



# Maximizing the value of group insurance

## Marketing to individuals in group plans

A presentation to the Singapore Actuarial Society and the Life Insurance Association of Singapore

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# Agenda

- Introduction
  - A matter of perspective
- Traditional group insurance
  - Context
- Traditional group insurance
  - Issues, trends, and implications
- Marketing to individuals in group insurance
  - Social media
- Q&A

# Introduction

## A matter of perspective

## A starting point

- Singapore has one of the fastest ageing populations in Asia
- An ageing population will ultimately stress the resources of a society
  - Retirement income needs
  - Long term care
  - Hospitalization and medical costs
- Developing effective approaches to meet the need of an ageing population is critical to the long run success of Singapore
  - Breadth of coverage
  - Flexibility of coverage
  - Retention of coverage

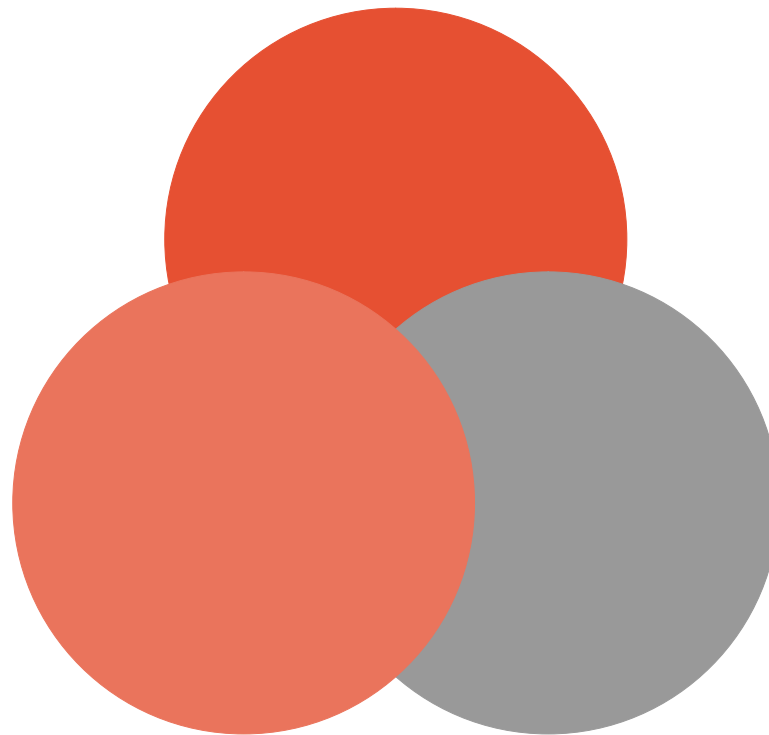
## Traditional view – distinct pillars

- Pillar 1 - Social Security – government sponsored, means tested, non-contributory
- Pillar 2 – Supplemental “group insurance”, including occupational schemes, provident funds
- Pillar 3 – Individual savings and insurance
- Roof on top – home ownership



