Asia a vital growth area for insurers

AXA vice-chairman for Asia-Pacific John Dacey said that Asia, excluding Japan, is home to 52 per cent of the global population, and has the highest savings rate worldwide.

“This is a growth market with huge potential,” he added.

By 2015, the group hopes to double gross revenue of €372 million (S$640 million) for general insurance, and treble its underlying earnings to €30 million.

AXA also aims to double its weighted life insurance business premiums from last year’s €584 million, and more than double its earnings.

The weighted premium measure is used by insurers to benchmark performance. It takes into account only 10 per cent of the value of the single premium products sold and all annual plan premiums sold in a year.

Mr Dacey also believes that research is essential for its long-term business plans. The AXA Research Fund was established in 2008, and last year, it was endowed with a five-year budget of €100 million.

Mr Tharman, also chairman of the Monetary Authority of Singapore, said it was vital to invest in research needed to develop effective risk solutions, especially in Asia where the understanding of risks is less developed and risk dynamics are evolving quickly.

The three key areas of risk are life risks, environmental risks and economic risks.

The National University of Singapore was granted €517,000 last year under the fund to research the “biology of decision-making under risk”, for three years – the first such grant awarded to an Asian university.

In Singapore, AXA is the No. 2 general insurer, with a gross revenue of S$310 million last year.

AXA Insurance Singapore chief executive Chua Kim Soon said that what differentiates the company is service.

It launched a smart phone application last year that allows users to record and send car accident details to the preferred AXA workshop on the spot. It also vowed to carry out surveys for claims notification for motor and commercial lines within 24 hours.

In life insurance in Singapore, AXA has only 2 per cent of the market share, with weighted new business premiums of S$51.5 million last year.

Mr Glen Williams, principal officer and chief executive for AXA Life Insurance Singapore, said that with greater awareness of the importance for life protection and financial planning, it is seeing greater interest in its unique product offerings.