General Insurance Association of Singapore

ANNUAL
REPORT
2013

GIA
AR13

Contents

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President's Message

The Singapore General Insurance industry ended 2013 on a firm footing as it registered a 4.5% growth in total gross written premiums to $3.5 billion from Singapore Insurance Fund (SIF), and 5.4% growth in total net earned premiums to $2.5 billion. This was consistent with the industry's performance the previous year. However, underwriting profit declined by 1.1% to $285 million, slightly lower than the $288 million gained in 2012.

Strongest growth was seen in major classes of business like Health, Engineering and Construction Risks as well as Work Injury Compensation (WIC). Liability business also registered impressive growth in underwriting profits, which rose 110% from $25 to $52 million.

Let me comment on the two classes of compulsory insurance – Motor and WIC. Motor business, which formed 35% of our industry portfolio, saw gross written premium dip by 2% to $1.2 billion due to keen competition, and fewer registration of new cars. Similarly, claims incurred also dropped marginally by 4% to $712 million. While we have seen improvements in motor underwriting results over the last two years, we are not totally out of the woods, and more needs to be done to mitigate claims leakages from inflated and fraudulent practices in order to sustain the current competitive and stable pricing level.

Gross written premium for WIC rose by 10% to $369 million. Notwithstanding the various collaborative initiatives taken by both the MOM and the GIA, the loss ratio continued to stay high at 68.7% in 2013 and this caused WICA results to remain extremely low at $3 million in 2013. It is certainly a great concern over the rising trend in claims received from injuries and if left unchecked, WICA results could slip into red. We have actively engaged MOM in discussions to address our concerns over the increasing number of WICA claims due to event not arising from and in the course of employment. We hope that WICA policies will not end up as benefits instead of indemnity insurance policy.

1. On 2013 key activities

I will now move on to highlight some of the Association's key priorities and activities in 2013. The year has been a very busy one. Our proactive engagements with key stakeholders together with many initiatives rolled out in 2013 have significantly contributed to the enhancement of standards, elevated consumers' confidence in our industry, and escalated GIA's profile in the marketplace. These achievements were made possible due to dedicated efforts from our industry practitioners who had volunteered their generous time, energy and knowledge.

- BOLA settlement process among insurers was further enhanced with online system. The changes simplified workflow on the subrogation recovery process resulting in more efficient and effective recovery of BOLA settlements. In 2013, 3,550 claims were initiated through the system, and 94.3% were settled.

- Special Investigation Units (or SIU) was initiated by the Insurance Fraud Committee. Members with SIU have developed fraud indicators or "red flags", which have helped members to detect fraudulent claims, which were reported to the police for further investigation. We are encouraged by the successful police prosecution against those criminals, and urge members to support and participate in training sessions conducted to share these fraud detection techniques.

- In Dec 2013 GIA set up an insurance fraud hotline for motorists to file reports on suspicious claims. This initiative empowers consumers on their role in combating motor insurance fraud.

- Another area of concern for us is the small percentage, or about 8% of drivers who deliberately choose not to file a report on motor accidents with their insurer. This unacceptable social behaviour from irresponsible drivers presents difficulty to other aggrieved motorists when they seek compensation from insurers for their damaged property arising from the accident. Many have written to the local media to express their frustration. The absence of such reports from both parties poses a great challenge to our members in assessing liability from each party. To address this bad behaviour, GIA will continue to engage all relevant stakeholders to find an effective solution in weeding out such an unethical practice. In the interim, we have advised our members against repudiating liability to third party claimants due to non-reporting of the accident by their own Insured.

- Our continuous support to the Workplace Safety & Health Council project on building claims database from various industries is on track to roll out this year. Claims history submitted from WIC insurers will supplement the WSHC's database to provide insurers with comprehensive risk management data in their assessment of risks proposed for WIC cover. It is anticipated that the outcome of this initiative will immensely benefit both insurers and employers. With updated fast track claims records and better risk

Our proactive engagements with key stakeholders together with many initiatives rolled out in 2013 have significantly contributed to the enhancement of standards, elevated consumers' confidence in our industry, and escalated GIA's profile in the marketplace.

management of WIC portfolio and underwriting results, employers with good quality risks can expect further savings from lower premium due to keen competition for better managed risks.

- Our ongoing Maritime Knowledge Shipping Session (MKSS) conducted jointly with Singapore Maritime Foundation, continues to receive very strong participation. MKSS which is now into its 8th series has enhanced our practitioners' understanding on the issues confronting both the maritime and shipping industry.

2. **On industry-wide initiatives**

- The Do Not Call Registry and PDPA, which come into effect this year, will have a significant impact on the way our members conduct their business operations. To help members better understand the ramifications of the new law and the guidelines governing how insurers, agents and intermediaries sell GI products, GIA conducted an industry-wide briefing for members. We have developed industry-wide, PDPA-compliant forms and templates for proposals, applications and claims processes that could be further customised by individual members.
- Stepping up our consumer education program and awareness, we launched "General Insurance & U" series of advertorials in The Sunday Times, focusing on lifestyle products like Motor and Travel Insurance, received commendable feedback.
- We took part in the Mediacorp TV programme "Exposed!" on motor insurance fraud to highlight to consumers that insurance fraud is not a victimless crime. Through the programme, we illustrated how the scam works and advised consumers to starve the food chain by resisting temptation to be sucked into the crime.
- In addition, we participated in the MoneySENSE 10th Anniversary Consumer Education Roadshow to showcase Fire and Property Insurance at the HDB Hub in October 2013.

On stakeholder engagement

The close bonding and partnership with key stakeholders that have been fostered over the years have resulted in collaborative efforts in rolling out critical General Insurance initiatives. The Association has and will actively engage various government agencies and key stakeholders to represent our members' views. These include MAS, LTA and Traffic Police (GIA is also a member of the Motor Insurance Task Force), MOM, CASE, and the Singapore Maritime Foundation.

In conclusion, I would also like to again thank all members who have unreservedly dedicated their time and energy and committed their resources to supporting industry projects. More importantly, they have contributed constructive views towards the process of making policy decisions for the good of the industry.

For MC members, I would like to acknowledge their contributions and dedicated service in providing the strategic direction so crucial in rolling out initiatives to fulfil our vision of bettering the industry.

Thank you.

