

Singapore's general insurance sector achieves stable growth in 2019 with more claims paid out across most segments

SINGAPORE, 24 March 2020 – The General Insurance Association of Singapore (GIA) today announced that the sector achieved stable growth with 7.6 per cent annual growth in gross written premiums, totalling S\$4.10 billion as at 31 December 2019.

The sector paid out 12.2 per cent, or S\$159 million, more in insurance claims in 2019, which contributed to the sector recording an underwriting loss of S\$28 million. The top five segments, which represent 70 per cent of the general insurance market, recorded a combined underwriting loss of S\$43.4 million.

The Association undertook several key developments in 2019 to mitigate claims cost inflation and manage evolving risks. This includes launching the GIA Insurance Fraud Tip-off (GIFT) reward scheme to combat insurance fraud, starting developmental work on the new GIA Easy Accident Reporting System (GEARS), and advancing sector engagements with key stakeholders such as the Monetary Authority of Singapore (MAS) and the Life Insurance Association, Singapore (LIA Singapore).

	Gross Written Premium (S\$'000)	Market Share (%)
Motor	1,116,684	27%
Health	666,824	16%
Property	538,161	13%
Employer's Liability	365,597	9%
Travel	211,364	5%

Table 1. Gross written premiums and market share of the top five segments.

	Underwriting Performance FY2018 (S\$'000)	Underwriting Performance FY2019 (S\$'000)	% Increase/(Decrease)
Motor	9,245	(17,437)	(288.6%)
Health	(44,170)	(11,194)	74.7%
Property	22,381	(3,945)	(117.6%)
Employer's Liability	(3,899)	(7,345)	(88.4%)
Travel	1,715	(3,404)	(298.5%)

Table 2. Underwriting performance across the top five segments.

GIA also announced the appointment of its new management committee at the association's Annual General Meeting (AGM) this morning to reflect the sector's resilience-building and transformation focus for 2020. GIA elected Mr Craig Ellis as President and Mr Christian Sandric as Vice-President.

"The start of 2020 saw an unexpected turn of events – a new decade begins with an emergence of a new global risk. Threats of COVID-19 have unsettled the world and have sent businesses reeling from its impact. As a sector, we are determined to overcome this unprecedented challenge together and will be doubling up our efforts in supporting the community, our members, partners and all stakeholders. At the core of everything we do, we will ensure that general insurance protection remains accessible for everyone," said GIA President, Mr Craig Ellis.

"Notwithstanding it all, one of the key focuses for GIA this year, is to leverage the success of our insurance fraud prevention initiatives to form a new Centralised Investigation Bureau. We are also well prepared to support recent regulatory developments such as the new Work Injury Compensation Act

FOR IMMEDIATE RELEASE

(WICA), and will be driving innovative changes for the sector through the newly formed Market Development Committee. Together with the newly elected GIA Management Committee, we hope to bring fresh changes to the sector, continue to strengthen our collaboration and support each other so as to ride out the near-term uncertainties together.”

Motor insurance: Continued access to affordable protection despite more claims paid out

Overall, the motor insurance segment recorded S\$1.12 billion in gross written premiums for the financial year, a 1 per cent increase compared to the previous year.

In 2019, the motor insurance segment incurred a 7.6 per cent, or S\$41.3 million, increase in total claims paid out, contributing to the overall underwriting loss of S\$17.4 million for the segment.

The year also witnessed a shift in vehicle ownership in Singapore. Vehicle population was at its highest since 2013, fuelled mainly by a spike in private-hire cars (PHCs)¹. This meant that the sector was insuring a vehicle population with higher risk profiles as PHCs are driven more frequently on the road. This was also reflected in the total accident reports for the year, which increased by 1.4 per cent from 2018. GIA continues to work closely with the Singapore Road Safety Council (SRSC) and Singapore Traffic Police to promote engagement and greater awareness of safety amongst road users.

Despite the increase in claims incurred, average motor premiums reduced in 2019.

Health insurance: Stemming underwriting losses to do more in managing rising healthcare costs

Health insurance, now the second largest general insurance segment in Singapore, saw a narrowing of underwriting loss to S\$11.2 million in 2019, improving by approximately 75 per cent from the underwriting loss of S\$44.2 million in 2018.

2019 also saw a continuation of the upward claims trend with an 8.1 per cent, or S\$22.6 million, increase in total claims pay-out for policyholders requiring medical treatments. Gross written premiums increased to S\$666.8 million.

The Association continues to work with stakeholders including LIA Singapore and the Ministry of Health (MOH) to implement recommendations to better manage rising healthcare costs for the long term.

Employers' liability insurance: Enhanced protection for workers to drive Singapore's healthier and safer workplace ambition

Employers' liability insurance segment recorded an 8.9 per cent increase in gross written premiums, buoyed by the continued growth in employment for the construction sector in 2019². While the number of workplace fatalities fell to a record low last year, the sector paid S\$8.29 million more in work injury compensation, reflective of the 5 per cent increase in the number of non-fatal injuries³.

