



PRESS RELEASE

GENERAL INSURANCE INDUSTRY PREMIUM GREW BY 6.9% IN 2024, DRIVEN BY VEHICLE SALES AND INFRASTRUCTURE GROWTH – UNDERWRITING PROFIT REDUCED BY 11.0%

Kuala Lumpur, 29 April 2025 – Malaysia's General Insurance (GI) industry recorded a resilient performance in 2024, with Gross Written Premium (GWP) growing by **6.9% Year-on-Year (YoY)** to **RM23.1 billion**, driven primarily by the recovery in vehicle sales and continued momentum in infrastructure and liability-related insurance.

The GI industry remained robust despite global economic headwinds stemming from escalating trade tensions and inflationary pressures. Notably, **Motor, Fire, Marine Aviation and Transit (MAT)** segments led the premium growth, supported by strong domestic demand and industrial recovery initiatives under the national economic framework.

Motor and Fire line of business continue to dominate as top premium contributors

Motor Insurance contributes the largest share of total GWP. The segment recorded an **6.7% increase**, into an additional **RM651.1 million** in premiums compared to the previous year. This growth was underpinned by a **2.1% YoY rise in new vehicle registrations**, as reported by the Malaysian Automotive Association (MAA).^[1] However, profitability came under pressure from escalating **repair cost inflation, increase in SST**, and a rise in road accident claims, which collectively pushed net claims incurred upward by **18.8%** over five years to **RM6.5 billion** in 2024.^[2]

Fire Insurance premiums grew by **5.8%**, amounting to **RM258.5 million** in additional premiums, driven by a **4.9% rise in average premiums**—a reflection of higher material and reconstruction costs. Nevertheless, Fire business line remains the second-largest line and profitable with Net Claims Incurred Ratio (NCIR) at **34.1%**, despite rising reinsurance costs and the frequency of weather-related events.

Despite a **12.5% decrease in average premiums**, **Medical and Health Insurance (MHI)** experienced growth, with **10.0% premium surge** in 2024. However, MHI's NCIR remains elevated at **68.3%**, reflecting the ongoing challenges of medical inflation. If premium levels are not managed moving forward through industry-wide initiatives, the industry could face future headwinds in sustaining profitability and managing risks within this class of insurance business.

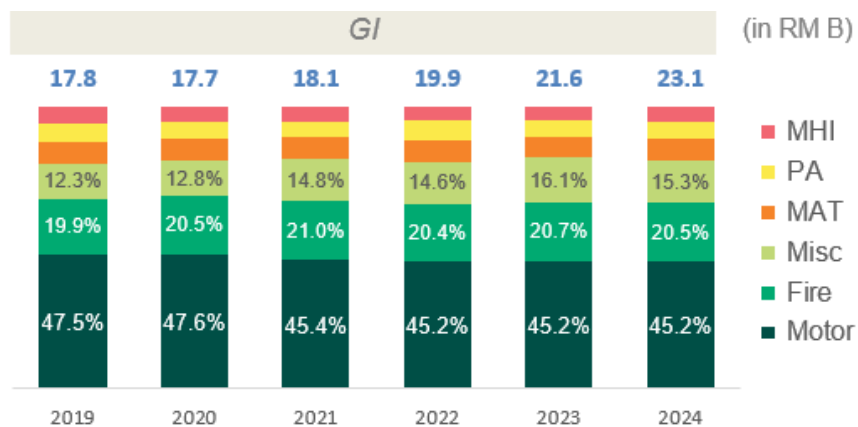
The **Liabilities** segment also showed strong performance with **8.1% GWP growth**, attributed to expanding business and public liability exposures in the commercial sector. The **Contractor's All Risk & Engineering (CARE)** line under Miscellaneous classes soared by



141.6% over the past 5 years, underlining the industry's response to mega infrastructure project revivals and increased construction activity.

Line of Business	YoY Growth Rate (2023 vs 2024)
Personal Accident (PA)	+14.8%
MAT	+14.2%
MHI	+10.0%
Liabilities	+ 8.1%
Motor	+ 6.7%
Fire	+ 5.8%
Overall	+ 6.9%

