

Insurance competition driving innovation for clients

Insurance has always helped high net worth individuals meet certain needs in the past, such as retirement and wealth transfer – but now the Asia market is evolving. In an exclusive interview with Hubbis, Thomas Young, Head of High Net Worth Business at Generali, explains how the industry is changing and what its future may look like



THOMAS YOUNG
Generali

INSURANCE HAS BEEN DOING VERY WELL in Asia's high net worth segment for the past five- to- 10 years, and the region has been able to attract a variety of insurers that has intensified competition and fuelled innovation. Thomas Young, of Generali, believes that competition and innovation are good news for the industry and clients.

Young feels the goal is to create products and services that perfectly suit the client's needs - a win-win situation for any insurer. Currently, the industry tilts towards traditional products for retirement planning and wealth transfer. However, Young sees potential for new, innovative solutions that provide living benefits. He believes such offerings will have exponential growth in Asia.

The current market in Asia is focused on universal life products, but Young feels existing clients have met their needs and are now looking for solutions to help in other areas. Products, for example, that help with planning and providing funds to educate their children or grandchildren are an upcoming need, according to Young.

Having said that, the market is growing, and the rise of new products and solutions aren't likely to cannibalise the growth of the UL space in Asia.

The purpose of insurance is to help clients transfer their risks. When clients buy with that intention, they get a product that fulfils a need and forms part of a wider wealth plan. On the other hand, when clients buy insurance for other purposes, such as tax benefits, they might fail to realise their full benefits because regulations may change soon, and that incentive may disappear. To ensure clients get the most out of their investment in Asia's rising insurance market, Young suggests that insurers make sure they understand what first motivates their clients. ■