STRATEGIC PLANNING FOR IMPLEMENTATION OF GREEN INSURANCE FOR GREEN BUILDINGS IN MALAYSIA

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ABSTRACT
Malaysia started to adopt Green Building Index (GBI) in 2009 and it indicated that the construction development in Malaysia is moving towards green building constructions. However, the coverage for these Green Buildings (GB) still remain as conventional property insurance, which does not provide comprehensive coverage on the status of the GB. Strategic planning need to be carried out in order to implement Green Insurance in Malaysia. Therefore, this paper aims to study the strategies that could implement GI effectively into Malaysia. Qualitative research method was adopted in this study and the research design is exploratory, since the novelty of the research and Malaysia still does not have green insurance for GB. Moreover, the qualitative data is collected from the interview sessions with top management from insurance companies. This paper provides the insights of the possible strategic strategies for implementation of GI for GB in Malaysia. There are five main strategies for implementation of GI in Malaysia’s Insurance Industry for GB in Malaysia. Although some of the respondents disagree on the strategies proposed, the researcher concluded that all of the strategies have their own role in driving the implementation of GI in Malaysia.

Keywords: Strategic Planning, Green Insurance, Green Buildings

Introduction
Malaysia started to adopt Green Building Index (GBI) in 2009 as an effort in contributing to reduce the negative impact of constructions towards the environment. Green Building Index (2017) states that there is a total of 765 buildings applied to be certified by GBI in Malaysia. Among these 765 buildings, 396 buildings have obtained the certification. Therefore, it shows that the construction industry in Malaysia starts to move towards sustainability construction and buildings. However, the current Green Buildings (GB) development in Malaysia faces an issue from the insurance perspective. Although recently GB start to appear in the market, their insurance coverage remains the same as conventional commercial property insurance, which does not offer the real coverage on the status of GB. Therefore, a specially design policy for these buildings is essential.

According to Echeverria (2012), Green Insurance (GI) is a type of insurance that offer additional coverage for green property owners which the propertise have been certified by green rating authorities. Basically there are two types of GI policies offer for green certified buildings. Scholz (2012) mentions that the first policy is green-rebuild policy which allow the conventional buildings to be reconstruct to green standards when damage happens. Meanwhile, the second policy is offered to owners who already have certified green buildings and insured the exsiting green modifications against loss.

Thus, this paper will investigate on the strategies to implement GI effectively based on the findings that obtained from primary and secondary data. This study is essential to be conducted to ensure that GB able to enjoy their comprehensive coverage through implementation of GI.
Chapter 2 will begin with some of the key areas of academic literature related to the research.

Strategic Planning
According to (Balanced Scorecard Institute, 2017), strategic planning is an organizational management activity that used to set priorities, focus energy and resources to ensure employees and stakeholders are moving together towards a common goal. It will help to transform a static plan into a system to achieve the goals set. Therefore, with an effective strategic planning, strategies to promote GI into Malaysia can be conducted effectively and increase the success rate of GI in Malaysia.

Strategies to Promote Green Insurance Effectively into Malaysia’s Insurance Industry
There are several strategies that can promote Green Insurance (GI) into Malaysia’s Insurance Industry effectively to increase the awareness of Green buildings’ owner and insurance companies on the needs of GI in the industry. The strategies are discussed as the subtopic below.

Organize Community and Stakeholder Discussions
Verstralen (2004) states that certain stakeholders will form an organization to strengthen or develop community organizations to achieve the objectives and goals of the project. Moreover, individual inputs or suggestions on the issue should be collected to seek for community support. UNHCR (2008) further explains that a community-based approach is a method for partnership between person who concern on the same issue.

Organize Public Forum
Public forum is explained by (NDI) (2004) that it is a meeting organized for the public where people can exchange opinions and ideas on a specific issue. Public forum and public meetings are typically used to address a specific issue to raise awareness and provide opportunity for related parties to build network and relationship Minkova (2002) and (NDI) (2004).

Hosting and Sponsoring Social Events
Based on Nixon (2003), an organization can take advantage to associate with the large crowd for awareness raising of the specific issue by hosting or sponsoring certain major events related to the issue. This is because through the events, it will help to target some of the key audience to aware of the issue that wish to be highlighted for awareness raising.

Raise Awareness in Societies and Cultures Where Oral Traditions, Role Plays and Performance Dominate
Minkova (2002) mentions that using drama or role-playing is not appropriate but it is an effective tool of awareness raising when the situation is right. The conventional thinking will be challenged and generate new ideas through theatre because the members will stage a production to introduce the issue. Furthermore, an alternative is request a group of participants to act as the role of community members to illustrate their concerns on the issue.

Awareness Raising Through Word of Mouth
According to Buttle (1998), word of mouth has been shown to influence a range of situations such as awareness, expectations, perceptions, attitudes, behavioral intentions and behavior. Word of mouth more important than advertising in raising awareness of an innovation and in securing decision of a product. It is because more convincing than other marketer initiated communication by pass through the unbiased filter of “people like me”.

