



**Life Insurance Association
Singapore**

LIFE IS WORTH PROTECTING. INVEST IN IT.

Life Insurance Industry Results

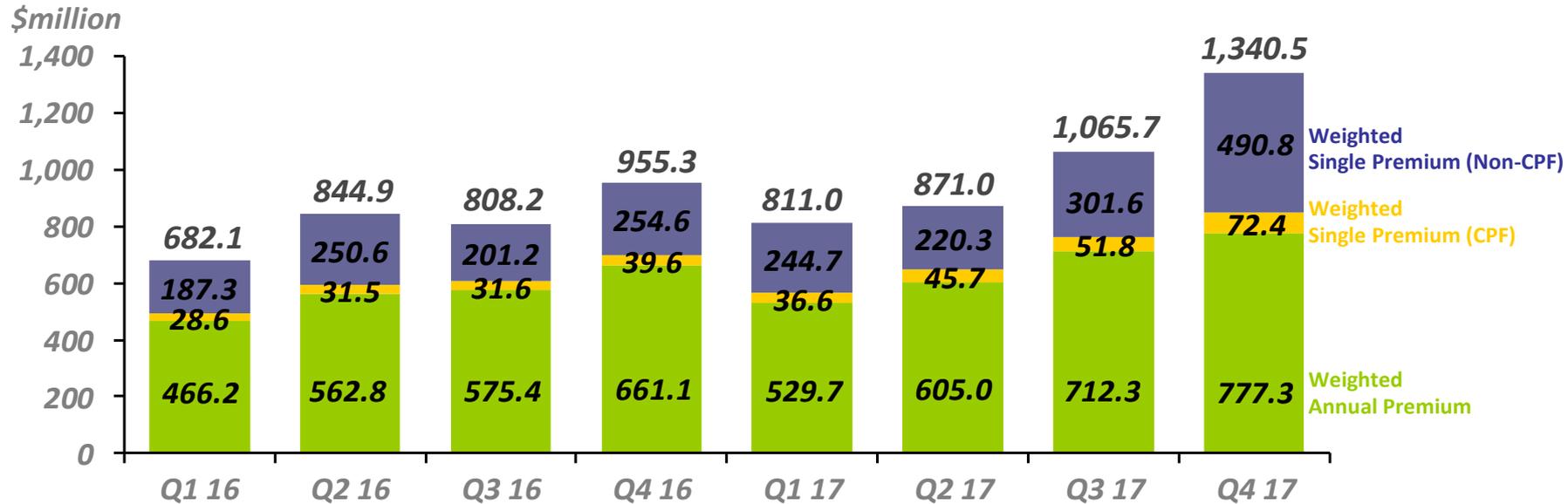
January to December 2017

Media Conference | 9 February 2018



New Business (Individual Life & Health) Total Weighted Premium

Weighted basis	YTD Q4'16	YTD Q4'17	Q4'16	Q4'17	% change from corresponding period in 2016	
					YTD Q4'17	Q4'17
Single Premium	\$1,025.1m	\$1,463.9m	\$294.2m	\$563.2m	43%	91%
• Linked	\$226.1m	\$395.4m	\$67.3m	\$173.8m	75%	158%
• Non-linked	\$799.0m	\$1,068.5m	\$226.9m	\$389.4m	34%	72%
Annual Premium	\$2,261.1m	\$2,624.3m	\$661.1m	\$777.3m	16%	18%
Total	\$3,286.2m	\$4,088.2m	\$955.3m	\$1,340.5m	24%	40%



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



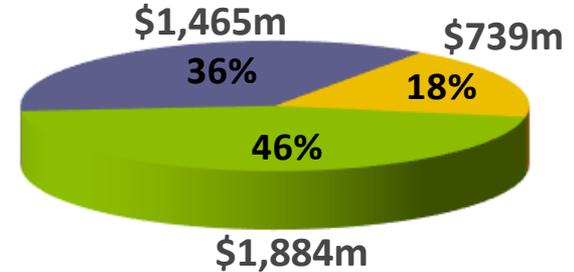
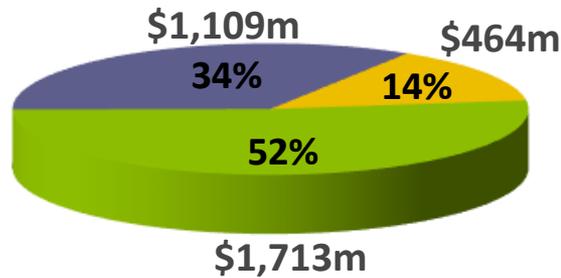
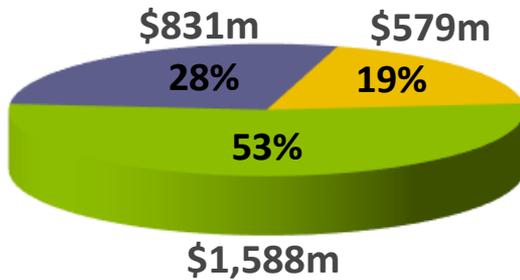
New Business (Individual Life & Health) Total Weighted Premium