In 2019, the sector made significant progress in preparation for the key changes outlined in the new WICA, which will take effect in September 2020. The Association and member companies have begun work on an approved policy wording to be adopted by all WICA insurers and commenced developmental work on a Data Exchange Portal for more efficient claims processing. GIA will continue to work closely with the Ministry of Manpower (MOM) to enhance protection for employees and improve the WICA for employers and employees.

¹ Vehicle population grows for first time since 2013 (11 Nov 2019). *The Straits Times*. Available at: <https://www.straitstimes.com/singapore/transport/vehicle-population-grows-for-first-time-since-2013>

² Labour Market Report 2019 (2019). Manpower Research and Statistics Department, Ministry of Manpower. Available at: https://stats.mom.gov.sg/iMAS_PdfLibrary/mrsd-Labour-Market-Report-4Q-2019.pdf

³ Workplace fatalities fall to record low in 2019; injuries rise (12 March 2020). *The Straits Times*. Available at: <https://www.straitstimes.com/singapore/manpower/workplace-fatalities-fall-to-record-low-in-2019-injuries-rise>
Work Injury Compensation Awarded 2017-2019 (2019). Work Injury Compensation Department. Ministry of Manpower. Available at: <https://www.mom.gov.sg/-/media/mom/documents/safety-health/reports-stats/amount-of-wic-awarded.pdf?la=en&hash=269F509F550098888BC6BC02A91618DF>

FOR IMMEDIATE RELEASE

Other segment updates

- For property insurance, the sector paid out S\$24.3 million more in total claims, amounting to a 50 per cent increase. The Singapore Civil Defence Force reported an overall 7.8% increase in fire incidents, particularly involving personal mobility devices.⁴ The sector registered sustained growth in gross written premiums of S\$538.2 million, with an underwriting loss of S\$4 million.
- For travel insurance, gross written premiums increased by 7.1 per cent to S\$211.4 million, in line with the increased number of outbound departures by Singapore citizens registered in 2019⁵. Total claims pay-out rose by almost 20 per cent to S\$65.1 million, resulting in a loss of S\$3.4 million. Families in Singapore spent more on travel⁶, while travel disruptions such as natural disasters, medical outbreaks and socio-political volatility are becoming increasingly common and harder to predict.
- For personal accident insurance, gross written premiums increased by 2.6 per cent to S\$176.8 million. Segment performance remained stable with an overall underwriting profit of S\$17.2 million.

Other 2019 key sector initiatives

- GIA, alongside other insurance industry associations, joined the Sustainable Insurance Committee, formed by the MAS in June 2019 to draft proposed guidelines on Environmental Risk Management for the industry. MAS is expected to issue a consultation paper on the guidelines in the coming months.
- GIA also collaborated with the MAS, LIA Singapore, and Singapore Reinsurers' Association to establish the Insurance Culture and Conduct Steering Committee (ICCSC), as part of a sector-wide effort to foster sound culture and strengthen standards of conduct among insurers in Singapore.

###

Notes to editor:

Please note that the following segments have been renamed in 2019:

2019	2018
Marine Hull	Hull
Aviation Hull	Aviation hull was recorded under Hull in 2018, it has been reclassified as a new category in 2019
Public Liability / Product Liability	Public Liability
Surety	Bonds
Engineering	Engineering / CAR / EAR
Credit / Credit-Related	Credit / Political Risk
Property	Fire
Employers' Liability	WIC

⁴ Fire, Emergency Medical Services and Enforcement Statistics (2019). The Singapore Civil Defence Force (SCDF). Available at: <https://www.scdf.gov.sg/docs/default-source/scdf-library/amb-fire-inspection-statistics/scdf-annual-statistics-2019.pdf>

⁵ Outbound Departures of Singapore Residents (2 Jan 2020). Department of Statistics Singapore. Available at: <https://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=15301>

⁶ Government survey shows families in Singapore are spending more on travel (10 Aug 2019). The Straits Times. Available at: <https://www.straitstimes.com/lifestyle/travel/govt-survey-shows-families-in-singapore-are-spending-more-on-travel>

FOR IMMEDIATE RELEASE



About the General Insurance Association of Singapore (GIA)

Established in 1966, the General Insurance Association of Singapore (GIA) is the general insurance sector's trade association whose membership comprises 37 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.

新加坡普通保险协会(General Insurance Association of Singapore; 简称: GIA)是新加坡普通保险公司的商业代表,于1966年成立,旨在为消费者、代理商和保险公司之间提供更高效率的,更可信的接触渠道,为消费者提供更全面的保险范围。目前,该协会共有37个会员公司。了解更多信息,请游览官方网站: www.gia.org.sg.

For more information, please visit: www.gia.org.sg

For media queries please contact:

GIA Corporate Communications

Jessica Li

Phone : (+65) 6202 9889

Email : jessica.li@gia.org.sg

Ogilvy Singapore

Michelle Lim

Mobile : (+65) 9457 5452

Email : michelle.lim@ogilvy.com

Ogilvy Singapore

Paul Jerusalem

Mobile : (+65) 9752 7465

Email : paul.jerusalem@ogilvy.com