Methodology
This chapter discusses about the research method adopted in this study. Exploratory research design is used in this paper. This is mainly because there is no Green Insurance (GI) implementation in Malaysia yet and it has the novelty. Moreover, there are lack of theory or data to support the theory of the research especially this paper is focus on green field in Malaysia (Law, 2017).
In addition, although various types of risk for conventional buildings had been identified by the insurance industry in Malaysia, the authors lacked a clear idea about what are the new risks would be faced in a Green Building (GB) and what strategies would be adopted to resolve or mitigate them accordingly. In addition, a qualitative approach is adopted in this study because the authors required in-depth understanding regarding the GI industries and green property market in Malaysia. Saunders, et al. (2012) also mention that by applying qualitative approach, the authors need to operate within a natural setting in order to have in-depth understanding about the phenomenon. Qualitative data collection through interview session is selected in this study because the authors requires the expert opinion and knowledge from the selected respondents (management team of green buildings) to complete the findings.

Result and Discussion
This chapter discusses about the result obtained from the primary data and secondary data. The data is triangulated with the theory to validate the data obtained.

Strategies to Promote Green Insurance Effectively into Malaysia’s Insurance Industry
The data collected for the strategies is discussed in this sub topic.

Organize Community and Stakeholder Discussions
Respondent 2 and 5 from OAC posited that meetings with the community which is the GB management teams or owners is a method to raise the awareness to promote the initiative of designing Green Insurance (GI). Moreover, the suggestions on aspects that GB wish to be covered in the GI can be collected through the meeting so that the objectives of the awareness raising can be achieved. Moreover, insurers will not design any new policy unless feedbacks and new inputs are obtained from the community. Based on the above discussion, the authors agreed that meetings between GB representatives and insurers is crucial to raise awareness for the GI. This is because GI have not yet appeared in the insurance industry to provide coverage for GB; hence, awareness of the products need to be raised so that the success rate of the promotion of the products will increase.

Organize Public Forums
Generally, insurance companies do not organize or attend any public forums to exchange opinions and ideas on a specific issue (Respondent 1 from Allianz and Respondent 3 from RHB). They further added that the reason insurance companies do not attend or organize public forum is because they are governed by PIAM and BNM where they are not allowed to have discussion with the public before a policy is designed. It can be showed that public forum is a good platform for awareness raising for any specific issue. Therefore, the insurance companies in Malaysia should consider for a breakthrough to implement this strategy for awareness raising for GI. This is because through the forum, the insurers and GB will understand each other and to what extend can the coverage for GB to be provided. This can help to reduce the possibility for insurers to design a policy which is less preferred by GB.

Hosting and Sponsoring Social Events
“Insurers can send representative to participates in fairs or exhibitions which related to Green Buildings development such as International Greentech and Eco Products Exhibition and Conference Malaysia (IGEM) and Greenbuild Asia Kuala Lumpur to promote and create awareness of Green Insurance (GI).” said Respondent 4 from Tokio Marine. Moreover, the respondents further added that through these social events, insurers will manage to get in touch with the targeted audience and understand the development of GB in details. The authors believe that hosting or sponsoring social events which related to GB is an effective strategy to create the awareness and promote GI. This is because the audience that attend the events will have relationship to GB where the insurers can grab the opportunity to approach them and promote the GI.

Raise Awareness in Societies and Cultures Where Oral Traditions, Role Play and Performance Dominate
Respondent 1 stated that using role play to raise awareness is not effective because it only done internally within agents. He further added that this strategy hardly can reach the public for awareness raising purpose, but it can raise the awareness of the agents towards Green Insurance (GI).
However, it can be effective because the agents can generate new ideas to promote the products effectively. Based on the discussion, it showed that raising awareness using societies and cultures were role plays dominate is effective if it is done internally within insurance agents. This is because the agents have an opportunity to generate new ideas to promote the GI and discuss the challenges that might be encountered during the promotion. However, the authors agreed that this strategy is hardly to reach the public for awareness raising because it is not a formal strategy.

**Awareness Raising Through Word of Mouth**

Face-to-face communication which is agency system is an effective method to promote and create awareness for an insurance product (Respondent 3). He further added that the reason that agency system is an effective method because insurance service is based on human-touch and trust. In line with the statement made by Respondent 3, Respondent 1 also mentioned that clients prefer face to face service rather than online and telemarketing services because insurance is a trust based industry. The authors believes that face-to-face communication is a good strategy to promote GI to GB. This is because agents able to provide the clients with trust and confidence by providing comprehensive services. Moreover, through agents, detail explanation regarding the GI can be achieved; thus, achieve the purpose of awareness raising for the product.

**Conclusion**

In conclusion, this study has investigated the possible implementation of Green Insurance (GI) to safeguard the Green Buildings (GB) in Malaysia. The authors believe that the significant findings from the study would contribute as the baseline for further research into different types of GB in Malaysia. All of the strategies play their own role in implementing Green Insurance effectively in Malaysia. All of the strategies proposed play an essential role in implementing GI effectively in Malaysia’s insurance industry. Although some of the respondents do not agree on the strategies, they are inter-related and each of the strategies have their own strength and weakness. Hence, all of the parties involved (GB developers, insurance companies, government department and financial institutes) need to work together to conduct all of the strategies to make the implementation of GI become successful.

**REFERENCES**


