



**Life Insurance Association
Singapore**
LIFE IS WORTH PROTECTING. INVEST IN IT.

Life Insurance Industry Results

January to June 2017

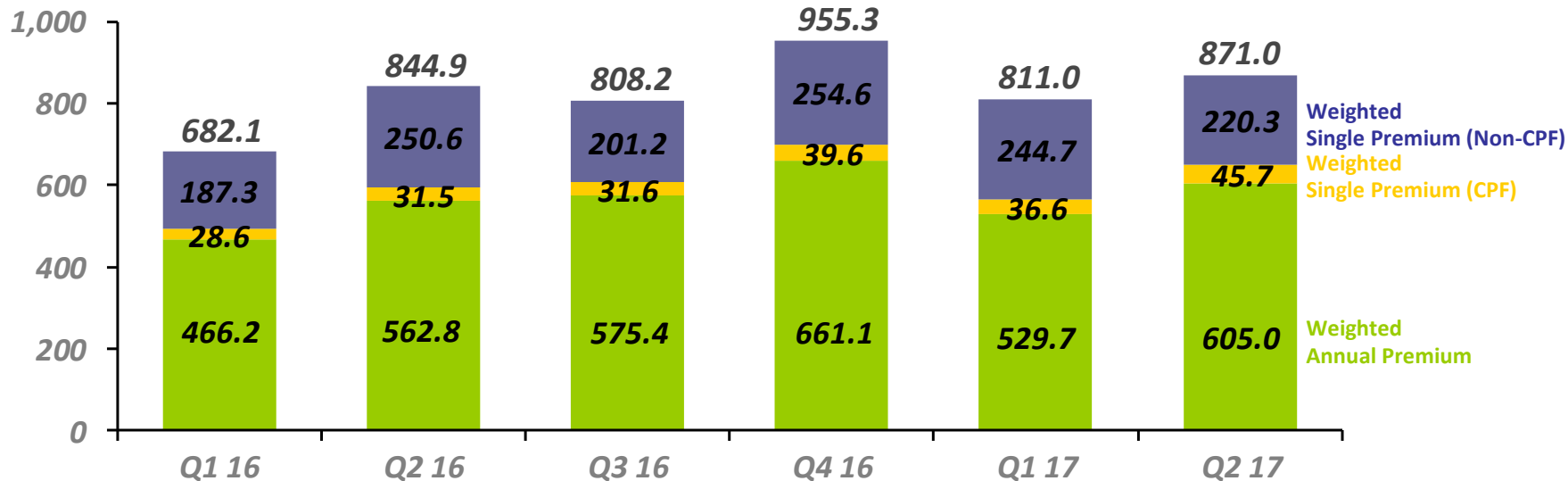
7 August 2017



New Business (Individual Life & Health) Total Weighted Premium

Weighted basis	YTD Q2'16	YTD Q2'17	Q2'16	Q2'17	% change from corresponding period in 2016	
					YTD Q2'17	Q2'17
Single Premium	\$498.0m	\$547.3m	\$282.1m	\$266.0m	10%	-6%
• Linked	\$97.5m	\$137.5m	\$51.9m	\$74.7m	41%	44%
• Non-linked	\$400.5m	\$409.8m	\$230.2m	\$191.3m	2%	-17%
Annual Premium	\$1,024.6m	\$1,134.7m	\$562.8m	\$605.0m	11%	7%
Total	\$1,522.6m	\$1,682.0m	\$844.9m	\$871.0m	10%	3%

\$million



Weighted Single Premium is based on 10% of Single Premium

Weighted Annual Premium is based on 100% of Annual Premium with adjustment for premium payment terms of less than 10 years

YTD: Year to date



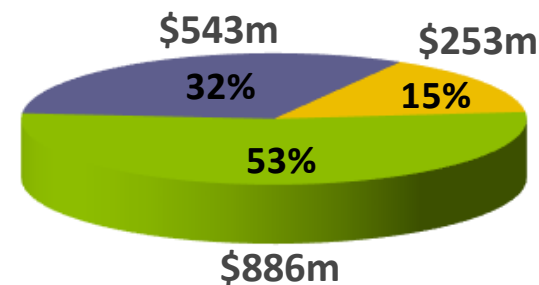
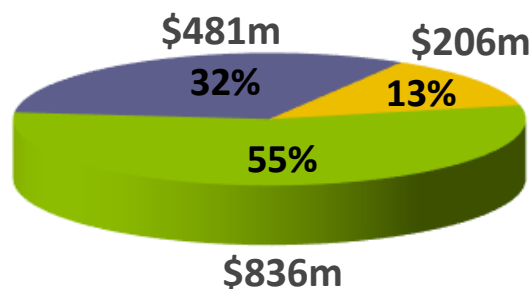
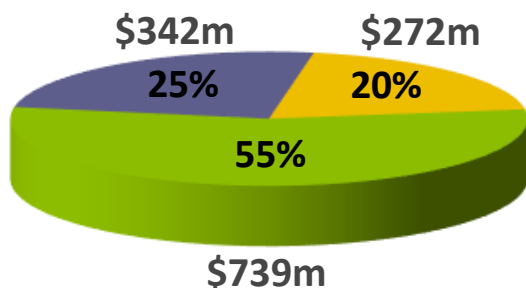
New Business (Individual Life & Health) Total Weighted Premium