# Going beyond the traditional view

Employer provided



Individual

Affinity Group

# Going beyond the traditional view

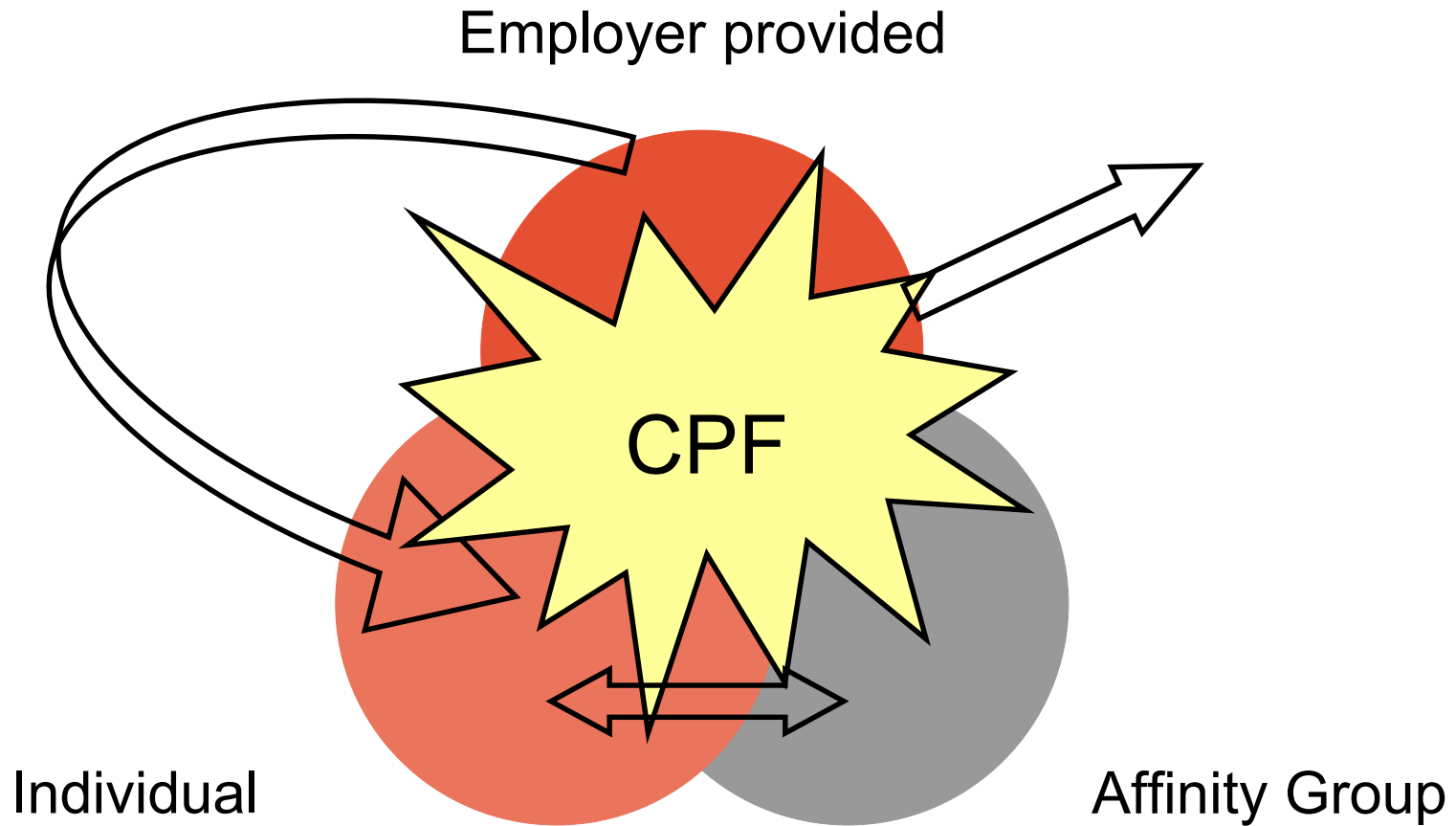
Employer provided



Individual

Affinity Group

# Going beyond the traditional view





## Group Insurance beyond the traditional view

- Recognizing the importance of supplemental coverage
- Meeting the needs of both the employer/association and the individual
- Retaining and preserving benefits for the individual when ending employment or transferring from the group
  
- Above all –  
    effective communication to members!

# Traditional group insurance

## Singapore's Group Insurance market in a wider context

# Social Security Schemes: The Central Provident Fund Schemes (CPF)

CPF was set up in 1955 to provide financial security for workers.

