



## EXECUTIVE DIRECTOR'S NOTE

I was at the M Hotel on the evening of 8 May and watched the young Global Internship Program (GIP) interns of 2009 interacting with the representatives of the general insurance industry and their stakeholders. All dressed to the nines, these vibrant and talented select undergraduates represented the future of the industry. I felt the thrill of being a part of the effort to attract bright young talent to join our industry. It was exciting to observe that the image of the industry was changing through the GIP and that we could all play a big role in shaping its future.

But April had brought us to the reality of the present. In that month a swine fever that broke out in a village in Mexico soon swept across the globe. Influenza A H1N1 has swiftly become part of our daily language. However, participating in the ABS IWE 2008 Raffles II Exercise last September stood us in good stead: it prepared us to manage our BCP in the eye of a pandemic storm. The Insurance Multi-sectoral Standing Committee (IMSC) on BCP, formed even before the arrival of H1N1, issued insurance advisories and a BCP-preparedness circular to put members of GIA, SRA, LIA and SIBA on alert-mode. It also helped post a H1N1 FAQ on the GIA website.

On motor issues we are communicating with all relevant stakeholders. We have engaged an independent market research company to conduct a public survey on the one-year-old MCF. The survey is on-going and the results should be made known in the third quarter.

Best wishes.



GIP '09 interns Linda Soh, Soh Rui Na and Liu Mengyi with GIA President Mr Derek Teo

AN IDEAL LEARNING EXPERIENCE WITH A GLOBAL INDUSTRY

## THE 2<sup>ND</sup> BATCH OF GLOBAL INTERNSHIP PROGRAM (GIP) COMMENCES 11 MAY 2009

The 2009 Global Internship Program (GIP) was launched on 11 May 2009 and will stretch up to 31 July 2009 with a record of 26 interns, an increase from the pilot batch of five in 2008. Running into its second year, the GIP provides both undergraduate and graduate students with hands-on experience in the corporate world while immersing themselves in local and overseas stints with leading companies in the general insurance industry.

The assigned mentors will provide technical expertise and coaching, as well as facilitate on-the-job training to help interns gain an understanding of the scope and challenges facing the industry.

Projects assigned to the interns address a wide range of subjects, from catastrophes modelling, actuarial functions, underwriting and claims processes, distribution channels, data research, strategic planning and evaluation, to policy development and overall management.

The interns will be working full time throughout the 12-week duration and receive a stipend from their host company. This on-site learning was complemented by a 3-day induction program sponsored by the Institute of Banking and Finance during 6 – 8 May. This introductory course, conducted by the Singapore College of Insurance, aimed to equip interns and prepare them for their internships.

The GIP strives to provide the interns a valuable exposure to the dynamics of the industry.

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It aims to give the interns an experience that will be beyond their initial expectations of the professions that they have just come to be acquainted.

The participating host companies appreciate that the fresh perspectives from interns are exceptionally beneficial. They get an opportunity to work with young talents who are capable of bringing in new ideas to the industry.

A pre-internship cocktail reception was held on 8 May 2009 at M Hotel to provide an informal networking session for the interns with their mentors, and to celebrate the launch of the second year of GIP. The event helped to strengthen communications between them and provide the interns a glimpse of the practitioners outside work.

"It was great meeting up with the interns as they all seem so enthusiastic and eager to learn about the general insurance business," said Mr Stephen Blasina, Senior Vice President/GM, Federal Insurance Company, obviously excited at the prospect of receiving their first GIP intern.

**For more information and details on GIP, please contact [Cecilia.pay@gia.org.sg](mailto:Cecilia.pay@gia.org.sg) or log into GIA website for updated activities.**

**GIP IN FACEBOOK!**

In order to stay on the same wavelength and to generate more publicity on GIP, we are now in FaceBook! Want to be a FB Fan? Just log into <http://www.facebook.com/home.php?#/group.php?gid=79699667844&ref=mf>



GIP '09 interns Lin Hui Fang, Teo Hui Ling, Liu Meng Yi, Meghna Kiran Desai and Tan Si Ying