YTD Q2'15
(\$1,353m)

YTD Q2'16
(\$1,523m)

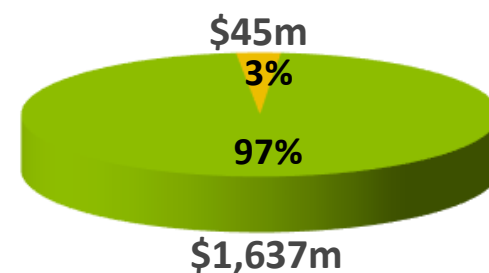
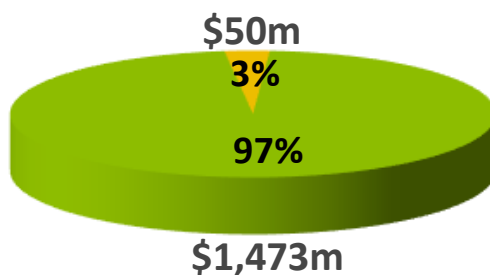
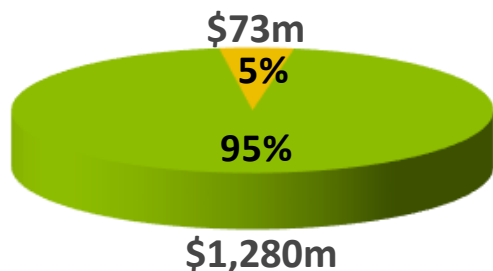
YTD Q2'17
(\$1,682m)

By Fund



■ Linked ■ Participating ■ Non-Participating

By Insurer Classification



■ Normal ■ Defined Market Segments



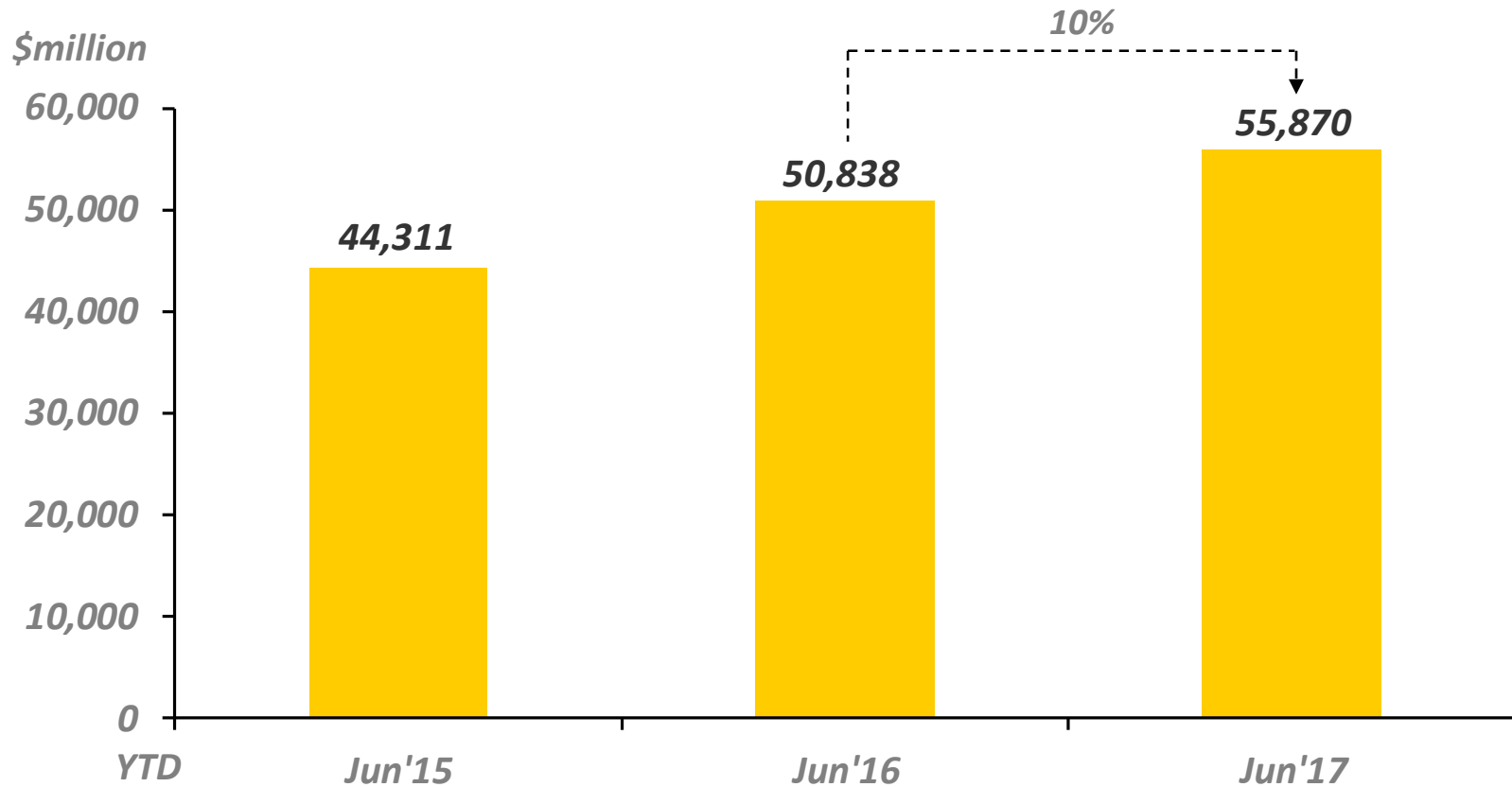
New Business (Individual Life & Health) By Distribution Channel

