

For immediate release

Launch of new underwriting consumer guide alongside appointment of new Management Committee for 2024-2025

The LIA Guide to Medical Underwriting for Life Insurance will help consumers understand how life insurers evaluate applications based on disclosures and medical evidence submitted by applicants

Singapore, 15 March 2024 - The Life Insurance Association, Singapore (LIA Singapore) today launched the [LIA Guide to Medical Underwriting for Life Insurance](#)¹, a consumer guide on the general underwriting principles and practices for life and health insurance coverage. The unveiling was made at the Association's annual luncheon alongside the announcement of its newly elected members of the Management Committee following its Annual General Meeting. The event was attended by Ms. Ho Hern Shin, Deputy Managing Director (Financial Supervision), Monetary Authority of Singapore.

LIA Singapore Management Committee, 2024 – 2025		
Officers		Member Company
President	Mr Dennis Tan	Prudential Assurance Company Singapore (Pte) Limited
Deputy President	Ms Wong Sze Keed	AIA Singapore Private Limited
Deputy President	Mr Raymond Ong	Etiqa Insurance Pte. Ltd.
Secretary	Dr Khoo Kah Siang	Manulife (Singapore) Pte. Ltd.
Treasurer	Mr Andrew Yeo	Income Insurance Limited
Members		
Member	Mr Khor Hock Seng	The Great Eastern Life Assurance Company Limited
Member	Mr Harpreet Bindra	HSBC Life (Singapore) Pte. Ltd.
Member	Ms Pearlyn Phau	Singapore Life Ltd.

The full LIA Singapore Management Committee 2023-2024 will be serving their second term together, spearheaded by Dennis Tan as President with Wong Sze Keed and Raymond Ong as Deputy Presidents.

¹ Refer to appendix for extracts from the LIA Guide to Medical Underwriting for Life Insurance



L to R: Mr Daniel Lum, Chief Product Officer, HSBC Life (Singapore) Pte. Ltd., (representing Mr Harpreet Bindra, CEO - Member), Ms Pearlyn Phau, Group CEO, Singapore Life Ltd. – Member, Mr Khor Hock Seng, Group CEO, The Great Eastern Life Assurance Company Limited - Member, Ms Wong Sze Keed, CEO, AIA Singapore Private Limited – Deputy President, Mr Dennis Tan, Managing Director, Strategic Business Group & CEO, Prudential Assurance Company Singapore (Pte) Limited - President, Mr Raymond Ong, CEO, Etiqa Insurance Pte. Ltd. – Deputy President, Mr Andrew Yeo, CEO, Income Insurance Limited - Treasurer, Mr Benedict Jones, Chief Transformation and Operations Officer, Manulife (Singapore) Pte. Ltd. (representing Dr Khoo Kah Siang, CEO - Secretary) and Mr Chan Wai Kit, Executive Director, Life Insurance Association Singapore

The Management Committee, comprising eight members, will prioritise bolstering financial literacy and understanding of life insurance amongst consumers, pursue more initiatives to narrow Singapore’s protection gaps, spearhead innovations to develop more customer-centric products, and bolster sustainability efforts as part of the nation’s transition towards a net zero economy by 2050.

Dennis Tan, President, LIA Singapore said “Despite the macro-economic challenges in 2023, Singapore’s life insurance industry remained resilient and continued to make strides in helping to narrow the nation’s protection gap.”

“There was an increase of 1.9% in total sum assured last year to \$145.5bn and approximately 60,000 more Singaporeans and Permanent Residents were covered by Integrated Shield Plans (IPs) at the end of 2023 compared to the previous year. In total, 2.93 million lives – approximately 70% of Singapore Residents – are protected by IPs and IP riders which provide additional coverage on top of MediShield Life.”²

“As we look ahead this year, I am cautiously optimistic about the industry’s progress as we regain momentum buoyed by a more positive economic outlook. We must remain agile in responding to potential challenges arising from economic uncertainties, geo-political tensions, and – closer to home – concerns over the cost of living and healthcare inflation. We must work in close collaboration – the insurance industry, medical fraternity, members of the public, government stakeholders – to tackle these challenges together”.

² ‘Boost in protection coverage in Singapore driven by efforts of financial adviser representatives and tied representatives’ (Feb 15, 2024). Available at: <https://www.lia.org.sg/news-room/industry-performance/2024/boost-in-protection-coverage-in-singapore-driven-by-efforts-of-financial-adviser-representatives-and-tied-representatives/>

“In 2024, we will intensify efforts in narrowing the nation’s protection gap and helping meet the financial, health and protection needs of the community. We’ve launched the LIA Guide to Medical Underwriting today; the aim of the guide is to help consumers better understand and provide greater assurance on how an insurer objectively evaluates their applications based on disclosures, medical evidence and other supplementary information provided by the individual, in a fair and reasonable manner.”

In his speech at the Luncheon, Mr. Tan also announced the launch of the [LIA Guide to Medical Underwriting for Life Insurance](#), as well as the forthcoming release of an enhanced protection gap calculator slated for the coming weeks. He also emphasised the industry’s commitment to ensuring the delivery of fair dealing outcomes at different stages of the customers’ journey and the provision of professional financial services, as well as continued efforts to elevate good corporate culture within the industry, aligned with initiatives driven by the Insurance Culture and Conduct Steering Committee (ICCS).

