MALAYSIAN RE FORESIGHTS

ISSUE 8 | April 2026

PUBLISHED BY

MALAYSIAN RE

MALAYSIAN RE

RECOGNISED REPUTABLE RELIABLE

Shaping Sustainable Growth, Leading With Trust.

MALAYSIAN REINSURANCE BERHAD [illegible]

(A wholly owned subsidiary of MNRB Holdings Berhad)

We Protect Everyone

My 17-Year Career Journey in Claims Management:

From Color-Coded Files to the Age of Artificial Intelligence (AI) in Claims Processing

When I look back at my 17-year journey in the insurance industry, I realize that I have not only grown as a professional — I have lived through the transformation of an entire ecosystem. What began as a world dominated by manual processes, paper files, and physical approvals has evolved into a digital, automated, and AI-assisted landscape.

This is the story of how claims processing changed before my eyes, and how each phase shaped the way we work today.

The Early Years: A World Built on Paper & Color-Coding

When I first started working, claims processing was almost entirely manual. Every claim came in the form of a physical paper file, and each file type was categorized by colour — a system that, while simple, was incredibly effective at the time.

One glance at the colour was enough to tell me the nature and urgency of the claim. It may seem old-fashioned now, but this color-coding system played a crucial role in keeping workflows organized and preventing confusion in a paper-heavy environment.

Manual Assessment: When Every Step Required Paper, Printing, and Signatures

Assessment forms were prepared manually. The details of the claim were typed in Microsoft Word, and the document went through a three-stage approval chain:

Preparer → **Reviewer** → **Approver**

Everything required a physical signature.

All supporting documents — adjuster reports, invoices, treaty slips, policy wordings — were printed, hole-punched, and filed neatly in the claim folder. Even though systems like EDMS existed to retrieve documents, we still had to print and compile everything to complete the processing file for supervisor review.

And once a claim was **approved**?

A physical copy of the PRF (Payment Request Form) had to be delivered by hand to Finance.

I still remember walking to the 4th floor with stacks of documents, just to ensure settlements could be processed for the client. It was time-consuming, but it was the only way the system worked back then.

Fast Forward 17 Years: A Completely Different Reality

Today, our world is nothing like the one I first stepped into.

Digital transformation, innovation, and new technologies have changed the entire rhythm of work. Processes that once required printing, physical routing, and manual signatures can now be completed in a fraction of the time — often with just a few clicks.

And the biggest milestone in this transformation is the introduction of **Claims App 2.0**.

Claims App 2.0: The New Era of Seamless Digital Workflow

Claims App start from 1.0 and now enhanced 2.0 represents a giant leap forward from manual operations. It consolidates every part of the claims process into one digital platform and eliminates most of the inefficiencies that used to slow us down.

Here's how the workflow looks today:

Email Notification

The moment a broker or cedant sends an email, the claim is logged directly into the system — no more paper files.

B2B Digital Integration with Straight-Through Processing (STP)

Instead of relying solely on emails and printed documents, the introduction of a business-to-business (B2B) digital solution marked a significant shift in how claims are submitted and processed. This new way of working enabled digital claim notifications, structured data entry, and standardized document uploads, allowing brokers and insurers to exchange information in real time.

More importantly, the workflow itself provided greater transparency. Follow-ups became clearer, data quality improved, and common errors associated with manual submissions were significantly reduced. By connecting multiple parties — brokers, insurers, and reinsurers — on a single digital platform, the B2B solution established a more consistent and reliable intake process.

Today, this B2B digital solution is fully integrated with our core claims system through straight-through processing (STP). When a broker submits a claim via the B2B channel, the data flows directly and seamlessly into Claims App 2.0, with supporting documents appearing instantly under the relevant claim record.

This direct data flow eliminates manual re-entry and removes the need to switch between platforms. As a result, preparers are able to begin the assessment immediately, significantly improving turnaround time and operational efficiency.

Through this integration, the B2B solution has evolved from an external submission channel into a core component of our end-to-end claims workflow. Efficiency at the intake stage is strengthened, duplication is reduced, and claim submissions are more consistent, structured, and audit-ready — laying a strong foundation for further automation and AI-enabled processing.

Digital Document Upload

- Adjuster reports, invoices, treaty slips, policy documents — all uploaded into the app.
- No printing, no filing.

In-System Assessment Form

- The preparer, reviewer, and approver review everything digitally.
- Comments, edits, and approvals happen in the system, creating a clean, traceable audit trail.

Automated Routing & Governance

- Claims App 2.0 automatically sends the file to the correct reviewer and approver based on approval limits and workflows.
- Turn Around Time (TAT) compliance is built-in.

Real-Time Status Tracking

Every stage of the claim — pending, under review, approved, settled — can be monitored instantly.

Digital PRF Submission to Finance

Once approved, the PRF is generated digitally and sent to Finance without anyone having to walk to another department.

Faster, Smarter, More Transparent Settlement

- Everything is stored in one place.
- Everything is searchable.
- Everything is traceable.

The process is no longer about physical effort – it's about digital efficiency

Conclusion : Stepping Boldly into the Age of Artificial Intelligence (AI)

From color-coded files to walking between floors for approvals, from manual assessments to printing everything by hand — the journey has been remarkable.
But the transformation we are experiencing today goes beyond digitalization.
We are now entering the Age of AI, and the potential is extraordinary.

AI is now beginning to:

- extract data from documents within seconds,
- identify inconsistencies and potential fraud,
- assist adjusters with predictive insights,
- automate repetitive tasks,
- and support better, faster decision-making.

Where work once depended entirely on manual effort, it is now strengthened by intelligent automation.

Where delays were once unavoidable, speed is now the new standard.

The most exciting part is this:

- AI does not replace us – it elevates us.
- It becomes our co-pilot.
- It enhances our judgement.
- It frees us to focus on analysis, strategy and value creation.

From delivering PRFs by hand to approving claims with a single click supported by automation and insights — this journey is a powerful reminder that progress happens step by step, innovation by innovation.

After 17 years in this field, I am proud not only to witness the evolution of Malaysian Re from the first digital adoption back to the year 2010 until now, but also to have contributed to that journey.

Prepared By:
Sri Rahayu Ramli
Claims Department

Our Claims Digitilisation Journey

To Provide Best Claims Experience

We combine personalised service with innovative digital tools to provide our clients with a seamless claims experience.

And the future of claims processing has never looked more promising.

The Future of AI in the Insurance Industry

Artificial Intelligence (AI) is an area of computer science that emphasizes the creation of intelligent machines that work and react like human and simulate human intelligence and problem-solving capabilities.

This involves the development of AI algorithms, modelled after the decision-making process of the human brain, that can learn from variable data and make increasingly more accurate classifications or predictions over time. Generative AI can learn and synthesize not just human language but other data types including images, video, software code, and even molecular structures.

The Evolution of Artificial Intelligence

1940s–1950s

Foundations of AI

In the 1940s, the first artificial neurons were conceptualised.d. The 1950s introduced us to the Turing Test and the term "Artificial Intelligence.

1960s–1970s

Early Development

The 60s and 70s brought the birth of ELIZA, simulating human conversation, and Dendral, the first expert system, showcasing the early potentials of AI.

1980s

AI Winter & Expert Systems

The 80s faced reduced AI funding but saw the inaugural National Conference on AI. The backpropagttion concept rejuvenated neural networks.

1990s

Revival & Emergence of ML

The 90s witnessed IBM's Deep Blue defeating chess champion Garry Kasparov and the inception of the LOOM project, laying the foundations.

1990s

The Genesis of Generative AI

Geoffrey Hinton propelled deep learning into the limelight, steering AI toward relentless growth and innovation.

2000s

Rise of AI

In 2011, IBM Watson won "Jeopardy!", highlighting AI's language skills. The 2010s marked major AI milestones, including pioneering work in image recognition and the birth of GANs in 2014, followed by OpenAI's founding in 2015.

2020s

GenAI Reaches New Horizons

At the start of this decade, we've seen significant strides in GenAI, notably with OpenAI's GPT-3 and DALL-E 2023 pushing advanced tools like ChatGPT-4 and Google's Bard, alongside Microsoft's Bing AI, Yorf e.hancing accessibilty and reliability of informotion.

The Future of AI in Insurance Industry

1. Future Advancements in AI and Their Potential Impacts

Predicted Advancements in AI in Insurance

Hyper-Personalized Insurance Products

Real-time data & dynamic pricing

Advanced Underwriting & Risk Assessment

Predictive analytics & catastrophe forecasting

Automated Claims Processing

Faster, AI-driven claims settlement

Impact on Society

Improved Accessibility

Increased insurance penetration

Trust & Fairness Concerns

Risk of biased AI models

Changing Workforce

Rise of data scientists & AI roles

Enhanced Fraud Detection

Real-time fraud detection

2. Importance of Regulations and Ethical Guidelines

Ensuring Fairness & Preventing Bias

Prevent Discriminatory Practices

Audit AI Systems for Bias

Audit AI Systems for Bias

Equal Treatment for All

Protecting Data Privacy & Security

Safeguard Personal Data

Clear Rules on Data Use

Safeguard Data Use

Reduce Cyber Risks

Fast Forward 17 Years: A Completely Different Reality

1. Future Advancements in AI and Their Potential Impacts

a. Predicted Advancements in AI in Insurance. AI is expected to become more advanced, integrated, and autonomous across the insurance value chain:

i. Hyper-personalized insurance products: AI will use real-time data (e.g., telematics, wearables, IoT devices) to offer usage-based and dynamic pricing tailored to individual risk profiles.

ii. Advanced underwriting and risk assessment: Predictive analytics and generative AI will enhance risk modelling, scenario analysis, and catastrophe forecasting.

iii. Automated and intelligent claims processing: AI-driven image recognition and natural language processing will enable faster claims settlement with minimal human intervention.

iv. Enhanced fraud detection: Machine learning models will detect complex fraud patterns more accurately and in real time.

b. Impact on Society

i. Hyper-personalized insurance products: AI will use real-time data (e.g., telematics, wearables, IoT devices) to offer usage-based and dynamic pricing tailored to individual risk profiles.

ii. Advanced underwriting and risk assessment: Predictive analytics and generative AI will enhance risk modelling, scenario analysis, and catastrophe forecasting.

iii. Automated and intelligent claims processing: AI-driven image recognition and natural language processing will enable faster claims settlement with minimal human intervention.

2. Importance of Regulations and Ethical Guidelines

a. Ensuring Fairness and Preventing Bias. Regulations are essential to:

i. Prevent discriminatory pricing and coverage decisions.

ii. Require insurers to regularly test and audit AI systems for bias.

iii. Ensure equal treatment of policyholders regardless of demographic factors.

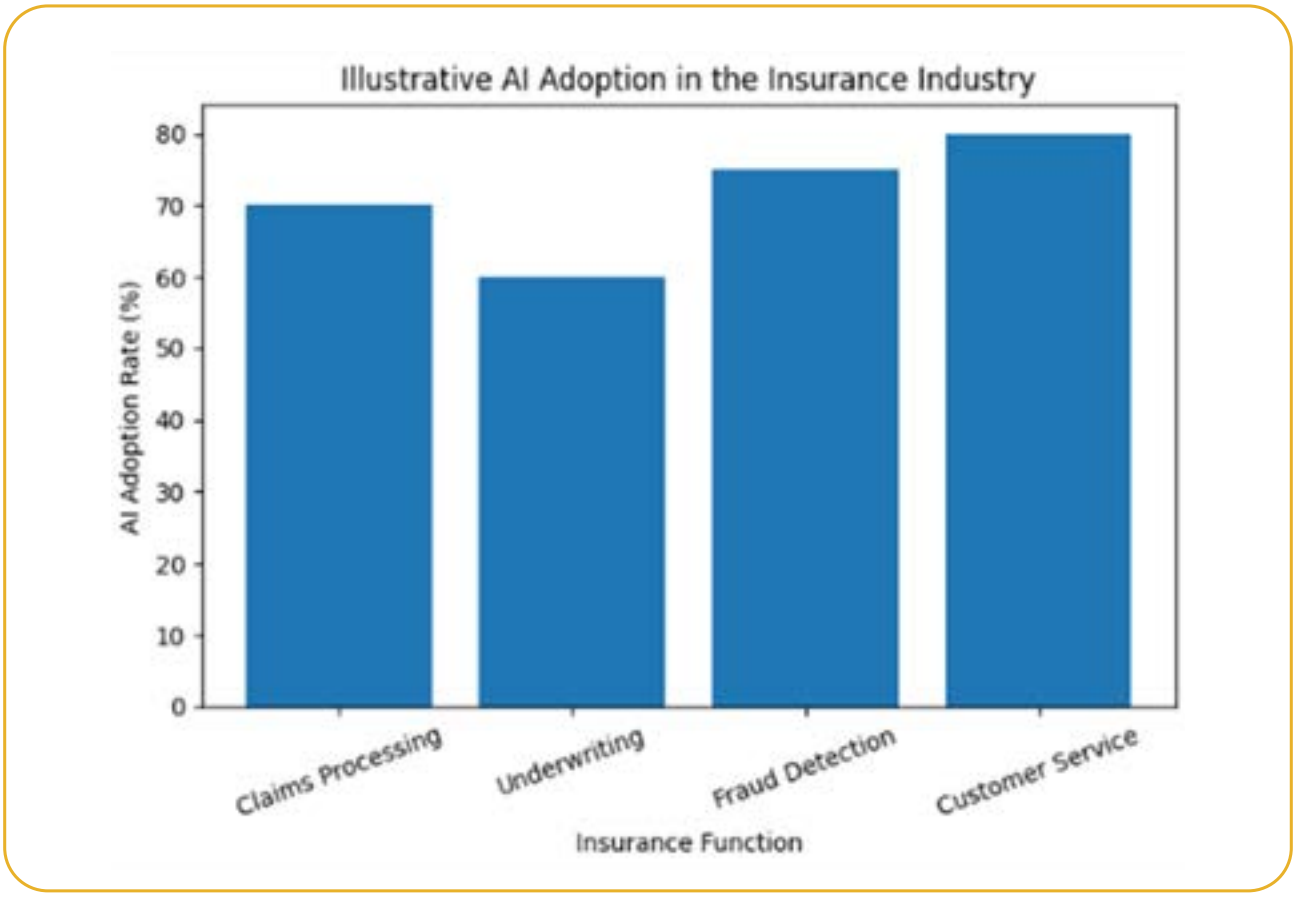
b. Protecting Data Privacy and Security. Strong legal frameworks help:

i. Safeguard sensitive personal and health data.

