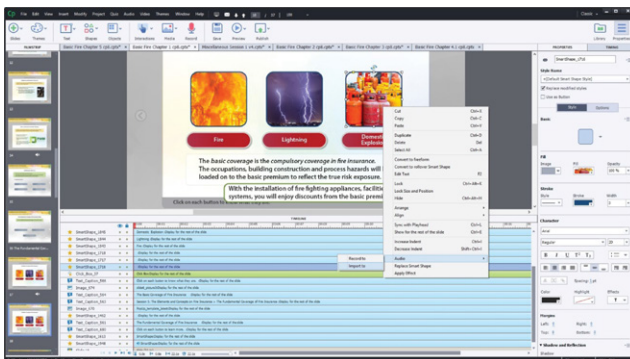
Our strength lies in the application of best-in-class instructional design techniques. With job-relevant storylines and client-specific scenarios, our experts can transfer core knowledge in an engaging manner, assuring users' confidence in learning. As an industry-specific learning institution, MII understands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

**e-Learning Strategic Assessment Service**

MII'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.





## Comparison of e-Learning Subscriptions by Products between 2016 and 2017

No	PRODUCT TITLE	2016	2017
1	PCEIA	24,500	42,780
2	CEILLI	15,735	27,871
3	e-RFP Module 1	0	959
4	e-RFP Module 2	0	628
5	Short Courses	0	0
6	LIAM BSC – Building Sustainable Future	0	76
	<b>TOTAL</b>	<b>40,235</b>	<b>72,314</b>

## Detailed comparison of e-Learning Subscriptions by Products between 2016 and 2017 (by month)

No	MONTH	PCEIA		CEILLI		e-RFP Module 1		e-RFP Module 2		Short Courses		LIAM BSC	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
1	JANUARY	15	2,488	5	1,454	0	0	0	0	0	0	0	0
2	FEBRUARY	8	3,231	2	1,920	0	0	0	0	0	0	0	0
3	MARCH	26	4,982	3	3,004	0	4	0	4	0	0	0	0
4	APRIL	11	4,557	1	2,804	0	2	0	0	0	0	0	0
5	MAY	6	3,907	3	2,551	0	12	0	10	0	0	0	0
6	JUNE	9	3,422	2	2,419	0	20	0	10	0	0	0	0
7	JULY	7	3,218	2	2,535	0	67	0	57	0	0	0	0
8	AUGUST	5,077	4,102	2,903	2,845	0	89	0	55	0	0	0	0
9	SEPTEMBER	4,602	3,059	3,474	2,129	0	92	0	48	0	0	0	0
10	OCTOBER	4,354	3,464	3,098	2,280	0	102	0	62	0	0	0	1
11	NOVEMBER	4,170	3,192	2,308	2,022	0	205	0	150	0	0	0	23
12	DECEMBER	6,215	3,158	3,934	1,908	0	366	0	232	0	0	0	52
	<b>TOTAL</b>	<b>24,500</b>	<b>42,780</b>	<b>15,735</b>	<b>27,871</b>	<b>0</b>	<b>959</b>	<b>0</b>	<b>628</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76</b>

## Note:

1. OLC PCEIA and OLC CEILLI are offered as bundled products with examinations, in August 2016.
2. MII e-RFP was officially launched in May 2017. Figures shown are not inclusive of subscriptions from GE self-hosting.
3. LIAM BSC was launched in October 2017.
4. Figures above were extracted from MII's Integrated Learning Management System (iLMS).



## ACTIVITY REPORT (CONT'D)

### MII AS AITRI SECRETARIAT

#### 1. OVERVIEW

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

#### 2. PROGRAMMES FOR REGULATORS

In 2017, AITRI successfully conducted five (5) human capital development programmes for insurance regulators in Malaysia, Thailand, Laos, Indonesia and Singapore, respectively. These training programmes were delivered by 21 field experts from regulatory bodies and private institutions.

AITRI obtained funding and sponsorships from Bank Negara Malaysia (BNM), Office of Insurance Commission Thailand (OIC), Ministry of Finance Laos, Indonesia Financial Services Authority (OJK), Monetary Authority of Singapore (MAS), International Association of Insurance Supervisors (IAIS), Toronto Centre (TC), The Financial Stability Institute (FSI) and AITRI Members Contribution Fund.

In 2017, 118 participants from ASEAN countries and 31 participants from non-ASEAN countries, namely Bhutan, Nepal, Hong Kong, Kenya, Papua New Guinea, Oman, Samoa, Taiwan and Uganda attended the programmes.



Workshop on New Technology Risks and Cyber Security  
14 – 17 February, 2017  
Kuala Lumpur, Malaysia



Seminar on Risk Based Capital Framework for Insurers  
18 – 21 April, 2017  
Bangkok, Thailand



Seminar on Regulating, Implementing and Supervision Corporate Governance  
11 – 13 July, 2017  
Vientiane, Lao PDR



Seminar on Supervision & Surveillance  
21 – 25 August, 2017  
Jakarta, Indonesia



Workshop on AML/CFT Supervision and Compliance  
2 – 5 October, 2017  
Singapore





## ACTIVITY REPORT (CONT'D)

AITRI Programmes for Regulators conducted in 2017:

Title	Date	Host/Venue	Funded/Supported
New Technology Risks and Cyber Security	14 – 17 Feb, 2017	Kuala Lumpur, Malaysia	<ul style="list-style-type: none"> <li>• Bank Negara Malaysia (BNM)</li> <li>• Cyber Security Consultant, BAE Systems</li> <li>• International Association of Insurance Supervisors (IAIS)</li> <li>• Deloitte Malaysia</li> <li>• Check Point Software Technologies Ltd.</li> <li>• Asia FireEye</li> <li>• Cyber Intelligence Sdn. Bhd.</li> </ul>
Risk Based Capital Framework for Insurers	18 -21 April, 2017	Bangkok, Thailand	<ul style="list-style-type: none"> <li>• The Office of Insurance Commission Thailand (OIC)</li> <li>• Toronto Leadership Centre</li> <li>• International Association of Insurance Supervisors (IAIS)</li> <li>• Global Affairs Canada</li> <li>• International Monetary Fund</li> </ul>
Regulating, Implementing and supervision Corporate governance	11 – 13 July, 2017	Vientiane, Lao PDR	<ul style="list-style-type: none"> <li>• Ministry of Finance, Laos</li> <li>• Financial Stability Institute (FSI)</li> <li>• International Association of Insurance Supervisors(IAIS)</li> <li>• Australian Prudential Regulation Authority (APRA)</li> <li>• AITRI Members Contribution Fund</li> </ul>
Supervision & Surveillance	21 – 25 August, 2017	Jakarta, Indonesia	<ul style="list-style-type: none"> <li>• Indonesia Financial Services Authority (OJK)</li> <li>• Fatimide Associates Inc.</li> </ul>
AML/CFT Supervision & Compliance	2 – 5 October, 2017	Singapore	<ul style="list-style-type: none"> <li>• Monetary Authority of Singapore</li> <li>• Toronto Leadership Centre</li> <li>• Global Affairs Canada</li> <li>• IMF</li> </ul>