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

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

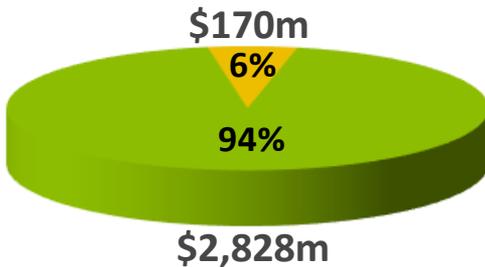
YTD Q4'17
(\$4,088m)

By Fund



■ Linked ■ Participating ■ Non-Participating

By Insurer Classification



■ Normal ■ Defined Market Segments



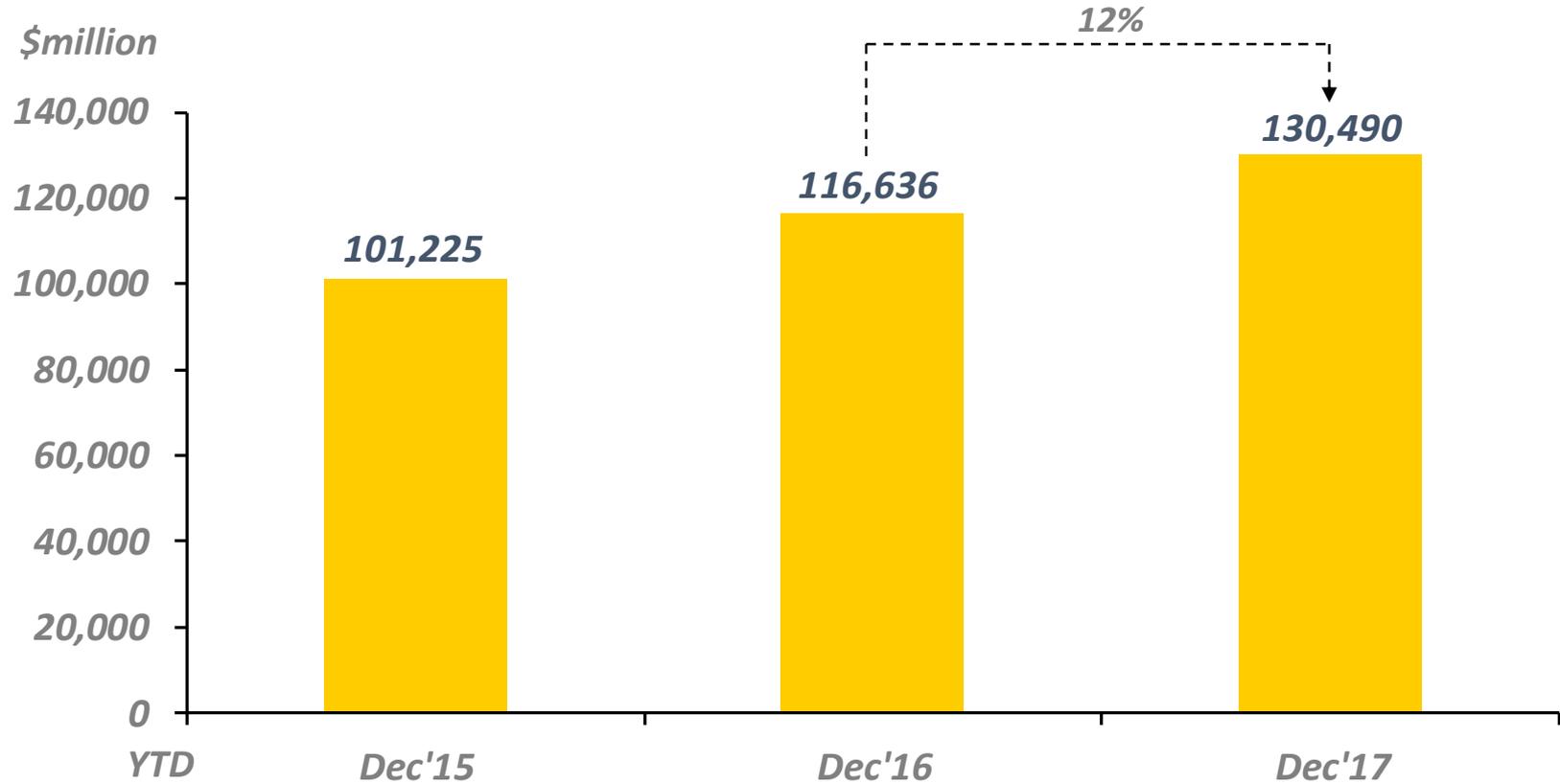
New Business (Individual Life & Health) By Distribution Channel