ii. Define clear rules on data consent, usage, storage, and sharing.

iii. Reduce the risk of data misuse and cyber threats.

AI adoption in the insurance industry



Source: "Insurance 2030 – The Impact of AI on the Future of Insurance," 2025.

Based on the author's survey and company's report, the adoption of artificial intelligence across the insurance industry shows significant differences across business functions, reflecting both the maturity of technology and the operational priorities of insurers. Approximately 70% of insurers currently utilize AI in claims processing, employing tools such as chatbots, automated claim approvals, and image recognition to accelerate settlements and improve efficiency.

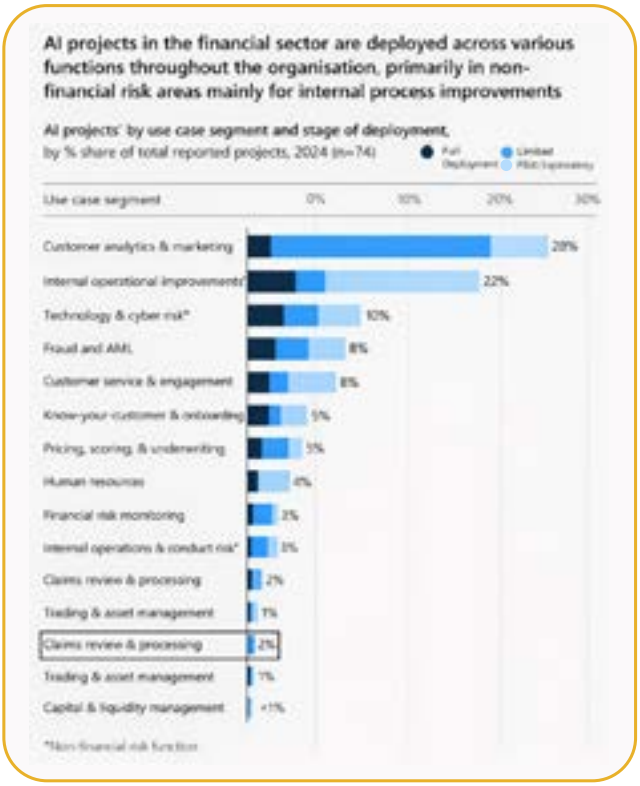
In underwriting, around 60% of insurers leverage AI to enhance risk assessment and optimize policy pricing, enabling more accurate and data-driven decision-making. Fraud detection represents one of the most widely adopted applications, with 75% of insurers deploying AI-based tools to identify suspicious claim patterns and mitigate financial losses.

Finally, customer service has seen the highest uptake, with 80% of insurers implementing AI-driven chatbots and virtual assistants to provide continuous, personalized support, thereby improving customer engagement and satisfaction. These adoption rates are supported by industry research, including a 2025 McKinsey report, which highlights a growing trend toward widespread AI integration across insurance operations, indicating that digital transformation will continue to shape the sector in the coming years.

AI Adoption in Claims management: Insights from the Bank Negara Malaysia Survey

Recent data by Bank Negara Malaysia AI survey indicates that only a small proportion of AI projects are deployed in claims functions, compared with areas such as customer analytics and internal operations. This suggests that claims transformation is still in its early stages, presenting significant untapped potential for insurers.

Despite its relatively low adoption rate, claims review and processing represents one of the most promising frontiers for AI-driven transformation due to its complexity, cost sensitivity, and direct impact on customer satisfaction.



Source: BNM AI Survey 2024

Limitations of Traditional Claims Management Systems

Traditional claims management is often characterised by manual, fragmented workflows. Key challenges include:

- High administrative workload driven by manual document review and data entry
- Prolonged settlement cycles due to multiple validation stages
- Inconsistent outcomes across adjusters
- High exposure to fraud, leakage, and human error

The Role of AI in Transforming Claims Review and Processing

1. Automated Document Review and Data Extraction

Optical character recognition (OCR) and computer vision systems can analyse medical reports, invoices, and police reports to validate completeness and detect inconsistencies.

Optical Character Recognition (OCR) is technology that converts images of text (typed, handwritten, or printed) into machine-readable, editable, and searchable text data, bridging physical documents and digital systems by eliminating manual data entry and enabling data processing, automation, and improved accessibility for users. This significantly reduces manual handling time and error rates (PwC, 2023).

2. Smart Claims Triage and Routing

Machine learning models evaluate claims complexity, severity, and fraud risk, allowing insurance industry to automatically approve low risk claims while escalating complex or suspicious cases. This improves operational efficiency and ensures consistent decision-making (Accenture, 2024).

3. AI-Driven Damage Assessment

In motor and property insurance, image recognition technology can estimate repair costs by identifying damaged components from uploaded photographs. Studies show that AI-based visual assessment can reduce claims cycle times by more than 50% (McKinsey, 2023).

4. Continuous Fraud Detection

AI systems analyse historical claims data to identify abnormal patterns and emerging fraud techniques. Unlike static rule-based systems, machine learning models adapt dynamically, strengthening insurers' fraud prevention capabilities (OECD, 2022).

Conclusion

In conclusion, although AI adoption in claims management is still low, this presents a strong opportunity for the insurance industry. Claims handling is complex, costly, and directly affects customer satisfaction, making it an ideal area for AI transformation.

AI can simplify and speed up claims through automated document review, smart triage, faster damage assessment, and improved fraud detection. These technologies reduce manual work, shorten settlement time, and improve consistency and accuracy.

As AI continues to advance, the insurance industry that invests early in AI-driven claims processing will be better positioned to improve efficiency, enhance customer experience, and remain competitive in the future.

References

AI in Insurance: From Efficiency to Growth. (2024). Accenture.

(2022). Artificial Intelligence, Machine Learning and Big Data in Insurance. OECD.

Company, M. &. (2025). Insurance 2030 – The Impact of AI on the Future of Insurance.

Ian Lee, A. Z. (2025). Artificial Intelligence in the Malaysian Financial Sector. Bank Negara Malaysia.

PwC. (2023). Transforming Insurance Claims with AI and Automation.

Sloan, B. &. (2024). Artificial Intelligence in Financial Services Survey.

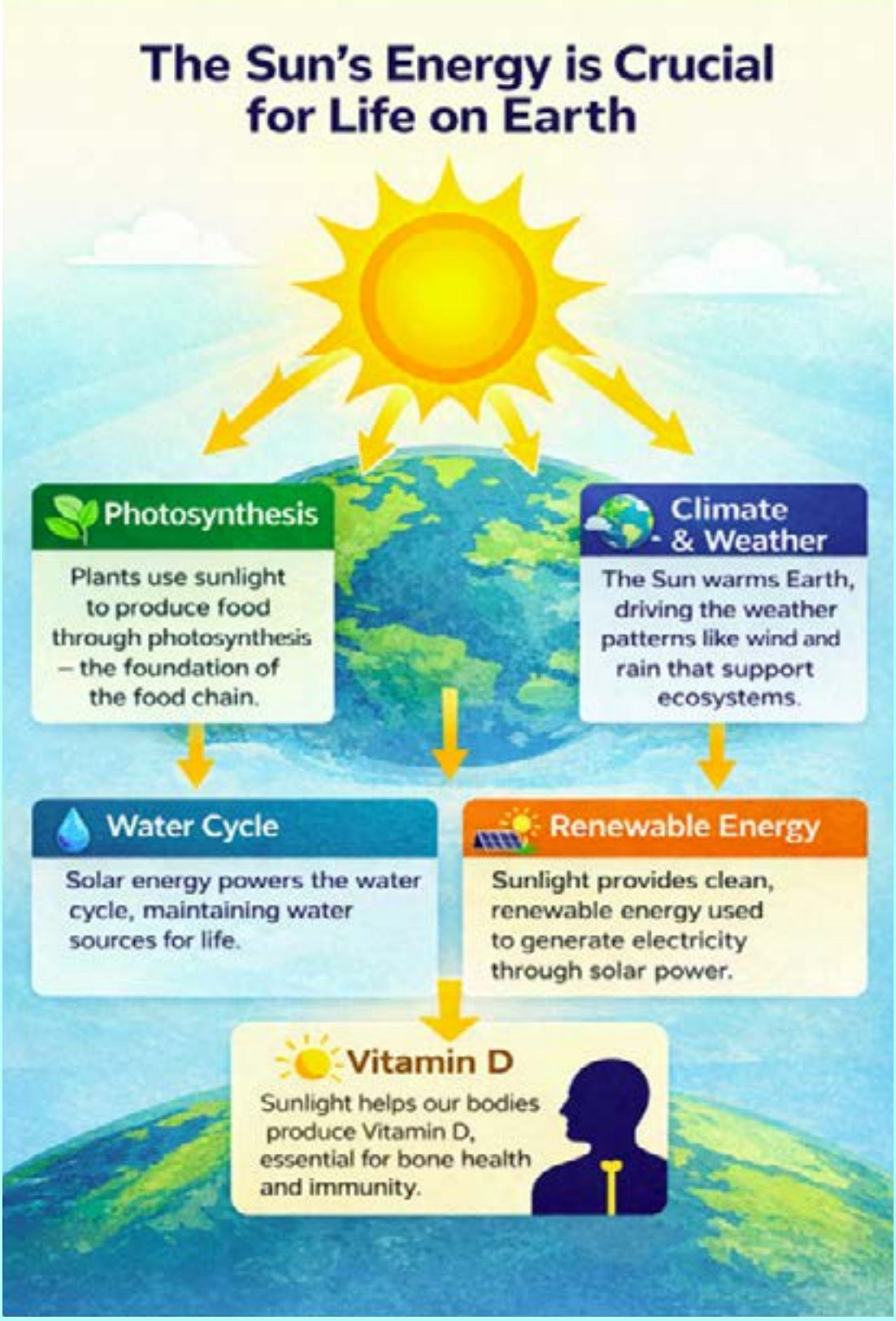
The History of AI: A Timeline from 1940 to 2023 + Infographic. (2024). Retrieved from *https://www.calls9.com/blogs/the-history-of-ai-a-timeline-from-1940-to-2023*

Prepared By:
Norainanadirah Md Sarif
Claims Department

Exploring Solar Energy: An Initiative to support the transition to Net Zero Carbon

Exploring Solar Energy highlights solar power as a key renewable energy source supporting the transition to net-zero carbon emissions. It begins by showing how the Sun's energy supports life on Earth, including photosynthesis, climate, the water cycle, and renewable power generation. The article underscores the urgent need to transition away from fossil fuels, presenting solar energy as a sustainable, affordable, and dependable solution. It describes the principal solar technologies: photovoltaic (PV), which transforms sunlight directly into electricity, and concentrated solar power (CSP), which harnesses solar heat to produce energy.

Additionally, the article explores the advantages, uses, and obstacles related to solar energy. It also highlights the establishment of the ASEAN Renewable Energy Pool (AREP) that led by Malaysian Re, [M1.1]designed to advance renewable energy initiatives in the region. Finally, it notes Malaysia's estimated solar capacity of 269 GW and projects a promising future for ongoing innovation and growth in the solar sector.



