

TOP LIFE INSURANCE
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NEWS STORIES OF 2024
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Bangladesh



1. Banks allowed to start bancassurance business:

The Bangladesh Bank allowed banks to start bancassurance – an arrangement for selling insurance products through banks – in a bid to increase insurance penetration in the country.

An insurer can have up to three banks as its corporate selling agents, while a bank, too, can be the agent of up to three insurance companies. Banks can earn the agent commission not more than the percentage allowed in insurance regulations.

2. Life insurers mired in irregularities:

Uncertainty looms over settlement of BDT 3,643cr (Equivalent USD 301236828.46) claims by 11 lakhs (1.1 million) clients. Data from the Insurance Development and Regulatory Authority (IDRA) showed that 31 out of 36 life insurers are required to settle about 11 lakh policyholders' claims worth Tk 3,643 crore.

One-fourth of the life insurance firms in the country are plagued with financial irregularities and mismanagement that have put the entire industry in danger.

3. Political favoritism eroded confidence in insurance sector:

According to the Insurance Development and Regulatory Authority (IDRA) currently Bangladesh has a total of 82 insurance companies. According to IDRA data 72 insurance companies have been registered since 1991.

1991-1996, 3 life and 8 non-life insurance companies were registered, Under the Awami League's 1996-2001 regime, the highest number of registrations were recorded, with 13 life and 27 non-life insurance companies being formed,

The BNP-Jamaat alliance, which ruled from 2001 to 2006, allowed only 1 non-life insurance company, from 2009 to 2024, Awami League's Sheikh Hasina's government approved 18 life and 2 non-life insurance companies.

The highest number of registrations, 60 occurred under Sheikh Hasina's governments.

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Actuarial Society of Bangladesh

Indonesia



1. High medical cost inflation

Post-Covid-19 Pandemic, medical cost inflation tends to increase. This is reflected in the projections made by Mercer Marsh Benefits (MMB) and AON, where Indonesia's medical cost inflation in 2025 is estimated to reach 19 percent and 16.2 percent respectively. The high medical cost inflation then has an impact on increasing health claim payments.

During January-September 2024, health claims of life insurance industry reached IDR 20.9 trillion, exceeding the realization during 2023 (IDR 20.8 trillion). If the increasing trend continues, the company's solvency has the potential to decline. The company will also likely have to increase its premiums, which has the potential to reduce the number of customers.

2. Preparation for the implementation of PSAK-117 2025.

Starting in 2025, insurance companies are required to implement Financial Accounting Standards Statement (Pernyataan Standar Akuntansi Keuangan-PSAK) 117, adopted from IFRS-17, as the accounting standard in their financial reporting. The standard aims to improve transparency and comparability of insurance companies' financial statements.

However, the implementation of PSAK-117 requires significant investment costs and human resource support.

Despite these challenges, insurance companies have shown positive developments, by starting to report in parallel in 2024. In general, all life insurance companies are ready to implement PSAK-117 in 2025.

3. New capital provisions that will come into effect in 2026.

In the midst of efforts to implement PSAK-117, insurance companies are also required to increase their capital, along with changes in minimum capital provisions that will come into effect in 2026. In these changes, insurance companies will be grouped based on their capital, which then determines the type of business that can be carried out.

This aims to limit the business risk borne by the company, so that it does not exceed its capital. To meet these provisions, companies are required to be able to increase their capital. For some companies, increasing capital tends to be difficult, especially amidst weakening purchasing power.

Meanwhile, the industry's return on capital tends to be long-term, making investors not too interested in investing in the insurance industry. Mergers and acquisitions then become realistic options taken by companies in meeting these capital provisions.

Indonesia Life Insurance Association

Malaysia



1. A Legacy of Progress, A Future of Promise - LIAM celebrates 50-Year Journey with Community Impact and Industry Transformation

On 22 November 2024, Lanai Kijang in Kuala Lumpur lit up with celebration as LIAM and its 16 member companies marked a historic milestone: LIAM 50th Anniversary. The Golden Jubilee Dinner, attended by over 300 industry captains, past LIAM presidents, stakeholders, and partners, was an elegant affair. The event was graced by YBhg Dato' Seri Abdul Rasheed Ghaffour, Governor of Bank Negara Malaysia, whose presence underscored the importance of this milestone.

