

# Pacific Insurance upbeat on growth

KUALA LUMPUR: The Pacific Insurance Bhd, which has acquired MCIS Insurance Bhd's general insurance segment, is expected to grow its business premiums by RM1bil in three to five years.

The combined business of Pacific Insurance and MCIS – both members of the Fairfax Group – is now estimated at RM400mil, which is mostly driven by the non-life insurance segment.

It also intends to grow its assets under management to RM1bil in two years from RM600mil currently.

“We also have new products to be offered, one of which would be bank credit insurance.

“Fairfax Asia views the Malaysian market as one of the key markets in Asia with great potential for future growth, investment and development, as the penetration of insurance market is low in Malaysia,” said Fairfax Asia chief executive officer and chairman Ramaswamy Aththappan.

Pacific Insurance completed the purchase of MCIS general insurance business on March 1. The former is a wholly-owned subsidiary of Fairfax Financial Holdings Ltd. MCIS' acquisition was part of the Government initiative through Bank Negara's Financial Services Act 2013 to split composite companies.

The initiative was to make companies stronger and provide a strong capital base. “We have a very small market share, which is one of the reasons why we merged. “Ideally, we would like to reach 10% market share in five years, but again it depends on the market conditions,” said Ramaswamy.

Prior to the merger, Pacific Insurance's growth in premiums was at 7.5% in 2014. The insurance company is expecting double-digit growth in premiums post-merger.

Within the Fairfax Asia group, the Singapore division is currently the largest contributor to the group with 40% in terms of premiums.

The Malaysian division contributed less than 10% to the group before the merger, but is set to overtake Singapore in four to five years.

The growth is anticipated to be mostly driven by its personal lines insurance segment, which constitutes property and casualty insurance products for individuals.

<http://www.thestar.com.my/business/business-news/2015/04/01/pacific-insurance-upbeat-on-growth/>

