



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

Life Insurance Industry Results

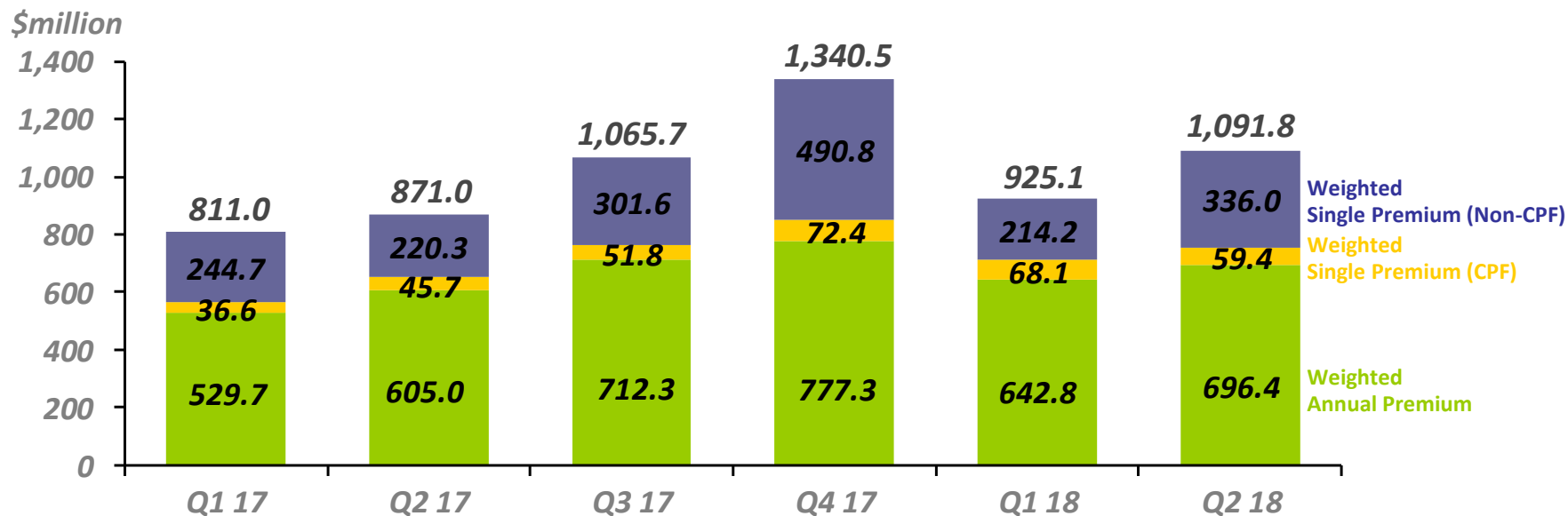
January to June 2018

Media Conference | 13 August 2018



New Business (Individual Life & Health) Total Weighted Premium

Weighted basis	YTD Q2'17	YTD Q2'18	Q2'17	Q2'18	% change from corresponding period in 2017	
					YTD Q2'18	Q2'18
Single Premium	\$547.3m	\$677.7m	\$266.0m	\$395.4m	24%	49%
• Linked	\$137.5m	\$197.1m	\$74.7m	\$97.7m	43%	31%
• Non-linked	\$409.8m	\$480.6m	\$191.3m	\$297.7m	17%	56%
Annual Premium	\$1,134.7m	\$1,341.7m	\$605.0m	\$696.4m	18%	15%
Total	\$1,682.0m	\$2,019.4m	\$871.0m	\$1,091.8m	20%	25%



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



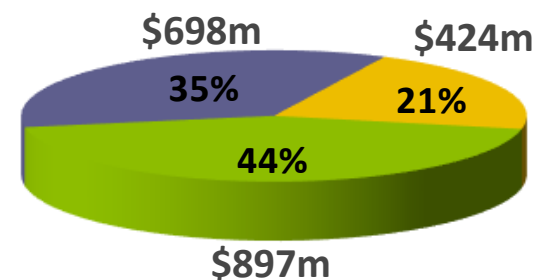
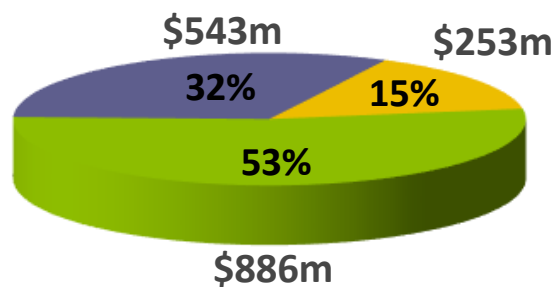
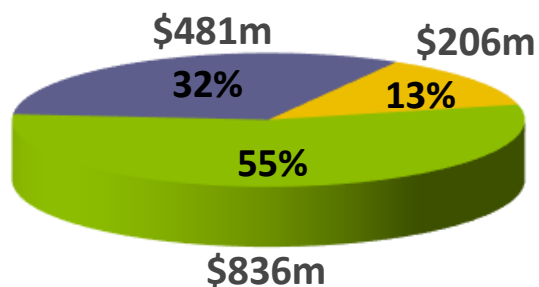
New Business (Individual Life & Health) Total Weighted Premium

