Life Insurance Sales Bounce Back
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Single-premium products are driving growth, while more new policies purchased online, as the sector recovers from the impact of COVID-19.

The life insurance industry recorded a total of S$2.68 billion ($1.97 billion) in weighted new business premiums for the January to June 2021 (1H2021) period — 61 percent higher than 1H2020, the Life Insurance Association, Singapore (LIA Singapore) said on Thursday.

Single-premium products recorded a 106 percent year-on-year increase in weighted premiums, totalling S$1.28 billion during the half-year period, while annual premium products was 35 percent higher from the same period last year, totalling S$1.4 billion in weighted annual premiums.

Recovery from Covid
Over the same period in 2020, life insurance sales were at depressed levels due to the COVID-19 circuit breaker measures, which included the prohibition of face-to-face physical meetings, LIA Singapore noted.

However, customer habits that have been ingrained during the pandemic, like buying premiums online without financial advisors, have been normalized – the number of new policies purchased online grew to 203,351 in 1H2021 compared to 32,952 in 1H2020.

«The growth in uptake of life insurance also seems to show that more people are placing greater importance on providing for their long-term financial and healthcare needs in the midst of an evolving pandemic environment,» Khor Hock Seng, LIA Singapore president, said.

ESG Focus

Khor added that the association, a Strategic Partner of the Green Finance Industry Taskforce (GFIT), will continue to focus on meeting its sustainability (ESG) commitments and workforce transformation goals for the year ahead.

This includes working with the general insurance and reinsurance sectors to build the industry’s capacity for the progressive adoption of local best practices and international standards, and working on initiatives to future-proof the workforce as technology and digital tools transform the industry.