

# Keynote Address

SAS Superweek Life and Health Conference,  
24 November 2020

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# Agenda

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**1** Regulatory and Industry Responses to COVID-19

**2** New Norm – What it Means for Us

**3** The Work Ahead

# 1. Regulatory & Industry Responses to COVID-19

Timeline of events showing what MAS and the industry did



# How we responded

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**7 Feb 2020**

MAS issued advisory (third since Jan) to financial institutions in Singapore to **adopt additional measures and precautions** (e.g. split teams, cyber security) following raising of DORSCON alert level from Yellow to Orange



**14 Feb 2020**

MAS welcomes **recent announcements by insurers in Singapore to support customers facing financial difficulties.**

Insurers clarified that integrated Shield Plans and riders, and most other personal and group health will cover hospitalization expenses due to COVID-19. Some have extended additional benefits.



# How we responded

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**23 March 2020**

MAS issued an advisory to all FIs in Singapore, telling them to **implement safe distancing measures in all aspects of their business operations**, especially customer touch points.



**31 March 2020**

Implementation of RBC 2. Life insurers were given the choice to **avail themselves to transitional measure in the form of a positive financial resource adjustment that would taper off linearly by end 2020.**

This is to account for the differences in risk-free yield curve under RBC and RBC 2 for SGD denominated liabilities.



# How we responded

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**31 March 2020**

MAS together with industry associations such as LIA, GIA, announced a package of measures\* to help ease financial strain on individuals & SMEs caused by COVID-19 pandemic.

\* E.g. allowing individuals with life and health policies to apply for deferment of premium payments for up to 6 months; and individuals/corporates with general insurance policies to apply for instalment plan



**7 April 2020**

MAS announced that it will adjust selected regulatory requirements and supervisory programmes to enable FIs to focus on dealing with COVID-19 and supporting their customers.

Insurance Department issued circular to insurers on seeking extension in reporting deadlines for returns. RBC 2 second parallel run deadline was extended by 1 month. IWST was deferred to next year.

# How we responded

**8 April 2020**

MAS announced a \$125million support package to sustain and strengthen capabilities in the financial services and FinTech sectors amid the current economic slump.



**17 April 2020**

MAS urges customers of FIs to minimise visits to their premises during the circuit breaker period. Customers urged to use other channels as far as possible to minimise face-to-face interactions at FI premises.



**19 May 2020**

FIs including insurers will be able to reopen more customer service locations from 2 Jun 2020. This will be carried out with strict safe management requirements.



**20 May 2020**

MAS extended the transitional measure for insurers to end 2021 (instead of 2020) in midst of continued uncertainty in the market.



# How we responded

**15 Jun 2020**

MAS reminded that FIs that reopen more branches and customer service locations and resume more in-person services under Phase 2 must adhere to safe distancing measures. More staff can return to work premises.



**10 Nov 2020**

MAS' Cyber Security Advisory Panel stressed the need for FIs to review their security controls given the heightened risk due to remote working and SMM due to COVID-19.



**18 Sep 2020**

LIA announced further initiatives\* to assist policyholders financially impacted by COVID-19

GIA also announced relief measures to help policyholders, e.g. allowing up to 31 Dec 2021 to apply for flexible instalment payments.

\*Includes a second deferred premium payment window for new applications, options for making payments of deferred premiums, pro-active engagement with policyholders to right-size policies.



## 2. New Norm – What it means for us

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What would be the few areas of focus for us under the new norm



