

## **SEGMENTAL INFORMATION**

### **(A) Long Term Business**

#### **Life Operations**

For the period under review, the division focused its efforts on broadening service scope to policyholders. Two customer-oriented services, the Call Centre operation and the SOS Service, have been modified and extended under this initiative.

#### **Call Centre**

We have upgraded the existing telephone enquiry service into a fully-fledged Call Centre operation for greater efficiency and effectiveness. To ensure service quality, a built-in recording function documents conversations between callers and operators for training in complaint handling, and supervisors will stand-by to assist and advise operators when necessary. Call statistics will also be gathered and be used strictly for planning and research to help us better allocate resources in the future.

#### **SOS Service**

SOS membership cards have been modified and subsequently sent to all policyholders. The new card enables policyholders to instantly access operators of our Worldwide Emergency Assistance Service without having to quote the assistance reference number; identity verification will, therefore, be more efficient for timely processing. By September 2001, data-exchange mechanism with partnering emergency service providers will also be enhanced.

#### **Life Personal Accident**

##### **Sales**

During the interim period, the LPA division generated HK\$15.5 million in new premiums. Two new products were introduced in August 2000, namely, Millennium Labour Special and Millennium VIP Special and these two products were well received by the market. For the first six months of the year, these two products alone generated over HK\$10 million of revenue. The Group is currently engaged in product modification and updated version of the products are due to be released in September 2001.

## Management Discussion and Analysis (Continued)

### Strategies

To enhance claims processing efficiency, the division collaborated with our Information Technology Department on new claims systems on the internal network in May 2001.

Training programmes continued to take place throughout the interim period upon requests from agency offices. The division, leveraging upon resources and coordination from Agency Operations, will continue to target its training syllabus on cultivating effective sales approach and better product knowledge among agency personnel.

## Group Insurance

### Sales

The division achieved a 25.7% growth in total premiums delivering HK\$39.0 million for the first six months of the year as compared to HK\$31.0 million recorded in the same period last year. Net income for the first six months of the year came up to HK\$4.6 million as compared to HK\$3.1 million from the first six months of 2000, representing a 47.2% increase.

### Strategies

The impressive growth in premiums is mainly attributable to expanding sales for existing products as there has been no new product launched during the six months under review. Sales facilitation has been part of our focus to enhance overall performance. Staff training programmes for all agents, sales staff and office support staff began in May with over 90% participation. The objective is to promote sales via providing employees/agents with the expertise in products and administration. Agency training programme conducted during the period under review reported a 62% participation, while the passing rate for the Group's internal examination, as a crucial component to benchmark service standards, stood high at 98%.

## (B) Mandatory Provident Fund

### Sales

The Group recorded a total contribution of HK\$77.6 million as at the end of the first six months.

## **Strategies**

Offering MPF products is coherent with our corporate strategy of being a total service provider. We adopted a prudent approach to this new line of business by maximising the use of our existing distribution channels and minimising expenditure on advertising, promotions and incentives. With the purchase of a local tailor made system and our in-house administrative expertise, we have created a solid foundation for this business division.

## **(C) General Insurance**

### **Agency Structure**

Having worked closely with The Ming An Insurance Company (Hong Kong) Limited ("Ming An") for the past seven years as a handling agent, our General Insurance Division has extended our capacity from a Distributing Agent into an Underwriting Agent of Ming An. This new status has brought about enhancement in both operational efficiency and service standard and is much welcomed by both our agents and clients.

### **Sales**

Beginning July 2001, policy documents distributed through our agents will all bear PCI's corporate logo and name. This slight change has strengthened PCI's brand image and helps to clarify our relationship with Ming An as well as facilitate a smoother process for premium collection and other administrative functions.

With Ming An tightening its underwriting stance for Motor and Employees Compensation businesses, overall premium production excluding aviation business for the first six months of 2001 declined by 6% compared with the same period in 2000.

On the other hand, there has been an increase in premiums from packaged policies (office, shop, clinic, home, and domestic servant) by 13.5% in the mixed portfolio for the first six months of 2001. This is in line with our strategy to augment sales for profitable products such as packaged policies and gradually reduce the proportion of loss making products (such as the Motor and Employees Compensation policies).

## Management Discussion and Analysis (Continued)

### Products

Ming An introduced a new product, the Building Management Package Policy, in March 2001. This is a comprehensive policy that covers Fire and allied perils, Money Insurance, Employees Compensation and general Third Party Liability. Target prospects include Incorporated Owners Association and Building Management Companies of single block buildings less than 20 years old.

### Strategies

It is our mission to fuel production by providing the best service to our agents and clients. We believe well-versed agents will enhance overall agency productivity and service standards. To cater for an anticipated increase in enrolment to the compulsory Insurance Intermediaries Quality Assurance Scheme ("IIQAS") Exam Paper 2 on General Insurance in January 2002, the division has intensified the schedule for relevant revision programmes for the latter half of 2001. Product knowledge and training will take priority with courses featuring a different topic every month. The division will also entertain specific requests from agency teams to arrange tailor-made training courses and programmes.

A motivational campaign, the "Premium Growth Campaign," will take place between April and December 2001 to further stimulate business growth. Recognition and prizes will be awarded to the most productive agents.

### (D) PCI Investment Management Limited

As at June 1, 2001, two new subsidiary funds: "PCIIM Hong Kong Equity Fund" and "PCIIM Global Fixed Income Fund", have been introduced alongside the two existing funds under the "PCIIM Investment Fund", the flagship umbrella investment fund.

### Sales

Total assets under management have gradually increased. Since the beginning of this year, the total fund size has grown by more than 30% to well exceed US\$300 million as at the end of June 2001.