

Life Insurance Business in Indonesia

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Presentation Highlight

1. Indonesia Life Insurance Association - Vision
2. Life Insurance Industry in Indonesia
3. Strategic Program in 2012

Indonesia Life Insurance Association

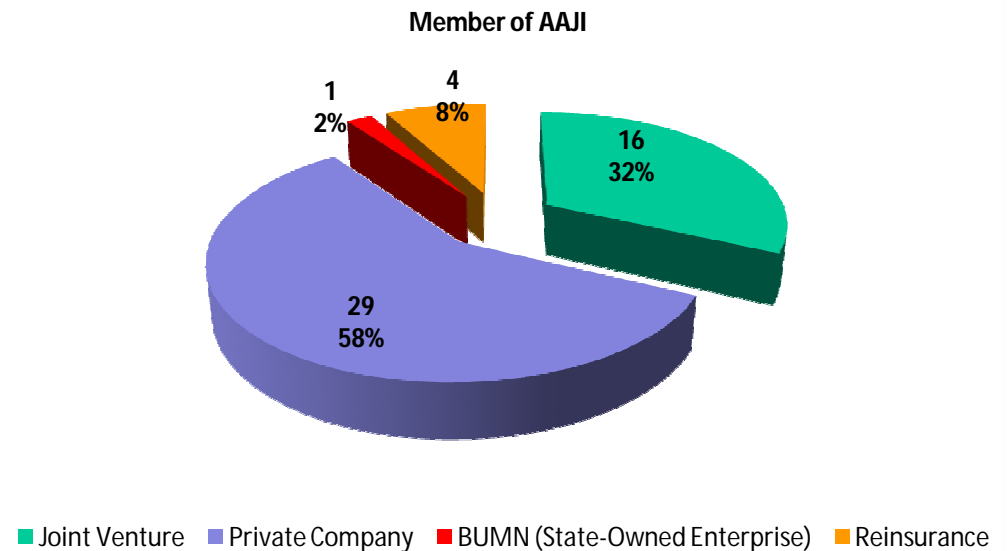
Vission

- To achieve the asset target in industry Rp500 trillion in 2014
- To achieve 500,000 professional agents in 2014
- Increase industry capability to provide employment
- Increase population insured to 50% for the next 5 years, promoting life insurance as the dominant provider of customer savings, protection and retirement needs
- To encourage individual to develop the capability to be responsible for their financial welfare and asset preservation, through better financial planning

Life Insurance Industry in Indonesia

Fact

- Indonesia has large population
- Low level of concentration
- Small penetration
- Indonesia has 46 life insurance companies and 4 reinsurance companies
- From 46 member companies, 58% are dominated by a private company and followed by a joint venture 32%



Life Insurance Industry in Indonesia

1. Challenge

- Small penetration
- Low level of life insurance awareness
- The increasing of life expectancy
- The increasing cost of the elderly population

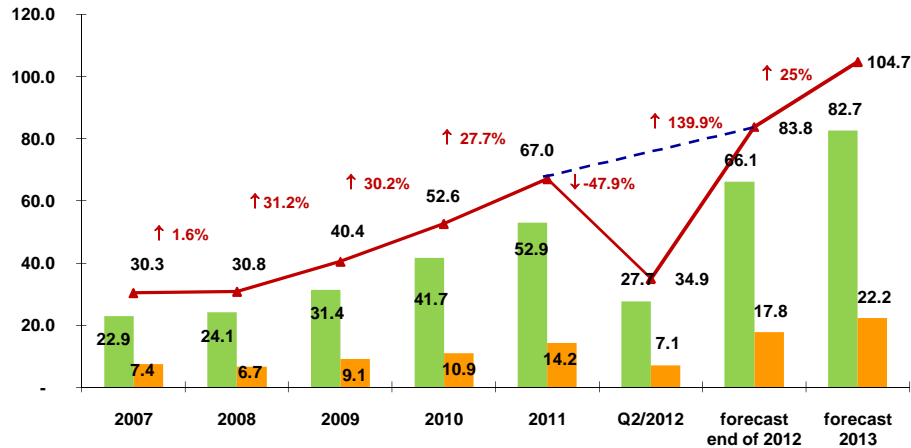
2. Opportunity

- Indonesia has large population
- Indonesia has 46 life insurance companies and 4 reinsurance companies
- Low level of concentration

