

**For Immediate Release**

## **General Insurance Sector Records 15% Year-on-Year Growth, Reaffirming Singapore's Positioning as a Regional Insurance Hub**

*First-ever sector-wide video campaign to be launched 2H2023 as members come together to raise public awareness towards motor touts to combat fraudulent claims in the motor insurance sector*

**SINGAPORE, 22 MARCH 2023** – The General Insurance Association of Singapore (GIA) today announced that the general insurance sector recorded positive results for both the offshore and domestic segments with a combined 15% increase in gross written premiums to S\$9.34 billion. Underwriting performance rose by 20.3%.

### **Domestic Segment Records Second Consecutive Year of Growth**

The domestic segment recorded a stable growth of 9.6% in gross written premiums totalling S\$4.84 billion. This came on the back of strong uptake in the health, property, and travel segments in the domestic market, with the easing of travel borders globally contributing to significant growth in the latter.

Correspondingly, underwriting profit increased by 14.8% year-on-year to S\$301.6 million in 2022, buoyed by strong performance in the health segment. This is the second consecutive year of growth recorded for the sector, underscoring its resilience as it emerges from the Covid-19 pandemic.

"The general insurance sector's robust performance over the past year has reinforced our country's position as a leading insurance hub in the region. Despite challenges posed by the pandemic, the sector has displayed resilience, adaptability, and innovation, enabling us to continue serving our customers and supporting economic growth. As we look ahead into 2023, we remain optimistic in our sector's ability to navigate and excel in a rapidly evolving landscape," said Mr Ronak Shah, President of GIA.

### **First-ever sector-wide video campaign to combat motor touts**

With the resumption of economic activities and in the face economic headwinds, the sector continues to keep a keen eye on the rising trend of motor touts and other fraudulent activities. This year, the general insurance sector will come together in a sector-wide effort to launch a video campaign aimed at raising public awareness around motor touts. This campaign will be launched second half of 2023.

This is the first-ever sector-wide marketing initiative to tackle inflated claims in the motor segment since the launch of the Motor Claims Framework<sup>1</sup> in 2008, further underscoring the sector's continued commitment to stamp out fraudulent actors in its largest business segment.

### **Positive domestic market performance supported by health segment**

Across the various business segments, health insurance came up top in terms of growth with a 19% increase in gross written premiums. Total underwriting profit for the health segment also increased by S\$69.6 million, reversing the underwriting loss experienced in 2021. This highlights the general insurance sector's growing position in providing comprehensive protection through corporate health coverage.

Gross written premiums for property insurance grew by 6% to S\$758.3 million. This is reflective of the multiple high profile fire incidents reported by the media in the past year<sup>2</sup>, reinforcing the pertinent role of property and fire insurance in rebuilding lives.

<sup>1</sup> GIA Motor Claims Framework: [https://gia.org.sg/images/pdf-files/MCF\\_Brochure.pdf](https://gia.org.sg/images/pdf-files/MCF_Brochure.pdf)

<sup>2</sup> The Straits Times (13 Feb 2023): More fire-related deaths in 2022 although fewer blazes reported; spike in vehicle fires: SCDF: <https://www.straitstimes.com/singapore/more-fire-deaths-in-2022-although-fewer-blazes-reported-spike-in-vehicle-fires-but-fewer-pmd-cases>

The motor insurance segment observed a decrease in gross written premiums by 7.1% to S\$1.1 billion and an underwriting loss of S\$21.6 million.

Contributory factors impacting the profitability of the motor segment include rising accident rates that are trending up to pre-pandemic levels, increase in average claim bill sizes, the COE impact on new car sales, and inflationary pressures on repair costs.

The breakdown of the general insurance sector's performance by business segment can be found in the appendixes.

Looking ahead as Singapore recovers from the pandemic, the sector remains confident in playing a pivotal role in shaping the future of the country's insurance sector and supporting the country's economic growth.

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### **About General Insurance Association of Singapore**

Established in 1966, the General Insurance Association of Singapore (GIA) is the general insurance sector's trade association whose membership comprises Ordinary Members licensed by the Monetary Authority of Singapore (MAS) to transact general insurance business in Singapore.

As a trade association, GIA works to make all aspects of insurance easier and more effective for consumers, agents and insurance companies in Singapore. It helps identify emerging trends and responds to issues affecting the general insurance sector and seeks to promote the overall growth and development of the sector in Singapore.

