

TOP LIFE INSURANCE  
JOB LIFE INSURANCE

NEWS STORIES OF 2015  
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## Bangladesh



### **1. The Life Insurance Corporation of India (LIC) has been cleared by the regulators to do business in Bangladesh.**

The Indian state-owned insurance giant will start operations as the joint venture entity LIC Bangladesh Ltd. Its paid up capital will be BDT 1 billion and LIC will hold half of it. The rest will be owned by their Bangladeshi partners, which will be raised from the capital market and local entrepreneurs. In 2013, LIC's proposal for operation in Bangladesh with a paid up capital of BDT 300 million was rejected by the IDRA. On 31 May 2015, IDRA cleared the LIC proposal. The total number of Life insurance operators in Bangladesh will be 33 including state owned Jiban Bima Corporation (JBC) and foreign operator Metlife Alico.

### **2. Bangladesh Life Insurance Policy Statistics 2014 Published**

There were 8 million life insurance policyholders in Bangladesh, according to the last count in December 2014 by the Insurance Development and Regulatory Authority (IDRA). The total life fund (Reserve) of these policyholders stood at BDT 2500 million (USD 3.5 billion). In Bangladesh the first year lapse rate for private insurers is in the range of 60-70 percent, much higher than in other countries and one of the worst Laps rate globally, the IDRA said citing data from the companies. The rate is 10-15 percent in India, 40 percent in Sri Lanka and 45 percent in Pakistan. Hong Kong has a lapse rate of 10-20 percent. The rate is far lower in the developed world. MetLife, which has been in operation here since 1952, is the market leader with over 1.4 million policyholders. MetLife's average lapse rate is only 0.52 percent.

### **3. Cell Phone Life Insurance getting popular in Bangladesh**

Life insurance support, which is now being offered by the top three mobile phone operators to their loyal subscribers for providing them with a handsome monthly revenue earnings, are being popular in the telecom sector recently. Three leading operators Grameephone, Banglalink and Robi are currently offering this service, bringing around 7.5 million subscribers under the insurance net out of 110 million mobile users, according to sources. Robi the third-largest operator in-terms of subscribers is the pioneer for introducing this innovative idea in the country's telecom sector in July, 2012 and the company has already paid around 273 claims worth BDT8.6 million. Grameenphone which has around 50 million active

subscribers, the operator has so far successfully settled 51 claims worth BDT 2 million after starting this service from January 2014. Most of the claims were settled within seven days and in many cases, claims were settled within 24 hours. Banglalink the second-largest in-terms of subscribers base raising the insurance coverage up to BDT1 million. Nearly half million subscribers already in coverage of this service, claim Banglalink officials.

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Actuarial Society of Bangladesh

## **Cambodia**



### **1. Life Insurance Market Growth**

Life insurance has been introduced to Cambodia for the first time in 2012 and this sector kept growing remarkably since then. In 2014, life insurance market share has increased at approximately 300% from the previous year, 2013. The growth of life insurance business has also increased to about 190% compared to the same period in 2014 (statistics from January to November 2015 around USD 17 millions). There are many factors, which have driven the growth of life insurance business in Cambodia such as the improvement of distribution channels, life insurance products, new technology advancement, and public education on life insurance done by both the regulator and the insurers, regulations as well as the economic growth.

### **2. New Life Insurer Licensing**

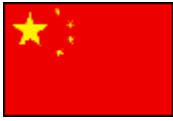
Up to 2015, there are 3 life insurance companies operated in Cambodia, one local life insurer (Cambodia Life Insurance Company Plc.) and two foreign life insurers (Manulife Cambodia Plc. and Prudential Cambodia Life Assurance Plc.). At the end of 2015, the Ministry of Economy and Finance of Cambodia has granted license to another foreign life insurance company. The life insurance market in Cambodia has been growing year by year though the level of its growth seems small compared to other neighbor ASEAN member states. The expectation would be that life insurance market in Cambodia will grow remarkably within the next few years.

### **3. New Insurance Law and Regulations**

The new insurance law has been adopted in August 2014 and took into effect since February 2015. New Sub-Decree, Prakas and other regulations such as Sub-Decree on Insurance, Prakas on Capitalization and Solvency Standards, Licensing of agents, broker, and loss adjusters etc have been preparing and undergoing public consultation at the end of 2015. Cambodia tries her best to set up the insurance regulations in order to supervise and to develop the insurance market to be as potential as other developed countries.

