

For immediate release

Media Release

Singapore's life insurance sector achieves strong 19.7% growth for 2024 with S\$5.87 billion Total Weighted New Business Premiums

The final quarter of 2024 recorded an 11.1% growth compared to a year ago

Singapore, 13 February 2025 — The Life Insurance Association, Singapore (LIA Singapore) today announced the full year industry results for 2024, ending the year strong with a 19.7% growth, reaching a total of S\$5.87 billion in weighted new business premiums¹ for YTD 4Q2024, compared to last year, primarily due to an increase in the annual premium business.

A key driver of growth was investment-linked plans (“ILPs”), which surged 41% year-on-year, increasing from S\$1,598 million to S\$2,253 million. More consumers are leveraging ILPs for wealth accumulation, especially amidst economic uncertainty and rising interest rates, as these policies provide life insurance protection while offering higher potential returns. In particular, regular premium ILPs², which help mitigate market timing and volatility through dollar-cost averaging, are seeing a surge in uptake. Non-participating products also saw a growth of 19.2% year-on-year from S\$1,836 million to S\$2,189 million. Meanwhile, contributions from participating products dipped slightly by 2.7%.

Despite a challenging macro-environment, Singapore's life insurance industry continues to make strides in narrowing the nation's protection gap, achieving a 3.6% year-on-year increase in total sum assured for YTD 4Q 2024. Financial Adviser (FA) Representatives contributed 40.7% of this growth, while Tied Representatives accounted for 33.3%.

There was also a 1.8% increase in the number of lives covered by health insurance. Approximately 40,000 more Singaporeans and Permanent Residents were covered by IPs at the end of 2024 compared to a year ago. In total, 2.97 million lives – approximately 71%³ of Singapore residents – are protected by IPs which provide coverage on top of MediShield Life.

Mr Dennis Tan, President, LIA Singapore, said, “The life insurance industry's recovery in 2024 has set a strong foundation for continued growth. While interest rate volatility and geopolitical uncertainties continued to pose challenges in 2024, the sector has remained resilient and agile. By continuously evolving its products and empowering Singapore residents through comprehensive financial planning, the industry is committed to helping individuals get more adequately protected.”

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 The premiums for regular premium ILPs are regularly allocated to sub-funds at various prices.

³ Based on the latest available population figures released by the Singapore Department of Statistics. As of mid-2024, the total population of Singapore Residents, which include Singapore Citizens and Permanent Residents, stood at 4.18 million. Available at: <https://www.singstat.gov.sg/find-data/search-by-theme/population/population-and-population-structure/latest-data>

Strong growth driven by annual premiums in the fourth quarter of 2024

Total weighted new business premiums recorded a growth of 11.1% in Q4 2024, compared to the same period last year. Total weighted new business premiums for annual premium products increased by 27.9% in Q4 2024, compared to the same period last year. This also translates to an increase of S\$121.9 million – a growth of 10.9% over Q3 2024 – as Singapore’s life insurance industry continue to meet the evolving needs of Singapore residents.

Meanwhile, single premium products recorded a decrease of 26.3% in weighted premiums for the fourth quarter of 2024, when compared to the same period last year. Q4 2024 recorded the only decrease in uptake of single premium products in the year, bringing total weighted premiums of single premium products to S\$1.65 billion for YTD 4Q 2024.

Growth for Integrated Shield Plans (IPs) and Riders remained strong

Total weighted new business premiums for Individual Health Insurance reached S\$624.8 million for YTD 4Q 2024, with a 103% increase in Q4 2024 compared to the same period in 2023. Total new business premiums⁴ for IPs and IP riders amounted to S\$556.6 million for YTD 4Q 2024, a 49.1% increase compared to the same period in 2023. IPs and IP rider premiums accounted for 89% of total Individual Health Insurance premiums, while the remaining 11% comprised other medical plans and riders.

Increase in claims payouts

In 2024, the life insurance industry paid S\$18.12 billion to policyholders and beneficiaries, an increase of 33.4% compared to last year.