	YTD Q4'15		YTD Q4'16		YTD Q4'17	
	#	%	#	%	#	%
Total Weighted Premium	\$2,998m		\$3,286m		\$4,088m	
Tied Representatives	\$1,201m	40%	\$1,217m	37%	\$1,545m	38%
Bank Representatives	\$1,098m	37%	\$1,253m	38%	\$1,508m	37%
FA Representatives	\$587m	19%	\$675m	21%	\$793m	19%
Others*	\$112m	4%	\$141m	4%	\$242m	6%
Number of Policies	1,044,882		1,140,574		1,266,169	
Tied Representatives	629,789	60%	653,690	57%	708,861	56%
Bank Representatives	125,485	12%	133,204	12%	152,464	12%
FA Representatives	123,911	12%	172,764	15%	217,135	17%
Others*	165,697	16%	180,916	16%	187,709	15%
Total Sum Assured	\$101.2b		\$116.6b		\$130.5b	
Tied Representatives	\$50.0b	49%	\$53.8b	46%	\$56.7b	44%
Bank Representatives	\$19.4b	19%	\$22.6b	19%	\$24.7b	19%
FA Representatives	\$28.1b	28%	\$35.8b	31%	\$42.2b	32%
Others*	\$3.7b	4%	\$4.4b	4%	\$6.9b	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 Q4'16

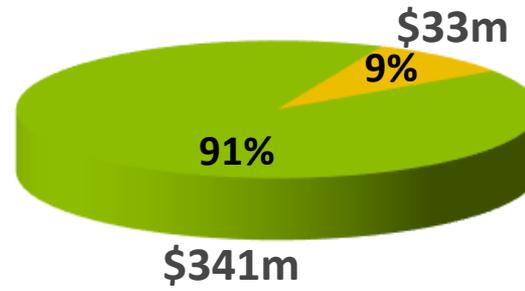
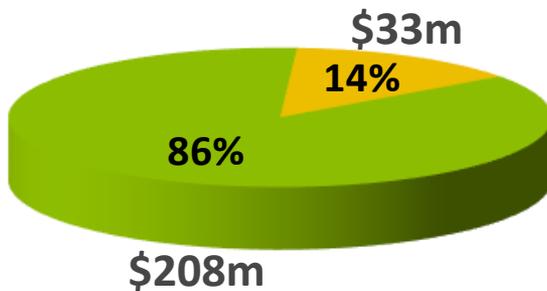
YTD Q4'17

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

\$374m (Q1-\$66m Q2-\$88m Q3-\$104m Q4-\$116m)

