

Insurance as a Wealth Planning Tool for HNW Families

HNW INSURANCE SUMMIT 2022 - Singapore



MICHAEL WEI

Chief Partnership & Marketing Officer

As Chief Partnership & Marketing Officer of Sun Life Singapore, Michael leads the sales and distribution strategy, strategic partnerships, brand, marketing and communications. He has experience and depth of High Net Worth (HNW) & Ultra High Net Worth insights gleaned from 20 years within the life insurance and banking industry as well as advising HNW individuals, families and corporates in investment and wealth planning needs for over a decade.

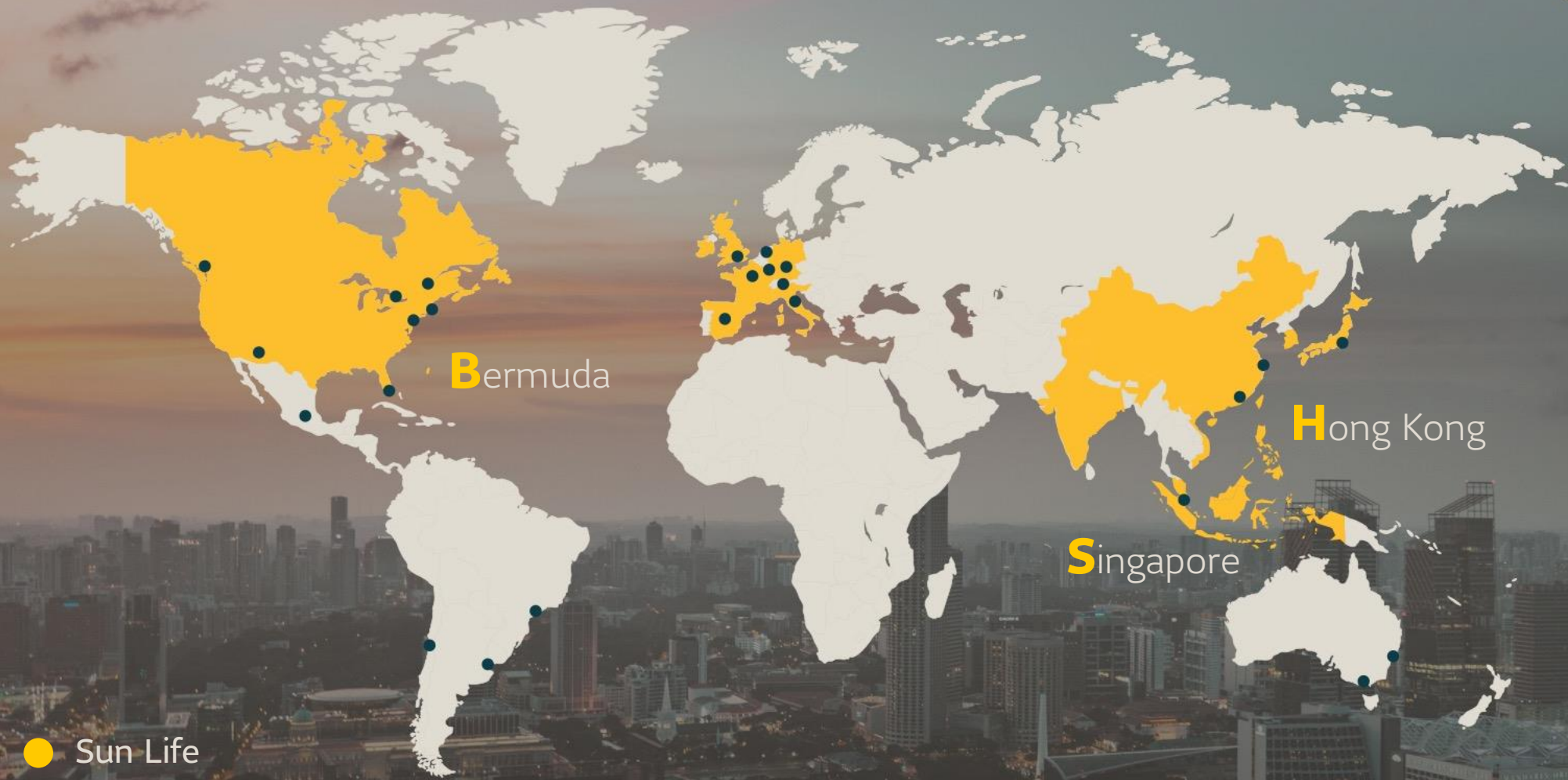
Before joining Sun Life Singapore, Michael was the Senior Vice President in Citibank Regional Insurance, overseeing 17 markets across APAC & EMEA, where he was responsible for strategic planning, business management and digital innovation. Prior to his regional role, Michael was at Manulife Singapore, where he steered the HNW strategy as the Head of HNW Strategy & Solutions (Agency, FA, International Brokers).