Participants from ASEAN Member Countries in 2017 AITRI Programmes for Regulators:

Country	New Technology Risks and Cyber Security	Risk Based Capital Framework for Insurers	Regulating, Implementing and supervision Corporate governance	Supervision & Surveillance	AML/CFT Supervision & Compliance	Total
Brunei	-	-	-	-	-	-
Cambodia	2	2	2	2	-	8
Indonesia	-	2	2	12	-	16
Laos	1	2	15	1	2	21
Malaysia	27	1	3	1	4	36
Myanmar	3	2	-	1	-	6
Philippines	2	2	2	1	-	7
Singapore	-	3	1	-	3	7
Thailand	2	10	2	-	3	17
Vietnam	-	-	-	-	-	-
<b>Total</b>	<b>37</b>	<b>24</b>	<b>27</b>	<b>18</b>	<b>12</b>	<b>118</b>

Participants from Non-ASEAN Member Countries in 2017 AITRI Programmes for Regulators:

Country	New Technology Risks and Cyber Security	Risk Based Capital Framework for Insurers	Regulating, Implementing and supervision Corporate governance	Supervision & Surveillance	AML/CFT Supervision & Compliance	Total
Bhutan	-	3	2	-	-	5
Nepal	2	2	2	-	2	8
Hong Kong	-	2	-	-	-	2
Kenya	-	1	-	-	-	1
Papua New Guinea	-	-	3	4	2	9
Oman	-	-	1	1	1	3
Samoa	-	-	-	-	1	1
Taiwan	-	-	-	-	1	1
Uganda	-	-	1	-	-	1
<b>Total</b>	<b>2</b>	<b>8</b>	<b>9</b>	<b>5</b>	<b>7</b>	<b>31</b>
<b>Grand Total</b>	<b>39</b>	<b>32</b>	<b>36</b>	<b>23</b>	<b>19</b>	<b>149</b>



## ACTIVITY REPORT (CONT'D)

### 3. INDUSTRY EVENT

#### 3.1. YOUNG ASEAN MANAGER AWARD 2017

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 2017 event was held in Vientiane, Lao PDR and in conjunction with the annual ASEAN Insurance Regulators Meeting (AIRM) and ASEAN Council Meeting. A total of 28 candidates from five (5) ASEAN countries competed for this prestigious award in 2017 and only three (3) were shortlisted for the final selection interview with the judges.

##### 3.1.1. YAMA 2017 Judges

The panel of judges for the award comprised eight (8) industry leaders from Indonesia, Malaysia, Philippines, Singapore 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.



**Standing proud: Winner of YAMA 2017**  
Ms Vandaly Souvannasouck from Prudential Life Assurance Company (Laos) won the title of Young ASEAN Insurance Manager Award 2017

##### 3.1.2. YAMA 2017 Recipient

The recipient of the award for 2017 was Ms. Vandaly Souvannasouck, Manager at the Legal and Corporate Governance Division of Prudential Life Assurance Company Lao PDR. She was chosen based on her commendable leadership qualities, series of achievements and significant contributions to the growth and development of the insurance industry.

The award was presented by H.E. Mrs. Thipphakone Chanthavongsa, Dep. Min. of Finance of Lao PDR accompanied by Mr. Ariel G Cantos Chairman of AIC, Ms. Evelina Fadil Pietreuschka Secretary General of AIC and Dr. Sonphet Inthavong, Director General of Fiscal policy, Ministry of Finance, Lao PDR at the Gala Dinner held at Don Chan Palace Hotel in Vientiane.

The two finalists were Mr. Radius Meireza of PT Asuransi Jiwa InHealth, Indonesia and Mr. Sebastian Voon Wei Hsii of HSBC Insurance, Singapore. Both received tokens of recognition.



The prize of the winners has been conveyed by H.E Mrs. Thipphakone Chanthavongsa, Dep. Min. of Finance of Lao PDR accompanied by Dr. Senophet Inthavong, Director General of Fiscal policy, Min. of Finance Lao PDR, Mr. Ariel G Cantos, Chairman of AIC and Mrs. Evelina Pietruschka, Secretary General of AIC

### 3.1.3. 11th Asean Insurance Congress



AITRI is honoured to be appointed as the permanent secretariat for this event under the auspices of the ASEAN Insurance Council (AIC). AITRI and Lao Insurance Association (LIA) had teamed up to co-organise the 11th ASEAN Insurance Congress on 20th November, 2017 at Landmark Mekong Riverside Hotel.

The chosen theme for the congress was “Towards Stability and Sustainable Growth”. This biennial congress comes at an opportune time as it marks the two-year anniversary of the integration of the ASEAN Economic Community (AEC). The Congress provided an invaluable opportunity for such dialogue besides providing an ideal platform for networking and contact building, as well as for exchange ideas and knowledge. The congress was officiated by Mrs. Evelina Pietruschka, Secretary General of AIC.

A total of 24 field experts from Japan, Cambodia, Laos, Malaysia, Philippines, Singapore, Taiwan, Thailand, United Kingdom and Hong Kong participated in the delivery of presentations. The Congress was attended by 91 delegates from 7 ASEAN countries namely, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore and Thailand and non-ASEAN countries namely, Japan, China, Hong Kong and Germany.



## ACTIVITY REPORT (CONT'D)



Panel session 2: From left are Mr. Nitipong Pruchyanimit, Chairman of 11th ASEAN Insurance Congress, Mr. Kean Hin Lim, Senior Executive Vice President of Thai Life Insurance, Dato' Syed Moheeb, CEO of AITRI, Ms. Kitty Ching, President Taiwan Insurance Institute, Mr. Hassan ScottOdierno, Partner Actuarial Partners Consulting and Mr. Allen Thai, General Manager of Prudential Life Assurance Lao Co. Ltd.