LIAM President Raymond Lew took the stage to pay homage to the leaders who have shaped LIAM's journey. He acknowledged the contributions of past presidents, whose leadership steered the association through pivotal moments.

The evening was a blend of nostalgia and forward-thinking, featuring a gallery exhibition that showcased LIAM's five decades of achievements and the launch of its [50th anniversary coffee table book](#). In reinforcing its commitment to community well-being, the industry also donated RM100,000 to five NGOs and social enterprises, namely Suri Lifestyle, Reef Check Malaysia, GOLD (Generating Opportunities for Learning Disabled), WITUS (Persatuan Wanita & Ibu Tunggal), and The Asli Co.,

LIAM also launched two social media campaigns: #LifeIsFullOfSurprises and #LIAMGoldenMoments, designed to educate the public about life insurance and financial protection, while offering participants the chance to win cash prizes in conjunction with the anniversary celebration.

[Link to LIAM 50th Anniversary Microsite](#)

2. LIAM supports Malaysian young girls and women through the *Leaving No One Behind - HPV Vaccination and Screening Programme*

LIAM marked its 50th Anniversary with a few notable achievements. Among them is the donation of RM3.65 million towards the "Leaving No One Behind – HPV Vaccination and Screening Programme". This partnership with the National Cancer Society of Malaysia and the ROSE Foundation is targeted at 100,000 Malaysian young girls and women aged between 30-65 from underprivileged

communities across Malaysia. The objective is to raise awareness and educate on HPV related cancers, emphasizing on prevention and how early detection can save lives and reduce the risk of cervical cancer.

This initiative aligns with LIAM's broader goal of supporting the Malaysian healthcare system and mitigating the risk of cervical cancer, the third most prevalent cancer among women in Malaysia. It serves as a meaningful corporate social responsibility aspect for LIAM, showcasing the industry's commitment to saving lives and contributing to community well-being.

3. i-MULA 50 Starter Pack Programme Empowers 100,000 eligible Malaysians with affordable life insurance protection

As part of the industry's aspiration in nation building, LIAM established a RM5 million Starter Pack Insurance Fund called *i-MULA 50*, an initiative designed to make life insurance more accessible and affordable for 100,000 eligible Malaysians. Officially launched by the Deputy Governor of Bank Negara Malaysia, Encik Adnan Zaylani Mohamed Zahid on 28 August 2024, the programme provides a RM50 subsidy for each qualifying life insurance policy targeting first time insurance buyers particularly youth and young families nationwide.

The programme aims to support the purchase of life insurance protection, offering 33 affordable protection plans covering benefits such as death, total and permanent disability (TPD), critical illness, medical expenses, and hospital income.

At the Karnival Celik Kewangan in Kuching Sarawak from 15-17 November, LIAM took inclusivity a step further. A special allocation of RM500,000 exclusively for the Sarawak residents was presented by LIAM Management Committee, YBhg Dato Koh Yaw Hui, to the Sarawak Deputy Premier, YBhg. Datuk Amar Prof Dr Sim Kui Hian, reflecting a strong commitment to expanding access to affordable life insurance to the Sarawak community.

Ultimately, the i-MULA 50 initiative reinforces the industry's commitment to the development of Malaysia's dynamic life insurance industry and supports the government's social protection efforts.

Philippines



1. Significant number of market players unable to shift to IFRS17 financial reporting framework by January 1, 2025

The twice extended and final implementation date for IFRS17 reporting for insurance companies in the Philippines is 1 January 2025. We foresee, though, that about a third of the life insurance market players would not be ready to cut over to this new insurance contract reporting framework as scheduled due to challenges in their transition implementation. In view of this, the industry is closely working with the Insurance Commission on how to manage the situation given its implications to regulatory reporting mandates and basis for taxation.

2. More Filipinos getting health insurance coverage

Premiums from Variable Unit Linked (VUL) products have contributed between 66% (2023) to 77% (2021) of the total life insurance industry premium in the last five years. We expect that VULs will continue to be the main driver of our premium generation capacity in 2025. However, there are very encouraging indicators of growth contribution from the traditional life products especially on the health insurance front.

