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## **Axiata's Boost Holdings and PUC evaluating developments on digital insurer licence**

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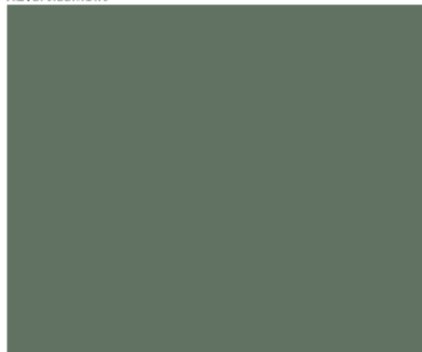


MALAYSIA's plan to issue licences to digital insurers seems to have caught the attention of companies such as Axiata Group Bhd's Boost Holdings Sdn Bhd and PUC Bhd, both of which are keeping a close watch on developments.

Bank Negara Malaysia is currently laying the groundwork for the issuance of such licences. On Jan 4, it issued a discussion paper outlining the proposed framework for licensing new digital insurers and takaful operators (DITOs).

Boost CEO Sheyantha Abeykoon says the company welcomes the development and sees it as a positive step forward for the industry.

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Asked whether Boost is considering applying for the licence, Abeykoon says: "Malaysia is still considered an underinsured market, hence the reason we have been offering insurance products in partnership with Great Eastern for a couple of years now. We are certain Malaysians will benefit from this move by Bank Negara. Boost is currently evaluating what Bank Negara announced, and it is too soon for us to comment further. We will make an official announcement at an appropriate time."

Boost is the fintech holding arm of telecommunications group Axiata.

As for Ace Market-listed PUC, its managing director and CEO Cheong Chia Chou says it is open to exploring the possibility of applying for such a licence.

“At this stage, it is too early to say; Bank Negara has just issued the discussion paper, so there are a lot of details to look at first. As a long-term objective, however, we are always open to exploring,” Cheong says when contacted by The Edge.

As it stands, Boost and PUC had each applied for a digital banking licence from Bank Negara last year and are waiting to hear whether they are successful. Central bank governor Tan Sri Nor Shamsiah Mohd Yunus said on Feb 11 that Bank Negara planned to announce up to five successful recipients, out of 29 applications, at the end of next month.

Boost had inked a heads of agreement with RHB Bank Bhd to form a consortium to apply for the digital banking licence. Meanwhile, PUC collaborated with the Sabah and Pahang governments as well as a Malaysian conglomerate, which it did not name, to apply for the licence.

Just last month, PUC, a digital business operator, said its wholly-owned subsidiary Presto Universe Sdn Bhd would be partnering Cover Touch Sdn Bhd and KH Lim Capital Sdn Bhd to undertake the online general and life insurance aggregation service business, via a joint-venture (JV) company.

This service would be provided to merchants on PUC’s Presto digital ecosystem.

“The JV company will represent Presto digital ecosystem in providing digital marketing and aggregating insurance service providers on general and life insurance and, in turn, introduce the insurance products to Presto’s merchants and users on the Presto digital platform,” PUC said in a stock exchange filing on Jan 21.

Meanwhile, industry sources say technology group Grab Holdings Ltd, which applied for a digital banking licence in Malaysia, is also likely to be interested in the digital insurance licence. Grab declined to comment when contacted by The Edge.



**Abeykoon: We will make an official announcement at an appropriate time**



**Cheong: As a long-term objective ... we are always open to exploring**

Bank Negara aims to get written feedback on its discussion paper by Feb 28, after which it will issue an exposure draft, which will then be followed by a policy document that sets out the prudential and business requirements for DITOs this year. The digital insurers are meant to focus solely on the unserved and underserved market segments.

It remains to be seen whether existing insurance and takaful players will want to apply for a separate licence, as they can already pursue a digitalisation agenda with their existing licence.

Analysts say most insurers are already working on providing digital offerings. "These new licences will perhaps push the incumbents to speed up their digital offerings," says Jim Lim, an insurance analyst at Kenanga Research.