



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

# **Life Insurance Industry Results**

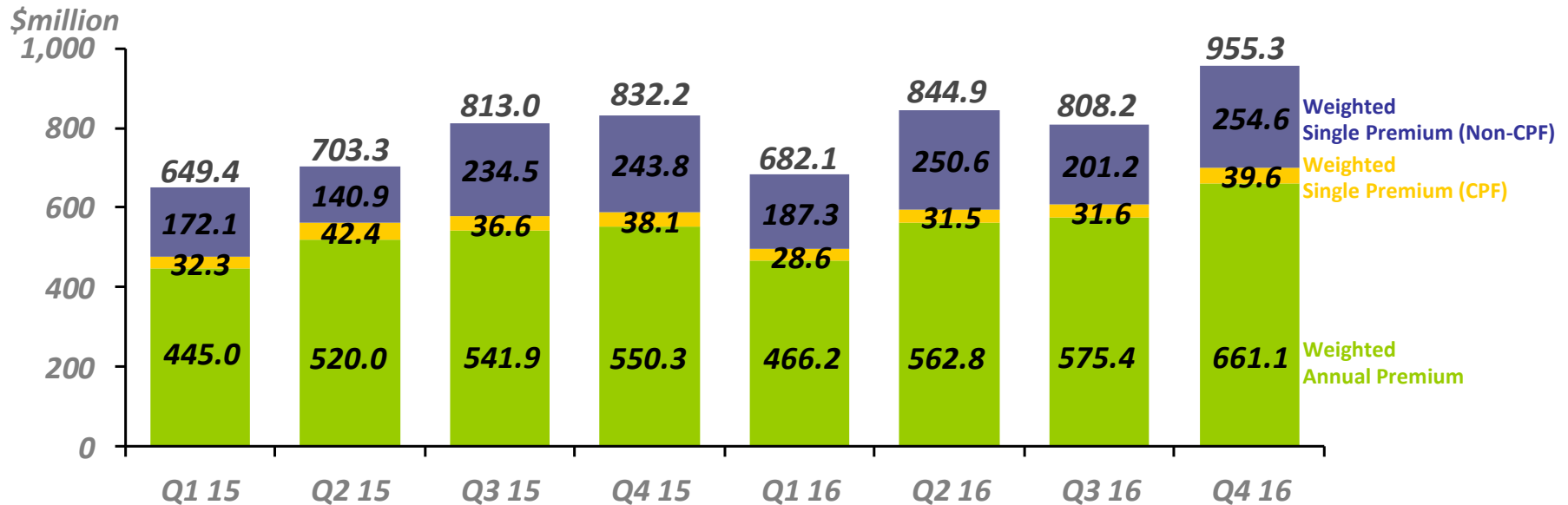
## January to December 2016

Media Conference | 14 February 2017



# New Business (Individual Life & Health) Total Weighted Premium

Weighted basis	YTD Q4'15	YTD Q4'16	Q4'15	Q4'16	% change from corresponding period in 2015	
					YTD Q4'16	Q4'16
<b>Single Premium</b>	<b>\$940.8m</b>	<b>\$1,025.1m</b>	<b>\$281.9m</b>	<b>\$294.2m</b>	<b>9%</b>	<b>4%</b>
• Linked	\$244.0m	\$226.1m	\$61.0m	\$67.3m	-7%	10%
• Non-linked	\$696.8m	\$799.0m	\$220.9m	\$226.9m	15%	3%
<b>Annual Premium</b>	<b>\$2,057.2m</b>	<b>\$2,261.1m</b>	<b>\$550.3m</b>	<b>\$661.1m</b>	<b>10%</b>	<b>20%</b>
<b>Total</b>	<b>\$2,998.0m</b>	<b>\$3,286.2m</b>	<b>\$832.2m</b>	<b>\$955.3m</b>	<b>10%</b>	<b>15%</b>



