

SII Report: Looking to the Future of Liability Insurance Industry



The Singapore Insurance Institute (SII) brought together leading players to discuss and debate about changes needed in the specialty liability, products liability and casualty business in Singapore in October. **Mr Sam Tan**, President of SII, reports on how the industry is taking up the challenge to educate and expand the market for liability products.

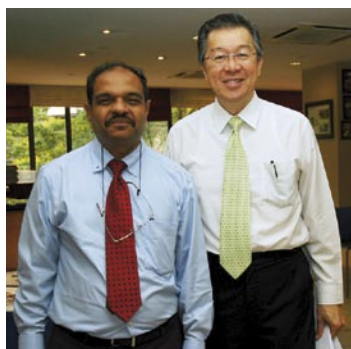
A unique gathering of over a hundred participants representing Insurers, reinsurers, insurance brokers, financial advisers and loss adjusters took place on 23 October 2008. The SII worked with leading liability practitioners to organise a special one-day forum to focus on improving the way the insurance market profiles and engages itself with buyers and non buyers. The goal of the forum was to bring out key issues and challenges to broaden the market opportunities for liability players.

Why Focus on Specialty Liability, Products Liability & Casualty?

- What used to be uncommon exposures in the past are now fast becoming everyday critical business issues for companies and managers;
- Proof of this can be seen in recent cases of companies and non-profit organisations dealing with the consequences arising out of product safety, workplace safety issues, breakdown of internal controls and corporate fraud;
- Increasing demands of the public to raise standards of accountability and transparency.

SII's forum facilitated the congregation of leading industry professionals to discuss their current view of the industry and the actions needed to raise the level of expertise in the future. Participants included speakers from AIG, ACE, ACR, Allianz Re, Bowring Marsh, Federal Insurance (Chubb), Crawford & Company, Lloyds, Swiss Re and Willis. The keynote address was delivered by Mr Justyn Jagger, the President of the Insurance Law Association of Singapore.

Many who attended the seminar felt that it was important for liability practitioners to come together to discuss strategies to overcome common challenges and take the industry forward. Mr Sam Tan, the President of SII said: "The industry needs more of such forums to debate, share ideas, open up market opportunities and work together for a common goal. Competition



About Singapore Insurance Institute (SII)

Founded in 1950, The SII is a members' institution for Professionals in the insurance and financial services. The SII is incorporated as a public company limited by guarantee and its constitution cannot be altered without the consent of the Minister of Finance.

For more information, please go online to www.sii.org.sg

is always there, but we should also focus on the state of the industry!"

Key Themes and Discussions from the Seminar:

- **Working Together**
How should the market work together to create opportunities for the benefit of the industry? How do we position the industry in a positive light? How do we position liability insurance as a solution and not a cost?
- **Education**
The liability insurance industry is to focus on educating executives on selling skills with a strong foundation in technical knowledge and access to market trends.
- **Limited by Pricing?**
How do we, as an industry, "go beyond price"? Brokers debated solutions for changing mindsets, marketing, advisory strategies and managing clients through tender processes.

- **Human Resource Challenges**

How does the industry do more to keep and attract talent and develop new leadership?

Buyers of Liability Insurance Are Changing Their Mindsets

The past few years have seen unprecedented changes in the business landscape. With greater transparency, technology and the opening up of markets, there is now greater scrutiny and the inevitable rise in legal threats facing businesses and directors.

Whether it is the ongoing credit crisis, raising corporate governance standards, more regulatory enforcements or



managing product safety issues, Singapore companies, regardless of size, face greater exposure to global risk more than ever before. As a consequence, directors and officers are changing their attitudes towards risk and insurance.

How Will The Industry Respond?

The forum concluded that the liability insurance industry in Singapore needs to respond to higher expectations from customers. More of such industry forums for practitioners to come together are needed and the SII encouraged the leaders and principal officers to support future industry dialogues.

The Singapore Insurance Institute (SII) has already responded to this challenge with a new 2009 conference series titled 'Creating Sustainable Professional Excellence in the Insurance Industry', that will create a platform for leading industry professionals to discuss where they currently see the industry and what needs to be done to raise the level of expertise in the near future.▲

