

Prudential Named Best Life Insurer In Indonesia

Jakarta Globe

Investor Magazine has honored eight insurance companies and a re-insurance company in its “Best Insurance Company 2012” awards, based on a review of their 2008-11 financial reports.

Prudential Life Assurance was named the best life insurer with more than Rp 15 trillion (\$1.6 billion) in assets. AXA Mandiri was honored as the best in the Rp 5 trillion to Rp 15 trillion category; Panin Life in the Rp 3 trillion to Rp 5 trillion category; and Asuransi Jiwa in the Rp 1 trillion to Rp 3 trillion category.

In the general insurer type, Asuransi Sinarmas led in the category with more than Rp 3 trillion worth of assets.

Asuransi Bina Dana Arta triumphed in the Rp 1 trillion to Rp 3 trillion category; Asuransi Bangun Askrida led in the Rp 500 billion to Rp 1 trillion category; and Asuransi Umum Mega in the Rp 250 billion to Rp 500 billion category.

Maskapai Reasuransi Indonesia won in the re-insurer category.

The chairman of the board of the jury team, Herry Simandjuntak, said the award recipients were judged based on 14 criteria, included average growth of assets, average

growth in investment in portfolio papers, growth in premium, growth in investment return and growth in net income.

The rules stipulated that the financial reports must not have received disclaimer opinions from auditors when an audit could not be satisfactorily completed.

For 2011, the jury also observed total asset turnover, return on assets, return on equity and risk-based capital.

The magazine, published by BeritaSatu Media Holdings, with which the Jakarta Globe is affiliated, said there were 22 life insurers and 53 general insurers that failed in early rounds of selections.

Insurance has not played a significant role in Indonesia's economy, but it is growing fast along with the nation's middle class. In Indonesia, about 130 million of its 240 million people are classified as middle class, and faster economic growth has helped boost their household income. Average per capita income last year climbed to \$3,500 from \$3,000 in 2010.

However, insurance industry executives often complain that the government does not provide sufficient incentives, such as tax deductions and supporting regulations that oblige all citizens to purchase insurance policies.