	YTD Q2'15		YTD Q2'16		YTD Q2'17	
	#	%	#	%	#	%
Total Weighted Premium	\$1,353m		\$1,523m		\$1,682m	
Tied Representatives	\$543m	40%	\$545m	36%	\$585m	35%
Bank Representatives	\$519m	38%	\$622m	41%	\$723m	43%
FA Representatives	\$238m	18%	\$290m	19%	\$302m	18%
Others*	\$53m	4%	\$66m	4%	\$72m	4%
Number of Policies	483,862		517,078		552,315	
Tied Representatives	294,284	61%	299,395	58%	303,815	55%
Bank Representatives	59,734	12%	67,630	13%	73,695	13%
FA Representatives	51,442	11%	69,141	13%	91,285	17%
Others*	78,402	16%	80,912	16%	83,520	15%
Total Sum Assured	\$44.3b		\$50.8b		\$55.9b	
Tied Representatives	\$22.6b	51%	\$23.0b	45%	\$24.1b	43%
Bank Representatives	\$8.8b	20%	\$10.3b	20%	\$12.5b	22%
FA Representatives	\$11.2b	25%	\$15.6b	31%	\$16.8b	30%
Others*	\$1.7b	4%	\$1.9b	4%	\$2.5b	5%

* Products sold without intermediaries e.g. ElderShield



New Business (Individual Life & Health) Total Sum Assured





Individual Health Insurance

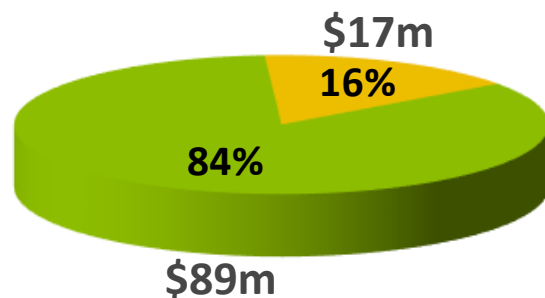
Number of Lives Covered and Total Premium

New Business

YTD Q2'16

Total Premium: \$106m (Q1-\$47m Q2-\$59m)

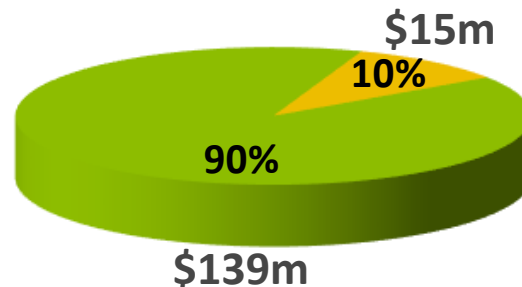
No. of Lives: 102,882



YTD Q2'17

Total Premium: \$154m (Q1-\$66m Q2-\$88m)

No. of Lives: 109,176



■ IP and Riders

■ Other Medical Plans and Riders

In-Force Business

As at	Q2'16	Q2'17
Total Premium	\$1,317m	\$1,527m
No. of Lives	2.86m	2.92m

An Integrated Plan (IP) comprises two parts: Part 1 is MediShield Life, run by the CPF Board to cover Class B2/C wards in public hospitals; Part 2 is an additional private insurance coverage, run by private insurers, typically to cover Class A/B1 wards in public hospitals or private hospitals.

With effect from 1 January 2016, MediShield Life premiums are excluded.