A.K. Cher
PRESIDENT

Business in Review

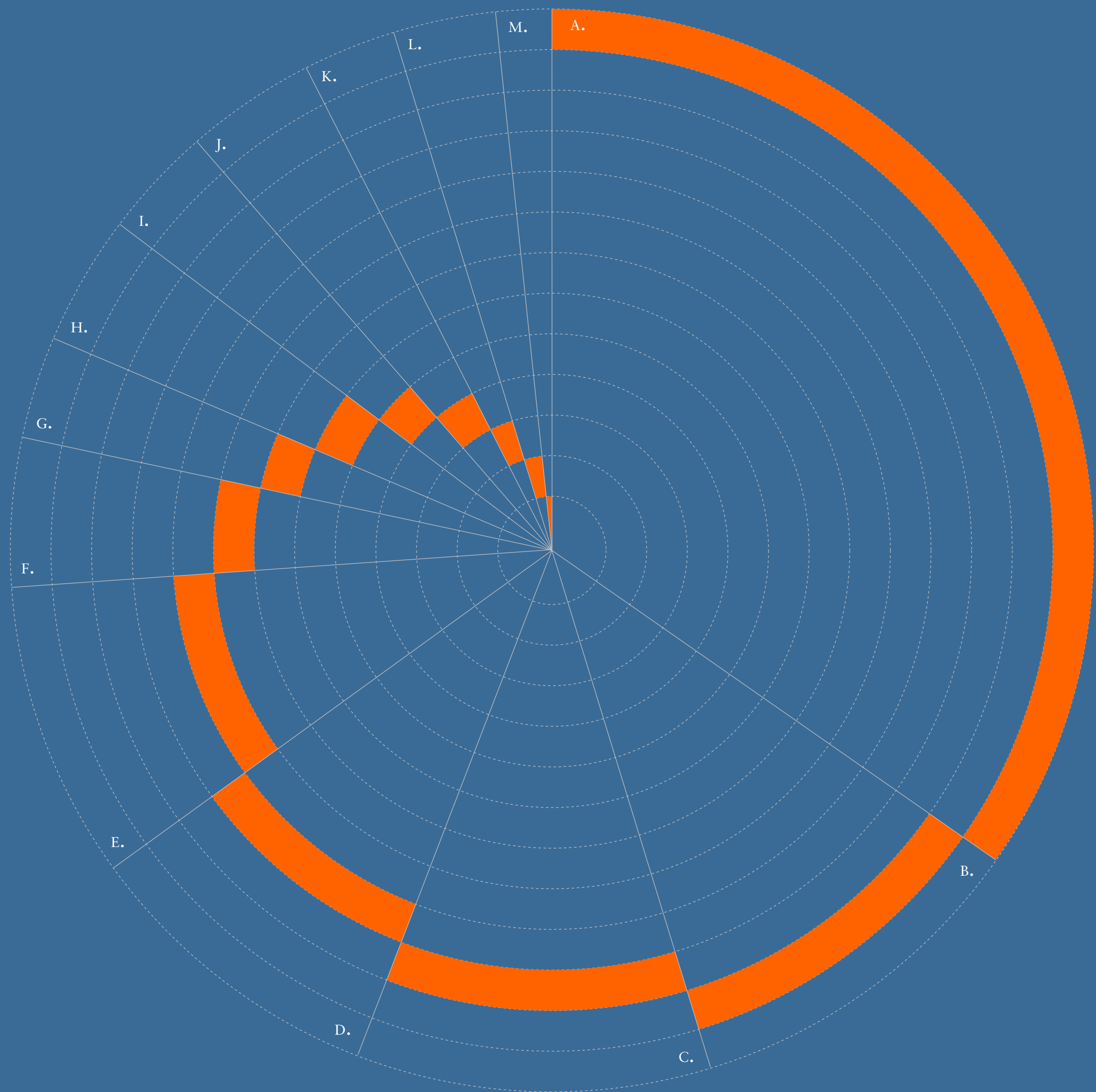
The Singapore General Insurance industry ended 2013 on a solid footing as it registered 4.54% growth in total gross premiums to \$3.5 billion and 5.46% growth in total net earned premiums to \$2.5 billion. This was consistent with the industry's performance the previous year, when total gross and net earned premiums grew 5.41% and 6.47%, respectively. However, underwriting profit declined by 1.10% to \$285 million, markedly down from the 15.99% increase to \$288.21 million the industry gained in 2012.

All major classes of business posted growth in their net earned premiums except for Cargo and Motor, which saw declines by 0.81% and 0.53%, respectively. Health came on top again in net earned premiums with 17.21% growth, closely followed by Work Injury Compensation (WIC) with 16.99%. Fire rallied and delivered strong growth of 13.43% in net earned premiums, followed by Hull with 10.43% and Personal Accident with 7.62%.

Among the specialty lines of business, Credit Insurance and Engineering/CAR/EAR were the best performers in net earned premiums, delivering growths of 53.62% and 28.64%, respectively. Public Liability also ended the year on a good note with 14.86% growth, followed by Bonds and Professional Indemnity, which recorded modest growths of 3.90% and 2.63%.

Only Fire, Motor and Personal Accident among the major segments posted increases in their underwriting profits for 2013, with Fire making stellar growth of 55.80% – a reversal of its underwriting performance in 2012. Motor's underwriting profit went up by 17.31%, while that of Personal Accident climbed by 8.11%. WIC, Hull, Health and Cargo recorded substantial declines in their 2013 underwriting profits. WIC saw its underwriting profit fall by 41.23%, while Hull, Health and Cargo suffered declines of 34.67%, 33.66% and 21.07%, respectively.

Public Liability made an outstanding underwriting performance among the specialty lines – with its underwriting profit soaring by 110.44%, trailed by Engineering/CAR/EAR with a 94.03% increase. The rest of the specialty segments saw their underwriting profits go down, except for Credit Insurance, which made a considerable loss.



A. MOTOR 34.9%

B. FIRE 10.4%

C. WORK INJURY COMPENSATION 10.6%

D. PERSONAL ACCIDENT 9.1%

E. HEALTH 8.9%

F. HULL 4.6%

G. CARGO 3.0%

H. PUBLIC LIABILITY 3.9%

I. BONDS 3.4%

J. ENGINEERING/ CAR/EAR 3.8%

K. PROFESSIONAL INDEMNITY 2.7%

L. OTHERS 3.1%

M. CREDIT INSURANCE 1.6%

Motor

34.9%

2013 was another good year for Motor as it delivered an increase of 17.31% in underwriting profit to $59.08 million. This came on the heels of its exceptional performance in 2012 when its underwriting profit surged 135.12% to $50.36 million, thanks to the industry's continuous efforts to address the sector's losses prior to 2011. This also came in tandem with improved incurred claims, which went down by 4.01% from $742.10 million the previous year to $712.37 million in 2013.

On the other hand, Motor's net earned premiums were slightly down by 0.53% to $1.12 billion, a narrow improvement from the 3.96% decline to $1.13 billion it posted in 2012.

Fire

10.4%

After seeing its underwriting profit plunge by 51.72% to $22.85 million in 2012 – the biggest decline among all classes of business the previous year – Fire made a turnaround in its performance to deliver a 55.80% increase to $35.60 million in its 2013 underwriting profit.

This was coupled with a strong comeback in its net earned premiums as it posted a 13.43% increase to deliver $151.10 million, after a slight decline of 0.28% in 2012.

WIC

10.6%

WIC continued on its stable drift in net earned premiums, gaining a 16.99% increase to deliver $314.95 million. This followed a period of steady growth in 2012, when net earned premiums went up 10.93% to $269.21 million.

WIC recorded the biggest decline among the major classes of business in terms of underwriting profit, which dropped 41.23% to $2.99 million. This was a reversal of its performance in 2012, when it made a strong comeback after posting the biggest slump in underwriting profit in 2011. The segment also saw an increase of 19.38% in its 2013 net incurred claims.

Personal Accident

9.1%

The industry's fourth biggest class of business saw another increase in its annul net earned premiums – which grew 7.62% to $236.18 million. This was consistent with its growth of 8.41% to $219.45 million in 2012.

After suffering a blow to its underwriting performance in 2012, when underwriting profit fell 11.99% to $39.61 million, Personal Accident made a healthy profit of $42.82 million, up 8.11%. This was chiefly a result of a reduction in the segment's incurred loss ratio, which went down 3%.

Marine Cargo and Hull

4.6% + 3.0%

Cargo recorded another decline in its premiums, although only slightly. Net earned premiums stood at $71.08 million, down 0.81% from the previous year. The decline was lower than the 5.74% decrease in net earned premiums it recorded in 2012. However, the segment's underwriting profit fell 21.07% to $26.51 million, a reversal of the increase it posted in 2012, when underwriting profit rose 16.15% to $33.59 million.

Consistent with its performance the previous year, when it made an 11.51% gain to register $61.38 million in net earned premiums, Hull chalked up $67.79 million in net earned premiums, up 10.43%. But similar to Cargo, the segment's underwriting profit slumped to $9.10 million from $13.94 million in 2012, as incurred loss ratio went up 8.6% to 63.7%. With a 34.67% drop in underwriting profit, Hull recorded the second biggest decline among the major segments.

Health

8.9%

Health once again led the major classes of business in premium result, continuing the robust performances it made the previous years. Although its growth slowed from the 21.31% increase it made in 2012, it still came up on top with a 17.21% rise to $201.61 million in net earned premiums.

Underwriting profit fell sharply, however, reversing the trend of a solid underwriting performance seen the past few years. The segment recorded the third biggest decline in underwriting profit among the major classes – posting a 33.66% fall to $9.32 million. This came as Health's incurred loss ratio deteriorated by 3.2% to 60.1%.

Public Liability

3.9%

Public Liability made a stellar underwriting performance and the biggest gain in underwriting profit among all classes of business as it continued to gain recognition in the Singapore market as an important form of protection. Underwriting profit was up 110.44% to $51.88 million, an increase of $27.22 million. This came on the back of a robust performance in 2012, when underwriting profit went up 93.10% to $24.65 million.

The segment maintained its pace of premium growth as it delivered a stable net earned premium income of $77.92 million, an increase of $10.08 million or 14.86% over 2012.