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



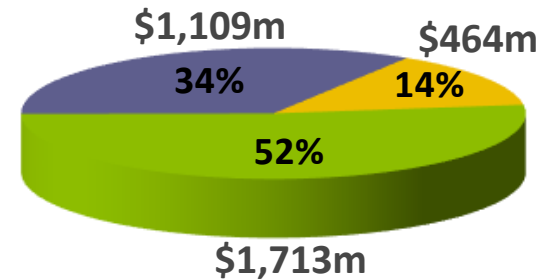
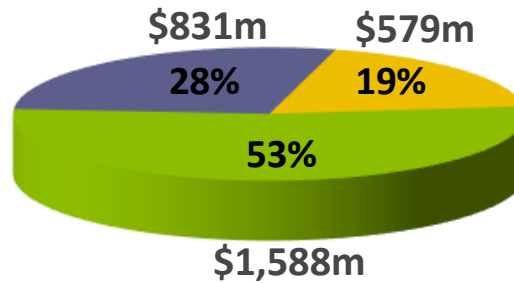
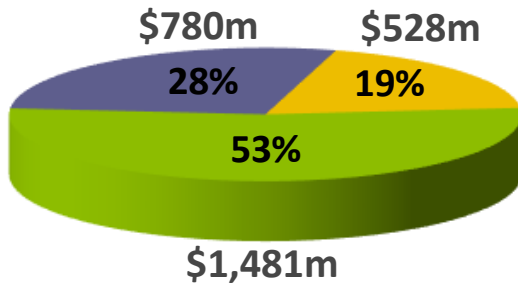
# New Business (Individual Life & Health) Total Weighted Premium

YTD Q4'14  
(\$2,789m)

YTD Q4'15  
(\$2,998m)

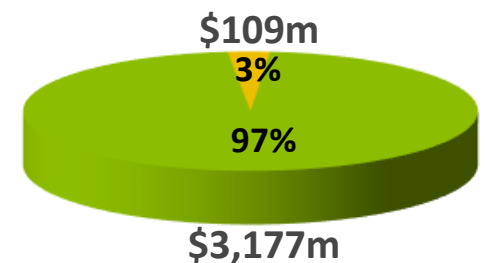
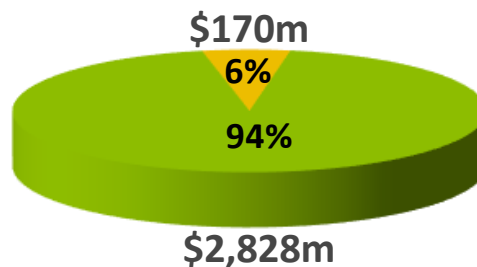
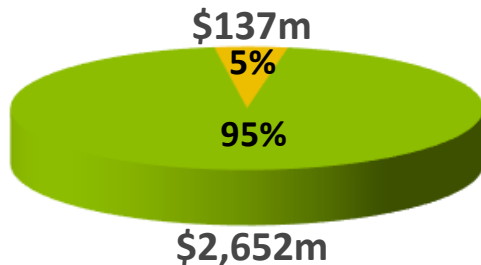
YTD Q4'16  
(\$3,286m)