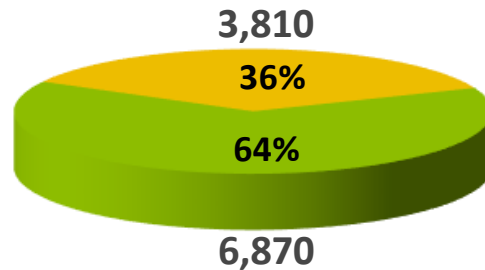


New Business (Products Providing Regular Payouts from Retirement Age)

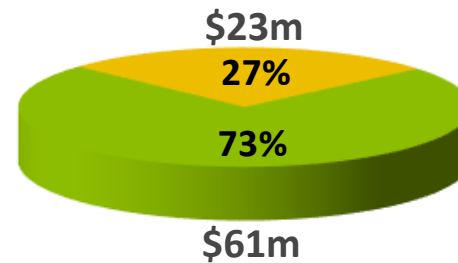
Number of Policies and Total Weighted Premium

Period from 1 Jan to 30 Jun 17

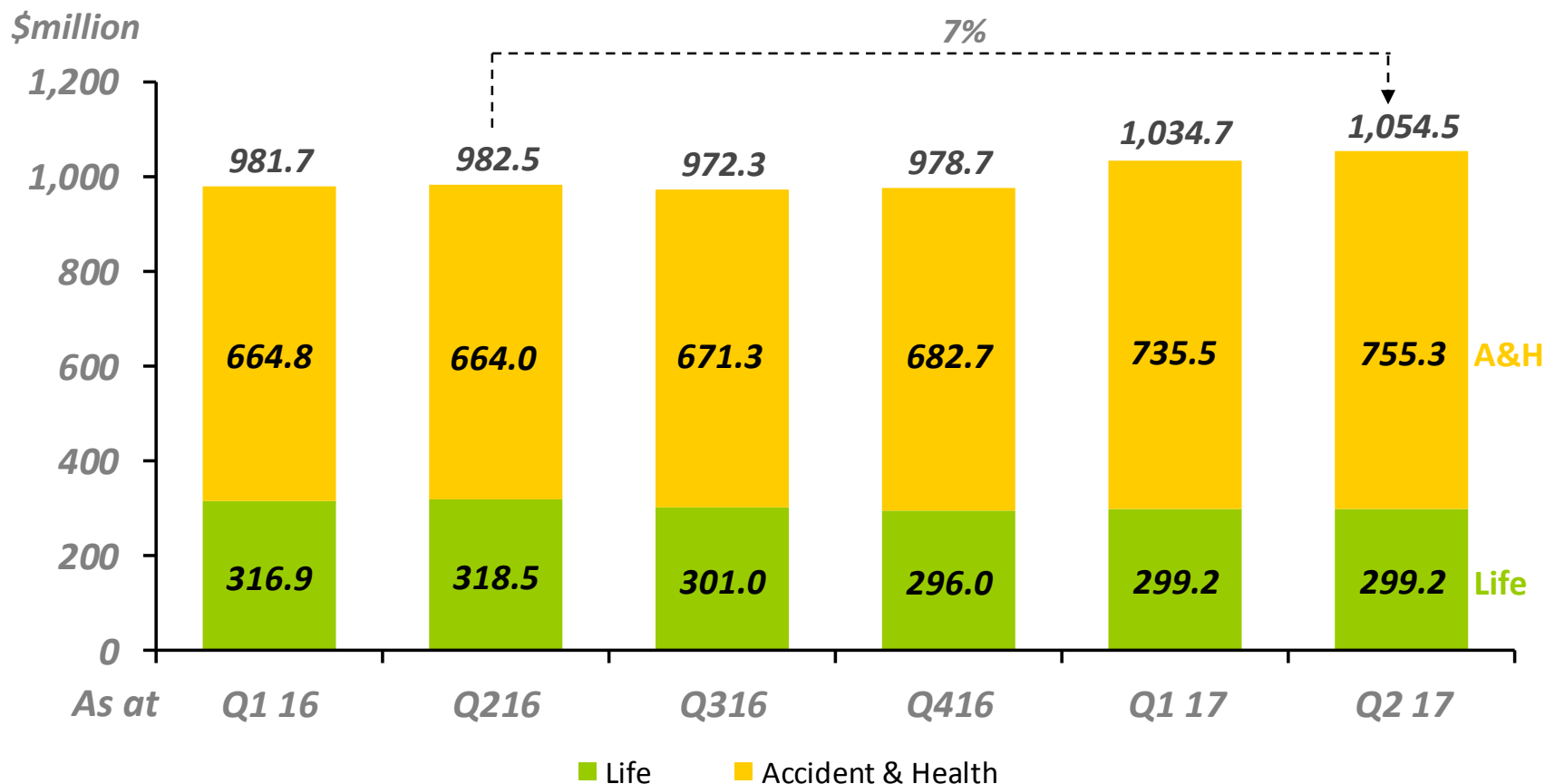
**No. of Policies
(10,680)**