Of this amount, S\$16.18 billion was for policies that matured. The remaining S\$1.94 billion was for death, total and permanent disability and critical illness claims.

OTHER HIGHLIGHTS FOR YTD 4Q 2024

Product classification

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

⁴ 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.

Distribution channels

New business received from the various channels is as follows:

Distribution Channel	By Weighted Premium (%)	By Number of Policies (%)
Tied Representatives	30.5	37.6
Bank Representatives	31.3	10.0
FA Representatives ⁵	34.1	34.4
Online Direct Channels ⁶	1.6	14.1
Others (<i>products sold without intermediaries</i>)	2.5	3.9

Product license classification

As at 31 December 2024, insurers holding “Normal” licenses contributed 99% of total weighted new business premiums, while “Defined Market Segments” (DMS) insurers⁷ made up the remaining 1% for YTD 4Q 2024.

Manpower in the industry

Employment in the life industry decreased by 2.3% compared to the corresponding period in 2023. This brings Singapore life insurance industry’s workforce to 9,511 employees as at 31 December 2024.

In the same period, 12,767 representatives held exclusive contracts with companies that operate a tied-agency force.

LOOKING FORWARD

Mr Dennis Tan, President, LIA Singapore, said, “As an industry, we are excited about the growth opportunities ahead and remain cautiously optimistic about the outlook for 2025. This growth will likely be driven by increasing consumer awareness of insurance’s importance, rising demand for sustainable insurance products and investments, and ongoing digital transformation that will enable insurers to better meet consumers’ evolving needs. By staying at the forefront of digital innovation, the life insurance industry will continue to adapt to the evolving needs of communities with resilience and long-term relevance, aligned with SG60 which focuses on building a future-ready, resilient nation.

At the same time, we must address the persistent challenge of medical inflation, which is expected to rise by double digits across APAC and by 12% in Singapore⁸. This surge is fueled by a complex mix of factors, including an aging population, escalating costs of advanced medical treatments, potential over-consumption of healthcare services, and rising labor expenses. To ensure the continued accessibility and sustainability of quality healthcare, the industry is working closely with government and healthcare stakeholders.

⁵ FA Representatives include representatives of “related FA firms”. A related FA firm is a wholly-owned subsidiary of an insurance company.

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”.

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

⁸ The WTW Global Medical Trends Survey found that insurers in APAC are projecting medical costs will increase by 12.3% in 2025 up from 11.9% this year. In Singapore, medical insurance costs increase is expected to be stable at 12% in 2025. Available at: <https://www.wtco.com/en-sg/news/2024/11/singapore-healthcare-benefit-costs-to-continue-its-double-digit-increase-for-third-consecutive-year#:~:text=The%20WTW%20Global%20Medical%20Trends,in%202025%2C%20similar%20to%202024.>

Ultimately, keeping healthcare premiums affordable is a shared societal responsibility — one that requires collaborative action from insurers, the medical community, policymakers, and consumers.”

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Note to Editor: Details of the life insurance industry results for YTD 4Q 2024 are available at <https://www.lia.org.sg/news-room/industry-performance/>

IN SUMMARY

New Business Sales (Weighted Basis)

Comparison with Corresponding Period	Jan – Dec 2024 S\$ (million)	Jan – Dec 2023 S\$ (million)	Change (%)
Single Premium	1,654.6	1,542.1	7.3
Annual Premium	4,214.0	3,358.9	25.5
Total	5,868.6	4,901.0	19.7

Comparison with Corresponding Quarter	Oct – Dec 2024 S\$ (million)	Oct – Dec 2023 S\$ (million)	Change (%)
Single Premium	322.6	437.5	-26.3
Annual Premium	1,244.5	973.3	27.9
Total	1,567.1	1,410.8	11.1

Comparison with Last Quarter	Oct – Dec 2024 S\$ (million)	Jul – Sep 2024 S\$ (million)	Change (%)
Single Premium	322.6	414.0	-22.1
Annual Premium	1,244.5	1,122.6	10.9
Total	1,567.1	1,536.6	2.0

Note: Total sales figures are subject to rounding formula

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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