Life Insurance Industry in Indonesia

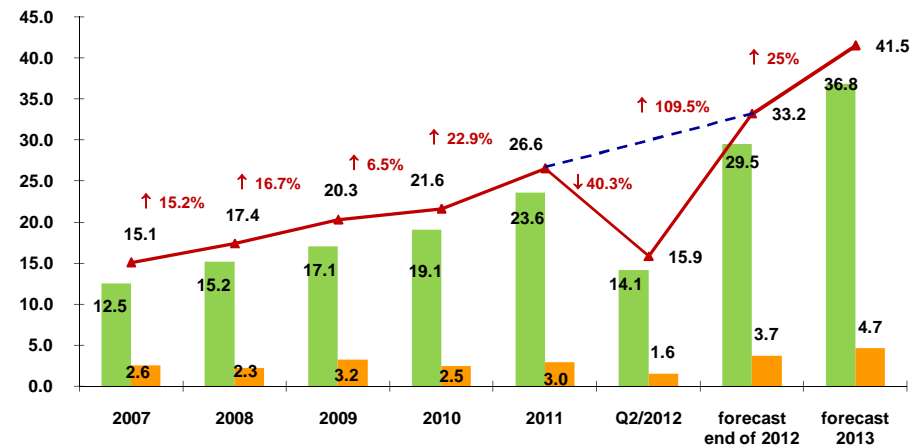
Premium

New Business Premium
(in trillion Rupiah)



Individual Premium Group Premium Total New Business Premium

Renewal Premium
(in trillion Rupiah)