Solar energy supports the transition to Net Zero Carbon primarily by decarbonising electricity generation, which is one of the largest contributors to global greenhouse gas emissions. According to life-cycle assessments conducted by the National Renewable Energy Laboratory (NREL), solar photovoltaic (PV) systems emit significantly lower greenhouse gas emissions over their full life cycle compared to fossil-fuel-based power generation, even after accounting for manufacturing, installation, and decommissioning.

The International Energy Agency (IEA) identifies solar power as a cornerstone technology in its "Net Zero by 2050" roadmap, projecting that global solar PV capacity must increase roughly twenty-fold by 2050 to achieve net-zero emissions. Solar's scalability, declining costs, and near-zero operational emissions make it one of the most effective tools for rapidly reducing carbon intensity in the power sector.

Global Initiatives for Achieving Net-Zero Carbon Emissions

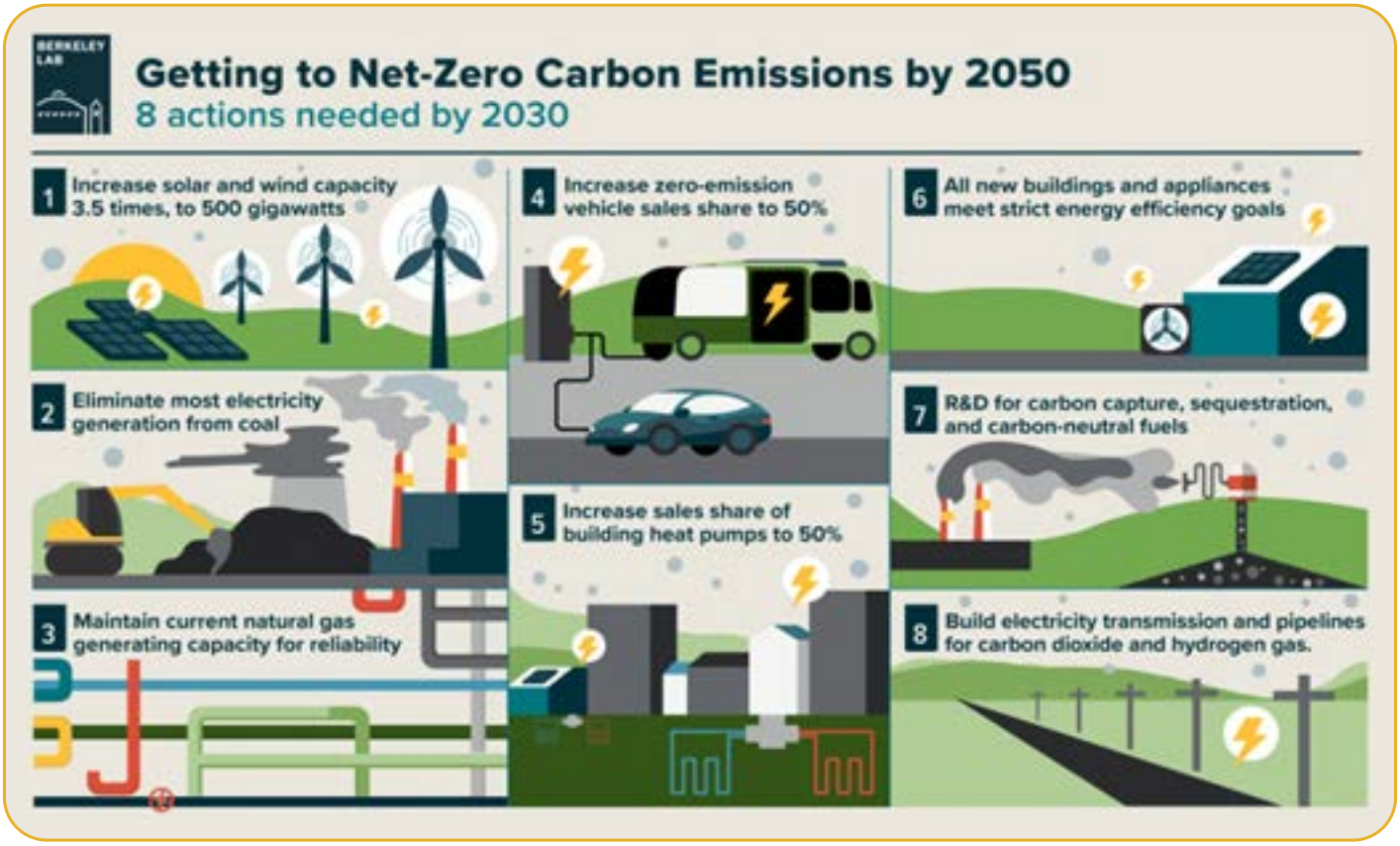
Several global initiatives have been introduced to support the transition to net-zero carbon emissions, with the aim of addressing climate change and promoting sustainable development. These initiatives focus on reducing greenhouse gas emissions, accelerating the adoption of renewable energy, and encouraging responsible environmental practices across industries and countries. The key global initiatives supporting the achievement of net-zero carbon emissions are summarized in the table below.

Category	Initiative	Description
International Agreements	Paris Agreement (2015)	Global treaty to limit global warming to below 2°C, preferably 1.5°C.
	Global Methane Pledge (2021)	Pledge to cut methane emissions by 30% by 2030.

Category	Initiative	Description
Global Campaigns	Race to Zero Campaign	UN-led campaign for non-state actors to reach net zero by 2050.
	Net Zero Asset Managers Initiative	Investors commit to net zero-aligned portfolios by 2050.
Policy Frameworks	European Green Deal	EU strategy to become climate-neutral by 2050.
	Carbon Pricing & Emissions Trading Systems (ETS)	Market-based tools to price carbon and reduce emissions.
Corporate Actions	Science-Based Targets Initiative (SBTi)	Companies set science-aligned emissions reduction targets.
	Corporate Net Zero Commitments	Firms pledge carbon neutrality or negativity (e.g., Microsoft, Apple).
Technological Solutions	Carbon Capture, Utilization, and Storage (CCUS)	Technology to capture and store CO emissions.
	Green Hydrogen Projects	Hydrogen energy produced using renewables to decarbonize industries.
Environmental Programs	Renewable Energy Deployment	Expansion of solar, wind, and other renewable energy sources.
	Afforestation & Reforestation Programs	Large-scale tree planting to absorb CO (e.g., Trillion Trees Initiative).

These global initiatives and agreements provide clear direction and strong support for climate action. They set specific targets and timelines, such as reducing emissions by 2030 and achieving net-zero emissions by 2050 . They also ensure accountability through regular progress reviews. At the same time, they send a clear message that the world is moving away from fossil fuels and toward clean and sustainable energy.

This effort is not limited to governments alone. Cities, businesses, and investors are also making commitments to reduce emissions, use renewable energy, and support green projects. This collective effort is important, as action is needed at every level of society to create a more sustainable future.



https://scitechdaily.com/getting-to-net-zero-carbon-emissions-and-even-net-negative-is-surprisingly-feasible-and-affordable/

The Importance of Shifting to Renewable Energy

The transition to renewable energy sources such as solar, wind, and hydropower is critical in addressing climate change. Traditional energy sources like coal, oil, and natural gas are major contributors to global warming. When burned to produce electricity, these fossil fuels release large amounts of carbon dioxide and other greenhouse gases that trap heat in the atmosphere. Currently, about 75% of global greenhouse gas emissions come from energy and transportation systems that rely heavily on fossil fuels. This level of dependence is not sustainable and highlights the urgent need to shift toward cleaner and more renewable energy sources.

Beyond environmental concerns, the current geopolitical landscape demonstrates how excessive reliance on fossil fuels creates systemic economic vulnerabilities. The ongoing US–Israel military conflict with Iran has disrupted oil and gas flows through the Middle East, particularly via the Strait of Hormuz, a critical chokepoint that handles roughly one-fifth of global oil shipments. As tensions escalated in early 2026, shipping through the strait stalled, triggering sharp increases in global oil prices and renewed inflationary pressures across oil importing economies. These developments highlight how fossil fuel dependence leaves economies exposed to geopolitical instability in volatile regions.

Moreover, the ongoing US–Israel conflict with Iran underscores the strategic importance of energy diversification as a cornerstone of national and global economic resilience. In contrast, renewable energy sources produce little to no carbon emissions, making them essential in reducing the environmental impact of energy production. Besides that, countries that diversify their energy systems by expanding renewable energy capacity such as solar, wind, and hydropower are less exposed to external supply disruptions and price volatility. International studies consistently show that a more diversified and renewable-heavy energy mix enhances energy security, reduces geopolitical risk exposure, and strengthens long-term economic stability, making renewable energy not only an environmental imperative but also a strategic economic and security priority for nations worldwide.

The benefits of renewable energy extend beyond environmental protection and contribute to energy security, economic growth, and long-term sustainability.

1. Protecting the Environment

Renewable energy sources such as solar, wind, and hydropower generate electricity without harmful emissions. This helps reduce air pollution, protect natural ecosystems, and improve overall environmental and public health.

2. Enhancing Energy Security

Renewable energy is generated locally from natural resources like sunlight and wind. This reduces dependence on imported fossil fuels and helps ensure a more stable and reliable energy supply.

3. Supporting Economic Growth and Job Creation

The renewable energy sector creates new job opportunities and supports the growth of emerging industries. It also encourages investment, innovation, and long-term economic development.

4. Ensuring Long-Term Sustainability

Fossil fuels are limited and will eventually run out, while renewable energy sources are naturally replenished. Investing in renewable energy helps secure a sustainable and reliable energy supply for future generations.

Types of Renewable Energy

Here is an overview of the main types of renewable energy, including what they are, how they work, and their key advantages and limitations:

1. **Solar Energy** – Solar energy is generated from sunlight using photovoltaic (PV) panels or solar thermal systems. It is clean, abundant, and produces no carbon emissions during operation. However, energy production depends on sunlight, so output varies with weather and time of day. Solar systems also require upfront installation costs and sufficient space.
2. **Wind Energy –** Wind energy is produced using wind turbines that convert wind into electricity. It is a clean and renewable energy source with low operating costs. However, wind availability can vary, which affects energy production. Proper planning is also needed to minimize environmental and community impacts.
3. **Hydropower (Water Energy) –** Hydropower generates electricity using flowing or falling water, typically through dams. It provides reliable and stable energy with no direct emissions. However, dam construction can impact ecosystems, and power generation may be affected during drought or low rainfall.
4. **Geothermal Energy** – Geothermal energy uses heat from beneath the Earth's surface to generate electricity or provide heating. It provides a stable and continuous energy supply. However, geothermal resources are limited to certain locations and require high initial investment.
5. **Biomass Energy** – Biomass energy is produced from organic materials such as agricultural waste or plant matter. It helps convert waste into useful energy and can be renewable if managed properly. However, improper use may cause pollution or environmental concerns.
6. **Tidal and Wave Energy** – Tidal and wave energy use ocean movements to generate electricity. It is clean and predictable, especially in coastal regions. However, the technology is still developing and limited to suitable locations.
7. **Hydrogen Energy** – Hydrogen energy is produced using renewable electricity to create hydrogen fuel. It is clean, versatile, and produces only water vapor when used. However, production and infrastructure costs are still relatively high.

Although many renewable energy sources exist such as wind, hydropower, geothermal, biomass, tidal, and hydrogen, solar energy stands out as the most scalable, accessible, and rapidly growing renewable option globally. In this article we will focusing on Solar Energy.

Fastest-Growing Renewable Energy Sources

Renewable Energy Type	How Fast Is It Growing?	Key Reason for Growth	Current Status
Solar Energy (PV)	⭐ Fastest-growing	Lowest cost, easy to install, strong global policy support	Leads global renewable growth
Wind Energy	Fast (2nd fastest)	Large-scale deployment, especially offshore	Strong growth, but slower than solar
Hydro-power	Slow	Limited new dam sites, environmental concerns	Stable but mature technology
Geothermal Energy	Slow	Location-specific, high upfront cost	Stable but mature technology
Geothermal Energy	Slow	Location-specific, high upfront cost	Niche and regional
Biomass Energy	Moderate	Waste-to-energy use	Growth depends on sustainability
Tidal & Wave Energy	Very slow	Technology still developing	Early-stage
Tidal & Wave Energy	Emerging	High cost, limited infrastructure	Early-stage
Hydrogen Energy	Emerging	High cost, limited infrastructure	Long-term potential

Solar energy (solar PV) is the fastest-growing renewable energy source globally. The International Energy Agency (IEA) reports that solar PV is expected to account for around 80% of global renewable capacity growth between now and 2030, far exceeding wind and all other renewable technologies.

