

# Transamerica Life (Bermuda) committed to supporting financial advisors as Covid-19 impacts the HNW life insurance industry in Asia

Hubbis was delighted to conduct this exclusive interview with Marc Lieberman, President & CEO, Transamerica Life (Bermuda), to coincide with the launch of the Hubbis' Guide to HNW Life Insurance. The Guide, the first of-its-kind, is a practical handbook designed to support financial advisors in understanding the unique features of HNW life insurance and how it can help their customers' grow and protect their wealth. Marc explains why HNW Life insurance continues to be an important opportunity for private wealth firms and RMs in Asia. And explores what innovations, enhancements and product development are we likely to see in Asia during the year ahead.



**MARC LIEBERMAN**  
Transamerica Life (Bermuda)

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### **Why do you think it's important to publish the HNW Guide to Insurance with Hubbis?**

The Covid-19 outbreak is creating major cultural and economic challenges that no one could have imagined at this time last year. It has impacted every industry around the world – including life insurance. Despite this, at Transamerica Life Bermuda (TLB), we realize that the financial needs of high net worth individuals (HNWIs) have not fundamentally changed and during this time of economic uncertainty, the demand for financial solutions that can help them to protect and maximise their financial legacy are greater than ever. In fact, we believe that the current market challenges provide an even greater opportunity for financial professionals to revisit the vital role that life insurance plays as a risk management tool as well as the foundation of a sound wealth management plan for their HNW clients.

We are proud to sponsor Hubbis' Guide to HNW Life Insurance as part of our overarching Mastering High Net Worth (MHNW) programme as it is another example of our commitment to providing the highest quality service and support to our partners while helping them maximise their opportunities and interactions with HNW customers.

### **How does this complement other initiatives that Transamerica has initiated around learning/ professional development / tools and resources for advisers?**

At TLB, our business revolves around people and partnerships and we are always looking for ways to add more value to our customers and partners. An example of this is our Mastering High Net Worth (MHNW) programme of advanced marketing initiatives which has been created to provide our partners with specialised insights, ideas and resources to help them better serve the needs of HNW clients.

Through MHNW, we provide comprehensive product toolkits and hold quarterly training sessions for our broker and bank partners. We also continually conduct targeted consumer research to gain additional key insights into the needs and preferences of the HNW customer.

We share these key insights with our partners on a timely basis to help deepen their understanding of the market and to add more value to their interactions with customers.

### **Why is education and training increasingly important?**

In the face of declining consumer trust, market volatility and tightening industry regulations, it is interesting to note that HNW customers tend to seek shelter in financial products that will help protect their economic security and mitigate external risks – to that end, life insurance products can serve as a valuable solution.

Life insurance stands out for the unique, stabilizing role it can play as part of an HNWI's wealth management plan. It is a matchless financial tool due to its various favourable features - in addition to its traditional protection coverage, it can support in areas such as estate liquidity and portfolio

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diversification amongst others.

However, in a recent study commissioned by TLB, we found that over 60% of end-clients who have not been introduced to life insurance during the past 12 months indicated that they were unsure about the actual benefits of life insurance products or had no perceived need for it.

Therefore, the lack of education and awareness about the key features and benefits of life insurance among end-clients remains a hurdle and needs to be addressed in order for life insurance products to be widely viewed as an important financial solution.

### **Why does HNW Life insurance continue to be an important opportunity for private wealth firms and RMs in Asia?**

Asia-Pacific remains the world's fastest growing major region, contributing more than two-thirds of global growth. In fact, growth in Asia is expected to grow at 5% in 2019 and 5.1% in 2020. On top of that, Asia-Pacific continues to be the world leader in the growth of the HNW population and their wealth due to social and demographic factors.

With 85 percent-plus of Asian businesses being family-owned, and with lots of succession planning issues coming over the hill, demand for life insurance and insurance-linked structures will be strong. In fact, it is estimated that US\$15.4 trillion will pass down through the generations by 2030. Although the need for succession planning is on the rise, Asia's HNWIs today are still less prepared for wealth transfer/succession planning than their counterparts in other regions with 57% admitting they have

done nothing in regards to estate planning and wealth transfer, compared to 32% in the West.