Bonds

3.4%

After capping 2012 with the second best performance in net earned premiums among all classes of business, Bonds made modest growth of 3.90%, or an increase of $2.73 million to $72.74 million in 2013. Nonetheless, the segment continued to be one of the classes of business with good growth potential.

However, underwriting profit plummeted by 46.45% to $15.96 million – the third biggest decline among the specialty lines – in contrast to the 18.34% increase to $29.80 million it made the previous year.

Engineering/CAR/EAR

3.8%

Engineering/CAR/EAR came in second in premium result among the specialty segments, with $32.90 million in net earned premiums, up by $7.32 million or 28.64%. This was a stronger result compared to the modest growth of 6.49% to $25.58 million it made in 2012.

The segment also took home the second highest gain in underwriting performance as it made $9.29 million in underwriting profit, an increase of $4.50 million or 94.03%. This was an upswing from its underwriting result in 2012, when underwriting profit fell 21.85% to $4.79 million.

Professional Indemnity

2.7%

Professional Indemnity made slight growth of 2.63% to $60.55 million in net earned premiums, down from the 11.84% increase to $59 million it recorded the previous year. The segment had seen fast growth in recent years as companies focused on corporate governance and on managing their directors' and officers' liability.

Underwriting profit plunged by 50.58% to $8.86 million, however, making it the second lowest performer in underwriting among the specialty classes. This was a sharp departure from the segment's performances in 2011 and 2012, which saw its underwriting profit go up 25.15% to $17.95 million following its record gain of 688.7% in underwriting profit in 2011.

Credit Insurance

1.6%

Credit Insurance grew the most among the specialty lines of business, after witnessing declines in premiums in 2011 and 2012, which saw its net earned premiums drop 26.61% to $1.47 million. It chalked up a robust 53.62% increase in net earned premiums to record $2.26 million in 2013.

On the other hand, it suffered the most in underwriting performance. From being the top underwriting performer the previous year, when its underwriting profit surged 1596.23%, it registered a loss of $4.62 million, down 524.67% from the $1.09 million profit it made in 2012.

Incurred Loss Ratios

The industry continued to cut its incurred loss ratio, albeit narrowly – from 53.9% the previous year to 53.2% in 2013. It marked the fifth year in a row that the industry had trimmed its incurred loss ratio.

Public Liability made the biggest slash in the ratio by 30.2%, from 26.6% in 2012 to -3.7% in 2013, followed by Engineering/CAR/EAR, which cut its incurred loss ratio by 19.1% to 41.4%. Personal Accident also made some improvement from 33.5% the previous year to 30.5% in 2013. Likewise, Motor and Fire made slight cuts in their incurred loss ratios by 2.3% and 1.9%, respectively.

From making the biggest cut in its incurred loss ratio in 2012, Credit Insurance recorded the biggest deterioration in 2013 to 32.1% from -24.4% the previous year. Bonds came in second with a 17.0% increase to 32.9% in its incurred loss ratio. Professional Indemnity also saw an increase of 12.6% to 44.3%, and so did Hull and Cargo with 8.6% and 8.1% to 63.7% and 23.7%, respectively. Health's incurred loss ratio also worsened by 3.2% to 60.1%, as well as WIC's by 1.4% to 68.7%.

Calendar of Events

JAN

21 JAN
Contract Certainty Briefing

MAR

06 MAR
Maritime Knowledge Shipping Series: Session 23

21 MAR
Annual General Meeting Luncheon

APR

9–11 APR
SEA Asia

MAY

22–23 MAY
IUMI Ex Co Meeting

23 MAY
Maritime Knowledge Shipping Series: Session 24

JUL

12 JUL
Marine Networking Night

17 JUL
Fire Education Seminar Series: Don’t Get Burnt!

AUG

15–16 AUG
GIA/PIAM/GIAB Liaison Meeting

28 AUG
Maritime Knowledge Shipping Series: Session 25

SEP

4 SEP
GIA/SII Singapore Liability & Casualty Seminar

7 SEP
Motor Education Seminar: Motoring & You

25 SEP
GST Seminar

OCT

04 OCT
GIA Swing for Charity

18 OCT
GI Day 2013: The Heat is On!

26 OCT
A Wonderful Expedition to Pulau Ubin

29 OCT
Personal Data Protection Act Briefing

NOV

14 NOV
GIP Alumni Movie Night

20 NOV
Special General Meeting

20 NOV
Maritime Knowledge Shipping Series: Session 26

DEC

13 DEC
GIA Appreciation Night

Industry Initiatives & Milestones

The year 2013 was one well spent as it saw the fruition of various plans lined up for the calendar year. The initiatives the GIA took, including activities for educational outreach, industry sharing, and engagements with key stakeholders, significantly contributed to the enhancement of standards, boosted the confidence of consumers in the General Insurance industry, and buoyed up the profile of the industry in the Singapore market. Thanks to the hard work of the various GIA committees, staff, members, partners, and industry practitioners, these initiatives had led to the further advancement of the General Insurance industry and its role in the economy and society.

01 Motor Committee

The Motor Committee had a full plate in 2013, having carried out a wide array of activities for the motor insurance sector. Many of these activities aimed at improving and fast tracking the settlement of motor insurance claims. For example, the enhancement of the Barometer of Liability Agreement (BOLA) processing through the development of a centralised online system had simplified the workflow of the subrogation recovery process among motor insurers. The review of the BOLA also led to the introduction of BOLA DRM for members' authorised motor repair workshops. The move was an important step towards speedy settlement of disputes between insurers and workshops as it offers a means of resolving disputes without resorting to litigation and abuse of the BOLA.

Similarly, the committee improved motor accident reporting capturing the state of loss. The enhancement makes available a breakdown by vehicle type and country or state of loss under the theft statistics report. The committee also spearheaded the development of the No Claims Discount (NCD) transmission guidelines, which offer a basis for member companies' submission of NCD data to a central database. This gives members easy access to comprehensive claims information for their underwriting purposes.

Addressing Motor Insurance Issues

With the motor insurance sector continuing to be dogged by a number of issues, the GIA proactively addressed them by issuing pertinent and appropriate recommendations to members. One of these recommendations was for members to review their policy cover to ensure full compliance with the Market Agreement for Third Party Claims under the Private Car Policy. Specifically, members were asked to remove the current extension wordings in the policy that if a policyholder drives another vehicle that does not belong to him and is insured under a different person, the driver's insurer will not have to deal with any third-party claim in the event of an accident.

The GIA also recommended that members review the relevance of lump sum repair for motor claims. By doing such a review, member insurers were hoped to act towards ensuring transparency in claims processing and documentation. With the recent confusion regarding the definition of unauthorised driving, the Motor Committee issued a clarification on unauthorised driving under BOLA Exclusion for Chain Collision. The clarification was expected to reduce confusion on the matter. Likewise, the GIA issued guidelines on Third Party Property Damage (TPPD) coverage for commercial vehicles. The move was intended to review the adequacy of the current TPPD coverage limit, taking into account how inflation has affected the value of property at risk on the roads and the changing mindset of third party claimants.

In light of some cases of deliberate non-reporting of motor accidents to insurers and the difficulty and frustration they had caused other motorists seeking compensation for their damaged property, the GIA had written to the Senior Minister of State for Home Affairs to seek an open dialogue with relevant authorities to solve the problem. Under the Motor Claims Framework, motorists are required to file an accident report with their insurers within 24 hours. However, a number of drivers would deliberately not file a report, causing a strain on insurers in assessing the liability of each party involved. The GIA thus made a strong resolve to more actively engage all relevant stakeholders in finding an effective means of weeding out such a practice.

Working with various government agencies, the GIA had prepared a proposal paper to formally ask for the licensing and registration of motor surveyors.

Another major initiative involved the licensing and registration of Motor Surveyors. One of the recommendations of the Motor Insurance Task Force (MITF) was the setting up of a body to register and regulate surveyors in order to ensure the professionalism of surveyors. Working with various government agencies, the GIA had prepared a proposal paper to formally ask for the licensing and registration of motor surveyors. The proposal recommends a review of the current situation in motor surveying and the setting up of an independent registration board, which can be called Motor Vehicle Surveyors Registration Board. The GIA would work with relevant authorities and parties to move the proposal forward.

