

The Life Insurance Association of Malaysia (LIAM) is looking at the barriers currently faced by the industry for adoption of digital signatures in the existing processes of the insurance business including the cost of adoption and existing laws.

Digital signatures are not currently in use by life insurers in Malaysia, however, some currently do use electronic signatures (under Electronic Commerce Act (ECA) except for transactions/documents where ECA specifically excludes the use of electronic signatures i.e ***Power of Attorney, Wills, Codicils, Trusts, bills of exchange, promissory notes, and other negotiable instruments.***

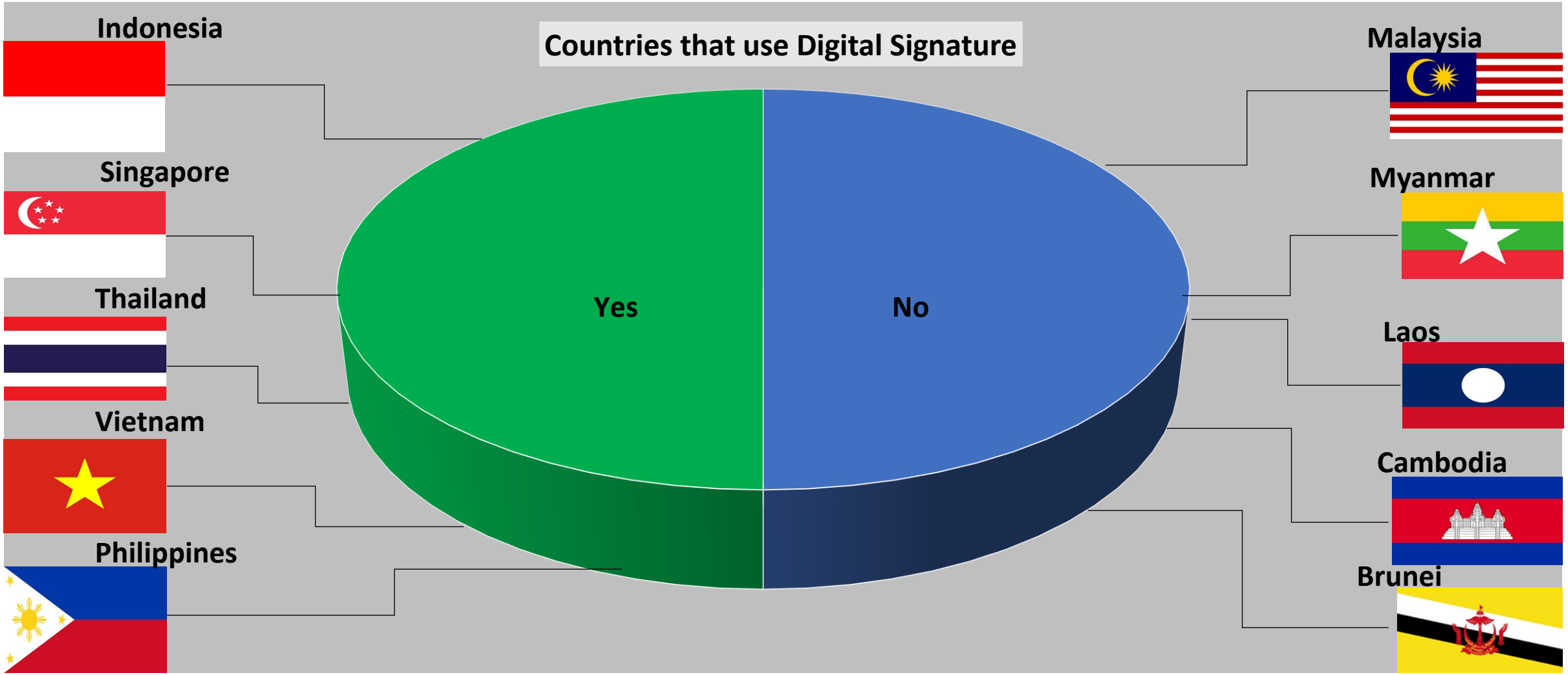
Digital signature vs E-signature in Malaysian context:-

Electronic signatures are governed by the *Electronic Commerce Act 2006*; "any letter, character, number, sound or any other symbol or any combination thereof created in an electronic form adopted by a person as a signature".

