

For immediate release

Media Release

Singapore's life insurance sector posts best half-year performance since start of pandemic with S\$2.86 billion New Business Total Weighted Premiums in 1H2024

Take-up for both single and annual premium policies in the first half of 2024 increased by 32.9% and 29.3% respectively, compared to the same period last year, reflecting the continued efforts of insurers to provide customers with suitable insurance propositions to protect and meet their future needs

Singapore, 13 August 2024 — The Life Insurance Association, Singapore (LIA Singapore) today announced a set of industry results for the period January 2024 to June 2024 (1H 2024).

Singapore's life insurance industry achieved a total of S\$2.86 billion in weighted new business premiums¹ for 1H 2024, an increase of 30.4% compared to the same period a year ago.

The increase in weighted new business premiums aligns with a more positive macroeconomic environment as Singapore's economy continued to expand², recording higher growth than forecasted in the second quarter of 2024³. Demand for both single and annual premium policies increased in Q2 2024, reflecting the continued prioritisation on savings and protection needs.

In-force premiums for Group Life & Health continues to show steady growth with an 11% increase in Q2 2024 from Q2 2023 to record a total of S\$2.40 billion to date. Total premiums for individual health insurance also recorded a 7.1% growth in 1H 2024, compared to the same period last year.

Focus on protection: Increased uptake of both annual and single premium products in Q2

The industry saw a boost in demand for both single-premium and annual premium policies in the second quarter.

Single-premium policies increased 32.9% in weighted premiums compared to the same period last year, amounting to S\$918.0 million in total for 1H 2024. Annual premium policies also saw an increase of 29.3% compared to the same period last year, amounting to S\$1.94 billion in 1H 2024.

¹ *Weighted new business premiums measures premiums collected on new policies by taking into account (1) 10 per cent of the value of single premium products, (2) all of a year's premiums for annual premium products, and (3) adjusted value for products with premium payment durations of less than 10 years. The figure 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.*

² *'Singapore's GDP Grew by 2.9 Per Cent in the Second Quarter of 2024' (July 13, 2024) Ministry of Trade and Industry Singapore. Available at: <https://www.singstat.gov.sg/-/media/files/news/advqdp2q2024.ashx>.*

³ *'S'pore economy saw better-than-expected growth of 2.9% in Q2; Q1 growth revised up to 3%' (July 13, 2024) The Straits Times. Available at: [https://www.straitstimes.com/business/economy/singapore-q2-growth-beats-expectations-at-29-as-manufacturing-reCOVERS#:~:text=Gross%20domestic%20product%20\(GDP\)%20qrew,\(MTI\)%20on%20July%2012.](https://www.straitstimes.com/business/economy/singapore-q2-growth-beats-expectations-at-29-as-manufacturing-reCOVERS#:~:text=Gross%20domestic%20product%20(GDP)%20qrew,(MTI)%20on%20July%2012.)*

Financial Advisers (FA) Representatives⁴ led the charge in achieving S\$27.5 billion sum assured in the first half of 2024, accounting for 39.1% – a notable proportion – of the total amount of sum assured for 1H 2024.

Tied Representatives were closely behind, securing another S\$24.3 billion in sum assured, accounting for 34.7% of the total amount sum assured in 1H 2024. The industry recorded a total of S\$70.2 billion in total sum assured during 1H 2024 – a growth of 6.7% over the same period last year.

Integrated Shield Plans (IPs) remains a critical component of health insurance coverage

Approximately 71,000 Singaporeans and Permanent Residents took up new IPs as of 30 June 2024. In total, 2.9 million lives – approximately 71% of Singapore residents – are protected by IPs which provide coverage on top of MediShield Life.

Total new business premiums⁵ for individual health insurance for 1H 2024 amounted to S\$220.7 million, an increase of 7.1% compared to the same period last year. Overall, IPs and IP rider premiums accounted for 85.4% (S\$188.5 million) and the remaining 14.6% (S\$32.2 million) comprised of other medical plans and riders in 1H 2023.

Claims payouts

Between 1 January 2024 and 30 June 2024, the life insurance industry paid out S\$10.96 billion to policyholders and beneficiaries, a 82.8% increase compared to the same period last year.