Cambodia Life Insurance Company Plc.

## China



### **1. Rate reforms for universal life policies and dividend-paying life insurance was put into practice.**

On February 3rd and September 25th 2015 respectively, China Insurance Regulatory Commission (CIRC) issued notifications on rate reforms for universal and dividend-paying life insurance. Those have marked the completion of the "three-step" strategy of rate reform of China's life insurance products, following the liberalization of the predetermined interest rate of ordinary life insurance in 2013. This also marks the full establishment of life insurance rate mechanism. The pricing behavior of life insurance products will be more market-oriented.

### **2. Personal Income Tax Benefit Plan of Private Health Insurance was officially issued and on pilot implementation.**

On May 6th 2015, in the executive meeting of the State Council, it is officially decided to implement Personal Income Tax Benefit Pilot Plan of Private Health Insurance. On November 27th, the Ministry of Finance, the State Administration of Taxation, China Insurance Regulatory Commission (CIRC) jointly issued "Notice on Pilot Implementation of Personal Income Tax Deduction of Private Health Insurance", which formulate how the pilot program is to be implemented in chosen cities from the scope of the plan, product specifications, tax collection etc. The scheme will start its official implementation from January 1st, 2016. This marks the official launch of the tax policy of health insurance. Currently, a number of companies have launched relevant insurance products.

### **3. The full implementation of serious illness insurance of urban and rural residents**

On August 2nd 2015, the State Council issued a formal notice on "State Council's advice on the full implementation of serious illness insurance of the urban and rural residents". This was to accelerate the construction of serious illness insurance system of urban and rural residents, to build a strong universal basic health care network, so that more people can benefit from it. Serious illness insurance will help reduce the burden on the medical costs of illness, which is an important measure to relieve pressure on public health, and to improve the social security system.

## **Korea**



### **1. Financial Services Commission announced a road map for the insurance industry**

The Financial Services Commission (FSC) drew up and announced “a Road Map to Boost Competitiveness of the Insurance Industry” on October 1st, 2015. The insurance industry has been the most regulated industry among financial services until today. The main purpose of the road map is to create a competitive marketplace through deregulation. Under the road map, regulations regarding standard interest rates and accretion rates that are used when determining premiums and paying claims will be phased out one by one. The FSC’s plan is to significantly relax regulations on adjustment and increase limit of risk rates. However, deregulation of indemnity health covers and auto insurance will be carried out in phases over the next two years.

### **2. Online insurance supermarket ‘Insurance Damoa’ was launched**

Internet insurance supermarket, named as ‘Insurance Damoa ([www.e-insmarket.or.kr](http://www.e-insmarket.or.kr))’, in which consumers can compare the prices of different insurance products, officially opened on 30 November, 2015. Insurance Damoa features the most popular insurance plans in six categories such as car insurance, travel insurance, pension insurance, savings insurance, term insurance and indemnity health insurance. Users can easily compare prices of different products by entering conditions that they are looking for in each category. A total of 33 insurance companies, including 20 life insurers and 13 general insurers, are participating in the insurance supermarket selling 217 different plans (108 plans from the life insurance and 109 plans from the non-life). More online marketing products are expected to be registered. The Korea Life Insurance Association and the General Insurance Association of Korea, who developed the online insurance market in compliance with the government policy to promote financial technology known as FinTech, said the Damoa portal holds great significance as it enhances efficiency by enabling customers to compare the prices and features of different insurance plans at one view and buy cover online.

### **3. China's Anbang Insurance Group acquired Tongyang Life**

China's Anbang Insurance Group completed a deal to take over Tongyang Life on September 16, 2015. The Chinese insurer, founded in 2004, is currently led by its chairman & CEO Wu Xiaohui, a grandson-in-law of former Chinese leader Deung Xiaoping. The company has been aggressively advancing on the M&A trail globally to grow into a comprehensive insurance group with a capital of CNY 700 billion (KRW 122 trillion) in the past decade. Let alone the life and general insurance businesses, Anbang Insurance has amassed licenses to conduct nearly every kind of financial service in China. Last year, Tonyang Life recorded KRW 4.25 trillion of sales on a consolidated basis that resulted in net profits of KRW 164.4 billion, a record-high net profit since its establishment. The insurer ranked 8th among life insurers in Korea with premium income of KRW 4 trillion and a total asset of KRW 20.37 trillion. A source from Tongyang said, "the Anbang's acquisition of Tongyang Life, which was the first listed life insurer on the Korea Stock Exchange, is expected to enable the company to provide consumers with more diverse and innovative products and service.

