

Times may change but not tenets

Principles such as integrity in dealings with customers and business partners drive the general insurance business, Tenet Insurance's CEO tells **TEH SHI NING**

STELLA Tan has seen much change in Singapore's general insurance landscape over the course of her career.

Companies have undergone mergers and acquisitions, rebranding and restructuring, and numerous new international players have come onto the scene.

But Ms Tan, the current CEO of Tenet Insurance, would tell you that there are unchanging core principles, "tenets" if you will, which drive the general insurance business.

A high point for her was being able to play a part in christening Tenet back in 2002. The company had several name changes before then, alongside changes in ownership, but is now wholly-owned by Hwa Hong Corporation and bears a name chosen by its own management team.

"Insurance is, after all, based on principles," Ms Tan says. Principles such as maintaining integrity in dealings with customers and business partners.

Ms Tan first entered the world of insurance when she applied and was selected for a scholarship programme offered to 23 A-level school leavers by what was then known as the Commissioner of Insurance.

The programme was structured such that every day over two years, Ms Tan spent half a day at the Singapore Insurance Training Centre, studying for her ACII certification, and the second half working at an insurance company.

The scholarship was no ticket to guaranteed success though, Ms Tan says, recalling how when first employed as an underwriter, she had her paper qualifications but felt herself lacking in much-needed experience.

In those days, structured on-the-job training was rare, and those new to the business found themselves having to use their own resources and initiative, Ms Tan says. "You wouldn't have the luxury of having someone sitting down next to you and coaching you on how to do your underwriting from step one to ten!"

Looking back on her 30 years in insurance, she says: "I think there are no shortcuts. You've just got to get your hands dirty as you pick things up and refine your underwriting skills."

Ms Tan, who is married with two sons, is a rare lady CEO among the many men heading insurance companies here. She does not seem to think much of it though, saying: "Actually if you walk into an insurance company, you'll see more ladies than men!"

"These days, more ladies are in management positions compared to some years ago, when most of the senior management team would be male," she adds. In any case, she has never felt disadvantaged by her gender. "I've been pretty fortunate in that in every company I've joined, I've had bosses who've been supportive in letting me have leeway to learn, giving me the underwriting scope to develop my skills."

And if there had been challenges, the same "no-shortcuts" approach would have applied.

She describes moments in her earlier years with international companies, when senior management from the head offices abroad would fly in to question her on all aspects of the business operations here.

"Your adrenaline will be flowing, your gastric juices pumping! But if you can respond in the right manner, demonstrate an understanding of the

issues involved and more importantly deliver the results, that gives them the confidence that you know what you're doing, and they'll support you," she says.

Understanding issues and risks will always be key, Ms Tan stressed. "What we're always worried about is that we lose all these technical skills that the industry is known for. To underwrite a cargo risk, a marine hull risk, an engineering risk or construction risk, all this needs technical skills."

This also means insurance people sometimes need to be "Jacks of all trades", understanding clients' different businesses, how they work and the risks involved.

"We don't want people, young ones particularly, to think that insurance is just about competition on rates without an appreciation of the risks we carry as insurers," Ms Tan says.

After working at various foreign-headquartered insurance companies, Ms Tan joined Tenet Insurance in 1999 as head of commercial lines, subsequently became its chief operating officer, and finally took on her current role of CEO.

Tenet Insurance has been growing its personal lines business, with in-

roads in personal accident, travel and domestic helpers insurance, although commercial lines, with a focus on SMEs, still account for the larger part of its business at the moment.

"We can't fight with the big boys, in that we can't tell people we're international and are represented in 50 countries," says Ms Tan. What Tenet can offer, she says, is quicker decision turnaround time, as it need not refer risks to a head office to consider each decision's impact on other regions.

"We can tell clients here that when you do business with us, we can make that difference by understanding your needs well as we are local and are here to stay in the long haul."

That is assurance that Tenet's smaller clients would especially appreciate with the current recessionary outlook worldwide.

Tenet, too, will be affected by the recession, Ms Tan says. "There will be pressure on rates and premiums may drop for some classes of insurance. We will just have to brace ourselves and ride through this with our clients."

She thinks that they may see smaller sums insured as stock values decline, and that some clients may not survive the financial crisis.