## By Fund



■ Linked ■ Participating ■ Non-Participating

## By Insurer Classification



■ Normal ■ Defined Market Segments



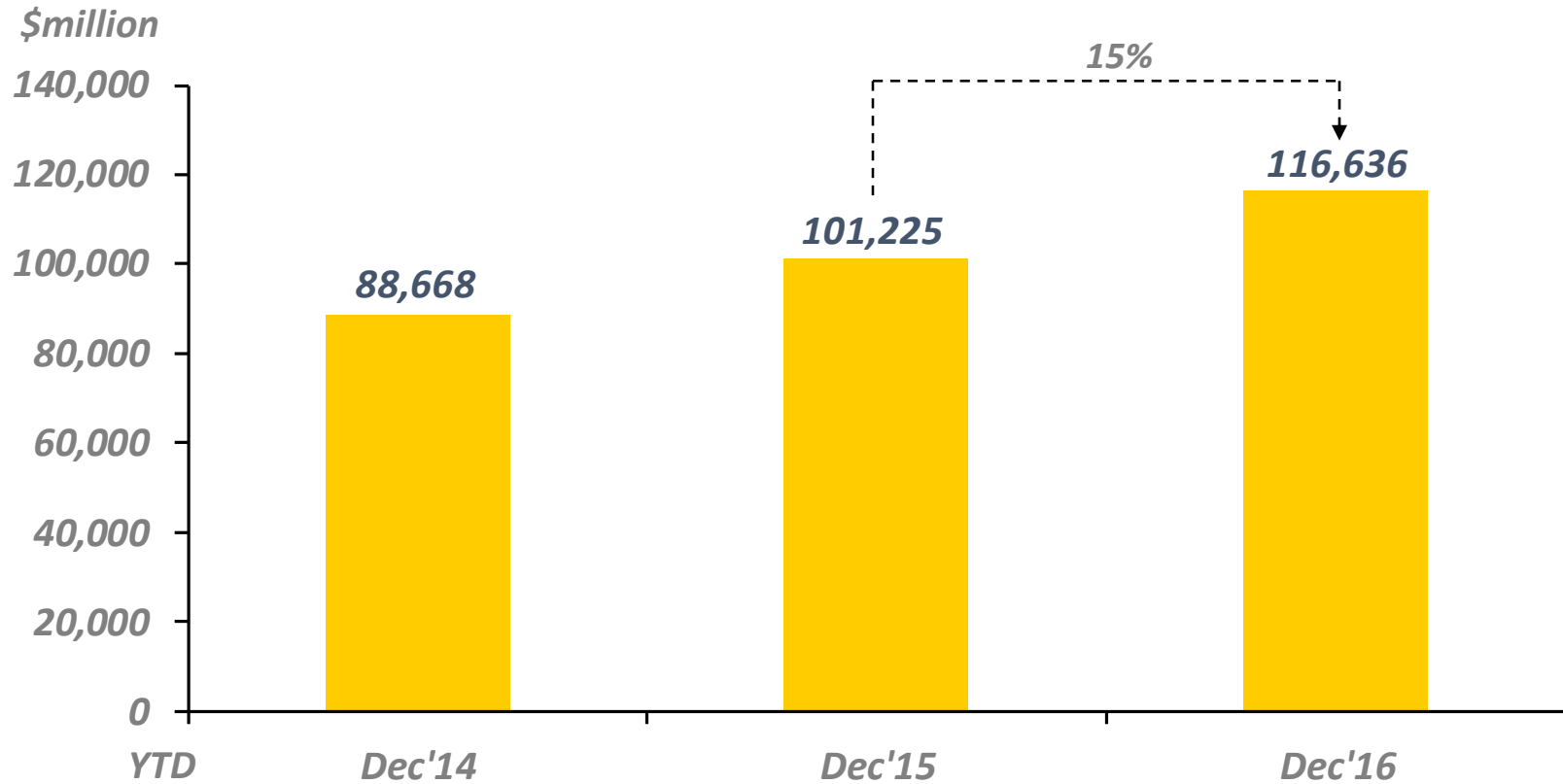
# New Business (Individual Life & Health) By Distribution Channel

	YTD Q4'14		YTD Q4'15		YTD Q4'16	
	#	%	#	%	#	%
<b>Total Weighted Premium</b>	<b>\$2,789m</b>		<b>\$2,998m</b>		<b>\$3,286m</b>	
Tied Representatives	\$1,215m	43%	\$1,201m	40%	\$1,217m	37%
Bank Representatives	\$998m	36%	\$1,098m	37%	\$1,253m	38%
FA Representatives	\$491m	18%	\$587m	19%	\$675m	21%
Others*	\$85m	3%	\$112m	4%	\$141m	4%
<b>Number of Policies</b>	<b>1,038,503</b>		<b>1,044,882</b>		<b>1,140,574</b>	
Tied Representatives	635,517	61%	629,789	60%	653,690	57%
Bank Representatives	148,005	14%	125,485	12%	133,204	12%
FA Representatives	112,032	11%	123,911	12%	172,764	15%
Others*	142,949	14%	165,697	16%	180,916	16%
<b>Total Sum Assured</b>	<b>\$88.7b</b>		<b>\$101.2b</b>		<b>\$116.6b</b>	
Tied Representatives	\$47.1b	53%	\$50.0b	49%	\$53.8b	46%
Bank Representatives	\$15.8b	18%	\$19.4b	19%	\$22.6b	19%
FA Representatives	\$22.6b	25%	\$28.1b	28%	\$35.8b	31%
Others*	\$3.2b	4%	\$3.7b	4%	\$4.4b	4%