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

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

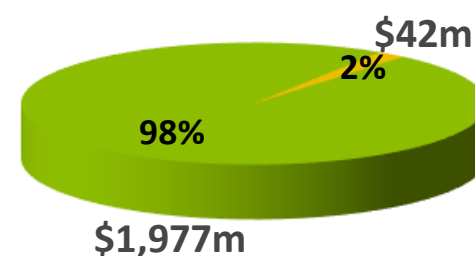
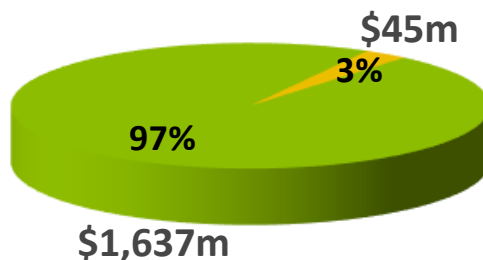
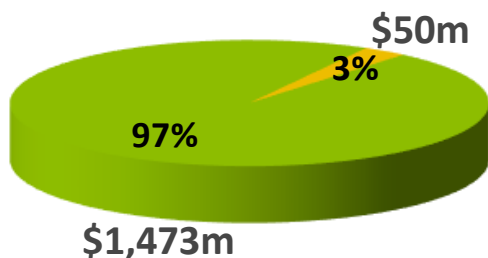
YTD Q2'18
(\$2,019m)

By Fund



■ Linked ■ Participating ■ Non-Participating

By Insurer Classification



■ Normal ■ Defined Market Segments



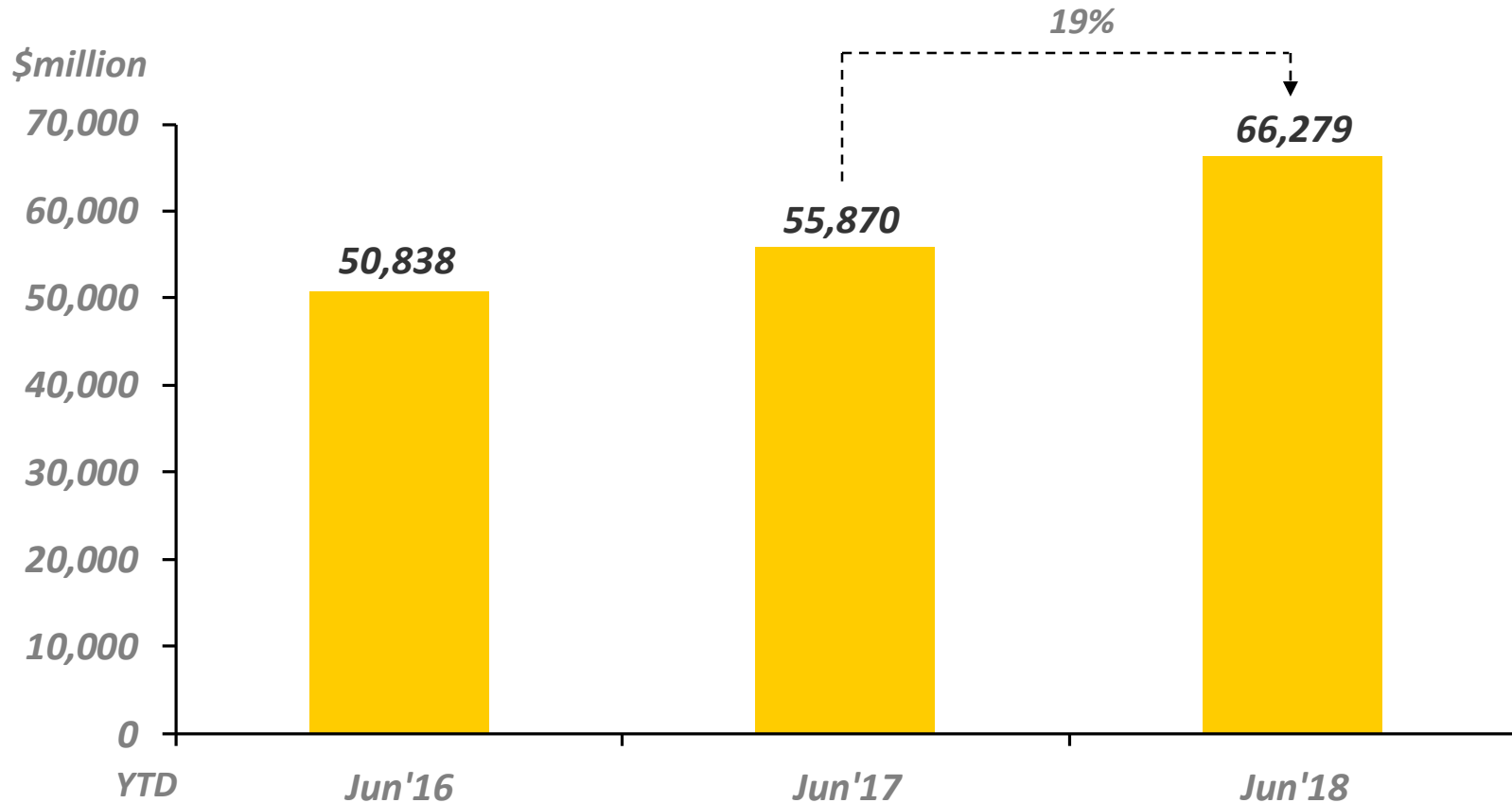
New Business (Individual Life & Health) By Distribution Channel