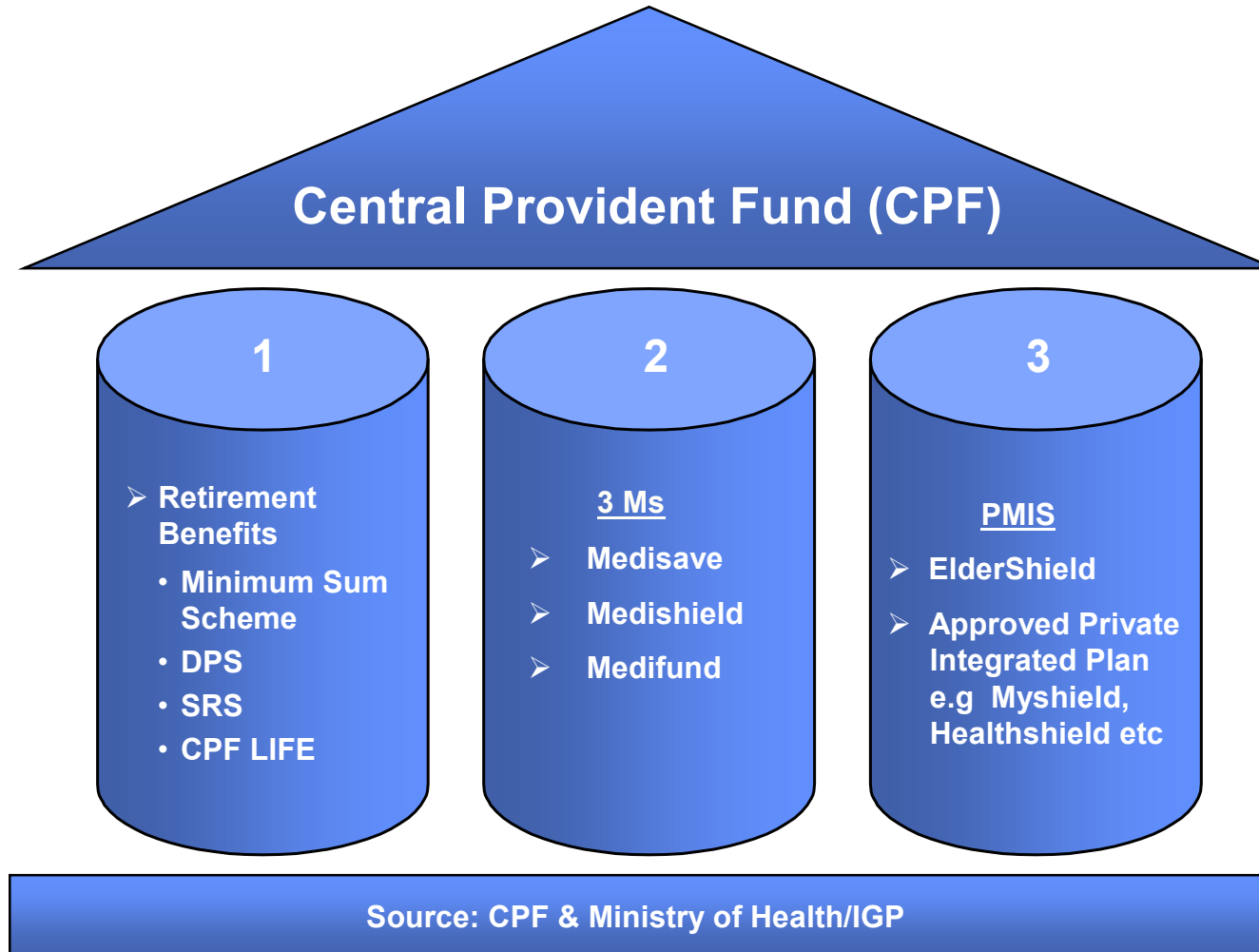
## CPF Vision

“A world-class social security organisation enabling Singaporeans to have a secure retirement.”



Source: CPF

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## CPF Vision

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Schemes cover	Group Insurance
Retirement	✗
Healthcare	✓
Home Ownership	✗
Family Protection	✓
Asset Enhancement	✗
Education Scheme	✗

# Main insured employee benefits

- Life Insurance
  - Usually provides TPD, terminal illness benefits
  - 24 or 36 months
- Personal Accident
  - 24 or 36 months
  - Death & TPD
- In-patient medical
  - Direct purchase from healthcare provider
- Major Medical
- Disability Income
- Critical Illness

# Main insured employee benefits

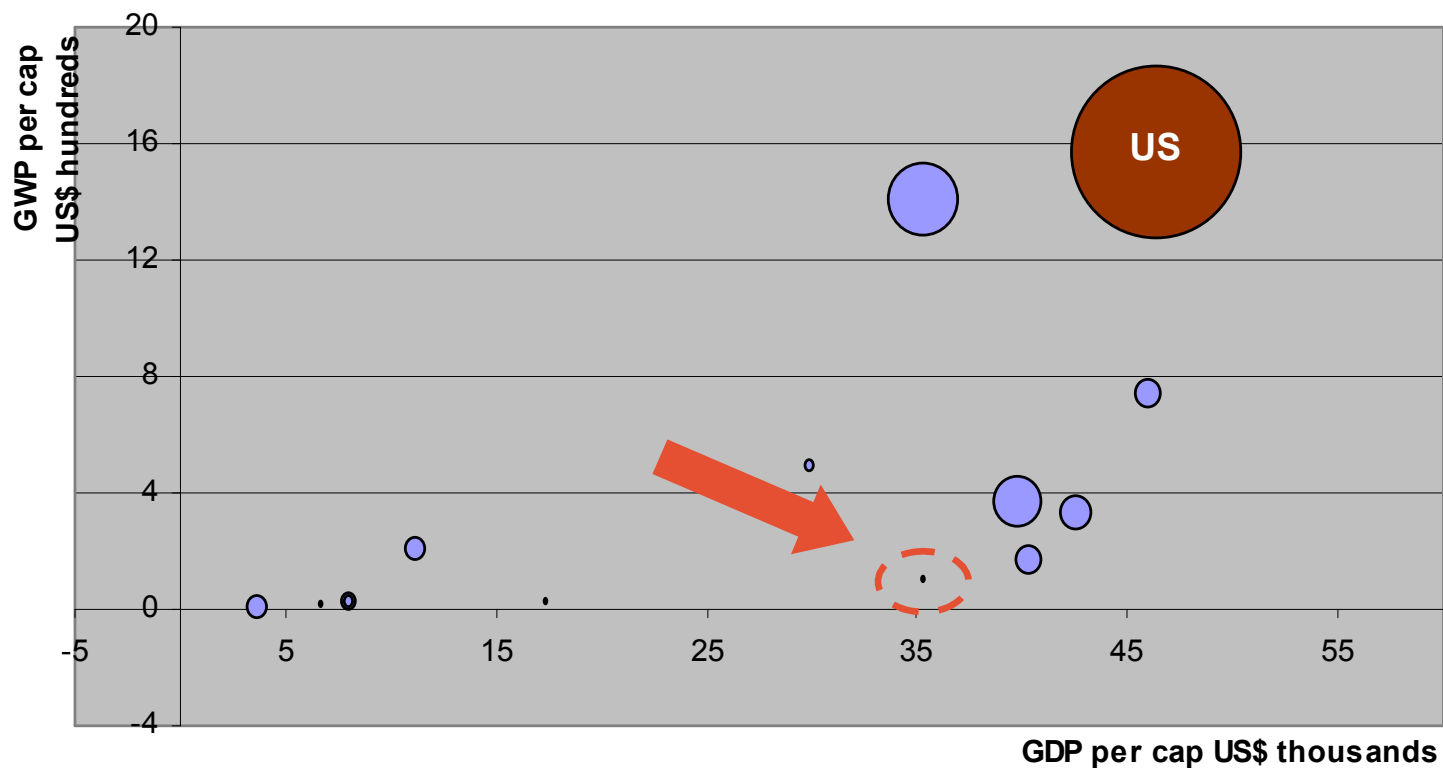
- Life Insurance
- Personal Accident
- In-patient medical
- Major Medical
- Disability Income
- Critical Illness