\* Products sold without intermediaries e.g. ElderShield



## New Business (Individual Life & Health) Total Sum Assured



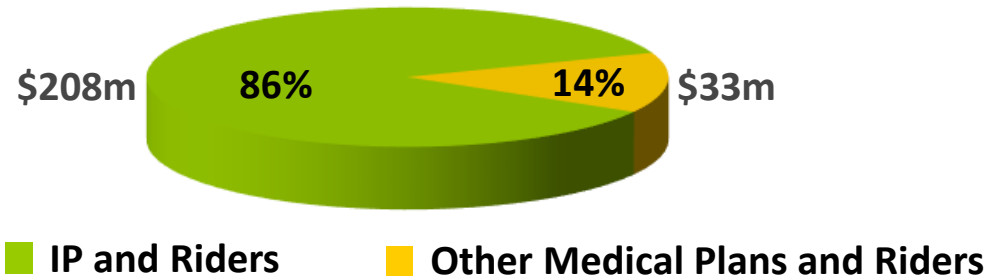


# Individual Health Insurance

## Number of Lives Covered and Total Premium

### New Business (YTD Q4'16)

**Total Premium:** \$241m (Q1-\$47m Q2-\$56m Q3-\$69m Q4-\$69m)



### In Force Business

As at	No. of Lives	Total Premium
31 Mar 16	2.84m	\$1,271m
30 Jun 16	2.86m	\$1,317m
30 Sep 16	2.87m	\$1,367m
31 Dec 16	2.89m	\$1,416m

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.

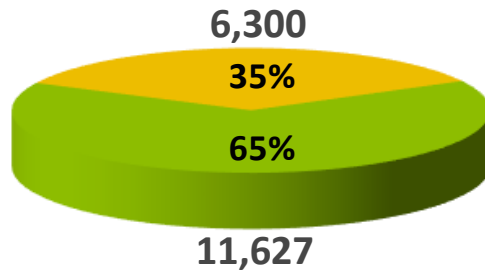


# New Business (Products Providing Regular Payouts from Retirement Age)

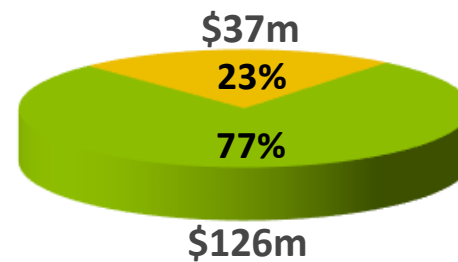
Number of Policies and Total Weighted Premium

Period from 1 Jan to 31 Dec 16

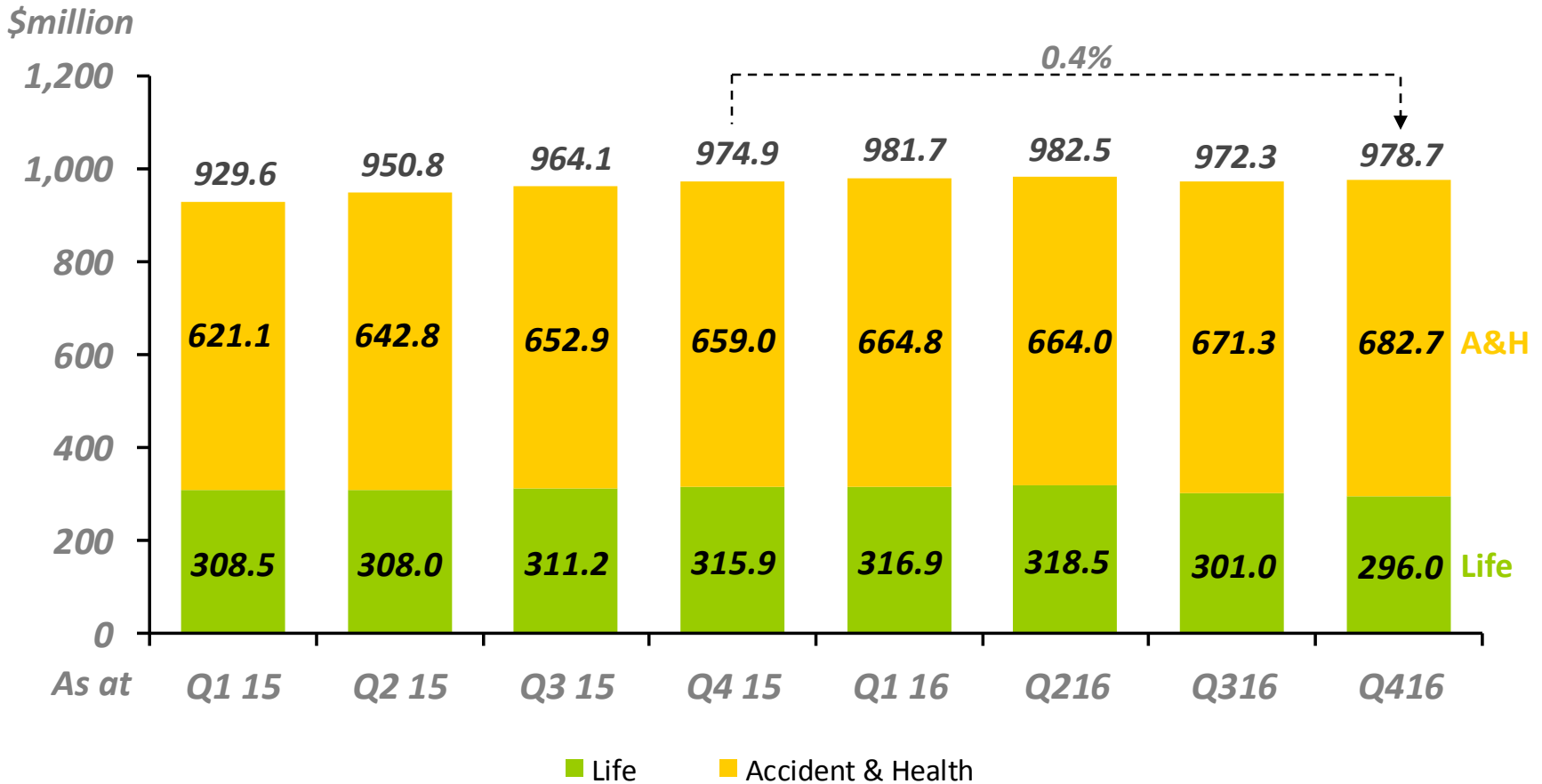
No. of Policies  
(17,927)