Michael recently graduated from Stanford University Graduate School of Business in Stanford LEAD Professional Certificate in Organizational Leadership. He also holds a Bachelor of Science (Finance) from the University College Dublin and a Diploma in Information Technology from Nanyang Polytechnic.



AGENDA

- Introduction to Sun Life & Sun Life Asia
- Wealth planning trends among Asian HNW families: Past, Present and Future
 - Global Trends – HNW/UHNW Growth & Top Concerns
 - Wealth Planning Demographic Shifts
 - HNW Insurance: Evolution & Adoption
 - Post Pandemic World – Wealth Management
 - Future Trends
 - Insurance Solutions
 - Sun Life Singapore and the HNW Community



● Sun Life

● MFS

Established more than 150 years ago

Operates in Canada, U.S., Ireland, Bermuda and 8 markets in Asia

Strong credit rating of AA from S&P and Aa3 from Moody's

C\$1.26T
Asset Under Management

Serves 70 millions clients in 27 markets

Employs 50,000 employees worldwide

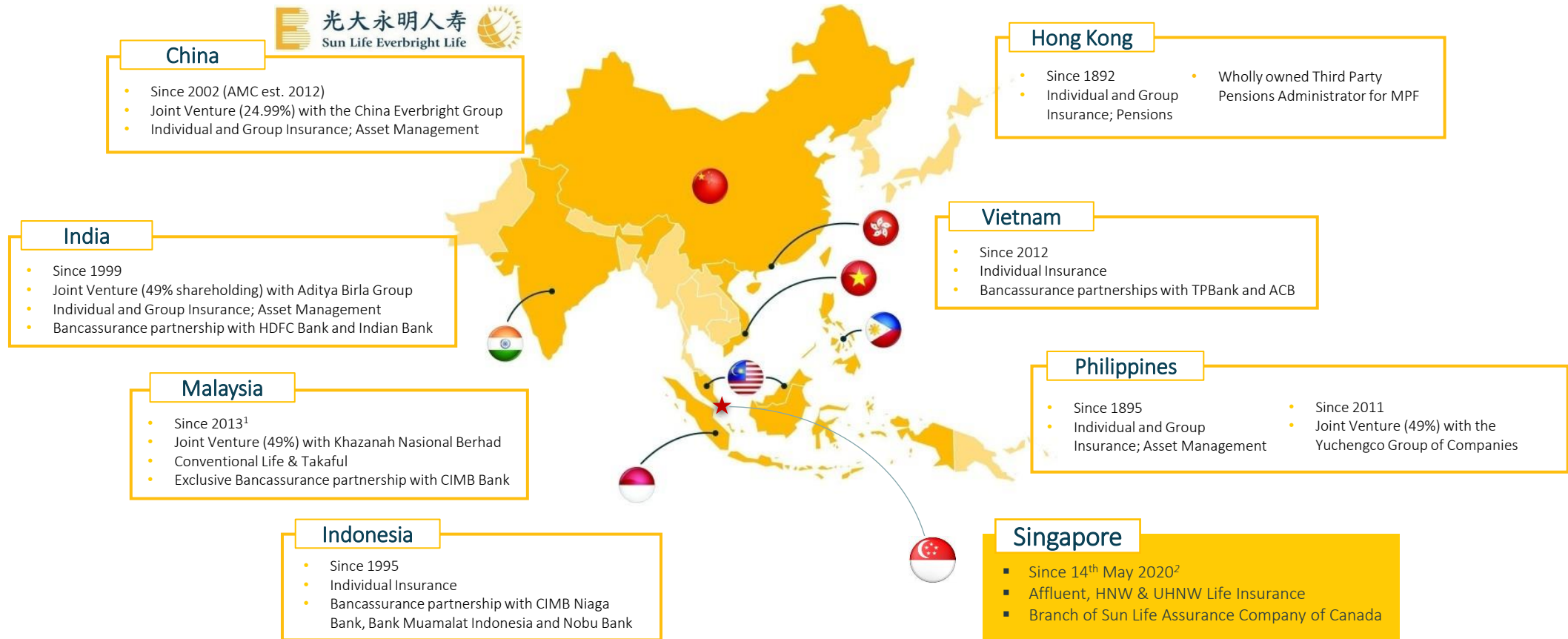
Pioneered the introduction of HNW insurance into Asia more than 20 years ago

International **HuBS** for High-Net-Worth Clients

At the end of 2019. Includes Asia joint ventures.

