



MITBA seeks self-regulation

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KUALA LUMPUR: Malaysia Insurance and Takaful Brokers Association (MITBA), which represents licensed insurance professionals in Malaysia, is seeking more autonomy and self-regulations.

MITBA's chairman Mohamad Abdullah said it was currently working with Bank Negara Malaysia and MITBA's counterpart in Hong Kong to come out with a framework for the association to manage its own affairs.

"Discussions are focused on the areas and the autonomy that can be accorded to us, and our understanding is for the central bank to focus on licensing issues while we take over the regulatory role and oversee the affairs of our members and brokers.

"We expect discussions to conclude soon and we will make an announcement on this by the end of September next year," Mohamad told reporters after the official renaming ceremony of the association here yesterday.

He said the association believed there was a great potential for growth in this industry, especially takaful insurance business and the increasing number of large multinational companies coming into the country was also expected



Bank Negara's director of consumer and market conduct Koid Swee Lian (right) and Mohamad at the launch of Malaysian Insurance and Takaful Brokers Association. Photo by Chu Jack Seng

to lead to increase in demand for brokers' services and expertise.

"We are confident of the growth in this industry, especially with our focus to be on Islamic financial centre in the region. Takaful insurance segment is expected to constitute 20% or RM6 billion of the total insurance industry market by 2010.

"Moreover, demand for brokers is expected to increase as their expertise to match the needs and risks of insurance buyers and sellers become more apparent with

the current uncertainties in the economy," Mohamad said.

Mohamad also called on insurance buyers to use local expertise in order to narrow the current imbalances in term of market shares between those with foreign partners and fully Malaysian owned insurance brokers.

The association currently has 38 members, with 29 consisting of composite brokers (brokers for takaful and conventional insurance), five licensed for insurance and four newly licensed takaful brokers.