# insurance market and talent trends 2020.

randstad singapore
november 2020

Consumer behaviours within the insurance industry have changed rapidly over the past five years. With wider and real-time access to product information, consumers are able to use self-help services and conduct their own research. The introduction of insurtech has also given rise to more digital-savvy consumers, which in turn, spurred more firms to digitise their products and services.

Digitising insurance services has many benefits, including the ability to offer more options for customers, and allowing them to customise their portfolio according to their investment and protection appetite as well as lifestyle needs.

Insurance companies are not only launching products and solutions digitally to meet increasing customer expectations, but also to protect the business against the economic impacts of COVID-19. We also saw more insurtech companies and start-ups contributing to the digital transformation in the insurance industry, which have further ramped up competition in this space.

# meeting the demands for digital-driven processes in insurance.

COVID-19 has necessitated full-scale digitalisation in the insurance industry, as companies look for alternative ways to be more customer-centric to optimise engagement. Processes that have been widely digitised includes customer verification, documentation and even underwriting. Digital-assisted sales have replaced physical interactions as well. Some companies have launched digital dashboards and apps that are compatible with mobile devices to continue real-time engagements with their customers.

Through these digital platforms, customers have access to information and are able to review, revise and request at their own convenience before following up with customer services. Users can also customise their investments or submit insurance claims through these digital platforms. Furthermore, with built-in chatbots powered by artificial intelligence, companies can provide round-the-clock services and assistance to customers.

This digital transformation is welcomed by customers, as it does not only give them more power over their plan and finances, it also shortens the amount of time they need to spend on managing their own investments and claims. For example, motor insurance surveyors and claims adjusters can now review motor damage remotely via video calls and photos, effectively getting rid of mountains of paperwork and overdue claims.

# insurtech instrumental in bridging the gap between insurers and tech.

Swiss Re estimated that the Asia Pacific region will account for 42% of global insurance premiums by 2029. Through attractive schemes and investment deals, the Singapore government welcomes insurtech players to set up shop here in a bid to drive innovation, collaboration and competition within the insurance industry.

The platforms developed by insurtech firms provide the core engine for insurance companies to develop innovative products within months, instead of years. By integrating technology and investing in cloud and big data analytics, companies have access to a captive customer base, are able to explore new distribution channels and be more cost and speed efficient.

According to a report from PwC Singapore, despite the global pandemic, tech start-ups have already raised S$3.3 billion in capital in the first half of 2020. The investments in Fintechs (which include insurtech, payments and credit) have almost doubled from S$377 million in 2017 to S$686 million in 2019. COVID-19 has created many commercial opportunities and those that can stay resilient through these unprecedented times and remain relevant in the post-COVID-19 world would emerge stronger.

# skills and talent demands in the insurance industry.

Similar to their counterparts in financial institutions and technology, insurance firms are practising more caution when hiring new talent this year. Although the industry itself has relatively low barriers to entry, employers are looking for niche talent with specialised and highly-transferable skills that can help them stand out from the competition.

## keeping up with new industry requirements and skills.

Digitalisation and digitisation has driven new skills demand within the insurance industry. As customers' digital footprint increases, the amount of data collected by insurers also grows exponentially. However, there is no use for such data unless they are translated into insights that can be used to drive business decision-making.

There is hence a demand for data analytics professionals in the insurance industry across the actuarial, underwriting, risk and compliance, finance and even sales and distribution functions. Good data analytics professionals often demonstrate coding fluency, sound problem-solving skills and strong commercial acumen.

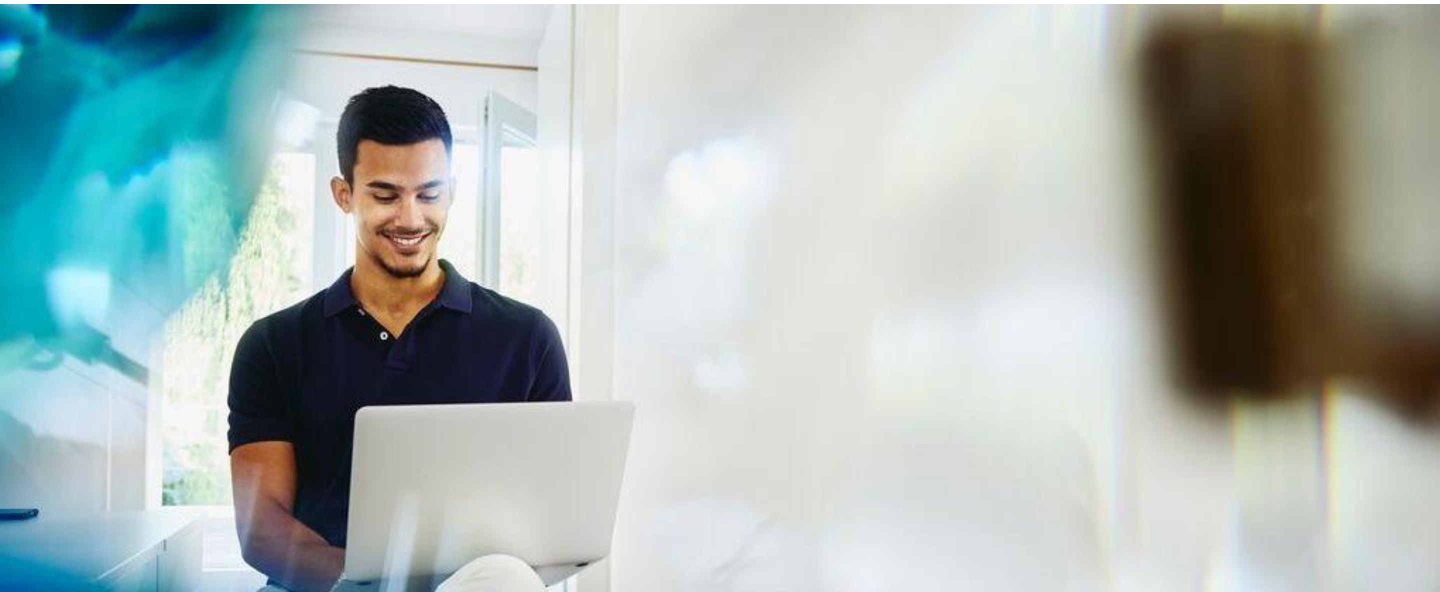
With the challenge to meet the implementation of IFRS17 standards by 2023, insurers have also been on the lookout for actuarial and finance talent across the region. Candidates with strong technical knowledge and experience in working with regulatory reporting standards are highly preferred.