"For insurers to ride through this cycle, we need to manage our costs. Not only claims costs, but also our operating expenses," she says. Strengthening capital will also be essential to cope with greater business volatility and assure policyholders, Ms Tan said. Tenet's capital adequacy ratio is currently twice that of the statutory limit of 120 per cent.

But, she says: "Not all is doom and gloom in a downturn." She still sees pockets of opportunities in such areas as personal lines and affinity programmes, for instance.

Another opportunity, she sees, is the chance to draw in talent. "I think before the economic crisis hit, insurers were viewed as the poor cousins of banks. And maybe graduates think an insurance job is more boring, desk-bound, clerical, because they are not aware of the different roles in an insurance company."

To challenge those views, Tenet will be participating in the undergraduate internship scheme organised by the General Insurance Association of Singapore this year.

"Obviously, we hope all these educational and exposure programmes will bring a greater crop of people and fresh blood to the industry," says Ms Tan.



Ms Tan: There are no shortcuts. You've just got to get your hands dirty as you pick things up and refine your underwriting skills

Being in the right place at the right time

By **TEH SHI NING**

SEVEN years into his career in insurance, Christopher Beazley heads Amlin's regional office in Singapore. His name may ring a bell with those familiar with another Lloyd's syndicate, Beazley, of which his father is still deputy chairman. But although father and son have a close relationship and talk about the market, Mr Beazley says his decision to go into insurance was entirely his own.

In his initial years as a management science undergraduate, management consultancy was fashionable among his peers and was his own favoured career path. It was only after a summer attachment with risk management and insurance intermediary, Willis, that he put those plans aside. And after graduating in 2001, he joined Willis' global energy team.

After six years as a specialist energy broker in London and the US, he decided it was time for a move. "I thoroughly enjoyed my time as a broker, and even though I think you keep on learning every day right through your career, I think I was at a stage where I had a feel of what the role of the broker entailed," he says.

So in 2007 he moved from broking to underwriting, and from London to Singapore. "I knew I wanted to join a Lloyd's insurer because I enjoyed the environment in which we worked in London," Mr Beazley says. And that was why Amlin was ideal. "It wasn't a difficult decision, coming to join a top-rated insurance company in an exciting position," he adds.

Amlin appointed Mr Beazley managing director and principal officer of its new regional office in Singapore in 2007. The opportunity to start building a business, bringing in his own people, and being in control of his direction, was quite appealing, he says.

In London, Amlin writes more than 30 lines of business. But Amlin Singapore will focus on upstream energy business, cargo business, non-marine property business and terrorism business, though Mr Beazley adds that it will "look to diversify at the right time".

The transition from broking to underwriting seems to have been a smooth one for him. "In Singapore, where the insurance market is not quite fully mature, although rapidly getting there, a lot of the role as an underwriter actually involves a lot of skills I used as a broker," he



Mr Beazley: "... you've got to be willing and able to listen, to really try to soak up information, understand the many different cultures in the region and how business is done."

says. "You're still working with the brokers but you're physically one step closer to the clients than you are if you're underwriting from London."

His role here involves writing new business from the region, while at the same time looking to enhance existing and long-standing relationships Amlin has built in Asia, from London.

In terms of getting to where he is at the moment, Mr Beazley thinks "there was an element of being in the right place at the right time". His experience as an energy broker at Willis was key, and he credits the training he received there with giving him foundational skills.

The graduate training scheme at Willis, un-

like those at some other firms, did not rotate newcomers among various departments but assigned them to one from the beginning, where they would learn the ropes from day one, says Mr Beazley.

"So you're learning about insurance and how it works, but at the same time you are also dealing with oil and gas companies, and need to know about their drilling programmes, their construction projects, how changes such as in the oil price affect them."

He found it "an interesting opportunity, because you embark on learning about two different businesses essentially, at the same time".

He cites adaptability, being able to deal with different parties from different backgrounds, and a willingness to listen as qualities that have helped his career.

"I think certainly that coming to Asia, you've got to be willing and able to listen, to really try to soak up information, understand the many different cultures in the region and how business is done," he says.

"If you look at the team here, we're recruiting people from the region, who are already light years ahead of where someone like myself is in terms of regional relationships and a regional understanding of how we can profitably grow our business," he adds. Amlin Singapore now has a headcount of four and will "look to grow gradually but steadily".