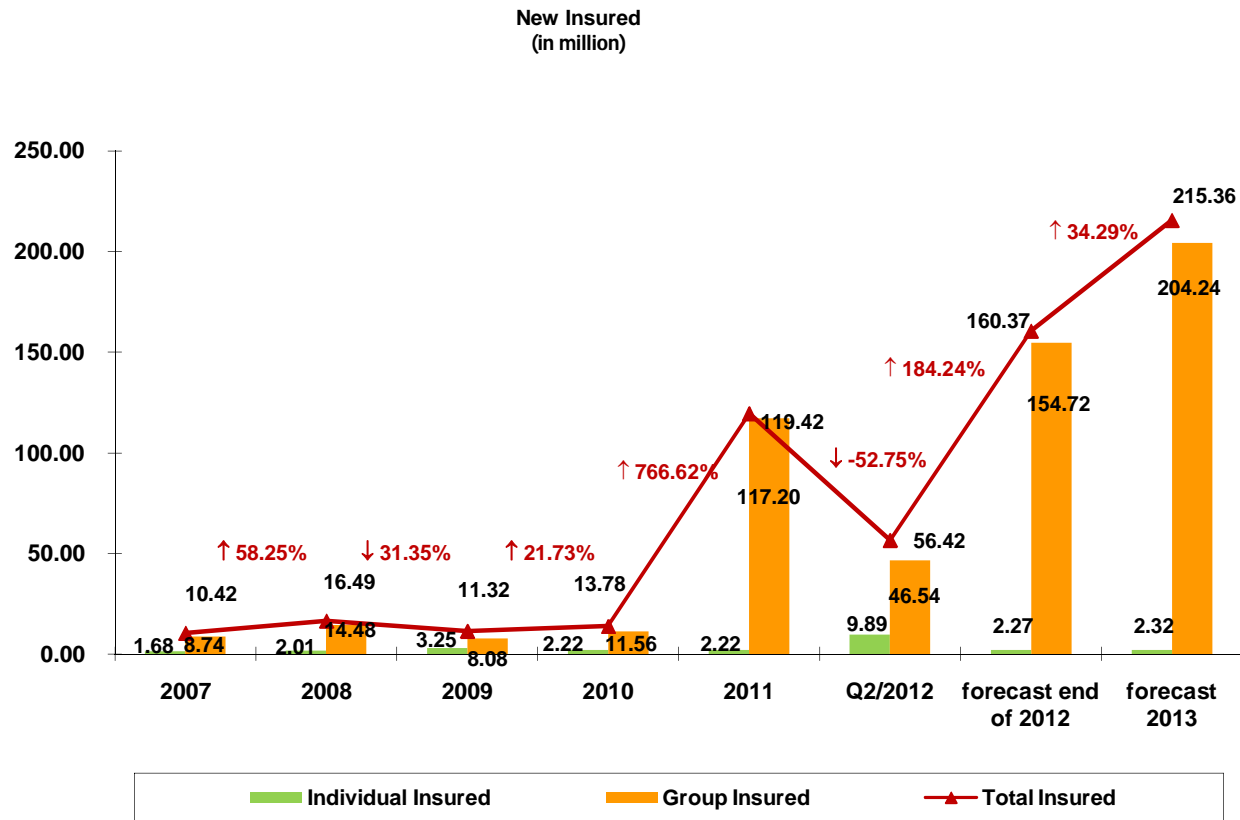


Individual Premium Group Premium Total Renewal Premium

In the last 5 years, new business premium and renewal premium always increase an average of 25%

