

JUMPING THE TALENT CURVE: INSURANCE INDUSTRY CHALLENGES AND INITIATIVES IN ASIA

Thought Leadership Series
Insurance Advisory and People Development Consulting



**SINGAPORE
ACTUARIAL
SOCIETY**

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WHO WE ARE

ASIA
INSURANCE REVIEW



Bob Aubrey, Partner and Practice Leader, People Development Consulting, Mazars Consulting Asia

Dr. Bob Aubrey is Practice Leader for People Development Consulting at Mazars, based in Singapore. He has lived in USA, Europe and China and led consulting projects in more than 20 countries. He has also taught in business schools on 4 continents and published 7 management books. His consulting expertise is to design innovative talent systems and human development strategies for clients that become global standards.

He was principle consultant for building Apple's first corporate university outside the USA and has trained thousands of leaders in executive and MBA programs. He created the first international certification for business schools in personal development as well as the first mentoring certification systems for corporate leaders and talent professionals. His most recent books are *Managing Your Aspirations* published in 2011 by McGraw Hill and *Creating Aspirational Leaders* published by McGraw Hill in 2012.



Julien Parasie, Head of the Insurance Desk, Mazars Asia Pacific

Mr Parasie has over 11 years of experience providing audit and advisory services to the insurance industry across Asia, Europe and North Africa. He has been located in Singapore for 3 years and is in charge of developing Mazars services for the insurance industry in the Asia Pacific Region. His professional expertise spans a number of professional services for insurance companies, including external audit, actuarial reviews, due diligence, governance, risk management, internal audit, financial strength rating assessment and advisory.

In collaboration with Bob Aubrey, head of Mazars People Development Consulting, he carried the first study on Asian insurance talents: "Jumping the Talent Curve: Insurance Industry Challenges and Initiatives in Asia". He holds a master degree in engineering from Arts et Métiers ParisTech and a master degree in accounting. He is a member of the Singapore Actuarial Society.



MAZARS



CEOs INTERVIEWED

ASIA
INSURANCE REVIEW



Kent Chaplin, Head of Asia Pacific, Managing Director, Lloyd's Asia

Kent Chaplin qualified with honours as a barrister and solicitor in New Zealand, specialising in insurance and commercial litigation.

In January 2011, Kent was appointed Head of Asia Pacific and Managing Director of Lloyd's Asia, where he is responsible for managing the Lloyd's Asia platform in Singapore, overseeing Lloyd's offices and extending Lloyd's footprint in the Asia Pacific region.

LLOYD'S

Lloyd's is the world's largest specialist insurance market, and the leading centre for international insurance and reinsurance. From a very conservation beginning in 1999, with only 3 service companies, writing just over US \$20 million in gross premiums, Lloyd's Asia market has grown exponentially to 18 service companies as at the end of 2011, writing in excess of US\$445 million in gross premiums.



Malcolm Steingold, CEO Asia Pacific, Aon Benfield

Malcolm has 34 years of reinsurance and associated industry experience. His background includes reinsurance underwriting, legal practice and reinsurance broking.

Chief Executive Officer, Aon Benfield Asia Pacific and Chairman of Aon Benfield APAC Executive, Malcolm represents the Asia Pacific region on the Aon Benfield International Executive. He is also a member of the Aon Asia's Executive which oversees governance of all Aon's businesses throughout the region.

AON BENFIELD

Aon Benfield Asia Pacific is the largest reinsurance broker in the region, providing integrated risk and capital management services to insurance companies. The company has a "footprint" of USD 5 billion of reinsurance premiums across the Asia Pacific region.



Alan Wilson, Regional CEO, MSIG Holdings (Asia) Pte. Ltd.

Alan Wilson has helmed the Singapore-based Asia regional holding office of Mitsui Sumitomo Insurance Company as its Regional CEO since 2008. The MSIG network in Asia operates now in 17 markets.

Prior to joining MSIG Asia, Alan was the Asia CEO at Allianz for over five years from 1999, where he assumed overall responsibility for managing 20 general, life and health insurance operations across 14 countries.



Located in Singapore, MSIG Holdings (Asia) Pte. Ltd. ("MSIG Asia") is the regional holding company and a subsidiary of Mitsui Sumitomo Insurance Company, Limited.

As an established leading insurer with a long-term perspective, MSIG aims to offer insurance solutions that are effective, efficient and simple to understand; delivered with active and sincere service.



Andrew Vigar, Regional Manager Asia Insurance, XL Group

Andrew has a Bachelors degree in English Literature and Language from Liverpool University and a Postgraduate diploma in Environmental Policy from the Open University, both in the UK.

Andrew has been XL Group's Regional Manager Asia based in Singapore since 2007. Prior to that, he led sales, marketing and communications for Continental Europe and Asia at XL Group.

XL Group
Insurance
Reinsurance



XL Group is one of the world's leading insurance companies focused on P&C (non-life) insurance and reinsurance activities with approximately 4,000 employees worldwide.

XL Group offers property, casualty, professional and specialty insurance products globally. Their reinsurance operation is one of the world's leading reinsurers, offering products that include aerospace, property, casualty, marine and specialty.