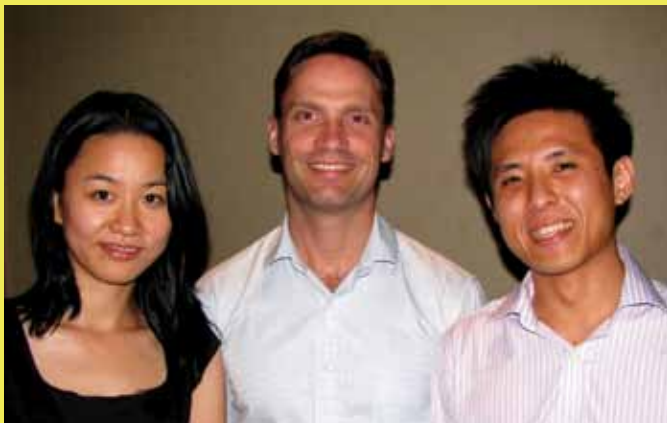
GIP '09 interns Raymond Tan and Cheryn Tan, with mentor Mr Lim Koon Chai, Senior Vice President/CIO, and Mr Christopher Ow, HR Manager both of Tenet Insurance



GIP '08 intern Fabian Phua, GIP '09 intern Kwong Shiwei with GIA Executive Director Mark Lim and GIP '08 intern Aw Bingzong



Mr Noel Tan, mentor of Nur Ashikin [centre] with Mr Stephen Blasina, Senior Vice President/GM of Federal Insurance Company



Mr Alexander Lay, Head, Casualty Underwriting, Munich Reinsurance, S'pore Branch (centre) with Allianz Re intern Xu Shan Shan, and Munich Re intern Andy Neo



Lloyd's Asia intern Tan Si Ying with Mr Simon Wilson, Lloyd's Asia Managing Director, and Watkins Syndicate intern Meghna Kiran Desai

# THE INSTITUTE CARGO CLAUSES (ICC) REVISIONS EXPLAINED



*Mr Richard Quek in his element, with Ms Jye Yeoh in attendance*

The Joint Cargo Committee (JCC)\* after consulting its members worldwide last year revised the Institute Cargo Clauses (ICC) A, B and C as well as the ICC War and Strikes, to be effective 1 January 2009. The last update was in 1982 and these revisions were now necessary to keep up with the changes that have affected the international movement of cargo door-to-door.

When the GIA began to receive queries from association members about clarification on the revisions it decided to hold a seminar

to explain and discuss the ICC changes. Its Property and Marine Committee (PMC) identified Mr Richard Quek co-founder and partner of law firm Gurbani & Co as the likely speaker familiar with the subject. In addition the Committee contributed the service of its member Jye Yeoh of AXA to the Q&A panel.

Interest in the subject was evident even though registration was restricted to members of GIA: by closing date 183 had registered. The topical relevance of the seminar topic and Richard's reputation in the marine insurance helped.

On 1 April 2009 at Capital Tower, Richard did not disappoint. His assured affinity with the amendments showed as he compared the clauses of 1982 and 2009. The changes in the clauses offer updated cover terms to the assured. Coming to date, for example, terrorism is now of political, ideological or religious inspiration. There is also the tidying

of language, so that an underwriter is now an insurer. Strategically Richard's generous illustrations made it easier for the audience to follow his explanation.

Jye, a familiar fraternity presence herself facilitated the flow of questions. Even Richard's founding partner, Mr Gurbani himself, and colleague Mr R. Govintharasah lent quiet support in the audience.

The event assumed too a semblance of a networking opportunity for the audience, all from the same industry. They came away receptive, if not impressed. And the speaker appeared gratified.

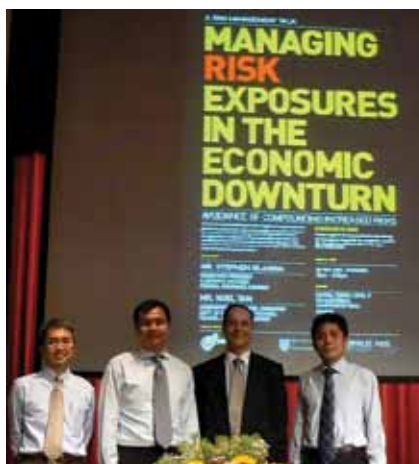
**\* FOOTNOTE:** The Joint Cargo Committee (JCC) comprises underwriting representatives from both the Lloyd's and International Underwriting Association of London company markets. It represents the interests of those writing marine cargo and related risks within the London market, and also includes representation from the UK cargo market.

## A PEEK INTO RISK MANAGEMENT

### MANAGING RISK EXPOSURE DURING THE ECONOMIC DOWNTURN

On 28 May 2009 the GIA co-hosted a lunch talk with National University of Singapore (NUS) and SAW Centre for Financial Studies on the topic, Managing Risk Exposure during the Economic Downturn. This challenging subject was presented by the General Insurance industry experts on Specialty Insurance — Mr Stephen Blasina, Senior Vice President/GM, and Mr Noel Tan, Underwriting Manager, Singapore, Department of Financial institutions, both of Federal Insurance.