Independent analysis by Carbon Brief, based on Ember's global electricity data, confirms that solar (together with wind) is the fastest-growing electricity source in history, with solar leading annual capacity additions and electricity generation growth.

Spotlight on Solar: Powering a Net-Zero Future

Among all renewable energy sources, solar energy has become one of the most promising solutions in the transition to net-zero carbon emissions. It is clean, widely available, and increasingly cost-effective, making it a key driver in the shift toward sustainable energy.

Solar energy is energy derived from the sun in the form of light and heat. This energy reaches the Earth as electromagnetic radiation and can be converted into usable power through different technologies. By installing solar panels or solar collectors, sunlight can be transformed into electricity or thermal energy for practical use.

Solar energy is one of the most important renewable energy sources in the global transition toward cleaner and more sustainable energy systems. It supports economic growth while reducing environmental impact, improving public health, and strengthening long-term sustainability for businesses and communities.

Advancements in technology have made solar energy more efficient and affordable than ever before. As costs continue to decline and performance improves, solar power has become one of the fastest-growing renewable energy sources worldwide. In addition to environmental benefits, solar development attracts investment, creates employment opportunities, and enhances industrial competitiveness.

Types of Solar Energy Technologies

The two main technologies used to harness solar energy are:

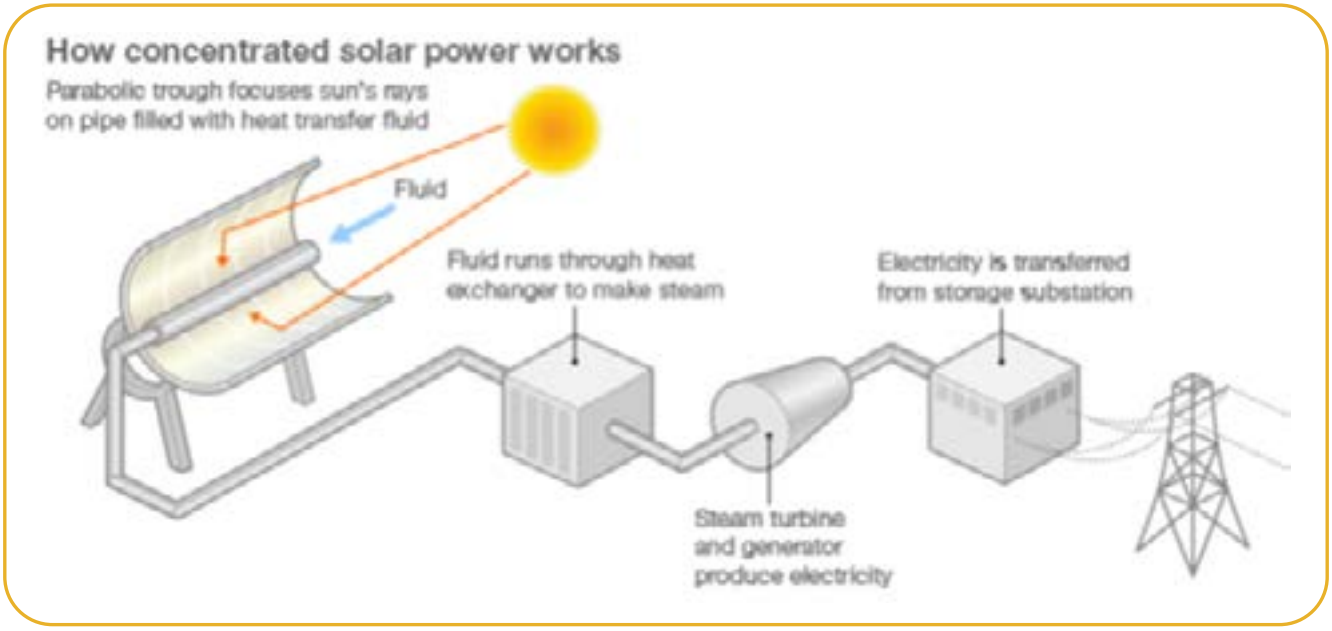
1. Photovoltaic (PV) Technology

- Photovoltaic technology, commonly known as PV, converts sunlight directly into electricity using solar panels. These panels are made up of multiple solar cells containing semiconductor materials. When sunlight strikes the cells, it releases electrons and generates an electric current. This current flows through a circuit and produces electricity for homes, businesses, and industries.
- PV systems are widely used for residential rooftops, commercial buildings, and large-scale solar farms. They are the most common and flexible form of solar technology.

Source: KnowHow

2. Concentrated Solar Power (CSP)

- Concentrated Solar Power is mainly used in large-scale power plants. Instead of directly generating electricity, CSP systems use mirrors or reflectors to concentrate sunlight onto a small area to produce heat. This heat generates steam, which drives turbines to produce electricity.
- Some CSP plants include thermal storage systems, allowing them to store heat and continue producing electricity even after sunset. This feature helps improve energy reliability at utility scale.



Source: BBC, by Aidan Lewis

Structures of Solar Panel

Rooftop

Ground Mounted

Floating

Solar panels can be installed using different structural systems, depending on the location, available space, and energy requirements. The three main structures are rooftop, ground-mounted, and floating solar systems.

1. **Rooftop Solar** - Installed on the roofs of houses, offices, or buildings. It uses existing space and helps reduce electricity costs.
2. **Ground-Mounted Solar** - Installed on open land using support frames. It is suitable for large-scale projects and can generate more electricity.
3. **Floating Solar** - Installed on water surfaces such as lakes or reservoirs. It saves land space and can improve efficiency due to the cooling effect of water.

Key Benefits of Solar Energy

Clean & Endless Energy from the Sun

Solar power is one of the cleanest energy sources available. It generates electricity from sunlight without producing greenhouse gases or air pollution. Unlike coal or gas plants, solar panels do not burn fuel or require water to operate, which helps reduce air pollution and protects water resources. Solar energy is also naturally replenished, making it a reliable and renewable energy source for the long term.

Lower Energy Bills & Economic Savings

Sunlight is free, which means solar panels can significantly reduce electricity costs after installation. Homes and businesses can lower their dependence on grid electricity and achieve long term savings. Many governments also provide tax credits, rebates, and incentives to support solar adoption and reduce initial costs. Over their typical lifespan of 25 to 30 years, solar panels can recover their installation cost and continue providing low-cost electricity.

Energy Independence & Resilience

Solar energy allows homes, businesses, and communities to generate their own electricity, reducing dependence on external power sources. This helps protect users from power disruptions and rising fuel costs. With battery storage, solar systems can continue supplying electricity during outages or emergencies, improving reliability. At a national level, increased use of solar energy reduces reliance on imported fuels and strengthens overall energy security.

Innovation & Job Creation

The growth of solar energy is driving innovation and creating new job opportunities. Solar panel technology continues to improve, becoming more efficient and affordable. The solar industry supports employment in manufacturing, installation, and maintenance. Investing in solar energy not only benefits the environment but also strengthens the economy by encouraging technological development and skilled workforce growth.

Application of solar energy

Solar power isn't just a theoretical idea; it's being deployed in a myriad of ways around the world:

1. Rooftop Solar for Homes and Businesses

Many homeowners install solar panels on their rooftops to generate their own electricity and reduce energy costs. Excess electricity can be supplied back to the grid, helping lower or even eliminate monthly electricity bills. Businesses also use solar energy to power operations, including offices, factories, and agricultural systems such as irrigation.

2. Solar Farms and Utility-Scale Power

Large solar installations are built on open land to generate electricity on a much larger scale. These solar farms contain thousands of solar panels and supply clean electricity to the grid for cities, industries, and communities. Some of the largest solar farms around the world generate enough electricity to power hundreds of thousands of homes.

3. Off-Grid and Rural Electrification

Solar energy provides electricity to remote areas without access to traditional power infrastructure. Stand alone solar systems and mini grids supply electricity to rural communities, improving access to lighting, communication, and essential services. Solar energy is also used in disaster relief to power medical equipment, water systems, and emergency facilities, helping improve living conditions and economic opportunities in underserved areas.

Challenges for Solar Energy and How Innovation Is Addressing Them

Despite its many benefits, solar energy still faces several challenges. However, continuous innovation and technological improvements are helping to overcome these limitations.

1. Intermittency: Solar panels only produce electricity when the sun is shining, so output can fluctuate with day/night cycles and cloudy weather. This means energy storage solutions (like batteries) or backup sources are needed to ensure a steady power supply at night or during bad weather. The good news is that battery technology is rapidly advancing and costs are coming down, allowing solar users to store daytime energy for later use. Grids are also getting smarter at balancing multiple energy sources to handle variability.
2. Upfront Costs: Setting up solar power systems requires an initial investment – the cost of panels, inverters, and installation. While these costs have fallen sharply in recent years (solar is over 80% cheaper today than a decade ago in many regions), the upfront expense can still be a hurdle for some homeowners, businesses, or developing countries. Creative financing models, bulk purchasing, and government incentive programs are helping more people overcome this barrier. And once installed, solar panels are relatively low-maintenance and have no fuel costs, so they save money in the long run.
3. Space Requirements: Large scale solar installations require sufficient land area, which may be limited in urban or densely populated areas. To overcome this, solar panels are now installed on rooftops, building walls, parking areas, and even on water surfaces through floating solar systems, allowing more efficient use of available space.

Despite these challenges, solar energy continues to grow rapidly worldwide. In 2022, solar recorded the highest increase in new capacity compared to other energy sources, contributing significantly to global power generation. Total installed solar capacity has already exceeded 1,000 GW globally, and growth is expected to continue as technology improves and costs decline. With strong policy support and ongoing innovation, solar energy will play a major role in supporting the transition to a net zero emissions future.

Insurance-Based Solutions for Managing PV Solar System Risks in Malaysia

Solar energy development faces not only challenges but also significant risk exposures. In Malaysia, photovoltaic (PV) solar systems are increasingly vulnerable to natural perils such as storms, flooding, lightning, extreme heat, and wildfires, as well as man-made risks including fire, electrical failure, and installation defects.

To mitigate these exposures, the insurance and takaful market has introduced specialised Solar PV All-Risks and Takaful products that provide comprehensive protection against physical loss or damage to solar assets. Offered by local insurers and takaful operators, these policies typically cover key perils such as fire, lightning, storm damage, flooding, theft, and accidental damage, forming a crucial foundation for risk transfer across residential, commercial, and utility-scale solar installations.

Beyond physical damage, Malaysian solar projects are also vulnerable to income disruption caused by insured events. To mitigate this, insurers commonly include loss of income or loss of savings extensions, which compensate system owners for downtime or reduced energy output under schemes such as Net Energy Metering (NEM), Feed-in Tariff (FiT), and self-consumption models. These covers are increasingly important in maintaining project cash flow and bankability, particularly for commercial and industrial solar projects.

For electrical failures, inverter breakdowns, and internal system faults among the most frequent causes of PV losses insurers rely on equipment breakdown insurance as a critical supplement to standard property cover. This ensures protection against sudden and accidental electrical or mechanical failures that may otherwise be excluded. In addition, construction-phase risks such as faulty workmanship, improper installation, or foundation and mooring failures (for floating solar) are typically managed through Construction All Risks insurance and professional indemnity cover.

The Malaysian market i.e. Etiqa Insurance Malaysia has also introduced parametric solar insurance and takaful solutions to address climate-related risks that do not result in physical damage, such as reduced solar irradiation due to prolonged haze or abnormal weather patterns. These products, which trigger payouts based on predefined solar radiation thresholds rather than physical loss, provide financial stability against production shortfalls and reflect Malaysia's growing sophistication in renewable-energy risk management.

Overall, insurance and takaful play a vital role in supporting the sustainable growth of PV solar systems in Malaysia. By combining asset protection, income protection, and innovative climate-risk solutions, the Malaysian insurance market helps enhance resilience, protect investments, and strengthen confidence in the country's energy transition.

Regional Spotlight

The movement toward net-zero is truly global. In addition to big international agreements, many regional and national initiatives are coming forward to support the clean energy transition. Southeast Asia is one example, where countries are collaborating to accelerate renewable energy deployment and address climate change:

1. ASEAN Renewable Energy Pool (AREP)[M4.1]

a. On 8 December 2023, the ASEAN Reinsurance Working Committee (ARWC) signed a Memorandum of Understanding (MOU) to establish the ASEAN Renewable Energy Pool (AREP), under the oversight of the ASEAN Insurance Council (AIC), with the pool administered and operated by Malaysian Reinsurance Berhad (MRE). Launched on 1 July 2024, AREP provides USD 40 million in reinsurance capacity to support renewable energy projects across the ASEAN region.

b. By sharing risks and expertise, this initiative helps developers secure financing and accelerate the development of renewable energy projects, which were previously viewed as higher risk by insurers and financial institutions. The establishment of AREP reflects the insurance industry's commitment to supporting climate action and plays an important role in advancing ASEAN's transition toward a net zero emissions future.