Efforts to boost financial literacy and understanding of the life insurance industry

Accessible to the public from today, the [LIA Guide to Medical Underwriting for Life Insurance](#) on LIA website is designed to empower consumers with user-friendly resources, offering a comprehensive yet easily digestible overview of insurers’ general underwriting principles and practices. With consumer case studies and colourful infographics, LIA aims to make the underwriting process more transparent, relatable, and comprehensible for consumers.

There are numerous case studies included within the Guide to help consumers better relate to how the underwriting process is applied across a wide range of practical examples including when an applicant has hypertension and high cholesterol, has diabetes, is on the autism spectrum, or even cancer, amongst others.

Additionally, the Association also announced the upcoming launch of its enhanced protection gap calculator in the coming weeks. The calculator on LIA website will be updated with latest findings from the [Protection Gap Study 2022](#). In response to user feedback, a new simplified calculator will be added to the existing comprehensive calculator, along with an improved user-friendly interface. Additional tool tips with simpler descriptions will also be included to guide more accurate inputs.

The calculator is being developed based on insights gleaned from the Association’s 2022 Protection Gap Study, which found a 21% mortality gap and a 74% critical illness protection gap in Singapore. The industry has successfully helped to reduce these gaps since the last study in 2017 – 2% less than the mortality gap of 23%, and a significant 7% narrowing of the CI protection gap of 81% then.³

– END –

³ ‘Singapore’s Critical Illness protection gap narrows while mortality protection gap remains relatively unchanged: Protection Gap Study 2022. (Sep 8, 2023) Available at: <https://www.lia.org.sg/news-room/media-releases/2023/singapore-s-critical-illness-protection-gap-narrows-while-mortality-protection-gap-remains-relatively-unchanged-protection-gap-study-2022/>

Appendix: Extracts from the LIA Guide to Medical Underwriting for Life Insurance



3.1 UNDERWRITING GUIDING PRINCIPLES



WHAT IS UNDERWRITING?

Underwriting is the process that insurance companies undertake to evaluate the risk of insuring a person's life and/or health and the corresponding premium that they should pay.

Insurers follow a set of guiding principles as set out below when they conduct their underwriting process. This is to promote a consistent and fair approach towards risk assessment:

- ✓ Act in a fair and reasonable manner
- ✓ Assess each application based on the merits of the case, according to each person's risk profile
- ✓ Assess objectively and holistically based on disclosures and medical evidence e.g. a medical report from attending physician, medical tests, results of statistical or actuarial data etc.
- ✓ Underwriting will be based on the same set of principles and practices for all types of medical conditions and risk profiles
- ✓ Charge premium that is commensurate with the risk profile



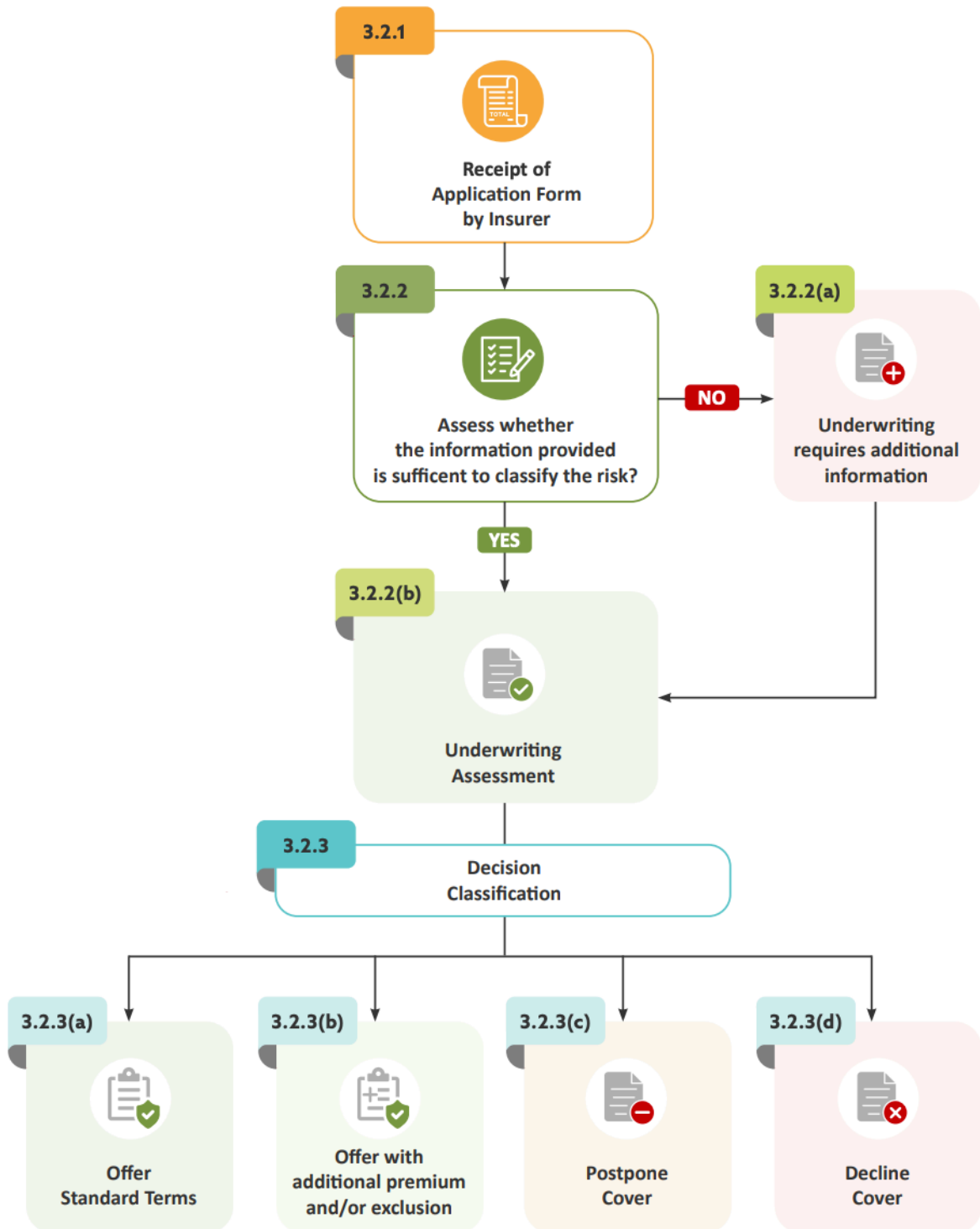
WHAT DOES AN UNDERWRITER CONSIDER WHEN ASSESSING THE RISK PROFILE?