Motor Consumer Education Carried On

The GIA banner seminar Motoring & You had its third installment in 2013, with more than 80 consumers learning about the Lemon Law, road safety initiatives, and vehicle fire statistics of Singapore, among other topics. The seminar aimed to foster better motor insurance awareness among consumers and to keep them up to date with the sector, as well as to gain useful feedback from participants. It was co-organised by the GIA, the Consumers Association of Singapore and the Automobile Association of Singapore, with the support of the Singapore Civil Defence Force.

In another effort towards consumer education, the GIA ran articles in a series called "General Insurance & U" in the newspaper Sunday Times' Sunday Invest. The series aimed at educating the public on various motor insurance matters.

02

Property & Marine Committee

The GIA had another fruitful year in its initiatives in the marine sector, particularly in its continuous effort to bring about greater education and sharing on the various areas impacting the marine insurance business.

Shipping Series Continued its Successful Run

2013 saw the successful continuation of the Maritime Knowledge Shipping Series, a collaborative effort between the GIA and the Singapore Maritime Foundation (SMF) with the support of L.C.H. (S) Pte Ltd. The 23rd instalment of the series attracted 255 maritime experts and insurance practitioners, who learned about the ins and outs of bills of lading from the perspectives of legal and claims recovery. A presenter also spoke on functions, terms and conditions, and the potential impact of ensuring recovery action, with focus on common issues of terms, demands, limitations, differing and often conflicting laws, and jurisdiction.

The 24th leg, attended by 141 insurance and maritime practitioners, was particularly made special by the participation of officials from the International Union of Marine Insurance (IUMI). Mr Ole Wikborg, IUMI President, spoke on the state and challenges of the marine insurance market, while Mr Mike Davies, Vice Chairman, IUMI Executive Committee, shared the 2013 results of the global cargo insurance business.

The 25th session of the Maritime Knowledge Shipping Series saw a good mix of maritime insurance practitioners and professionals. Topics discussed included the pros and cons of various dispute resolution alternatives, the history of arbitration in Singapore, and P&I claims management.

In the last leg of the series in 2013, the spotlight was on Hull & Machinery (H&M) insurance – particularly the role of H&M insurers and H&M surveyors and how insurance companies played a vital role in international trade and commerce. Participants also learned about the role of the average adjusters and how they defined the benefit, apportionment and indemnity of shipowners.

First Participation in Sea Asia

The GIA participated for the first time in Sea Asia, a leading maritime conference and exhibition in the region, to promote marine insurance to prospective partners in the maritime industry. The association's participation as an exhibitor in the event, which attracted over 13,000 visitors from 68 countries, helped boost the profile of marine insurance within the maritime community.

The association also took advantage of the opportunity to introduce the various marine insurance segments and job roles to students who visited the GIA booth as part of a tour.

Fire Education Seminar Held for Third Time

The much-anticipated Fire Education Seminar returned for a session titled, "Don't Get Burnt! Residential & Legal Requirements on Fire Safety", which saw 170 practitioners learning about fire investigation and fire safety. The seminar covered such specific topics as fire safety requirements, common fire safety violations, and residential fires in Singapore.

03

WIPAH Committee

GIA's representation at the Workplace Safety and Health Council (WSHC) presented vast opportunity for engagement and dialogue with MOM on issues of concern in the effective handling of claims where multiple insurance policies are in force. Through our collaborative efforts, we have reached consensus to streamline claims reporting protocol, which facilitated speedy settlement. Our continuous support to the WSHC project on building claims database from various industries is on track to roll out this year. Claims history submitted from WIC insurers will supplement the WSHC's database to provide insurers with comprehensive risk management data in their assessment of risks proposed for WIC cover. It is anticipated that the outcome of this initiative will immensely benefit both insurers and employers. With updated fast track claims records and better risk management of WIC portfolio and underwriting results, employers with good quality risks can expect further savings from lower premium due to keen competition for better managed risks.

> Our continuous support to the WSHC project on building claims database from various industries is on track to roll out this year.

One of the early initiatives of the WIPAH Committee in 2013 was the holding of a briefing for members on two issues arising from the Work Injury Compensation Act (WICA) legislative amendments. The briefing provided clarity on a couple of scenarios that had created some confusion among members because of the different interpretations of the terms of the Claims Protocol under the Undertaking on WIC Project and Annual Policies.

This initiative was followed by a dialogue with the Singapore Contractors Association on the WICA Legislative Amendments and the Undertaking on WIC Project and Annual Policies. The dialogue also raised and discussed potential solutions to outstanding issues, including the claims procedures between insurers of principal contractor and other sub-contractors, and contractual extension, such as "travel to and from workplace" coverage carried in Project and/or Annual Policies.

With more cases of inflated and fraudulent motor accident claims being reported and afflicting Singapore general insurers, the GIA stepped up its effort to combat insurance fraud.

04

Insurance Fraud Committee

With more cases of inflated and fraudulent motor accident claims being reported and afflicting Singapore general insurers, the GIA stepped up its effort to combat insurance fraud. The GIA Anti-Fraud Committee intensified its campaign to educate the public on insurance fraud, and had been harnessing the use of data analytics to track fraudulent claims, as well as advocating legislative measures to address the problem. The Special Investigation Units initiated by the Insurance Fraud Committee have developed fraud indicators or "red flags", which have helped members to detect fraudulent claims, with the latter reported to the police for further investigation. We are encouraged by the successful police prosecution against those criminals, and urge members to support and participate in training sessions conducted to share these fraud detection techniques.

Most importantly, the GIA launched a fraud hotline (1800–44–37283 or GI-FRAUD) where customers and members of the public can call to alert the association to possible cases of insurance fraud. The hotline provides a readily accessible platform for consumers and members of the public to give the GIA any information they may know on potential insurance fraud activities.

05

Regional Development Committee

Through the Regional Development Committee, the GIA continued to strengthen its cooperation with other markets in the region. It hosted the 2013 annual liaison meeting with the General Insurance Association of Brunei (GIAB) and Persatuan Insurans Am Malaysia (PIAM) in August to update each other on areas of common interest to all three markets, particularly on issues in motor insurance. The three associations also discussed the initiatives and events they were undertaking or participating in, to give each other a better understanding of their roles and how the events could benefit their members and industries.

06

Agents' Registration Board

The Agents' Registration Board implemented in 2013 the general interbank recurring order or GIRO payment of agents' registration and renewal fees. This step would allow for a faster and more efficient processing and settlement of agents' fees among insurers. It was also expected to solve the problem of periodic delays in receivables.

07

A. Liability & Casualty Seminar

B. PDPA Briefing for Insurers

C. Seminar on GST

D. Briefing on Contract Certainty

Improving & Deepening Practitioner's Knowledge & Skills

Liability & Casualty Seminar

The third Singapore Liability & Casualty Seminar, which focused on enhancing competency in liability underwriting, had five industry experts presenting on such topics as D&O insurance, product liability and pitfalls in product liability insurance claims. The seminar also covered the topical issues of cyber, technology and climate change liabilities from the perspectives of insurance and legal practitioners. A topic of most timely relevance was the new data protection laws in Asia Pacific and the insurance solutions available to businesses.

PDPA Briefing for Insurers

With the implementation of the Do Not Call Registry and Personal Data Protection Act (PDPA) in 2013 and the significant impact expected on members' business operations, the GIA held an industry-wide briefing together with the Personal Data Protection Commission and a leading law firm. This helped members better understand the ramifications of the new law and the guidelines on how insurers, agents and other intermediaries should sell General Insurance products.

The GIA also worked with the law firm to develop industry-wide PDPA-compliant forms and templates for customer proposals, applications and claims processes that individual member companies could further customise.

Seminar on GST

Another timely seminar the GIA organised was on Goods and Services Tax (GST). It aimed to ensure business accounting processes complied with the GST rules and to mitigate exposure to penalties under the self-assessed GST. Experts spoke on the Inland Revenue Authority's new guidelines in determining the difference between reimbursement and disbursement made applicable to the insurance industry. Participants also learned how to apply correct GST treatment to their business transactions and gained insight into the planning opportunities available to help manage their business cash flow more effectively.

