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JOINT MEDIA RELEASE

Strengthening HR practices in the insurance industry

Singapore, 4 October 2018... The *Tripartite Advisory on Human Capital Practices for Insurance* was launched today. The advisory sets out good human resource practices for the insurance industry in the areas of building a talent pipeline, skills-based hiring, and managing retrenchment responsibly. It also encourages insurance firms to support their employees in acquiring relevant skills and transitioning to new job roles, as jobs are being transformed by technology.

2 The advisory will guide firms to better develop their talent pool and equip their employees with skills to cope with the new demands. It calls on insurance firms to:

- build a strong pipeline of local talent across entry, mid-career and leadership levels;
- adopt inclusive hiring practices which focus on the skills required to perform the job rather than setting a strict minimum number of years of experience; and
- assess the impact of technological changes on their workforce, and work with the Monetary Authority of Singapore (MAS), Institute of Banking and Finance (IBF), and Workforce Singapore (WSG) to reskill and redeploy their employees into areas of job growth through professional conversion programmes.

3 This is the second tripartite advisory for the financial services industry, following the launch of a similar advisory for the banking industry in March this year. Within the financial services sector, the insurance industry forms the next largest employer group after banks. The tripartite advisory is one of the initiatives under the jobs and skills pillar of the Financial Services Industry Transformation Map (ITM).

4 The advisory is the result of an extensive collaboration involving ten tripartite partners from the labour movement, employers, and the government. The scope comprehensively covers different segments of insurance firms across the value chain and various business lines.

5 Ms Jacqueline Loh, Deputy Managing Director, MAS, and co-chairperson of the Financial Sector Tripartite Committee (FSTC), said, "Business and workforce transformation must go hand-in-hand. As the industry embraces technology to deliver better services to customers, employers need



to equip their staff with the right skills to enable them to continue to contribute meaningfully and stay engaged in rewarding jobs. The advisory will guide insurance firms on the desired outcomes for our workforce and facilitate the sharing of best practices.”

6 Mr Patrick Tay, Assistant Secretary-General, National Trades Union Congress (NTUC), and co-chairperson of FSTC, said, “I am glad that the insurance sector is collectively adopting this advisory. This advisory serves the interests of both insurance firms and our fellow workers as it underlines the steps needed to prepare them in the journey of transformation within the sector. The Labour Movement will continue to work with our tripartite partners to develop our workforce, including human capital practitioners, so as to entrench progressive human capital practices in this sector. We need an able, agile and adaptable insurance workforce that is able to successfully navigate the waves of change, disruption and transformation.”

7 The list of the ten Tripartite partners and their quotes can be found in Annex A, and the Advisory in Annex B.

About the General Insurance Association of Singapore

Established in 1966, the General Insurance Association of Singapore (GIA) is the general insurance industry’s trade association whose membership comprises 36 Ordinary Members licensed by the Monetary Authority of Singapore (MAS) to transact general insurance business in Singapore. As a Trade Association, GIA works to make all aspects of insurance easier and more effective for consumers, agents and insurance companies in Singapore. It helps identify emerging trends and responds to issues affecting the General Insurance industry and seeks to promote the overall growth and development of the sector in Singapore. For more information, please visit www.gia.org.sg

About the Life Insurance Association, Singapore

Established in 1962, the Life Insurance Association, Singapore (LIA Singapore) is the not-for-profit trade body of life insurance product providers and life reinsurance providers based in Singapore and licensed by the Monetary Authority of Singapore (MAS). The vision of member companies is to provide individuals with peace of mind and to promote a society where every person is prepared for life’s changing cycles and for those situations unforeseen. They are committed to being a progressive life insurance industry by collectively enhancing consumer understanding, promoting industry best practices, and through the association fostering a spirit of collaboration and mutual respect with government and business leaders.

