

For immediate release

Media Release

Life insurance Industry records S\$2.63B in new business premiums in 1H 2022

Singapore, 11 August 2022 — The Life Insurance Association, Singapore (LIA Singapore) today announced a set of industry results for the period January to June 2022 (1H 2022).

Singapore's life insurance industry recorded a total of S\$2.63 billion in weighted new business premiums¹ for 1H 2022, a slight contraction of 1.9% as compared to a year ago.

Mr Khor Hock Seng, President, LIA Singapore, said, "The life insurance industry has remained resilient and achieved a commendable performance amidst the increased uncertainty in the global economy due to geopolitical tensions, recurring COVID-19 waves and rising inflationary pressures.

We continue to see strong consumer demand for life insurance which is an effective all-weather category of financial products that provide financial security and protection. This can be seen from the sustained growth in the single-premium products which remained popular amongst Singaporeans."

Significant uptake of single-premium products and reduction in uptake of annual premium products

Single-premium products recorded a 12.5% year-on-year increase in weighted premiums amounting to S\$1.44 billion for 1H 2022.

CPFIS-included products comprised 2.6%; and cash-funded products accounted for the remaining 97.4%.

Correspondingly, uptake of annual premium products recorded a reduction of 15.1% from the same period last year, amounting to S\$1.19 billion in total weighted annual premiums.

Growth in number of policies purchased online

The number of new policies purchased online continues to increase to 430,725 in 1H 2022 compared to 203,351 in 1H 2021. These are purchases transacted online by customers without financial advisory.

These online purchases totalled S\$66 million in weighted premiums, accounting for 2.5% of the total weighted premiums for 1H 2022.

¹ *Weighted new business premiums measures premiums collected on new policies and is calculated as follows: 10% Single Premium Insurance + 100% Annual Premium Insurance + Adjusted premium for Insurance with premium payment durations of less than 10 years.*

Integrated Shield Plans (IPs) remained a major health insurance product

Total new business premiums² for individual health insurance for 1H 2022 amounted to S\$155.9 million. Overall, IPs and IP rider premiums accounted for 83.5% (S\$130.2 million) and the remaining 16.5% (S\$25.7 million) comprised other medical plans and riders.

About twenty thousand more Singaporeans and Permanent Residents were covered by IPs from the same time a year ago. In total, 2.87 million lives – approximately 70 per cent of Singapore residents – are protected by IPs, which provide coverage on top of MediShield Life.

Claims payouts

Between January to June 2022, the life insurance industry paid out S\$5.92 billion to policyholders and beneficiaries. Of this amount, S\$5,186 million was for policies that matured. The remaining S\$740 million was for death, total and permanent disablement and critical illness claims.

OTHER HIGHLIGHTS FOR 1H 2022

Product classification

Par products accounted for 44% of new sales while non-par products accounted for 34%. Investment-linked products made up the remaining 22%.

The business mix of Par, Non-Par and ILP products by total weighted new business premium have remained stable, compared to 1H 2021.

Product license classification

Insurers holding “Normal” licenses contributed 98% of weighted new business premium, while “Defined Market Segments” (DMS) insurers³ made up the remaining 2% for 1H 2022.

² With effect from 1 January 2016, MediShield Life premiums have been excluded from LIA statistics. New Business premiums refer 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.

³ DMS insurers are registered with MAS to conduct only non-CPF business and with minimum policy size.

Distribution channels

New business from the different distribution channels is as follows:

Distribution Channel	By Weighted NB Premium (%)	By Number of Policies (%)
Tied Representatives	31.9%	29.5%
Bank Representatives	37.0%	6.2%
Financial Adviser Representatives ⁴	25.7%	17.7%
Online Direct Channel ⁵	2.5%	43.2%
Others (i.e. <i>products sold without intermediaries</i>)	2.9%	3.4%

Manpower in the industry

Employment in the life industry remained stable compared to the corresponding period in 2021. This brings Singapore life insurance industry's workforce to 8,853 employees as at 30 June 2022.

As at 30 June 2022, 14,295 representatives held exclusive contracts with companies that operate a tied-agency force.

The life insurance industry continues to hire and upskill insurance representatives and employees, especially as companies focus on driving their respective digital transformation efforts.

LOOKING FORWARD

Mr Khor Hock Seng, President, LIA Singapore said, "Even as Singapore emerges stronger from the COVID-19 pandemic amidst the recurring infection waves, the life insurance industry continues to face challenges such as a tight labour market, with talent attraction and retention a challenge for many industries within Singapore. The volatile macroeconomic environment and sustained inflationary pressures will continue to impact life insurers in the near term."

"Life insurers will also have to cater to the rapidly evolving consumer product and purchase preferences as consumers increasingly expect insurers to offer more flexibility and personalisation for their products and services."

"Within the industry, life insurers will continue to focus on digitalisation with the aim of helping consumers better manage their healthcare needs and financial planning journey. To help Singaporeans better understand their insurance policies, life insurers have supported the establishment of a Singapore Financial Data Exchange (SGFinDex) which will soon include information on insurance policies."

"On the sustainability front, all member insurers have already adopted the Monetary Authority of Singapore (MAS) Guidelines on Environmental Risk Management and will continue to collaborate with MAS to work towards enhancing insurers' resilience to and management of environmental risk."

⁴ Financial Adviser (FA) Representatives include representatives of "related FA firms". A related FA firm is a wholly-owned subsidiary of an insurance company.

⁵ Online Direct Channel is a new data point from January 2019, and it refers to "any web portal or application in the internet created, developed and maintained or operated by a life insurer, on which a client may purchase a life policy".

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Note to Editor: Details of the life insurance industry results for 1H 2022 are available at <https://www.lia.org.sg/news-room/industry-performance/>

IN SUMMARY

New Business Sales (Weighted Basis)

Comparison with Corresponding Period	Jan – Jun 2022 S\$	Jan – Jun 2021 S\$	Change
Single Premium	1,441.0 million	1,281.4 million	12.5%
Annual Premium	1,186.2 million	1,397.2 million	-15.1%
Total	2,627.2 million	2,678.6 million	-1.9%

Comparison with Corresponding Quarter	Apr – Jun 2022 S\$	Apr – Jun 2021 S\$	Change
Single Premium	782.8 million	742.2 million	5.5%
Annual Premium	631.1 million	704.4 million	-10.4%
Total	1,413.9 million	1,446.6 million	-2.3%

Comparison with Last Quarter	Apr – Jun 2022 S\$	Jan – Mar 2022 S\$	Change
Single Premium	782.8 million	658.3 million	18.9%
Annual Premium	631.1 million	555.1 million ⁶	13.7%
Total	1,413.9 million	1,213.4 million ⁷	16.5%

⁶ Updated, due to revisions made after release of Q1 2022 results

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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

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

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