Total Weighted Premium  
(\$163m)



■ Single Premium    ■ Annual Premium

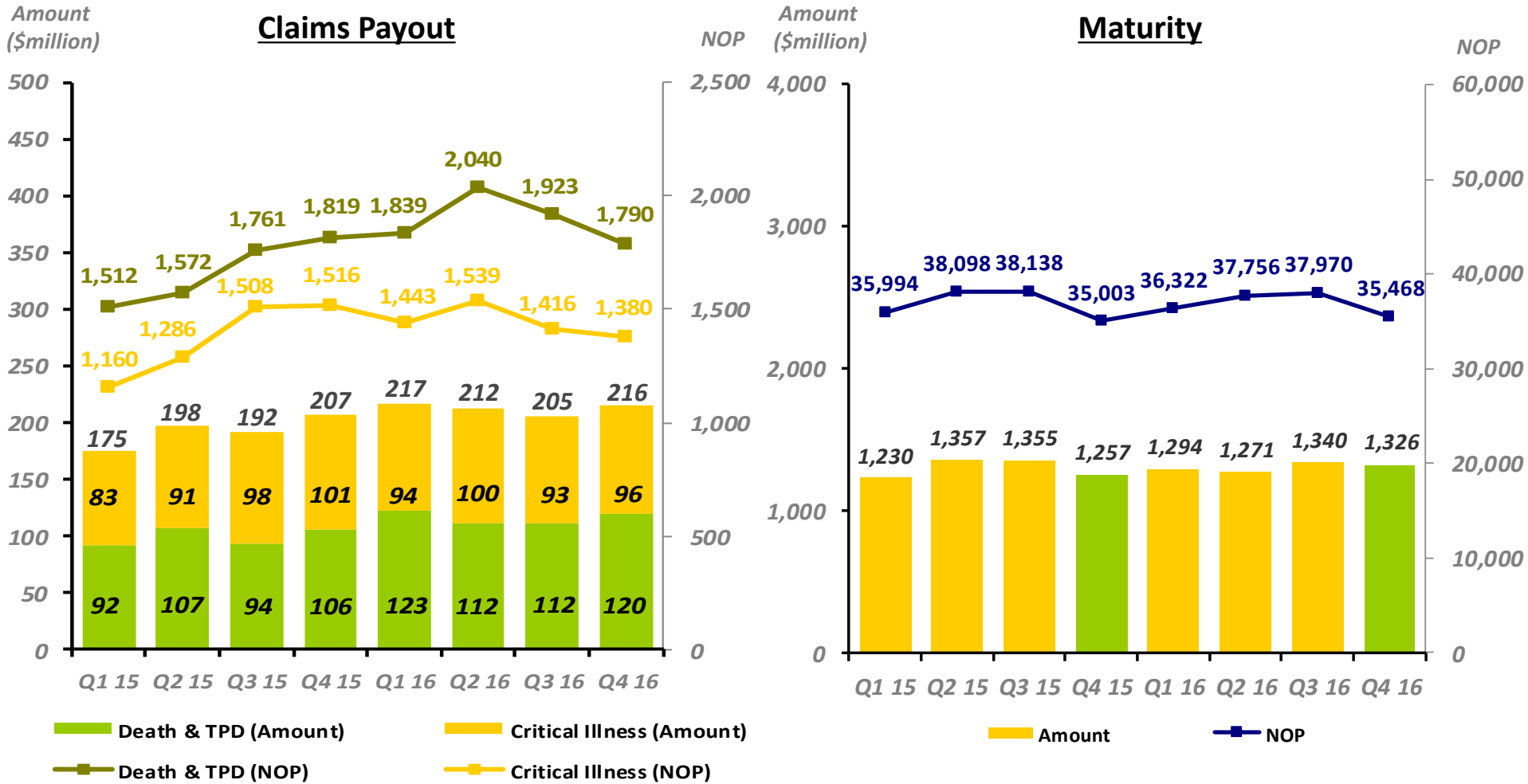






# Individual Policy Claims Payout & Maturity

## Number of Policies and Amount

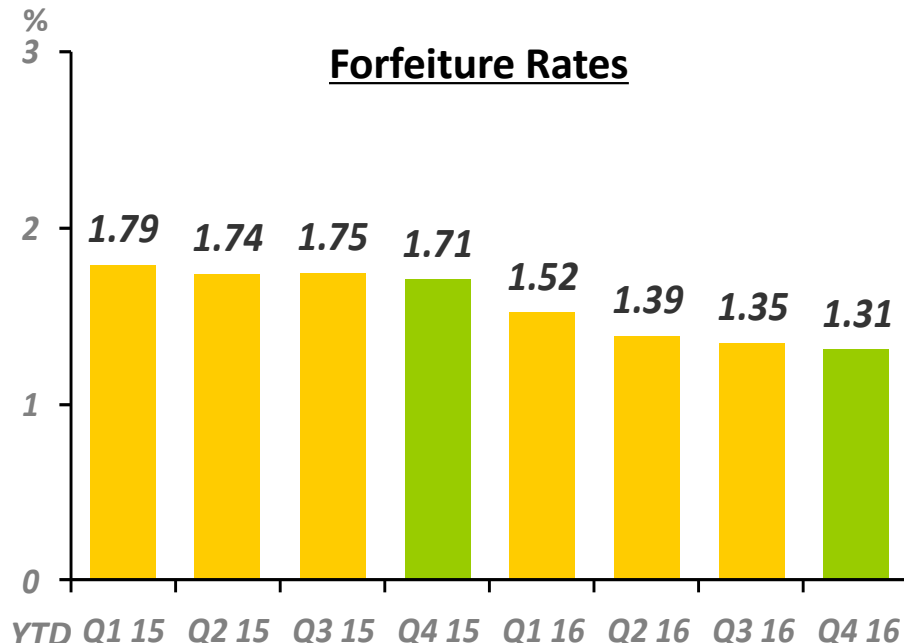


TPD: Total & Permanent Disability  
NOP: Number of Policies

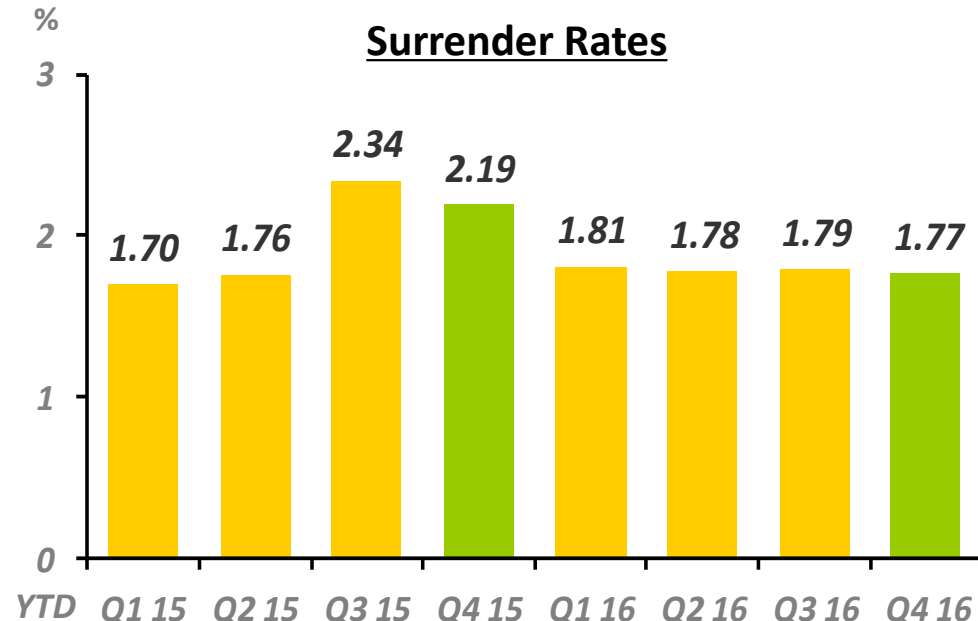


# Forfeiture & Surrender Rates

### Forfeiture Rates



### Surrender Rates



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

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

$$\text{Surrender Rate} = (\text{YTD Surrender} * 4 / \text{Q}) / [\text{IF4} * (1 - \text{Q} / 4) + \text{IF3} * (\text{Q} / 4)]$$