MAZARS

Part 1: The Demand Side

- Analysis of why Insurance is “behind the curve”
- Benchmark with Banking
- Benchmark with Consulting

Part 2: The Supply Side

- Universities and Institutes
- Professional Associations
- Training and Consulting Providers

Part 3: How Insurance can “Jump the Curve”

- 5 key areas of leadership needed

Part 4: First directory made for 9 Asian countries

- University degrees
- Professional certifications

THE DEMAND SIDE





In Asia, the image is that insurance is a commodity, not a specialist profession, and a career in insurance is repetitive, boring and poorly paid

“ The bigger issue is that the general population does not understand, respect and value the insurance industry very much. If we want to attract people to our industry, we have to make it more “sexy”. Currently, we are not addressing the core issue.”

Joan Fitzpatrick, CEO. Australian & New Zealand Institute of Insurance and Finance



WHY BANKING DOES IT BETTER

Students and insurance employees believe banking provides **better remuneration, better training, better career opportunities.**

Banks **communicate a prestigious image** to attract young talent. When joining a bank, candidates believe they have been accepted into a respected industry that corresponds to an aspiration of working hard, becoming rich and building a strong foundation for success in a prestigious career.

JP Morgan : “It’s about the pride and job satisfaction that our employees experience.”

DBS Bank in Singapore, Tom Pedersen, Managing Director and Group Head of Learning and Talent Development, admits that candidates join the company because they want to be trained. “My job is making sure that the best ones stay”.



WHY CONSULTING IS MOST ATTRACTIVE

In Asia in 2012, neither banks nor insurance companies were in the top ten list of the most attractive companies, although several banks were in the top 50.

No insurance company is in the list of the top 50 attractive employers for students.

| ASIA's MOST ATTRACTIVE COMPANIES | Ranking 2012 |
|----------------------------------|--------------|
| Google | 1 |
| KPMG | 2 |
| Procter & Gamble | 3 |
| Unilever | 4 |
| Microsoft | 5 |
| IBM | 6 |
| Apple | 7 |
| Deloitte | 8 |
| McKinsey & Company | 9 |
| PwC | 10 |

Consulting firms industry brand: the interest and learning opportunities on the job are more important than the money.

The main message conveyed is that by working in the consulting industry, people can shape the world.

LESSONS FOR LEADERS: THE DEMAND SIDE

1. Sustainable solutions require long-term strategies.
2. Get the cultural mix right and set up leadership programs.
3. Communicate the industry's strategic employer branding message.
4. Improve management of talent acquisition with internships and continuous to career development.
5. Benchmark and apply best practices from banking and consulting.
6. Lead talent initiatives – HR is a partner.

THE SUPPLY SIDE



2010-2030 China and India

China and India will account for 57% of growth of tertiary educated workers with 184 million graduates.

Source: United Nations Population Division (2010), International Labor Association, Economist Intelligence Unity, McKinsey Global Institute

Source: VIENNA INSTITUTE OF DEMOGRAPHY
Working Paper Past and Future of Human Capital
in Southeast Asia: 1970 to 2030
Anne Goujon and Samir K.C, July 2006

2010-2030 Southeast Asia

- **Thailand** is expected to show the strongest growth in Southeast Asia: women graduates will increase from 13% to 36%.
- In 1970 **Indonesia** had the lowest level of women's education in SEA (less than 1%) but should reach 19% for women and 17% for men.
- **Vietnam** is expected to show weak growth attaining only 13%.
- In 1970 **Singapore** women showed 3.3% university graduates. Today it is 30%. In 2030 49% of women and 44.5% of men are expected to have college education.



DIRECTORY FOR EDUCATION IN ASIA

- We compiled the first directory for the main degree-granting and professional certification programs in insurance in Asia.
- 9 countries are covered: Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore and Thailand.

AUSTRALIA

| University | Field | Degree offered |
|---|--|--|
| Australian & New Zealand Institute of Insurance and Finance | General Insurance | Diploma, Certificate III, Certificate IV |
| | Insurance Broking | Diploma, Certificate III |
| | Loss Adjusting | Diploma |
| | Life Insurance | Diploma, Certificate IV |
| | Financial Planning | Diploma, Advanced Diploma |
| | Risk Management | Diploma, Advanced Diploma |
| | Personal Injury Management | Diploma |
| Australian National University | Actuarial Studies (can be combined with Laws, Commerce, Finance, Economics, Science, Statistics) | Bachelor |
| | Social Science (Hons.) (Actuarial Studies and Economics) | Bachelor |
| | Actuarial Studies | Master, Ph.D. |
| | Actuarial Statistics | Master |
| | Actuarial Techniques | Graduate Certificate |

LESSONS FOR LEADERS: THE SUPPLY SIDE

1. Understand the supply landscape in Asia.
2. Cooperate as an industry to define strategic needs and create projects that span the region.
3. Create partnerships now in order to meet long-term needs.
4. Help universities and professional associations overcome the insurance branding gap.
5. Go beyond the traditional focus on technical skills to develop multi-skilled professionals and leaders.
6. Innovate in Asia: better, faster, cheaper.



HOW INSURANCE CAN “JUMP THE CURVE”



5 KEY AREAS OF LEADERSHIP NEEDED

- **Lead one's own industry** and work with education partners to build a positive employer brand and a long-term development strategy.
- **Lead aspirations** and identify the motivational drivers that integrate the region and each country.
- **Lead the education boom** and develop the skills needed in the industry while creating opportunities for exposing students.
- **Lead innovation** and change the culture of the industry mindset to shift to an innovative and entrepreneurial workforce in Asia.
- **Lead the competition** and tighten up the talent value chain so that potential candidates and current employees see a future for themselves in insurance.