No. of Lives: 227,851

234,177



■ IP and Riders

■ Other Medical Plans and Riders

In-Force Business

As at	Q4'16	Q4'17
Total Premium	\$1,416m	\$1,693m
No. of Lives	2.89m	2.96m

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

YTD Q4'16

YTD Q4'17

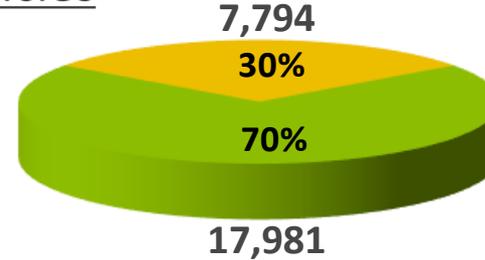
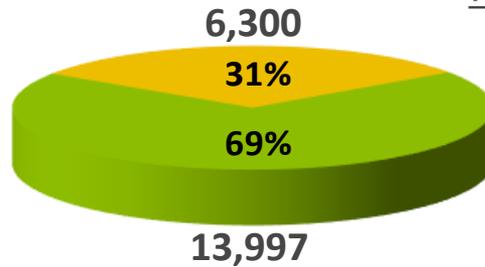
No. of Policies: 20,297

25,775

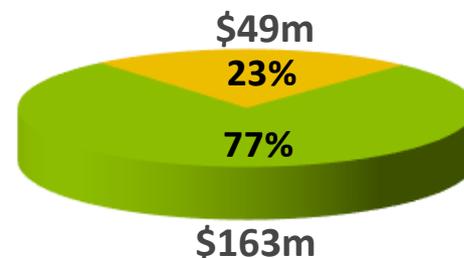
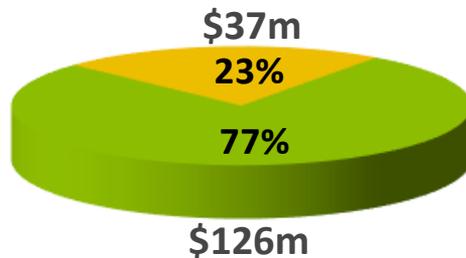
Total Weighted Premium: \$163m