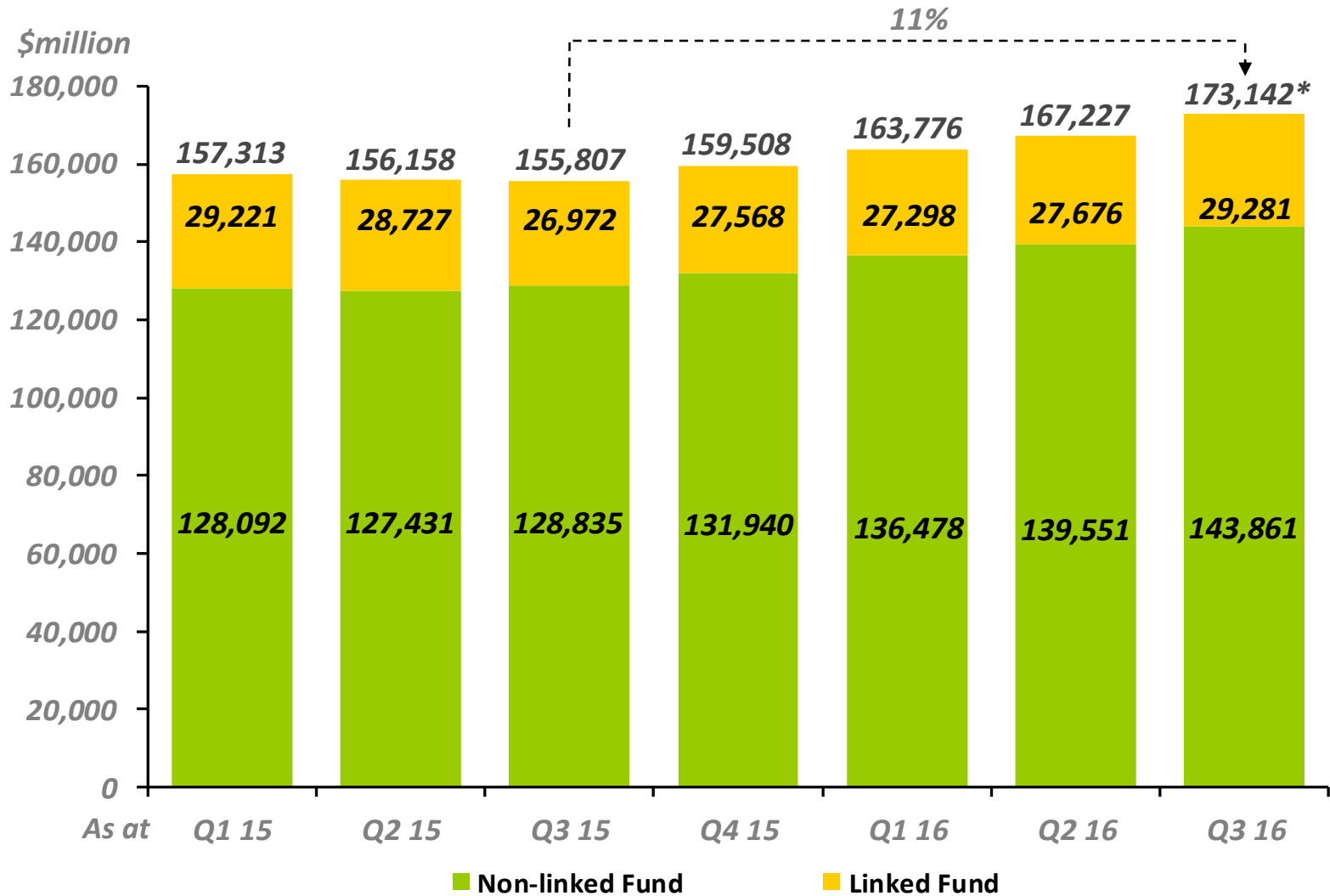
Q = No. of Qtrs Elapsed

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

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



# Total Assets



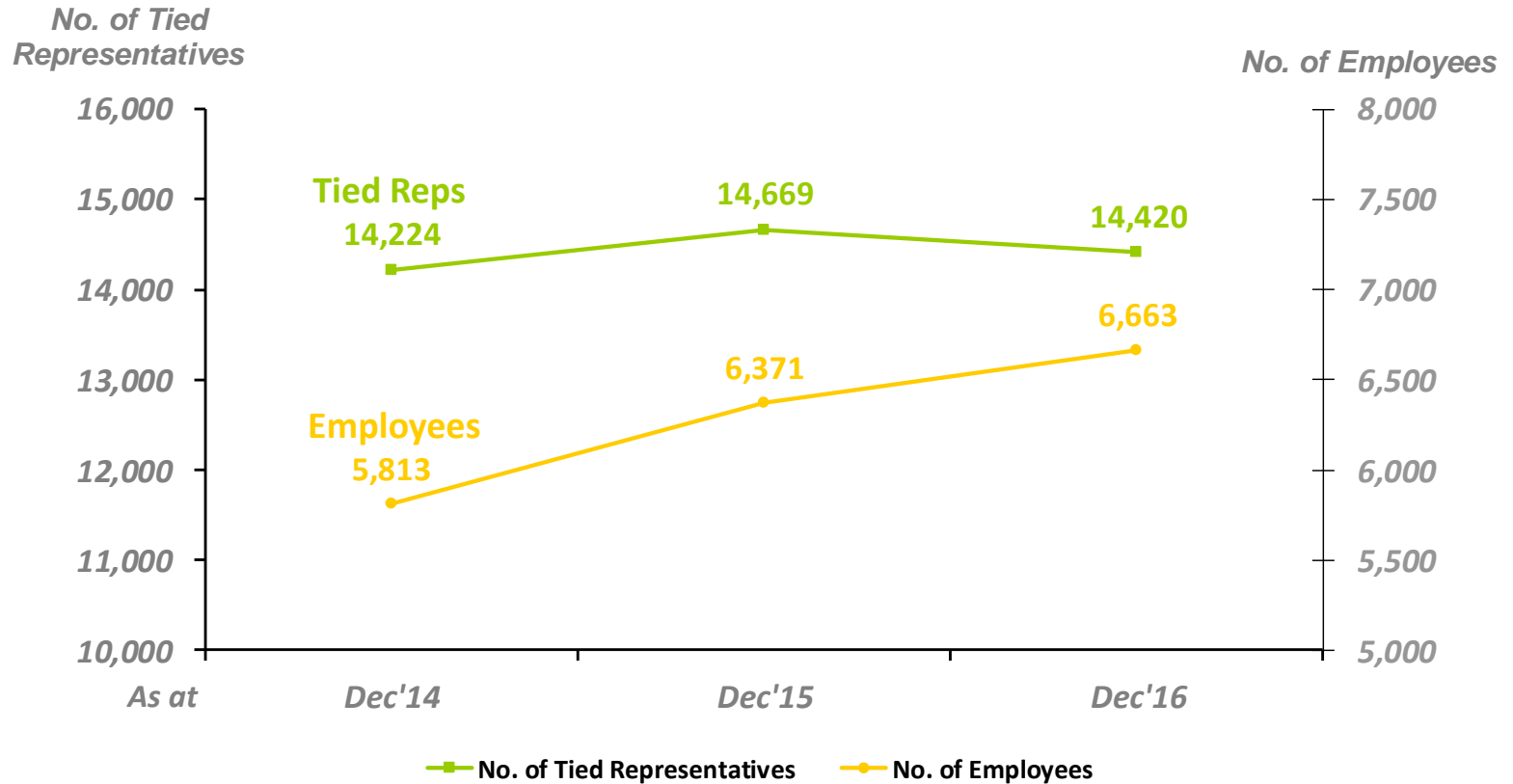
\* Preliminary

Source: Monetary Authority of Singapore



# Manpower

## Number of Employees & Tied Representatives





**Life Insurance Association  
Singapore**

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# **Life Insurance Industry Results**

## January to December 2016

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.