

## **LIA ANNUAL LUNCHEON 2018**

**Speech by Mr. Patrick Teow, President of LIA Singapore  
On March 7, 2018  
At 12.35pm**

Guest-of-Honour Mr. Ong Chong Tee, Deputy Managing Director, Financial Supervision, Monetary Authority of Singapore,

Distinguished guests,

Members of the Media,

Ladies and Gentlemen,

A very good afternoon to all.

### **Introduction: 2017 successes**

1. Welcome to the Life Insurance Association's 16<sup>th</sup> Annual Luncheon, and thank you for joining us today.
2. A full year has passed and I am honoured to be delivering the President's speech for the second time. On behalf of the newly elected Management Committee, thank you to all members for placing your trust in us. I would also like to recognise Ken Ng and James Tan for stepping up to the role of Deputy President.
3. With this mandate comes the responsibility of steering Singapore's life insurance industry in our pursuit of industry initiatives to support the communities in Singapore to better prepare for their future, and collectively play our part in contributing to Singapore's continued success.
4. We are starting the year on a strong footing.
5. The life insurance industry delivered stellar results and achieved strong growth in 2017, a year that had begun with cautious optimism.
6. Our key initiatives also continued to make significant progress such as:
  - a. Increased uptake of protection-focused policies, and overall sum assured rising by 12 per cent from 2016, reflecting increased awareness, recognition and appreciation of the value of adequate protection in Singapore. This is especially critical amid a rapidly-changing environment and significant demographic shifts of Singapore's rapidly greying population
  - b. Protecting and providing additional healthcare coverage to 2.66 million – 67% of Singapore Residents, through Integrated Shield Plans and IP riders

- c. Robust growth in 2017 to record more than S\$4 billion in total weighted new business premiums, a substantial 24 per cent year-on-year increase attributed to strong performance across all product types
- d. Strengthening Singapore's economic position as a financial and insurance hub with the industry managing assets totaling approximately S\$194.3 billion, up 12 per cent compared with a year ago

### **2018 industry priorities**

- 7. Moving forward, the industry will step up our efforts in the three focus areas outlined in my speech last year – ensure continued accessibility of healthcare and healthcare insurance, support individuals to bridge their protection gaps, and create greater value for consumers.
- 8. The key industry initiatives in 2018 are also aligned with national priorities highlighted in Budget 2018, and they are:
  - a. Actively ensuring that Singapore Residents continue to have access to healthcare as members take steps to better manage medical inflation, and which will help reduce the increase in Singapore's healthcare expenditure in the years ahead,
  - b. Empowering individuals to better prepare for their future and that of their loved ones with adequate protection, and
  - c. Implementing digital initiatives for enhanced efficiencies to benefit consumers, and to gain insights through data analysis to deliver what consumers are looking for.
- 9. I will share briefly on these three industry priorities

### **Ensuring continued accessibility to healthcare**

- 10. The industry has made significant progress with the implementation of most recommendations put forth by the Health Insurance Taskforce.
- 11. Our members have begun or are planning to:
  - a. Establish a curated panel of preferred doctors and specialists,
  - b. Develop a pre-authorisation framework for medical procedures, and
  - c. Roll out programmes to promote healthy living amongst customers
- 12. LIA Singapore is also developing guidelines on best practices for insurers implementing these initiatives.
- 13. In addition, the industry will continue working closely with the Ministry of Health, members of Singapore's medical community, and other relevant stakeholders to pursue actions to:
  - a. mitigate rising healthcare costs in Singapore,
  - b. ensure that Singapore Residents will continue to have access to affordable healthcare services, and

c. help reduce increases in Singapore's healthcare spending.

14. For example, LIA Singapore is part of the 13-member Fee Benchmark Advisory Committee appointed by the Ministry to recommend appropriate fee guidelines for common medical procedures and services. The first set of guidelines is targeted to be ready by the second half of 2018.

#### **Better preparing for the future with adequate protection**

15. We want to ensure that individuals and their families are adequately protected, by bridging Singapore's protection gap.

16. LIA Singapore will be releasing the findings of our Protection Gap Study later this month.

17. In addition to an updated analysis of Singapore's mortality protection gap, our study this year will for the first time also measure the Critical Illness protection gap.

18. So what will the industry do to address Singapore's protection gaps?

19. As a next step, we will deep dive and conduct an attitudinal study to understand the factors contributing to the current protection gaps. The findings will provide insights for us to then develop targeted initiatives to more effectively help individuals bridge their own protection gaps.

#### **Pursuing digital-driven initiatives**

20. We recognise that more can be done collectively as an industry to leverage new technologies that will improve lives, benefit members of the community, improve efficiencies, and allow for more rigorous data analytics to provide insights on actions we can take.

21. A key initiative which we are currently pursuing is Project Harmony, an example of how the industry is seeking to achieve shared value by leveraging big data and digital analytics to enhance efficiencies.

22. Project Harmony has IP insurers working on standardised claims forms and medical reports, and gathering of enriched data which will enable IP insurers to obtain insights through analysis of claims experience and doctor-patient-hospital trends. These will, in turn, provide a strong basis for IP insurers to develop appropriate practices and products.

23. We will also review the register of unclaimed proceeds to introduce enhancement, so that more unclaimed proceeds can be successfully paid out.

24. To drive digital transformation, member companies will also come together at an upcoming planning session to develop a strategic digital roadmap for Singapore's life insurance industry.

25. We will pursue digital innovations as a collective, focusing on providing greater value to customers, boosting productivity levels, and contributing to Singapore's Smart Nation ambition.

#### **Other industry initiatives**

26. The life insurance industry remains unwavering in our commitment to elevate the industry's standards and add value to the community.

27. Examples of these efforts include:

a. Encouraging retirement planning.

More people are now planning for their golden years as reflected in the 27 per cent year-on-year increase in uptake of retirement-focused policies in 2017, and

b. Participating in the insurance industry cyber security as well as crisis and business continuity management efforts.

28. LIA Singapore has also been working in close collaboration with the MAS and our members on updated guidelines on the use of sign-on incentives in the recruitment of financial adviser representatives, and will issue these guidelines soon.

29. It is our collective responsibility as an industry to ensure that recruitment is carried out in a responsible, professional and ethical manner to ensure that the interests of consumers are protected.

### **Conclusion**

30. We have set clear objectives for the year with the aim of doing and contributing more to the progress of Singapore and the people.

31. Such ambitions require collective efforts from numerous parties committed to achieving success and building a better future together.

32. To this end, and on behalf of LIA Singapore, I extend our sincere appreciation to the Monetary Authority of Singapore, the Ministry of Health, and the CPF Board for supporting and working closely with us over the years.

33. I also thank the LIA Management Committee and sub-committees, the LIA Secretariat, fellow colleagues in the life insurance industry, and all our partners - past and present - for your contributions and dedication in propelling our industry forward.

34. We are in good stead to leapfrog into the future, and I look forward to continuing this journey towards greater success together.

35. Thank you.