SUN LIFE ASIA

In Asia since the 1890s, currently we have presence in **8** high growth markets, including Asia's two largest economies – **India & China**. Access to both offshore high net worth Clients and those situated in Singapore² through our **International HuBS** business.



¹ Acquisition of the joint venture was completed in April 2013
² Full license approval received from Monetary Authority of Singapore in 2020

SUN LIFE SINGAPORE

- As a Branch, we carry the same Financial Strength as Sun Life Assurance Company of Canada
- The life insurer with the highest S&P Credit Rating of AA in Singapore*
- The first insurer in Singapore offering whole life HNW solutions with benefit options up to 100% of the initial Guaranteed Death Benefit for life.
- One of the few insurers with the highest insurance risk capacity in the market
- Strong Commitment from Corporate, Regional office and Reinsurance

| Ranking | Company Name | Gross Reinsurance Premiums Life & Non-Life |
|---------|----------------------------|--|
| 1 | Munich Reinsurance Company | 36,579 |
| 2 | Swiss Re Ltd. | 36,579 |
| 3 | Hannover Rück SE | 30,421 |
| 4 | SCOR S.E. | 20,106 |
| 5 | Berkshire Hathaway Inc. | 19,195 |

| Rating Agency | Credit Rating |
|-------------------|---------------|
| Standard & Poor's | AA |
| A.M. Best | A+ |
| Moody's | Aa3 |

