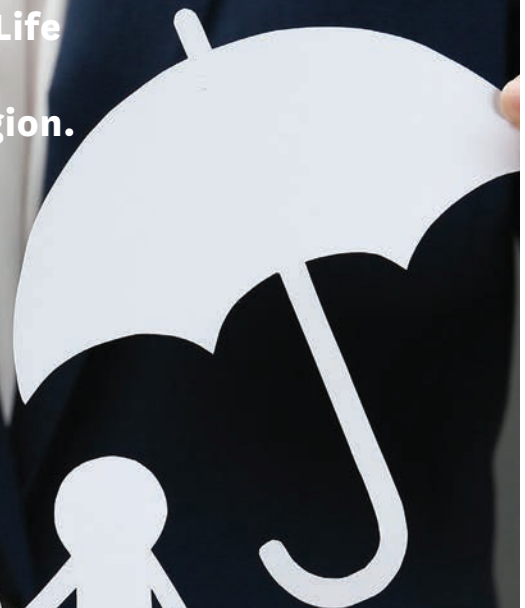


# Singapore Life's Mission Possible to Reinvent the Life Insurance Model

Actuary turned entrepreneur Walter de Oude has reason to be pleased. In less than two years since it began operations, Singapore Life, the new life insurance disruptor he founded and heads, has taken the local market by storm. But de Oude is not resting on his laurels, as Singapore Life has new victories in sight, both at home and across the wider Southeast Asia region.



## Executive summary

Walter de Oude is a man who is having fun fulfilling his mission. He is founder and CEO of new life insurance entrant Singapore Life, which already in 2018, its first full year of operation, far outperformed market and financial performance expectations. The company is building its success on offering a simplified digital purchase experience harnessing convenience, transparency and accessibility, while also offering more traditional distribution routes to complement this approach.

De Oude met with Hubbis to explain how the firm has taken the local market by storm and why he and the team at Singapore Life are so excited about the future. He reports that not only has the local retail and high-net-worth market in Singapore embraced the company's products, approach and delivery protocols but so too have two high-profile corporate investors in the form of Aflac and Aberdeen Standard Investments, who have recently injected USD33 million to turbo-charge the company's expansion.

De Oude says that to build on its success, the key priorities for Singapore Life are 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.



“**W**E ARE THE FASTEST GROWING life

insurance company in Singapore,” de Oude begins. “And we are the largest writer of direct-to-customer life insurance policies in Singapore. We are hitting all our numbers, and delivering what we promised, including higher than projected profits for 2018. For a new life insurance company to be profitable in its first year of operations is no mean achievement.”

**From the ground up...**

De Oude founded Singapore Life on the premise that the life insurance industry has not kept pace with innovation, nor with the use of technology and also not provided the necessary customer focus. He believes it should be as easy as possible for people to buy insurance and that life insurance is in fact nowhere near as complicated as many of the traditional players have made it out to be.

For de Oude, Singapore is the ideal base from which to have launched the business, as it offers reputational excellence, strong governance, security, stability and safety. Singapore Life is fully capitalised, regulated by the Monetary Authority of Singapore and fully protected by the Policyholders Protection Fund. The firm reports that it is properly reinsured and that its products and services come with an explicit S&P AA- guarantee.

**A digital heart and traditional values**

Singapore Life describes itself as a life insurance company that uses technology to create value for customers. Leveraging the latest digital financial technologies, the company aims to translate the efficiency that technology provides

**Getting Personal**

De Oude hails from South Africa but moved to Singapore when he was 26 years old and is settled there, raising his two children with his South African wife and looking forward far ahead to his retirement years in Singapore, often better known as The Lion City.

Born and raised in Johannesburg, he later studied mathematics and economics at the University of Witwatersrand. He began his working life as an actuary with reinsurance giant Swiss Re. "Like all South Africans," he recalls, "you eventually want a little bit of international experience and I am pleased to say that Swiss Re responded to my request by offering the opportunity to come and work in Singapore."

His career then saw him work with Swiss Re in Singapore, India and Japan, before becoming a Singapore based consultant in 2005 and then joining HSBC in 2007 before taking up the prestigious role as CEO of HSBC's life insurance business in 2010. He remained there until 2014, when he left to begin Singapore Life, which later began operations in 2017.