Briefing on Contract Certainty

The Contract Certainty Working Group (CCWG), which brought together contract certainty champions from the GIA, the Singapore Reinsurers' Association, the Reinsurance Brokers' Association of Singapore and Lloyd's Asia, held a briefing to inform insurers and reinsurers of the actions needed to ensure their operations were contract certain. A director from the Insurance Department of the Monetary Authority of Singapore spoke of the need to be contract certain in Singapore's reinsurance market and encouraged the industry to work together to achieve a market-led solution.

The GIP had so far produced a total of 155 alumni, with a good number of them having joined the General Insurance industry as full-fledged employees.

08

Talent Building Strengthened

The GIA carried on with its talent building activities to raise awareness of the career opportunities in General Insurance and to attract potential professionals to the industry.

The Global Internship Programme's (GIP's) sixth year was marked with a group of 24 university students joining 20 participating companies as interns. The GIP had so far produced a total of 155 alumni, with a good number of them having joined the General Insurance industry as full-fledged employees.

The GIA also took part in career fairs at the National University of Singapore and Nanyang Technological University to highlight to students the unique opportunities the GIP could offer them. A team of 2012 GIP interns shared their experiences under the programme and assisted interested applicants with their queries. A profiling talk was also held in early 2013 for students at the Singapore Management University (SMU) to highlight the interesting aspects and career prospects of being an underwriter. On a separate occasion, the GIA collaborated with the SMF for the third time to hold a tea-talk session on the various areas of marine insurance with a group of 40 SMU undergraduates.

09

Fostering Camaraderie, Giving Back

A year would not pass without the GIA giving thanks and giving back, and holding social events that help bolster the ties that bind the industry.

From organising a bowling game and a futsal competition the previous two years, the GIA decided to go the gastronomic way in celebrating the 2013 General Insurance Day. A cooking competition dubbed "The Heat is On! GIA's Gastronomic Challenge" saw nine teams from nine General Insurance companies vying for the grand prize of $1,500, which was eventually bagged by China Taiping Insurance. AIG and MISG took home the second and third prizes, respectively.

The celebration was an excellent way of fostering greater camaraderie among General Insurance practitioners, and of creating a stronger sense of belonging to a common industry.

There was no better way to cap a busy and highly productive year than to give thanks to industry stakeholders, partners and practitioners for their unwavering support and contribution.

As part of its annual tradition of playing its part as a socially responsible organisation, the GIA held the Swing for Charity for the 8th consecutive year in October, with 144 golfers participating.

Thanks to more than 50 corporate sponsors, the event raised more than $120,000 for Children's Cancer Foundation and the Society for the Aged Sick, the two chosen beneficiaries for 2013. The GIA was also able to collect around $8,000 more in cash donations at the dinner following the golf event.

There was no better way to cap a busy and highly productive year than to give thanks to industry stakeholders, partners and practitioners for their unwavering support and contribution. The GIA Appreciation Night treated guests to a rustic ambience at The Wine Company on Evans Road in December. GIA committee members, staff, stakeholders, GIP alumni and mentors, and other guests enjoyed good company and great wine and food as they rounded off another meaningful year.

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Update on 2013 ASEAN Activities

ASEAN Insurance Council and Regulators' Meetings

An active member of the ASEAN Insurance Council, the GIA participated in the 39th ASEAN Insurance Council (AIC) Meeting, which was held concurrently with the 16th ASEAN Insurance Regulators' Meeting on 4–6 December 2013 in Vietnam.

Preparations for the 2015 unification of the ASEAN region into an economic community took center stage at the meetings, with highlights on the progress the region's financial and insurance industries have made to achieve their integration objectives. While the impact of the economic integration is projected to be significant, it is expected to open up opportunities for insurers, such as in terms of increase demand for insurance protection.

Preparations for the 2015 unification of the ASEAN region into an economic community took center stage at the meetings, with highlights on the progress the region's financial and insurance industries have made to achieve their integration objectives.

Preparing for ASEAN Economic Community

The Secretary General of the AIC, Ms Evelina Pietruschka, called on the insurance industries in the region to prepare for the forging of an ASEAN economic community, stressing that the integration will no doubt happen. ASEAN regulators have given their commitment to see through the integration of the region's financial and insurance industries. Insurance industries in the region should do their part in ensuring the preparedness of their markets and players and their cooperation in building an ASEAN insurance market, she said.

One thing was clear in the coming economic integration of the region: it would pose a challenge to insurance markets and players. Early and rigorous preparation was hence needed.

To shed further light on the integration plan of the ASEAN, the AIC, the General Insurance Association of Indonesia, the Indonesia Life Insurance Association and the Insurance Council of Indonesia agreed to conduct a workshop on the AEC blueprint. The workshop was proposed to be held in Singapore in the first quarter of 2014.

The AIC Meeting also saw a flurry of other activities, including the ceremony turning over the chairmanship of the AIC to Mr Vincent Kwo, President of the Life Insurance Association of Malaysia, and the judging for the Young ASEAN Insurance Manager Award, which went to Mr Pham Anh Tuan, Chairman of Vietnam's Post & Telecommunications Insurance JSC.

14th Council of Bureau Meeting

Among the various AIC committee gatherings the GIA was closely involved in was the 14th Council of Bureau (CoB) Meeting. The meeting focused on the discussion of the latest developments on the ASEAN Framework Agreement on the Facilitation of Goods in Transit, under which nine protocols are aimed to be implemented to facilitate the transportation of goods in transit in the ASEAN Free Trade Area and establish an effective and harmonised transit transport system in ASEAN.

Participants acknowledged that progress in CoB's initiatives has been slow. As a response, it was proposed that a long-term CoB chairperson be elected to ensure the continuity of the council's initiatives. Mr Nopadol Santipakorn of Thai General Insurance Association was subsequently nominated CoB Vice-Chairman for the next three years, with the host country chairing the CoB.

Likewise, an ASEAN CoB Working Group, comprising representatives from ASEAN legal entities and their transportation ministries, will be established and will work with the ASEAN Regional Integration Support from the EU (ARISE) to speed up the implementation of Protocol 5. The COB's Protocol 5 sets out to establish the ASEAN Scheme of Compulsory Motor Vehicle Insurance.

Non-Life Insurance Session

The non-life insurance session led to an agreement to request for an update from the regulators on the AEC, such as the key liberalisation measures expected in 2014 and whether the 2015 deadline was practical. Conducting a study on the barriers each ASEAN country would have to overcome while transitioning into a liberalised regional market was also mooted at the session.

The session similarly discussed the need for capacity building in the ASEAN region, recognising the fact that there is a need to review the various skills and knowledge that will be required by a single ASEAN market. Participants acknowledged that to build needed skills and knowledge to meet the demands of member countries, regulators would need to lend a hand through monetary subsidy or incentives for companies to promote skills development.

On a separate matter, AIC members from the non-life sector called for the revival of the proposal to set up a reinsurance pool for the region. It was agreed that members would solicit the support of regulators to move the plan forward.

Joint Plenary Session

After the separate meetings of the AIC and the regulators, both parties convened on 6 December 2013 for a joint plenary session, where issues discussed at the AIC Meeting were raised with the regulators.

The ASEAN Insurance Education Committee (AIEC) recommended the setting of specific qualifications when appointing the chair of the AIEC, to ensure a smooth succession. It suggested that candidates for AIEC chairperson should have at least 10 years of insurance experience and should have headed an insurance association in their countries. They should have also taken a formal or certificate course in insurance and must not be a past or current officer at any insurance educational institute.

The AIC approved the proposed three-year term of the AIEC chair and suggested the appointment of a vice-chair to helm the committee in the chair's absence. a tea-talk session on the various areas of marine insurance with a group of 40 SMU undergraduates.

Other AIC activities

Earlier in 2013, the GIA took part in other key AIC activities, such as the inauguration of the AIC Permanent Secretariat and the setting up of the AIC Research & Development Department, to be headed by Mr Pedro Benedicto, a former chairman of the Philippine Insurers and Reinsurers Association. The GIA was also part of a team of AIC members who paid a courtesy visit to the ASEAN Secretariat in Jakarta, Indonesia.

The next AIC Meeting and ASEAN Insurance Regulators' Meeting, as well as other committee and council gatherings, will take place in Brunei in the latter part of 2014.