2. Malaysia's Solar Energy Potential

a. Malaysia, with its abundant sunlight throughout the year, has strong potential for solar energy development. The government estimates that the country has approximately 269 GW of solar power potential, mainly through large scale ground mounted solar installations. This potential is significantly higher than Malaysia's current electricity generation capacity, indicating that solar energy could play a major role in meeting future energy demand.

b. Malaysia has also strengthened its commitment to renewable energy through the Malaysia Renewable Energy Roadmap (MyRER) and the National Energy Transition Roadmap (NETR). The country targets 31% renewable energy share of total installed capacity, rising to 40% by 2035 and 70% by 2050. As of 2025–2026, Malaysia's renewable energy capacity is estimated to be around 25–29% of installed electricity capacity, approaching the 31% target. Solar energy is expected to be the main contributor to future growth, supported by hydropower and biomass. By fully utilizing its solar potential, Malaysia can support sustainable development and strengthen its position as a regional leader in renewable energy.

These regional initiatives support global climate efforts by addressing local challenges and opportunities. For example, AREP was established to help overcome financing and risk challenges specific to renewable energy projects in the ASEAN region. Similarly, Malaysia's focus on solar energy aligns with its strong solar resources and economic goals, as the country is also involved in solar panel manufacturing and renewable energy development.

While each region may take a different approach based on its strengths and needs, the overall goal remains the same, which is to achieve net zero emissions. Through collaboration, knowledge sharing, and innovative solutions such as insurance support and technology development, regions can accelerate their transition toward a more sustainable and climate resilient future.

Conclusion

The journey toward net zero carbon emissions by 2050 is ambitious, but strong progress is already underway worldwide. International agreements such as the Paris Agreement, global initiatives like Race to Zero, and national commitments have encouraged countries and industries to adopt cleaner energy solutions. Renewable energy, once considered costly and limited, has now become widely used and increasingly affordable. In fact, renewable sources accounted for about 30 percent of global electricity generation in 2023, and this share continues to grow as more countries invest in clean energy.

Notwithstanding this progress, further action is needed to meet global climate targets. In the Malaysian context, studies by the Sustainability Energy Development Authority Malaysia (SEDA) indicate that the country is on track to meet its renewable energy (RE) targets, with RE already accounting for approximately 31% of the installed capacity in the energy mix.

Nevertheless, emissions must be reduced significantly in the coming years. Achieving this will require stronger policies, greater investment in renewable energy, and continued technological innovation. This includes reducing dependence on fossil fuels, expanding renewable energy capacity, improving energy efficiency, and developing new solutions to support the energy transition.

Encouragingly, momentum continues to build. More countries, businesses, and industries are adopting sustainable practices and investing in renewable technologies. The transition to clean energy is not only helping protect the environment but also creating new economic opportunities, supporting innovation, and improving quality of life.

Although the challenge remains significant, the path toward a net zero future is becoming clearer. With continued collaboration, investment, and commitment, renewable energy, especially solar power, will play a key role in building a cleaner, more sustainable future for generations to come.

References

Getting to Net Zero Carbon Emissions – and Even Net Negative – Is Surprisingly Feasible and Affordable Retrieved from *https://scitechdaily.com/getting-to-net-zero-carbon-emissions-and-even-net-negative-is-surprisingly-feasible-and-affordable/*

(n.d.). Retrieved from Energy Sustainability: *https://energy.sustainability-directory.com/question/why-is-diversification-critical-for-energy-security/*

Adetunji, J. (March, 2026). Retrieved from the conversation: *https://theconversation.com/why-surging-oil-prices-are-a-shock-for-the-global-economy-but-not-yet-a-crisis-277228*

Becker, S. (March, 2026). Retrieved from fast Company: *https://www.fastcompany.com/91501945/oil-prices-surge-to-18-month-high-as-middle-east-conflict-escalates*

Centre For Science Education. (n.d.). Retrieved from The Sun's Energy: An Essential Part of the Earth System: *https://scied.ucar.edu/learning-zone/earth-system/energy-from-sun*

Dia, H. (March, 2026). Retrieved from Renew Economy: *https://reneweconomy.com.au/strikes-on-iran-show-why-quitting-fossil-fuels-is-more-important-than-ever/*

KnowHow. (n.d.). Retrieved from *https://knowhow.distrelec.com/sm/solar-photovoltaic-technology-fluke/.*

Koons, E. (n.d.). Energy Tracker Asia. Retrieved from *https://energytracker.asia/renewable-energy-in-malaysia/.*

Martin, K. (n.d.). Retrieved from *https://www.projectfinance.law/publications/2023/march/rising-solar-insurance-premiums-and-shrinking-coverage/*

Martin, K. (2026). Rising Solar Insurance Premiums and Shrinking Coverage. Retrieved from Norton Rose Fulbright: *https://www.projectfinance.law/publications/2023/march/rising-solar-insurance-premiums-and-shrinking-coverage/*

Repsol Global. (n.d.). Retrieved from *https://www.repsol.com/en/energy-and-the-future/future-of-the-world/solar-energy/index.cshtml*

S.Ashok. (2024). Solar Energy. Retrieved from Britannica: *https://www.britannica.com/science/solar-energy/Electricity-generation*

Solar Racks. (n.d.). Retrieved from *https://www.solaracks.com/what-are-the-different-types-of-solar-energy-technologies/*

Sustainable Energy Development Authority. (n.d.). Retrieved from Malaysia Renewable Energy Roadmap (MyRER): *https://www.seda.gov.my/reportal/myrer/*

Viileinen, J. (n.d.). Retrieved from SOLNET: *https://www.solnet.group/blog/a-bright-future-powered-by-the-sun-six-reasons-to-choose-solar-energy*

National Renewable Energy Laboratory (NREL). Life Cycle Greenhouse Gas Emissions from Solar Photovoltaics. Retrieved from *https://docs.nrel.gov/docs/fy13osti/56487.pdf [docs.nrel.gov]*

International Energy Agency (IEA). Net Zero by 2050: A Roadmap for the Global Energy Sector. Retrieved from *https://www.iea.org/reports/net-zero-by-2050 [iea.org]*

Gomes, V. (2025). Energy: Protecting solar farms from climate-related financial losses. The Edge Malaysia, 20 March. Available at: *https://theedgemalaysia.com/node/747899*

SolarPro®. (n.d.). SolarPro® Solar PV Insurance. Available at: *https://solarpro.com.my/*

Prepared By:
Muhamad Iqbal Azmi
Sri Rahayu Ramli
Claims Department

E-WASTE From Trash to Treasure

Malaysia's Growing E-Waste Problem

Malaysia is a rapidly growing digital economy in Southeast Asia. With frequent smartphone upgrades, booming online shopping, and rapid technological advances, the number of unused electronic devices continues to rise each year.

Smartphones, in particular, contribute significantly to electronic waste due to their short life cycles and fast-changing features. When e-waste is not disposed of properly, it can pose serious environmental risks.

Devices that are dumped in landfills or burned may release harmful substances such as lead, mercury, and cadmium. These toxins can seep into the soil, water, and air, ultimately affecting ecosystems and human health.

Although recycling programmes are available in Malaysia, public awareness and participation remain limited. Many people are simply unsure about how or where to responsibly dispose of their old devices, highlighting the need for greater education and clearer recycling solutions.

Seeing Value Where Others See Waste

A smartphone may be obsolete for daily use, but its core components such as the camera, processor, sensors, battery, and screen that are still powerful. With creativity and basic technical knowledge, old phones can be repurposed into useful tools.

Across Malaysia, students, hobbyists, and small entrepreneurs are beginning to explore this idea. An old smartphone can become:

- A home CCTV or baby monitor using free apps and Wi-Fi
- A GPS tracker for vehicles or motorcycles
- A remote control panel for smart home systems
- A learning device for children, dedicated to educational apps
- A digital display for kiosks, prayer times, or notice boards

Instead of buying new equipment, repurposing old phones reduces costs while extending the life of existing technology

Based on research, estimation shows Malaysia generates 24.5million units of E-waste in 2025.
https://ewaste.doe.gov.my/

Electronic waste (e-waste) is rising rapidly as digital devices become an inseparable part of modern life. Every discarded phone, laptop, and appliance may seem harmless, but behind it lies a serious threat. When e-waste is dumped or handled improperly, toxic materials can leak into the soil and water, polluting the environment and putting human health at risk.

This growing challenge demands stronger awareness, responsible disposal habits, and collective action to ensure that today's technology does not become tomorrow's environmental crisis.

The Role of Individuals: Small Actions, Big Impact

Turning e-waste from trash to treasure does not require advanced expertise. It starts with a simple mindset change:

- Don't throw away old electronics carelessly
- Explore reuse before replacement
- Support certified recycling and refurbishment programmes
- Educate family members, especially children, about responsible disposal

Every reused phone means one less device contributing to pollution and one more opportunity created.

Opportunities for Small Businesses and Communities

The concept of turning e-waste into something useful fits well with Malaysia's focus on Technical and Vocational Education and Training (TVET) and engineering education. Students can learn practical skills such as electronics handling, basic programming, troubleshooting, and system integration using real devices that would otherwise be discarded. For schools, universities, and training centres, recycled smartphones can serve as affordable learning tools. This hands-on approach not only builds technical competence but also instils environmental responsibility among young Malaysians.

Empowering Education and Skills

The concept of turning e-waste into something useful fits well with Malaysia's focus on Technical and Vocational Education and Training (TVET) and engineering education. Students can learn practical skills such as electronics handling, basic programming, troubleshooting, and system integration using real devices that would otherwise be discarded. For schools, universities, and training centres, recycled smartphones can serve as affordable learning tools. This hands-on approach not only builds technical competence but also instils environmental responsibility among young Malaysians.

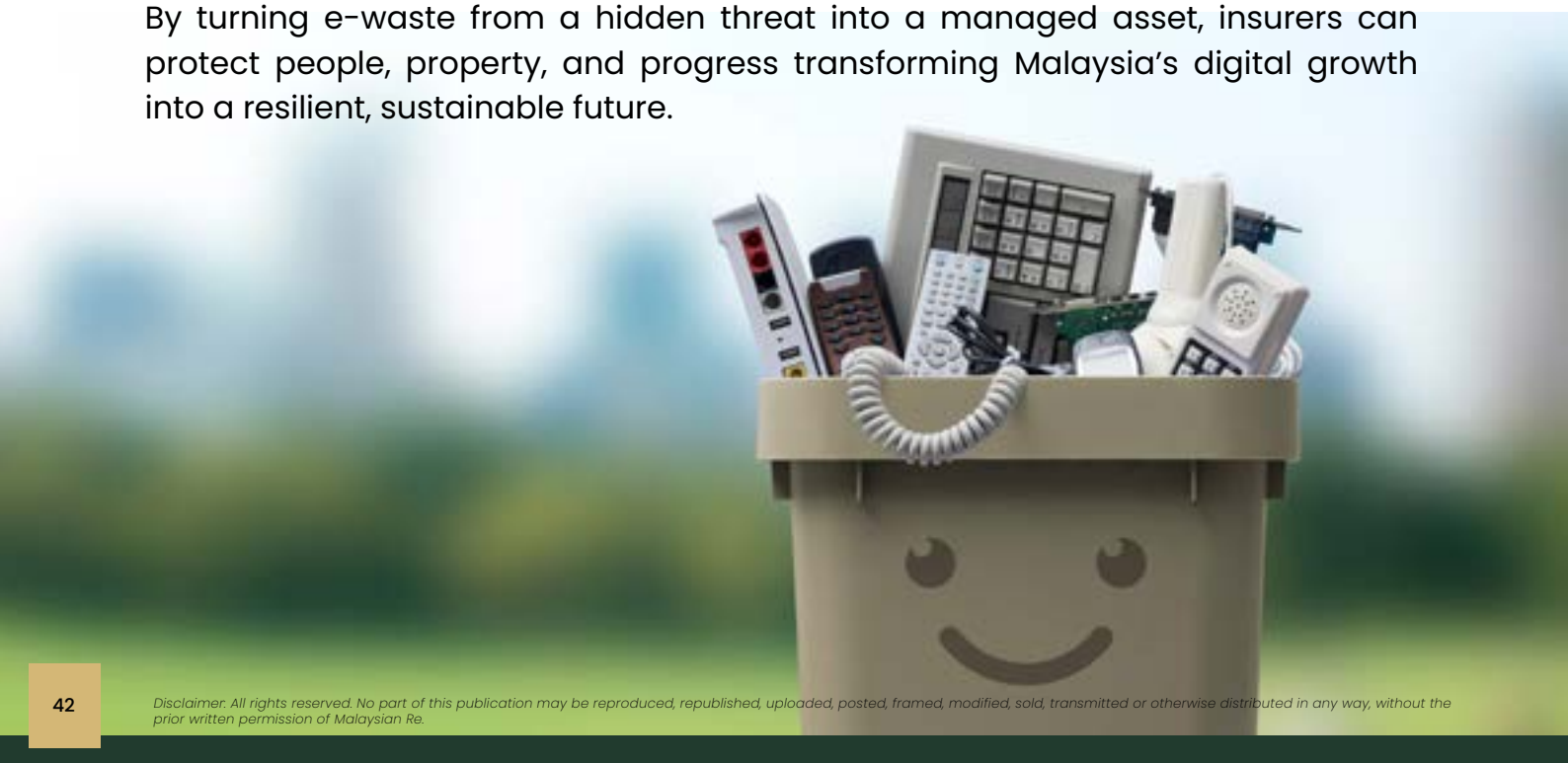
Conclusion

Turning E-Waste into Opportunity – Malaysia's Insurance Industry

E-waste in Malaysia is growing as smartphones, laptops, and gadgets become part of everyday life but this "digital trash" doesn't have to be a problem. Like sparks from a battery, unmanaged e-waste can quickly ignite hazards, from electrical fires to environmental contamination.