In rapt attention: Another cross-section of AIC Delegates at the congress

Table: Resource persons and companies contributed towards the success of the Congress

Company	Name	Designation	Country
Asian Development Bank	Mr. Arup Chatterjee	Senior Financial Sector specialist, Asian Development Bank	Philippines
Meiji Yasuda Life Insurance Company ex Principal Administrator of IAIS	Mr. Shinichi Kishi	General Manager	Japan
Ministry of Finance Laos	Dr. Sonephet Inthavong	Deputy Director General of State Owned Enterprise Management and Insurance	Laos
ASEAN Secretariat	Dr. Pitchaya Sirivunnabood	Asst. Director / Head of Division, Finance Integration division, AEC Department	Indonesia
The Malaysian Insurance Institute (MII) / AITRI	Dato' Syed Moheeb bin Syed Kamarulzaman	CEO of MII/AITRI	Malaysia
Taiwan Insurance Institute (TII)	Ms Kitty Ching	Vice President	Taiwan

Company	Name	Designation	Country
Actuarial Partners Consulting Sdn. Bhd.	Mr. Hassan Scott Odierno	Partner	Malaysia
Prudential Life Assurance (Lao) Co. Ltd.	Mr. Allen Thai	General Manager	Laos
AETINS	Mr. Ravindra Mohan	Vice President	Malaysia
Pioneer Life Inc.	Mr. Geric Laude	Senior Vice President	Philippines
GIZ Philippines	Ms. Shayne Rose R. Bullos	Senior Advisor	Philippines
Forte Insurance (Cambodia) Plc.	Mr. Youk Chamroenrith	Managing Director	Cambodia
Finance Accreditation Agency (FAA)	Dr. Eddy Chong Siong Choy	Chief Technical Officer (Quality Assurance)	Malaysia
Lloyd's Of London (Asia) Pte. Ltd.	Ms. Kim Swan	Regional Regulatory and Compliance Manager	Singapore
ASEAN Insurance Council (AIC)	Mr. Michael F. Relloso	Chairman of Education Committee	Philippines
Willis Towers Watson	Ms. Pichpajee Saichuae	Managing Director	Thailand
Chartered Insurance Institute (CII)	Ms. Helen Roberts	Regional Manager	Hong Kong
READI Field	Mr. Bill Duggan	Director	Indonesia
NMG Actuarial Consulting Solutions	Mr. Roshan Perrerra	Partner	Malaysia
Pacific Life Re Ltd.	Mr. David Wright	Product Development & Marketing	Singapore
RGA Reinsurance Company	Mr. Georgio Mosis	Head of Innovation Management	Hong Kong
Swiss Re	Mr. Jeffrey Foo	Vice President	Singapore
SCOR Global Life (South East Asia)	Ms. Yvonne Tay	Senior Marketing Manager	Singapore
International Council for Science	Professor James Terry	Chair Steering Group for Natural Hazards & Disaster Risk	Singapore



## ACTIVITY REPORT (CONT'D)

### SPONSORSHIPS

Category	Cost	Confirmed Sponsors
Platinum	USD10,000	Thai Life Insurance Public Company Limited
Gold	USD7,000	Prudential Life Assurance (Lao) Company Limited
Silver	USD5,000	A.M. Best Asia-Pacific (Singapore) Pte. Ltd.
Others	Advertisers	<ul style="list-style-type: none"> <li>• Manulife Financial Asia Limited</li> <li>• Thaire Life Assurance Public Company Limited</li> <li>• Forte Insurance (Cambodia) Plc.</li> </ul>
	Media Partners	<ul style="list-style-type: none"> <li>• INSURANCE</li> </ul>