Both speakers, exuding enthusiasm and professionalism, shared their experiences and provided an introductory education on Managing Risk exposure and Directors and Officers (D&O) Liability Risk and Crime Coverage to an audience of more than 200 participants who filled the STI Auditorium at Capital Tower to its rafters.



*The gentlemen of the Talk (from left) — Associate Professor Takeshi Yamada, Director, SAW Centre for Financial Studies; Mr Noel Tan; Mr Stephen Blasina; and Mr Mark Lim, Executive Director, GIA*

In fact more than 300 had registered for this lunch-time event which attracted the industry practitioners, undergraduates, NUS alumni, professionals from financial institutions, and the public who wished to learn more about Risk Management.

In the context of the changing business and economic conditions the speakers advised SMEs to take a wider view of all the risks associated with running and developing their companies to support the business growth potential in the local and Asia Pacific economies. This talk was an important window of opportunity at a time of major changes in the current economic downturn.

This topical subject addressed issues on areas of risks that are crucial to the business world, and they included:

1. Deteriorating Economic Conditions leading to Fraud Claims
2. Rise of Liability Culture in Asia-Pacific
3. Importance of Risk Management in Good and Bad Times
4. Emerging D&O Liability Risk and Crime coverage

**For more information on the talk, please log into: [www.gia.org.sg](http://www.gia.org.sg)**



AN EXCLUSIVE **INTERVIEW** WITH

# MR SATOSHI HANZAWA

MANAGING DIRECTOR, SOMPO JAPAN INSURANCE SINGAPORE

## **SOMPO JAPAN PARTICIPATES IN THE GIP**

There are many things interns can do to make the most of their internship experience. Finding an internship through the GIP offers the applicant many rewards including the opportunity of

benefiting from a career builder which could eventually lead from internship to a full-time job. Sompo Japan Insurance Singapore (SJIS) believes the internship is a value-adding process for undergraduates and graduates. Taking the first steps into the GIP in 2009, Mr Satoshi Hanzawa, Managing Director, SJIS, shares his values and beliefs in the GIP, in this interview with GIA Newsletter.

### Please let our readers know why Sampo Japan is keen to participate in this year's GIP.

This year being our 20<sup>th</sup> anniversary, there has never been a better way to celebrate it with giving back and contributing to the general insurance industry here. Fundamentally, our keenness in participating in this year's GIP programme is two-fold:

Firstly, we would like to give our full support and align to the Singapore Government's objective of providing the young undergraduates of all disciplines with educational and global learning opportunities and experience. They are the next generation of leaders whom Singapore can rely upon for its growth.

Secondly, it is also a great opportunity for Sampo Japan to cultivate new talents so that they may join us as potential managers in the near future, so as to contribute proactively and objectively to our vision of globalization.



Mr Satoshi Hanzawa with Ms Linda Soh, a SJS 2009 intern

### How is Sampo Japan contributing to the GIP this year? In what ways are the Sampo Japan internships different from the internship programme of other companies?

Sampo Japan is eager to embark and contribute this year to the GIP in a very structured manner. Following the recruitment of our first university intern, we are all excited to place our intake in an "all-round" training programme not only in Singapore but also overseas which primarily include USA and Japan. This is the unique characteristics of our programme compared to others. We ensure a full training coverage in terms of subject-matter as well as territorial scope for the intern. This is very important as it will then give the intern an insight of totality of what a typical multinational general insurer can offer to a young graduate in terms of career development. During the training, especially at the world headquarters in Japan, a whole spectrum of business strategies ranging from but not limited to IT, CSR activities, life and general insurance business, telemarketing, risk management, human resources capital management will be outlined.

### How does Sampo Japan manage their interns? Are there specific job roles, projects and assignments given to interns or is the internship purely an educational exposure?

It depends. Presently we have taken only one intern however we do not rule out the possibility of future internship recruitment. Though it

will be purely an educational exposure for the intern, the training and development programme will be operational-function-driven so it will be a good exposure and benchmark for the intern if the intern finally decides to join the general insurance industry. This will also give the intern a good understanding of the industry.

### An observation by GIA is that internships enable interns to adapt to working culture and corporate behavior much better when they start work upon their graduation. Do you think from your perspective, interns with corporate experience will make better practitioners?