For now, the global economic gloom dominates the horizon. Mr Beazley is of the view that "2008 was a reality check for insurers after relatively good years in 2006 and 2007".

He therefore thinks that "there has to be a re-think on pricing; and not only have we got to focus on pricing, we also have to focus on the actual coverage we're giving".

He believes insurers need to offer tailor-made products to clients, ensuring they are giving "the appropriate levels of coverage rather than blanket coverage where it's not necessarily suitable".

He sees two ways in which Amlin Singapore could benefit from the current economic climate. One, "risk managers looking increasingly at the financial strength of their risk carriers and looking to place business on a subscription-style basis" could yield more opportunities.

Two, increased scrutiny by the investment community looking to maximise returns on capital markets will be advantageous to Amlin, which has always focused on ensuring capital returns.

"At a time when our competitors for the best talent in the financial services industry are finding it tough going," Mr Beazley says, he sees a "real opportunity for the insurance industry to seize the advantage in recruitment".

Amlin will host its second intern under the Global Internship Programme this year. "Our view of the Singapore market and our operations here is a long-term view, so it's in our interest that it's a sustainable industry too," Mr Beazley says.

This is the last in a four-part series on personalities in the insurance industry brought to you by:



Learning the ropes: Mr Lau (right) spent six weeks in the Singapore and London offices of Lloyd's Amlin and at QBE's Sydney office last year under the GIP

Having fun learning more about insurance

FRANCIS Lau's first impression of insurance differed starkly from how he now sees the industry.

Life insurance and cold calls were his first glimpses of insurance, as his brother works as a financial consultant. Then there was a lecturer who told him that "insurance is like an umbrella that goes missing when the rain comes".

But that "myopic view of things" has been reshaped by six weeks Mr Lau spent in the Singapore and London offices of Lloyd's Amlin and at QBE's Sydney office last year.

His work placements were arranged under the Global Internship Programme (GIP) launched by the General Insurance Association of Singapore last July to woo young talent.

And if Mr Lau's experience is anything to go by, the association's efforts to expose undergraduates to the general insurance industry seems to be paying off.

"It was a fantastic experience," he says. "I'm not trying to play it up. I can't say any less because it was that great."

He especially appreciated the breadth his internship covered and how he "got to see the various markets - Australia, London and Singapore" and experienced the Lloyd's market and the companies market.

In fact, he thinks his rave reviews of GIP played some part in spurring about 20 of his degree course mates to apply for the programme this year.

Mr Lau is in his penultimate undergraduate year at Nanyang Technological University, where he is doing a degree in maritime studies.

He took the course because it was "specialised but slanted to the business side of things", as well as for the scholarship the Singapore Maritime Foundation offered him. The scholarship entails a three-year bond with any company in Singapore's maritime industry after graduation.

Though nothing is set in stone just yet, the GIP has led Mr Lau to consider a career in marine insurance. After last year's six-week internship programme, he now intends to complete his mandatory course requirement of a 10-week professional internship with an insurance company. And he is hoping for a second stint with Amlin Singapore in December this year "to gain a more in-depth perspective".

While attached to Amlin Singapore's office last year, he job-shadowed a war underwriter. "I saw the 'cool side' of insurance watching him

work, signing off deals worth millions just like that. It really intrigued me," says Mr Lau, who quickly came to realise the thorough evaluation and analysis that went into each snappy decision.

An avid sportsman who also loves to travel, Mr Lau says the discovery that "underwriting is much less of a desk-bound job than I thought" is appealing, as is the job's "people-oriented nature" - something he realised while watching the brokers and underwriters at Lloyd's of London during his placement with Amlin there.

"Listening to the underwriters and brokers at work, there's always casual conversation first, about golf over the weekend and so on," he says. "But in 10 minutes they're able to cut the deal and get the job done."

Spending time in and out of offices with insurance professionals also led him to realise that "insurance people are really not dull and boring. They're actually very fun and friendly, which is important as insurance is so much a relationship-based business".

"But that's just based on what I've learned so far," says Mr Lau, who quickly adds that there is much he has yet to learn about the industry.

- By **TEH SHI NING**