For more information, please visit [www.gia.org.sg](http://www.gia.org.sg).

### Appendix A – Table breakdown of domestic market statistics

	Gross Written Premiums FY2022 (\$'000)	Market Share
<b>Motor</b>	1,072,852	22.2%
<b>Health</b>	888,238	18.4%
<b>Property</b>	758,326	15.7%
<b>Employer's Liability</b>	420,472	8.7%
<b>Travel</b>	214,472	4.4%

Figure 1: Gross written premiums and market share of top five domestic segments

	Underwriting Performance FY2022 (S\$'000)	Underwriting Performance FY2021 (S\$'000)	Increase/(Decrease) (S\$'000)
<b>Motor</b>	(21,585)	49,697	(71,281)
<b>Health</b>	64,541	(5,084)	69,625
<b>Property</b>	50,004	41,946	8,058
<b>Employer's Liability</b>	23,990	29,865	(5,874)
<b>Travel</b>	13,694	8,331	5,363

Figure 2: Underwriting performance across top five domestic segments

	Domestic Market Performance FY2022 (S\$'000)	Domestic Market Performance FY2021 (S\$'000)
<b>Total Gross Written Premiums</b>	4,839,951	4,417,411
<b>Underwriting Performance</b>	301,551	262,676

Figure 3: Total gross written premiums and underwriting performance for the domestic market for FY2022 and FY2021

#### **Motor insurance: Multiple factors impacting profitability**

Gross written premiums in the motor insurance segment decreased by 7.1% to S\$1.1 billion in 2022. The segment observed an underwriting loss of S\$21.6 million.

Contributory factors impacting the profitability of the motor segment include rising accident rates that are trending up to pre-pandemic levels, increase in average claim bill sizes, the COE impact on new car sales, and inflationary pressures on repair costs.

Accident Report Counts FY2022	
Jan-22	11,387
Feb-22	9,246
Mar-22	10,842
Apr-22	11,508
May-22	12,308
Jun-22	11,092
Jul-22	11,968
Aug-22	12,857
Sep-22	12,014
Oct-22	12,332
Nov-22	12,133
Dec-22	11,332
<b>Average:</b>	11,585
<b>Total:</b>	139,019

Figure 4: Total accident report counts for FY2022

Accident Report Counts	Total
FY2022	139,019
FY2021	123,485
FY2020	115,931
FY2019	169,026

Figure 5: Total accident report counts from FY2019 to FY2022

### **Health insurance: Remains a key priority for organisations**

Health continues to be top of mind for corporations on the back of rising healthcare costs and as the world emerges from the Covid-19 pandemic, further affirming the sector's increasing role in protecting consumers in the corporate health segment. This is also reflected in the 19% increase in gross written premiums for the segment.

Positive growth in gross written premiums contributed to the reversal in underwriting performance. The segment experienced an increase in underwriting performance to deliver a profit of S\$64.5 million, reversing the underwriting loss recorded in 2021.

### **Property insurance: High-profile fire cases reinforcing importance of insurance**

The property insurance sector grew by 6% in gross written premiums to S\$758.3 million.

The recent high-profile cases<sup>3</sup> of fire incidents have reinforced the role of property and fire insurance in rebuilding lives, and improved public awareness around adequate insurance protection for their properties.

<sup>3</sup> Examples of fire incidents highlighted in the media:

- The Straits Times (9 April 2022): Fire in Midpoint Orchard mall put out by SCDF, no injuries reported: <https://www.straitstimes.com/singapore/fire-in-midpoint-orchard-put-out-by-scdf-with-no-injuries>
- The Straits Times (14 May 2022): Fire in Bedok North flat claims 3 lives, including that of 3-year-old: <https://www.straitstimes.com/singapore/3-die-in-bedok-north-flat-fire>
- The Straits Times (26 Nov 2022): Defu Lane vehicle workshop fire started after spray-painting motor exploded: Business director: <https://www.straitstimes.com/singapore/fire-breaks-out-at-defu-lane-no-injuries-reported-scdf>
- The Straits Times (27 Nov 2022): Husband and wife, both 78, die after Sengkang condo fire: <https://www.straitstimes.com/singapore/three-taken-to-hospital-after-fire-breaks-out-at-sengkang-condo-150-evacuated>
- The Straits Times (31 Dec 2022): One dead, another hurt after fire involving gas cylinders breaks out in Tuas: <https://www.straitstimes.com/singapore/one-dead-another-hurt-after-fire-breaks-out-at-tuas>

### **Employers' liability insurance: Workplace safety remains paramount**

The sector experienced a 5.3% increase in gross written premiums, in line with the rise in foreign workforce numbers in 2022<sup>4</sup>.