The insurance industry can act as a "safety net and guide," promoting safe reuse, refurbishment, and certified recycling, while offering tailored coverage and risk advisory services. For example, Malaysian insurers could provide specialized policies for electronics refurbishment businesses, covering product liability and operational risks, encouraging safer practices while supporting the circular economy.

By turning e-waste from a hidden threat into a managed asset, insurers can protect people, property, and progress transforming Malaysia's digital growth into a resilient, sustainable future.



References

Department of Environment Malaysia (DOE). (2023). Guidelines for the Classification of Used Electrical and Electronic Equipment in Malaysia. Ministry of Natural Resources, Environment and Climate Change, Malaysia.

https://ewaste.doe.gov.my/index.php/what-is-e-waste

United Nations University (UNU). (2020). The Global E-waste Monitor 2020: Quantities, Flows and the Circular Economy. Bonn, Germany.

E-waste in Malaysia is growing as smartphones, laptops, and gadgets become part of everyday life but this "digital trash" doesn't have to be a problem. Like sparks from a battery, unmanaged e-waste can quickly ignite hazards, from electrical fires to environmental contamination.

The insurance industry can act as a "safety net and guide," promoting safe reuse, refurbishment, and certified recycling, while offering tailored coverage and risk advisory services. For example, Malaysian insurers could provide specialized policies for electronics refurbishment businesses, covering product liability and operational risks, encouraging safer practices while supporting the circular economy.

By turning e-waste from a hidden threat into a managed asset, insurers can protect people, property, and progress transforming Malaysia's digital growth into a resilient, sustainable future.

https://unu.edu/press-release/global-e-waste-surging-21-5-yr

World Health Organization (WHO). (2021). Children and Digital Dumpsites: E-waste Exposure and Child Health. Geneva: World Health Organization.

https://www.who.int/news/item/28-06-2020-global-e-waste-surging-up-21-per-cent-in-5-years

Ministry of Environment and Water Malaysia (KASA). (2022). Malaysia Roadmap Towards Zero Single-Use Plastics and Sustainable Waste Management. Putrajaya.

https://www.zhiyanbao.cn/index/partFile/12/458/2022-04/12_21.pdf

Forti, V., Baldé, C. P., Kuehr, R., & Bel, G. (2020). E-waste statistics: Guidelines on classifications, reporting and indicators. United Nations University.

https://academy-ce.info/wp-content/uploads/2024/04/E-waste-statistics-guidelines-on-classification

European Commission. (2019). Circular Economy Action Plan: For a Cleaner and More Competitive Europe. Brussels.

https://environment.ec.europa.eu/strategy/circular-economy_en

Parajuly, K., et al. (2017). E-waste in the Asia-Pacific Region: Opportunities and Challenges. United Nations University, Institute for the Advanced Study of Sustainability.

https://pdfs.semanticscholar.org/f9d5/8dd12b2b55d3dbfce8af63f24bb737fd3415.pdf

Islam, M. T., Huda, N., & Saidur, R. (2020). "Current recycling practices and challenges in e-waste management in developing countries." Journal of Cleaner Production, 246, 119123.

Prepared By:
Siti Amirah binti Ismail
Special Rating Department,
Market Services Division

Prepared By:
Nor Afizah Md Zuki
MRE Sustainability Team

From Awareness to Alignment: Embedding Sustainability to Build Resilience at Malaysian Re

As sustainability expectations intensify, reinsurers are navigating a shift beyond awareness towards more aligned and effective execution. Climate risks, transition challenges, and broader societal expectations are prompting organisations to reflect on how sustainability is understood and applied in everyday decisions. In this context, Malaysian Re has been taking steady steps to strengthen climate resilience and integrate sustainability considerations into its business activities, supporting responsible decision-making and long-term resilience in an increasingly complex risk environment.

Integrating sustainability to build climate resilience.

Globally, climate action is guided by the United Nations Sustainable Development Goals, particularly SDG 13 on Climate Action, and the Paris Agreement. To limit global warming to 1.5°C, the Paris Agreement calls for global greenhouse gas emissions to be reduced by approximately 45% by 2030 and for the world to reach net-zero emissions by 2050.

While reinsurers are not direct emitters at the scale of heavy industry, they play a critical role in supporting this transition by strengthening climate resilience, enhancing risk assessment, and enabling effective risk transfer for sustainable and renewable activities. Within this global landscape, the role of reinsurers in translating climate ambition into resilient risk solutions has become increasingly important.

Building Sustainability Capability Across the Organisation

Alongside MNRB Group-wide initiatives, Malaysian Re has progressed beyond awareness-building to embed environmental and social considerations into everyday work practices.

The Sustainability Engagement Expedition (SEE), launched in October 2024, marked Malaysian Re's first organisation-wide sustainability engagement initiative. SEE 1.0 focused on establishing a shared understanding of environmental and social responsibility, fostering dialogue and participation across the organisation.

Building on this foundation, SEE 2.0 shifted the focus towards application and integration. The programme emphasized integrating sustainability principles into daily roles, cross-functional collaboration, and business decisions. This progression reflects Malaysian Re's ongoing transitions towards organisation-wide integration, where sustainability increasingly shapes how people work, collaborate and deliver long-term value.

Sustainability Engagement Expedition 1.0

Sustainability Engagement Expedition 2.0

Integrating Sustainability, Climate Risk, and Energy Transition Considerations into Underwriting Approaches

Sustainability integration at Malaysian Re is being advanced through a structured and practical approach that brings sustainability considerations, climate risk insights, and energy transition objectives into underwriting activities. This includes the gradual incorporation of sector-based assessments, client engagements on sustainability matters, and insights from underwriting and claims management. Together, these efforts help strengthen risk assessment and support longer-term portfolio resilience.

This approach is complemented by enhancements to climate risk capabilities, particularly flood modelling. These improvements support a clearer understanding of physical climate risks, strengthen data governance, and enable evidence-based underwriting decisions. Over time, this contributes to improved pricing adequacy, more resilient portfolios, and sustainable risk management.

In parallel, Malaysian Re's participation in the ASEAN Renewable Energy Pool (AREP) supports the regional energy transition by addressing risk transfer and insurability challenges associated with renewable energy projects. The initiative also provides opportunities to strengthen underwriting capabilities and build climate-related expertise through regional collaboration.

Collectively, these initiatives reflect Malaysian Re's ongoing efforts to integrate sustainability and climate considerations into underwriting practices, supporting responsible and resilient growth.

Strengthening Sustainability through Organisation-Wide Stewardship

To support consistency and effective implementation, Malaysian Re has established an organisation-wide approach to sustainability stewardship. By embedding sustainability-related responsibilities within each business function through designated departmental representatives, enterprise-level direction is translated into everyday decisions and operational practices. This approach enables broad engagement across the organisation, supports practical implementation, and reinforces shared accountability for sustainability outcomes.

Ongoing engagement is supported through regular internal communication and awareness-building efforts. By sharing updates on priorities and progress, these efforts help sustain momentum and ensure sustainability remains an integral part of Malaysian Re's longer-term focus.

Encouraging Innovation through Sustainable Actions

Employee-led innovation plays an important role in supporting the practical integration of sustainability at Malaysian Re. The Greenest Idea Competition serves as a structured avenue for employees to contribute practical and implementable ideas, strengthening shared ownership and collective responsibility. Ideas are evaluated against clear criteria to ensure alignment with organisational priorities, with selected proposals translated into tangible actions that drive ongoing improvement.

One such outcome of this approach is the Edible Garden Project at Bangunan Malaysian Re (BMR). Supported by external partners and designed as a long-term effort, the project promotes environmental awareness, employee wellbeing, and collaboration. It illustrates how simple, practical actions can support sustainability principles while fostering a culture of continuous learning and improvement in the workplace.

The Greenest Ideas Competition

Creating Shared Value Beyond the Business

Malaysian Re's sustainability efforts extend beyond internal operations to include positive social and environmental contributions. Through its Wakalah Zakat programme, the organisation supported a Clean Water Supply Initiative in Sabah, helping improve access to clean and safe water for underserved communities.

Similarly, the Mount Kinabalu Peak Expedition brought together environmental appreciation, physical wellbeing, and sustainability awareness through a shared challenge. Conducted in May 2025, the expedition promoted teamwork, biodiversity awareness, and responsible tourism, reflecting a commitment to purpose-driven engagement.

These initiatives reflect Malaysian Re's broader perspective on sustainability, where environmental responsibility, social impact, and wellbeing are closely connected.

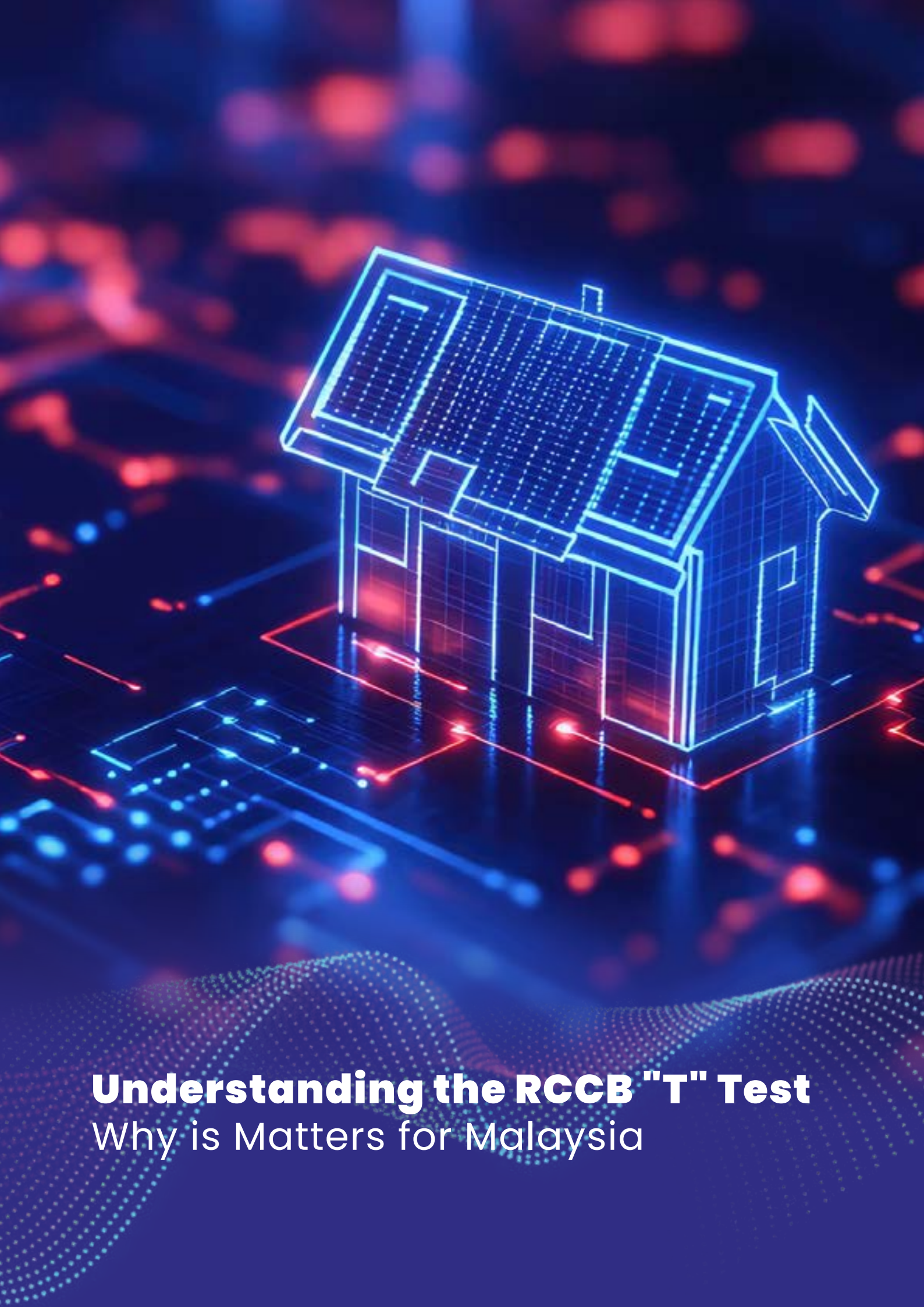
Sabah Clean Water Supply Initiative

Mount Kinabalu Peak Expedition

Sustaining Integrated Sustainability for a Resilient Future

Malaysian Re's sustainability journey is guided by the belief that long-term resilience is built through shared responsibility and continuous improvement. Supported by governance structures and data-driven decision-making, the organisation continues to integrate sustainability considerations across its business and operations.