And some non-insured ones

- Retirement
- Out-patient medical
- Dental

# Global Group Life Insurance market

## 1. The US dominates

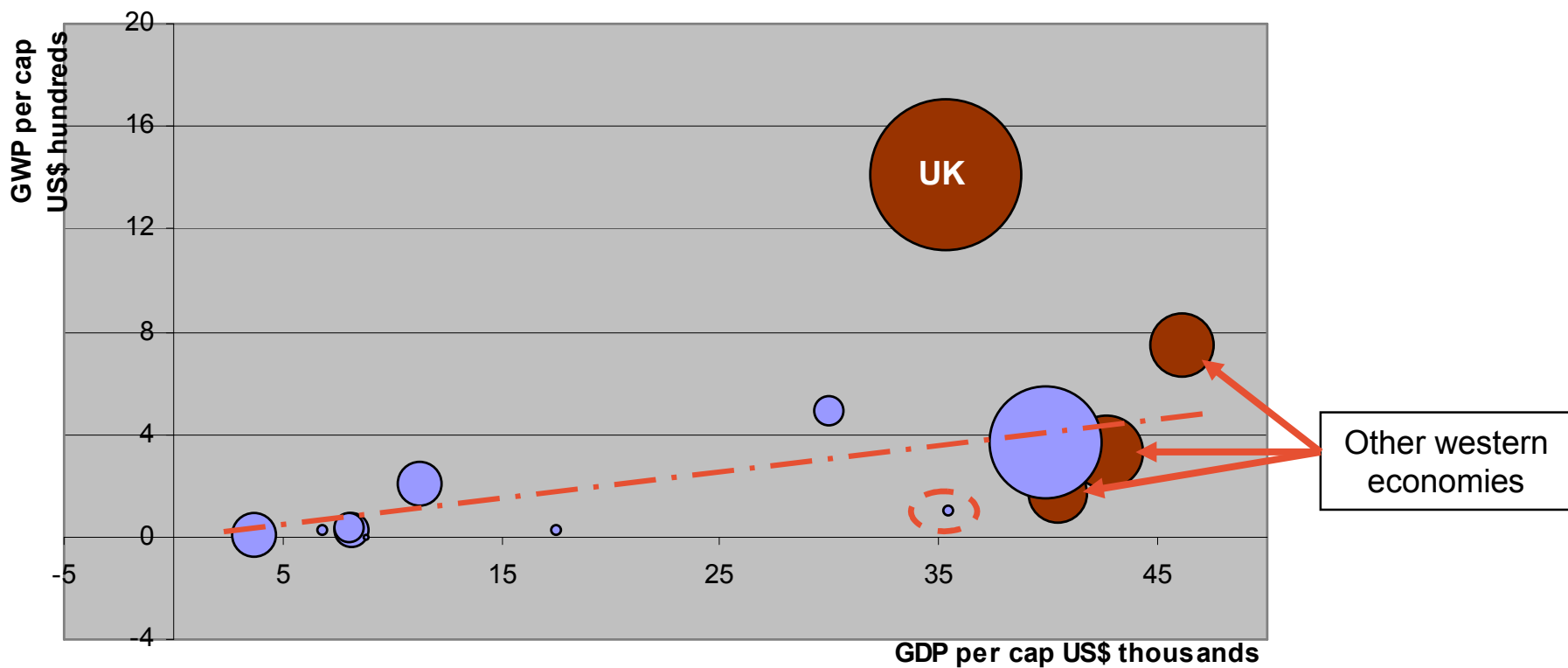


Source: AXCO, Industry statistics



# Global Group Life Insurance market

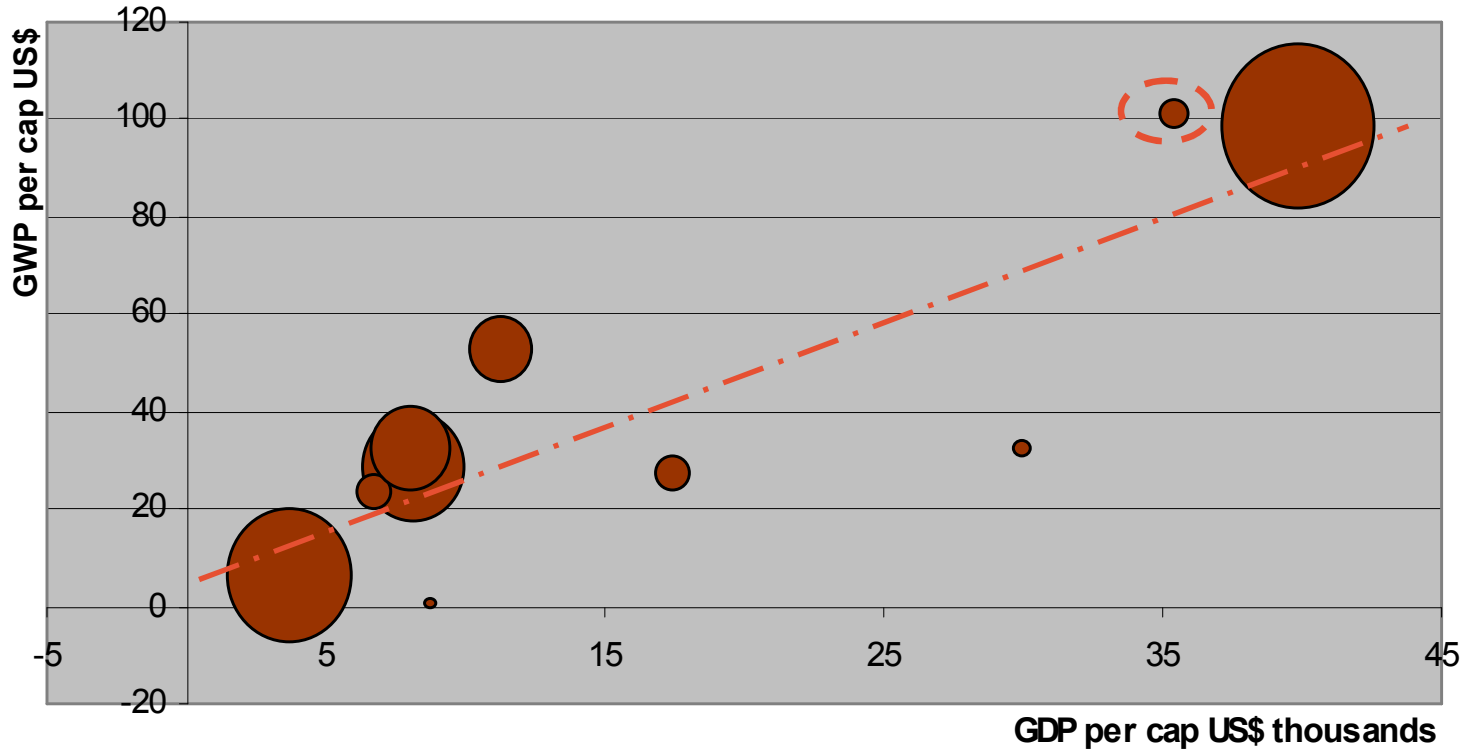
## 2. The UK is an outlier



Source: AXCO, Industry statistics

# Global Group Life Insurance market

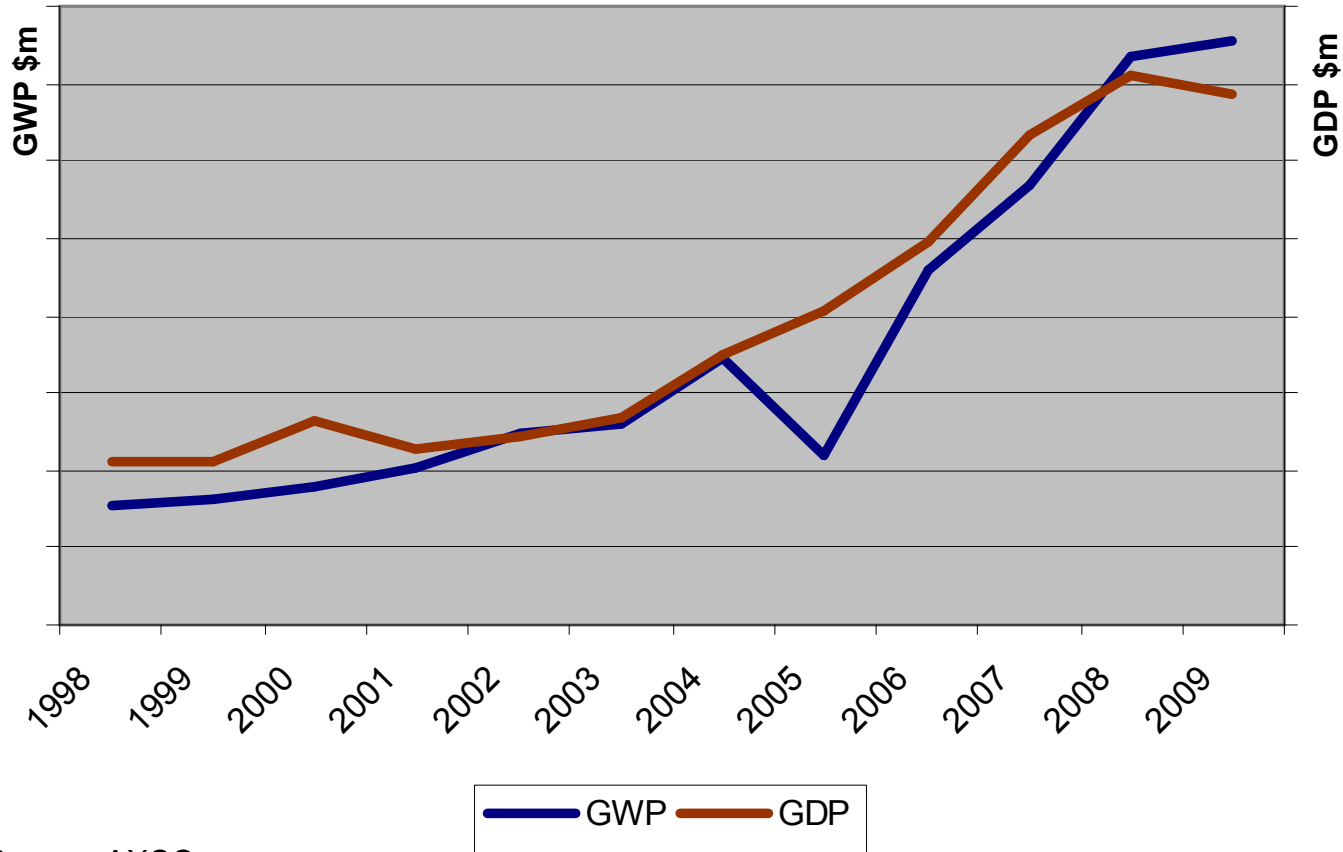
## 3. Singapore is above trend



Source: AXCO, Industry statistics

# Singapore Group Life Insurance market

## - Growing in line with GDP



Source: AXCO

# Traditional group insurance

## Issues, trends & implications

# Issues, trends & implications

- Rising medical costs

# National Health Expenditure (NHE)

	FY07	FY08	FY09+
Recurrent Health Expenditure (S\$m)	2,020	2,379	3,009
Development Health Expenditure (S\$m)	185	337	773