	YTD Q2'16		YTD Q2'17		YTD Q2'18	
	#	%	#	%	#	%
Total Weighted Premium	\$1,523m		\$1,682m		\$2,019m	
Tied Representatives	\$545m	36%	\$585m	35%	\$748m	37%
Bank Representatives	\$622m	41%	\$723m	43%	\$746m	37%
FA Representatives	\$290m	19%	\$302m	18%	\$422m	21%
Others*	\$66m	4%	\$72m	4%	\$103m	5%
Number of Policies	517,078		552,315		611,251	
Tied Representatives	299,395	58%	303,815	55%	313,046	51%
Bank Representatives	67,630	13%	73,695	13%	70,853	12%
FA Representatives	69,141	13%	91,285	17%	122,383	20%
Others*	80,912	16%	83,520	15%	104,969	17%
Total Sum Assured	\$50.8b		\$55.9b		\$66.3b	
Tied Representatives	\$23.0b	45%	\$24.1b	43%	\$28.0b	42%
Bank Representatives	\$10.3b	20%	\$12.5b	22%	\$10.9b	16%
FA Representatives	\$15.6b	31%	\$16.8b	30%	\$22.9b	35%
Others*	\$1.9b	4%	\$2.5b	5%	\$4.5b	7%

* Products sold without intermediaries e.g. ElderShield



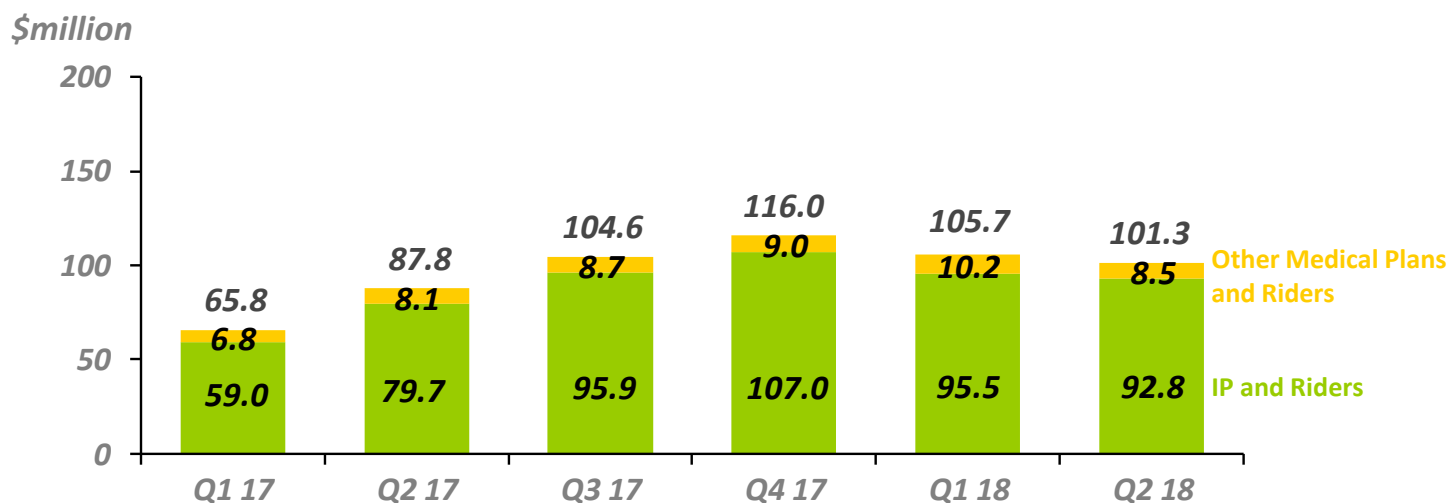
New Business (Individual Life & Health) Total Sum Assured





New Business (Individual Health) Total Premium

	YTD Q2'17	YTD Q2'18	Q2'17	Q2'18	% change from corresponding period in 2017	
					YTD Q2'18	Q2'18
IP and Riders	\$138.6m	\$188.2m	\$79.7m	\$92.8m	36%	16%
Other Medical Plans and Riders	\$15.0m	\$17.7m	\$8.1m	\$8.5m	18%	5%
Total	\$153.6m	\$205.9m	\$87.8m	\$101.3m	34%	15%



New business premium refers to the premium due to the new business sold in the year, as well as incremental premiums from any repricing of plans and change in age-band of the insureds.