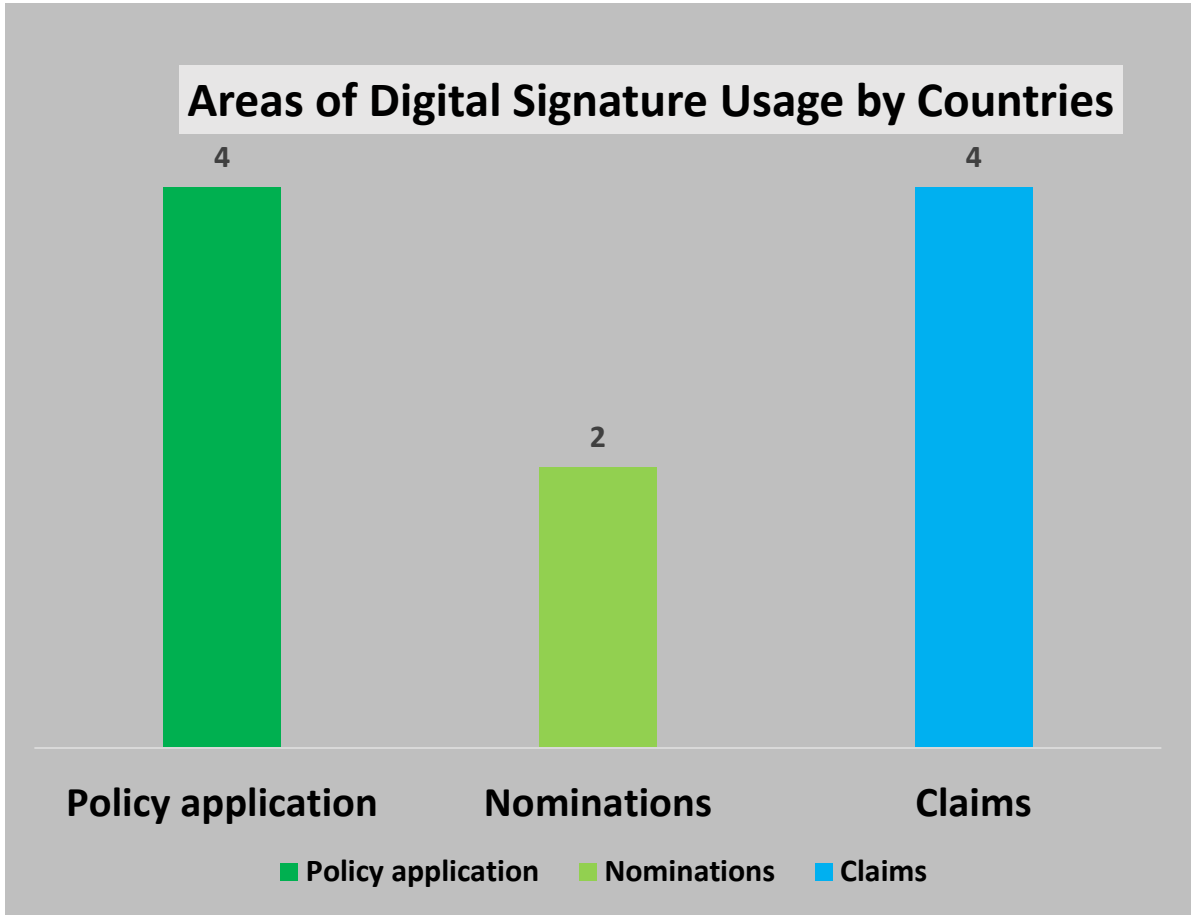
Digital signatures are regulated by the Digital Signature Act (DSA) 1997; "a transformation of a message using an asymmetric cryptosystem such that a person having the initial message and the signer's public key can accurately determine whether the transformation was created using the private key that corresponds to the signer's public key, and whether the message had been altered since the transformation was made."

Electronic Signature Laws & Regulations - Malaysia (adobe.com)

SURVEY ON USE OF DIGITAL SIGNATURES BY INSURERS IN ASEAN



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Other areas digital signatures are used



Indonesia

- Agreements with vendor, bank partner
- Correspondence letter with external parties
- Power of Attorney from Company
- Agent recruitment and contract
- Sales Tools
- Agreement with hospital providers and clients



Philippines

- Reporting



Singapore

- Procurement, Legal and other admin functions



Vietnam

- Electronic invoices and online tax-related procedures

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Challenges Faced



Takes time for authentication process, due to manual process conducted at backend by providers causing longer journey during proposal creation by agent

The provider still needs to cross check with the Civil & Registration office before providing the response on the E-Signature

Non seamless journey, because customer is required to registered to the Provider - additional time needed in registration process of digital signatures incl. e-kyc

Not all companies use digital signatures, so the process of signing an agreement sometimes has technical problems and must be processed manually

For digital signatures, an authorized and certified party should be used. Because the price is quite expensive and the choice of vendors is not too much

Reluctancy of customer to share their personal information and digital signature / ID to 3rd parties

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Sharing of experience

Philippines



Large scale use of digital signature was accelerated by the pandemic and the consequent lockdowns. The Insurance Regulator's circular on remote selling also encourages the use of digital signature.

Convenient.

Singapore



The digital signature works well in new business as part of digital submission journey.
We can and do use digital signatures and secure electronic signature in Singapore, and the only few exceptions are specified in the Electronic Transactions Act 1st Schedule.

https://sso.agc.gov.sg/Act/Sc1-.