Unusually, de Oude prefers a skateboard to a car for his daily commute to work. "It is motorised, so I do not even own a car," he reports.

Weekends and spare time are spent with his family. Two active, rugby-playing boys of 12 and 10 and clearly deeply steeped in the South African rugby traditions help de Oude enjoy time in the fresh air; he plays and coaches touch rugby locally. If time permits, there are also short family trips around the region to places they have not yet visited, for example a recent cultural excursion to Luang Prabang in Laos.

De Oude loves life in Singapore. "I have lived in Singapore for most of my adult life. My children are born here and Singapore is my long-term home," he says. "I expect to stay here for the rest of my life."

into a better, faster, more pleasant and lower-cost experience for both customers and advisers, combining wealth and insurance solutions into one integrated platform.

The digitally-enabled approach is also complemented by a more

sensitive and holistic approach to the customer's needs and expectations. The company seeks to offer products that are more directly tailored to customer lifestyles, their career paths, their family situations and their aspirations, and provide



WALTER DE OUDE  
Singapore Life

these with delivery methodologies in tune with the digital age. This strategy is clearly ringing bells with the Singaporean client base, judging by the track record thus far.

### **More than one way to play**

Singapore Life does not stake its entire future purely on digital distribution. The company also offers the more traditional insurance access through distributors such as private banks and independent financial advisers (IFAs). “We are very proud of what Singapore Life is doing,” de Oude reports, “with both our online and advised sales exceeding expectations.”

Together the firm assessed some SGD2 billion of new insurance premiums in 2018. But aside from the numbers being achieved, de Oude is especially pleased with the human evolution of the business. “I am most proud of having been able to build together as a team and of the reception the market has given us.”

### **Acquisitions and new investors**

Singapore Life’s growth path in Singapore was boosted in January 2018 when the firm announced it

was buying the entire portfolio of Singapore life policies from Zurich Life. The policies reportedly total about SGD6.6 billion of coverage for life, critical illness and disability benefits. De Oude says this was directly in line with the firm’s strategy to move very fast and to become a preferred local insurance company.

Singapore Life’s fast-track growth has also attracted new shareholders who have injected funds to buy into the firm’s strategies. The core founding shareholder, IPGL, which de Oude says represents the family wealth of Icap founder Michael Spencer, has been joined by both Aflac and Aberdeen Standard Investments, the latter having been formed out of a merger of Aberdeen Investments and Standard Life in 2017.

The first significant new shareholder arrival was the insurance giant Aflac - the American Family Life Assurance Company - which at the end of 2018 announced a USD20 million minority investment in the company.

“To have a new partner with the strength of Aflac’s brand and its credibility is highly encouraging,” de Oude reports. “Their leadership in the areas of cancer insurance and other supplemental medical policies will be invaluable, as we continue to grow Singapore Life’s range of financial services.”

“Aflac is a USD33 billion market cap insurance company predominantly focused on the US and Japan,” de Oude notes, “and having them as a core investor is very valuable in terms of the long-term strategic support.”

### **More icing on the cake**

As if that was not enough icing on the cake for such a young business, Aberdeen Standard Investments (ASI) in mid-January announced its own USD13 million

minority equity investment in Singapore Life. The investment extends ASI’s pre-existing strategic relationship with Singapore Life beyond the management of its fiduciary assets, allowing it to participate in the long-term growth of this next-generation life insurance company as it expands its business across the South East Asian region.

In a media release at the time, Hugh Young, Head of Asia Pacific at ASI, commented: “As a long-term investor, we see great potential in Singapore Life to continue disrupting the traditional insurance market and building market share. Leveraging our strong heritage in Singapore and the breadth of our investment expertise located across the South East Asian markets, we are committed to building on our relationship and exploring new opportunities to bring our asset management expertise to a broader client base in the region.”

De Oude is also delighted with ASI’s arrival. “We are excited to have ASI as a strategic investor. They are a leader in insurance asset management and bring not only strong investment expertise and brand credibility but also deep insight into the challenges facing insurers and their clients globally. We look forward to working together to deliver on digital-first journeys to customers via our cutting-edge technology.”

He adds that ASI is not only an excellent shareholder on the register but also works closely with the company to handle the asset management of Singapore Life’s internal, company-generated funds.