As climate risks, regulatory expectations, and transition challenges continue to evolve, Malaysian Re remains focused on strengthening its sustainability practices in a practical and forward-looking manner. This ongoing journey supports Malaysian Re's role as a responsible and resilient reinsurer while contributing positively to a more sustainable future for the industry and communities it serves.



Understanding the RCCB "T" Test

Why is Matters for Malaysia

What is an RCCB/RCBO?

The Residual **Current Circuit Breaker (RCCB)**—also called Residual Current Device (RCD) or ELCB—is the device in your distribution board (DB) that rapidly **disconnects** supply when it detects leakage to earth. A simple monthly push of the 'T' test button confirms the mechanism still trips, preventing electrocution and fire.

- **RCCB (RCD):** trips on earth-leakage; it does not protect against overloads or short-circuits.
- **RCBO:** combines RCD (earth-leakage) and **MCB** (overcurrent) in one device.
- **Sensitivity:** for people protection, **30 mA** is typical, **10 mA** is often used for specific wet-area appliances.
- **Types:** Type A detects AC + pulsating DC. **Type B** also detects smooth DC.

WARN: Before testing, TURN OFF sensitive devices first.

Why the 'T' Test Matters in Malaysia

Prevents electrocution & fire.

Earth-Leakage Protection Only ▸▸ Earth-Leakage + Overcurrent Protection ▸▸

Sensitivity

30 mA	10 mA
Standard People Protection	Special Wet-Area Appliances
✓ Type A	✓ Type B
✓ AC + Pulsating DC	✓ AC + Smooth DC

Safety Check

Turn off & unplug devices before testing.

Check for damp areas if trips won't reset.

- **Good Practice & Local Guidance:** Monthly RCD tests advised; JKR procedures require confirming the test button.
- **Compliance Context:** Electricity Regulations 1994 set residual-current protection requirements (e.g., ≤ 30 ma for

How to Perform the DB Box "T" Test

Sample steps to check your RCCB

Step-by-Step Guide

1 Locate the Button

Find the 'T' button on your RCCB.

2 Press the "T"

Press the test button to simulate a fault.

3 Check the Result

- **PASS:** *Power cuts off.*
- **FAIL:** *Switch stays ON.*

4 Reset the Switch

Flip the RCCB back up to restore power.

WARN: *Before testing, TURN OFF sensitive devices first.*

Interpreting the Results

Instant Trip: SAFE	No Trip: DANGER	Trips, Won't Reset: FAULTY
Mark calendar for next month.	*Call a licensed contractor* • *Replace RCCB.*	*Unplug appliances & retry. Investigate the issue.*

Troubleshooting Tips

Turn off & unplug devices before testing.

Check for damp areas if trips won't reset.

- **Good Practice & Local Guidance:** Monthly RCD tests advised; JKR procedures require confirming the
- **Compliance Context:**-Electricity Regulations 1994 by residual-current protection requirements (e.g. ≤ 30 mA for

References & Source: Electricity Regulations 1994 by Energy Commission; JKR Guidelines Volume 3, Issue 2/2022

The Small Device That Can Save Lives, Property and Your Insurance Caim

Hidden inside your electrical distribution board is a small device called the **Residual Current Circuit Breaker**

It plays a critical in preventing electric shock, reducing fire risk, and protecting yenucity.

A Silent Guardian Against Electrical Danger

Electricity normallyflows through a circuit but prevents turning, insulation fails, wiring deteriorates, or appliances can "leak" from the system.

Why It's More Important Than You Think

Electrical fires often begin quietly. RCCBs are designed to detect these early signs.

– For homes,
– for offices
they protect employees employees operations.

The Overlooked Risk: Poor Maintenance

Here's the critical point an RCCB only works if it works.

Like any makegame device, can fail or falter.

Regular testing is essential— by pressing the "TEST" button.

Loss Prevention & Risk Control Services

Infrared Thermographic (IRT) inspection is an effective way to detect hotspots that can lead to equipment failure or fire. Integrating IRT in a preventive maintenance program improves safety, reduces operational risks, and strengthens loss-prevention efforts

Malaysian Re's, Technical Services Department (TSD) - Risk Engineering Solution (RES) offers IRT inspection as a value-added service to support our clients' risk-management needs. For more information, please contact us: *tech_services@malaysian-re.com.my*

OSH REPORTING COMPLIANCE IN MALAYSIA

Review Statutory Reports to Understand Premises Safety History

INCIDENT AND ACCIDENT REPORTING (NADOOPOD)

NADOOPOD -(Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) REGULATIONS 2004

JKKP 6
ACCIDENTS & NEAR MISSES

Report Fatalities & Serious Injuries within 7 DAYS

JKKP 7
OCCUPATIONAL DISEASES

Report Work-Related Illnesses

ANNUAL SUMMARY REPORT
JKKP 8 REGISTER OF ACCIDENTS & DISEASES

Submit by 31ST JANUARY

JKKP - JABATAN KESELAMATAN DAN KESIHATAN PEKERJAAN

STATUTORY INSPECTIONS

- Machinery & Technical Reports
- Certificate of Fitness (CF) Renewal & Safety Assessments

SAFETY AND HEALTH COMMITTEE

- Minutes of SHC Meetings
- Minimum every 3 Months

SPECIAL ASSESSMENTS

CHRA - CHEMICAL HEALTH RISK ASSESSMENT
LEV - LOCAL EXHAUST VENTILATION

FINES UP TO RM 500,000
IMPRISONMENT UP TO 2 YEARS

MALAYSIAN REINSURANCE BERHAD

TSD -Risk Engineering Solutions (RES)

Engineering Insight. Smarter Risk Decision

Our services provides technical advisory and risk management services to empower insurers and industry partners in strengthening workplace safety and regulatory compliance.

- *Risk Engineering Survey - Identification of operational hazards, safety gaps, and loss exposures.*
- *Safety Management Review - Evaluation of safety practices, reporting system, and risk controls to support proactive risk management*
- *Industry Awareness - Delivery of OSH awareness and technical sharing*
- *Risk Improvement Recommendations - Practical recommendations to enhance workplace safety, reduce loss potential, and improve operational resilience.*

UNDERSTANDING THE IMPORTANCE OF OSH REPORTS

Beyond Compliance: Reporting as an Early Risk Signal

Effective risk management is built on three foundations:

- Hazard Identification
- Incident Transparency
- Corrective Action Discipline

What is The Best OSH Report Indicates

- Structured Incident Investigations
- Robust Documentation and Traceability
- Clear Accountability Systems
- Active Management Oversight

While Weak Reporting Reveals

- Lack of Hazard Controls
- Under-Reported Incidents
- Poor Safety Oversight
- Unmanaged High-Severity Risks

OSH reporting strengthens operational discipline and reduces future loss potential

References:

1. Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004
2. Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024

Prepared by:
Muhammad Syukri Bin Ab Rahman,
Technical Services Department, Market Services

Prepared By:
Siva Sanggary a/p Sambath
Claims Department

Proactive Steps to Prevent Marine Insurance Claim Disputes, Delays, and Legal Entanglements

Marine insurance claims can quickly become complex and contentious, largely due to the sheer number of parties and moving pieces involved.

Figure 1: Marine Claims Ecosystem

Figure 1 outlines the typical marine insurance claims ecosystem. A single claim might entangle shipowners, cargo owners, charterers, insurers, brokers, surveyors, average adjusters, and legal advisers, often spread across different countries. With so many interested parties, the likelihood of misunderstandings or disputes increases. Each party may have different priorities and interpretations, and small gaps in communication or documentation can spiral into major disagreements. Establishing clear processes and structures significantly reduces the likelihood of disputes, delays, and legal entanglements.

The following steps focus on claims-specific best practices that marine insurance professionals can implement to prevent conflicts before they arise.

Use Clear, Unambiguous Policy Wordings and Communicate Coverage

Many disputes have roots in vague policy terms ((IUMI), 2024). Marine insurance policies are commonly based on standard market wordings such as the Institute Cargo Clauses A, B, and C, which provide a structured and widely accepted framework for coverage. These clauses are designed to promote consistency across the marine insurance market and reduce uncertainty. However, the use of ICC clauses does not automatically eliminate disputes. This is because policies often include additional endorsements, exclusions, warranties, and special conditions that modify or limit the standard coverage. For example, exclusions relating to delay, inherent vice, improper packing, or customs infringement may override the broader protection provided under the Institute Cargo Clauses. In addition, the application of the clauses depends heavily on the facts of each loss, which may lead to different interpretations by insurers and insured parties. Therefore, even when ICC clauses are used, it is essential that the full policy wording, including all endorsements and exclusions, is clearly explained and understood. Insurers, brokers, and insured parties must ensure that the scope of coverage, limitations, and obligations are properly communicated. Clear understanding of how the standard ICC clauses interact with policy specific conditions helps prevent misunderstandings and reduces the risk of disputes during claims handling.

A well-known example is the case of *Navigators Insurance Co Ltd v Atlasnavios Navegacao LDA (The B Atlantic) [2018] UKSC 26*. In this case, 132 kilograms of cocaine was found secretly attached to the hull of the vessel while it was in Venezuela, which led to its detention by local authorities. The shipowners had no knowledge of the smuggling and declared the vessel a constructive total loss after it remained detained for a prolonged period. They submitted a claim under their war risks policy, arguing that the loss was caused by the malicious acts of third parties. However, the insurers rejected the claim based on an exclusion clause which stated that losses resulting from detention due to customs infringements were not covered. The UK Supreme Court ruled in favor of the insurers, holding that the actual cause of the loss was the vessel's detention due to customs violations, and not a malicious act under the policy. The Court also confirmed that when a loss involves both an insured peril and an excluded peril, the exclusion clause will prevail. This case highlights the importance of clearly understanding policy wording, particularly exclusions, as they can determine whether a claim is payable even when the insured is not at fault.

Adhere to All Policy Conditions and Warranties

Marine insurance policies often come with strict conditions and warranties, and non-compliance can invalidate coverage. It's critical for insured and brokers to know and follow every warranty to the letter. These may include navigational warranties where the vessel can operate, trading limits, crew qualifications, or maintenance requirements. For example, a policy might warrant that a vessel is classed with a specific society and always maintained in seaworthy condition. Breaching even a minor warranty, where, sailing outside an agreed area or missing a required inspection can give insurers grounds to deny a claim. Surveys are a common area of warranty obligations. If a marine survey or inspection has been conducted on the vessel or cargo, any findings must be disclosed to underwriters, and recommendations usually become binding obligations. Insurers may include a survey warranty requiring that all survey recommendations (for example, repairing a defect or upgrading equipment) be completed before the vessel sails (Team, n.d.). Failing to comply can render the vessel unseaworthy in the eyes of the policy, leading to a denied claim when a loss occurs. In short, pay close attention to all conditions precedent and warranties in the policy, and fulfill them diligently.

Equally important is the duty of disclosure under the principle of utmost good faith. Before the policy begins, and also during the policy period if there are any material changes, the insured must disclose every material fact about the risk. This includes providing accurate information about the vessel's condition, ownership, intended use, nature of cargo, prior loss history, crew experience, and any other circumstances that could influence the insurer's underwriting decision. If any aspect changes, for example a change in vessel management, a new voyage to a higher risk region, or modifications to the vessel, these changes must be communicated promptly so that the insurer can issue the necessary endorsement if required. Failure to disclose material information, or providing incorrect information, can have serious consequences. It may result in the policy being voided or the claim being rejected. By ensuring full transparency and complying with all disclosure obligations, insured parties reduce the risk of disputes arising from allegations of misrepresentation or breach of policy terms. This allows claims to be assessed more efficiently and helps ensure smoother claims handling without unnecessary complications.

