

**PRESS RELEASE**  
**OJK HOSTS 19<sup>TH</sup> ASEAN INSURANCE REGULATORS MEETING**  
**IN YOGYAKARTA**

**To Prepare Policy Directions for Integrated ASEAN Insurance Industry**

---

**Yogyakarta, November 23, 2016** — The Financial Services Authority (OJK) hosted and chaired the 19<sup>th</sup> ASEAN Insurance Regulators Meeting (AIRM) that was held from November 21 to 25, 2016 in Yogyakarta.

The meeting is an annual forum for regulators that supervise ASEAN insurance industries for exchanging ideas and information towards developing and reinforcing supervision of insurance industries in the region.

This event is usually held at the same time as ASEAN Insurance Council (AIC) meeting, and other AIC annual activities. The AIRM is normally concluded by a joint plenary meeting, which is attended by ASEAN Insurance Regulators, AIC, and other forums.

At the 19<sup>th</sup> AIRM, ASEAN insurance industry regulators would discuss the following topics:

1. Directions of policies on regulations related to insurance industries,
2. Statistical development of ASEAN insurance industries,
3. Implementation of Insurance Core Principles,
4. Integration of ASEAN insurance industries.

The regional meeting was attended by 54 representatives of ASEAN insurance regulators, including those from ASEAN Secretariat and 80 representatives of insurance companies in ASEAN—some of them came from the AIC.

Chairman of OJK's Board of Commissioners, Muliaman D. Hadad, at the opening of the 19<sup>th</sup> AIRM stated that ASEAN insurance industries play an important role in South East Asia's economic growth.

"Thus, regulators and industry players should be able to integrate the insurance industries in ASEAN and work together towards raising regional economic growth," he said.

Data from the OJK showed that in 2015, global insurance industry's growth tended to slow down compared to that of 2014. Global life insurance industry grew by 3.3 percent (compared to 4.7 percent in 2014), and the general insurance industry saw itself grew by 2.5 percent (compared to 2.8 percent in 2014).

Such growths were supported by an increase in the number of ASEAN insurance industry players in 2015 to a total of 509 insurance companies, from 483 companies in 2014.

Based on the 2015 data, in terms of business types, general insurance still dominated ASEAN insurance industries with the largest proportion that amounted to 63 percent. It was followed by the life insurance sector (22 percent), professional reinsurers (9 percent), composite insurance (5 percent), and state-owned enterprises (1 percent).

In regard to assets, ASEAN insurance industries held a total of US\$ 388.1 billion in assets, with the life insurance sector contributed 83 percent to that figure, which is equivalent to US\$ 322 billion.

The general insurance industry had a total of US\$ 66.1 billion in assets, making up 17 percent of the total assets stated above. With total assets of US\$ 148.84 billion, the Singaporean insurance industry held the biggest assets among ASEAN countries, followed by Thailand (US\$ 83.95 billion) and Malaysia (US\$ 55.70 billion). Indonesia ranked fourth in ASEAN with total assets worth US\$ 45.42 billion.

In line with the increase, in 2015 ASEAN insurance industries' premium income reached a total of US\$ 87.9 billion, rising by 8.1 percent from the previous year. Singapore topped the list with a total of US\$ 24.2 billion in premium income, followed by Thailand that recorded

US\$ 19.1 billion of premium income, and Indonesia that generated US\$ 12.9 billion in premium income. Indonesia's higher premium income was supported by the growth of its Sharia insurance industry.

With a total of 80 companies competing in it, the general insurance industry still dominates Indonesia insurance industry, whereas the life insurance industry came second with a roster of 55 companies, followed by the reinsurance industry with 6 companies, the mandatory insurance industry with 3 companies, and the social insurance industry with 2 companies.

Total assets of Indonesia insurance industry in 2015 reached IDR 853.42 trillion, with the life insurance industry took the largest share of 44.29 percent worth IDR 378.03 trillion, ahead of the social insurance industry that had a total of IDR 226.92 trillion in assets and the general insurance industry whose total assets stood at IDR 124.01 trillion.

Compared to 2014, Indonesia's total premium income rose by 19.5 percent to IDR 247.29 trillion in 2015. Thus, the 2015 penetration ratio of Indonesia insurance industry, which compared its gross premium with the country's gross domestic product (GDP), climbed to 2.56 percent from 2.35 percent.

In the last five years, Indonesia's gross premium enjoyed an average growth of approximately 18.6 percent. Compared to the country's 2015 population that reached around 255 million people, this meant the country's insurance density stood at IDR 1.159 million.

In other words, Indonesia has huge market potential for the insurance industry. The OJK as the industry's regulatory body will also make efforts to raise insurance penetration into the country's population for the next three or four years by providing the public with more access to insurance products, including the micro ones.

### **Integration of ASEAN Insurance Sector by 2025**

The blue print for the ASEAN Economic Community (AEC) 2025 has begun in November 2015 as part of the ASEAN Vision 2025: Forging Ahead Together. The plan emphasizes on three strategic goals in Finance Sector Integration Vision for 2025, namely Financial Integration, Financial Inclusion, and Financial Stability. As one of the crucial elements in the financial sector, the insurance industry plays an important role in economic growth and integration by supporting real, trading, and investment sectors.

This year, the AIRM was held at the same time as the Meeting of Working Committee of Financial Service Liberalization (WC-FSL) and ASEAN Insurance Forum (AIFo). The WC-FSL is a discussion forum for liberalization of ASEAN financial services sectors, while AIFo is a newly established forum for accelerating integration of ASEAN insurance industries.

The AIFo meeting in November 2016 in Yogyakarta would be the first for the forum. In addition, other meetings would take place as part of the 19<sup>th</sup> AIRM, including ASEAN Events Cross-Sectoral Coordination Committee Meeting (ACSCC Meeting) on Disaster Risk Financing and Insurance (DRF) and ASEAN Insurance Summit (AIS).

\*\*\*

For more information:

Edy Setiadi, Deputy Commissioner for Non-Banking Institutions Supervision I

Tel: +62 21 2960 0000 [edy.setiadi@ojk.go.id](mailto:edy.setiadi@ojk.go.id) [www.ojk.go.id](http://www.ojk.go.id)