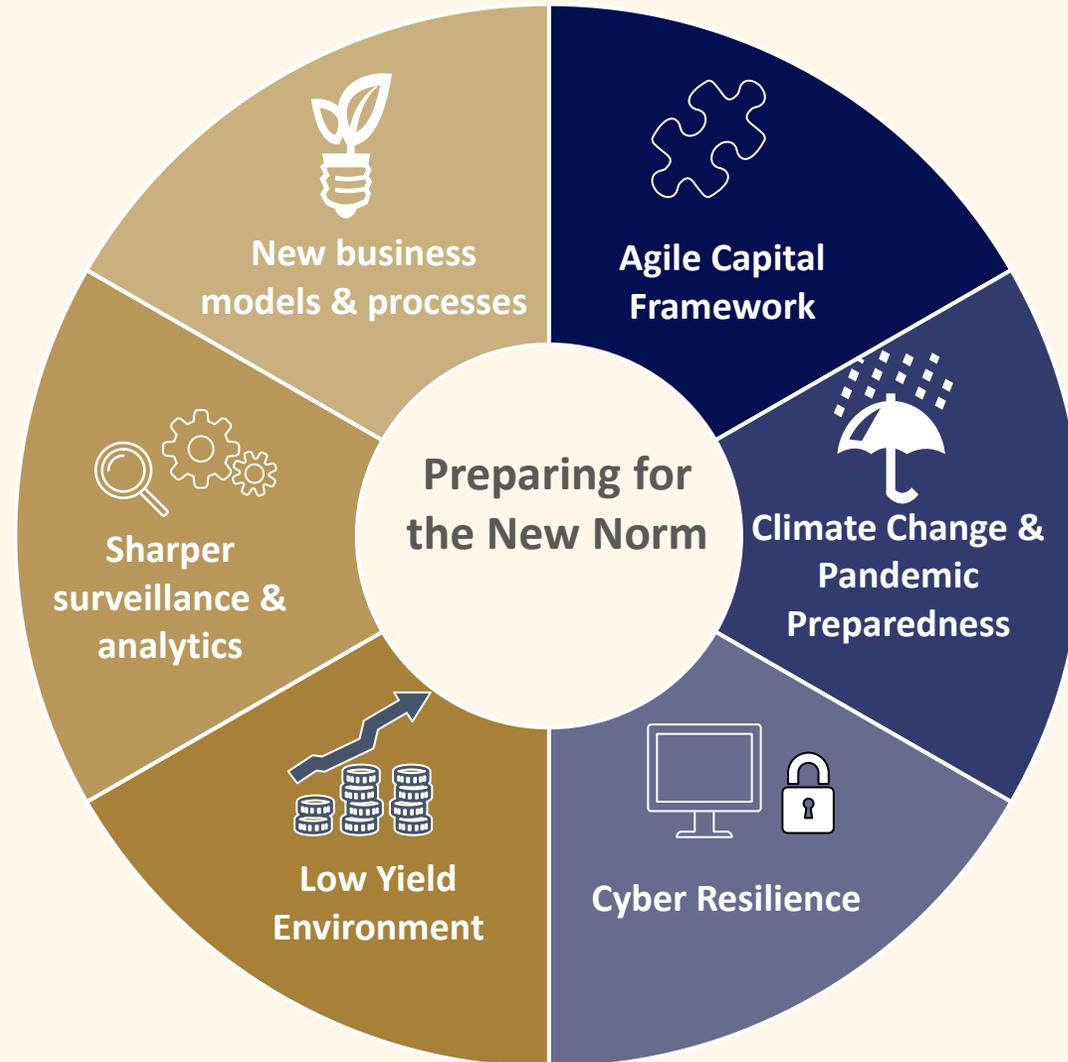
# What it means for us?

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# What it means for us?

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# 3. The Work Ahead

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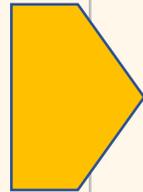
A more detailed update on what the industry can expect e.g. upcoming consultations and sharing



# The Work Ahead

Consultations on -

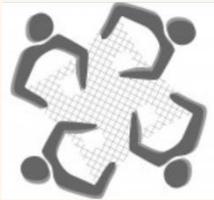
- Concept of counter-cyclical adjustment for specific risk requirements
- Recalibration of illiquidity premium
- Infrastructure investments, structured product and derivatives
- General insurance catastrophe risk charge



**Capital Framework**



**Stress Testing, Surveillance & ERM Framework**



**Safety Nets & Resolution Framework**



**Regulatory Framework on Products**

Approach for capital add-on for reinsurers

# The Work Ahead

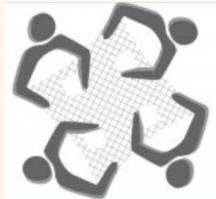
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**Capital Framework**



**Stress Testing, Surveillance & ERM Framework**



**Safety Nets & Resolution Framework**



**Regulatory Framework on Products**

MAS sharing on the key observations from recent interest rate stress test and climate risk analysis

Industry Wide Stress Test for 2021 will include climate risk (both transition and physical risks) and scope in significant reinsurers

Consult industry on proposed changes to MAS Notice 126 on ERM.

# The Work Ahead

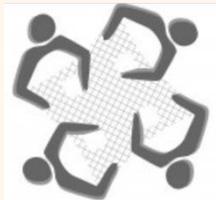
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**Capital Framework**



**Stress Testing, Surveillance & ERM Framework**



**Safety Nets & Resolution Framework**



**Regulatory Framework on Products**



Conducting PPF thematic inspections, followed by MAS sharing on best practices and common lapses from the thematic inspection

Clarifications on PPF operationalisation where appropriate

Consultation on having PPF returns audited

# The Work Ahead

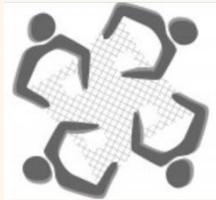
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**Capital Framework**



**Stress Testing, Surveillance & ERM Framework**



**Safety Nets & Resolution Framework**



**Regulatory Framework on Products**

Implementation of revised MAS Notice 320 on Management of Participating Life Insurance Business

Review of Portfolio Bonds (PB) requirements. Expect to issue a survey to PB writers first

Review of product approval & notification process and submission requirements

# The end

Thank you