Financial Statements

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Statement by the Management Committee

GENERAL INSURANCE ASSOCIATION OF SINGAPORE
(UEN: S66SS0020G)

In our opinion, the accompanying financial statements of the General Insurance Association of Singapore (the "Association") set out on pages 24 to 41 are properly drawn up in accordance with the provision of the Society Act, Cap.311, Constitution of the Association and Singapore Financial Reporting Standards, so as to give a true and fair view of the state of affairs of the Association as at 31 December 2013 and of the results, changes in funds and cash flows of the Association for the financial year then ended on that date.

On behalf of the Management Committee,

Mr. A.K. Cher
PRESIDENT

Ms. Stella Tan
VICE-PRESIDENT

Singapore, 11 March 2014

Independent Auditors' Report to the Members of General Insurance Association Of Singapore

Report on the Financial Statements

We have audited the accompanying financial statements of General Insurance Association of Singapore (the "Association"), which comprise the statement of financial position as at 31 December 2013, and the income and expenditure statement, statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 24 to 41.

Management Committee's Responsibility for the Financial Statements
The Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the position of the Society Act, Cap.311, Constitution of the Association and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure statement and balance sheet and to maintain accountability of assets.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements are properly drawn up in accordance with the Society Act, Cap. 311, Constitution of the Association and Singapore Financial Reporting Standards, so as to give a true and fair view of the state of affairs of the Association as at 31 December 2013 and of the results, changes in funds and cash flows of the Association for the financial year then ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted to Societies Act, Cap. 311 to be kept by the Association have been properly kept in accordance with those regulations.

Kreston David Yeung Pac
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

Singapore, 11 March 2014

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Statement of Financial Position

AS AT 31 DECEMBER 2013

The notes set out on pages 30 to 41 form an integral part of and should be read in conjunction with this set of financial statements.

	Note	GIA 2013 S$	GIARMC 2013 S$	Total 2013 S$	2012 S$
ASSETS					
Non-Current Assets					
Plant and Equipment	3	34,331	-	34,331	71,430
Current Assets					
Trade Receivables	4	47,397	67,434	114,831	75,206
Other Receivables		-	1,509	1,509	29,400
Receivable from GIA		-	-	-	101,190
Deposits		49,989	-	49,989	49,989
Prepayments		54,457	103	54,560	36,661
Cash and Cash Equivalents		376,657	84,472	461,129	599,110
Total Current Assets		528,500	153,518	682,018	891,556
Total Assets		562,831	153,518	716,349	962,986
FUNDS AND LIABILITIES					
Funds					
Accumulated Funds		319,194	42,612	361,806	679,332
Current Liabilities					
Trade Payables		189,688	79,406	269,094	130,818
Accruals		44,499	31,500	75,999	42,993
Deposit received		8,493	-	8,493	3,074
Other Payables		957	-	957	5,579
Amount due to GIARMC		-	-	-	101,190
Total Current Liabilities		243,637	110,906	354,543	283,654
Total Funds And Liabilities		562,831	153,518	716,349	962,986

Income and Expenditure Statement

FOR THE YEAR ENDED 31 DECEMBER 2013

The notes set out on pages 30 to 41 form an integral part of and should be read in conjunction with this set of financial statements.

	Note	GIA 2013 S$	GIARMC 2013 S$	Budget 2013 S$	Total 2013 S$	Total 2012 S$
Income						
Accident Reports		-	300,354		300,354	334,727
Agents' Registration Fees		677,506	-	680,000	677,506	658,065
Agents' Search Fee		238	-	-	238	12
E-Filing Search Fee		-	239,057		239,057	217,690
Brochures and Decal Income		-	-	-	-	(1,430)
Third Party Insurer Enquiry Income		-	196,419		196,419	196,826
GIA Swing for Charity		191,050	-	-	191,050	89,177
GST Seminar		2,242	-		2,242	-
IUMI Registration Fee		-	-	-	-	3,196
Levies on Ordinary Members		1,238,912	-	-	1,238,912	1,203,115
MAS Funding on Global Internship Programme (GIP)		-	-		-	245,625
Motor-Barometer of Liability Agreement (BOLA)		39,439	-	-	39,439	6,272
Motor Insurance seminar		598	-	-	598	26,400
Reimbursement from Motor Insurers' Bureau		25,554	-	-	25,554	15,696
Reimbursement from LCH (S) Pte Ltd		7,708	-		7,708	-
Reimbursement from Financial Sector Development Fund		-	-		-	14,003
Reimbursement Regional Development Committee (RDC)		8,978	-	-	8,978	-
Reimbursement on Talent Outreach Project (TOP)-GIP		-	-	-	-	7,020
Singapore Insurance Institute/Singapore Liability and Casualty Conference		1,559	-	-	1,559	-
Sponsorship-Singapore Maritime Foundation		8,609	-	-	8,609	18,527
Other income		-	-	-	-	10,207
		2,202,393	735,830		2,938,223	3,045,129
Less: Expenditure (Page 26)		(2,701,207)	(554,542)		(3,255,749)	(2,894,082)
(Deficit)/Surplus Before Taxation		(498,814)	181,288		(317,526)	151,047
Less: Taxation	5	-	-		-	-
Net (Deficit)/Surplus For The Year		(498,814)	181,288		(317,526)	151,047

Income and Expenditure Statement

FOR THE YEAR ENDED 31 DECEMBER 2013

The notes set out on pages 30 to 41 form an integral part of and should be read in conjunction with this set of financial statements.

	Note	GIA 2013 S$	GIARMC 2013 S$	Total 2013 S$	Total 2012 S$
Expenditure					
Anniversary expenses		9,664	-	9,664	5,713
Accounting Services Fee		7,481	20,400	27,881	25,186
Advertisement – FICS Award, GI&U		48,541	-	48,541	-
Agents' Registration Board Expenses		40,454	-	40,454	84,532
Auditors' Remuneration		5,500	3,000	8,500	6,441
Bank Charges		374	1,071	1,445	2,450
Computerisation Services	6.1	239,241	-	239,241	183,054
Data Storage		-	2,136	2,136	1,440
Depreciation of Plant and Equipment	3	41,787	-	41,787	44,352
Electricity		4,540	-	4,540	4,494
Entertainment and Refreshment		8,957	986	9,943	10,378
Expenses Incurred on GIA/PIAM/GIAB Liaison Meeting		5,315	-	5,315	9,941
General Expenses		-	-	-	5,476
General Insurance Day		30,255	-	30,255	30,985
GIA Annual Report		35,005	-	35,005	35,000
GIA Appreciation Night		19,833	-	19,833	17,989
GIA Corporate Gift		9,395	-	9,395	-
GIA Newsletter		29,880	-	29,880	20,295
GIA Swing For Charity Expenses		191,057	-	191,057	84,181
GIA Website		8,066	-	8,066	49,199
Insurance Expenses		18,087	-	18,087	17,230
Internet Expenses		2,168	-	2,168	1,624
Key Management Remuneration	6.2	579,057	-	579,057	601,355
Penalty and Late Payment charges		8,028	-	8,028	-
Legal and Professional Fees		36,641	-	36,641	23,682
Management Fees	6.3	-	439,329	439,329	426,932
Marine Committee Expenses		64,390	-	64,390	50,584
Staff Medical Expenses		3,385	-	3,385	3,584
Meetings and Seminars	6.4	29,901	8,875	38,776	119,996
Miscellaneous Expenses		34,656	-	34,656	13,153
Motor Committee Expenses	6.5	107,578	75,922	183,500	50,180
Newspapers and Publications		523	-	523	525
Office Cleaning		5,900	-	5,900	4,800
Office Rental and Services		185,582	-	185,582	184,478
Payroll Services		11,790	-	11,790	10,620
Photocopier Rental And Printing Expenses		8,471	-	8,471	6,344
Postages		425	-	425	443
Members' Get-Together		9,094	-	9,094	8,001
Printing and Stationery		10,725	2,155	12,880	22,090
Property Committee Expenses		52,204	-	52,204	-
Balance c/f		1,903,950	553,874	2,457,824	2,166,727

Income and Expenditure Statement

FOR THE YEAR ENDED 31 DECEMBER 2013

The notes set out on pages 30 to 41 form an integral part of and should be read in conjunction with this set of financial statements.

