

**MARKETING OF MALAYSIA NATIONAL INSURANCE BERHAD'S LIFE
INSURANCE POLICY IN KUCHING-ITS STRATEGY AND EFFECTIVENESS**

by

GARY GERISAH BAGONG



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ABSTRACT

Malaysian National Insurance Berhad started its operation in Sarawak, in the early seventies. MNI is by far the largest locally registered insurance company, having twenty six branches Nation-wide.

Life insurance is a global business with far-reaching socio-economic implication, because it affects everybody, whether directly or indirectly. Economic downturn of 1997 to the middle of 1999, affects everybody including people in the insurance industry. A lot of life insurance policies, especially those in a higher premium brackets, either being surrendered or forfeited because of lapse on payment owing to the financial pinch during that period.

The main objectives of the study are to assess the current strategies employed by MNI in the marketing and sale of its life insurance policy, its mni in its endeavour to cope with the negative aftermath of the recent economic setback befalling the Nation. The study also tried to determine the impact of the various marketing factors on the sale and marketing of MNI life insurance policy.

It was discovered that despite the fact that a lot of major policies being surrendered or forfeited, MNI Kuching still managed to sell the target volume and made substantial profit during that economic bad-times.

CHAPTER 1

INTRODUCTION

1. 1. BACKGROUND INFORMATION

“A contract of insurance in the widest sense of the term may be defined as a contract whereby one person called the “insurer” undertakes, in return for the agreed consideration called the “ premium ” to pay to another person called the “ assured ” , a sum of money, or its equivalent, on the happening of a specified event (Ivamy, E. R. Hardy, 1979).

The specified event must have some element of uncertainty and in the case of life insurance, though the event is bound to happen in an ordinary course of nature, the time of its happening is uncertain. The fact that the happening of the events depend upon accidental cause and hence it is called accident.

Tremendous upsurge in physical, social and economic growth throughout the country creates a very favourable climate for the development of insurance industry. Insurance, life insurance in particular will eventually become part of an economic norms in our society, because it affects everybody, whether directly or indirectly. Life insurance becomes a global business with far-reaching socio-economic implications because: First it deals with economic security by providing individuals with financial security – for family members as well and secondly it provides important channel through which capital for feasible business is made

CHAPTER 2

LITERATURE REVIEW

2.1. MARKETING STRATEGY

Marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives (Kotler and Armstrong, 1996). In order to work out a marketing strategy for each business unit, the company should look into its overall marketing plan so that the marketing strategies adopted would help in attaining the company's overall strategic objective. Firstly, the company would identify the market segment it want to focus on for its products positioning. As these market segments differ in their needs and wants, the unit should concentrate on the segments it can best serve - from a competitive point of view, then develop a marketing strategy for each targeted market segment.

Effectiveness of planned strategies should be monitored by a control measure – which should be part of any marketing strategy action programme. Budget designed in order to achieve a certain strategic goal should be spelt out in the control plan for ease of the managing authorities in monitoring, whether achievement levels do commensurate with the budget spent. “ Marketing strategy is about striking the right balance between many varied and conflicting process which act on the organization-then turning them into long term profits” (Paul Fifield,