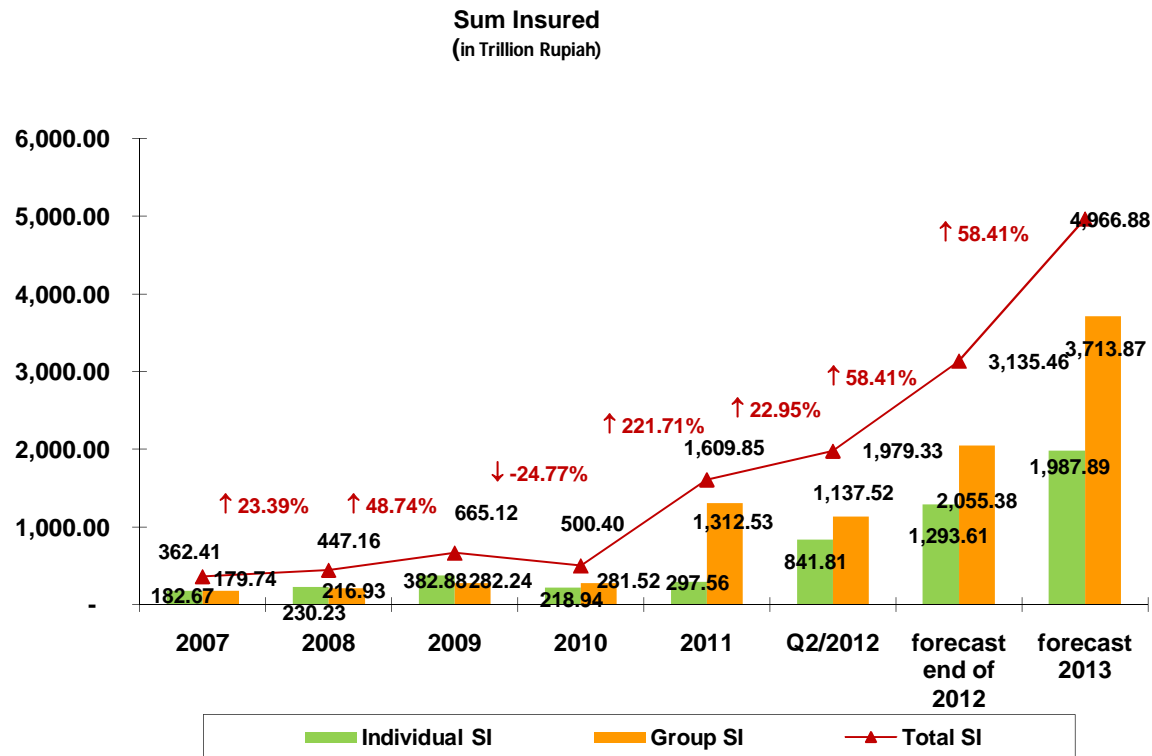
Life Insurance Industry in Indonesia

New Insured



Life Insurance Industry in Indonesia

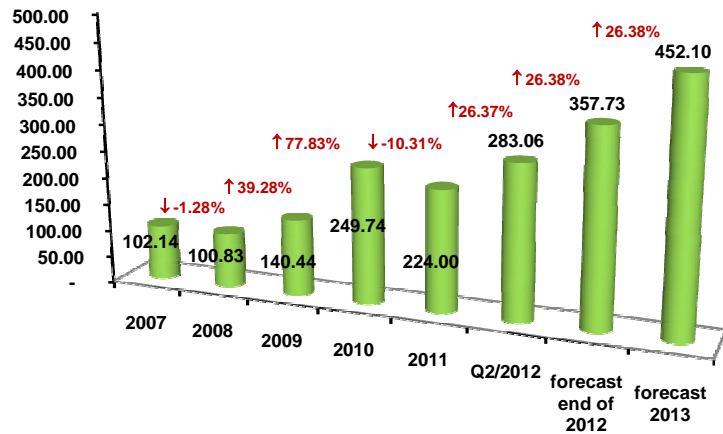
Sum Insured



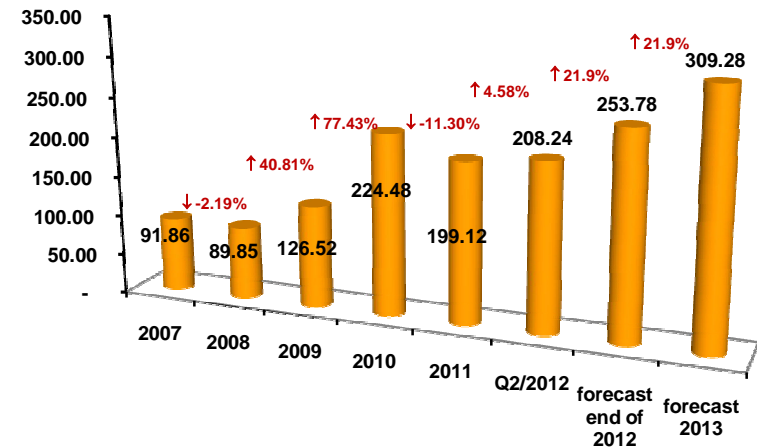
Life Insurance Industry in Indonesia

Asset & Investment

Asset
(in Trillion Rupiah)



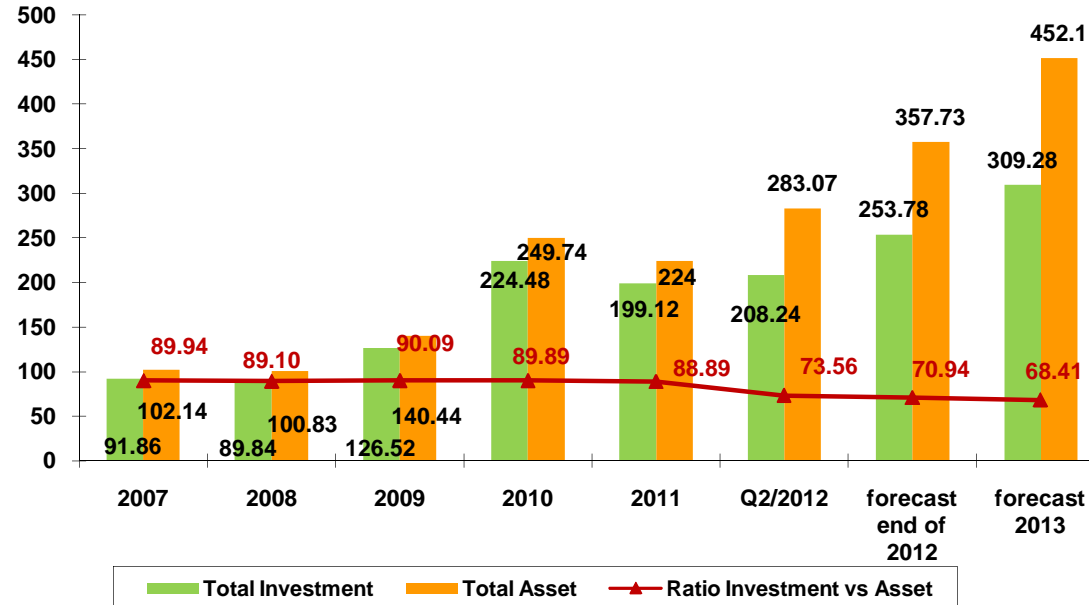
Investment
(in Trillion Rupiah)



