



Business

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MITBA Hopes To Be Self-regulatory Organisation By September 2009

KUALA LUMPUR, July 23 (Bernama) -- The Malaysian Insurance & Takaful Brokers Association (MITBA) hopes to be a self-regulatory organisation by September next year.

Its chairman Mohamad Abdullah said MITBA would have more flexibility and freedom to manage the association if it was given the status.

He said MITBA was currently working closely with Bank Negara Malaysia to develop the self-regulatory framework.

"It is more like negotiating on how much we like to do and how much Bank Negara will like to keep. At this moment, Bank Negara agreed that they will do the licensing while we will regulate our members and handle complaints," Mohamad said during a press conference after the launch of MITBA.

To move MITBA in the direction of a self-regulatory body, a suitable chief executive officer will be engaged in providing a fresh approach to the organisation, he said.

"We also need to continue to develop strong relationships with the international markets, ensuring that insurance buyers are getting the insurance they need to cover their risks, and all at the highest international standards," he added.

MITBA has reached 33 years since its inception in 1974 as the Insurance Brokers Association of Malaysia with the goal to provide an avenue to discuss common problems in the industry and negotiate with other insurance associations, regulatory bodies and authorities.

It has 38 members comprising 29 composite brokers (who offer both conventional insurance and takaful broking), four takaful brokers and five conventional insurance brokers.

Of the 38 members, 11 of them represented those with foreign partners.

Mohamad said Malaysians were familiar with insurance and takaful, its Syariah-compliant equivalent, and they usually buy the products from companies or their agents.

"Many are not aware that they can stand to benefit more if they consult insurance brokers who can customise a more cost-effective solution," he said.

According to Mohamad, the brokers' market share has been growing steadily.



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MITBA currently has 36.9 percent of the total non-motor general premium of RM5.65 billion, he said.

However, Mohamad said, there was still big room for growth for the association.

"About 85 percent of the broking market are held by foreign brokers and only 15 percent by local brokers. Malaysian brokers can do mega-projects as what is being accomplished by their foreign counterparts. We have the potential," he said.

"Especially with challenges in current economic situation, demand for brokers will be even greater as risk management becomes even more crucial," he added.

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