In-Force Business (Individual Health)

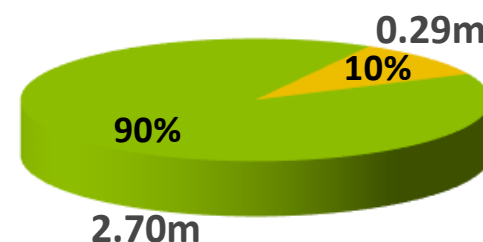
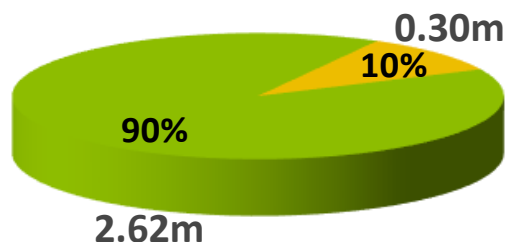
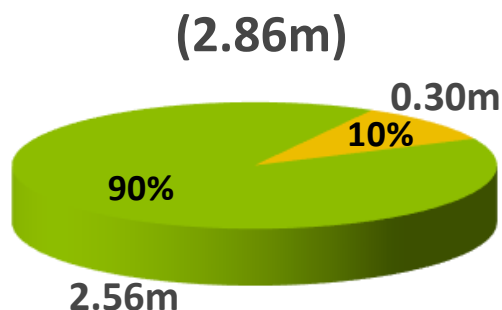
Number of Lives Covered and Total Premium

As at: Q2'16

Q2'17

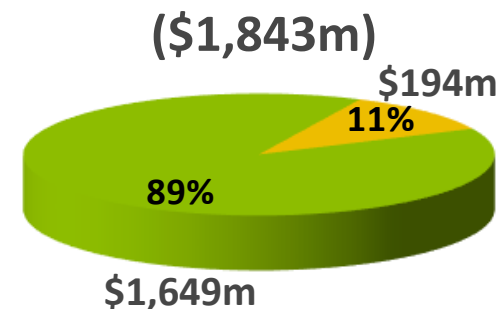
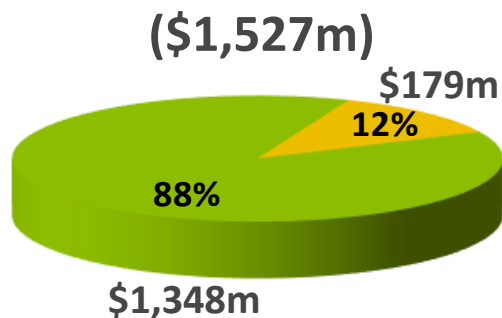
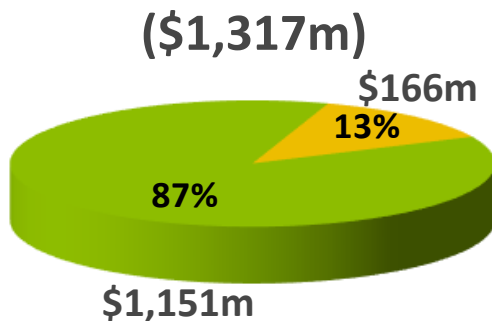
Q2'18

No. of Lives Covered



■ IP ■ Other Medical Plans

Total Premium



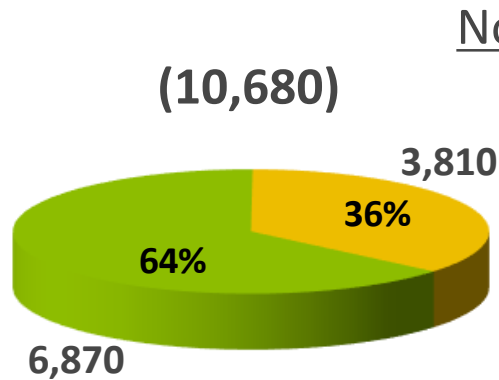
■ IP and Riders ■ Other Medical Plans and Riders



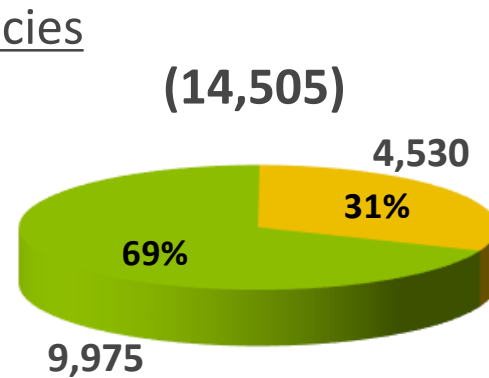
New Business (Products Providing Regular Payouts from Retirement Age)

Number of Policies and Total Weighted Premium

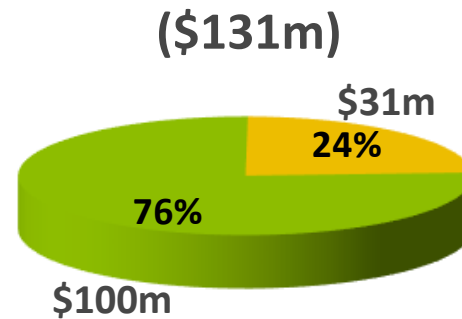
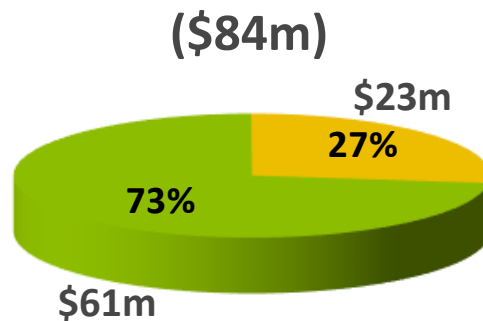
YTD Q2'17



