
NEWS RELEASE

MyCC WELCOMES MINISTRY OF EDUCATION'S NEW GUIDELINE ON HEALTH INSURANCE COVERAGE

KUALA LUMPUR, 12th September 2014 – The Malaysia Competition Commission (MyCC) welcomes the move by the Ministry of Education (MOE) to facilitate wider competition in the provision of health insurance coverage for foreign students for the benefit of the consumer.

The MOE stated in its recently published Guideline on Health Examinations and Insurance Coverage, that as part of its new policy, private learning institutions are free to appoint any insurance firms, and or agents of their choice to provide insurance coverage for its foreign students so long as the firms and or agents are registered with the MOE and the insurance packages provided are in line with the MOE's criteria.

The MyCC had previously received a complaint in relation to an alleged foreclosure of the market for selling of health insurance coverage to foreign students by Education Malaysia Global Services (EMGS). EMGS is a wholly owned subsidiary of the MOE authorised to process Student Pass Applications for international students who wish to study at private higher education institutions in Peninsular Malaysia.

Market foreclosure is an exclusion that results when a downstream buyer is denied access to an upstream supplier (caused from an upstream foreclosure) or when an upstream supplier is denied access to a downstream buyer. In this situation, the students are the "downstream buyers" denied access to other suppliers of health insurance by EMGS as the "upstream supplier." Such a foreclosure appears to be anti-competitive and infringes the Competition Act 2010.

The MyCC has since taken steps to engage the relevant parties involved, including the MOE and EMGS, in order to ensure that foreign students are given the choice to choose their preferred service provider when seeking to buy insurance coverage. This is in the spirit of promoting competition in the industry.

"The MyCC's engagement with the relevant stakeholders has shown that competition advocacy can be an effective tool to bring about a competitive environment and ensuring choice for consumers. Not all cases are dealt with through a full investigative process," said MyCC Chief Executive Officer, Shila Dorai Raj.



For more information on the Competition Act 2010 and the MyCC, please log on to www.mycc.gov.my.

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About Malaysia Competition Commission (MyCC)

Established in June 2011, MyCC is an independent body responsible for enforcing the Competition Act 2010, which was implemented to create healthy competition which would in turn stimulate productivity and innovation, thus creating wider choices of products for consumers with better quality and reasonable prices.

The Act applies to all commercial activities undertaken within and outside Malaysia that affects competition in the Malaysian market. It provides a regulatory framework including powers to investigate, adjudicate and impose penalties on the perpetrators of the competition laws.

For more information on the Act and MyCC activities, log on to www.mycc.gov.my.