Yes, definitely. We believe during their internships, through proper guidance and valuable input from veteran executives and managers, these interns will be able to absorb valuable insight into what and how a corporate operates. Very importantly, they will learn valuable real life lessons as to what corporate culture means and how it instills good working relationship by fully comprehending the culture they are in.

### What are the key characteristics that Sampo Japan looks for in an intern?

A positive thinking individual, who exhibits good leadership quality, possesses a good willing-to-learn attitude and is able to work and cooperate as a team member.

### Do you have any feedback or suggestions to improve on the GIP?

It would be good also to include the final year undergraduates for considerations in this GIP programme. It will give them a good head start immediately upon graduation in how to deal with corporate issues in a professional manner as the learning absorbed is still fresh in their minds.

#### AN INTERN'S VIEW

**Ms Linda Soh, a NTU 3<sup>rd</sup> year undergraduate in Maritime Business Studies, is a SJS 2009 intern. We caught up with her and got this comment from her:**

My stay with Sampo Japan Insurance dispelled my most sceptical impressions of the pushy and self-regarding insurance company. With the guidance from all the passionate and generous staff, SJS brought me behind the insurance door. It is another dynamic, exciting and unique world which to my surprise, caught my interests and got me hooked on with its current affairs in the general insurance industry. Sampo Japan Insurance has definitely widened my horizon and showed me another career opportunity in this amazing industry!

Please log into <http://www.gia.org.sg/gip/> for more information on a SJS internship experience, as shared by a SJS 2009 intern, Ms Linda Soh.

## IMSC FOR BCP GEARS UP FOR INFLUENZA A (H1N1-2009)

The GIA participated in the Industry-Wide Exercise (IWE 2008) during August–September 2008. Codenamed 'Raffles II' and organized by the Association of Banks in Singapore (ABS), MAS and the Ministry of Home Affairs, it involved the financial sector conducting a two-week industry-wide exercise to test its response to a pandemic flu outbreak in Singapore. The exercise saw individual organisations test their crisis communications and business continuity plans (BCP) at maintaining the delivery of essential services, as well as protecting and monitoring the health of their employees and business stakeholders.

Following Raffles II, in agreement with MAS, the GIA took the Secretariat role in the formation of a cluster group to establish clear protocols and coordinate responses on BCP for the insurance industry in Singapore. Set up in early April 2009, the Insurance Multi-sectoral Standing Committee (IMSC) for BCP brought together the Life Insurance Association Singapore (LIAS), Singapore Insurance Brokers' Association (SIBA), Singapore Reinsurers' Association (SRA) and GIA. It is chaired by Ms Stella Tan (CEO, Tenet Insurance) and co-chaired by Mr Mark Lim (Executive Director, GIA).

The committee's first meeting was planned for mid-May but an event from out-of-the-blue changed all that. On 23 April the H1N1 flu strain was identified amongst atypical pneumonia cases in Mexico. Initially dubbed the 'Mexican Swine Flu', it became known worldwide by the neutral name of 'Influenza A (H1N1-2009)'.

At the end of April when the H1N1 flu started to spread in the Americas, MOH responded by declaring first the DORSCON alert code Yellow, and then up to Orange two days later. In consultation with the Singapore National Employers Federation (SNEF) and the National Trades Union Congress (NTUC), the Ministry of Manpower (MOM) recommended a guideline to assist employers in preparing to tackle a possible H1N1-2009 outbreak, at the current Orange Alert level. The GIA sent this guideline to its members on 5 May.

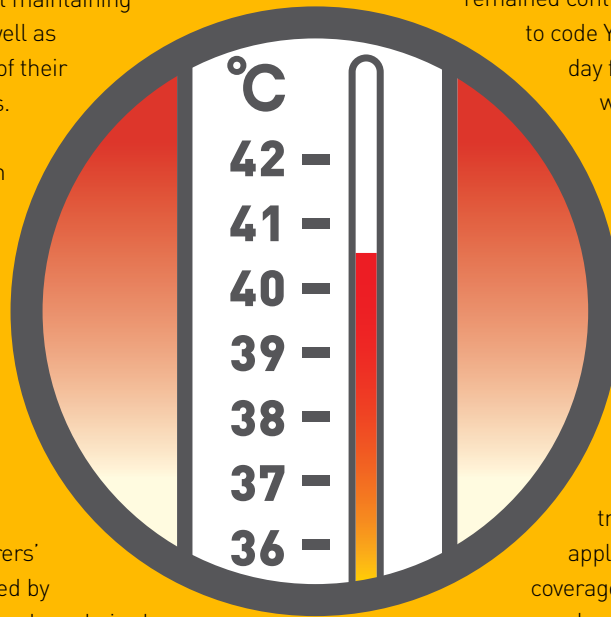
IMSC quickly convened its first meeting on 6 May. That day the first IMSC insurance advisory, in line with the ABS advisory, was prepared for circulation to insurance association members on measures to be taken at the DORSCON Alert code Orange level.