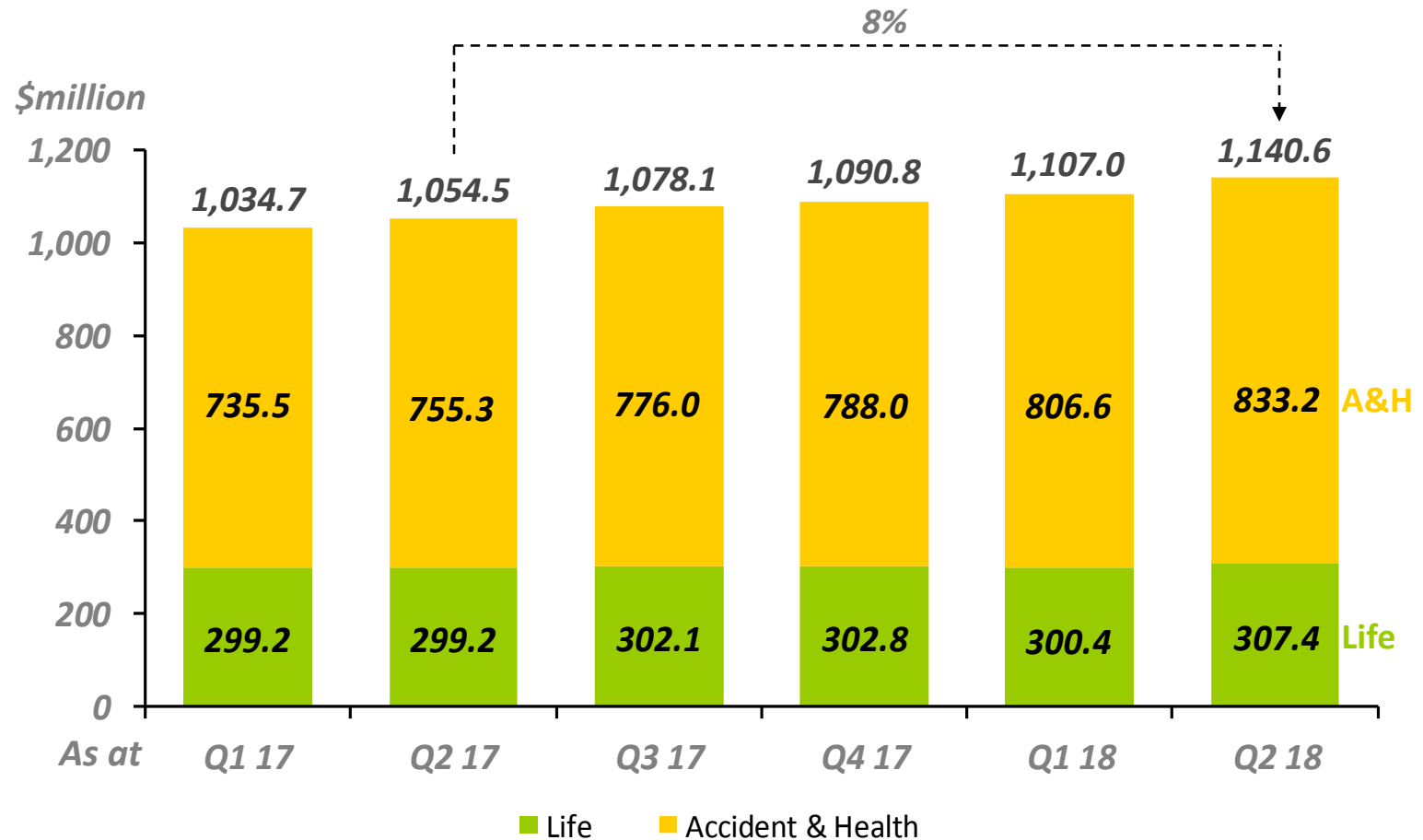
YTD Q2'18



Total Weighted Premium



■ Single Premium ■ Annual Premium



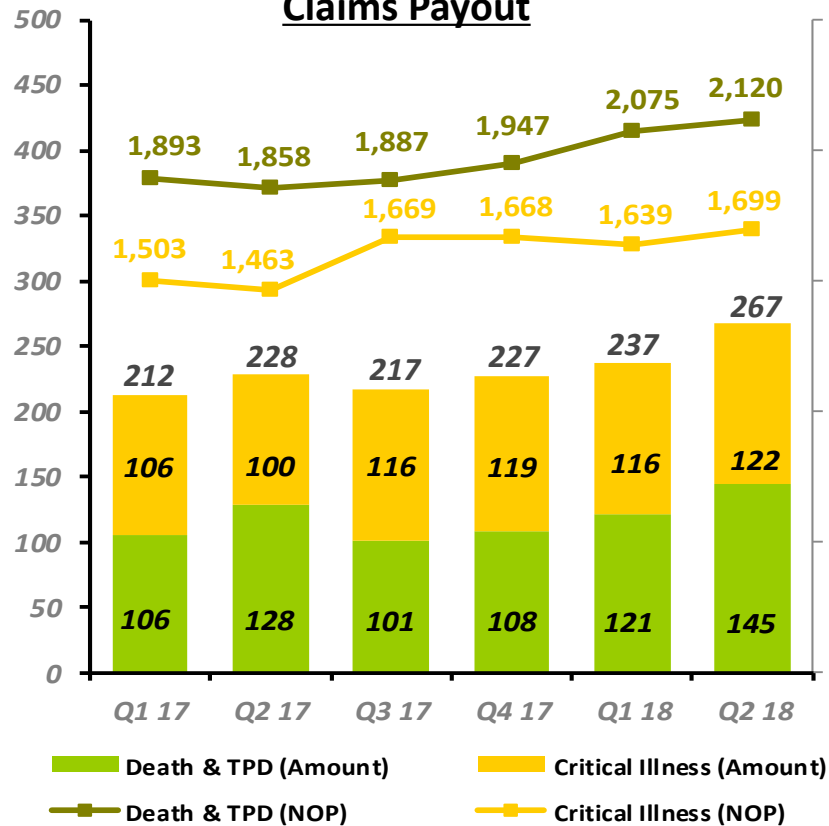