Govt. Health Expenditure/GDP (%)	0.90%	1.00%	1.50%
Govt. Health Expenditure/Total Govt. Expenditure (%)	6.70%	7.10%	8.70%
Govt. Health Expenditure per person **	S\$615	S\$745	S\$1,002

Notes:

\*\*Refers to Singapore Residents

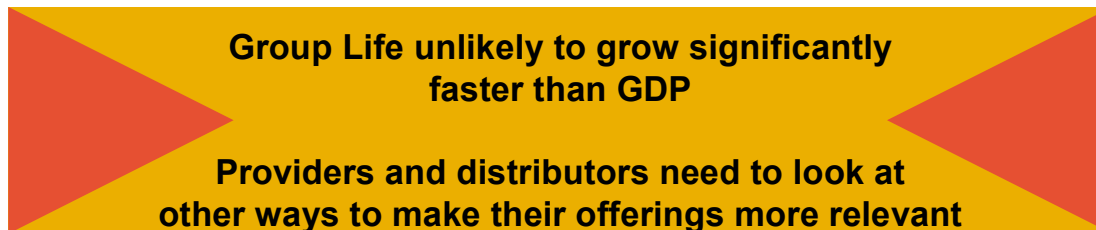
+ Estimated figures

Last Updated 2010 (Ministry of Health)

Source: CPF & Ministry of Health/Aviva/IGP

# Issues, trends & implications

- Rising medical costs
  - Not as severe as elsewhere in SEA
- Interest in switching group medical provision towards individual enhanced MediShield policies
  - Cost and portability
- Concern about adequacy of retirement provision
- Increasing (but still very client-specific) interest in group retirement provision
  - Not insurance: Section 5 schemes; offshore pension trusts
- Continued interest in flexible benefits



# Marketing to individuals in group insurance

## Social media



# What Exactly Is Social Media?



**Blogging**



**Micro-Blogging**

The image shows the Facebook logo, which consists of the word 'facebook' in white, lowercase, sans-serif font, centered within a dark blue rectangular background.

**facebook**

**Social Networking**



**WIKIPEDIA**  
**Collaboration**



**Content Sharing**



**Mobile Apps**

# What Social Media Is Really All About

- Leveraging relationships and connections
- Enabling communication, information and collaboration
- Facilitating community building
- Augmenting formal, semi-formal and informal organisational structures and interactions within and/or across organisation structures
- Creating a common online location for sharing content and information
- Empowering users to share and consume content the way that they choose

## Social Media

Connects People to People



Connects People to Teams



Social Media is  
online technology which...