\$212m

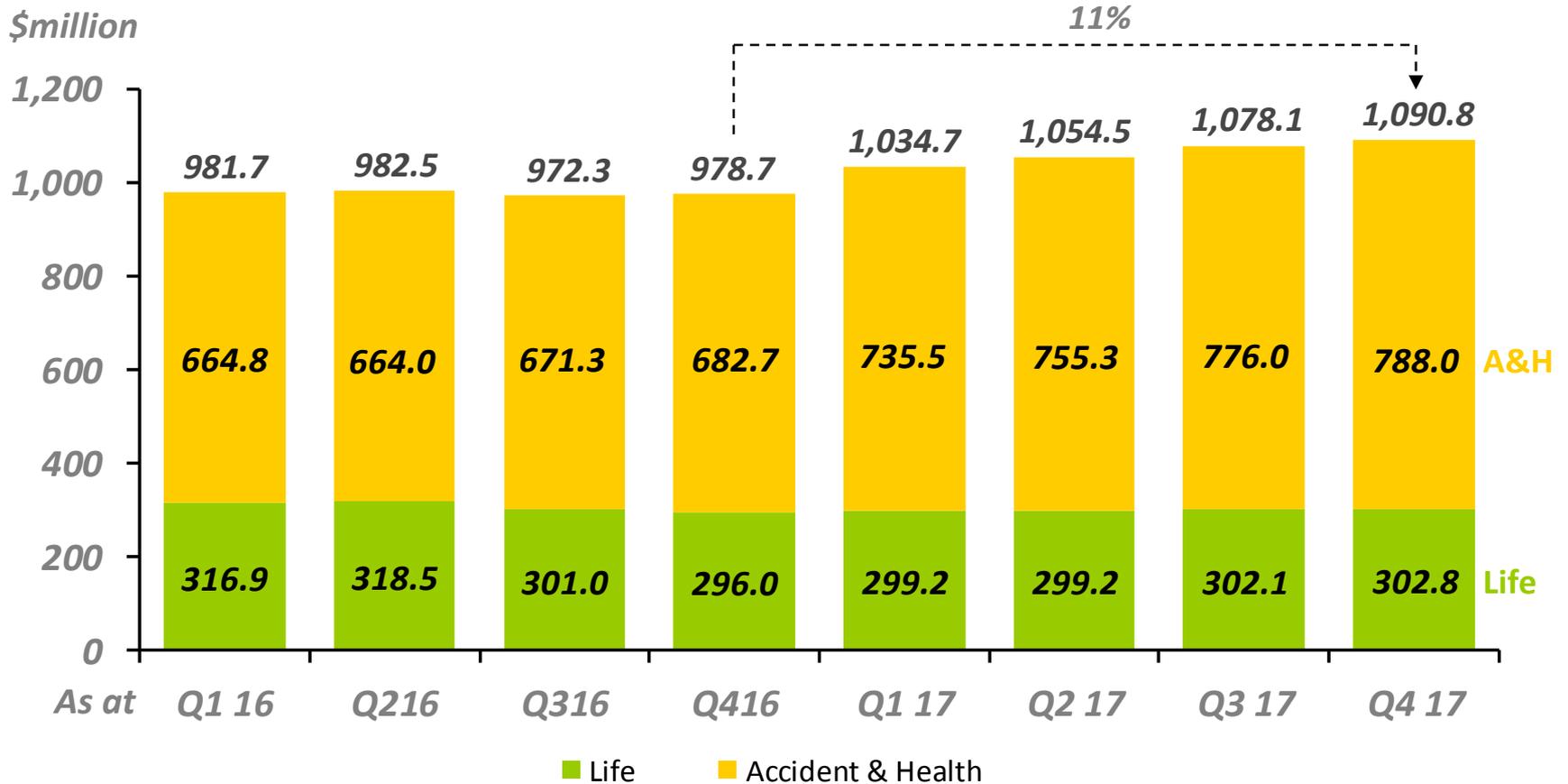
No. of Policies



Total Weighted Premium



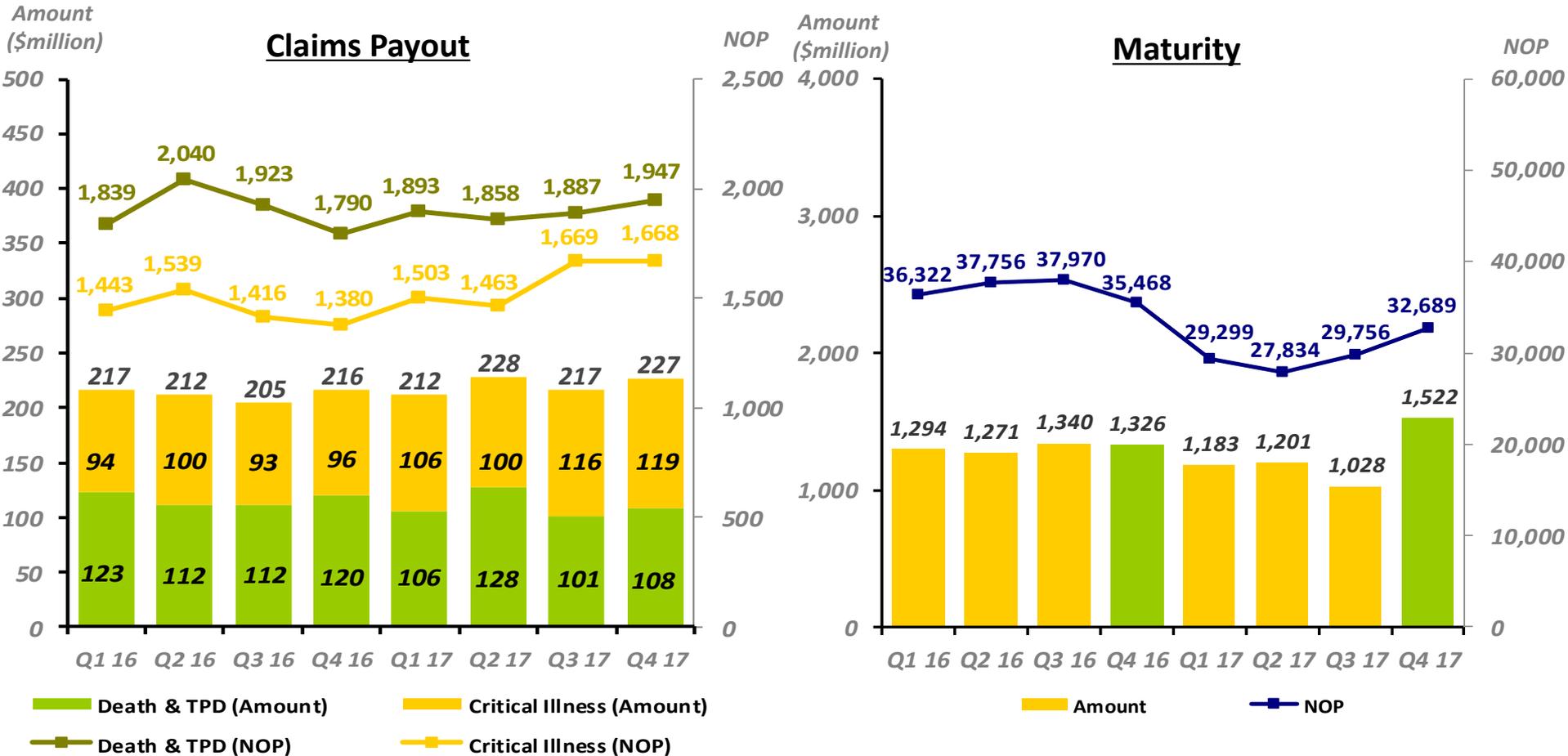
■ Single Premium ■ Annual Premium





Individual Policy Claims Payout & Maturity