Individual Policy Claims Payout & Maturity

Number of Policies and Amount

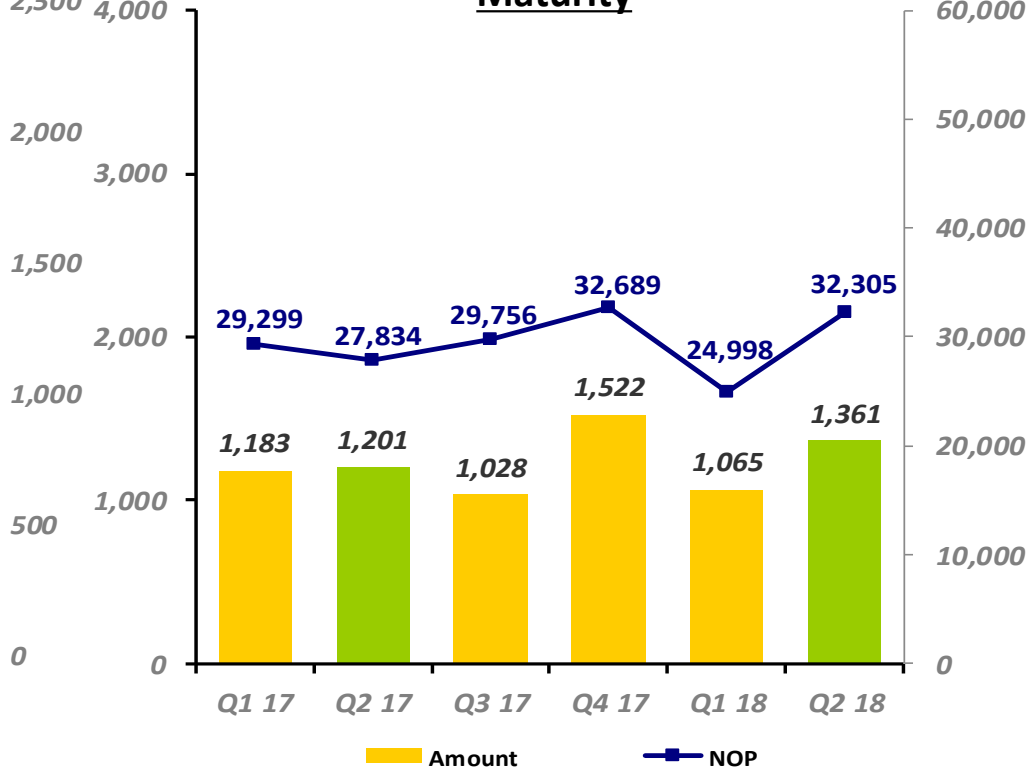
Amount
(\$million)

Claims Payout



Amount
NOP (\$million)