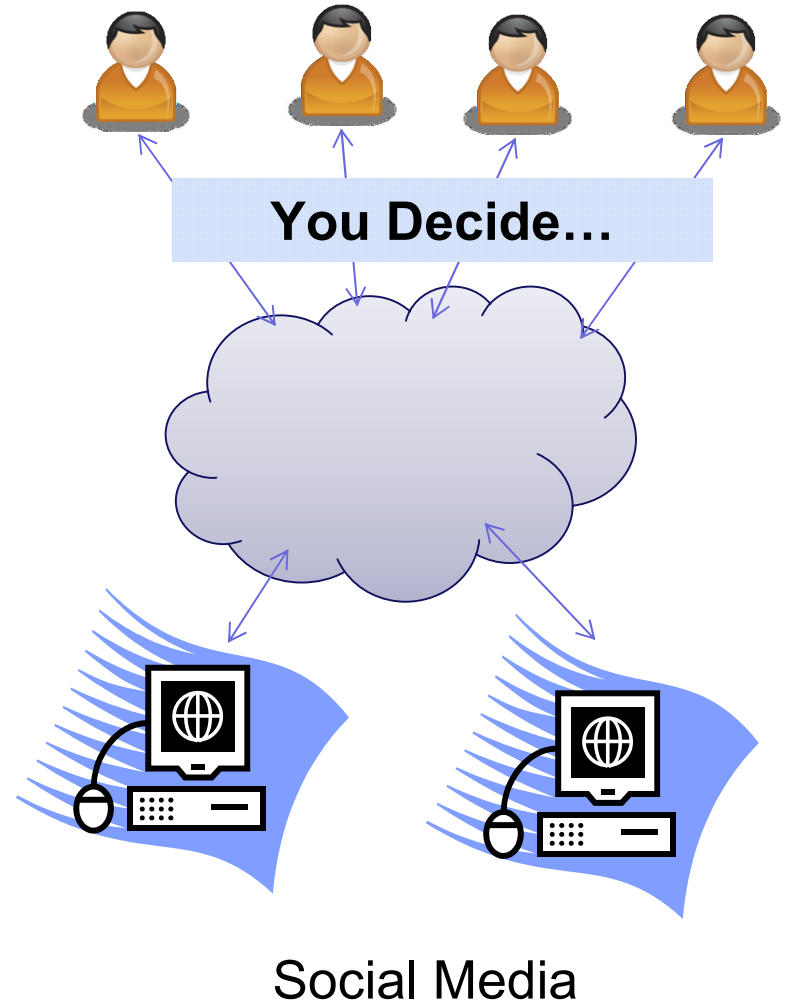
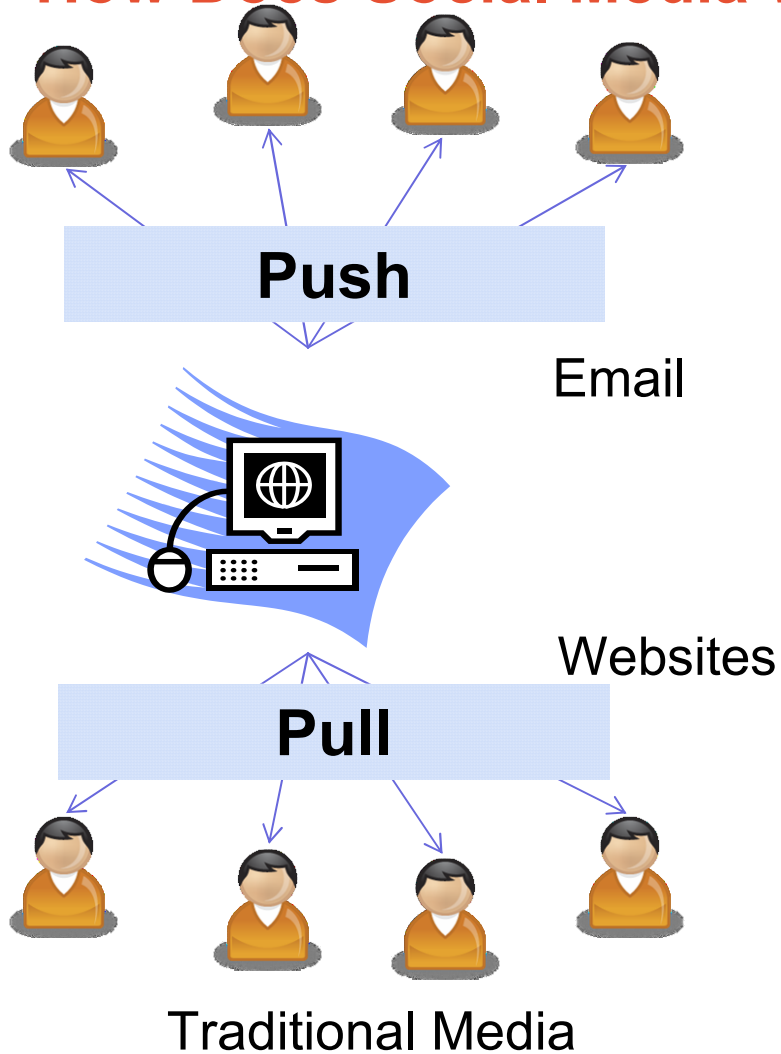
Connects People to Ideas



