

Tokio Marine Insurans sets modest growth target

[By Rupinder Singh](#)

TOKIO Marine Insurans (Malaysia) Bhd (TMIM), the local arm of Japanese insurer Tokio Marine Holdings Inc, is aiming for a moderate 5 to 10 per cent growth this year.



Heng says Tokio Marine Insurans Malaysia is always on the lookout for merger and acquisition opportunities.

The general insurer will look towards new sources of business as well its strong reputation, financial security and product quality to drive growth, its chief executive officer Dr Michael Heng Kiah Ngan, said.

"For 2010, we probably will not grow at the same rate as last year. We expect moderation in growth. I don't think the global economy is out of the woods yet, so credit collections would remain a problem," he told a press conference in Kuala Lumpur yesterday.

TMIM premiums grew 20 per cent last year to more than RM700 million, from RM580 million in 2008.

TMIM is a subsidiary of Tokio Marine Asia Pte Ltd, Singapore, and its ultimate holding company is Japan's Tokio Marine Holdings.

The growth forecast for 2009 will still continue to outpace the industry, which is expected to grow at between 6 per cent and 7 per cent this year, said Heng.

"Over the past four to five years, we have grown rapidly. So, I think, it is time to consolidate and ensure our information technology system is updated to cater for the next phase of growth," he explained.

Heng expects this year to be challenging, given that the global economy is still sending out mixed signals, with world trade remaining weak and unemployment in major economies staying high.

"Locally, we believe our competitors will strengthen as the industry consolidates. They will be more sophisticated, innovative and with better distribution, following the recent liberalisation," he said.

TMIM plans to reduce the overall volume and composition of its motor business, which accounts for 58 per cent of its total portfolio.

"Until the tariff situation is resolved, we have to try and reduce the motor business growth."

At the same time, TMIM will try to outgrow its non-motor business such as fire, marine, cargo and personal accident insurance, to be its preferred cluster of businesses.

Heng said TMIM is planning to add two branches in Butterworth, Penang, and Mersing, Johor, to its 22, by early February.

On TMIM's merger and acquisition plans this year, Heng said, "We are always on the lookout for good opportunities. Ultimately, it depends on the respective shareholders."

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