## 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

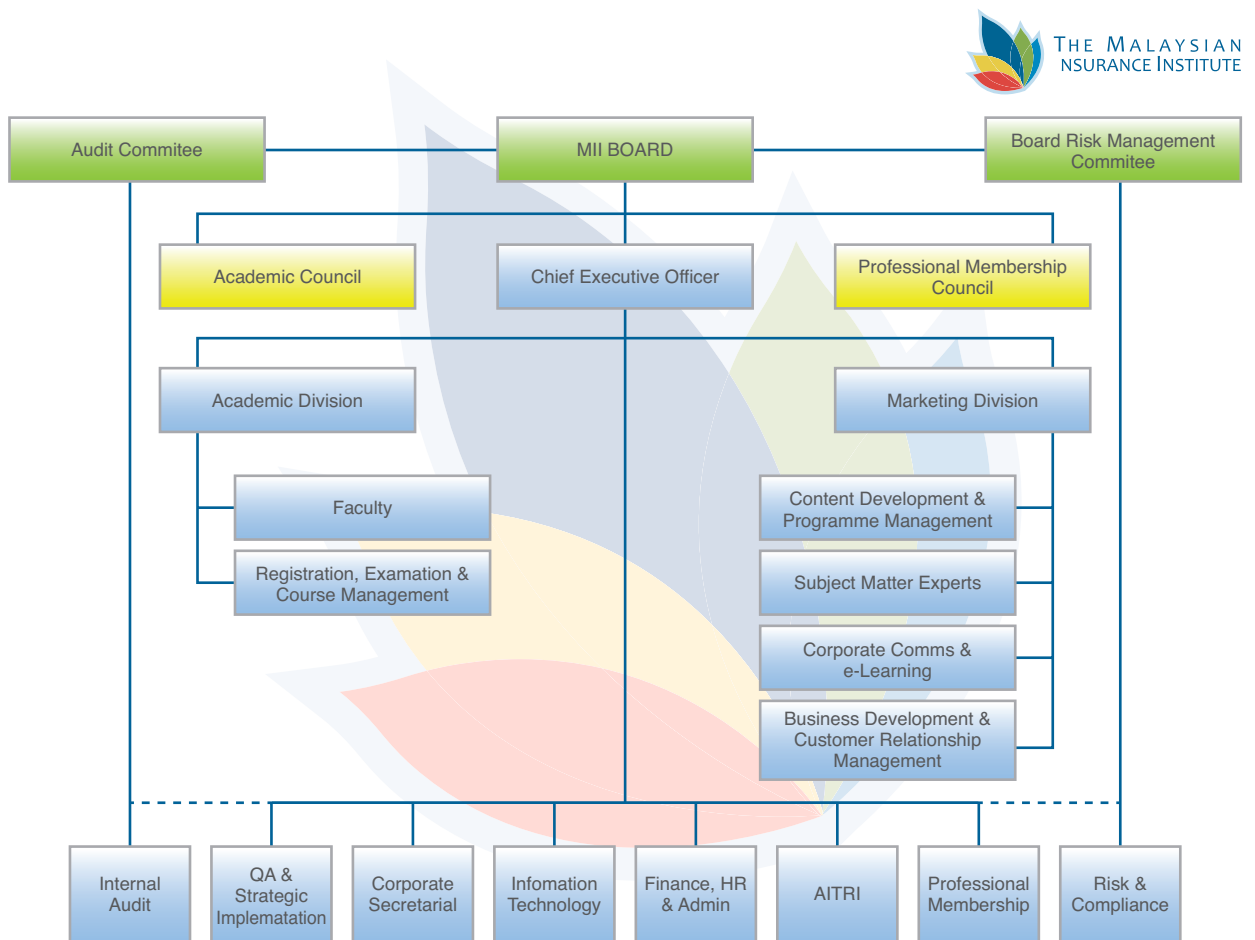
### 1. OVERVIEW

We recognise our staff as our most important resource and are committed to continuously 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 programmes for our faculty members and staff within the Academic Division. This is part of our effort to strengthen our faculty. 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 is our Organisation Structure which was approved by the Board in January 2018:







## ACTIVITY REPORT (CONT'D)

In 2017, 105 staff and faculty members participated in a total of 58 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.

Below are the details of training programmes by category:

No.	Type of Training	No of Programmes	Attendance
1	In-house Training Programme	3	107 staff
2	Academic Programme	3	17 staff & 43 faculty members (lecturers & SME)
3	External Training	20	37 staff
4	MII Directors' Training	1	MII Board Members & Senior Management Team
5	CEO Briefing	2	All Staff
6	Management Sharing & Knowledge Transfer	26	All Staff
	<b>Total</b>	<b>58</b>	

### 1. INHOUSE TRAINING PROGRAMME

In 2017, MII focused on developing the leadership skills for the staff force, by providing a structured leadership programme for every level of staff. In total six (6) in-house programmes were conducted, facilitated by an external trainer. A total of 107 staff attended the programmes. The programmes were held at MII Head Office in Damansara Heights, Kuala Lumpur:

No.	Category	Date	Programme	Attendance
1	Senior Management	a) 4 – 5 July 2017 b) 6 Sept 2017	Leadership Journey Program	18
2	Management & Senior Executives	a) 6 – 7 Sept 2017 b) 5, 9 – 10 Oct 2017 c) 1 – 2 Nov 2017	Leadership Development & Coaching Program	26
3	Executives & Below	Conducted in 3 sessions: a) 25 – 26 Oct 2017 b) 1 – 2 Nov 2017 c) 22 – 23 Nov 2017	Effective Leadership Program	63

### 2. ACADEMIC PROGRAMME

Besides providing knowledge and skills for the staff, MII also provides training to Faculty members (including staff and Subject Matter Experts), to equip them with the required knowledge to conducted teaching activities and facilitations.

We continued the third batch of the Andragogy Training Programme, which was first introduced in 2016. In addition to that, our faculty members attended a Caselet Writing and Research Programme.

No.	Programme	Date	No of Faculty Members
1	Andragogy Workshop	May 2017	19
2	Caselet Writing Workshop	14 – 15 Sept 2017	24
3	Workshop on: How to Undertake an Industry Based on Research	10 Oct 2017	17
	<b>Total</b>		<b>60</b>

### 3. EXTERNAL TRAINING PROGRAMME

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

A total of 37 staff had the opportunity to attend external programmes conducted locally. Among the training providers are AIF, as part of MII's industry support.

Month	Programme	Provider	Executive & below	Manager & Above	Total
Jan	Seminar on Companies Act 2016	SSM		3	3
	Seminar on Board and C-Level Exec	MICG	1		1
Feb	Office 365 Collaboration Tools Workshop	Fedelis Sdn Bhd	2		2
Apr	The Ethical Challenge: Building the Culture of Professionalism and Integrity	AIF		3	3
	Write Press Releases That Get Published	Meridian Communications	1		1
	Developing Interactive Content Using Storyline	Universal IT Solutions Sdn Bhd	2		2
	KM Workshop for Librarians	Persatuan Pustakawan Malaysia (PPM)	1		1
Jul	Pemandu Korporat Yang Beretika	IPA	1		1
	APHM International Healthcare Conference & Exhibition 2017	APHM		3	3
	Cyber Defence Live in KL	Fire Eye Inc		2	2
Aug	China's Banking Industry: Opportunity for Growth	AICB		1	1
	Audit Report Writing for Internal Auditors & Current Report Review and Feedback	Big Berry Consulting Sdn Bhd	1		1
	SSM National Conference: Implementing Co Act 2016	SSM		1	1
	AIF International Symposium 2017	AIF		2	2
Sep	Certified Training Professional	FAA		1	1
Oct	IIA Malaysia National Conference: Poised for the Future	IIA		1	1
	Agile Project Management	AIF	3	2	5
Dec	ABC Costing	SMI	2		2
	Kirkpatrick Four Level	AIF		3	3
	IFRS 17 From Global Ideas to Local Issues and Challenges	Actuarial Partners		1	1
	<b>Total</b>		<b>14</b>	<b>23</b>	<b>37</b>



## ACTIVITY REPORT (CONT'D)

### 3 (b) External Programmes conducted Overseas

MII staff were also given the opportunity to participate in overseas training. In 2017, a total of four (4) staff attended overseas programmes, which relates directly to their job scope.

Month	Programme	Venue	Manager & Above
Apr	ASIAN Claim Conference	Ho Chi Minh City, Vietnam	2
May	Cambridge Assessment Certification Programme	Cambridge, UK	2
Nov	ASEAN Micro Insurance Programme	Laos, Vietnam	1

### 4. MII DIRECTORS' TRAINING PROGRAMME

In 2016, we introduced MII Directors' Training Programme for our Board of Directors, with the objective of providing updates to our Board Members. We continued in 2017, and was attended by MII Board Members, Academic Council Members, Professional Membership Council and Senior Management Team:

No.	Date	Programme
1	10 April 2017	MII Directors Training 1/2017

### 5. 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. Two briefings were held, and attended by all staff:

No.	Date	Programme
1	11 Jan 2017	Town Hall Meeting 1/2017
2	28 July 2017	Town Hall Meeting 2/2017

### 6. MANAGEMENT SHARING & KNOWLEDGE TRANSFER

MII also promotes staff engagement through Management Sharing & Coaching, where the Management Team gets the opportunity to share their knowledge to MII staff.