- ✓ Age
- ✓ Gender
- ✓ Height and Weight (Body Mass Index)
- ✓ Hobbies/Lifestyle
- ✓ Medical history (past and present)
- ✓ Family history
- ✓ Claim records
- ✓ Occupation
- ✓ Existing insurance cover
- ✓ Country of residence





3.2 UNDERWRITING PROCESS



CASE STUDY #2

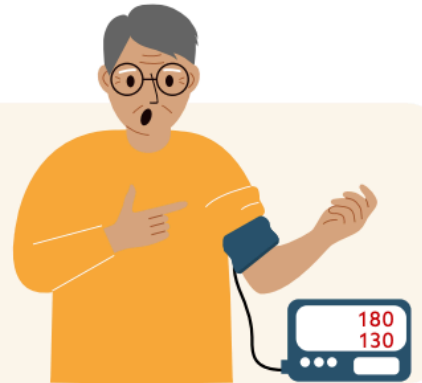
HYPERTENSION AND HIGH CHOLESTEROL



Application Form

50 years old, non-smoker
I am 1.73m, 72kg with body mass index 24
Management personnel

"I have high blood pressure and high cholesterol for 5 years, taking medicine."



Assess whether the information is sufficient to classify the Risk?

Sufficient Information?

NO

(applicant is requested to provide additional information)



- 1** Medical Examination
- 2** Blood test with fasting blood sugar with HbA1c
- 3** Medical report from the attending doctor providing details of his condition

(applicant provided comprehensive information)

YES



Underwriting notes

His conditions are well-controlled with medication but possibility of hospitalisation is higher for these conditions. Hospitalisation cover may be offered with exclusion or loading (depending on insurer).

- i Medical examination:**
All 3 blood pressure readings normal; no other abnormalities
- i Blood test:**
Cholesterol levels are normal
- i Medical reports of the past 3 years** show normal readings. He is taking medicine regularly and his blood pressure is well-controlled.

Underwriting Classification



Life Cover



Total & Permanent Disability Cover



Critical Illness Cover



Hospitalisation Cover



Life Insurance Association, Singapore (LIA Singapore)

Established in 1962, the Life Insurance Association, Singapore (LIA Singapore) is the not-for-profit trade body of life insurance product providers and life reinsurance providers based in Singapore and licensed by the Monetary Authority of Singapore (MAS).

Vision and Mission

The vision of member companies is *to provide individuals with peace of mind and to promote a society where every person is prepared for life's changing cycles and for those situations unforeseen.*

They are *committed to being a progressive life insurance industry by collectively enhancing consumer understanding, promoting industry best practices, and through the association fostering a spirit of collaboration and mutual respect with government and business leaders.*

Values underpinning the association and its members

Unified	in our resolve to deliver innovative solutions where every individual's needs are best met.
Professional	in the way we conduct ourselves and in the counsel we give.
Ethical	in ensuring our policyholders' interests are managed with utmost integrity.
Fair	in how we strive to provide favourable outcomes to both our policyholders and shareholders.
Open & honest	in all that we do to build an environment of trust and transparency.
Proactive	in the steps we take to give our people the skills and knowledge to provide sound solutions at all times.

For more information, please contact:

Chan Wai Kit (Mr)
Executive Director, LIA Singapore
Email: chan.waikit@lia.org.sg

Jiahui Lin (Ms.)
Ogilvy Singapore
Tel: +65 9655 0219
Email : jiahui.lin@ogilvy.com