Data show that insured lives from health insurance plans sold by the life insurance sector increased by 12% in 2023 from 1,732,979 to 1,950,339 and, as of the first half of the year only, has already realized a jump to 2,084,490 lives or an improvement by 7% over the full year figure in 2023. Premium-wise, health insurance contribution stood at USD 267.33 million (Php15.740B @ current Php 58.88 exchange rate) in 2023, increasing by 12% over the USD 238.32 million (Php14.032B) in 2022. The growth pattern appears to be continuing in 2023 as first half health insurance premiums of USD 166.42 million (Php9.785B) already represents a 62% achievement of the full year 2023 level.

3. Two life insurance companies get license to offer Takaful insurance

Earlier this November, the Insurance Commission issued Takaful operator's licenses

to two (2) companies in accordance with Circular Letter No. 2024-13 on the Consolidated Guidelines for Takaful Window Operation issued on 28 May 2024. In its press release on 6 November 2024, the Insurance Commission stated as follows:

The Insurance Commission ("IC") recently issued the first takaful operator's licenses to Pru Life Insurance Corporation of U.K. ("Pru Life") and Etiqa Life and General Assurance Philippines, Inc. ("Etiqa"), respectively.

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Takaful is a type of Islamic insurance based on Sharia law wherein members contribute money into a pool system to guarantee each other against loss or damage. However, instead of paying premiums, parties or policyholders in a takaful arrangement agree to make contributions to a pool or mutual fund from which claims are paid out of. A takaful contract specifies the risks covered and the length of coverage, like an insurance contract.

Takaful funds are managed and administered by a takaful operator that charges fees for sales, marketing, underwriting, and claims management.

Philippine Life Insurance Association (PLIA)

Taiwan



1. Uni-Portal Linking Insurance Claims to Medical Industry 2.0: A new milestone in service experience for policyholders

The LIA launched officially the “Uni-Portal Linking Insurance Claims to Medical Industry 2.0” transmission service on October 30, 2024 to enhance further the policyholder service experience. This service pertains to a tech-enabled platform that combines blockchain technology and electronic signature to achieve paperless claim process. To file a claim, policyholders only need to authorize the hospital to transmit their medical data. Their insurance company will swiftly receive the data and begin processing the claim, thereby saving policyholders from the lengthy and cumbersome claim process.

From the time the Uni-Portal first went online in May 2021 up to the end of November 2024, this convenient service has been expanded to cover 34 hospitals (altogether 43 campuses), including 13 medical centers. All six municipalities in Taiwan have hospitals that offer this service.

The service of Uni-Portal 2.0 not only shortens considerably claim processing time, it also saves policyholders time and costs, and realizes the digital transformation of insurance services. In the future, LIA aims to enable claim payment be used directly to pay medical expenses. This way policyholders can clear their medical bills soon after they are discharged from the hospital, rendering the service even more convenient.

2. Insurance companies may issue bonds with capital characteristics by establishing an overseas special-purpose vehicle to strengthen their capital structure

The appetite for bonds in the local market is limited. To increase the fundraising channels for insurance companies, the competent authority amends the Directions for Issuance of Bonds with Capital Characteristics by Insurance Companies, allowing insurance companies to issue overseas bonds with capital characteristics through the establishment of a special-purpose vehicle (SPV) and provide guarantee for such bonds. The overseas bonds issued through SPV may be counted toward the

insurer's regulatory capital, and the interest paid on the bonds is not subject to tax withholding, thereby reducing the costs of insurance companies to issue overseas bonds. As of end of November 2023, two insurance companies have issued overseas bonds with capital characteristics that offer coupon rate over 5%, and raised altogether more than US\$1.6 billion. It helps diversify the fundraising channels for Taiwan's insurance companies.

3. Promoting the reform of medical reimbursement insurance to fulfill the principle of indemnity

Some insurance companies in Taiwan used to allow policyholders of medical reimbursement insurance to file a claim with a copy of the expense receipt. As a policyholder can file a claim for the same occurrence with several insurers, the total claim payments received by the policyholder may exceed the actual medical expenses he or she has incurred. It is a departure from the principle of indemnity, and may cause moral hazard with the frequent occurrence of insurance frauds.