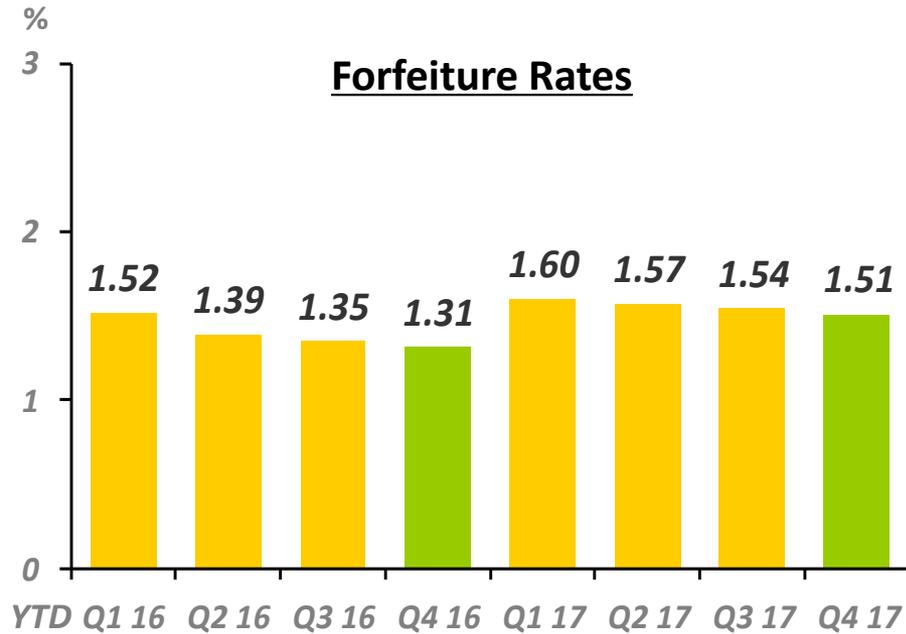
Number of Policies and Amount





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

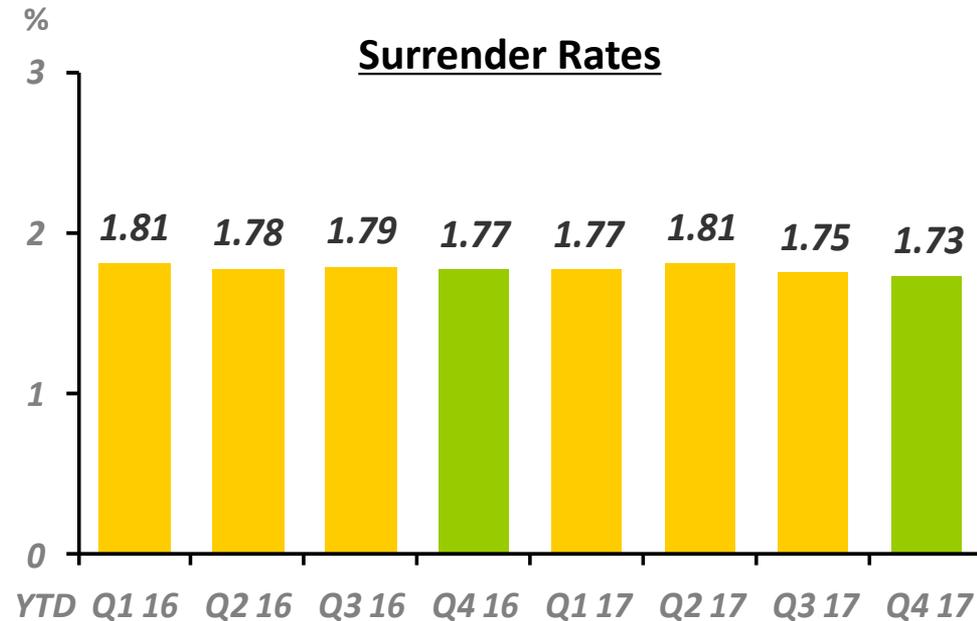
= NB in Q3 to Q4 of Reporting Year – 3 if Q=2

