

# HNW Insurance in Asia: Singlife Reviews Product and Distribution Innovations and Market Outlook

*Thomas von Rueti, Chief Commercial Officer of Singlife, gave an informative and lively presentation to the delegates at the Hubbis Asian Wealth Solutions on innovations in the Life insurance space for Asia's HNWIs and the wider outlook for the market, products and providers.*

**S**INGAPORE'S DYNAMIC LIFE INSURANCE NEW ENTRANT, **SINGLIFE**, only enjoyed its first full year of operations in 2018, but very quickly exceeded its own expectations in terms of business generation and financial performance. The company has been further building its early success in offering a simplified digital purchase experience harnessing convenience, transparency and accessibility, while also offering more traditional distribution routes to complement this approach.

In short, Singlife has made a significant impact on the local retail and regional high-net-worth market, with clients and partners embracing the company's products, its approach and their delivery protocols. Singlife has also been successful in adding high-profile corporate investors in the form of Aflac and Aberdeen Standard Investments in early 2019, injecting USD33 million to turbo-charge the company's expansion. And Sumitomo Life of Japan invested USD90 million in mid-2019, becoming a significant shareholder. This brings the total share capital to USD154 million.



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### **Singlife's key priorities**

The key priorities for Singlife are now to expand the local market footprint, to maintain investment in and implementation of cutting-edge technologies and to expand out into the large neighbouring and highly populous economies of ASEAN.

Starting operations from a small office back in June 2017 with only 11 employees and dedicated first shareholder IPGL, Singlife has come a long way in a short period of time. Within a few months of launching, Singlife had the opportunity to acquire the big Zurich Life book of business in Singapore, which added about 5500 clients in one go.

“And now in October 2019, we have moved into our new office in the middle of the city with over 70 employees, and we just initiated our licensing process in the Philippines. We are also looking at Indonesia and at some of the other Southeast Asian countries. In short, you don't need to be over 100 years old to try to enter new markets,

you can do that with a great brand name and even as a start-up, driven by innovation and technology.”

### **Singlife's digital DNA**

For Singlife, he reported, it was always digital-first. “But that doesn't mean offering digital capabilities directly to clients and bypassing advisers. Singlife offers a digital proposition to both channels,” he elucidated. “Clients can buy Life insurance directly from our website or buy from our wide range of third-party financial advisers through the same digital process - everyone gets immediate quotations, e-underwriting, online approvals, e-notifications, no paperwork and no printed mails. At the moment, some 80% of the business we get comes through the adviser channel and about 20% of the business is made up clients buying directly from the website.”

He explained that the firm had recently launched a Universal Life plan for third party financial advisers that does not require

medical examination for insurance coverage up to USD2 million, also fully digitally executed. And in November this year, the firm just launched a new Life insurance savings plan, the Singlife Account, which is accompanied with a Visa debit card - a first for a Life insurer in the region.

On the high-net-worth side, von Rueti explained, innovation is somewhat easier because there hasn't been much innovation there, with traditional Universal Life-dominating around 90% of that business for the past decade.

### **Joint Life - strength in numbers**

“But we have added a few more features, such as Joint Life,” he reported, “so we are the only one at the moment in Asia offering this attractive feature for Universal Life, which is very successful because it gives clients and advisers the additional planning opportunities they need. Joint Life allows couples to generate a joint legacy plan at lower costs

or, where one of them is in poor health, to still have joint Life insurance to achieve their legacy objective. We are also the first in Singapore to offer Variable and Traditional Universal Life from the same platform, again making more choices available to clients.”

Thomas Von Rueti also presented the delegates a case study based on real cases Singlife had seen.

“There are many couples who want to do get a joint legacy plan, but sometimes they face issues to get such plans in place as clients need to be insurable from a medical point of view as well as from a financial point of view. The couple, let’s call them Sue and John, would like to take out a significant coverage to secure a legacy. Sue has a very high income and significant wealth, which would support a cover of USD35 million, but she cannot be insured from a health perspective. John on the other hand is of good health but has a weaker financial position which only supports USD5 million in cover. With a joint life solution from Singlife, USD35 million in coverage is possible supported by the financials of Sue and the health of John.

### **New bells, new whistles**

He added that Singlife is offering further comfort options and flexibility to clients. “One thing that has been welcomed is to guarantee the cost of insurance through the whole duration of the contract. Traditionally, Universal Life always had a current cost and the maximum cost, but we decided to hedge this whole thing and give the client the comfort of guaranteed rates throughout the contract.”

Singlife also offered a rate lock option, allowing the clients to lock in interest rates from between two

to ten years. “Nobody else has offered that feature with so much flexibility before,” he reported, “and we just recently launched multi-pay versions where clients get much more flexibility as an alternative to premium financed cases. All of this is really to provide additional planning comfort, planning options, and planning flexibility.”

### **Market evolution is promising**

Von Rueti moved on to his vision of the market’s evolution. “The market has been good, but we see the last six months as a little bit tougher because of decreasing interest rates and the flat yield curve,” he explained. “Premium financing became less attractive, and providers have come under pressure to reduce crediting rates. But despite all that, we still believe that 2020 is going to be a very good year for high net worth insurance because legacy planning will remain very important for clients, as people have real need for legacy planning whatever the yields, high or low, and whether the markets are up or down.”

He also offered some historical data on the HNW market, noting that back in 2009-2013, the industry saw less than 10% of the cases with over USD20 million in coverage, whereas in the last five years over 25% of cases closed had been USD20 million and more in coverage. He also explained that the gender mix, roughly 60% male and 40% female, has remained relatively constant for the past decade. The smoker rate has also remained largely the same. Overall, the insurers have become more competitive in their underwriting.

“Being healthy is really important,” he remarked, illustrating an example of a person



