



**PRESS RELEASE:**

**Singapore's General Insurance Industry Continues to Grow**

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On the back of the strong economic growth registered by the Singapore economy, the general insurance industry is making a smooth sail as it closed another year of steadfast business, both on premium and profit fronts.

Total gross premium income climbed 3.7% to \$3.03 billion last year from \$2.92 billion in 2009, keeping the industry on a positive growth track for the last five years. Underwriting profits kept up and posted a rise of 4.4% to \$ 198.1 million from \$189.7 million in the prior year, consistent with the sector's upbeat recovery since the plunge in its 2008 underwriting result.

In terms of growth in premiums, Personal Accident registered a 10% rise and followed by Motor (9%). Health Insurance posted no notable increase in premiums and saw its underwriting profits dive by more than 50%.

Work Injury Compensation, on the other hand, made a strong turnaround from faring worst in 2009 to becoming last year's brightest performer with a soaring underwriting profit. Fire also made a robust show of underwriting profit.

**MOTOR**

Motor, which saw a slight increase in its share of the Singapore general insurance market, made a considerable growth of 9% in earned premiums at \$1,040.7 million from the previous year's \$956 million. This coincided with an all-time high number of vehicles recorded last year at 945,829, up by 2.2% from 925,518 in 2009.

Underwriting profits showed deterioration, however, from a \$44.5 million loss in 2009 to a bigger loss of \$48.9 million last year. Still, this was far better compared to the record underwriting loss of \$214.1 million in 2008.

## FIRE

Earned premiums were up 4 % from \$125.7 million in 2009 to \$131 million last year. Likewise it made a robust show of underwriting profit at \$62.9 million, up 21% from \$52 million in 2009.

Fire Insurance saw a slight decrease in its share of the market by Gross Written Premium (GWP), from 10.8% in 2009 to 10.5 % last year.

## WORK INJURY COMPENSATION (WIC)

WIC was last year's brightest performer with its underwriting profit soaring 141% to \$5 million. This was a turnaround from 2009 which registered an underwriting loss of \$12.3 million.

Earned premiums grew only slightly at 5%, from \$222.1 million in 2009 to \$233.4million last year. This segments share of the general insurance market by GWP also increased to 9.2% from 9% in 2009.

## PERSONAL ACCIDENT

Earned premiums for Personal Accident went up by a promising 10% to \$187.6 million in 2010 from the previous year's \$170.5 million. This is coupled with a good underwriting result of \$49.6 million, up 10% from \$44.9 million in 2009.

## HEALTH

Health Insurance made no noteworthy change in its earned premiums in 2010. Underwriting profit saw a slump of 56% from \$10.4 million in 2009 to \$4.6 million last year, making the segment the biggest casualty in terms of underwriting results.

Health's share of the non-life market by GWP went down as well from 6.2% in 2009 to 5.8% last year.

## MARINE HULL

Earned premiums for Marine Hull were up 4% last year at \$55 million from \$53 million in 2009. Underwriting profits fell 20% though to \$7 million from \$8.8 million in the prior year. Likewise, the segment's share of the market dipped slightly in 2010 to 6% from 6.3% in the year before.

## MARINE CARGO

Just like in 2009, Cargo posted a drop in earned premiums at 14% to \$73.1 million last year from \$85.1 million in the prior period. Underwriting profits also dropped 8% to \$35.7 million from \$38.9 million in 2009.

Like Hull, Cargos share of the general insurance pie by GWP decreased from 4.2% in 2009 to 3.7% last year.

## INCURRED LOSS RATIOS

The industry's total incurred loss ratio made another improvement last year by 0.8% to 57.6% from 58.4% in 2009.

WIC was last year's best performer in terms of its incurred loss ratio, recording a 9.2% decrease to 68.4% from 77.6% in 2009. This was followed by Hull, which saw a 2% improvement in incurred loss ratio from 64.1% in 2009 to 61.9% in 2010 – a stark contrast from the 22% increase it saw in 2009.

Motor also showed further improvement in its incurred loss ratio from 75.3% in 2009 to 73.7% last year.

Health Insurance recorded another year of deteriorating incurred loss ratio, posting a 4.5% increase to 62.1% from 57.6% in 2009.

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*For more information about this release or about the GIA, please contact John Lim of Reputation Management Associates (RMA) on +65-9756 3582.*