Korea Life Insurance Association

## Malaysia



### 1. Life Insurance and Family Takaful Framework

On 23 November 2015, Bank Negara Malaysia has released the much anticipated Life Insurance and Family Takaful Framework (LIFE Framework) to support the long-term sustainable growth and development of the life insurance and family takaful industry in Malaysia.

The Framework aims to promote innovation and a more competitive market supported by higher levels of professionalism and transparency in the provision of insurance and takaful products and services.

Three specific initiatives introduced under this Framework include

- a) Gradual removal of limits on operational costs to promote product innovation while preserving policy/certificate value;
- b) Diversified distribution channels to widen outreach; and
- c) Strengthened market conduct to enhance consumer protection.

The Framework is expected to spur the innovation of a wider range of both products and delivery channels to suit diverse consumer needs based on individual risk appetites, financial goals and levels of financial capability. This in turn will contribute towards the broader objective of reducing the protection gap in Malaysia in line with the efforts to increase the penetration rate to 75 percent by year 2020 (2014: 55.5%).

### 2. Introduction of Goods and Services Tax (GST/VAT) in Malaysia

With effect from 1 April 2015, the Malaysian Government has implemented the Goods and Services Tax (GST) at the rate of 6% after the announcement made in the Budget 2014 by the Prime Minister of Malaysia.

The introduction of GST is part of the overall Government tax reform programme towards making the taxation system more efficient, effective, transparent, business friendly and capable of generating a stable source of revenue.

In the industry, life insurance products such as Whole Life Insurance, Endowment Insurance, Child Insurance, Term Insurance (including mortgage insurance), Education Insurance and Annuity products are exempted from GST. Consumers will not have to pay the 6% GST on their life insurance premiums.

However, the premiums paid for non-life policies are subject to the GST rate of 6%.



### **3. LIAM Youth Video Awards 2015 - *“You Only Live Once”*, the largest Inter University Social Video Production Challenge**

In July 2015, LIAM launched the inaugural Youth Video Awards 2015 -“You Only Live Once”, the largest Inter University Social Video Production Challenge involving 21 local universities in Malaysia.

The Youth Video Awards contest serves to communicate the message of appreciating life, by inviting the best young Malaysian media producers and talents to produce social videos with positive but entertaining values for their own generation.

The contest which carries the message that life is precious and a campaign mission, “value life, capture life and share life”, had attracted 541 submissions from budding future movie producers / directors.

Top 11 videos competed at the Grand Finale held on 21 September 2015, at the GSC Signature, Mid Valley Kuala Lumpur. The Really Big Picture Productions from Universiti Teknologi MARA Puncak Perdana came out Champion with their winning entry, “Dream Jar” and walked away with a trophy, Best University Award, Best Lecturer Award and RM8,000 cash.

The 1st Runner up went to Caramel Productions of Saito College with their winning entry, “My Gardening Hero. My DAD” and walked away with a trophy and 1st Runner Up Lecturer Award and RM5,000 cash. Meanwhile the Stephand Productions of Lim Kok Wing University of Creative Technology came third with “9 Lives” and walked away with a trophy and RM2,000 cash. The 8 other consolation winners received a Trophy and RM500 cash each.

For more information on LIAM Youth Video Awards, please visit [www.youthvideoawards.com](http://www.youthvideoawards.com)

### **4. Donate Blood, Save Life**

#### **Life Insurance Companies organise a Blood Donation Campaign at 37 strategic locations**

LIAM, via its community service platform, Insurans Hayat Cares together with its 16 member companies joined hands with the National Association of Malaysian Life Insurance Fieldforce and Advisers (NAMLIFA) and National Blood Bank in organising a week-long blood donation campaign at 37 strategic locations nationwide from 3rd to 10th August 2015.

With the objective to increase the blood supply at the National Blood Bank during the festive season, the campaign had covered five regions namely Central, Northern, Southern, East Coast and East Malaysia.

LIAM member companies, its stakeholders, family members, agents and customers participated in the campaign and did their part by donating blood at the nearest blood donation centres set up throughout the campaign.

