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*Media Release*

## **Inaugural Insurance Trust Indicator Study shows good levels of trust in Singapore's insurance industry**

The Insurance Culture and Conduct Steering Committee will work closely with stakeholders to strengthen trust levels in the insurance sector.

**Singapore, 26 July 2023** — The Insurance Culture and Conduct Steering Committee (ICCSC) today announced the results of its inaugural Insurance Trust Indicator Study (ITIS)<sup>1</sup>. Overall, the study showed that consumers and businesses have good levels of trust in the insurance industry, as all the trust scores are in the moderate to strong range.

This annual study will be conducted by Forrester over a three-year period. It is part of the ICCSC and industry's effort to assess the levels of trust in the insurance industry and identify areas where consumers and businesses' trust in life insurers, general insurers, and insurance intermediaries (e.g. insurance agents, brokers, financial advisers) in Singapore can be improved.

The ITIS involved surveying more than 2,000 consumers and over 500 business employees (managerial-level and above) in Singapore between February to March 2023. The following are the key findings from the ITIS:

- **Consumers and businesses view insurers to be trustworthy, with trust levels among businesses averaging higher than consumers.** Life insurers achieved strong trust levels among businesses, and slightly lower trust levels among consumers. For general insurers, trust levels were strong across both consumers and businesses. Overall, insurers achieved a trust indicator score between 68 to 80.
- **Consumers and businesses view insurance intermediaries to be at moderate trust levels.** Overall, insurance intermediaries achieved a trust indicator score between 68 to 74.
- **Higher trust leads to an increased willingness to maintain and deepen relationships with brands.** Consumers and businesses that have higher trust in their insurers and intermediaries are more likely to recommend, stay with and purchase additional products and services from them. The study also established linkages between higher trust and positive outcomes around branding, engagement and forgiveness.
- **Breaches of trust carry reputational and financial risks for the insurance industry that extend beyond the individual firm.** The study tested nine scenarios of trust breaches to explore both the triggers and relative breaking points of consumers and businesses' trust. Examples of trust

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<sup>1</sup> The Trust Indicator scores range from 0 to 100. Scores have been assigned to one of five trust strength categories: very strong (85+), strong (75-84), moderate (65-74), weak (55-64), and very weak (<55). The range for each score category is based on a normal distribution.

breaches include legal, regulatory, and data breaches that expose customers' confidential information. Such breaches may result in consumers and businesses' decisions to reduce their current product holdings, limit additional purchases or seek alternative providers.

"Results of the inaugural Insurance Trust Indicator Study show that the industry can certainly do more to bolster trust among consumers and businesses alike. The best practice papers rolled out by the ICCSC will be a good starting point for insurance companies to adopt and act upon. It is our collective responsibility to strengthen relationships with the public by elevating culture and conduct standards in Singapore," said Dr Khoo Kah Siang, Chairperson of the Insurance Culture and Conduct Steering Committee.

"Trust is at the heart of a well-functioning financial sector. The value of trust is far from illusive, and the ITIS demonstrates that trust has a tangible quality that is measurable. We commend the ICCSC's sustained efforts to foster strong, long-term relationships between insurers, insurance intermediaries and customers," said Mr Marcus Lim, Assistant Managing Director (Banking and Insurance), Monetary Authority of Singapore.

Following the release of the first three best practice papers in 2022<sup>2</sup>, ICCSC will be releasing its fourth paper '*General Insurance Intermediary Best Practices - Promoting Ethical Culture and Conduct in Insurance Intermediaries (General)*' within the year as part of the committee's ongoing efforts to elevate standards in the nation's insurance industry.

Going forward, the ICCSC will study the findings of the ITIS and work closely with stakeholders to strengthen trust levels in the insurance sector. The ITIS will also be conducted in 2024 and 2025 to monitor shifts in consumers and businesses' sentiments, benchmark year-on-year performance, and identify key improvement areas to continuously build trust in Singapore's insurance industry. This is in keeping with the ICCSC's broader goal to elevate culture and conduct standards in the industry.