Promotes Two-Way Dialogue

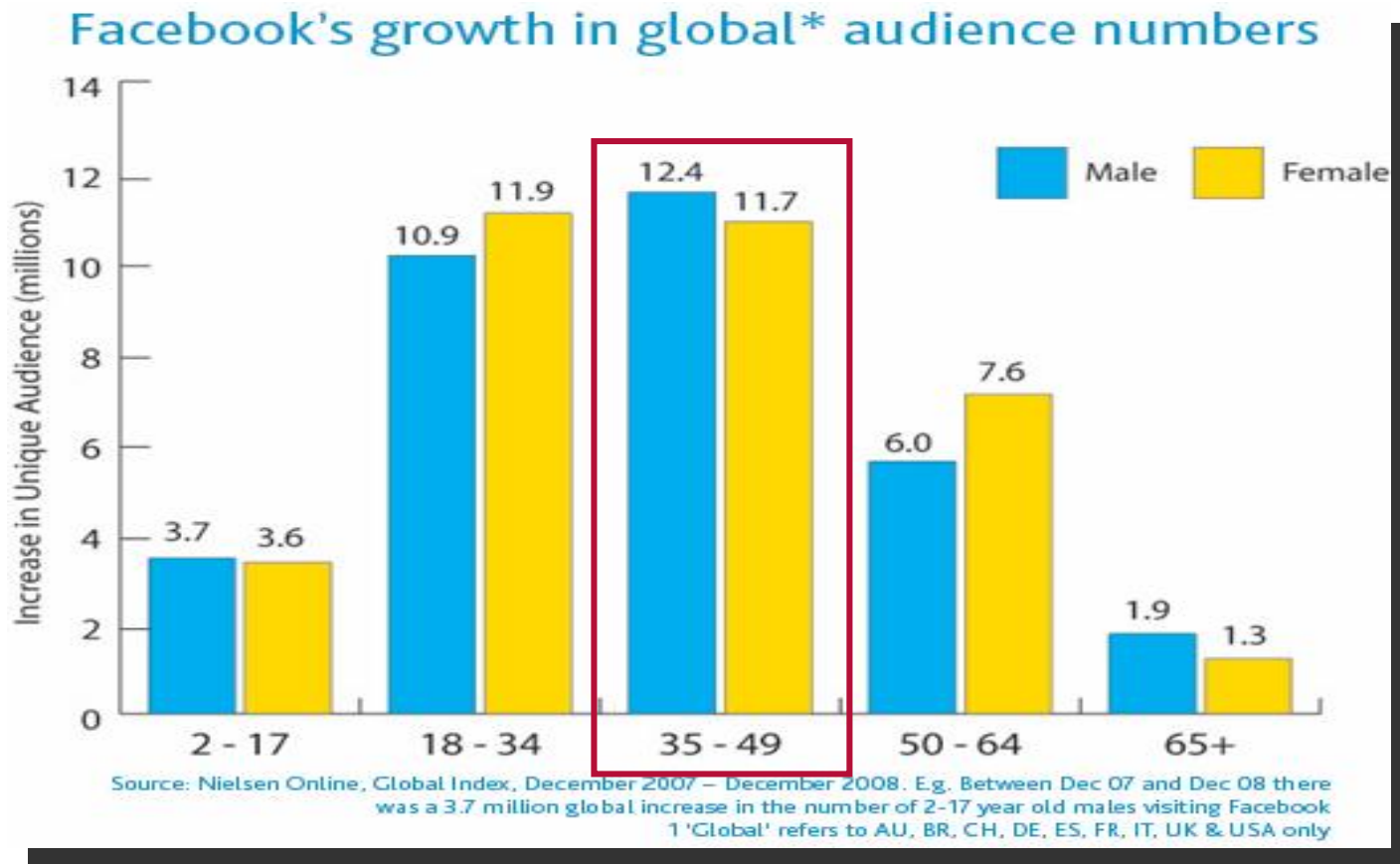


# How Does Social Media Work?



# The Numbers Are Staggering

It's not just for kids!



## Why Do Employees Like Social Media?

### Improved effectiveness and efficiency at work

Better connections with coworkers

Better reuse of materials: stop reinventing the wheel

Feel more connected and more valued at work

Puts me in control

**Working smarter and achieving more with less**

## Employee Expectations Have Changed...

- Employees compare their intranet user experience against the Internet. They expect:
  - Search as easy as Google
  - Content updated frequently
  - Personalization (Amazon knows who I am, so should my company)
  - Log-in once for everything (like Google or Windows Live ID)
  - Easy-to-use user-generated content tools
  - Logical navigation (breadcrumbs, dynamic lists)
  - Presence — see what others have viewed, said or are doing
  - Access anytime, anywhere (mobile or desktop)
  - Many tools, many options — for ME to choose

# Matching Tools to Needs

<b>Social Networks</b>	<b>Connecting employees</b>
<b>Wikis</b>	<b>Collaboration and knowledge sharing</b>
<b>Blogs</b>	<b>Build reputation; share information</b>
<b>Podcasting</b>	<b>Training; complex information</b>
<b>SharePoint/Notes</b>	<b>Build relationships; share</b>
<b>Forums and Message Boards</b>	<b>Employee feedback; solve mutual problems</b>
<b>Text Messaging/IMs</b>	<b>Quick connections</b>



# Social media in organisations today

- Organisations are piloting and testing
- Opportunity to apply learnings to improve the effectiveness of group insurance programs

**Myth:** “If you build it, they will come.”

**Reality:** “If you make them feel **smarter**, make them feel **empowered**, make them feel **heard**, **solve** their problems or make them feel **entertained**, **they will come.**” (Hint: do all five.)

# Questions?

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