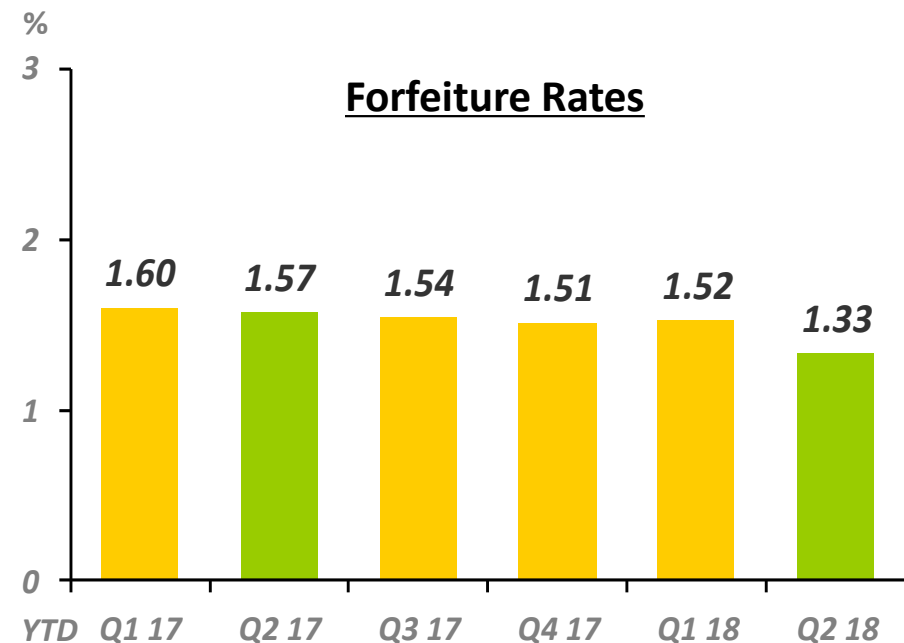
Maturity





Forfeiture & Surrender Rates

Forfeiture 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

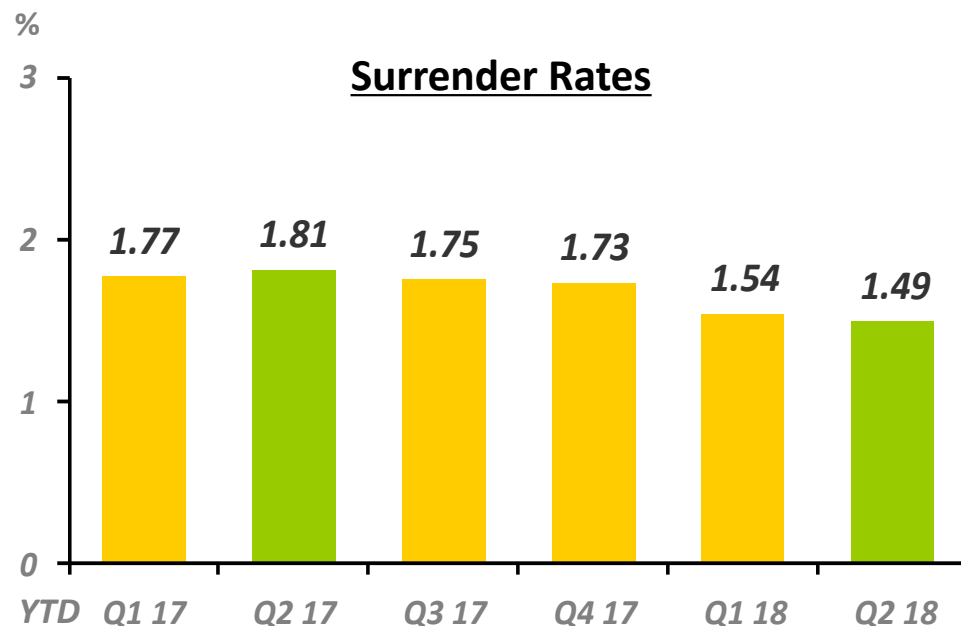
NB3 = NB in Q3 to Q4 of Reporting Year – 3 if Q=1