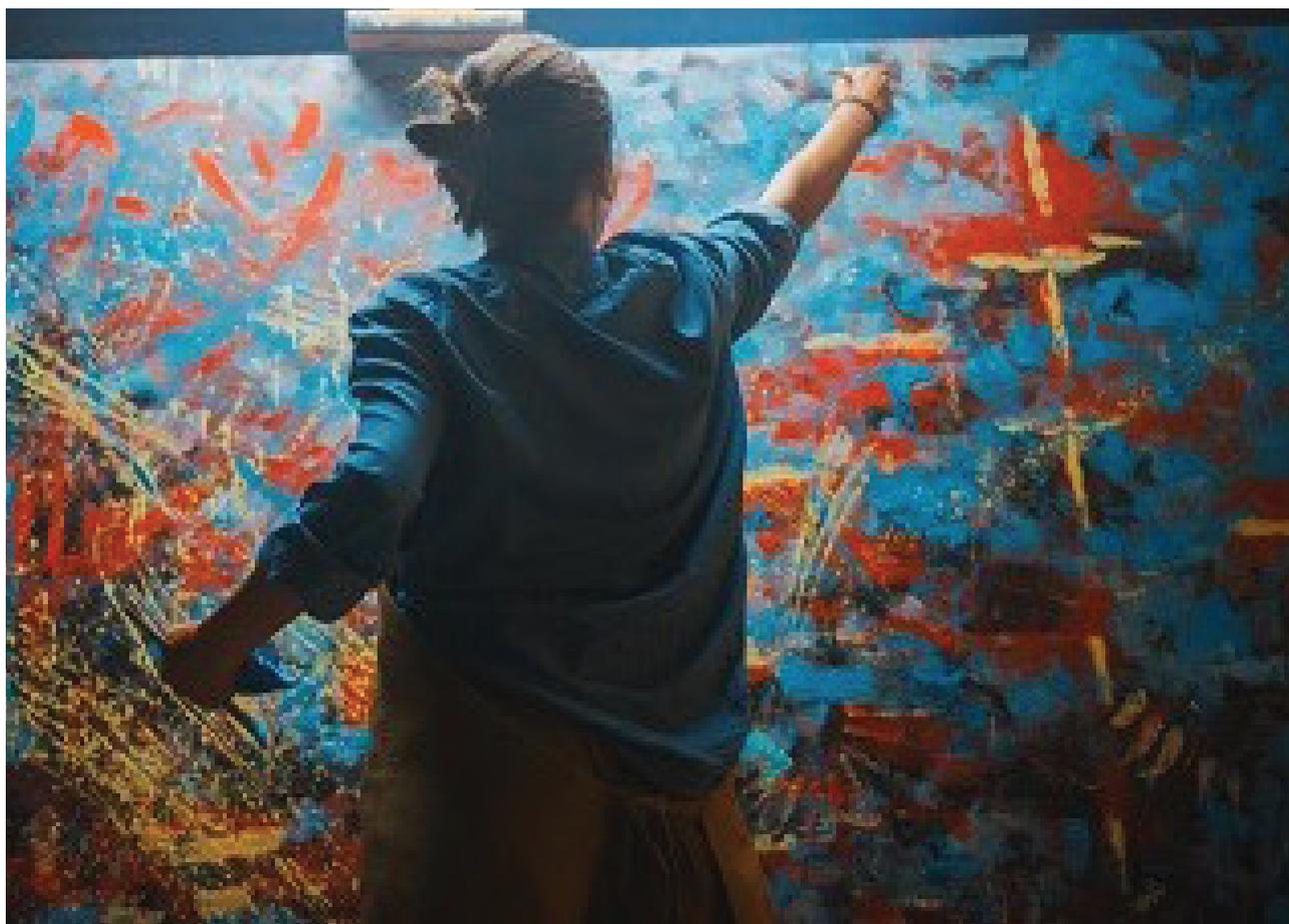
The ongoing greatest wealth transfer in Asia will continue to provide a solid foundation for the succession planning market. Capitalising on this potential growth requires key stakeholders — relationship managers, financial advisers, life insurance providers and brokers - to step up and increase their engagement with and address this succession planning/wealth transfer gap with their clients.

### **What innovations, enhancements and product development are we likely to see in HNW Insurance in Asia during the year ahead?**

First, I want to refine and evolve the TLB is constantly looking for ways to make it easier for our partners and customers to do business with us - whether it is between our distribution partners and their end-clients, or directly with TLB itself. Innovation and creativity will be key in making business easier while also ensuring the safety and security of the data and information being shared with us.

In particular, we recognize that digital expansion is vital as digitization is having a transformative impact on the product and service expectations of our customers and business partners. As such, TLB is actively developing its digital capabilities to ensure it remains competitive and provides the most up to date products and services for its policyholders and partners.

Over the last year, we have invested heavily in updating our IT infrastructure and streamlining our processes and digitizing our



systems to speed up turnaround times and enhance our overall customer service to our clients and intermediaries.

While we are cognizant that a significant number of HNWIs still prefer face-to-face communications and personalized service, however, there is a growing expectation from customers for digital accessibility and services, especially under the pandemic. Utilising technology – for example, virtual conferencing and e-signatures – as well as adopting streamlined processes and flexible underwriting that allows us to

conduct non face-to-face business, are some of the key steps TLB has taken along with the broader life insurance industry to adapt to the challenges we face today.

In addition, we are seeing a greater demand for diversification in order to meet different HNWIs' needs; highlighting that there is no “one-size-fits-all” life insurance solution, and reflecting the increasing unique lifestyles and situation needs of these customers (e.g., personal and family protection, estate and legacy planning, and business protection, etc.).

And COVID-19, is prompting HNWIs to focus even more on health, protection and mortality. With the current market volatility, there is also an increased desire for capital preservation, liquidity, and flexibility, something we recognized and addressed with the recent launch of our universal life savings product, Wealthassure.

We are continuing to look at ways to expand our product suite to meet the evolving needs of our customers during this new and changing world – so watch this space! ■

1. Asia Private Banker, Succession Planning 2019: Converting Challenges into Actions

2. International Monetary Fund, Asia and Pacific Regional economic outlook: Caught in Prolonged Uncertainty, October 2019

3. Brent Beardsley et al. “Global Wealth 2018: Seizing the Analytics Advantage”, Boston Consulting Group, 2018: 9

4. WealthX; A Generational Shift: Family Wealth Transfer Report 2019