2022 saw a total of 46 workplace fatalities<sup>5</sup>, the highest number since 2016. This was despite fewer workplace deaths<sup>5</sup> after the Ministry of Manpower imposed a six-month heightened safety period. More major injuries<sup>5</sup> were also observed in 2022. GIA shares the government's concerns in mitigating this trend as Singapore works towards its Workplace Safety and Health (WSH) 2028 vision<sup>6</sup>.

### **Travel insurance: Rebounds on the back of eased travel borders**

Gross written premiums for the sector rose by S\$166 million with the reopening of borders around the world. Underwriting profit for the sector increased by S\$5.3 million to S\$13.7 million.

As travel rebounds, the general insurance sector continues to keep a close watch on fraudulent activity in the segment through the GIA Fraud Management System (FMS) and cross-sector collaborations. The prosecution and conviction of an individual<sup>7</sup> in mid-2022 who defrauded multiple insurers is a testament to the effectiveness of these strategies. To build upon current success, GIA has expanded the use of the FMS to maximise its capabilities<sup>8</sup>.

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- The Straits Times (10 Jan 2022): 'Everyone is traumatised': Residents reeling from fire which damaged 4 houses in East Coast Road: <https://www.straitstimes.com/singapore/everyone-is-traumatised-residents-reeling-from-fire-which-damaged-4-houses-in-east-coast-road>

<sup>4</sup> Foreign workforce numbers. Ministry of Manpower. Available at: <https://www.mom.gov.sg/documents-and-publications/foreign-workforce-numbers>

<sup>5</sup> CNA (19 Jan 2023): Fewer workplace fatalities during heightened safety period but more major injuries: MOM: <https://www.channelnewsasia.com/singapore/workplace-safety-deaths-injuries-workers-zaqy-mom-3217311>

<sup>6</sup> WSH 2028 in a nutshell. Ministry of Manpower. Available at: <https://www.mom.gov.sg/-/media/mom/documents/safety-health/publications/infographic.pdf>

<sup>7</sup> CNA (29 Jul 2022): Jail for woman who made fake travel insurance claims of more than S\$14,000: <https://www.channelnewsasia.com/singapore/fake-travel-insurance-claim-14000-woman-jail-2844321>

<sup>8</sup> GIA and Shift Technology Expand Strategic Relationship on Fraud Management and Detection. Available at: <https://gia.org.sg/images/media-center/company-news/GIA-and-Shift-Technology-Expands-Strategic-Relationship---15-March-2023.pdf>

**Appendix B – Table breakdown of offshore market statistics**

	<b>Gross Written Premiums FY2022 (\$'000)</b>	<b>Market Share</b>
<b>Property</b>	2,557,953	56.8%
<b>Liability and Others</b>	806,826	17.9%
<b>Marine Hull</b>	397,712	8.8%
<b>Cargo</b>	319,791	7.1%
<b>Engineering</b>	315,836	7.0%

*Figure 6: Gross written premiums and market share of top five offshore segments*

	<b>Underwriting Performance FY2022 (S\$'000)</b>	<b>Underwriting Performance FY2021 (S\$'000)</b>	<b>Increase/(Decrease) (S\$'000)</b>
<b>Property</b>	237,332	206,477	30,855
<b>Liability and Others</b>	66,419	23,396	43,022
<b>Marine Hull</b>	31,198	10,120	21,078
<b>Cargo</b>	16,056	42,428	(26,372)
<b>Engineering</b>	26,681	15,973	10,708

*Figure 7: Underwriting performance across top five offshore segments*

	<b>Offshore Market Performance FY2022 (S\$'000)</b>	<b>Offshore Market Performance FY2021 (S\$'000)</b>
<b>Total Gross Written Premiums</b>	4,499,630	3,703,768
<b>Underwriting Performance</b>	382,166	305,494

*Figure 8: Total gross written premiums and underwriting performance for the offshore market for FY2022*