

Sun Life strengthens Asia high net worth insurance business in Singapore, Hong Kong

Sun Life is looking to broaden its presence in Asia's high net worth and ultra high net worth markets through new insurance solutions and partnerships

THE growth potential of the high net worth insurance business in Asia has driven Sun Life Assurance Company of Canada (Sun Life) to focus its attention on this space more than two decades ago.

Although macroeconomic events like the Covid-19 pandemic have brought about changes in the sector, Sun Life is not shying away from the high net worth (HNW) and ultra high net worth (UHNW) sectors. The group is, instead, doubling its efforts to seize opportunities in this fast-growing area.

Sun Life Assurance Company of Canada – a global asset management, wealth, insurance and health solutions organisation serving over 70 million clients worldwide with C\$1.33 trillion worth of assets under management as of Dec 31, 2022 – had established its eighth Asia market in Singapore two and a half years ago.

In Singapore, Sun Life collaborated with HNW specialist brokers who work with private banks and family offices to kickstart their foray into the local HNW insurance market. Last year was Sun Life Singapore's first full year of operations, and business was off to a good start with premiums collected at 300 per cent over the prior year. Sun Life had also launched its first Future S insurance solution in April 2021.

At the end of 2022, Sun Life Singapore also broadened its distribution alliances to 15 international broker agencies and local financial advisory firms with access to a wider network of more than 30 private banks, as well as numerous single and multi-family offices.

Singapore will remain a key area of focus for Sun Life, due in part to the city-state's reputation as a global wealth hub. The Republic has also seen a rising influx of personal wealth in recent years.

According to the Monetary Authority of Singapore, around 400 single family offices were set up in Singapore as at end-2020. By end-2021, the figure came in at about 700. Based on legal firm estimates reported by *The Financial Times*, the number would increase to 1500 by 2022.

Sun Life Singapore is strategically positioned to meet such demands for inter-generational wealth succession and preservation with its HNW insurance solutions. The group's solutions pipeline for this year includes an Indexed Universal Life plan, as well as Singapore dollar-denominated premium option to supplement its existing US dollar currency option.

Asia: A global growth engine

With over 130 years in Asia, Sun Life's ambition is to be a leader in Asia's fast-growing markets. Sun Life Asia, which employs 95,000 advisors in the region, recorded a jump in sales by 8% to C\$1.3 billion in 2022 compared to the prior year.

Sun Life's strategy in Asia is to grow its presence through partnerships.

In Indonesia, Sun Life deepened its partnership with CIMB Niaga – Indonesia's second-largest private bank in terms of assets. Whereas in Vietnam, Sun Life's partnership with the Asia Commercial Joint Stock Bank contributed to a breakthrough performance in 2022.

In January 2023, Sun Life signed a 15-year exclusive bancassurance partnership with Dah Sing Bank in Hong Kong. Under this partnership, Sun Life will be the exclusive provider of life insurance solutions to the 570,000 retail banking customers of Dah Sing.

Led by Karim Gilani, president of Sun Life Greater China, Singapore and International High Net Worth businesses, Sun Life had brought together Sun Life Singapore, Sun Life Hong Kong



From left: Michael Wei, chief partnership and marketing officer at Sun Life Singapore and Karim Gilani, president of Sun Life Greater China, Singapore and International High Net Worth businesses. PHOTO: YEN MENG JIN, BT

and Bermuda-based Sun Life International to form a strategic platform in 2020 to serve the HNW and UHNW client segments in Asia by offering a diverse selection of insurance and wealth solutions.

"Our ambition and structure allow us to capitalise on our market leading HNW capabilities to accelerate growth and establish a competitive position in Asia", Gilani says.

"We have a complementary ecosystem of businesses where we have the expertise in innovating product solutions, human capital, underwriting capacity and technology to create synergies in product ideation, processes, and central reporting, bringing the best-in-class products and services to our HNW and UHNW clientele across Asia."

Michael Wei, chief partnership and marketing officer at Sun Life Singapore says: "Adding more partnerships and strengthening our Sun Life brand to serve the needs of HNW and UHNW families in Singapore and across Asia is also our strategic priority."

Changing trends

Sun Life Singapore noted that the needs of families in the HNW and UHNW spaces have evolved over the years.

For example, lockdowns during the Covid-19 pandemic made families spend more time together, which in turn made them rediscover interpersonal relationships and created opportu-

nities for self-reflection around purpose and values.

Wei notes: "During the pandemic, more HNW and UHNW individuals focused on succession and wealth planning for future generations, which had resulted in them increasing insurance coverage for themselves and their families."

"Today, many HNW and UHNW individuals are prioritising wealth preservation and inter-generational wealth transition, which will bring about strong demand for a variety of wealth planning solutions."

Expanding reach, meeting clients' needs

Amidst a challenging economic backdrop this year, Wei foresees that the wealth planning needs will remain top of mind for HNW and UHNW clients.

"In the previous prolonged low interest rate environment, more HNW clients took up single premium insurance products to leverage on premium financing. But in the current high interest rate environment, it may not be as intuitive as borrowing will be a challenge. Clients will review how they structure their insurance premiums as interest rates go up. We notice that clients are gravitating towards multi-year payment options which Sun Life is one of the few insurers in Singapore to offer 5-years and 10-years payment options," Wei says.

Wei also notes: "Market uncertainty will influence clients to place more value on insurance products with stable high death

benefit guarantees such as our Future S whole of life insurance solution."

Sun Life Singapore also intends to launch more insurance solutions such as Indexed Universal Life to cater to different and evolving needs of HNW clientele. The company is engaged in several conversations to expand its distribution network further to tap into increasing opportunities.

Ben Root, chief actuary at Sun Life Singapore, says: "We are always scanning the markets to find gaps that are yet to be addressed, finding areas to leverage our unique global and local capabilities, and constantly considering how to bring innovative ideas to life."

Backed by a strong AA financial rating from S&P, Sun Life holds the highest credit rating among life insurance companies in Singapore to offer strong stability and confidence to its HNW and UHNW clients as an insurer of choice as they plan for their wealth transition and growth.



You can't write the next chapter without the next generation.

The rules of wealth have changed. And so has wealth planning.

Sun Life is a global leader in asset management, wealth, insurance and health solutions with CAD\$1.33 trillion worth of assets under management* and a strong AA financial rating from S&P* – the highest rating among life insurance companies in Singapore. As a market leader and pioneer of High Net Worth insurance in Asia, Sun Life is able to provide the insurance solutions you need to ensure your financial security for generations to come.

Visit us at sunlife.com.sg

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