**Total Weighted Premium
(\$84m)**



■ **Single Premium** ■ **Annual Premium**



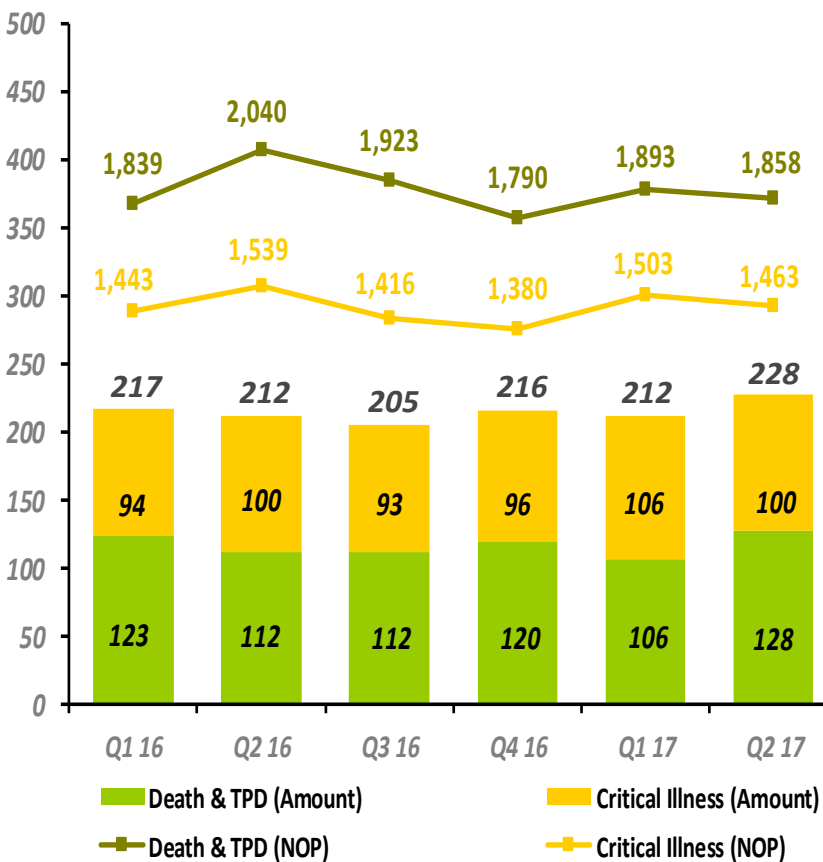


Individual Policy Claims Payout & Maturity

Number of Policies and Amount

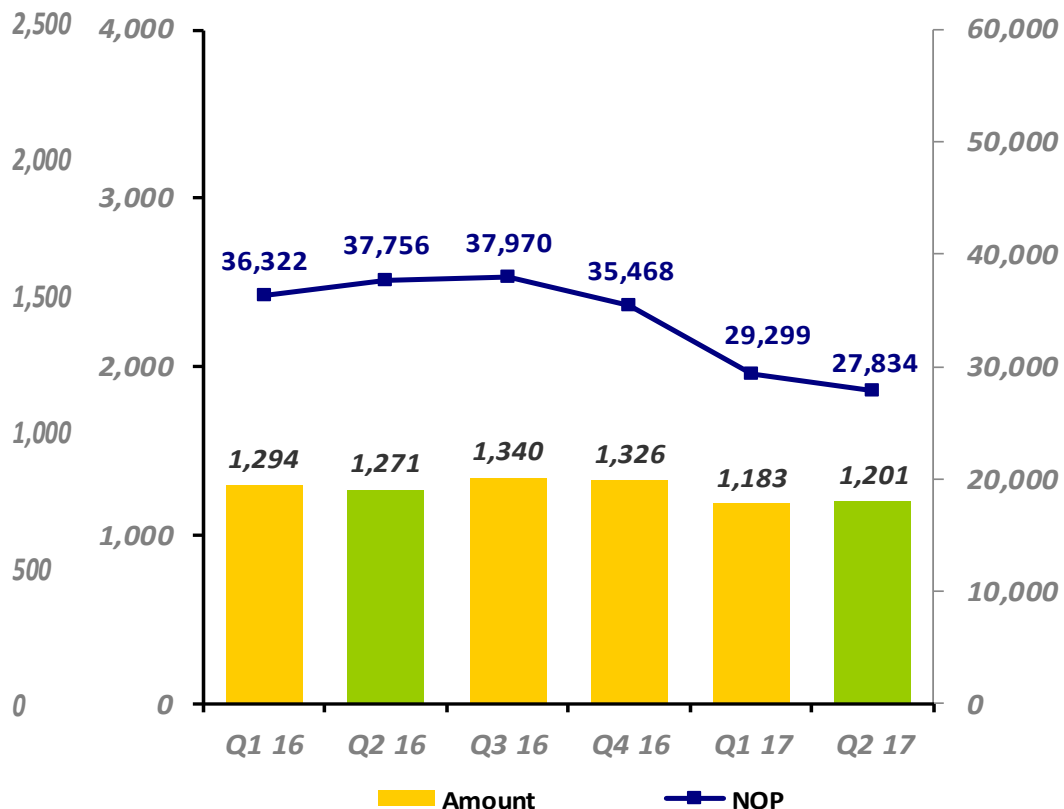
Amount
(\$million)

Claims Payout



NOP
Amount
(\$million)