In 2017, we conducted a total of 26 sessions by 22 Management staff, with the topics ranging from technical skills (eg. SOP Writing, Optimising the usage of Microsoft Powerpoint & Excel), soft skills (eg. Emotional Intelligence) to motivational topic (eg. Health and Self Improvement).

## INFORMATION TECHNOLOGY

### OVERVIEW

With a capacity of 11 staff, MII IT team areas of services range from IT-related strategy, applications, infrastructure to support services to MII community. MII IT ensures that leading-edge technology is readily accessible to staff and students to complement their teaching, administrative and learning experience. The focus in 2017 was to enhance Integrated Learning Management System (iLMS) functionalities and upgrade internet line infrastructure.

#### 1. Enhancement of iLMS Functionalities

As part of the strategy to be self-dependent, the MII IT team, with the support of management team, has taken initiatives to strengthen its competencies in applications development. With the addition of three skilful staff to the previously three-team member, the application team is now capable to deliver additional features on iLMS, as well as maintaining a reliable support service.

The approach was to deliver the enhancement in stages or phases, where the first objective was to offer professional courses in iLMS, followed by students learning portal, additional functions and mobile apps. With a combination of Waterfall and Agile project management methodologies, the first phase of the project was closely monitored, and finally completed in eight (8) months period.

This achievement enabled MII to administer all professional courses and online training from registration to examination.

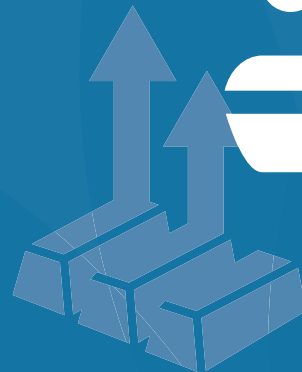
#### 2. Internet Line Upgrade

In line with the implementation of web based iLMS, cloud based Office365 email system and Skype for Business teleconference, the internet usage at MII HQ is increasing. For that reason, MII IT team has taken initiative to upgrade the internet line by subscribing to two new internet lines with TM Unifi at a bandwidth of 30 MB each line, in addition to the existing a 30 MB line. At the same time, the MII team has terminated the existing 2 MB leased line from TIME Metro-E.

This upgrade had enabled MII to increase internet bandwidth, significantly reducing annual recurring cost and better distribution of internet bandwidth usage among MII HQ users.

# FINANCIAL STATEMENTS

077	Directors' Report
080	Independent Auditors' Report to The Members of The Malaysian Insurance Institute (Incorporated in Malaysia)
083	Statement of Profit or Loss and Other Comprehensive Income
084	Statement of Financial Position
086	Statement of Changes in Equity
087	Statement of Cash Flows
089	Notes to the Financial Statements
111	Statement by Directors
111	Declaration by the Officer Primarily Responsible for the Financial Management of the Institute
112	Proxy Form
113	Accredited Representative Form



# DIRECTORS' 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, 2017.

## 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	(2,765,093)
Tax credit	726,078
<hr/>	
Deficit for the year	(2,039,015)
<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.



## DIRECTORS' REPORT (CONT'D)

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

- (a) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the 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:

Dato' Adrian Low Heong Chow @ Loh Heong Chow  
Datuk Francis Lai @ Lai Yun Sen  
Zainal Abidin bin Mohd Noor  
Raja Zailan Putra bin Raja Dato' Seri Hj Azam  
Antony Fook Weng Lee (Acting Chairman) (appointed 17 May 2018)  
Wong Ah Kow  
Tan Kok Guan  
T. Sivapalan a/l Tharmapalan  
Wong Teck Wai  
Ezamshah bin Ismail  
Yoon Yew Khuen (resigned on 18 April 2018)  
Philip Wallace Smith (appointed on 17 November 2017)  
Toi See Jong (Chairman) (resigned on 30 March 2018)  
Gan Leong Hin (resigned on 26 May 2017)  
Hashim bin Harun (Chairman) (resigned on 31 December 2017)

**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 RM8,028,333 for the directors of the Company. The amount of insurance premium paid during the year amounted to RM24,660.

No indemnity was given to or insurance effected for auditors of the Institute during the financial year.

**AUDITORS**

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

**AUDITORS' REMUNERATION**

The amount paid or payable as remuneration of the auditors for the financial year ended December 31, 2017 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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**DATO' ADRIAN LOH HEONG CHOW**  
(DIRECTOR)

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**EZAMSAH BIN ISMAIL**  
(DIRECTOR)

Kuala Lumpur,  
MAY 17, 2018





# 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, 2017 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 87 to 114.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as of December 31, 2017 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, 2016 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, 2016 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.

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.



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

## **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**

MAY 17, 2018

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 RM	2016 RM
Revenue	6	13,406,243	14,005,655
Other income		862,128	1,007,085
Employee benefits expense		(8,086,181)	(7,565,400)
Depreciation of property, plant and equipment	9	(383,718)	(487,167)
Amortisation of prepaid lease payments	10	(65,039)	(65,039)
Interest on zero coupon bonds	21	(594,459)	(570,301)
Other expenses		(7,904,067)	(8,482,391)
Deficit before tax	7	(2,765,093)	(2,157,558)
Tax credit / (expense)	8	726,078	(138,923)
<b>Deficit for the year</b>		<b>(2,039,015)</b>	<b>(2,296,481)</b>

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



## STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2017

	Note	2017 RM	2016 RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	9	360,405	9,110,750
Prepaid lease payments	10	-	3,674,697
Fixed deposits	11	7,879,031	7,609,922
<b>Total Non-Current Assets</b>		<b>8,239,436</b>	<b>20,395,369</b>
<b>Current Assets</b>			
Inventories	12	72,022	86,465
Trade receivables	13	1,334,957	1,401,118
Other receivables and prepaid expenses	14	1,773,698	1,696,317
Amount due from a subsidiary company	15	54,204	59,720
Bumiputra Training Fund	16	-	-
Capacity Building Fund	17	2,172,071	2,981,470
Tax recoverable		590,940	430,634
Fixed deposits	11	17,138,482	16,477,630
Cash and bank balances	23	1,667,714	2,317,163
<b>Total Current Assets</b>		<b>24,804,088</b>	<b>25,450,517</b>
Non-Current Assets Held for sale	18	12,032,190	-
<b>Total Assets</b>		<b>45,075,714</b>	<b>45,845,886</b>