The launch of the campaign was officiated by the Minister of Women, Family and Community Development, Malaysia, Yang Berhormat Dato' Sri Rohani Abdul Karim. Yang Berhormat Dato' Seri Rohani lauded the efforts by the life insurance industry in fulfilling its corporate social responsibility and helped in raising the awareness among the people to donate blood to those who are in need.

The nationwide blood donation campaign is another community project undertaken by the Insurans Hayat Cares' platform in line with its commitment to be more engaging with the rakyat from all walks of life.

Life Insurance Association of Malaysia

## Taiwan



### **1. Cathay Life acquired Global Life and Singfor Life**

Cathay Life won the bid for the public auction of Global and Singfor Life insurance companies with a subsidy from Taiwan Insurance Guarantee Fund of TWD 30.3 billion in March 2015. With the approval of FSC, Cathay Life took over their asset, liability and business operation as of July 1, 2015.

### **2. Taiwan Life and CTBC Life to merger**

FSC approved the merger case of Taiwan Life and CTBC Life dated on January 1, 2016 based on related provisions of Financial Institutions Merger Act. Rights of both company's policyholders shall be just as stated in policy conditions and are not going to be affected by this merger.

### **3. Amendments to Directions for the Review of Life Insurance Products, adding provision of payment-in-kind type products**

FSC passed Amendments to Directions for the Review of Life Insurance Products (July 13, 2015) by adding provisions of the insurance products provided in-kind payments. As such, the development of new insurance products, which offer in kind payment as a form of insurance payments, will become a definite form. In other words, life insurers will apply for the approval of their new products complying with these instructions

There are currently 6 kinds of in-kind payment approved: Health care management, Medical care, Nursing care, Long-term nursing care, Nursing home, and Funeral. With this kind of insurance product, a traditional cash payment and these 6 kinds of benefits in kind are available for policyholders. In addition, the associated regulations concerning the protection of consumers and the risk management of insurers have been already amended to ensure that the new type of insurance products mentioned above is carried out properly and that the right of consumers to be protected.

## **Thailand**



### **1. Overview of Life Insurance in Thailand for 2015**

The life insurance business in Thailand continued to grow in the year 2015. The total premium from January 1, 2015-November 30, 2015 is 482,100.24 million baht, with a growth rate of 6.39%. The total premium is composed of New Business Premium (155,826.45 million baht- 0.60% growth) and Renewal Premium (326,273.79 million baht- 10.09% growth). For renewal Premiums, there is a stable rate of 83%, which is a considerably good rate showing that people are placing more emphasis on life insurance. Life insurance companies are also placing an emphasis on the importance of life insurance and are developing new products to compete with each other in order to give consumers the best products that will meet their needs. Most importantly, the growth of life insurance business in Thailand is due to the help and support from the Office of Insurance Commission (OIC).

### **2. Statistics for the Agency License Examination By the end of 2015**

In 2015, many people took the Agency License Examination in order to get their license to sell life insurance in Thailand via the companies that they are registered under. In December 2015 alone, there were 10,079 people that passed the Agency License Examination. As for the statistics for the Agency License Examination from January 1, 2015- December 31, 2015, there were a total of 181,330 people that registered to take the exam. This is lower than the previous year, where there were 193,061 people (-6.07%). From the 181,330 registered examinees, 128,187 came to take the examination and 49,050 of them passed (38.26%).

The Thai Life Assurance Association

## Uzbekistan



1. At present time, the insurance market of Uzbekistan is actively developing. At the end of 2015, gross premium in the life insurance market was 153.8% more compared to 2014. The indemnity growth was almost proportional to the premium's one, and equals to 150.6%.

At the same time, the share of life insurance premiums in the structure is only 5%, indicating that there is a large potential life insurance industry. The government of Uzbekistan pays great attention to the development of the life insurance industry. A striking example of this is to provide unprecedented benefits both insurance companies and individuals who use the services of long-term life insurance. In particular, amount of wages and other personal income, allocated for payment of insurance premiums for long-term life insurance, are exempted from taxable base.

