

# Tune Ins to raise travel policy sales

BY LIZ LEE



KUALA LUMPUR: Insurance group Tune Ins Holdings Bhd plans to grow its travel policy sales by 20% and launch TuneDirect, an online offering aimed at cementing the group's online presence, this year. Chief executive officer Peter Miller said the company continued to record growth stemming from its partnership with AirAsia Bhd, while also "doing exceptionally well" in the online space.

"We're always looking to grow faster than AirAsia and based on the initial numbers we saw from AirAsia, we are hoping to grow our policy sales by 20%," he told *StarBiz*, "We're well ahead of that."

Tune Ins sold six million travel policies in 2012. This year it aimed to do 7.2 million policies.

The insurance group is also looking to launch TuneDirect in the fourth quarter of this year, to sell a multitude of life and non-life insurance products via digital direct marketing.

General manager Sasitharan Krishnan said the group was working on a comprehensive offering with a simplified purchasing process and at a small premium for customers.



Sasitharan Krishn

“Being online does not only mean lower premium (as the operational cost is lower), it also benefits customers more as they can buy policies in their own time,” he said, noting that the company could reach out to potential customers through emails or mobile apps.

“People are more engaged on their smart phones now, and we should take advantage of that to make the insurance business sexier,” Sasitharan said.

The group would retain its multi-channel distribution network via telemarketers and agents.

Miller said the shift would come when a bigger portion of the insurance industry were to migrate onto the virtual platform, citing Gen-Y consumers with purchasing power as an important factor.

TuneDirect will have an advantage tapping Tune Ins’ travel insurance customer database.

The group set up Tune Direct Ltd in April in Labuan, which will own the online platform and subsidiaries in Malaysia, Indonesia and Thailand. These subsidiaries will then act as brokers to work with local insurance companies. Tune Ins also plans to invest RM10mil in technology upgrade.

At the moment, the team is on a global head hunt for a person to head TuneDirect, which Sasitharan hinted could be an Australian or European.

“We want to get people who have done this before as this is an unfamiliar business in Malaysia or South-East Asia,” Miller said, noting that only Syarikat Takaful Malaysia Bhd and MYEG Services Bhd offers insurance products online, albeit on a small scale.

Miller believes the steps taken to strengthen Tune Ins’ online and regional reach would give the group an edge when motor and fire insurance rates are de-tariffed in 2016.

“Acquiring companies in various markets and developing our online platform put us in a strong position to take advantage of the price deregulation then.

Miller said its 70% stake buy in Indonesian general insurance company PT Batavia Mitratama Insurance was on track.

“We’re still waiting regulatory approval for the acquisition,” he said, “Indonesia is an exciting market, just from the sheer size of its middle class population.”

Thailand is Tune Ins’ next target for acquisition although its talks are at a preliminary stage currently. Both Asean countries are the next highest purchasers of Tune Ins’ travel insurance after Malaysia.

Of the 3.65 million travel insurance policies sold within the first half of 2013, Indonesia and Thailand each comprised 17% of the sales.

“And all these markets are going to grow online,” Miller said.