	Note	GIA 2013 S$	GIARMC 2013 S$	Total 2013 S$	Total 2012 S$
Expenditure					
Balance b/f		1,903,950	553,874	2,457,824	2,166,727
Public Relations Consultancy		69,132	-	69,132	69,132
Public education		-	-	-	27,181
Recruit Agency Fees		55,659	-	55,659	-
Regional Development Committee Expenses	6.6	127,615	-	127,615	185,611
Repair and maintenance		8,984	473	9,457	5,857
Sponsorships/Donations	6.7	56,900	-	56,900	48,000
Sport and recreation		-	-	-	120
Staff Costs	6.8	365,856	-	365,856	272,831
Subscriptions/ Membership Fees	6.9	8,820	-	8,820	8,342
Talent Outreach Project		70,161	-	70,161	63,026
Tax Service Fee		1,462	-	1,462	10,503
Team Building Activities Expenses		12,180	-	12,180	9,629
Telecommunication		4,570	-	4,570	4,836
Transportation		5,088	183	5,271	5,262
Upkeep of Office Equipment and Software		7,564	12	7,576	-
Warehousing		2,547	-	2,547	2,544
Work-Injury Personal Accident And Health		719	-	719	14,481
		2,701,207	554,542	3,255,749	2,894,082

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2013

The notes set out on pages 30 to 41 form an integral part of and should be read in conjunction with this set of financial statements.

	GIA 2013 S$	GIARMC 2013 S$	Total 2013 S$	Total 2012 S$
Net (Deficit)/Surplus For The Year (Page 25)	(498,814)	181,288	(317,526)	151,047
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Year	(498,814)	181,288	(317,526)	151,047

Statement of Changes in Fund

FOR THE YEAR ENDED 31 DECEMBER 2013

The notes set out on pages 30 to 41 form an integral part of and should be read in conjunction with this set of financial statements.

	GIA S$	GIARMC S$	Total S$
Balance as at 01.01.2012	460,508	67,777	528,285
Total comprehensive income for the year	(96,872)	247,919	151,047
Balance as at 31.12.2012/01.01.2013	363,636	315,696	679,332
Total comprehensive income for the year	(498,814)	181,288	(317,526)
Transfer of fund from/(to)	454,372	(454,372)	-
Balance as at 31.12.2013	319,194	42,612	361,806

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2013

The notes set out on pages 30 to 41 form an integral part of and should be read in conjunction with this set of financial statements.

	2013 S$	2012 S$
Cash flows from operating activities:-		
Net (Deficits)/Surplus before taxation	(317,526)	151,047
Adjustments for:-		
Depreciation of plant and equipment	41,787	44,352
Operating surplus before changes of working capital	(275,739)	195,399
Changes of working capital:-		
(Increase)/Decrease in trade and other receivables	(29,633)	142,555
Increase in trade and other payables	172,079	80,563
Net cash (used in)/generated from operating activities	(133,293)	418,517
Cash flows from investing activities		
Purchase of plant and equipment	(4,688)	(7,732)
Net cash used in investing activities	(4,688)	(7,732)
Net (decrease)/increase in cash and cash equivalents	(137,981)	410,785
Cash and cash equivalents at the beginning of the year	599,110	188,325
Cash and cash equivalents at the end of the year	461,129	599,110

1. GENERAL

The General Insurance Association of Singapore is registered under the Societies Act, Chapter 311. The registered office is located at 180 Cecil Street #07-02, Bangkok Bank Building, Singapore 069546.

The principal activities of the Association relate to the protection, promotion, advancement and the doing of all things in furtherance of the common interests of members and the General Insurance industry.

The financial statement of the Association for the year ended 31 December 2013 were authorised for issue in accordance with a resolution by the Management Committee on 11 March 2014.

The financial statements of the Association are expressed in Singapore dollar (S$ or SGD).

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Association have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Financial Reporting Standards ("FRS").

In the current financial year, the Association has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January, 2013. The adoption of these new/revised FRSs and INT FRSs have no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Association's accounting policies, reporting amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

CRITICAL ASSUMPTIONS USED AND ACCOUNTING ESTIMATES IN APPLYING ACCOUNTING POLICIES

Income tax
The Association recognises liabilities for expected tax issues based on estimates of whether additional tax will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Useful lives of plant and equipment
As described in Note 2(c) to the financial statements, the Association reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the Management's estimation of the periods that the Association intends to derive future economic benefits from the use of the Association's plant and equipment. Changes in the expected level of usage and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of plant and equipment as at the end of the reporting period are disclosed in Note 3 to the financial statements.

CRITICAL JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

In the process of applying the entity's accounting policies, management had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Allowance account for credit losses
The Association makes allowances account for credit losses based on assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts required the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate had been made.

Impairment of plant and equipment
The Association assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

c) Plant and Equipment

All items of plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the costs of the plant and equipment over their estimated useful live as follows:-

Office equipment	3 years
Computers	3 years
Furniture and fittings	3 years
Renovation	3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful live and depreciation method are reviewed at each financial year-end to ensure that amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income and expenditure statement in the year the asset is derecognised.

d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

e) Financial Assets

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are recognised on the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. The Association determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through income and expenditure statement, directly attributable transaction costs.

SUBSEQUENT MEASUREMENT

Loans and receivables
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income and expenditure statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Association classified the following financial assets as loans and receivables:

- Cash and cash equivalents
- Trade and other receivables

DERECOGNITION

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in income and expenditure statement.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e the date that the Association commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

f) Impairment of Financial Assets

The Association assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Association first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Association determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in income and expenditure statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Association considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in income and expenditure statement.

g) Financial Liabilities

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are recognised on the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities, plus, directly attributable transaction costs.

SUBSEQUENT MEASUREMENT

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income and expenditure statement when the liabilities are derecognised, and through the amortisation process.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income and expenditure statement.

h) Impairment of Non-Financial Assets

The Association assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Association makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in the income and expenditure statement except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income and expenditure statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

i) Contingencies

A contingent liability is:-

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association; or

(b) a present obligation that arises from past events but is not recognised because:

   i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association.

Contingent liabilities and assets are not recognised on the statement of financial position of the Association, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

j) Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

k) Income Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Income from accident and search reports is recognised when the significant risks and rewards of ownership have been transferred to the buyers.

Agents' registration fees received by the Association are credited to the income and expenditure statement over the period of the registration.

The entrance fee is recognised in full in the year in which new members are admitted.

Interest income is recognised using the effective interest method.

l) GIA Records Management Centre (GIARMC)

On 1 May 1999, a Market Agreement was entered into with members of the Association to operate the Non-Injury Motor Accident Reports Scheme.

In connection with the Scheme, the GIA Records Management Centre (the Centre) was established for the purpose of the archival and retrieval of records.

The Association has appointed Merimen Technologies (Singapore) Pte Ltd as the manager to provide the staff and facilities to the Centre. Beside that they also keep and maintain the accounting records and bank account for the Centre. Merimen Technologies (Singapore) Pte Ltd will charge the Association according to the monthly contracted rates for the services rendered.

m) Income Taxes

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the country where the Association operates and generates taxable surplus.

Current income taxes are recognised in income and expenditure statement except to the extent that the tax relates to items recognised outside income and expenditure statement, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

– where the deferred tax relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable surplus or deficit; and

– in respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable surplus will be available against which the deductible temporary difference and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable surplus will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside income and expenditure statement is recognised outside income and expenditure statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Sales tax
Income, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

n) Functional and Foreign Currency

FUNCTIONAL CURRENCY

The management has determined the currency of the primary economic environment in which the Association operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

TRANSACTIONS AND BALANCES

Transactions in foregin currencies are measured in the functional currency of the Association and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in income and expenditure statement in the period in which they arise.

o) Employee Benefits

Defined Contribution Plan
As required by law, the Association makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised compensation as expenses in the same period as the employment that gives rise to the contribution.

Employee Leave Entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

p) Key Management Personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Association. The executive director and managers are considered as key management personnel of the Association.

q) Leases – as lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the income and expenditure statement on a straight -line basis over the lease term.

