

KLCI	Close	Hang Seng	Close	Nikkei	16,085.44 ▼ 918.86	KOSPI	Close
STI	Close	SCI	Close	TSEC	Close	S&P/ASX200	4,832.10 ▼ 143.30

MCIS Insurance sets sights on top five spot

> Sanlam-backed group to offer more innovative products, recruit more Gen Y and Z agents

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PETALING JAYA: MCIS Insurance Bhd, backed by South Africa's biggest insurer Sanlam Group, aspires to leap into the top five bracket in the life insurance market over the next few years.

"We have a vision and mission for the next few years. We aim to be among the top five health and wealth solutions provider by being the people's choice in terms of a customer-centric service provider," its CEO Kevin Jones (pix) told SunBiz.

Now among the top 12 players in terms of market share, MCIS Insurance will be moving at a more balanced pace towards its aims of becoming one of the top five, he said.

Jones talked about the initiatives under way for the company to achieve this target, ranging from product innovation and intensified agency recruitment to expansion of alternative marketing channels.

"In 2016, customers can look forward to some innovative products packaged in a specific, need-based method to reach out to our target audience. Through these offerings and attractive career benefits, we are also reaching out to Gen Y & Z to join our growing agency force to make life insurance a choice career."

In terms of brand and product offering, he said, MCIS Insurance benefits from knowledge sharing with its shareholder, Sanlam Group.

"Within 2016, the company expects to also reflect a new brand change that cements the new partnership with Sanlam, one that will propel the company into the future as a significant life insurance player," Jones said.

In the coming years, he added, MCIS Insurance will continue the knowledge-sharing practice as it allows the insurer to benefit from what has worked well in other emerging markets, but guided by the changing needs and demographics in Malaysia.

"Brand wise, we should be ready to speak and reveal more by the middle of this year. For now we can say that we will be rejuvenating our brand into something

that is very focused on the needs of our market," Jones said.

MCIS Insurance succeeded in attracting and wooing Sanlam Group and the sealing of the partnership in mid-2014 provided the local insurer with the needed stability and continued strength to move into the future.

Jones said Sanlam Group's multi-market knowledge and distinct corporate culture along with MCIS Insurance's rooted strength in the Malaysian business climate lend confidence to all stakeholders.

Further to its strategic partnership with Sanlam Group, MCIS Insurance in March 2015 transferred its general insurance division to The Pacific Insurance Bhd, to pave the way for the business to fully focus on and specialise in life insurance offerings to individuals, groups and organisations.

In August last year, MCIS Insurance launched a product called Premier Flexi Invest, an innovative plan that provides protection and wealth accumulation. Premier Flexi Invest was the first product to result from the active knowledge sharing between MCIS Insurance's local product development team and that of Sanlam Group.

According to Jones, the entry of Sanlam came at a relevant time which helped stabilise the company in terms of having a strong, majority shareholder.

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Jones said MCIS Insurance is looking to leverage on the government's vision to realise 75% life insurance penetration rate by 2020.

As part of its growth strategy, MCIS Insurance plans to recruit more Gen Y & Z into its agency force.

Realising that 90% of senior agents attached to the company have stayed loyal to the company over the decades, MCIS Insurance is embarking on a dedicated mission to recruit and engage a younger sales force, with emphasis towards the Chinese market.

"We are focused on developing the Chinese market along with the overall multiracial Malaysian mass and middle income segment because our experience shows that our agents sell to all ethnic groups as the relationship between an agent and a customer is based on trust and professionalism," Jones said.

Despite a challenging industry outlook, Jones remains optimistic on the long-term market as he believes that economic downturns are part of the natural growth cycle.

"In our perspective, the life insurance industry will remain resilient as our fund managers remain reasonable cautions and we continue to educate customers on the need to prioritise protection as a key element of their financial planning.

According to Jones, there is no better time to realise the importance of protection then now when one constantly faces the risk of a slowdown in economic activities.



US tribal casino management on the cards for Genting?

PETALING JAYA: Genting Malaysia Bhd may be venturing into tribal casinos in the US after the gaming giant restructured the shareholding of its indirect wholly owned unit, Genting Massachusetts LLC, on Jan 27, 2016.

"We gather that GENM (Genting Malaysia) may be aiding the Mashpee Wampanoag tribe in building and managing a casino 45 minutes from Boston in return for interest income and management fees.

"Due to lack of details, we are unable to quantify its impact but gather that this development cannot be negative to GENM," said Maybank Investment Bank (MaybankIB) Research in a note last Friday.

MaybankIB Research maintained its "buy" call on the gaming group with a target price of RM4.75 pending its results for the fourth quarter ending Dec 31, 2015, which will be released on Feb 23, 2016.

Tribal casinos are part of native American gaming on Indian reservation land or other tribal land in the US. Because these areas have tribal sovereignty, states have limited ability to forbid gambling there, as codified by the Indian Gaming Regulatory Act of 1988.

On Jan 8, 2016, the Mashpee Wampanoag tribe of Massachusetts's 170 acres in Mashpee and 151 acres land in Taunton was recognised as reservation land. As a result, the tribe is now able to build their US\$500 million (RM2.08 billion) First Light Resort & Casino in Taunton under the Indian Gaming Regulatory Act.

The resort includes a 150,000 sq ft casino, 600 hotel rooms, 3,000 slot machines, 150 tables and 40 poker tables and an events centre. It is expected to open in 2018.

According to MaybankIB Research, Genting Malaysia has a management agreement with the Mashpee Wampanoag tribe whereby Genting Malaysia will provide the tribe some initial financing and will manage the casino for seven years from opening.

"Not many details were forthcoming (for example, initial financing amount, management fee rate) other than that the gaming tax rate is set at 17% of gross gaming revenue and the tribe has promised the state at least US\$2.1 billion in taxes over 20 years. This is because tribes are not obliged to disclose their finances publicly," it said.

MaybankIB noted that Genting Malaysia is not permitted to hold shares in the resort but it can derive interest income on the financing amount and management fees.

"This may even be preferred as we gather that competition will be keen with MGM Resorts building a casino in Springfield and Wynn Resorts building one in Everett. Both are expected to open in 2018. As this development is hard to quantify and beyond our investment horizon, we leave our earnings estimates unchanged for now," it said.