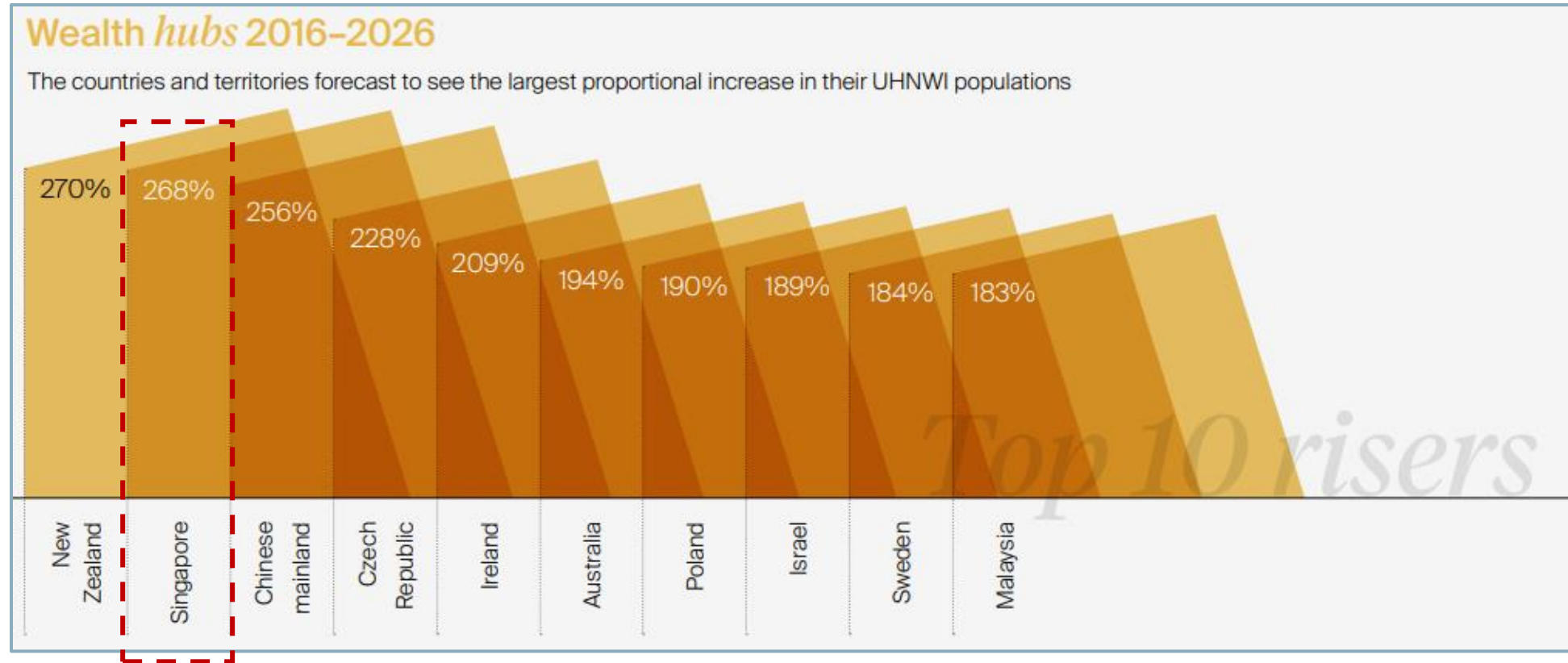
*as of 30 Jun 2022

¹ Source: AM Best's - Top 50 World's Largest **Reinsurance** Groups – 2021 Edition <https://news.ambest.com/ArticleContent.aspx?pc=1009&altsrc=97&refnum=311820>

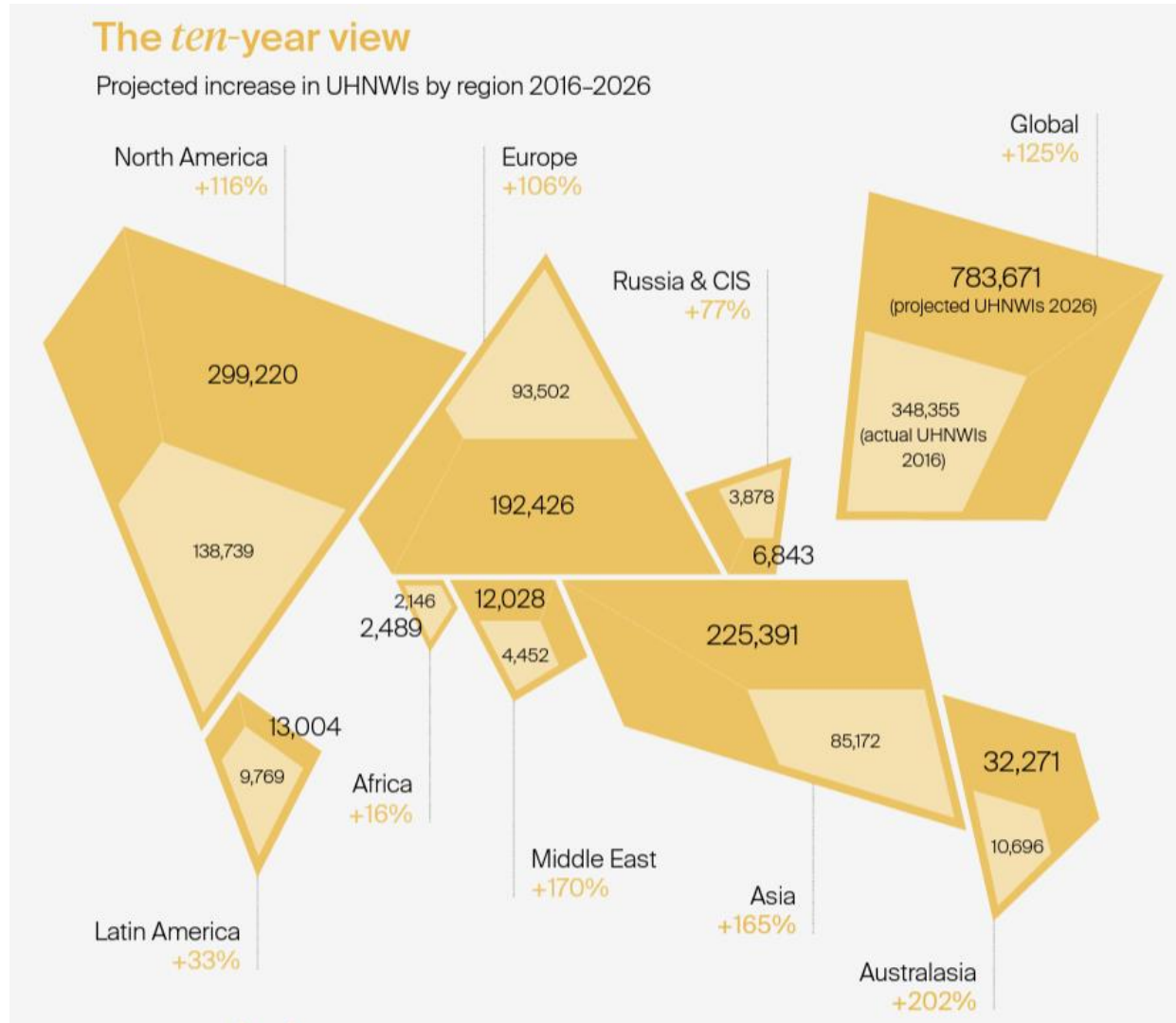
GLOBAL HNW/UHNW GROWTH

According to Knight Frank 2022 Wealth Report, over the ten years to 2026 the global UHNWI population will have more than doubled.