(Forward)

	Note	2017 RM	2016 RM
<b>RESERVES AND LIABILITIES</b>			
General reserves	19	6,673,042	6,673,042
Surplus		16,598,857	18,637,872
<b>Accumulated Fund</b>		23,271,899	25,310,914
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	20	1,764,312	2,483,609
Zero coupon bonds - Secured	21	-	14,033,503
<b>Total Non-Current Liabilities</b>		1,764,312	16,517,112
<b>Current Liabilities</b>			
Trade payables	22	1,625,919	485,262
Other payables and accrued expenses	22	3,785,622	3,532,598
Zero coupon bonds - Secured	21	14,627,962	-
<b>Total Current Liabilities</b>		20,039,503	4,017,860
<b>Total Liabilities</b>		21,803,815	20,534,972
<b>Total Reserves and Liabilities</b>		45,075,714	45,845,886

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



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2017

	General Reserves RM	Surplus RM	Total RM
<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
<b>As of January 1, 2017</b>	6,673,042	18,637,872	25,310,914
Deficit for the year	-	(2,039,015)	(2,039,015)
<b>As of December 31, 2017</b>	6,673,042	16,598,857	23,271,899

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 RM	2016 RM
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Deficit before tax	(2,765,093)	(2,157,558)
Adjustments for:		
Depreciation of property, plant and equipment	383,718	487,167
Interest on zero coupon bonds	594,459	570,301
Amortisation of prepaid lease payments	65,039	65,039
Interest income	(765,888)	(851,298)
Adjustment of property, plant and equipment	7,065	-
Impairment on amount due from subsidiary company	5,516	-
Operating Loss Before Working Capital Changes	(2,475,184)	(1,886,349)
Decrease / (Increase) in:		
Inventories	14,443	(31,469)
Trade receivables	66,161	170,027
Other receivables and prepaid expenses	(143,397)	(299,019)
Increase / (Decrease) in:		
Trade payables	1,140,657	(300,786)
Other payables and accrued expenses	253,024	590,284
Cash Used In Operations	(1,144,296)	(1,757,312)
Income tax paid	(206,175)	(432,381)
Income tax refunded	79,520	-
Net Cash Used In Operating Activities	(1,270,951)	(2,189,693)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	805,034	883,356
Placement of fixed deposits	(269,109)	(334,477)
Additions to property, plant and equipment	(62,970)	(57,861)
Proceeds from liquidation of a subsidiary company	-	200,002
Net Cash From Investing Activities	472,955	691,020

(Forward)





## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017 (CONT'D)

	Note	2017 RM	2016 RM
<b>CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES</b>			
Bumiputra Training Fund received		84,127	-
Utilisation of Bumiputra Training Fund		(84,127)	-
Capacity Building Fund received		6,216,539	2,790,979
Utilisation of Capacity Building Fund		(5,407,140)	(4,154,603)
Net Cash From / (used) In Financing Activities		809,399	(1,363,624)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		11,403	(2,862,297)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		18,794,793	21,657,090
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	23	18,806,196	18,794,793

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 May 17, 2018.

## 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 requirements of Companies Act, 2016 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, 2017 as follows:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2014 - 2016 cycle	

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



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

### 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:

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014 <sup>1</sup> )
MFRS 15	Revenue from Contracts with Customers (and the related Clarifications) <sup>1</sup>
MFRS 16	Leases <sup>2</sup>
MFRS 17	Insurance Contracts <sup>3</sup>
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
IC Interpretation 23	Uncertainty over Income Tax Payments <sup>2</sup>
Amendments to:	
MFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts <sup>1</sup>
MFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
MFRS 128	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
MFRS 140	Transfer of Investment Property <sup>1</sup>
MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
MFRSs	Annual Improvements to MFRSs 2014 - 2016 Cycle <sup>1</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined by the MASB with earlier application 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.

**(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.



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

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>2017</b>					
Financial assets:					
Fixed deposits	2.95 to 3.40	17,682,629	8,129,190	-	25,811,819
Cash and bank balances	-	1,667,714	-	-	1,667,714
Trade receivables	-	1,334,957	-	-	1,334,957
Other receivables and refundable deposits	-	885,390	-	-	885,390
Amount due from subsidiary company	-	54,204	-	-	54,204
Capacity building fund	-	2,172,071	-	-	2,172,071
Financial liabilities:					
Trade payables	-	1,625,919	-	-	1,625,919
Other payables and accrued expenses	-	2,999,966	-	-	2,999,966
Zero coupon bonds	-	18,000,000	-	-	18,000,000
<hr/>					
<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	-	1,667,714	-	-	1,667,714
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

### 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 (2016: 24 basis point), with all other variables held constant, the Institute's surplus for the year will be higher or lower by RM60,980 (2016: RM58,713).

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

### 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.



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

### 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.

## 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.





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

### Property, Plant and Equipment

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

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the 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.

### Non-current Assets Held for Sale

Non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sales in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Institute is committed to a sale plan involving disposal of assets, the assets are classified as held for sale when the criteria described above are met.

Non-current asset classified as held for sale is measured at the lower of their carrying amount and fair value less costs to sell.

### 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.

## Deferred Income

Deferred income, which represents the unearned portion of revenue from courses or exams, will be recognised in profit or loss when services has been rendered to the customers.

## 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.



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

### 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.

#### 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**

	2017 RM	2016 RM
Fees received	13,241,561	13,590,880
Sale of books	164,682	414,775
	13,406,243	14,005,655



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

### 7. DEFICIT BEFORE TAX

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

	2017 RM	2016 RM
Interest income from fixed deposits	765,888	851,298
Rental income	18,738	37,468
Realised loss on foreign exchange	(66)	(2,690)
Rental expense on:		
Venue and office premises	(1,337,659)	(1,503,478)
Equipment	(153,333)	(210,688)
Auditors' remuneration	(40,000)	(40,000)
Impairment on subsidiary company	(5,516)	-
Directors' fee	(2,500)	-

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 RM919,485 (2016: RM862,310).

Included in other income is Hibah, a voluntarily gift on saving account in licenced banks, amounted to RM20,660 (2016: RM23,271).