3. PLANT AND EQUIPMENT

	Office Equipment S$	Computers S$	Furniture and fittings S$	Renovation S$	Total S$
Cost					
At 01.01.2012	17,770	322,692	5,105	101,514	447,081
Additions	1,138	4,756	1,838	-	7,732
At 31.12.2012/01.01.2013	18,908	327,448	6,943	101,514	454,813
Additions	1,677	3,011	-	-	4,688
At 31.12.2013	20,585	330,459	6,943	101,514	459,501
Accumulated Depreciation					
At 01.01.2012	10,544	314,630	3,730	10,127	339,031
Charge for the year	2,973	6,530	1,011	33,838	44,352
At 31.12.2012/01.01.2013	13,517	321,160	4,741	43,965	383,383
Charge for the year	3,271	3,565	1,113	33,838	41,787
At 31.12.2013	16,788	324,725	5,854	77,803	425,170
Net Book Value					
At 31.12.2013	3,797	5,734	1,089	23,711	34,331
At 31.12.2012	5,391	6,288	2,202	57,549	71,430

4. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on immediate to about 30 days term. They are recognised at their original invoiced amounts which represent their fair values on initial recognised. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:-

	GIA 2013 S$	GIARMC 2013 S$	Total 2013 S$	Total 2012 S$
Not past due	-	57,025	57,025	59,359
Past due 1 – 30 days	13,328	1,192	14,520	5,885
Past due 31 – 60 days	23,676	1,042	24,718	2,096
Past due more than 60 days	10,393	8,175	18,568	7,866
	47,397	67,434	114,831	75,206

The trade receivables that are past due at the end of the reporting period but not impaired amounting to S$57,806 (2012: S$15,847).

5. TAXATION

No provision for taxation had been made as the company does not derive Singapore sourced income.

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to surplus before taxation due to the following factors:-

	2013 S$	2012 S$
(Deficits)/Surplus before taxation	(317,526)	151,047
Tax calculated at a tax rate of 17%	(53,979)	25,678
Expenses not deductible for tax purposes	45,026	18,775
Income not subject to tax	(32,479)	(30,912)
Deferred tax assets/(liability) at beginning of year	1,396	(5,525)
Deferred tax assets at end of year	42,865	-
Enhanced claim	(2,829)	(6,620)
Others	-	(1,396)
	-	-

At the end of the reporting period, the Association has unutilised tax losses of approximately S$220,011 (2012: S$Nil) available for setting off against its future taxable income subject to agreement with Comptroller of Income Tax and compliance with the relevant sections of the Income Tax Act. No deferred tax asset is recognised due to uncertainty of its recovery.

6. EXPENDITURE

6.1 Computerisation services

	2013 S$	2012 S$
Agents Registration and CPD Management (ARCM) System expenses consist of:-		
– Hardware / Software	-	9,470
– Hardware maintenance	93,540	34,900
– Meeting and seminar	-	300
– Litigation monitoring services	3,850	4,200
– Storage fee	1,296	1,269
– Change request	25,575	3,575
– System support	32,550	31,000
– Hosting services	82,430	91,140
General expenses (IT support)	-	7,200
	239,241	183,054

6.2 Key management's remuneration

Salaries and other costs	539,886	559,034
Employer's contribution to CPF	39,171	42,321
	579,057	601,355

6.3 Management fees

The management fees charged by Merimen Technologies (Singapore) Pte Ltd for managing the day-to-day affairs of the Association, as disclosed in Note 2(l) to the financial statements.

	2013 S$	2012 S$
The amounts consist of:-		
– E-Filing submission	177,797	176,788
– E-File Search Fee	17,574	15,905
– E-File Purchase	54,143	29,467
– NCD Fee and Batch Maintenance Fee	53,900	54,899
– Accounting Fee and Postage	14,400	14,322
– BOLA Subscription Fee	32,800	40,000
– Other	88,715	95,551
	439,329	426,932

6.4 Meetings and seminars

Annual General Meeting	17,665	15,692
Asean Insurance Council (AIC) meeting	3,310	6,134
East Asian Insurance Congress (EAIC) meeting	4,015	10,769
Meeting and seminar	4,911	4,217
Insurance Fraud Seminar	-	83,184
Motoring Seminar	8,875	-
	38,776	119,996

6.5 Motor Expenses

	2013 S$	2012 S$
Advertisement	114,207	10,538
BOLA – Dispute Resolution Scheme	-	700
Food and Beverage	2,786	1,850
Insurance Fraud	12,230	-
Miscellaneous	47	-
Motor Claim	1,100	400
Public Relations Consultancy	29,724	29,628
Seminar	13,290	3,871
Sponsorship	10,000	3,000
Transport	116	193
	183,500	50,180

6.6 Regional Development Committee Expenses

Global Internship Programme	127,615	185,611

6.7 Sponsorships/Donations

GIA Swing For Charity	15,000	15,000
National University of Singapore Museum fund	3,000	3,000
National Crime Prevention Council Charity Golf Tournament	-	5,000
Singapore Insurance Institute (SII)	15,000	5,000
Sponsorship – CASE Fund Raising	2,500	-
The Institute of Banking and Finance	21,400	20,000
	56,900	48,000

6.8 Staff Costs

Salaries and other costs	316,700	235,240
Employer's contribution to CPF	49,156	37,591
	365,856	272,831

6.9 Subscriptions and Membership Fees

Asean Insurance Council (AIC)	1,994	1,985
International Union of Maritime Insurance (IUMI)	6,826	6,357
	8,820	8,342

7. OPERATING LEASE COMMITMENTS

The Association leases office premises and equipment under non-cancellable operating leases agreement. None of these leases included contingent rent. Office and equipment rental expenses for the financial year were S$185,582 (2012: S$184,478) and S$8,471 (2012: S$6,344) respectively. Future minimum rentals under non-cancellable leases are as follows as of 31 December:-

	2013 S$	2012 S$
Amount due within 1 year	159,611	190,362
Amount due within 2 and 5 years	17,424	177,035
	177,035	367,397

8. FINANCIAL INSTRUMENTS

Financial Risk Management Objective and Policies

The main risks arising from the Association's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk. The Association does not use derivative and other instruments in its risk management activities. The Association does not hold, use or issue derivative financial instruments for trading purposes. The Management Committee reviews and agrees policies for managing each of these risks and these risks are summarised below:

Credit Risk

The main credit risk is from any default by its trade receivables. The Association grants credit only to credit-worthy counter parties. Management Committee also closely monitors all outstanding debts and reviews the collectability of receivables periodically. The Association does not identify any specific concentration of credit risk with regard to the receivables balances resemble a large number of receivables from a large number of members.

Cash and cash equivalents are deposited in financial institutions with high rating.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Association's maximum exposure to credit risk without taking into account of the value of any collateral or other security obtained.

Interest Rate Risk

The Association's exposure to market risk for changes in interest rates relates primarily to the Association's bank balance. However, as at year end, the exposure is insignificant.

Foreign Currency Risk

The Association's operational activities are carried out in Singapore dollar. All transactions are paid for in local currency. There is no exposure to any risk arising from movements in foreign currencies exchange rates as the Association has no transactions in foreign currency.

Liquidity Risk

In the management of liquidity risk, the Association monitors and maintains a level of cash and bank balances deemed adequate by the Management Committee to finance the Association's operations and mitigate the effects of fluctuations in cash flows.

9. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

	2013 S$	2012 S$
Assets		
Financial assets		
Loans and receivables:-		
Trade receivables	114,831	75,206
Other receivables and deposits	51,498	79,389
Cash and cash equivalents	461,129	599,110
	627,458	753,705
Liabilities		
Financial liabilities		
At amortised costs:-		
Trade payables	269,094	130,818
Other payables	957	5,579
Accruals	75,999	42,993
Deposit received	8,493	3,074
	354,543	182,464

10. FAIR VALUE

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

11. FRS AND INT FRS NOT YET ADOPTED

The Association has not applied the following Standards and Interpretations that have been issued but not yet effective:

Description		Effective for annual periods beginning on or after
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting of Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111 and FSR 112	Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2014

The initial application of these Standards, Amendments and Interpretations are not expected to have any material impact on the Association's financial statements.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the company when implemented in 2014.

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