- Growth in younger, self-made UHNWIs (21% of the total) will drive new investment themes and innovation
- Cross-border real estate investment on the rise, globalisation is in the ascendency

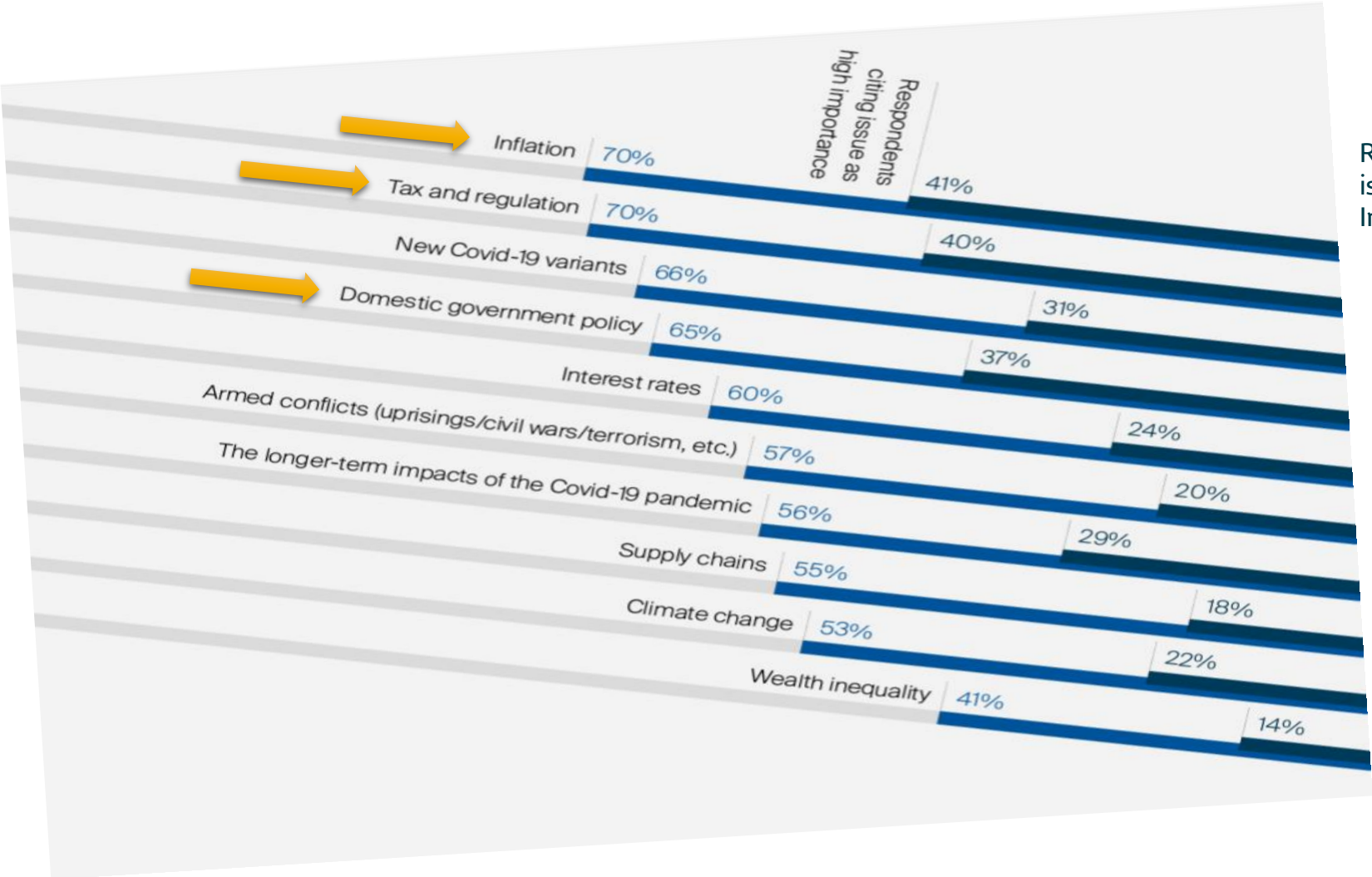


GLOBAL HNW/UHNW GROWTH



CONCERNS OF HNW INDIVIDUALS & FAMILIES

Top Threats



Respondents citing issue as High Importance

WEALTH PLANNING DEMOGRAPHIC SHIFTS

We observe that:



More HNW patriarchs **involve their spouse and children** in active conversations for intergenerational wealth planning

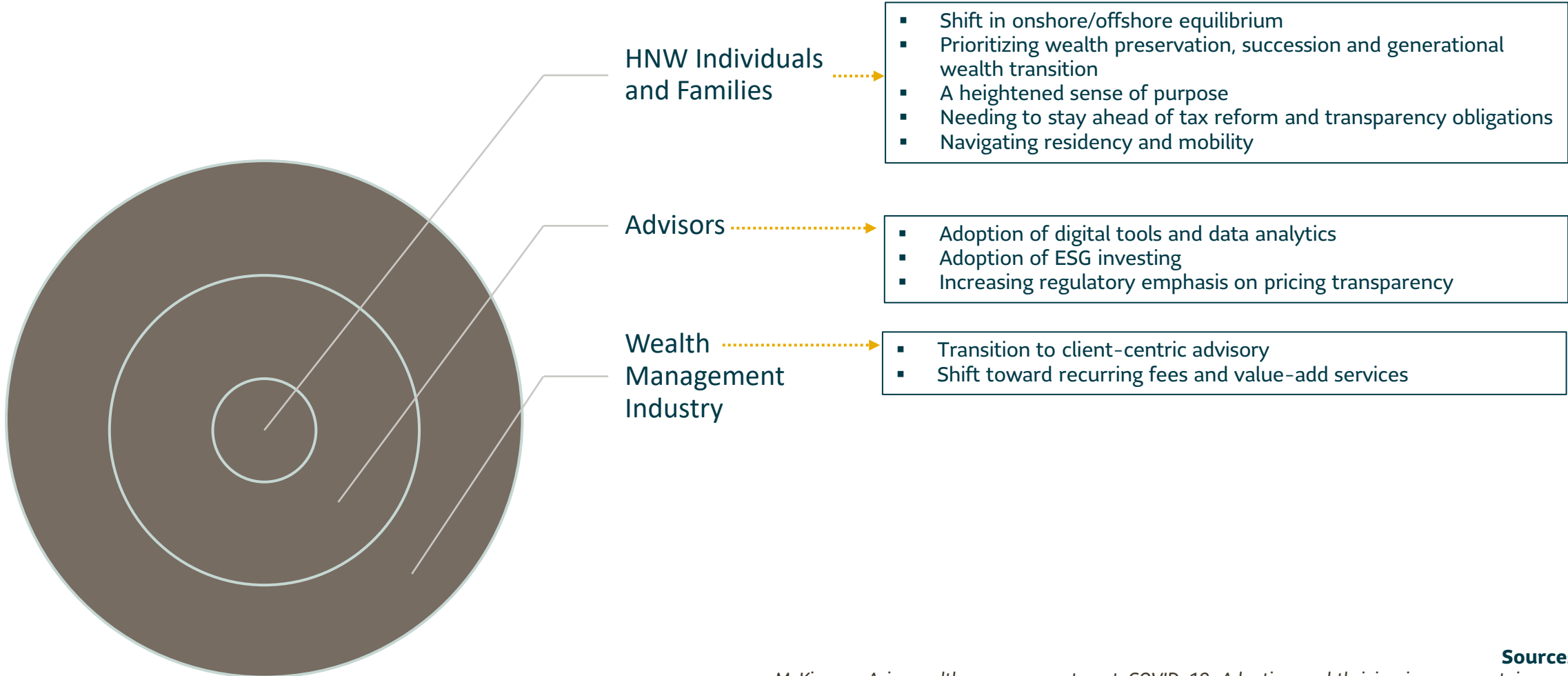


HNW are actively planning for wealth accumulation and transition **at an earlier age**



More women are planning for wealth protection and succession proactively

POST PANDEMIC WORLD - WEALTH MANAGEMENT



Sources:

- McKinsey- Asia wealth management post-COVID-19: Adapting and thriving in an uncertain world
 - Simon Kutcher - Top Trends in Asia Wealth Management
- Ernst&Young - Family walking with bicycles in woods Top four wealth planning considerations for high net worth individuals
 - Citi Private Bank - Family Office Survey 2022