### 8. TAX CREDIT/(EXPENSE)

	2017 RM	2016 RM
Estimated tax payable:		
Current tax	-	-
Deferred tax (Note 20)	494,774	156,767
	494,774	156,767
Over/(Under)provision in prior years:		
Current tax	6,781	30,504
Deferred tax (Note 20)	224,523	(326,194)
	726,078	(138,923)

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.

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

	2017 RM	2016 RM
Deficit before tax	(2,765,093)	(2,157,558)
Tax of 28%	774,226	604,116
Tax effects of:		
Expenses not deductible for tax purposes	(299,532)	(471,965)
Non-taxable items	20,080	24,616
Over/(Under) provision in prior years:		
Current tax	6,781	30,504
Deferred tax	224,523	(326,194)
Tax credit/(expense) for the year	726,078	(138,923)

## 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, 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/ January 1, 2017	13,212,131	1,815,050	488,152	3,743,041	1,246,138	20,504,512
Additions	-	3,500	-	59,470	-	62,970
Reclassification (Note A)	-	(8,831)	-	-	-	(8,831)
Asset held for sales (Note 18)	(13,212,131)	-	-	-	-	(13,212,131)
As of December 31, 2017	-	1,809,719	488,152	3,802,511	1,246,138	7,346,520



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

	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, 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/ January 1, 2017	4,637,840	1,707,330	349,007	3,518,904	1,180,681	11,393,762
Charge for the year	151,759	31,834	76,553	100,208	23,364	383,718
Reclassification (Note A)	-	(1,766)	-	-	-	(1,766)
Asset held for sale (Note 18)	(4,789,599)	-	-	-	-	(4,789,599)
As of December 31, 2017	-	1,737,398	425,560	3,619,112	1,204,045	6,986,115
<b>Net Book Value</b>						
As of December 31, 2017	-	72,321	62,592	183,399	42,093	360,405
As of December 31, 2016	8,574,291	107,720	139,145	224,137	65,457	9,110,750

The following assets were acquired using the Capacity Building Fund (Note 17) during the current year:

	Furniture and fittings, audio visual and office equipment RM	Computers and peripherals RM	Renovation RM
<b>2017</b>			
Cost (Note A)	18,498	499,657	518,155
Fund received	(18,498)	(499,657)	(518,155)
Net book value	-	-	-
<b>2016</b>			
Cost	-	596,340	596,340
Fund received	-	(596,340)	(596,340)
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 RM6,330,062 (2016: RM5,797,453).

Note A: There is a reclassification of audio visual from property, plant and equipment to assets acquired using Capacity Building Fund amounted RM8,831.

## 10 PREPAID LEASE PAYMENTS

	2017 RM	2016 RM
<b>Cost</b>		
At beginning of year	5,662,342	5,662,342
Reclassified to non current asset held for sale (Note 18)	(5,662,342)	-
At end of year	-	5,662,342
<b>Accumulated Amortisation</b>		
At beginning of year	1,987,645	1,922,606
Amortisation for the year	65,039	65,039
Reclassified to non current asset held for sale (Note 18)	(2,052,684)	-
At end of year	-	1,987,645
Carrying amount	-	3,674,697

The unexpired portion of the said leasehold land as of December 31, 2017 is 55 years (2016: 56 years).

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

## 11. FIXED DEPOSITS

	2017 RM	2016 RM
Deposits placed with licensed bank:		
Current	17,138,482	16,477,630
Non-current	7,879,031	7,609,922
	25,017,513	24,087,552

The long-term fixed deposits of the Institute placed with a licensed bank amounting to RM7,879,031 (2016: RM7,609,222) 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 2.95% to 3.40% (2016: 3.00% to 4.00%) per annum. All fixed deposits are denominated in Ringgit Malaysia.





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

### 12. INVENTORIES

	2017 RM	2016 RM
Bookshop books	72,022	86,465

The cost of inventories recognised as an expense for the year was RM14,443 (2016: RM31,469).

### 13. 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 14) falls within the recorded allowances and management believes that there is no additional credit risk inherent in the Institute's trade and other receivables.

#### Ageing analysis of trade receivables

	2017 RM	2016 RM
Neither past due nor impaired	178,879	305,196
Past due but not impaired:		
1-30 days	367,659	392,372
31-60 days	421,475	212,320
61-90 days	157,669	113,425
> 91 days	209,275	377,805
	1,156,078	1,095,922
	1,334,957	1,401,118

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 RM1,156,078 (2016: RM1,095,922) 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.

**14. OTHER RECEIVABLES AND PREPAID EXPENSES**

	2017 RM	2016 RM
Prepaid expenses	888,308	802,539
Other receivables	360,459	384,032
Refundable deposits	360,564	306,233
Interest receivable	164,367	203,513
	1,773,698	1,696,317

Included in other receivables of the Institute is an amount of RM134,255 (2016: RM76,482) 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.

**15. AMOUNT DUE FROM A SUBSIDIARY COMPANY**

As disclosed in Note 1, the Institute resolved to place the subsidiary company M.I.I Academy Sdn. Bhd., a company incorporated in Malaysia, under member's voluntary liquidation. Accordingly, the Institute has ceased consolidating the subsidiary company since previous financial year.

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

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

The liquidator process has been completed on March 13, 2018 which an amount of RM54,204 being returned to the Institute. Consequently, the Institute recognised an impairment of RM5,516 (Note 7).

**16. BUMIPUTRA TRAINING FUND**

	2017 RM	2016 RM
At beginning of year	-	-
Payment of subsidies for Bumiputra life insurance agents	84,127	-
Subsidy received	(84,127)	-
	-	-
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.



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

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.

### 17. CAPACITY BUILDING FUND

	2017 RM	2016 RM
At beginning of year	2,981,470	1,617,846
Activities	5,407,140	4,154,603
Fund received	(6,216,539)	(2,790,979)
At end of year	2,172,071	2,981,470

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 RM2,172,071 (2016: RM2,981,470) is pending reimbursement by the fund. The fund was also utilised to acquire assets as disclosed in Note 9.

### 18. NON-CURRENT ASSETS HELD FOR SALE

	2017 RM	2016 RM
Non-current assets classified as held for sale from:		
Property, plant and equipment (Note 9)	8,422,532	-
Prepaid lease payments (Note 10)	3,609,658	-
	12,032,190	-

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.

As of the end of the reporting period, total deposit of RM1,693,454 (2016: RM1,209,610) received by the Institute had been included in Note 22 to the financial statements.