Report Incidents and Claims Promptly

When an incident or loss occurs, prompt notification is critical. Immediate notification to insurers or brokers is not merely a procedural step, but often a policy requirement. Most marine insurance contracts include clauses that require the insured to notify the insurer as soon as reasonably possible after becoming aware of a loss or potential claim. Early reporting allows insurers to provide guidance, appoint surveyors, and take appropriate steps to manage the loss. This helps ensure that the loss is properly assessed and prevents further deterioration or complications. If notification is delayed, insurers may argue that their ability to investigate the loss has been affected, or that additional damage could have been prevented.

Figure 2: Difference between proactive and reactive claims handling

Figure 2 illustrates claims that are reported promptly, supported by early surveys, proper documentation, and clear communication are generally resolved more efficiently. In contrast, delayed notification and incomplete records often lead to prolonged assessment and increased risk of disputes. This may give rise to disputes on the basis that the delayed notification was prejudicial to insurers' interests, including their ability to investigate the loss or prevent further damage. Therefore, once a casualty, damage, or loss is identified, the insured should notify the underwriters immediately and follow the reporting procedures stated in the policy.

At the same time, the insured must take reasonable measures to minimize further loss or damage. Marine insurance policies typically include a sue and labor obligation, which requires the insured to protect and preserve the insured property after a loss, as if they were uninsured. In practice, this means taking appropriate action such as arranging emergency repairs, preventing water ingress, protecting cargo from further exposure, or securing the vessel to prevent additional damage. These actions demonstrate that the insured is acting responsibly to reduce the overall loss. Insurers will generally reimburse reasonable costs incurred in protecting the insured property, as these actions benefit both parties. However, if the insured fails to take reasonable steps to prevent further damage, insurers may reduce or reject the portion of the claim that could have been avoided. It is therefore important to document all mitigation actions and related expenses, as these form part of the claim assessment.

In addition, full cooperation with the insurer's appointed experts is essential. Insurers commonly appoint marine surveyors or average adjusters following a significant loss to investigate the circumstances, assess the extent of damage, and determine the appropriate claim settlement. The insured should provide access to the vessel, cargo, and relevant records, and make crew members or personnel available to assist in the investigation. An average adjuster plays an important role in evaluating marine losses and determining the allocation of loss in accordance with the policy and applicable maritime principles. Early cooperation ensures that the facts are properly established and helps avoid disagreements during the claims process. This cooperative approach promotes transparency, supports efficient claims handling, and reduces the likelihood of disputes (Pham, 2025).

Document Everything and Preserve Evidence

The importance of proper documentation in a marine claim cannot be overstated. When a loss occurs, it is essential to collect and preserve all relevant evidence without delay. This includes key records such as the vessel's deck logbook, engine log, cargo manifests, shipping documents, protest notes, survey reports, photographs of damage, CCTV recordings if available, voyage data recordings, maintenance records, and all communication related to the incident. Reports from external parties, such as port authorities, weather agencies, or local authorities, should also be obtained where relevant.

Figure 3: Essential Documentation for Marine Claims

Figure 3 highlights the key categories of documentation typically required to support a marine insurance claim. These documents help establish a clear and accurate account of the incident, which supports the claim and reduces the likelihood of disputes regarding the cause or extent of the loss (First Policy, 2025).

However, in practice, obtaining complete documentation can be challenging. Vessels may be in remote areas, physical logbooks may be damaged during the incident, and important records may be held by third parties such as charterers, port operators, or cargo handlers. In many cases, critical evidence such as container temperature logs, cargo handling records, or CCTV footage may not be immediately accessible (Bicknell, 2021). It is therefore important for insurers and brokers to work closely with the insured to identify and obtain these documents as early as possible. Prompt action is essential, as delays may result in loss of evidence, overwritten electronic data, or incomplete witness accounts. Early steps to secure and preserve evidence can significantly strengthen the claim and support a fair assessment of liability. In more complex cases, legal advisers may need to be involved to assist in preserving critical evidence and protecting the insured's position.

As documentation is collected, it should be properly organized and securely stored. Copies should be maintained in both physical and electronic form to prevent loss of important records. Providing insurers with a complete and well-organized claim file allows for a more efficient and objective assessment of the loss. When the claim is supported by clear and reliable documentation, there is less uncertainty, and insurers are better able to assess liability and quantum. This helps facilitate smoother claims handling and reduces the likelihood of disputes. Proper documentation not only supports the validity of the claim, but also protects the interests of all parties involved.

Ensure Coverage Is Properly Aligned with Risk Exposure and Policy Exclusions

Despite its importance, the difference between the coverage expected by the insured and the coverage provided under the policy was not taken into consideration. To prevent this, it is essential to ensure that the insurance policy accurately reflects the insured's actual operations, trading activities, and risk exposure. This should be addressed at the underwriting and renewal stage, where insurers and brokers conduct a detailed review of the vessel's operational profile, intended voyages, cargo types, and contractual obligations. Marine policies are often based on standard market clauses such as the Institute Cargo Clauses, but these clauses operate together with policy specific endorsements, warranties, and limitations. If the insured operates in higher risk trades, carries hazardous cargo, or engages in activities such as towage or offshore operations, these exposures must be clearly disclosed and properly incorporated into the policy. Failure to do so may result in coverage limitations or disputes at the time of loss.

Policy exclusions and warranties require careful attention, as they define the scope and limits of coverage. Institute Cargo Clauses and marine hull policies commonly contain exclusions relating to delay, inherent vice, wear and tear, trading limits, unseaworthiness, and regulatory breaches. In addition, policies may include trading warranties, class requirements, or operational conditions that must always be complied with. If these conditions are not properly understood or complied with, insurers may rely on such provisions to limit or deny claims. Insurers, brokers, and insured parties must therefore ensure that the policy wording, exclusions, and warranties are clearly understood and aligned with the vessel's actual operations. Where necessary, additional clauses or endorsements should be included to address specific risk exposures. Ensuring proper alignment between the policy and the insured's operational realities helps reduce uncertainty and minimizes the risk of disputes during claims handling.

Maintain Open Communication and Good Faith Throughout the Claim Process

Claims may require time to investigate and settle, but maintaining open communication and cooperation helps prevent delays from developing into disputes. All parties should communicate regularly and act in good faith throughout the claims process. The insured should provide timely updates to the insurer and broker, respond promptly to requests for information, and ensure that all relevant facts are disclosed accurately. If there are delays in obtaining documents, repair estimates, or supporting evidence, these should be communicated clearly to the insurer. From the insurer's perspective, it is equally important to inform the insured of documentation requirements, acknowledge claim submissions, and provide reasonable timelines for assessment. Poor communication can lead to misunderstandings and mistrust, which may complicate the claims process and increase the likelihood of disputes.

Marine insurance claims require transparency, cooperation, and timely exchange of information between all parties involved. When insurers receive complete and accurate information, they are better able to assess the claim efficiently and make informed decisions. Both insurers and insured parties should maintain proper records of communication to ensure clarity and consistency throughout the claims process. Any differences in interpretation should be addressed early through discussion between the insured, broker, and insurer. Early engagement helps clarify expectations, resolve uncertainties, and prevent minor issues from escalating into formal disputes. Maintaining open communication and a cooperative approach supports efficient claims resolution and strengthens professional relationships between all stakeholders.

Include Clear Dispute Resolution Clauses

Despite careful preparation, disputes may still arise. When this happens, a clearly defined dispute resolution clause in the insurance contract becomes essential. The policy should clearly state how and where disputes will be resolved, including the agreed forum and governing law. This may involve arbitration in a specified location, such as London or Singapore, or resolution through an agreed court jurisdiction. Establishing these terms at the outset ensures that both parties understand the dispute resolution process and avoids uncertainty over jurisdiction. Clear provisions help prevent situations where parties initiate proceedings in different jurisdictions, which can lead to delays, increased costs, and procedural complications.

However, dispute resolution in marine insurance often involves international considerations. Marine risks frequently involve multiple parties across different countries, including shipowners, insurers, reinsurers, and cargo interests. As a result, enforcing arbitration awards or court judgments across jurisdictions may present practical challenges. Different legal systems may interpret and enforce jurisdiction and arbitration clauses differently, and local legal requirements may affect the enforceability of such provisions (Norton Rose Fulbright , 2025). There is also a risk that one party may initiate proceedings in a local court despite an agreed arbitration clause, resulting in jurisdictional disputes. It is therefore important to ensure that dispute resolution clauses are clearly written, specify the governing law, and identify a recognized forum with established enforcement mechanisms. Selecting jurisdictions that are recognized under international conventions, such as the New York Convention, helps ensure that arbitration awards can be enforced effectively. Properly structured dispute resolution clauses provide clarity, reduce uncertainty, and ensure that disputes can be resolved efficiently within an agreed legal framework (GARD - North of England P&I Club, 2013).

MRE's Perspective: Strengthening Marine Claims Management

As a reinsurer, MRE has observed that disputes and delays often arise not from complex legal issues, but from gaps during the early stages of claims handling. These include unclear understanding of coverage, delayed notification, incomplete documentation, and differences in expectations between stakeholders. When these issues are not addressed early, they can lead to uncertainty, prolonged investigations, and challenges in achieving timely settlement.

MRE places strong emphasis on discipline and timely engagement in claims handling. Prompt notification is essential, not only to comply with policy conditions, but also to enable timely appointment of surveyors, average adjusters, or legal advisers where required. Early involvement of experts supports proper investigation, preservation of evidence, and accurate assessment of the loss. When reporting is delayed, important information may be lost or become unavailable, which may result in disagreements over the cause and extent of the loss.

Claims handled within MRE's portfolio demonstrate that proper documentation plays a critical role in efficient claims resolution. Claims supported by clear survey reports, vessel records, photographs, logbooks, and well organised claim files are generally assessed and settled more efficiently. In contrast, missing survey findings, undisclosed inspections, or incomplete loss records often lead to additional clarification requests and delays. Proper documentation provides clarity, supports objective assessment, and reduces the likelihood of disputes.

Another important practice is early communication and expectation management between the stakeholders. When a loss is notified, cedants typically report the claim through the broker, who then informs MRE. Upon receiving the notification, MRE reviews the information and, where necessary, seeks clarification through the broker to ensure a clear understanding of the loss, policy coverage, and supporting documentation. This may include clarification on the cause of loss, policy terms, surveys conducted, and mitigation measures taken. Early engagement enables potential coverage concerns, exclusions, or policy conditions to be identified and addressed at an early stage. This helps ensure alignment between all parties, reduces uncertainty, and prevents misunderstandings from developing into disputes or prolonged claims resolution.

In managing claims involving multiple jurisdictions, MRE recognises that a purely adversarial or litigation driven approach may, in certain circumstances, prolong resolution and increase costs without delivering proportionate outcomes. Where cross border legal, jurisdictional, or enforcement complexities affect recoverability or settlement timelines, MRE may adopt pragmatic and commercially balanced solutions, such as negotiated or without prejudice settlements, to achieve timely and effective resolution. This approach enables MRE to manage legal and operational risks appropriately while minimising prolonged disputes arising from differing governing laws, legal systems, or enforcement challenges.

Overall, MRE's claims management approach demonstrates that proactive handling, supported by timely reporting, clear communication, proper documentation, and early engagement of experts, is essential in preventing marine insurance claim disputes, delays, and legal complications.

Conclusion

Marine insurance claims do not have to result in prolonged disputes or legal proceedings. Proactive preparation and clear structures play a critical role in reducing the risk of conflict. Clear policy wordings, proper compliance with policy conditions, timely reporting, effective communication, and comprehensive documentation all contribute to smoother claims handling. In addition, engaging experienced professionals and ensuring that dispute resolution mechanisms are clearly defined provide further protection against unnecessary delays and uncertainty. By addressing these areas early, insurers, reinsurers, brokers, and insured parties can significantly reduce the likelihood of disputes and support more efficient claims resolution.

Equally important is ensuring that insured parties fully understand their policy coverage and obligations. Even when policies are clearly written, misunderstandings may arise if the terms, exclusions, and procedures are not properly explained. Shipowners, operators, and other stakeholders should be aware of their responsibilities, including disclosure requirements, operational compliance, and claims reporting procedures. Continuous engagement and education help ensure that all parties are aligned in their understanding of the policy. When expectations are clear and communication remains open, claims can be assessed more efficiently and resolved with greater certainty. Ultimately, a well understood policy, supported by proper claims management practices, strengthens trust and ensures that marine insurance continues to serve its fundamental purpose of providing reliable financial protection against maritime risks (Maritime Fairtrade, 2025).