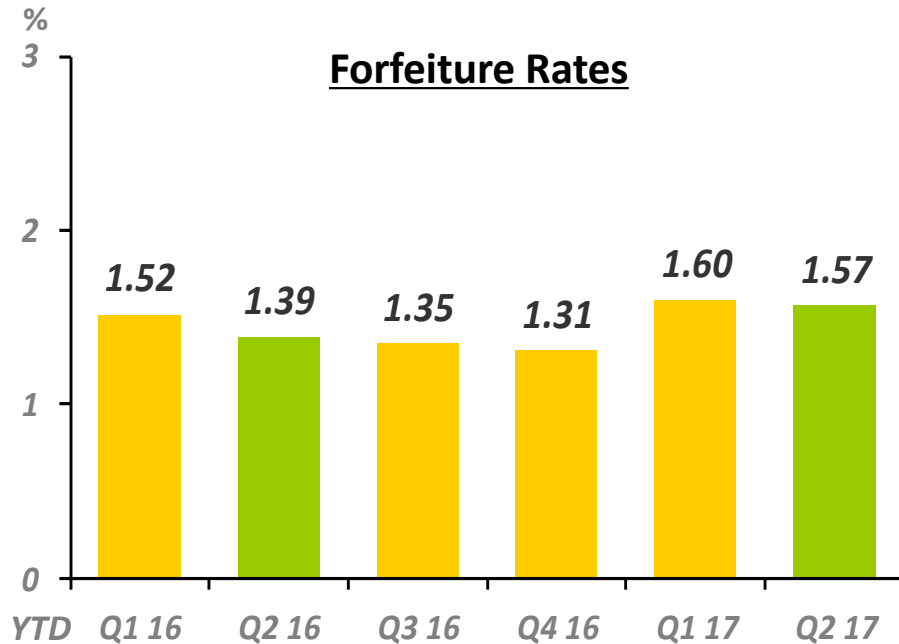
Maturity





Forfeiture & Surrender Rates

Forfeiture Rates



*Forfeiture Rate = (YTD Forfeitures * 4 / No. of Qtrs Elapsed) / [YTD NB + NB1 + NB2 + NB3]*

NB1 = New Biz for Reporting Year – 1

NB2 = New Biz for Reporting Year – 2

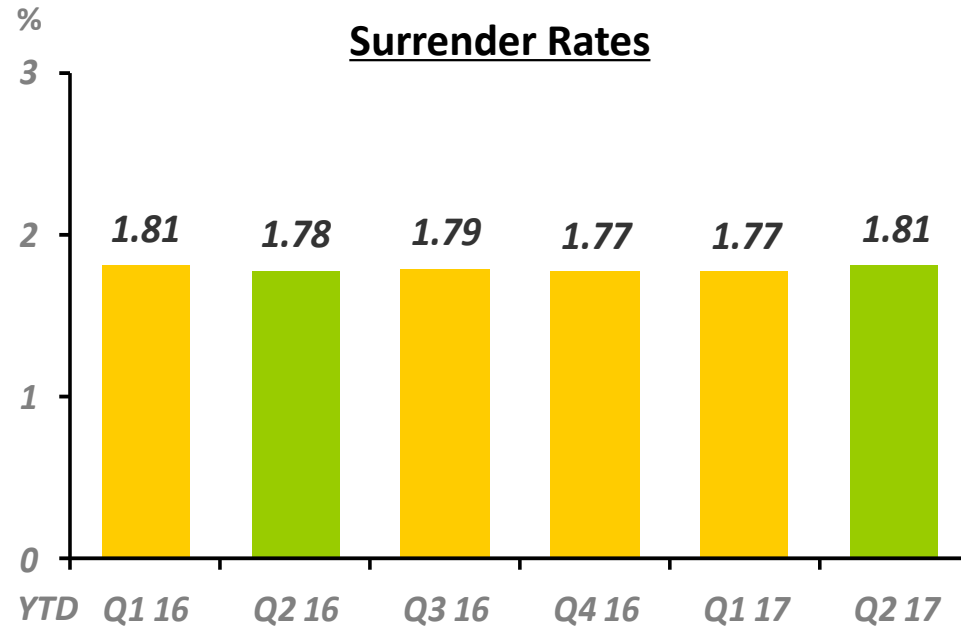
NB3 = NB in Q3 to Q4 of Reporting Year – 3 if Q=1