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

= 0

if Q=4

Surrender Rates



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

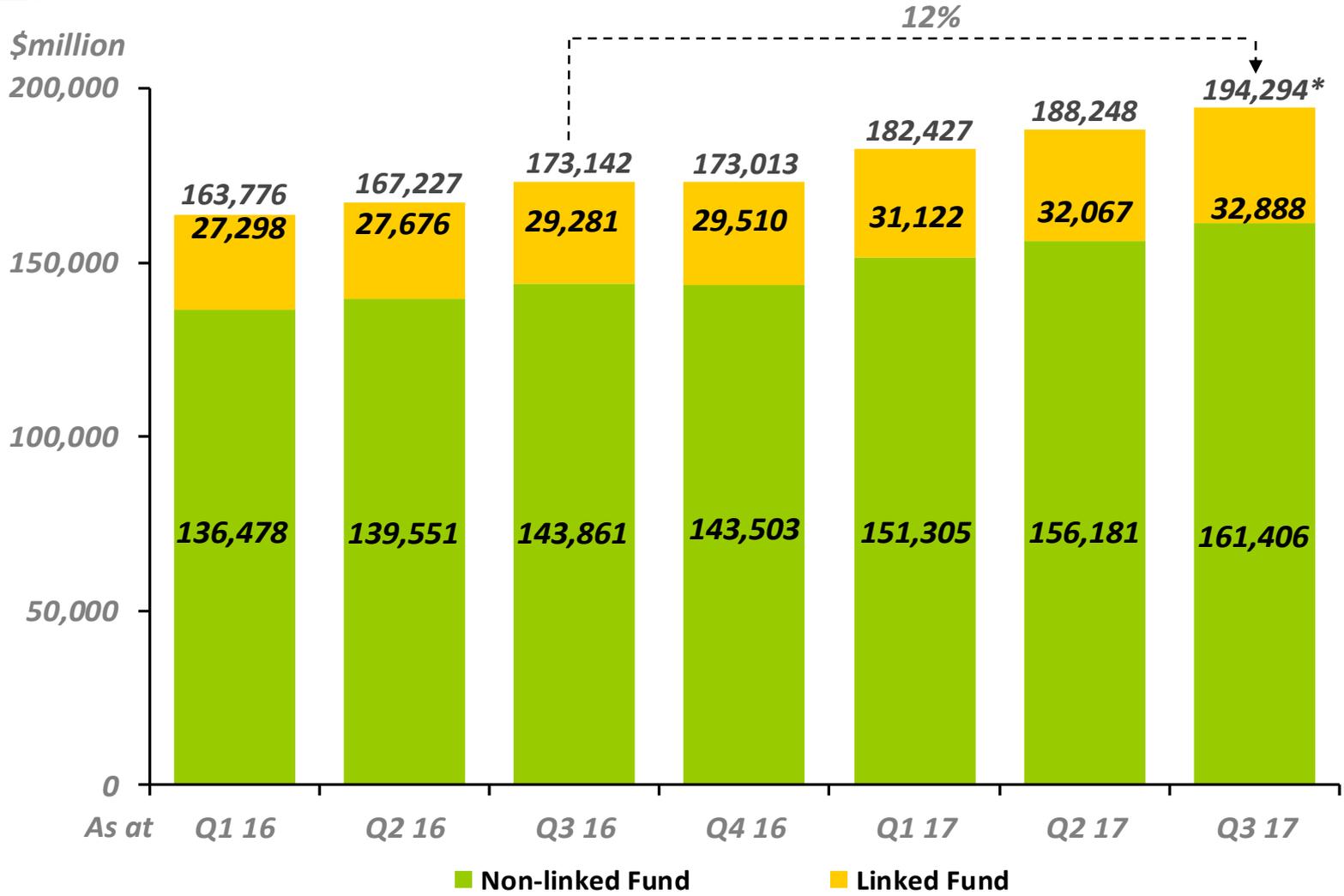
Q = No. of Qtrs Elapsed

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

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



Total Assets



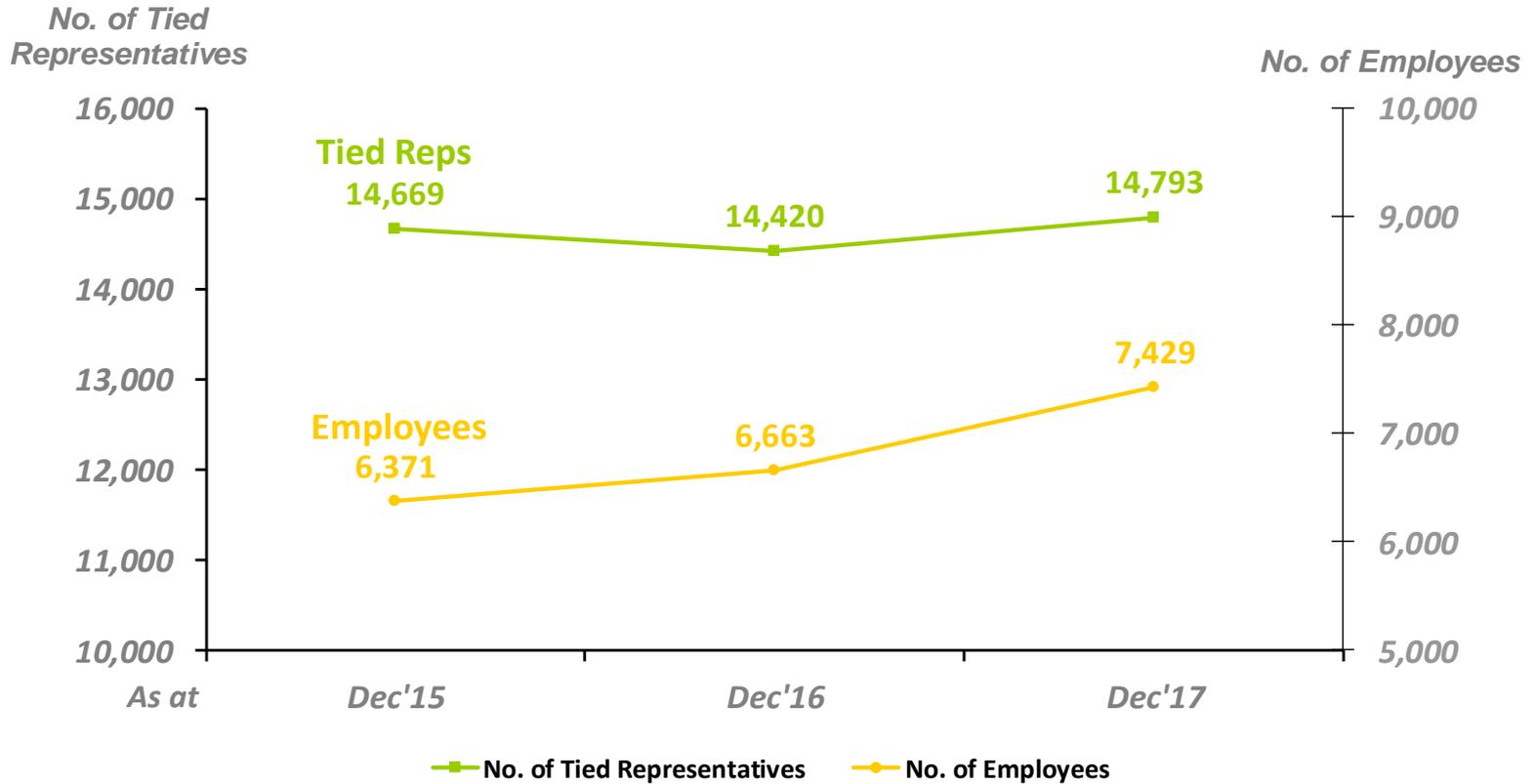
* Preliminary

Source: Monetary Authority of Singapore



Manpower

Number of Employees & Tied Representatives





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Singapore**

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Life Insurance Industry Results

January to December 2017

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.