

Insurance key to structuring Asian wealth

High Net Worth individuals have used insurance for more than just their protection needs. In a conversation with Hubbis, Walter de Oude, Founder and Chief Executive Officer of Singapore Life explains how Asian clients are using variants of the product to structure their wealth and provide for future generations



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THERE HAS BEEN A SLIGHT REDUCTION in the uptake of insurance among High Net Worth (HNW) individuals in Asia this year. Walter de Oude of Singapore Life believes its because of the fact that the financial markets did well, and private bankers were obliged to take on exciting opportunities in the equities, fixed income, and other market-dependent asset classes. He believes that it's when the market isn't performing well that the insurance sector sees a surge in interest from advisors and their clients.

Irrespective of market conditions, universal life products are able to maintain their position as a key component of the wealth proposition for HNW individuals. However, variable insurance life products are also taking off in Asia because of their ability to help clients structure their wealth - typically better than the structuring proposition offered by traditional trust structures and offshore solutions.

In the future, de Oude believes we'll see the rise of HNW jumbo term life insurance products that help people divorce their wealth and protection needs. It has been the trend in other markets around the world and de Oude sees Asian markets following suite. That said, variable and universal life will still hold their space in the landscape.

To de Oude's customers, his unique proposition is the fact that Singapore Life is based in the region, can support clients with a local decision making process, provision for local compliance requirements, and can service them in a quick, transparent, cost effective, and value added manner. ■