**Note to Editor: The full Insurance Trust Indicator Study (ITIS) report can be found [here](#).**

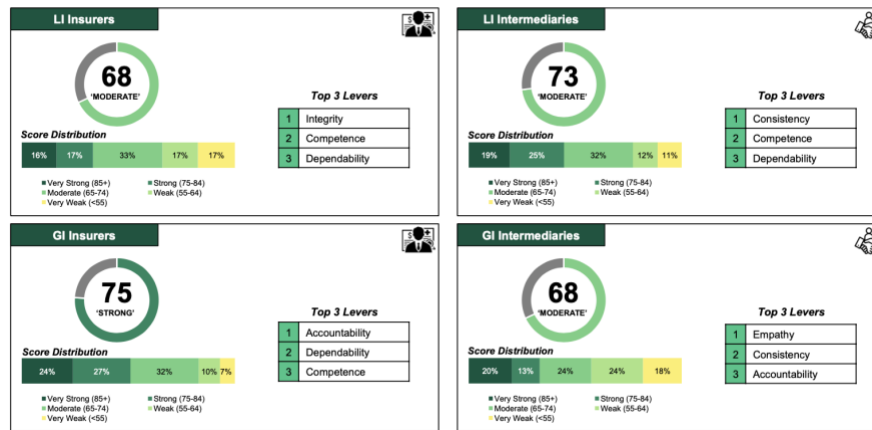
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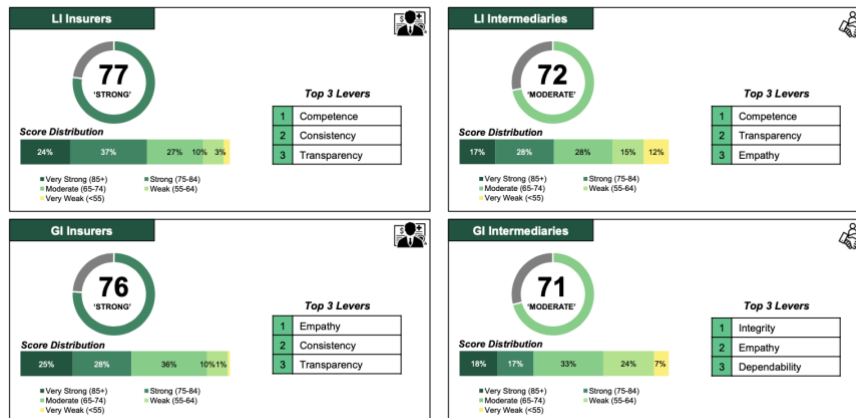
<sup>2</sup> 'Press release: Expect higher standards of culture and conduct from Financial Adviser Representatives (FA Reps) and Financial Adviser Firms (FAFAs) as industry pushes ahead of build greater trust in the profession' (Apr 21, 2022). Insurance Culture and Conduct Steering Committee. Available at: [https://www.lia.org.sg/media/3416/20220421\\_media-release\\_expect-higher-standards-of-culture-and-conduct-from-fa-reps-and-firms.pdf](https://www.lia.org.sg/media/3416/20220421_media-release_expect-higher-standards-of-culture-and-conduct-from-fa-reps-and-firms.pdf)

## Appendix: Top 3 Trust Indicator Scores for Consumer, Business (SME) and Business (Corporate)

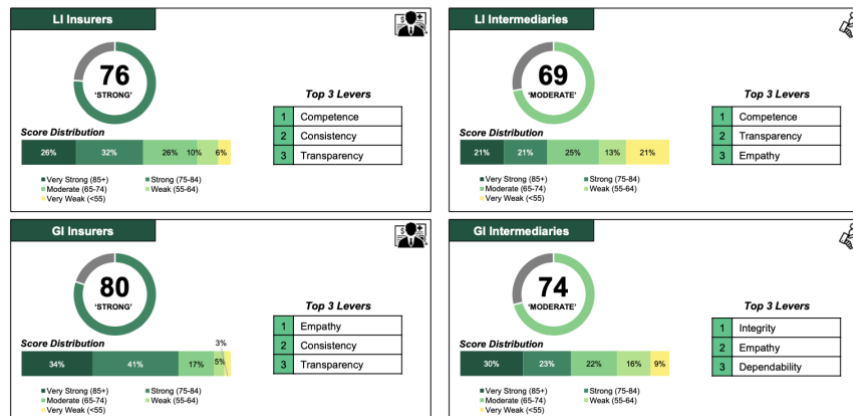
### Consumer – Trust Indicator Scores & Top 3 Trust Levers



### Business (SME) – Trust Indicator Scores & Top 3 Trust Levers



### Business (Corporate) – Trust Indicator Scores & Top 3 Trust Levers



### **About the Insurance Culture and Conduct Steering Committee (ICCSC)**

The Monetary Authority of Singapore (MAS), the General Insurance Association of Singapore (GIA), the Life Insurance Association (LIA) and the Singapore Reinsurers' Association (SRA), established the Insurance Culture and Conduct Steering Committee (ICCSC) to foster sound culture and strengthen standards of conduct among insurers in Singapore.

The ICCSC, chaired by Dr Khoo Kah Siang, Chief Executive Officer, Manulife (Singapore), comprises members from 12 insurers, reinsurers, financial advisory and consultancy firms in Singapore. These members have responsibilities in business, distribution, risk management, legal, compliance, operations and human resources. It monitors trends and identify emerging issues, collaborates with MAS on initiatives such as industry self-assessments and the development of good practice guides, and champions adoption of good practices by the insurance industry including distributors.

### **About Forrester**

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