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Top reasons for not using Digital Signature	Countries
1/ Cost of using the technology 2/ Ease of use / administration / continuity 3/ Availability of the technology	Brunei, Indonesia, Laos, Malaysia & Myanmar
4/ Lack of awareness/understanding	Brunei, Laos, Malaysia & Myanmar
5/ Lack of Infrastructure for wide usage	Brunei, Indonesia, Laos & Myanmar
6/ Existing laws/regulations	Laos, Malaysia

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Third party providers that provide individual onboarding and ID authorisation ?

Countries	Third party providers
Brunei	N/A
Cambodia	Regulation on digital signature issued since 2017, mandating the Ministry of Post and Telecommunication as a competent authority to manage digital signatures. Under, the current insurance law, wet signature on insurance contract is required.
Indonesia	1. PT Privy Identitas Digital (Privy) 2. PT Solusi Net Internusa (Digisign) 3. Perusahaan Umum Percetakan Uang Republik Indonesia (Peruri) 4. PT Indonesia Digital Identity (VIDA) 5. PT Djelas Tandatangan Bersama (Teken Aja) 6. PT Tilaka Nusa Teknologi (Tilaka) 7. PT Digital Tandatangan Asli (Xignature) 8. Balai Sertifkasi Elektronik Badan Siber dan Sandi Negara 9. Badan Riset dan Inovasi Nasional (BRIN)
Laos	National Root Certificate Authority, Sub - Certificate Authority
Malaysia	1. Post Digicert 2. MSC Trustgate 3. Telekom Applied Business 4. Rafcomm Technologies

Countries	Third party providers
Myanmar	N/A
Philippines	1. DocuSign, 2. Adobe Sign, 3. DocHub, emSigner, signable, netrust nSign, panadoc
Singapore	Many
Thailand	National Digital ID Co., Ltd.
Vietnam	VNPT-CA, Viettel-CA, CA2, BkavCA, FPT-CA, Newtel-CA, Safe-CA, Smartsign, EFY-CA, TrustCA, MISA-CA, CMC-CA, NC-CA, LCS-CA, EasyCA, FastCA, I-CA, Hilo-CA, One-CA, Mobifone-CA, WIN-CA, ECA, MATBAO-CA

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Cost to use digital signatures

Countries	Third party providers
Brunei	Yes, varies from one application to another.
Cambodia	No regulation and decision yet
Indonesia	Rp. 3.000 - 5.000,-/document Rp. 12.000,-/registration Rp. 350,-/OTP
Laos	Yes, certificate annual fee
Malaysia	Per signature, by subscription basis, etc.
Myanmar	N/A

Countries	Third party providers
Philippines	Based on subscription Docusign Annual subscription: Personal $120 - Single user Business $480 - Up to 50 users Adobe Sign Teams Annual subscription: Acrobat standard $185 - Single user - Unlimited signatures - Windows and Mac Acrobat Pro $275 - 5 Users - Unlimited signatures - Windows and Mac
Singapore	Cost of in-house solution: Minimal cost in terms of maintenance; Cost of Third-party solution: USD$6 per user per month from global recharging.
Thailand	Yes. Information not available.
Vietnam	Based on subscription

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Governing Legislation

Countries	Governing Legislation
Brunei	• Electronic Transactions Act, 2008. Chapter 196 ("ETA").
Cambodia	• Law on Electronic Commerce 2019 ("E-Commerce Law") • Sub Decree No. 246 on Digital Signature 2017 ("Sub Decree No. 246")
Indonesia	Indonesian legislation regulates electronic transaction (including e-approval and e-signature) mainly in Law No. 11 of 2008 on Electronic Transaction and Information as amended with Law No.19 of 2016 ("EIT Law"), and its implementing regulation, Government Regulation No. 71 of 2019 on the Implementation of Electronic System and Transaction ("GR 71/2019").
Laos	• Law on Electronic Signature No. 59/NA dated 12 December 2018 ("Electronic Signature Law") • The Law on Electronic Transactions No. 20/NA dated 7 December 2012 ("Electronic Transactions Law")

ASEAN-INSIDERS_Electronic-Signatures.pdf (zicolaw.com)

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Governing Legislation

Countries	Third party providers
Malaysia	• Digital Signature Act 1997 (“DSA”) • Electronic Commerce Act 2006 (“ECA”) • Electronic Government Activities Act 2007 (“EGAA”)
Myanmar	• Electronic Transaction Law 2004 (“ETL 2004”).
Philippines	• Electronic Commerce Act of 2000 (“ECA”
Singapore	• Electronic Transactions Act 2010 (Cap.88) (“ETA”)
Thailand	• Electronic Transactions Act of B.E. 2544 (2001) (the “ETA”), as amended
Vietnam	• The Law on electronic transactions 2005 (“Law on E-transaction”) • Decree 130/2018/ND-CP (“Decree 130”)

ASEAN-INSIDERS_Electronic-Signatures.pdf (zicolaw.com)

Thank you



On behalf of the life insurance industry in Malaysia, we wish to thank the support, contribution, time and effort spent to share this information to us.

A special thanks to the **ASEAN INSURANCE COUNCIL Secretariat** for making this possible.

Look forward to working closely together again.



Together we can make a difference!