

Malaysia Life Insurance (Conventional) Tied Agency Monitor



Q4 2017 edition

Pi Financial Services Intelligence

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A[2]. INTRODUCTION - ABOUT THIS REPORT

This is the **Pi FSI Malaysia Life Insurance Tied Agency Monitor**, covering the life insurance agency channel in Malaysia. It is one of a series of market intelligence products Pi FSI prepares on Asian, South African and European insurance distribution channels. The analysis is updated every quarter, and is available on a subscription basis. The current report in the context of our product list is shown below.

Time period for this report: Q4 '17

China	
<i>Monitors</i>	
General Ins. Tied Agency	Headcount, growth, retention, etc Provincial analysis also
Life Ins. Tied Agency	Headcount, growth, retention, etc Provincial analysis also
Hong Kong	
<i>Monitors</i>	
HK Agencies, Brokers & IFAs Monitor & Directory	Individuals /entities in PIBA & CIB regimes, & HKFI agencies. Headcount, growth,
HKFI Life Ins. Intermediary	All channels, life insurer view Headcount, growth, retention, etc
HKFI Life Bancassurance Intermediary	Bancassurance channel – life co. + bank view Headcount, growth, etc; agreement start
HKFI Life Ins. [Non Tied Agency] Intermediary	As per Bancassurance Monitor + other non-agency channels
MPF & ORSO Scheme	Tracks investment mgr, scheme administrator, trustee, etc for all MPF/ORSO
MPF Intermediary	Individuals/entities in MPF regime Headcount, growth
SFC Intermediary	Individuals/entities in SFC regime Headcount, licences, growth, products
Indonesia	
<i>Monitor</i>	
Life Ins. Tied Agency	Headcount, growth, retention, etc
Malaysia	
<i>Monitor</i>	
Life Ins. (Conv'l) Tied Agency	Headcount, growth, retention, etc
Takaful Intermediary	Family & General: Headcount, growth, retention, etc
South Africa	
<i>Monitor</i>	
Financial Services Intermediary	Focus on large FSPs, all product areas Headcount, growth, retention, Advice etc
<i>Directory</i>	
Financial Services Provider Directory	All ~10,300 FSPs, incl. product licence footprints. KIS, contact details, age profiles
Thailand	
<i>Monitor</i>	
Life Ins. Tied Agency	All life companies, agency channel Headcount, growth, retention, etc
Multi-country	
Agency Headcount & MDRT Analysis	12 major Asian mkts (ex Japan), 2007 ->, agent headcount, MDRT metrics
X-Asia Life Ins. Tied Agency	China, HK, Indonesia, Malaysia, Thailand. All major co.s, agent h/c, growth, retention etc

◀ This Monitor

A[3]. INTRODUCTION - SCOPE, DISCLAIMER, CONTROL

SCOPE

We are concerned only with Malaysian life insurance conventional tied agents in this Monitor; **Takaful agents are excluded unless they also happen to be conventional life agents. Takaful tied agency is covered in a separate Monitor.** We use agent registration data to compile our analysis.

DISCLAIMER

Pi FSI has made all reasonable efforts to ensure that the data and analysis in this Monitor are complete and accurate. Under normal circumstances our analysis is highly accurate, however Pi FSI does not warrant its completeness or accuracy. Consequently, all data and analysis in this Monitor are provided “as is”, without any expressed or implied warranty as to completeness or accuracy.

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A[4]. COMPANIES & MARKET COVERAGE

This Monitor analyses the conventional tied agency forces of the following companies in the Malaysian life insurance market:

AIA
ALLIANZ LIFE
AMMETLIFE
AXA LIFE
ETIQA
GIBRALTAR
GREAT EASTERN
HLA
MANULIFE
MCIS
PRUDENTIAL
TOKIO MARINE LIFE
ZURICH

Where a company and its subsidiaries also have takaful agents, the takaful agents are not covered in this Monitor, unless those individuals also have conventional licences.

B. EXECUTIVE SUMMARY

HIGHLIGHTS FOR Q4 '17

- Slight drop in agent headcount over the quarter of 0.6%, with headcount at 77,424 as at 31 December '17.
- Drops were concentrated among three companies: AmMetlife (-30% over the quarter) to 855 agents, AXA Affin Life (-15%) to 2,096 agents, and Manulife (-10%) to 1,861 agents.
- Highest agent headcount growth over the quarter was at Tokio Marine Life (+9%), with no other significant growth rates.
- Agent transfer levels were slightly higher than previous quarters, at 0.4% of the agency force, but this includes a massive movement (137 agents) from HLA

AGENT HEADCOUNT & GROWTH

Agent headcount was at 77,424 on 31 December '17, a 0.6% drop over the 30 September '17 figure. [NB: Takaful agents are not covered in this Monitor, unless they also happen to be conventional agents]

Highest net agent headcount growth over Q4 '17 was at Tokio Marine Life (+9% to 2,945 agents). There was major shrinkage over the quarter at AmMetlife (-30% to 855), AXA Affin Life (-15% to 2,096), and Manulife (-10% to 1,861).

ROOKIE RECRUITMENT

Rookie recruitment was slightly higher, at 4.5% of the agency force during Q4 '17, (4.2% previous quarter). Most active were Allianz Life, AmMetlife, MCIS and Tokio Marine Life.

AGENT TRANSFERS

Agent switching was at 0.4% of the agency force during Q4 '17, or 281 agents, up from 0.3% in the previous quarter. Contributing to this higher figure was a massive intake of 152 at Allianz Life, including 137 from HLA alone. Detailed analysis shows the 137 moving from HLA to Allianz Life were well spread across tenure groups; 42 had 6yrs+ industry experience.

B. EXECUTIVE SUMMARY

No other companies had abnormally high incoming or outgoing agent transfer rates during the quarter. A longer view (four quarters) is shown with the Agent Transfers Heat Map (section E[9]), which shows abnormal levels (proportionally) of agent poaching activity over the past 4 quarters on a bilateral basis, taking account of the sizes of both the donor and receiving companies. The following bilateral transfers would appear to be incidences of targeted poaching (ignoring Gibraltar BSN Life because of the small numbers involved):

HLA -> Allianz Life
Zurich Life -> AXA Affin Life
AmMetlife -> Zurich Life
Allianz Life -> Zurich Life

AGENT RETENTION

Overall agent retention was slightly up on the previous quarter, at 93.0% for Q4 '17 (92.9% previous quarter). All the following had very low retention rates over the quarter, probably due to agency force purges: AmMetlife (59%), AXA Affin Life (77%), and Manulife (83%). For all these three companies, low retention rates were across all tenure groups.

Retention rates at AIA, Prudential and Tokio Marine Life were very high during the quarter.