About the Monetary Authority of Singapore

The Monetary Authority of Singapore (MAS) is Singapore’s central bank and integrated financial regulator. As central bank, MAS promotes sustained, non-inflationary economic growth through the conduct of monetary policy and close macroeconomic surveillance and analysis. It manages Singapore’s exchange rate, official foreign reserves, and liquidity in the banking sector. As an integrated financial supervisor, MAS fosters a sound financial



services sector through its prudential oversight of all financial institutions in Singapore – banks, insurers, capital market intermediaries, financial advisors, and stock exchanges. It is also responsible for well-functioning financial markets, sound conduct, and investor education. MAS also works with the financial industry to promote Singapore as a dynamic international financial centre. It facilitates the development of infrastructure, adoption of technology, and upgrading of skills in the financial industry.

About the Ministry of Manpower

MOM's vision is to develop a great workforce where Singaporeans can aspire to higher incomes and fulfilling careers. Complementing this is a great workplace where companies are lauded for having outstanding employment practices and organisational cultures. To achieve this vision, our mission is to improve the skills and productivity of the Singaporean workforce as the basis for better jobs, higher incomes and a secure retirement. For more information, please visit www.mom.gov.sg.

About National Trades Union Congress

The National Trades Union Congress (NTUC) is a national confederation of trade unions as well as a network of professional associations and partners across all sectors in Singapore. NTUC's objectives are to help Singapore stay competitive and working people remain employable for life; to enhance the social status and well-being of our members and working people; and to build a strong, responsible and caring labour movement. NTUC's vision is to be an inclusive labour movement for all collars, ages and nationalities. NTUC is at the heart of the Labour Movement, which comprises 57 affiliated unions, two affiliated taxi association, 10 social enterprises, six related organisations as well as a growing ecosystem of U Associates and enterprise partners. For more details on NTUC, please visit our website at www.ntuc.org.sg.

About the Reinsurance Brokers' Association (Singapore)

For almost 20 years, the Reinsurance Brokers' Association (Singapore) (RBAS) has represented the professional body for reinsurance brokers licensed in Singapore. Since its inauguration, the Association has supported the professional efforts of its members and the overlying development of Singapore as the leading regional reinsurance center in Asia. The Association enjoys and promotes close dialogue between regulators, competitors, suppliers and markets, always mindful of our regional and international role and the responsibilities of its membership as leaders of industry practice.

About Singapore Insurance Brokers Association

The Singapore Insurance Brokers Association (SIBA) was established in 1973, and represents the interests of the insurance broking community in Singapore, engaging industry stakeholders, and also insurance broking associations in the region. SIBA is committed to assisting its members in enhancing their capabilities and professional standards; and in keeping abreast of regulatory changes and new challenges facing the industry brought on by technological advances, disruption, changing risk landscape, evolving distribution channels and increasing customer expectations.

About the Singapore Insurance Employees' Union

Singapore Insurance Employees' Union (SIEU) was formed in 1955. Affiliated to the NTUC, SIEU currently represents over 9,000 working people in the insurance industry.

About the Singapore National Employers Federation



The Singapore National Employers Federation (SNEF) is a trade union of employers. Our mission is to advance tripartism and enhance labour market flexibility to enable employers to implement responsible employment practices for sustainable growth. SNEF has a membership of over 3,300 companies with a combined workforce of over 790,000. For more information, please visit www.snef.org.sg.

About the Singapore Reinsurers' Association

Established in 1979, the key objectives of the Singapore Reinsurers' Association (SRA) are to represent members in matters affecting their business interests; to facilitate dialogue and encourage healthy market competition; to promote professional excellence through education and training; and to foster strong social bonds within the industry and beyond. As at 30 September 2018, the SRA has a total membership of 57, comprising 31 Ordinary, 21 Associate, 3 Affiliate and 2 Honorary members. All major non-life reinsurance companies with a presence in Singapore, as well as several direct insurance companies that write a substantial reinsurance portfolio are Ordinary members of the SRA. In addition, several major reinsurance broking firms as well as a few regional reinsurers are Associate members. More information can be found on the SRA website: www.sg-reinsurers.org.sg.