FUTURE TRENDS

- Increasing prioritization of family unity and continuity post-pandemic
- Pandemic triggered private clients to relook at their succession plans
- “International collaboration to end tax avoidance” under domestic tax base erosion and profit shifting (BEPS)*
 - “As of 4 November 2021, over 135 countries and jurisdictions joined a new two-pillar plan to reform international taxation rules and ensure that multinational enterprises pay a fair share of tax wherever they operate.”
 - OECD BEPS 2.0 will drive need for future-resilient and tax-optimized wealth transition plans, especially for clients with larger global footprint
- Longer life span = need for wealth accumulation, wealth preservation for extended period
- New generation of wealthy clients (millennials) and digital natives
- HNW Individuals & Families are increasingly more purposeful in their objectives and investments
 - Increasing interest in philanthropic endeavors to create positive societal and/or environmental impact
 - Environmentally conscious, ESG-inclined

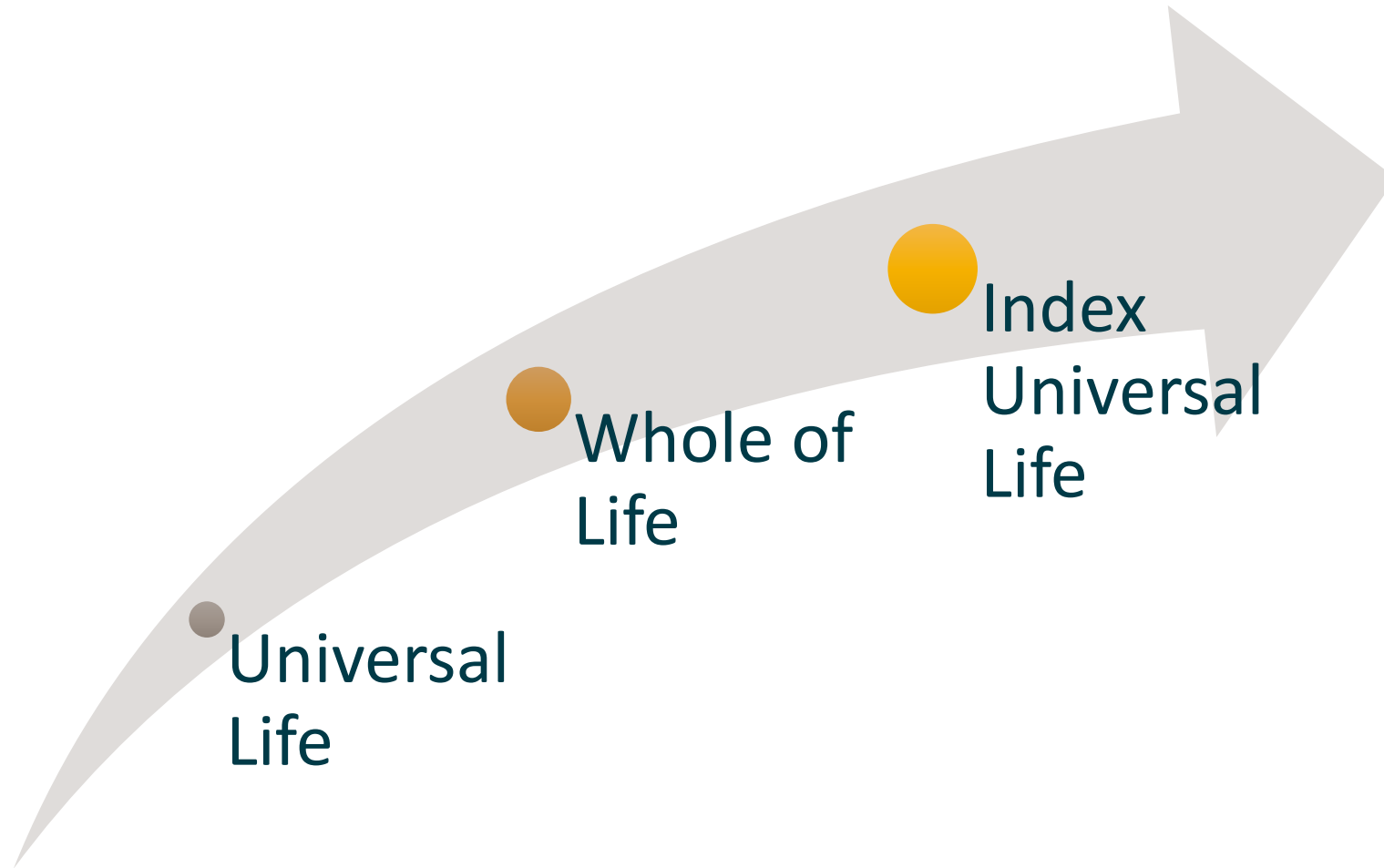
*<https://www.oecd.org/tax/beps/>

Sources:

- McKinsey- *Asia wealth management post-COVID-19: Adapting and thriving in an uncertain world*
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HNW INSURANCE: EVOLUTION & ADOPTION

According to our observations of the market landscape:



Future Trends & Conversations

- Choice of Currency
- Would Savings policies still be relevant?
- Impact on insurance products as a result of IFRS 17 and RBC Framework?
- Would we see a significant shift to Investment – Linked insurance products in the future?