That very evening, while the first IMSC meeting was in progress, Health Minister Khaw Boon Wan announced that if the situation remained controlled the alert level would be lowered to code Yellow on 11 May. Consequently the day following that meeting, in conjunction with MAS and ABS, the IMSC issued its second insurance advisory for Alert code Yellow.

In mid-May, the IMSC prepared a FAQ on general insurance for H1N1 flu and posted it on the GIA website for public education, in the light of the existing flu situation both locally and globally. With increasing numbers of the population traveling overseas there was concern about travel to H1N1-affected countries and the application of travel and health insurance coverage. At the Yellow alert level, it was felt that a press release would not be necessary.

On 17 June the IMSC sent a circular to remind all association members to review and be ready to implement their BCP should there be a sudden issuance of Home Quarantine Order (HQO) which would affect their staff and consequently their business. At that stage the number of H1N1 cases had already reached 49 imported and one locally-transmitted. The list of affected countries had grown to: Argentina, Australia, Canada, Chile, Japan, Dominican Republic, Mexico, Panama, the Philippines, Spain, Thailand, United Kingdom, and the USA.

Although the future development of H1N1 cannot be determined, the IMSC on BCP will be there to coordinate the general insurance industry efforts to contend with this and all other pandemics so that essential businesses and services can be sustained.

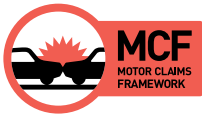


The insurance associations forming IMSC:



# MOTOR CLAIMS FRAMEWORK UPDATES

## MOTOR USERS SURVEY ON MCF



The Motor Claims Framework was introduced by the General Insurance Association in June 2008, to streamline the reporting of motor accidents, handling of repairs and settlement of insurance claims in Singapore.

Many motorists in accidents were uncertain of procedures, signing agreements with unauthorised tow-truck operators and repair workshops. Insurers thus faced potentially higher costs from exaggerated claims.

The MCF is undertaken by all motor insurers in Singapore, to provide clear and common procedures in an event of a motor accident. It provides motorists with an enhanced claims experience and also helps contain claims costs for our member-insurers.

At present, we are seeing a 30% increase in accident reporting by motorists to their insurers within the 24-hour time frame. After 12 months, we feel it is timely to survey motorists' perceptions on the effectiveness and ease-of-use of the new accident reporting process. The objectives of the survey are:

**To ascertain the clarity of key messages** — the extent to which motorists know what to do in a motor accident.

**To evaluate perceived benefits of the MCF** — to determine whether motorists can identify that the MCF yields definite benefits to them and to the repair of their damaged vehicles.

**To get feedback on the MCF's effectiveness** — to seek feedback on how to improve the scheme to yield further benefits to motorists and insurers.

Some 500 motorists were interviewed and the results are now being analysed. GIA expects to release the results in the third quarter of 2009, so stay tuned.

### COLLABORATION WITH LTA ON EXPRESSWAY SAFETY

As part of the MCF, GIA is working together with the Land Transport Authority (LTA) to enhance expressway safety. EMAS tow truck drivers will provide guidance and advice to motorists involved in accidents on the expressway. At this time, such motorists are vulnerable and probably a little dazed from the shock. It is therefore very important to provide them with simple and clear set of instructions on "what to do in an accident." This is where EMAS truck drivers can help, as they are the best party to provide on-scene advice and guidance.

## MANDATORY FOR AGENTS TO REGISTER WITH GIA

The Monetary Authority of Singapore sets out the minimum and best practice training and competency standards for direct general insurers through its MAS Notice 211.

With an amended notice effective 12 December 2008, it has become mandatory for a direct general insurer to contract an insurance agent — whether as an individual or staff of a corporate insurance agent — to sell its products only if the agent is registered with the Agents' Register Board (ARB) of the GIA. This requirement includes insurance business from Trade-specific agents, such as Maid Agencies and Travel Agencies.

