

China Taiping Insurance - preparing for first Singapore life insurance product offering

In this exclusive interview with Hubbis, the company's General Manager, Life Insurance, Lance Tay says it would normally not make sense for an insurer to enter the already-saturated Singapore life insurance market. Yet China Taiping Insurance Singapore is preparing for its first life insurance product offering. The reason why this Chinese government centrally administrated State-owned enterprise is doing it, is a strategic move for China Taiping.



Executive summary

Lance Tay joined China Taiping Insurance (Singapore) Pte. Ltd. as its General Manager, Life Insurance, in August this year, responsible for the overall establishment and development of the life insurance business. On the surface, it might seem optimistic that an insurer would want to find an entry strategy into the life insurance market in Singapore. "Commercially, if you just look at Singapore as a market for life insurance, it probably doesn't make sense anymore to come in, unless you are very niche," Tay points out.

However, for China Taiping Group, Singapore is ideal for the company to build a base from which to expand into Southeast Asia, and at the same time, the ongoing digitalisation drive in Singapore makes the country one of the best places for the company to experiment with new technology.



LANCE TAY SAYS ONE of the independent directors of China Taiping Insurance Singapore introduced him to the company. The company wanted his advice on entry strategy into the life insurance market in Singapore. This was how he came to act as an informal advisor to China Taiping Insurance Singapore for over a year, before formally joining the company in August 2018.

China Taiping is an offshoot from the Singapore branch of Chinese State-owned Tai Ping Insurance Co. Ltd., which has been

ten for general insurance.

Apart from supporting the Chinese government’s Belt and Road initiative, another goal for enterprises such as China Taiping Insurance Singapore is to promote the internationalisation of the Chinese renminbi, Tay says.

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“The plan is to make Singapore a regional office for expansion into South East Asia,” he

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operating in Singapore since 1938.

The holding company for China Taiping insurance was the first Chinese-funded insurer listed on the Hong Kong Stock Exchange in 2000. In its home country, China Taiping ranks within the top five life insurers, and within the top

explains. “Singapore is a good place for recruiting talents and to assimilate global best practices.”

A win-win

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Key Priorities

Lance Tay says that the company will focus on the high net worth and retirement savings market. For High Net Worth, he clarifies that the focus is not limited to Chinese nationals or Singaporeans, but “anyone who does business with private banks and international brokers in the region.”

“Retirement savings is a given for the market here,” he adds. “It is very difficult to develop competitive retirement plans that consumers want because they always involve high guarantees and long-term payouts. With the new capital regime, it is very hard to manufacture such products.”

Product offerings require appropriate distribution channels, and for China Taiping’s life insurance products, Tay defines these as “financial advisers, international brokers and banks that will work with us.”





LANCE TAY
China Taiping Life Insurance

Southeast Asia. At the same time, the Singapore government's digitalisation drive makes the country one of the best places for the company to experiment with new technology.

"As you know, Chinese companies are very high-tech," he says. "Direct sales of insurance through the internet is probably the highest in the world right now in China. Their artificial intelligence and digital capabilities are very advanced. They are way ahead of us."

"So the company plans to establish an innovation lab, to bring some of the new ways of using technology from China into Singapore," he shares. "We participated in the Singapore FinTech Festival 2018, and we had a demonstration on how claims were automated - the ability to process claims, getting claims information through mobile apps without claim assessors having to actually visit the site, for example, accident sites for vehicles, as well as the ability to pay claims much more efficiently. Also, using artificial intelligence for customer service."

Getting Personal

Lance Tay was born in Singapore, where he went to school and completed his National Service before heading to the University of Florida to study for his degree in Computer & Information Science.

Following his graduation, he had "one foot in" the Duke University MBA programme, and got a deferment for two years in order to return to Singapore to work for AIA.

As it turns out, he did not go back to the US, as he was doing very well at AIA Singapore. Moreover, the ultimate deciding factor was for a romantic reason. "I met my wife and decided I wasn't willing to go back to the US to study, so I forfeited my deposit at Duke."

In his career, Tay says what he enjoys the most is the ability to build teams. "It is about learning how to build a successful business through people," he says. "And that is why I always have a very strong support base - because I take good care of my people, and they will do almost anything for me."

In his spare time, he loves watching mixed martial arts competitions. "I think it is one of the biggest sports in the world now," he says. "If you do some research on mixed martial arts, you will see that it became really big through UFC in the USA. Now there is the Asian version known as One Championships. "

Tay states that some of the technology demonstrated at the Singapore FinTech festival is already in use in head office. "There are plans to bring these innovations to Singapore."

Creating a plan

"One key success factor is the ability to get the right people to run this business." Tay says getting people is "a forte" for him.

To carry out his plans, it was important for him to build a strong team. To this end, he sought out former colleagues to return to

work with him. "My whole team is back," he says.

A very interesting journey

Personally, Tay has found the process to be "a very interesting journey and experience". "I have worked for Japanese and American companies for most of my life, and now I work for a Chinese state-owned enterprise. I think the Singapore Company will evolve over time- there will always be the Chinese way of doing things, but I am here to help introduce international best practices." ■