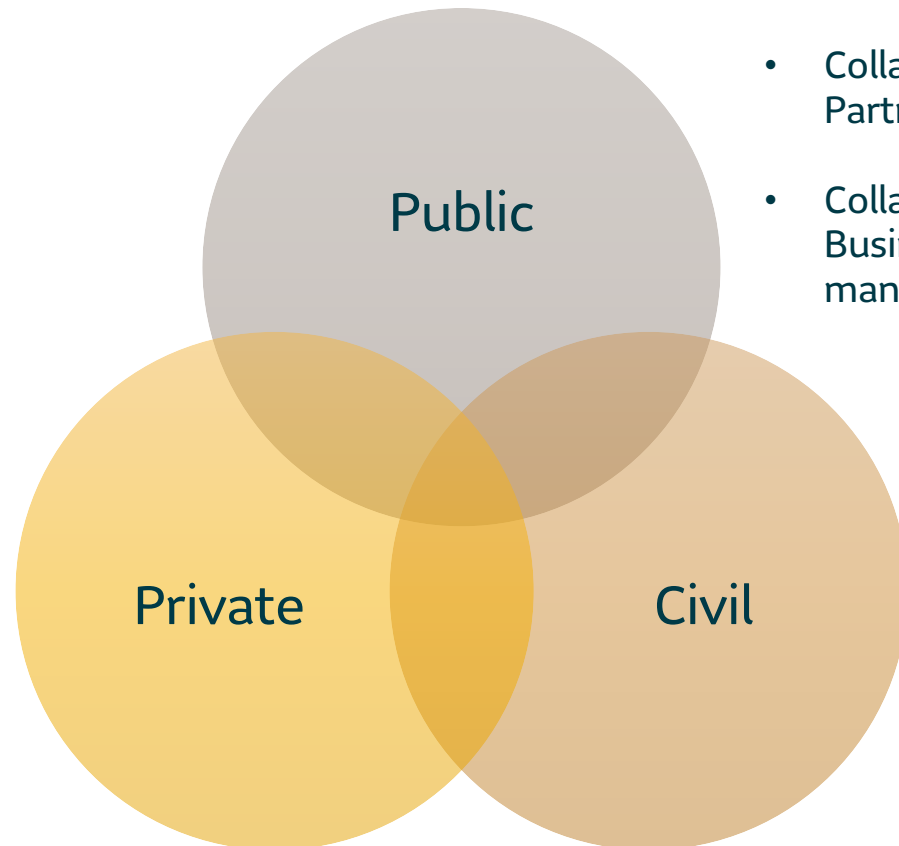
INSURANCE SOLUTIONS

Insurance products provide solution to many challenges that HNWI's may face:



SUN LIFE SINGAPORE AND THE HNW COMMUNITY

Sun Life Singapore collaborates with strategic partners (Community Chest and Wealth Management Institute) to advocate the building of knowledge base and engagement around wealth preservation, succession and legacy planning, and philanthropy in the HNW community,



- Collaboration with **Community Chest** to provide our Clients and Business Partners the chance to learn and partake in **Philanthropy and Charitable Giving**
- Collaboration with **Wealth Management Institute** to enable our Clients and Business Partners benefit from **greater learning** and understanding of wealth management for HNWIs
- **Client outreach** – HNWIs from private banks, family offices, external asset managers
- **Creating positive societal impact** with strategic partners

IMPORTANT INFORMATION

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PANEL DISCUSSION

SMTP

- Why do you see an uptick in demand for FO set-ups in Singapore? What do you envision the trend to be like in the next 5 years?
- How do trusts, family constitution, family offices play a role in HNW families wealth management? What is the trend that you see?
- What is a typical Singapore FO structure like?

Community Chest

- What is NCSS and more specifically, Community Chest's role in the social service sector, and what does it mean for HNWIs and legacy giving?
- Why should HNWIs establish a legacy giving strategy?
- What are some of the ways that Community Chest can work with HNWIs in their legacy giving?
- What are some of Community Chest's forward plans for legacy giving?