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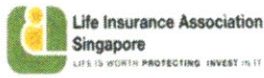
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Annex A

Quotes of Tripartite Partners

Mr Karl Hamann, President, General Insurance Association (GIA), said, “The GIA strongly supports the Tripartite Advisory’s objectives of building a strong Singapore core and a versatile workforce. Our GIA Internship programme and participation in MAS’ Insurance Management Associate Programme (iMAP) serve to build a pipeline of local talent for the sector. We are also on board the TechSkills Accelerator (TeSA) FinTech Collective to promote technological and skills training to meet the sector’s talent needs. GIA will continue to play our part in adopting progressive human capital practices to build a versatile workforce.”

Mr Patrick Teow, President, Life Insurance Association Singapore (LIA), said, “The life insurance industry will continue to play a role in building a resilient workforce with a strong Singapore core. LIA member companies are actively working with government agencies and IBF to support their staff in upgrading and acquiring new skills, and in planning their career pathways in growth areas. Life insurance companies will equip their existing workforce with future-enabled skills so that they can continue to have meaningful careers even as the industry progresses on its digital transformation journey.”

Mr Terence Ho, Divisional Director, Manpower Planning and Policy, Ministry of Manpower (MOM), said, “The advisory comes at a fitting time when technology is disrupting traditional business models in the insurance sector. We welcome the efforts by MAS, the insurance industry and tripartite partners, to communicate clearly how firms can build a strong Singapore core by supporting skills development through the Adapt & Grow initiative and SkillsFuture. By underscoring the business value in adopting progressive human capital practices that support reskilling or redeployment, experienced professionals can be retained in the sector to drive future growth.”

Ms Jacqueline Loh, Deputy Managing Director, Monetary Authority of Singapore (MAS), said, “Business and workforce transformation must go hand-in-hand. As the industry embraces technology to deliver better services to customers, employers need to equip their staff with the right skills to enable them to continue to contribute meaningfully and stay engaged in rewarding jobs. The advisory will guide insurance firms on the desired outcomes for our workforce and facilitate the sharing of best practices.”

Mr Patrick Tay, Assistant Secretary-General, National Trades Union Congress (NTUC), said, “I am glad that the insurance sector is collectively adopting this advisory. This advisory serves the interests of both insurance firms and our fellow workers as it underlines the steps needed to prepare them in the journey of transformation within the sector. The Labour Movement will continue to work with our tripartite partners to develop our workforce, including human capital practitioners, so as to entrench progressive human capital practices in this sector. We need an able, agile and adaptable insurance workforce that is able to successfully navigate the waves of change, disruption and transformation.”

Mr Richard Austen, Chief Executive Officer, Reinsurance Brokers Association of Singapore (RBAS), said, “The Reinsurance Brokers Association of Singapore (RBAS) which represents most of the major

and global reinsurance brokers in the reinsurance market of Singapore is fully supportive of MAS' initiative and good work on the Tripartite Advisory on Human Capital Practices for Insurance."

Mr Gerald Lim, President, Singapore Insurance Brokers' Association (SIBA), said, "SIBA supports the Tripartite Advisory on Human Capital Practices for Insurance, and this is an important initiative by the MAS to help the insurance industry in Singapore develop a sustainable workforce comprising local and foreign talent, that is skilled, professional and adaptable, especially with globalisation, rationalisation, and disruption impacting Singapore as an insurance hub."

Mr Luke Hee, General Secretary, Singapore Insurance Employees' Union (SIEU), said, "Transformation isn't new to the insurance sector and SIEU has been part of this evolution for more than 60 years. Yet the pace and intensity driven mainly by technology this time is unparalleled in history. Though technology increases efficiency, it is still people that provide innovation for the business to evolve. This advisory is timely for us to never forget the human face in a digital age and what we should do as jobs evolve too. This also underlines that Tripartism continues to be a key competitive advantage for both our industry and Singapore's economy. Therefore, I urge employers to work with SIEU, the Labour Movement and the government for our shared future."

Mr Edwin Lye, Group Director, Industrial Relations and Workplace Partnerships, Singapore National Employers Federation (SNEF), said, "Business transformation must be supported by workforce transformation. Existing employees carry with them years of institutional knowledge and customer relationships which continue to be important as insurance firms digitalise their businesses. While the sector will continue to be open to talent for complementary skillsets and expertise, the tripartite partners and relevant agencies are working with insurance firms to support their employees in acquiring new skills to operate in the new business environment. The Tripartite Advisory will serve as beacon for the sector as it transforms."

