

FTLife sets off on global insurance path

After a career in multi-national firms across Europe and Australia, Lennard Yong was tempted to join a Chinese financial services (JD Group) in Hong Kong to spearhead an insurance company that has a global ambition fuelled by roots in China.

The offer to be the regional chief executive officer of FTLife Insurance Company, an insurer owned by China's JD Group, was something that Lennard Yong says he couldn't turn down.

He could see that leading the life insurance arm of this diversified group, which has interests in banking, asset management and private equity, offered him the chance to apply the experience earned earlier in his career to build a global footprint.

JD Group took its first step on the path to becoming an international player by acquiring Belgian insurer Ageas' Hong Kong operations in 2016. "With the buyout, JD Group planted its first flag outside of China," says Yong, an ex-ING and MetLife executive.

OPPORTUNITIES GALORE

Although Hong Kong has become a battle-ground for insurers vying to access the growing appetite among

mainland Chinese consumers for insurance products, the regulatory pressure in the market has intensified just as much, if not more.

Yet Yong sees this all as representing opportunity. The reason FTLife decided to launch in Hong Kong, he explains, is the international platform of the local market and the potential synergies with the mainland.

Yong believes this will prove to be a testing ground for the firm as it looks to forge a regional empire.

For example, being an open economy which attracts professionals from around the world, the firm can develop a variety of solutions to meet all sorts of pressing needs of customers, he explains.

"We can be at the cutting-edge of life insurance, using technology and good old-fashioned investment and risk man-



LENNARD YONG
FTLife

agement to come up with the best solutions," he adds. Further, as a former British colony, Yong says Hong Kong is blessed with the rule of law and regula-

tions mostly associated with the Western world. “We feel that, as we build out [in other parts of] the world, this is a good platform to leverage our international business.”

Another reason for his optimism is the talent available in Hong Kong to propel the business forward, in comparison with other hubs.

Fundamentally, Yong also believes that his proposition for FTLife also needs to be rooted in a strong business in the home country.

“That is with mainland roots in China, we aim to leverage JD Group for its investment expertise, technology platform and broad customer base,” he explains.

“MetLife had Metropolitan Life in the US, and Prudential had Pru UK. It allowed them to have a big balance sheet which in turn propelled their business across the world,” he adds.

VYING FOR MARKET SHARE

FTLife is clearly not the only Chinese-backed insurer looking to Hong Kong as a gateway to a bigger international landscape.

As multinational firms in Hong Kong have started to scale back or divest, it is the Chinese firms which have begun to assert their interest and muscle in this space.

Increasingly, this trend is being fuelled by the growing appetite for international financial products among the Mainland Chinese looking to diversify their protection needs.

These consumers who once spent top-dollar on buying luxury goods or trips

abroad, are now buying high-end financial products to assist with their retirement and medical planning needs.

But instead of looking further afield, they want to go to a financial services firm or adviser whose services and products are specifically geared for their tastes.

To ensure FTLife is as relevant as it can be to these consumers, therefore, Yong says he is busy building the former Ageas platform to take advantage of the mainland customers coming to Hong Kong.

For example, although retirement solutions are common across both mainland China and Hong Kong, others requirements are different.

China, for instance, is experiencing a baby boom, given its recent focus on boosting birth rates by abandoning its one-child policy.

In contrast, Hong Kong, continues to experience low birth rates.

“Hong Kong customers are looking more for pension and retirement savings plans, whereas the mainland Chinese are looking for legacy, estate planning and savings options for the next generation,” explains Yong.

STRATEGIC BUILDING BLOCKS

Undoubtedly, JD Group’s existing customers can benefit from the comprehensive wealth management and protection solutions FTLife offers.

In the longer run, as this same pool of individuals matures and climbs up the wealth ladder, Yong hopes that some of them will look to diversify their portfolio and want a mix of onshore

Digital savviness

To appeal to customers in different regions, FTLife is looking to master a host of offerings, such as digital tools, as a new way to engage clients and do more business.

“Our new customers from China live around their smartphones,” says Yong. “They buy, choose where to eat and engage with their friends all on the smartphone, on the different platforms available to them. If I don’t build that for my customers, then I’m going to struggle to engage with them.”

Tied to this is the effort to make financial products simple and easy to understand.

“We have got some projects that we are planning in 2017 and we’ll be building on those things toward the end of the year,” he adds.

and offshore investments, in turn creating demand for insurers like his. Beyond this type of organic growth, however, the firm is also willing to consider more acquisitions to quicken the pace of expansion.

“Our founding partners have got to where they are today in a space of about 10 years. What they want to see [from FTLife] is a formidable enterprise in their lifetime,” says Yong.

The acquisition route will most likely be used to expand into North Asia, where Yong says cultural similarities with China will help make inroads a bit easier. ■