2. One of the priority trends of the policy of any state is a social protection of its citizens, including the care of those who for whatever reason is outside of their country. The implemented function includes insurance, providing citizens traveling abroad, insurance protection in case of health deterioration and the need for medical care. Insurance of persons traveling abroad, the O'zbekinvest Hayot Life Insurance Company has from the first days of its foundation 12 years ago. In 2015, in the opinion of the participants of the annual international tourism fair, which included various representatives of the tourism industry the Company for the second time awarded the title of Best insurance company for travel. This is not only a great honour, but also a great responsibility, in connection with which the Company cooperates with one of the leading assistance companies of the international level – AGA International S. A. (Mondial Assistanse Group) having more than 100 – year experience in the provision of assistance services.

3. Asian Development Bank experts and representatives of Ministry of Finance and insurance companies performed on this seminar.

The subject of discussion was wide range of questions covering the potential and development of national market of insurance services, including life insurance,

international experience in this field, particularly Brasil, South Africa, India, Philippines, EU countries and etc.

Special attention was paid to the issues of development of life insurance, ways of their solution, main features of life insurance programs and sales channels. In particular, there was noted about accordance to international standards classification of life insurance and non-life insurance workers, setting specific requirements to life insurance operations, special provisions for the formation, distribution and usage of technical life insurance reserves.

Ministry of Finance of Republic of Uzbekistan

## **Vietnam**



1. Vietnam life insurance market maintained stable growth in 2015 and forecasts a growth rate of 29% to achieve [total premiums of VND 36.600 billion at the end of 2015. This is the highest growth rate of Vietnam life insurance market in 10 recent years.
2. Insurance Association of Vietnam held the 4<sup>th</sup> Term of Office Congress (2015-2020) at which the Association revised its Charter; elected new Executive Committee and Controlling Committee; and set the Action Plan for the whole term.
3. It was the first time insurance companies purchased long-term government bonds (20 years) of high face value, which proved the role of life insurance as a tool for capital mobilization.

Association of Vietnamese Insurers

## Japan



### **1. Nippon Life reached a deal to acquire Mitsui Life**

Japan's leading life insurance company, Nippon Life Insurance Company, or largely known as Nissay, reached an agreement to acquire Mitsui Life Insurance Company. Established in 1914, Mitsui Life is part of Mitsui Group, one of the largest corporate groups in Japan, with a total asset of 7,400 billion yen and premium income of 545 billion yen. Nissay would pay 400 billion yen for this acquisition and Mitsui Life would be a subsidiary of Nissay in March next year.

While other major life insurance companies including Dai-ichi Life, Meiji Yasuda Life, and Sumitomo Life focused on foreign markets and subsequently embarked on large-scale acquisitions of life insurers in United States, Nippon Life chose to focus more on the reinforcement of domestic market where the business environment has been rapidly changing due to the demographic change and Kampo Life's going public. Another reorganization of Japanese life insurers might begin as Nissay's move might prompt other companies to follow suit.

### **2. Bancassurance took a leap forward**

Sales of bancassurance stood strong at record-high of over 6 trillion yen in the fiscal year of 2014. There is a surge of needs toward certain insurance products behind its success. Such insurance products include foreign currency denominated products, which yield higher interests than yen-denominated savings deposit under the ongoing ultra-low interest rates and single premium whole life products, which are utilized for an inheritance tax strategy. The sales of bancassurance account for nearly 20% of the total premium income of life insurance companies as a whole. Dai-ichi Frontier Life, Mitsui Sumitomo Primary Life, and Prudential Gibraltar Financial Life play a role of driving force as these companies are all specialized in bancassurance business.

### **3. Suspending sales of savings-type insurance products under the influence of ultra-low interests**

Following major life insurance companies, mid-sized companies are also considering halting sales of savings-type products. Life insurance companies, mainly major life insurers, have stopped selling single premium endowment, single premium whole life, and other certain savings-type products or raised insurance premiums since last



year. Mid-sized life insurers are expected to follow them. These decisions stem from continued falls in the yields of super-long term JGBs, in which insurers mainly invest, due to the prolonged ultra-low interest rates.

**Extra. Major life insurers entering nursing-care business**

In anticipation of the growing needs for nursing care because of the progression of the aging and the decline in the birthrate, leading life and non-life insurance companies entered nursing-care business such as operating nursing-care facilities. It is part of their business strategy to corral customers to their facilities and services as well as to develop nursing products and to increase sales with their enhanced services. Meiji Yauda Life and Sony Life plan to expand their nursing-care business by acquiring existing operating companies of nursing-care facilities.

Oriental Life Insurance Cultural Development Center