In light of the situation above and in response to the adoption of IFRS17 by Taiwan's insurance industry in 2026 and the implementation of Solvency II, insurance products should gradually return to the essence of insurance and protection. Therefore, the competent authority amends relevant regulations, stipulating that claim payments received by a policyholder of medical reimbursement insurance for the same insured event may not exceed the actually incurred medical expenses to fulfill the principle of indemnity.

The Life Insurance Association of the Republic of China

Vietnam



1. In 2024, the life insurance market experienced negative growth for the second consecutive year. The total collected premium is estimated at VND 142,770 billion (USD 5.71 billion), a decrease of 9.1% against 2023. (In 2023, the total collected premium was VND 156,989 billion, down 12% compared to 2022). The new business premium is estimated at about VND 25.000 billion (about USD 1 billion), decreased by 12% against last year.

The decline is caused by a communication crisis for the bancassurance channel and investment-linked insurance products originating from the end of 2022, as well as some tightening regulations on consulting and selling investment linked insurance and bancassurance channel.

2. In 2024, many new legal regulations promulgated under the Insurance Law 2022 and legal guidance documents come into effect. Among new regulations, there are some which have strong impact on life insurance consulting, especially for investment linked products such as regulations requiring agents to record the consultation process for investment-linked insurance products, as well as regulations prohibiting the offering of insurance within 60 days before and after disbursing bank loans.

Life insurers are now striving to meet all new regulations which in short run may have some negative impacts on their growth, but in the long run are expected to bring about healthy and sustainable development of the (life) insurance market

3. In 2024, insurance fraud in life and health insurance continues to be complicated, with sophisticated tricks and signs of organized insurance fraud, with the help of medical staff and insurance agents. Police and judicial agencies have paid more attention to the issue of insurance fraud.

In July 2024, the Court brought to trial a typical case of insurance fraud in life insurance (which was widely known to the public as “a case of 19 insurance contracts”). A man with thyroid cancer made nearly 30 life insurance applications

with different insurance companies and succeeded with 19 life insurance policies at 15 different companies, on the basis of concealing information that he bought many insurance policies and had thyroid cancer (He intentionally falsified records with someone else's name for medical examination). After the waiting period expires, he legalizes the medical records and requests insurance to pay benefits which totally may reach some 20 billion VND (in fact he was paid 3 billion VND in insurance benefits until the incident was discovered and he was investigated by the police and convicted of insurance fraud).

The court's criminal conviction of his actions and harsh sentencing of him and his accomplices is expected to contribute to preventing life insurance fraud from growing rapidly in recent times.

Insurance Association of Vietnam (IAV)

Japan



1. Variable insurance sales expanding among life insurance companies

Sales of monthly payment type variable insurance are rising significantly since it allows people build asset while it also provides them with financial securities in case of emergency such as death. According to the estimate of the life insurance industry, it has been breaking record for eight consecutive years and N Life Group is also about to enter the market. This is the first time a major life insurance company to launch a product.

With this type of insurance, the investment portion of the monthly premium will be invested in stocks and bonds. An amount of maturity value depends on investment results and thus there is a possibility of capital loss. In the event of death or TPD during the insurance period, a certain amount of insurance benefit will be paid out.

2. Raising assumed interest rates on savings products (Reducing insurance premium rates)

In response to the current trend of rising long-term interest rates, major life insurance companies have been raising the expected interest rates (the rate of return guaranteed to policyholders) of savings type insurance policies in succession. S Life raised its assumed interest rate for single premium whole life insurance in August while N Life will do so in January 2025. Targets of increase in assumed interest rates set by N Life include monthly payment type of annuity and whole life insurance, and educational endowment insurance. This increase in assumed interest rates will be the first time in forty years for N Life. However, some companies maintain a cautious stance due to a financial burden.

3. Expansion of life insurance premium deduction system

With a theme, *Realization of a Secure National Life*, FSA has announced the expansion of life insurance premium deduction system in *Requests for Tax Reform in FY2025*. To be specific, for households with dependents under 23 years old, the general deduction limit, which is currently a limit of JPY40,000, will be increased by JPY20,000 to support families raising children.