Mr Marc Haushofer, Chairman, Singapore Reinsurers' Association (SRA), said, ""The insurance-reinsurance industry is at a crossroads, as the rapid pace of technological advancement has sparked the re-imagining of a new industry ecosystem, fueled by digitalisation, innovation, transformation, and greater cross-industry collaboration. Hence, this Tripartite Advisory on Human Capital Practices is timely as the industry seeks to future-ready its workforce for the Fourth Industrial Revolution."

Tripartite Advisory on Human Capital Practices for Insurance

1. Introduction

- 1.1 The Tripartite Advisory on Human Capital Practices for Insurance, developed by industry associations, namely, General Insurance Association (GIA), Life Insurance Association (LIA), Reinsurance Brokers' Association of Singapore (RBAS), Singapore Insurance Brokers' Association (SIBA), Singapore Reinsurers' Association (SRA), together with Monetary Authority of Singapore (MAS), Ministry of Manpower (MOM), National Trades Union Congress (NTUC), Singapore Insurance Employees' Union (SIEU) and Singapore National Employers Federation (SNEF), sets out good practices for insurers, reinsurers, insurance brokers and reinsurance brokers (collectively as insurance firms) in hiring, reskilling, redeployment and retrenchment. As an international financial centre, we aim to develop a deep and diverse talent pool of local and foreign professionals that contributes to the strong and sustainable growth of the insurance industry in Singapore.

2. Objectives and Scope

- 2.1 This Advisory aims to:
- (a) foster a culture of progressive human capital practices, by setting out suggested practices to achieve desired outcomes which benefit both employers and employees;
 - (b) promote efforts to build a strong Singapore Core across entry, mid-career and leadership levels;
 - (c) encourage insurance firms to systematically equip their existing workforce with relevant skills and capabilities for the future, and
 - (d) encourage professionals to continuously upgrade their skillsets and competencies.
- 2.2 The Advisory comprises two key areas of focus:
- (a) Building a Singapore Core
 - (b) Reskilling, redeployment and retrenchment

3. Application

- 3.1 The Advisory builds on the Tripartite Guidelines on Fair Employment Practices developed by the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) and the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment. The insurance industry is committed to delivering the desired outcomes set out in this Advisory. Insurance firms are expected to have policies and processes in place to achieve these outcomes, taking into account the suggested practices in this Advisory.
- 3.2 As the insurance sector undergoes change and transformation, professionals should proactively respond to how their jobs are evolving, and equip themselves with new skills and competencies, including to leverage on technology and data in their day-to-day work. This will contribute to a versatile and resilient workforce for the sector.

4. Building a Singapore Core

Desired outcomes:

- 4.1 We aim to develop a deep talent pool which comprises both a strong Singapore Core, as well as foreign professionals who bring in global/regional skills and expertise that complement the local talent pool. To do this, insurance firms should put in place programmes to develop strong local talent at all levels, and adopt strong human resource (HR) practices even as they hire foreign professionals to meet their business needs.

Suggested practices:

- 4.2 Insurance firms should consider initiatives to build a pipeline of Singaporeans across entry, mid-career and leadership levels. Some possible initiatives include:
- (a) partnering institutions of higher learning to develop job-ready graduates for entry-level positions;
 - (b) developing comprehensive graduate programmes to train entry-level employees; and
 - (c) supporting mid-career professionals' and potential leaders' career development through MAS' SkillsFuture programmes, which cover specialised training, international posting and leadership development.
- 4.3 As insurance firms tap on foreign professionals to augment the local talent pool, they should consider putting in place policies and processes, including to:
- (a) promote diversity in their workforce to avoid nationality concentration;
 - (b) facilitate management oversight of the hiring of foreign professionals, possibly by having:
 - (i) a senior management member, who is independent of the hiring department, sign off the hiring of foreigners at the junior level; or
 - (ii) a senior management committee regularly review the profile of new hires including foreign professionals; and
 - (c) foster the transfer of skills and competencies from foreign professionals to local employees¹, where foreign professionals are hired to address existing skills gaps.
- 4.4 To promote inclusive hiring practices, insurance firms' job advertisements and selection criteria, including those on the national Jobs Bank, should mainly relate to skills, competencies and expertise required to perform the job. Firms should be mindful that setting a minimum number of years of relevant experience may turn away applicants with the required skills and competencies, but do not meet the required years of experience. Where the number of years of experience is useful for assessing a candidate's suitability for the job, they should consider indicating the number of years as a preference, rather than as a requirement.
- 4.5 To strengthen the capabilities of their HR professionals to better support business and workforce transformation, and to implement the progressive human capital practices in this Advisory, insurance firms should invest in continuous training and professional development² of their HR professionals, including providing opportunities for exposure to global and regional HR operations.

