

GIA ANNUAL MEMBERS' LUNCH 2019

PRESIDENT'S WELCOME ADDRESS

DELIVERED BY MR. KARL HAMANN, 12.00 PM, AMARA SINGAPORE HOTEL

1. GIA Committee and Workgroup members, good afternoon and a warm welcome to the annual GIA Members' Luncheon 2019.
2. It has been an honour serving as GIA President in the past one year. Going into 2019, together with the Management Committee, we look forward to a year of driving progress with a focus on digitalisation, continuing the successes of existing industry initiatives, and strengthening Singapore's position as a global insurance marketplace.

Overview of industry performance in 2018

3. 2018 was a fruitful year in which we recorded stable growth and invested in numerous pro-active efforts to address segment challenges against the backdrop of a slowing economy.
4. The stellar performance of Singapore's motor insurance segment is testament to the effectiveness of our strategy. The segment achieved underwriting profit to reverse the underwriting losses recorded in 2017.
5. This is attributed to automation and digital innovations implemented by member companies; and the Association working together to reduce operating expenses, improve efficiencies, and bring down the incidence of fraudulent claims.
6. Noteworthy industry-led initiatives include the Fraud Management System (FMS), which flagged over suspicious 9,000 Motor and Travel claims cases to date, and the continued success of the Motor Claims Framework in ensuring a smooth claims process for consumers.
7. In fact, we recently launched the GIA Insurance Fraud Tip-off (GIFT) scheme, to encourage members of the public to play their part in combating insurance fraud with cash reward of up to S\$10,000.
8. We also unveiled numerous new initiatives to stay ahead of emerging trends:
 - **Establishing the Medical Insurance Workgroup (MIW)** to work alongside LIA Singapore on the implementation of recommendations put forth by the Health

Insurance Task Force (HITF)¹, to ensure continued accessibility of healthcare insurance in Singapore,

- **Setting up the joint Sustainable Insurance Taskforce** together with LIA Singapore, Singapore Reinsurers' Association (SRA) and Monetary Authority of Singapore (MAS), to drive the development of a localised set of sustainable insurance guidelines, and
- **Introducing the GIA Young Professional Group (YPG)** as part of our efforts to expand and develop a sustainable talent pipeline in today's increasingly digitalised world. This builds on the success of the GIA Internship Programme (GIP) which now has a network of over 260 alumni since its inception in 2008.

Driving progress in 2019

9. Henry Ford, successful businessman and visionary, once said "If everyone is moving forward together, then success takes care of itself." This is especially crucial with digitalisation as a central theme for us this year, in our pursuit of becoming the global insurance marketplace.
10. We will explore tapping into advanced technologies in automation and Artificial Intelligence (AI) to improve customer service experiences, boost efficiencies, and strengthen our workforce.
11. The recent cyber security breaches globally highlight the ever-important need to deepen our knowledge and expertise in managing cyber risks, and expand our database of cyber-related information to enhance our cyber protection offerings for businesses here.
12. Following the inaugural GIA Cyber Risk Forum held in 2018, we will continue to explore providing similar platforms to help insurers strengthen competencies in underwriting cyber risks.
13. Usage-based insurance is expected to continue growing at a compound annual rate of more than 17 per cent in the next five years² and we commend member companies who are employing telematics to encourage safe driving behaviours.
14. With more data, insurers can also accurately assess drivers' profiles, allocate risks and provide customised premium pricing for consumers.

Becoming a global insurance marketplace

15. Hosting the GIA-IUMI Asia Forum 2018 in collaboration with the International Union of Marine Insurance (IUMI) was a milestone for us in establishing Singapore's marine insurance industry and our position as a regional marine insurance hub.

¹ Managing the Cost of Health Insurance in Singapore (October 3, 2016). Health Insurance Task Force, Singapore. Available at: https://www.lia.org.sg/media/1521/managingsingaporehealthinsurancecost_hitf_20161013.pdf

² Usage-based Insurance Market Size by Package (November 2018). Global Market Insights. Available at: <https://www.gminsights.com/industry-analysis/usage-based-insurance-ubi-market>

16. Today, we already see substantial liberalisation of cross-border Marine Aviation and Transit (MAT) insurance supply among 8 of 10 ASEAN members³, helping to lower costs, boost trade among members and increase our capacity for providing coverage.
17. As I assume the role of the ASEAN Insurance Council Chairman for a one-year term till November 2019, I look forward to representing Singapore's general insurance sector in inter-region and international alliances, reinforcing greater regional collaboration and in turn, strengthening our position as a global insurance marketplace.
18. We will also continue working with authorities on public policy changes. The Work Injury Compensation Committee has been working closely with the Ministry of Manpower on its proposed amendments to the Work Injury Compensation Act⁴, to improve coverage for workers.

Note of appreciation

19. As we forge ahead in 2019, on behalf of the Management Committee, thank you to all committee and workgroup members for your contribution and active participation. Let's together continue the good progress in 2018 and strive for greater success this year.
20. Your active support is crucial in carrying out our shared objective for a progressive, productive and inclusive general insurance sector.
21. Thank you.

³ MAS envisions integrated ASEAN insurance market (24 November 2016). Available at:

<https://www.insurancebusinessmag.com/asia/news/breaking-news/mas-envisions-integrated-asean-insurance-market-50185.aspx>

⁴ Proposed changes to give injured workers greater assurance of compensation (31 January 2019). The Straits Times. Available at: <https://www.straitstimes.com/business/proposed-changes-to-give-injured-workers-greater-assurance-of-compensation>