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

**19. GENERAL RESERVES**

	2017 RM	2016 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**

	2017 RM	2016 RM
At beginning of year	2,483,609	2,314,182
(Credited)/Debited to profit or loss for the year (Note 8)	(719,297)	169,427
At end of year	1,764,312	2,483,609

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 of the Institute comprise the following:

	2017 RM	2016 RM
<b>Deferred tax liabilities (before offsetting):</b>		
Taxable temporary differences arising from:		
Property, plant and equipment	2,403,781	2,478,290
Other receivables	46,022	56,984
	2,449,803	2,535,274
Offsetting	(685,491)	(51,665)
<b>Deferred tax liabilities (after offsetting)</b>	1,764,312	2,483,609
<b>Deferred tax assets (before offsetting):</b>		
Unutilised tax losses	409,992	17,884
Deferred income	219,984	-
Unabsorbed capital allowances	55,515	33,781
	685,491	51,665
Offsetting	(685,491)	(51,665)
<b>Deferred tax assets (after offsetting)</b>	-	-



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

### 21. ZERO COUPON BONDS - SECURED

	2017 RM	2016 RM
Zero coupon bonds	18,000,000	18,000,000
Less: Accumulated amortisation		
At beginning of year	(3,966,497)	(4,536,798)
Interest charged to profit or loss	594,459	570,301
At end of year	(3,372,038)	(3,966,497)
Amortised cost	14,627,962	14,033,503

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. Date of redemption of the bonds is December 1, 2022. As of the end of the reporting period, with the anticipated completion of the disposal of the leasehold land and building in 2018, the directors of the Institute expect to undertake an early redemption of the bonds in 2018 and accordingly, the bonds has been classified as current liability.

The bonds are measured at amortised cost. The interest expense is calculated by applying an effective interest rate of 4.11% (2016: 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 (2016: 30 days to 90 days).

Other payables and accrued expenses consist of the following:

	2017 RM	2016 RM
Other payables	2,220,644	1,907,797
Accrued expenses	779,322	980,631
Deferred income	785,656	644,170
	3,785,622	3,532,598

Included in other payables is deposit received in relation to disposal of Wisma IBI amounted to RM1,693,454 (2016: RM1,209,610) as disclosed in Note 18 to the financial statements.

**23. CASH AND CASH EQUIVALENTS**

	2017 RM	2016 RM
Cash and bank balances	1,667,714	2,317,163
Fixed deposits (Note 11)	17,138,482	16,477,630
	18,806,196	18,794,793

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

	2017 RM	2016 RM
Ringgit Malaysia	1,536,225	2,302,023
United States Dollar	130,031	15,140
Great Britain Pound	1,458	-
	1,667,714	2,317,163

**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:

	2017 RM	2016 RM
Approved but not contracted for	732,530	289,639

**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	
	2017 RM	2016 RM
Financial years ending December 31,		
2017	-	960,935
2018	1,055,302	960,935
2019 onwards	338,991	1,197,313
	1,394,293	2,158,248



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

### 26. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	2017 RM	2016 RM
Short-term employee benefits	2,313,942	2,188,720
Contributions to EPF	303,385	279,746
	2,617,327	2,468,466

### 27. FINANCIAL INSTRUMENTS

	2017 RM	2016 RM
<b>Categories of financial instruments</b>		
<b>Financial assets</b>		
Fixed deposits	25,017,513	24,087,552
Cash and bank balances	1,667,714	2,317,163
Trade receivables	1,334,957	1,401,118
Other receivables and refundable deposits	885,390	893,778
Amount due from a subsidiary company	54,204	59,720
Capacity Building Fund	2,172,071	2,981,470
Loans and receivables at amortised cost	4,446,622	5,336,086
<b>Financial liabilities</b>		
Trade payables	1,625,919	485,262
Other payables and accrued expenses	2,999,966	2,888,428
Zero coupon bonds	14,627,962	14,033,503
Other financial liabilities at amortised cost	19,253,847	17,407,193

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:

	2017		2016	
	Carrying value RM	Fair value RM	Carrying value RM	Fair value RM
Zero coupon bonds	14,627,962	14,716,695	14,033,503	14,135,717

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% (2016: 4.11%)

## 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, 2016 in Malaysia so as to give a true and fair view of the financial position of the Institute as of December 31, 2017 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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**DATO' ADRIAN LOH HEONG CHOW**  
(DIRECTOR)

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**EZAMSHAH BIN ISMAIL**  
(DIRECTOR)

Kuala Lumpur,  
May 17, 2018

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

I, **DATO' 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' SYED MOHEEB BIN SYED KAMARULZAMAN**

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

Before me, May 17, 2018

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**COMMISSIONER FOR OATHS**





# PROXY FORM

## THE MALAYSIAN INSURANCE INSTITUTE (Company No. 35445-H) 40<sup>TH</sup> ANNUAL GENERAL MEETING

I, ..... Membership No.: .....

of .....

a member of The Malaysian Insurance Institute ("MII"), 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 **40th Annual General Meeting** of MII to be held on **Tuesday, 26 June 2018 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 Zainal Abidin Mohd Noor as Director		
2.	To re-appoint Datuk Francis Lai @ Lai Yun Sen as Director		
3.	To re-appoint Messrs Delloitte PLT as the auditors of MII		
4.	Proposed Directors' Benefits		

Dated this ..... day of ....., 2018.

\_\_\_\_\_  
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 MII, 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 (Company No. 35445-H) 40<sup>TH</sup> ANNUAL GENERAL MEETING

We, ..... Membership No.: .....

of .....

an institutional member of The Malaysian Insurance Institute ("MII"), hereby appoint .....

NRIC No:..... of .....

and failing him/her,.....NRIC No:.....

of .....

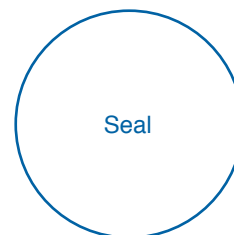
to attend and vote for us on our behalf at the **40th Annual General Meeting** of MII to be held on **Tuesday, 26 June 2018** at **10:00 a.m.** and at any adjournment thereof. Our nominee is to vote as indicated below:

(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 Zainal Abidin Mohd Noor as Director		
2.	To re-elect Datuk Francis Lai @ Lai Vun Sen as Director		
3.	To re-appoint Messrs Delloitte PLT as the auditors of MII		
4.	Proposed Directors' Benefits		

In witness whereof the Common Seal of the Company is affixed on this ..... day of....., 2018.

\_\_\_\_\_  
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 MII, 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)

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