

For immediate release

## Media Release

# Life insurance industry launches digital calculator to help bridge Singapore's mortality and critical illness (CI) protection gaps

*The life insurance calculator allows consumers to find out their approximate protection needs and gaps starting with just seven simple questions.*

**Singapore, 8 November 2019** — The Life Insurance Association Singapore (LIA Singapore) today announced the launch of its life insurance calculator, developed to help consumers gain a better understanding of their financial protection needs, and take steps to narrow their protection gaps.

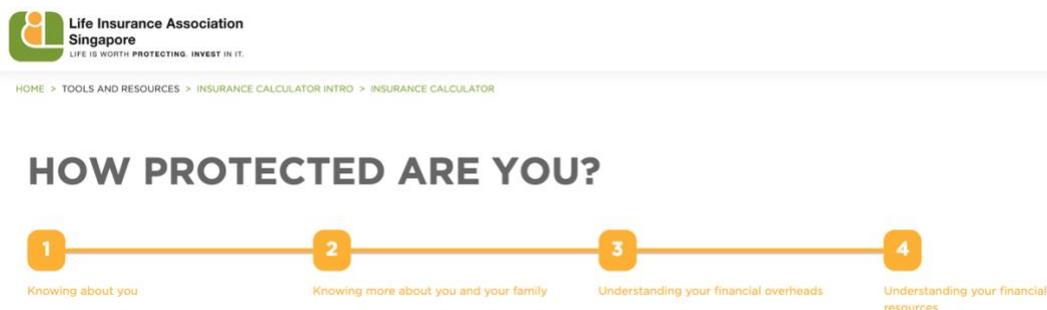
The calculator can be found on the LIA Singapore website, [www.lia.org.sg](http://www.lia.org.sg), and generates downloadable gap report, calculated based on the user's existing financial resources and commitments.

This initiative underpins ongoing efforts to bridge Singapore's 20 per cent mortality and 80 per cent critical illness (CI) protection gaps.

"We tend to underestimate the probability of unfortunate events such as death and critical illness, and put off getting adequate protection until it is too late. By presenting this personalised gap in tangible numbers produced by an industry-calibrated calculator, we seek to encourage consumers to be proactive in ensuring that they and their loved ones are well-protected," said Mr Khor Hock Seng, President of LIA Singapore.

## How the Life Insurance Calculator works

*Step 1:* You may choose to complete one or up to four sections of the questionnaire, depending on how accurate you want your results to be.



*Image 1. The four sections are: knowing about you, knowing more about you and your family, understanding your financial overheads, understanding your financial resources.*

Step 2: Upon completion, you will be prompted to download your results, which include information on the cost of estimated expenses needed upon death and/or diagnosis of a CI.

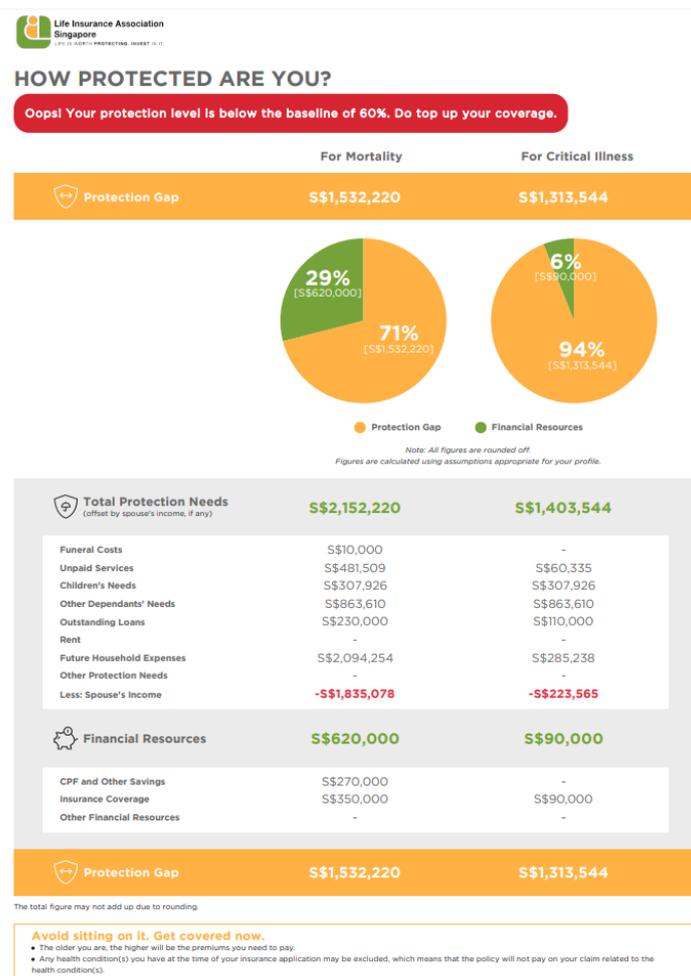


Image 2. Example of life insurance calculator results. The report provides an overview of your protection gaps, a detailed breakdown of your protection needs, and a summary of your financial resources.

The calculator has already been used close to 500 times<sup>1</sup> since its soft launch earlier last month.

### Overview of mortality and CI protection gaps in Singapore

The life insurance calculator, coupled with the industry's ongoing education efforts, is in response to the most recent Protection Gap Study (PGS) 2017<sup>2</sup>, which found that individuals in Singapore have a national mortality and CI protection gap of S\$893 billion. This equates to an approximate S\$169,673 mortality protection gap and S\$256,826 CI protection gap per economically active adult.

A follow-up qualitative study conducted by the Association revealed that the significant protection gaps were due to several perception barriers such as seeing insurance premium payments as a loss

<sup>1</sup> Based on number of unique pageviews. Data extracted from Google Analytics, updated as at 3 November 2019.

<sup>2</sup> Life insurance industry boosting efforts to bridge Singapore's S\$893 billion mortality and critical illness protection gap (26 April 2018). Life Insurance Association Singapore. Available as at: [https://www.lia.org.sg/media/1523/lia\\_pgs\\_2017\\_press\\_release\\_180426.pdf](https://www.lia.org.sg/media/1523/lia_pgs_2017_press_release_180426.pdf)

rather than a gain, and financial over-confidence where individuals believe that they are financially savvy.

Why people are not having their mortality and CI protection needs met	<b>Cash savings for protection:</b> People prefer liquidity (savings) to insurance (protection)
	<b>Intangible and long-term:</b> People perceive insurance premium payments as a loss rather than a benefit of being covered by insurance
	<b>Social safety nets:</b> In general, people have expectations that others, such as family or the government, will be able to provide help and support
	<b>Financial over-confidence:</b> People perceive themselves as being financially savvy
	<b>Wider financial context:</b> Insurance is often not a priority for many and has to compete with many other obligations and purchase decisions
	<b>Consumer trust:</b> People are cautious about seeking insurance because of experiences and perceptions about the industry

*Image 3. Summary of key findings from LIA's follow-up qualitative PGS 2017.*

Members of the public are highly encouraged to use the life insurance calculator and start conversations with a financial adviser on how they can be adequately protected at every stage of life.

*Life Insurance Calculator is available here:* <https://www.lia.org.sg/tools-and-resources/insurance-calculator-intro/>

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## 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

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

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