Life Insurance Industry in Indonesia

Ratio Asset vs Investment

Investasi vs Aset
(in Trillion Rupiah)

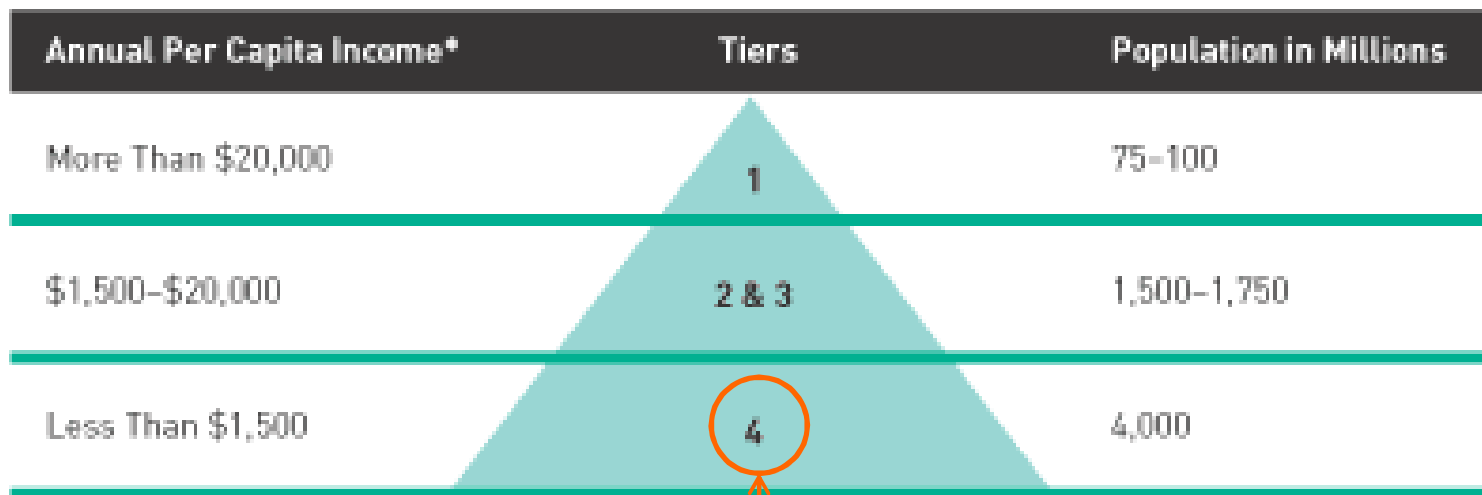


Life Insurance Industry in Indonesia

Micro Insurance

Why do we tap on low income people?

Exhibit 1: The World Economic Pyramid



* Based on purchasing power parity in U.S.\$

Source: U.N. World Development Reports

Unexplored big market

Life Insurance Industry in Indonesia

Micro Insurance

Why Engage in Micro Insurance

- New market to increase quantity of potential customers for the future
- Supporting government to provide insurance access for society at all levels
- Combining activity of corporate social responsibility with business expansion opportunity
- Sustainability of social responsibility and financial profit (“Double Bottom Line”)

Life Insurance Industry in Indonesia

Sharia in Indonesia

- Plenty of opportunities, low penetration of insurance
- Sharia is relatively new, lack of public awareness
- Most of companies started selling Sharia in the last 5-6 years and growing around 30% last year or around 8-10 times compared to 5 years ago
- Cooperation with the whole stakeholders, such as government in regulations, educating and socializing to the public and especially through Agents

2012 Strategic Program

- Through Insurance awareness program, marketing campaign, educating public about how important life insurance, encourage saving culture to the public with financial planning program
- To create employment opportunity in insurance industry as one of the profession
- Held a Top Agent Award in recognition of an outstanding agent
- Creating professional insurance agent through certification and personal development training
- Conduct Actuary scholarship program to meet the members needs of actuary expert

Thank You