Of this amount, S\$10.04 billion was for policies that matured. The remaining S\$927 million was for death, critical illness or disability claims for more than 10,600 policies.

OTHER HIGHLIGHTS FOR 1H2024

Product classification

Par products accounted for 24% of new sales while non-par products accounted for 39%. Investment-linked products made up the remaining 37%.

Distribution channels

New business from the different channels is as follows:

Distribution Channel	By Weighted Premium (%)	By Number of Policies (%)
Tied Representatives	31.3	37.4
Bank Representatives	32.1	10.3
FA Representatives	32.8	33.3
Online Direct Channel ⁶	1.4	14.7
Others (<i>products sold without intermediaries</i>)	2.4	4.3

⁴ FA Representatives include representatives of “related FA firms”. A related FA firm is a wholly-owned subsidiary of an insurance company.

⁵ 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.

⁶ 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”.

Product license classification

As of 30 June 2024, insurers holding “Normal” licenses contributed 99% of new sales, while “Defined Market Segments” (DMS) insurers⁷ made up the remaining 1% of new sales for 1H2024.

Manpower in the industry

Employment in the life insurance industry remained stable with a slight decrease of just 0.5% compared to the same period in 2023. As of 30 June 2024, the Singapore life insurance industry’s workforce stands strong at 9,593 employees.

In the same period, 13,084 representatives held exclusive contracts with companies that operate a tied-agency force.

LOOKING FORWARD

Mr Dennis Tan, President, LIA Singapore, “As Singapore’s economy continues to pick up, with GDP forecasted to come in closer to its potential rate 2 to 3% for this year⁸, the life insurance industry remains cognisant and agile to seize opportunities to grow as we prioritise efforts to meet the protection needs in Singapore.

Healthcare inflation remains a top-of-mind challenge, as medical costs are projected to rise by 10.7%⁹ this year, attributable to multiple factors such as the rising costs of medical treatments and medical advancements, possible over-consumption and over-prescription of medical services, an ageing population to care for, as well as increased staffing costs amid a tight healthcare talent pool.

As an industry, we remain committed to collaborating with government agencies and the medical fraternity to ensure the continued accessibility of medically necessary treatments. We believe that, together, we can ensure the continued accessibility of quality healthcare in Singapore, while keeping healthcare costs and premiums sustainable.”

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Note to Editor: Details of the life insurance industry results for 1H2024 are available at <https://www.lia.org.sg/news-room/industry-performance/>

⁷ DMS insurers are registered by MAS to conduct only non-CPF business and with minimum policy size.

⁸ ‘Monetary policy settings unchanged; expects full-year GDP at 2-3%’ (Jul 26, 2024) *The Business Times*. Available at: <https://www.businesstimes.com.sg/singapore/economy-policy/mas-leaves-monetary-policy-settings-unchanged-expects-full-year-gdp-2-3>

⁹ ‘Asia Pacific healthcare benefit cost increases projected to largely continue into 2024, WTW survey finds (Nov 29, 2023) Available at: <https://hrsea.economictimes.indiatimes.com/news/industry/asia-pacific-healthcare-benefit-cost-increases-projected-to-largely-continue-into-2024-wtw-survey-finds/105577766>

IN SUMMARY

New Business Sales (Weighted Basis)

Comparison with Corresponding Period	Jan – Jun 2024 S\$ (million)	Jan – Jun 2023 S\$ (million)	Change (%)
Single Premium	918.0	691.0	32.9
Annual Premium	1,937.7	1,498.7	29.3
Total	2,855.7	2,189.7	30.4

Comparison with Corresponding Quarter	Apr – Jun 2024 S\$ (million)	Apr – Jun 2023 S\$ (million)	Change (%)
Single Premium	417.7	349.0	19.7
Annual Premium	1,071.1	807.5	32.6
Total	1,488.8	1,156.6	28.7

Comparison with Last Quarter	Apr – Jun 2024 S\$ (million)	Jan – Mar 2024 S\$ (million)	Change (%)
Single Premium	417.7	500.4	-16.5
Annual Premium	1,071.1	866.5	23.6
Total	1,488.8	1,366.9	8.9

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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