

# Anika seeking regional tie-ups

BY DALJIT DHESI

ANIKA Insurance Brokers Sdn Bhd has set its sights on forming joint venture alliances or acquiring related companies in the region as part of the company's expansion and contingency plan in line with the liberalisation of the financial services market by 2008.

Director and chief executive officer Chong Ping Leong said the company's operation in the region was currently more inclined to business exchange dealings between Anika and its local broking partners in the region.

"At present, we work closely with brokers in the region to service Anika's clients operating there and the same applies to their clients doing business in Malaysia.

"But in view of the liberalisation of the financial services sector in the

next few years and to further strengthen our business and compete effectively regionally, we want to either form joint ventures or acquire insurance related companies which will add synergy to Anika," he said in an interview in Kuala Lumpur.

At the moment, Chong added, the company had not identified any suitable parties but was seriously on the lookout.

The company expects its overseas operations to contribute between 10% and 15% of Anika's total premium income over the next two to three years from about 5% currently. Anika registered premium income of RM110mil last year and is targeting a 15% growth by end of this year.

Chong said at present the company had operations in Thailand, Indonesia, the Philippines, India, Hong Kong, China and the latest being Vietnam.



Chong Ping Leong

He said to prepare for its expansion plan in the region, the company had recently set up a human resource department providing, among others, staff training and planning ways to face the challenges

of a liberalised financial services market.

Senior manager for finance and administration Anthony Y.T. Wong said last year Anika increased its authorised share capital to RM10mil from RM5mil in 2003, hence further signalling its plans to expand abroad.

Wong added the company would be developing its own accountancy system this year, which would be more flexible in facilitating and adopting various accounting methodologies.

Besides its core business of manufacturing, telecommunication, power plants, infrastructure, construction and engineering, the company was also strong in liability classes, he said. These include directors and officers liability, professional indemnity and product liability.

In the next few years, Chong said

he expected the product liability business in the country to pick up further as manufacturers exporting to countries like Europe and the United States were required to take up such a policy.

As for new products, he said the company was targeting at least one every year and would be launching a liability insurance product this year.

Last year, Anika launched a medical and health product called ALifeCare, which is a comprehensive life plan offering four plans with coverage ranging from RM30,000 to RM120,000.

The plan insures against loss of life, total and permanent disablement due to all causes and provides double indemnity for accidental death as well as covers 36 critical illnesses. The policyholder is entitled to a cover of up to a maximum of RM250,000 for any of these illnesses.