¹ MOM's Capability Transfer Programme supports the bringing in of foreign experts to train and transfer capabilities to local professionals.

² For example, insurance firms can encourage their HR professionals to leverage the SkillsFuture Study Award for HR to pursue courses that deepen their skills, and be certified by the Institute for Human Resource Practitioners, which is set up by the tripartite partners (MOM, NTUC and SNEF) to implement the national HR certification.

5. Reskilling, Redeployment and Retrenchment

Desired outcomes:

- 5.1 With digitisation and automation, job roles and functions are expected to evolve, which may result in a higher degree of workforce mobility and job displacements. Insurance firms should systematically plan ahead to equip their workforce with digital and data skills³ to support changes in business models and processes, and encourage employees to be proactive in acquiring such new skills. Where insurance firms need to undergo restructuring or re-organisation efforts as a result of automation or digitisation, they should seek to reskill and redeploy their employees as a first resort, and the government will support such efforts.
- 5.2 Where retrenchments are necessary, insurance firms should conduct retrenchment exercise responsibly and offer support to affected employees, including outplacement assistance programmes. Where practicable, early notification should be given to MAS before a significant retrenchment, so that relevant agencies can work with the firms to support the affected employees.

Suggested practices:

- 5.3 Insurance firms should plan ahead with a time frame of one to three years, to assess the likely impact of technological changes on their workforce. Firms should aim to:
 - (a) size the pool of employees at risk in key evolving functions;
 - (b) work with The Institute of Banking and Finance (IBF), MAS and Workforce Singapore to map alternative career pathways and skills roadmaps, and reskill and redeploy their employees into job growth areas through Professional Conversion Programmes (PCPs)⁴; and
 - (c) support employees' efforts in acquiring relevant new skills and obtaining employees' feedback in enhancing alternative career pathways and skills roadmaps⁵.
- 5.4 For employees at risk, insurance firms should consider engaging them early to:
 - (a) make them aware of the changes ahead and that their roles may become redundant;
 - (b) encourage mind-set change in favour of continuous learning and adapting to potential new roles; and
 - (c) offer them retraining and redeployment opportunities in job growth areas.
- 5.5 Insurance firms should provide support to employees who will be retrenched. These can include to:
 - (a) provide an advance notification of one to two months to MAS for significant retrenchments, and consider working with IBF, NTUC, and e2i to offer relevant support and services to employees undergoing the transition; and
 - (b) work with MAS and partner agencies to facilitate the placement of these employees through Adapt and Grow programmes⁶ and career advisory services.

³ Including insurance-specific skills (e.g. underwriting and claims management) based on digitised processes.

⁴ PCPs are career conversion programmes targeted at Professionals, Managers, Executives and Technicians (PMETs) to undergo skills conversion and move into new occupations or sectors that have good prospects for career progression.

⁵ Firms could tap on assistance from NTUC, Employment and Employability Institute (e2i) and SNEF, where relevant. If the firm is unionised, to also work with the relevant union(s).

⁶ Adapt and Grow programmes help Singaporeans and Permanent Residents adapt to changing job demands and enhance their employability. This initiative includes the PCP, Attach and Train Programme, and Career Support Programme. The Attach and Train Programme provides PMETs with training and work attachment, in advance of job placement, through industry partners in growth sectors with good future job opportunities. The Career Support Programme is a salary support programme to encourage employers to hire eligible Singaporean PMETs.