The GIA sent out a circular on the same date to all Principal Officers to inform them of this requirement.

You will find more details in this web-page:

[http://www.mas.gov.sg/resource/legislation\\_guidelines/insurance/notices/mas%20211.pdf](http://www.mas.gov.sg/resource/legislation_guidelines/insurance/notices/mas%20211.pdf)

## A STUDY TRIP BY PIAM



Posing with the Malaysian souvenir, left to right: Mr Syukri Sudari, Mr Bernard Ong, Mr Chong Eng Beng, and Mr Mark Lim

On 13 April 2009, representatives of Persatuan Insurans AM Malaysia (PIAM, the General Insurance Association of Malaysia) made a study trip to the GIA office Singapore. There Mr Bernard Ong (Senior VP, HR & Business Excellence — MSIG Insurance (Malaysia Bhd) together with his team of industry HR and training development practitioners, Mr Syukri Sudari (Senior VP, Head of HR — AXA Affin General Insurance Bhd) and Mr Chong Eng Beng (Asst GM, Kurnia Insurans Malaysia Bhd)

exchanged and shared views with their host, Executive Director Mark Lim, on Malaysia's culture, initiatives and best practices in talent development.

The meeting was a valuable experience for both parties as topics such as talents developments, cultural differences in talent, talent acquisitions, performance management, leadership development and competency deployment were discussed on common grounds. The GIA was able to show how two years of the Global Internship Programme (GIP) had benefited the industry in its search for the cream of human capital.

Talent development is currently a key challenge in the dynamic changing world that is General Insurance. If you would like to contribute on talent development for the General Insurance industry, we welcome you to share your thoughts.

Email to [hr@gia.org.sg](mailto:hr@gia.org.sg) or contact Cecilia.pay@gia.org.sg / 6221 8788.

# CHANGES TO THE COMMITTEES

The GIA is constantly striving for improvements to enhance its services to its members, and to elevate the profile of the industry. By meeting this challenge the association ensures that its members benefit from the many value-added projects and initiatives which help to create a favourable operating environment in which their business will develop.

With this aim, the Management Committee (MC) carries out periodic review of the roles and relevance of the various committees in the GIA. In May it announced some significant changes.



Mr Andrew Vigar

## 1. The External Relations and Communications Committee is established

In order to effectively engage the public, media and stakeholders, it is important to manage external relations and communications in a proactive and timely manner. This challenge is emphasized with the range and diversity of issues faced by the GIA in effecting its exacting role as a leading trade association. With this need the MC set up an External Relations and Communications Committee led by Mr Andrew Vigar, MC Member as the Convenor. Reputation Management Associates (RMA) the PR Consultant for GIA reports to this new committee.

One of its first tasks was formulating the PR Media Communications Protocol which will be briefed to the heads of PR and Corporate Communications of member companies soon. It also quickly set out a GIA profile in a Question & Answer format in the GIA website. This form of public education has become necessary as many members of the public have not fully understood the role of this trade association.



Mr Terence Tan

## 2. A New Convenor for Work Injury Personal Accident & Health Committee

The Work Injury Personal Accident & Health (WIPAH) Committee had gone a year without a Convenor. However with the current Work Injury Compensation Insurance issues affecting the industry it was clearly important that this Committee needed a Convenor to function effectively. When the MC asked Mr Terence Tan, MC Member himself, to assume this arduous task he accepted this responsibility to lead the WIPAH Committee.

## 3. The Statistics and IT Committee ceases to function

The Statistics and IT Committee has been dissolved. In line with this, each committee is responsible for its own information and statistics pertaining to its line of business.



Ms Stella Tan

## 4. Introducing the Insurance Multi-sectoral Standing Committee on BCP (IMSC)

An Insurance Multi-sectoral Standing Committee on Business Continuity Planning (BCP) was formed, chaired by Ms Stella Tan, MC Member and co-chaired by Mr Mark Lim, Executive Director of the GIA. This Committee comprises representatives from Life Insurance Association Singapore (LIA), Singapore Reinsurers' Association (SRA), and Singapore Insurance Brokers Association (SIBA). It deals with major issues (like the current H1N1 flu situation) affecting BCP and also co-ordinates response actions on BCP across the insurance industry. (Read separate article about the IMSC responding to the H1N1 problem).

The GIA looks forward to the continuous support of its 33 members in volunteering their managers and executives with a passion to promote the industry and its activities, to join the different committees and manage the issues that are impacting the general insurance industry.