= 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

Surrender Rates



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

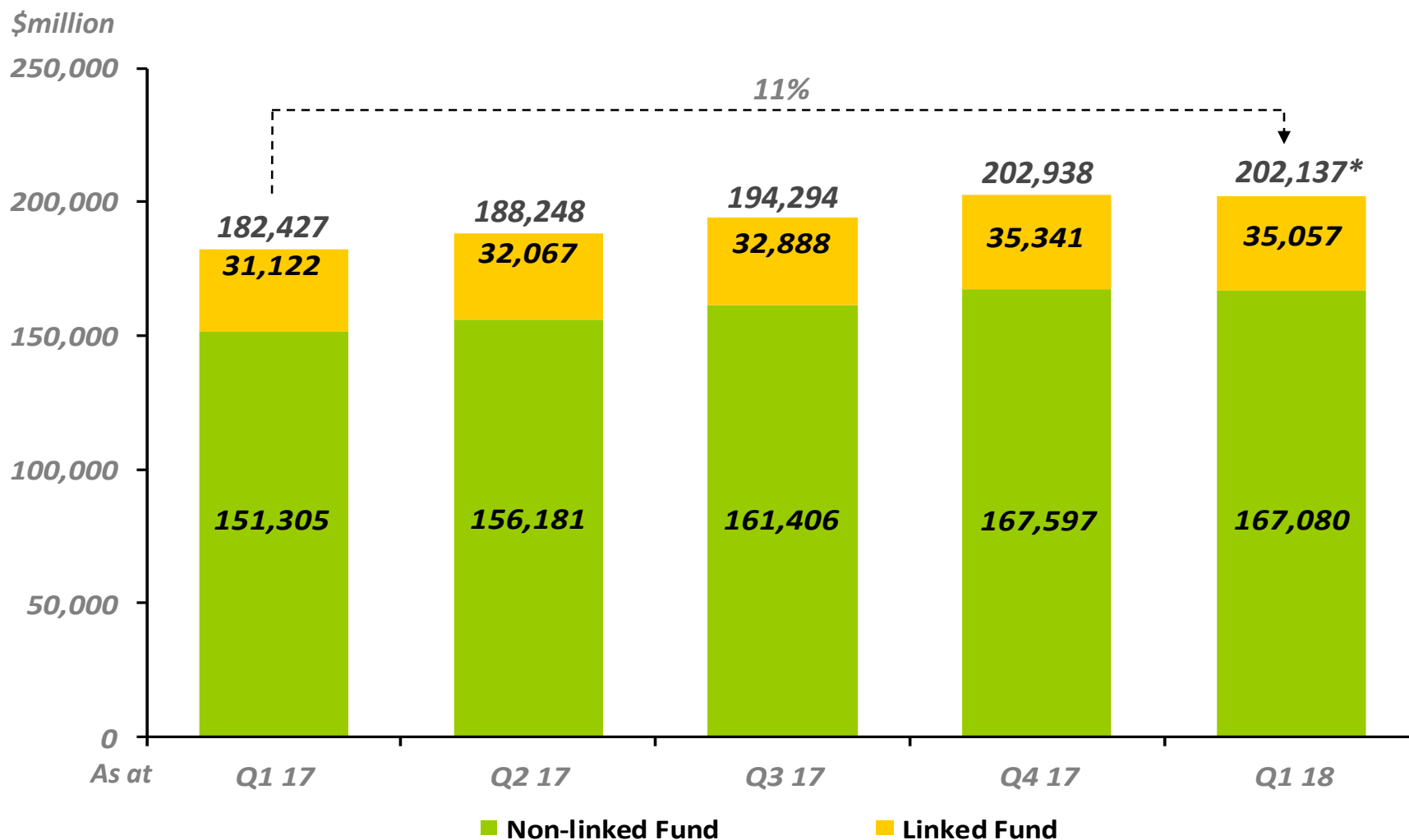
Q = No. of Qtrs Elapsed

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

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

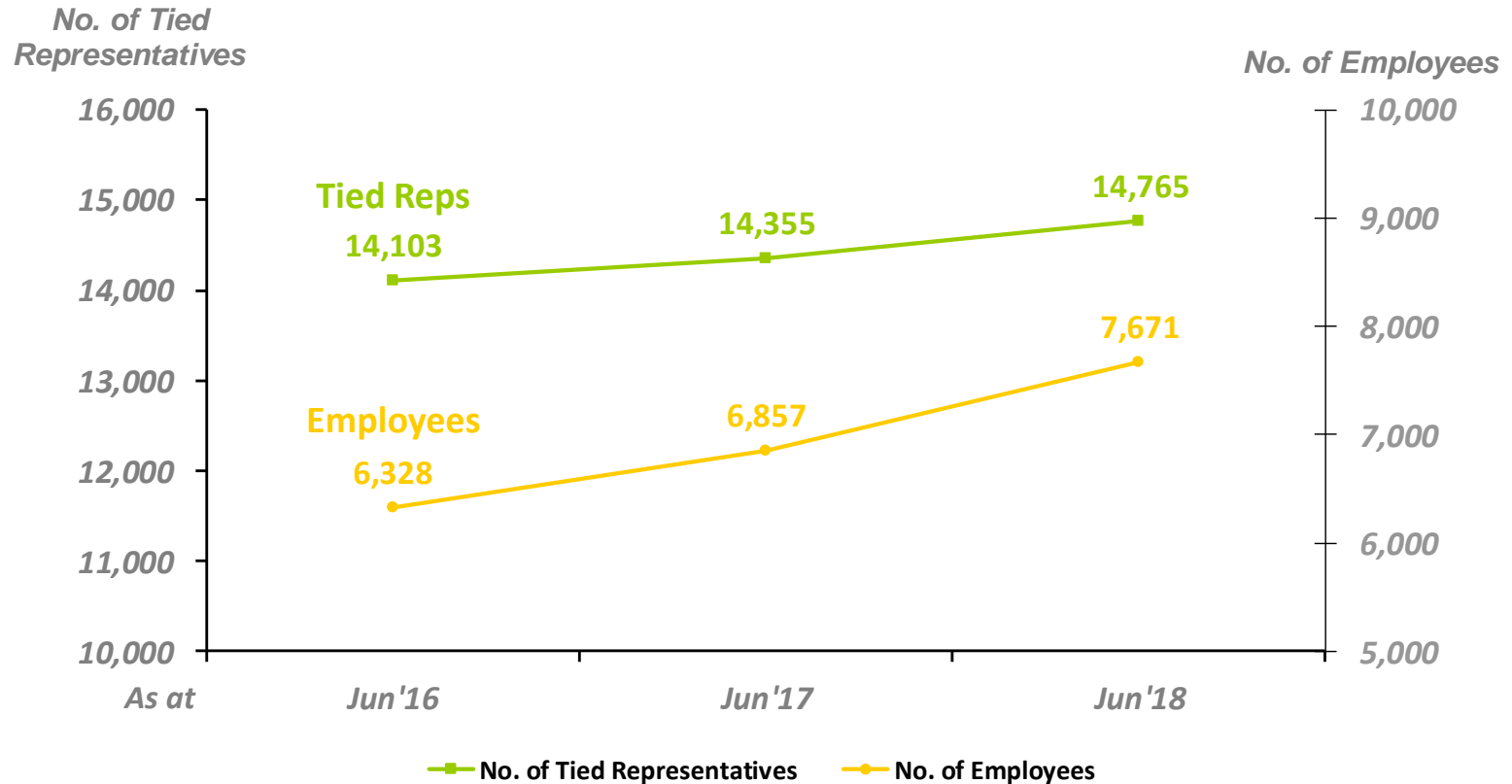


Total Assets



* Preliminary

Source: Monetary Authority of Singapore





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January to June 2018

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.