## building in-house technology capabilities.

There exists a skills gap in the insurance industry, particularly in technology capabilities. As part of the industry's digital transformation, employers are actively seeking technologists in big data analytics, software engineering, cybersecurity and product management.

Insurance companies are also looking to hire project managers and change management professionals to drive enterprise projects across the organisation, further enhancing their in-house ability to develop new business opportunities and sustain growth.

Although there is a sea of growth opportunities for technology professionals in insurance, many are hesitant to join the industry. The insurance sector has always been ranked least favourable in the list of industries that people want to work for due to its reputation and perception from the general public.



The insurance industry is perceived by most to be more traditional and conservative as compared to other appealing sectors like technology. There is often strong competition for talent within the insurance industry and candidates do not see insurers as attractive employers, compared to other financial institutions within the banking and financial services industry.

Organisations that are innovative and willing to invest in technology to serve their customers, have simple-to-understand policies and easy claim processes are more likely to overcome these perception barriers and attract better talent. Those that have responded positively towards the pandemic, such as offering new and affordable products to protect people against COVID-19, may have also improved their employer brand and ability to attract good talent. Insurance firms that put technology at the front and centre of their business and are committed to driving innovation forward across the industry are also more likely to be able to attract the tech talent they need.

## low barrier of entry for mid-career switchers.

Except for financial sales advisors who require prior qualifications, most careers in insurance do not require candidates to acquire a brand new degree or diploma to join. For most career switchers, joining the insurance sector would help with their professional career development and progression.

Many people are reluctant to join an insurance company because they are adverse to the traditional bureaucracy and red tapes typically associated with this sector. However, insurers have now started to focus more on developing digital products and improving customer experience . This is also an agenda that is driven by the Monetary Authority of Singapore, which encourages financial institutions to set up innovation labs to create and nurture a culture of innovation and reinvent the way insurance is delivered and experienced in Asia.

It would be an easier transition for an experienced professional to join an insurance company from the financial services sector, as some of the products (such as insurance and investments-related offerings) are also distributed through the bank's channels. As such, they will already have the know-hows of the local regulatory requirements and guidelines, which are very attractive attributes to an insurance employer.

However, these professional requirements should not deter mid-career switchers, as regulatory knowledge can be acquired fairly easily and quickly if the individual puts their mind to it. Mid-career switchers who put in adequate effort to learn and have the opportunity to work with an employer that provides a robust skills development programme can adapt to working in the insurance industry fairly quickly.

Soft skills are also very critical when entering the insurance industry. Employers tend to look for highly-adaptable and agile candidates who have good stakeholder engagement skills. Candidates also need to have a pulse on the market and demonstrate their influence during the job interviews to stand out from the crowd.

# organisation's financial stability the most sought-after EVP.

A firm's financial stability usually serves as a strong testament as to whether they are prepared for a rainy day before it actually happens.

Before applying for a job or accepting a job interview with a potential employer, many candidates tend to read the news to find out how the company is performing financially. Particularly during this period, they will check if the company has made any restructuring-related announcements in the recent months. For foreign business entities, candidates will also check if they have vested interest in Singapore. Employers that are committed to their presence and growth in Singapore are more likely to receive more interest and applications from job seekers.

Despite COVID-19, many companies are still offering salary increments to potential employees who are switching employers within financial services. Understandably, the increments will be less generous compared to previous years, as companies and employees adjust their expectations to align with the long-term economic impact of the pandemic.

When switching employers, technologists can receive a 15% to 25% salary increment and candidates in non-tech roles are looking at a 5% to 15% raise this year.

# we know great talent in insurance.

If you are looking for specialised end-to-end recruitment services to identify and secure talent or a job in the insurance sector, please reach out to us!

We know that hiring great talent who can protect and advance your business growth can be challenging. With a team of specialist recruiters, we are confident that we can match you to the perfect talent. Connect with us for more market insights or your upcoming hiring needs.

## josh goh
Senior Manager, Insurance, Banking & Financial Services, Randstad Singapore
+65 6510 7408 | josh.goh@randstad.com.sg | LinkedIn

Josh has more than 10 years' recruitment experience and joined Randstad Singapore in 2019 as a Manager. Together with his team of specialist recruiters, he supports the talent needs of leading insurance firms as well as contracting requirements of banks in the face of a rising gig economy. Josh proactively stays ahead of hiring and workforce trends and matches them with talent in sales and distribution, claims as well as project and change management.

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