= NB in Q3 to Q4 of Reporting Year – 3 if Q=2

= NB in Q4 of Reporting Year – 3 if Q=3

= 0 if Q=4

Surrender Rates



*Surrender Rate = (YTD Surrender * 4 / Q) / [IF4 * (1 – Q / 4) + IF3 * (Q / 4)]*

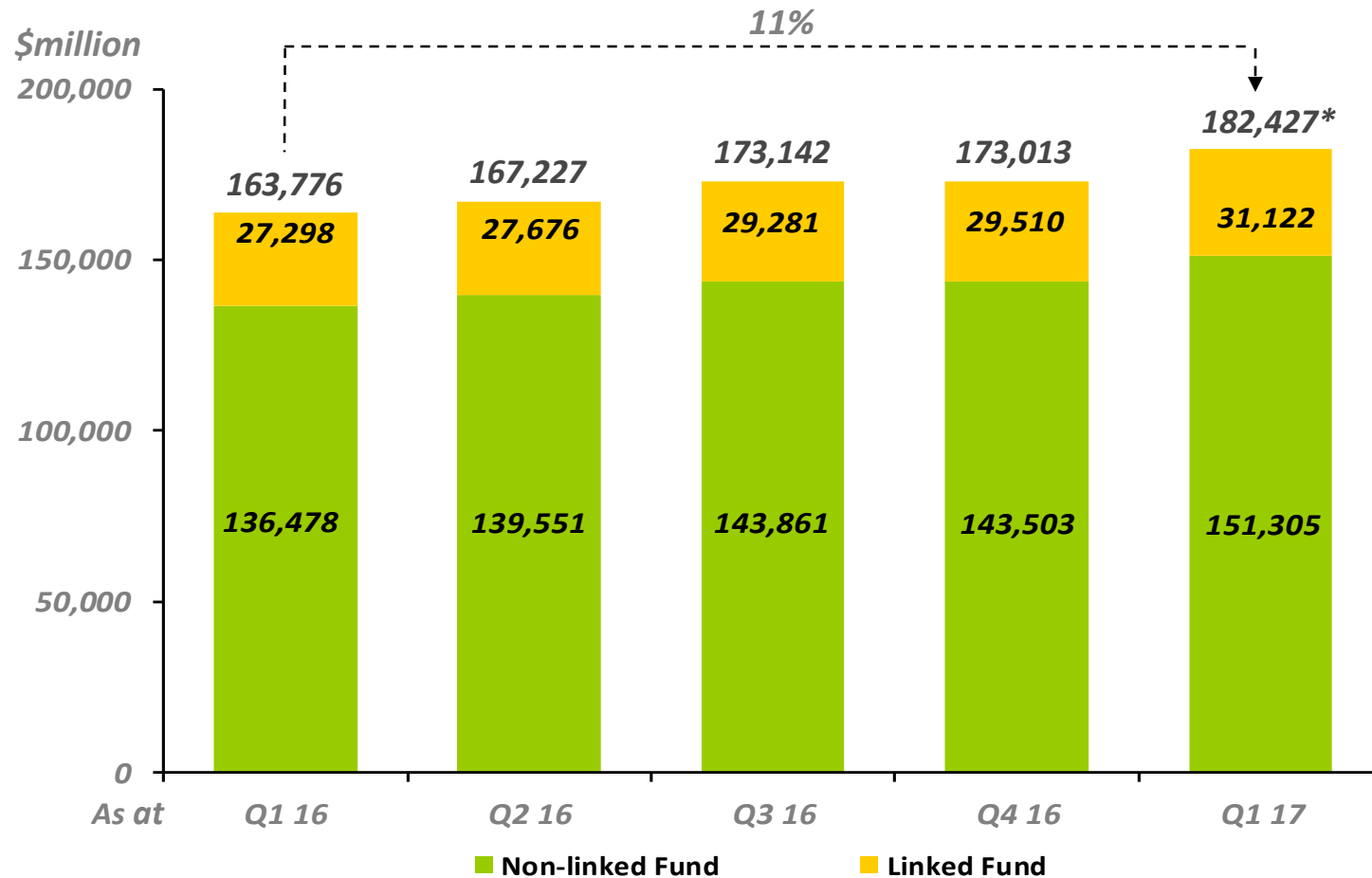
Q = No. of Qtrs Elapsed

IF3 = Annual Premium in Force, Year of Reporting – 3

IF4 = Annual Premium in Force, Year of Reporting – 4

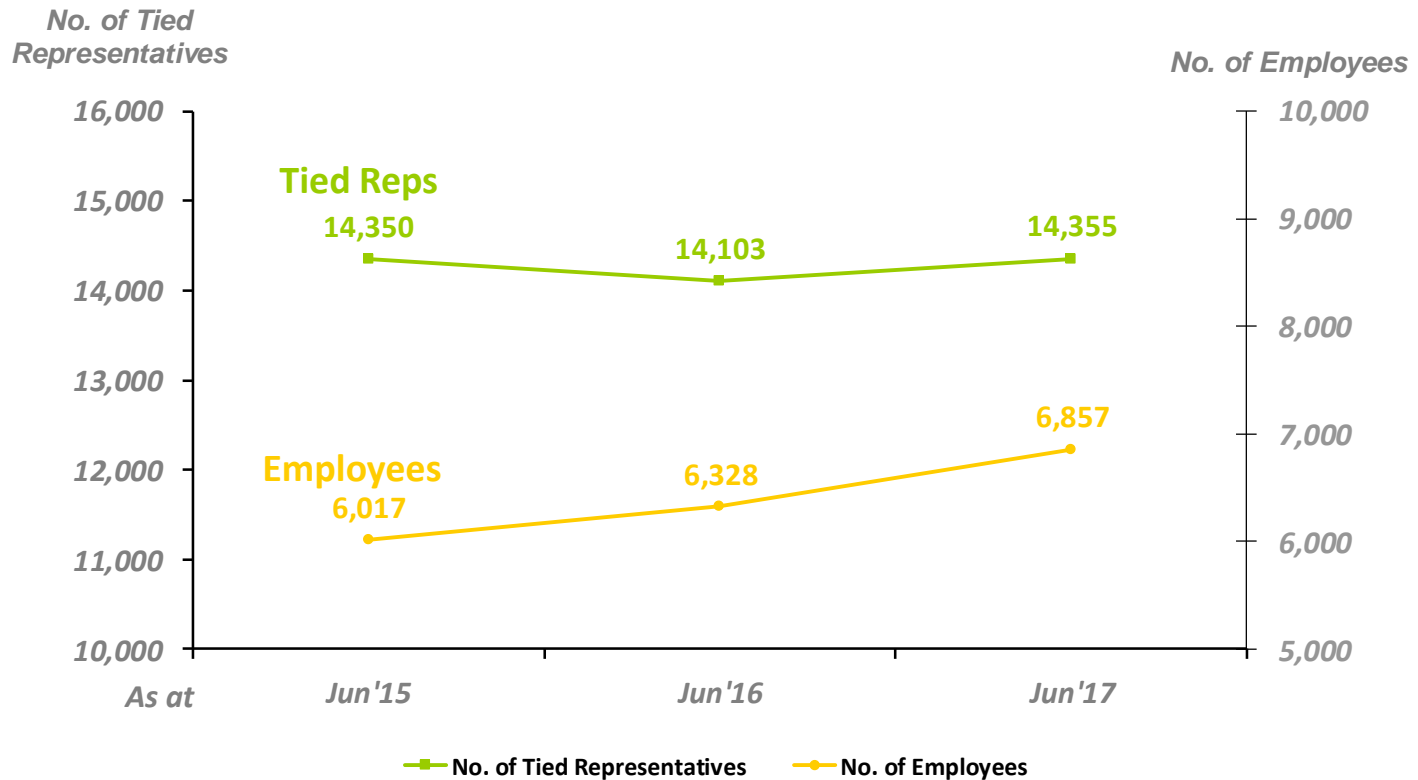


Total Assets



* Preliminary

Source: Monetary Authority of Singapore





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Questions & Answers

Term used	What it means
Single premium (SP) policy	A policy where the customer is required to pay only a one-time premium.
Annual premium (AP) policy	A policy where the customer is required to pay premiums on a regular frequency over a period of time.
Total weighted premium	A way to measure growth of the life insurance industry by taking into account fluctuations in the total premium from single premium business, which is sensitive to market conditions: Total weighted premium = Total weighted single premium + Total weighted annual premium
Weighted single premium	<u>10%</u> of the amount of single premium.
Weighted annual premium	<u>100%</u> of the amount of annual premium. However, where the premium payment obligation is less than 10 years, an adjustment is made. For example, an annual premium policy with a 7-year premium payment obligation will be reflected at 70% of the amount of annual premium.
Linked fund	A fund that pools together premiums paid under investment-linked policies, and invests in a portfolio of assets to achieve the fund's objective. The fund may be managed by the insurer or external fund manager(s). The price of each unit in a fund depends on how the investments of the fund perform. A policyholder may sell his units to take advantage of price gains.
