

Unanswered Questions at Manulife's 45th AGM

The following are the answers to unanswered questions during the virtual AGM on 4 June 2021, which could not be covered during the AGM. Similar questions are consolidated.

1. What is the claim ratio, expense ratio, and combined ratio of the company? Has it improved if compared to FY2019?

These ratios are used in General Business, as it is a yearly renewable business. As Life insurance business is long-term in nature, the premium paid will be allocated to Account Value, reserve, claims etc. Overall, the claim experience for 2020 has been in line with our expectations. However, the expense incurred to acquire New Business was higher than expected as we sought to grow our scale.

2. Will the insurance charge of our medical plan increase due to Covid-19 claim?

Covid 19 claim will not affect the medical repricing since it is not covered by our medical plan at this moment.

3. It was stated that the insurance pay out was about 16% to 18% of Insurance Contract Liabilities. Based on the annual report, this 16% to 18% would amount to about 700+ million (from RM4.5 billion). However, insurance claims liabilities total was only RM56m (FYE2020 figure from Annual Report). Can you clarify this?

The Company's Contract Liabilities is RM4.5 billion whereas the RM56 million is Insurance Claims Liabilities. The percentage pay-out from the Company's Insurance Contract Liabilities is calculated as follows:

Net Benefits Paid (Gross benefits and claims paid and payable - Claims ceded to reinsurers) divided by the Insurance Contract Liabilities. The Net Benefits Paid in 2020 is RM 805.6 million (refer to the table below).

The RM56 million Insurance Claims Liabilities refers to outstanding claims (reported but not yet paid) and Incurred But Not Reported (IBNR) provisions.

	RM '000	2020	2019	Source
(a)	Gross benefits and claims paid and payable	841,395	735,316	Statements of Profit or Loss
(b)	Claims ceded to reinsurers	35,777	23,766	Statements of Profit or Loss
(c)	Net Benefits Paid (a)-(b)	805,618	711,550	
(d)	Insurance Contract Liabilities	4,538,054	4,215,893	Statements of Financial Position
(e)	Ratio (c)/(d)	17.8%	16.9%	
(f)	Insurance Claims Liabilities	56,474	53,464	Statements of Financial Position

4. Any plans to provide free Covid-19 or vaccine insurance or PA insurance to the public or your shareholders?

Since the early days of COVID-19 in Malaysia, our customers have been supported under the Special Financial Assistance Programme where policyholders would receive daily income of RM200 upon diagnosis of COVID-19 and Compassionate Benefit up to RM15,000. For non-Manulife customers, the company is planning to provide free COVID-19 coverage and this will be announced in our website in due time.