Pandemic restrictions amid Covid-19 helped certain segments to achieve underwriting profits in 2020, but this may not be sustainable as the economy returns to normal.

The sector recorded flat growth for 2020, with a marginal 0.2 percent decrease in gross written premiums, amounting to S$4.09 billion ($3.05 billion), while recording an underwriting profit of S$237.3 million, compared to a loss of S$28 million in 2019, according to the General Insurance Association of Singapore (GIA).

«Amid the ongoing roll-out of COVID-19 vaccines and the gradual easing of certain challenges faced in 2020, the sector remains optimistic and determined to help steer Singapore towards post-pandemic recovery,» GIA said on Thursday.

Returning to Normal
Fall in Claims Amid Covid-19 Boosts General Insurance Sector

The motor, health, property and employers' liability segments all saw increases in gross written premiums as well as underwriting profits.

The only segments to see a fall in gross written premiums were travel (-72.8 percent, or S$57.5 million, compared to S$211.4 million in 2019) and personal accident, which saw a 5% decrease in premiums to S$167.9 million. They both recorded underwriting profits of S$5.2 million and S$28.1 million, respectively.

Motor and travel claims fell in 2020, following an improvement in the overall road traffic situation during the circuit breaker period and suspension of key activities in air travel. However, the sector is expected to observe a gradual return to pre-pandemic performance further into 2021, as key economic and social activities regain traction, GIA said.

Unmet Needs

A survey by the association and YouGov revealed new areas for general insurers to address. Usage-based insurance (42 percent) and COVID-19 insurance (41 percent) were top areas cited by respondents, while 28 percent cited hospital cash insurance as the most important benefit within the next 12 months.