Participating fund	A fund that pools together premiums paid under participating policies. A policyholder receives a share of the investment profit made by the life insurer in the form of a "bonus" or "dividend". Bonuses or dividends are not guaranteed as it depends on how the fund's investments are performing, how many policy claims are drawn from the fund and management expenses incurred.
Non-participating fund	A fund that pools together premiums paid under non-participating policies. A policyholder is not entitled to any profits that the fund may make.
Normal insurer	An insurer registered with MAS to serve the retail market.
Defined market segment (DMS) insurer	An insurer registered with MAS to only conduct non-CPF business and with certain policy size condition.
Tied representative	A person who represents one life insurer, and can advise on the products of this company.
Bank distribution / representative	A person who represents one bank, and can advise on the products of one or more life insurers with which the bank has a distribution agreement.
FA representative	A person who represents one Financial Adviser (FA) firm, and can advise on the products of the several life insurers with which the FA firm has distribution agreements.
Sum assured	Amount of death benefit.
Integrated plan (IP)	It comprises two parts: Part 1 is MediShield Life, run by the CPF Board to cover Class B2/C wards in public hospitals; Part 2 is an additional private insurance coverage, run by private insurers, typically to cover Class A/B1 wards in public hospitals or private hospitals.
Rider	An extra benefit that can be bought on top of the basic policy.
Forfeiture	Policies terminated before any cash value has accumulated.
Surrender	Policies terminated after having acquired some cash value. Commonly, it takes two to three years for cash value to accumulate.