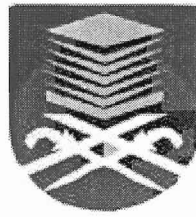


**THE IMPACT OF MACROECONOMIC VARIABLES ON THE
PERFORMANCE OF LIFE AND HEALTH INSURANCE IN
MALAYSIA**



BY :

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SEPTEMBER 2010

Surat Kami : 600-KM (PJI. 5/4/1)
Tarikh : 23 Februari 2010

Noraznira binti Abd Razak
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Melaka

Puan

TAJUK PROJEK PENYELIDIKAN DANA KECEMERLANGAN: "THE IMPACT OF MACROECONOMIC VARIABLES ON THE PERFORMANCE OF LIFE AND HEALTH INSURANCE IN MALAYSIA"

Dengan hormatnya perkara di atas dirujuk.

2. Sukacita dimaklumkan Penyelidikan dan Jaringan Industri (PJI) telah meluluskan cadangan penyelidikan yang telah dikemukakan oleh puan bertajuk di atas dengan syarat-syarat seperti berikut:

- i. Tempoh projek penyelidikan ini ialah 1 tahun, iaitu bermula **1 Februari 2010** hingga **28 Februari 2011**.
- ii. Kos yang diluluskan ialah sebanyak **RM5,000.00 sahaja** dalam (*Kategori F*). Puan diminta mengemukakan proposal beserta bajet yang baru mengikut kos yang diluluskan sebelum puan memulakan projek penyelidikan puan.
- iii. Pembelian peralatan komputer/printer/PDA/ alat multimedia adalah tidak dibenarkan.
- iv. Semua pembelian bahan/peralatan adalah diminta agar puan mematuhi prosedur perbendaharaan dimana pembelian melebihi RM500.00 hendaklah mengemukakan sebutharga dan borang analisa harga.
- v. Pihak puan dikehendaki mengemukakan laporan prestasi secara ringkas pada setiap enam (6) bulan sepanjang tempoh penyelidikan puan berjalan.

Tarikh : 3 September 2010
No. Fail Projek :

Penolong Naib Canselor (Penyelidikan)
Institut Pengurusan Penyelidikan
Universiti Teknologi MARA
40450 Shah Alam

Ybhg. Prof.,

**SUBMISSION OF FINAL REPORT FOR RESEARCH “THE
IMPACT OF MACROECONOMIC VARIABLES ON THE
PERFORMANCE OF LIFE AND HEALTH INSURANCE IN
MALAYSIA”**

Refer to the above matter.

Attached herewith 3 (three) hard copy of research paper titled THE
IMPACT OF MACROECONOMIC VARIABLES ON THE
PERFORMANCE OF LIFE AND HEALTH INSURANCE IN
MALAYSIA for your kind perusal.

Thank you.

Yours faithfully



NORAZNIRA BINTI ABD RAZAK
Project Leader

PROJECT TEAM MEMBERS

NORAZNIRA BINTI ABD RAZAK

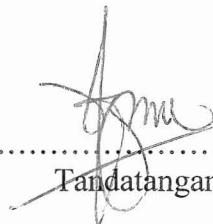
Project Leader



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Tandatangan

AFZAN NOR TALIB

Project Member



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Tandatangan

ABSTRACT

The economic factor might have a prominent result on the expansion of the insurance business. In Malaysia, premiums in force for life business grew at an average rate of 19.1% over the period to reach RM6208.3 million in 1998. The growth however, moderated to 4.2% in 1998 because of the economic crisis. This research need to done so that we can identified which macroeconomic variables that effect the growth of life and health sector in Malaysia in order to ensure that it can contribute clearly to developing pricing strategies to achieve a specific sales target for life and health business. This study attempts to examine the relationship between selected key - macroeconomic variable namely income per capita, inflation rates, price of the product ,saving deposit rates, fixed deposit rates and unemployment rates. In this study, the researcher used secondary data in order to achieve and accomplish the objectives of the study. The regression and correlation analysis were conducted on the time series data for 11 years that is from 1998 to 2008. In selecting and testing predictors to increase the efficiency of analysis, the researcher used the backward elimination method in Multiple Regression analysis. We test the independent level at three different level that are whether p value is significant at 1%, 5% and 10% level so that we can identified the most significant independent variables among six variables involved. From our finding, only income per capita, saving deposit rates and fixed deposit rates have significant relationship with the performance or demand of life and health insurance.