GI GWP Growth Rate

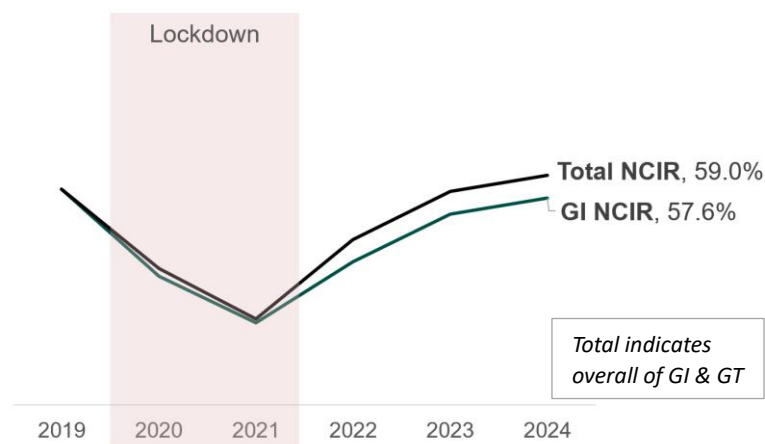


GWP Distribution Trend



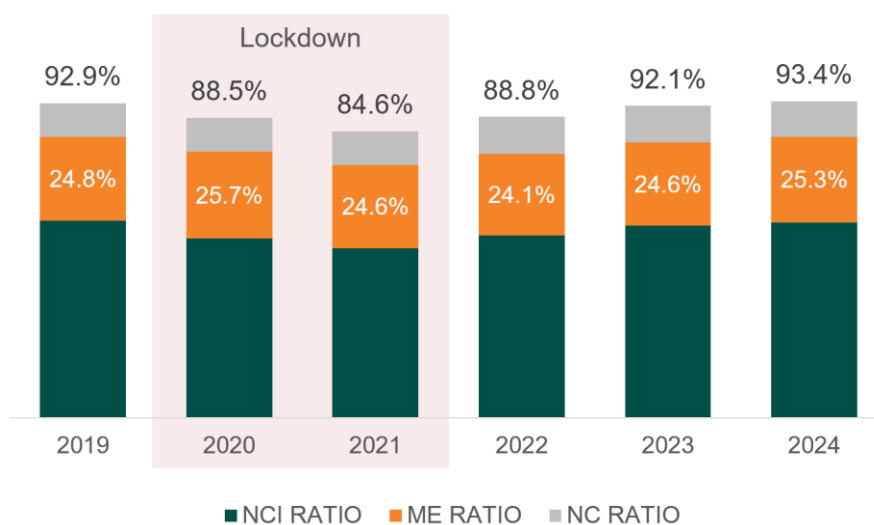
GI industry is sustainable with efficient operation and investment

The **GI NCIR** has increased from **53.7% in FY2022 to 57.6% in FY2024**. This rise is primarily due to the deterioration of GI Motor claims (which make up 60.9% of 2024 Net Earned Premium). **Motor and MHI** portfolios have **returned to pre-pandemic** levels and now both stand around 10 percentage points above the overall GI NCIR.



NCIR of GI vs Total

Combined ratio for the GI industry held steady at **93.4%**, indicating operational efficiency despite increased management expenses. **Net commission ratios** remained stable at 10.4%. Investment income played a pivotal role in sustaining profitability, contributing **60.0%** of overall operating profits.



GI Combined Ratio



Despite external uncertainties and inflationary costs, the GI industry remains on a steady growth path. 2025 will see continued emphasis on **sustainable underwriting, innovation in EV insurance, and resilience-building against climate risks**, as insurers align their strategies with evolving consumer needs and regulatory expectations.

Malaysia's Economic Fundamentals Remain Resilient

According to Bank Negara Malaysia's Annual Report, Malaysia's economy is projected to continue expanding into 2026, driven by sustained consumer spending, increased investments, and a rebound in exports.^[3] On the other hand, Swiss Re Malaysia projected inflation to rise from 1.8% in 2024 to 2.2% in 2025, influenced by fuel subsidy reforms, wage adjustments, and the expansion of the Sales and Services Tax (SST).^[4]

Malaysia's GI sector is poised for further growth in 2025, driven by economic recovery and increased demand for digital insurance products. There is also growing interest in Natural Catastrophe (NatCat) insurance. Medical cost inflation remains a concern, with projections rising from 15% in 2024 to 16.4% in 2025, significantly above the APAC average of 10%.

[1] MAA, "TIV 2024 SURPASSED 800,000 UNITS THRESHOLD TO HIT AN ALL-TIME HIGH!", [Link](#), 21 Jan 2025.

[2] *New Straits Times*, "Eleventh hour service tax on maintenance and repair to hurt consumers and businesses alike", [Link](#), 28th Feb 2024.

[3] BNM Annual Report 2024, [Link](#), 24/3/25.

[4] Swiss Re, "Global Economic Outlook & Impacts", 21/3/25.

[5] Data from ISM Statistical Bulletin (SB-FINANCE-00001-25), Jan 25.

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About Persatuan Insurans Am Malaysia (PIAM)

The history of PIAM originated from the establishment of various insurance and tariff associations set up in 1885 that played a role as a collective voice of the insurance industry in Malaya and Singapore shortly after the Independence of Malaya in 1957. In June 1961, the Insurance Association of Federation of Malaya was formed to maintain tariff insurance legislations and promote sound insurance practices. For the first time, an Association was established in Kuala Lumpur to safeguard the country's general insurance interest. Subsequently, PIAM was established in May 1979 as a statutory trade association recognised by the Government of Malaysia for all registered insurance business. Currently, PIAM has 23 member companies comprising direct general insurance and reinsurance companies operating in Malaysia.

To learn more about PIAM, visit www.piam.org.my

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