### **A wealth of opportunity**

De Oude is now looking forward to building on these foundations to achieve greater success. For

example, he has a keen eye on the rapidly-growing HNW segment where he notes that more and more wealthy locals are seeing the firm's solutions as offering great value.

Zooming in closer on this HNW space, he explains that this is a remarkably valuable part of the firm's proposition. "We see Singapore as a destination for wealth throughout the whole Asian continent and even beyond," he comments. "Singapore is the new Switzerland and we see private wealth growing here faster than in any other jurisdiction and we are strategically positioned to capture that and indeed are capturing vast amounts of funds flying our way already."

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### **Wealth managers play their part**

Although Singapore Life positions itself in the retail space first and foremost as a digital business, de Oude also admits that a life insurance company's value proposition to wealth management distributors such as private banks and IFAs is central to its potential in reaching out to the widest possible HNW market participants.

Private banks and wealth managers therefore remain an important element in Singapore Life's distribution. "Private banking is all about the relationship with the HNW individuals, far more than the actual products and services, but the Singapore Life product has been very well received" de Oude

observes. "Wealthier customers normally want somebody to talk to about financial services and to be part of a community, and some private bankers are incredibly good at facilitating that, as business consultants and business partners. The banks and advisers that will survive in the long term are those that can build value-added advisory services for their clients, rather than just trying to sell products."

### **Looking ahead**

De Oude sees several changes emerging more broadly in the life insurance product arena, with a lot more whole of life policies in the market since 2018. "We are

beginning to see the indexed and variable universal life products gradually gaining some space. The universal life players like ourselves will react to some of these changes with a little bit more flexibility in terms of the product offering, with a little bit more optionality and a clear focus to provide core solutions to customers."

"We are the only HNW life insurance company that is operating purely from one jurisdiction," he adds, "which means that we have no regional cost or bureaucracy, and can offer services based on the superior Singapore regulatory framework. That means that we can be a little bit more flexible in terms of pricing and product, facilitated by the excellent local

### **Key Priorities**

De Oude says the firm has three core priorities for the year ahead. "First, for the private banks and the associated high-net-worth customers, the priority is expanding our footprint," he reports. "We enjoyed an incredible start to our business, and our positioning in the market has been extremely well received, for example our advertising on Singapore Airlines targeted at HNW clients has been remarkably successful. Now our job is to expand that by working with more banks and more advisers, thereby building on the excellent HNW customer foundations we have built."

A second priority is to constantly test the boundaries of how technology can create value for customers. "We are expanding the limits between where insurance ends and other financial services begin," he reports. "We keep building our tech teams and capabilities in order to further build out our services offering in Singapore."

And the third crucial priority is looking beyond Singapore's borders. "There is a great opportunity for regional expansion through taking our core platforms and replicating or expanding those in new markets in the neighbouring ASEAN countries."

regulatory environment.”

De Oude believes the firm’s agility has thus far been central to its success. “As a new company we are remarkably nimble,” he reports. “We have better access and deployment of technology than any competitor currently. We recognise that the world is changing, the small firms today are able to become the big businesses of the future. We must be one of them.”

### **Transparency and clarity**

Transparency, de Oude observes, is another key factor in Singapore Life’s success. “It is vital that people know what they are buying,” he states. “They need transparent products and clarity from an advisory perspective in terms of matching their needs

to the products. There must be transparency in terms of fees and charges and structures, and there must be transparency in terms of goals and how those goals are met by the different solutions on offer.”

De Oude reports that the customers that deal with the firm digitally have a very similar profile to the customers that deal with the firm through the intermediary of financial advisors. “The average age for both categories is 38 years old, which is quite amazing. That, in turn, means we must think further on the positioning of our retail products in order to capture a more diversified customer base, so for example how do we attract more of the older wealthier clients, as well as more of the younger, digitally-savvy clients.”

### **A catalyst for change**

De Oude believes Singapore Life offers a catalyst for change for a new generation of life insurance. Technology, innovation, dependability and sophistication are evidently key watchwords for de Oude and for Singapore Life.

He closes the discussion by explaining why he founded the business. “I wanted to prove that it could be done,” he says. “To prove that we could build a better kind of life insurance company, built on technology and providing better value for customers. The ambition to build something that is admirable, something that we can be proud of, that was the aspiration we began with.”

Judging by the achievements thus far, those ambitions are being fulfilled. And then some... ■

