



EMBARGOED TILL THURSDAY 4 APRIL 2013, 8.00PM

**SINGAPORE BUSINESS AWARDS 2013
OUTSTANDING CHIEF EXECUTIVE OFFICER OF THE YEAR 2012**

TAN SUEE CHIEH
CHIEF EXECUTIVE OFFICER
NTUC INCOME

Background

Mr Tan Suee Chieh became the Chief Executive of NTUC Income in February 2007 and has been on its Board of Directors since 2003.

Prior to his appointment at NTUC Income, Mr Tan was President, Asia Pacific Region of the SHL Group Ltd, a British human resources consultancy firm and a world leader in objective assessment and psychometric instruments.

From 1981 to 2001, he was with the Prudential Group and held several senior positions including being the Company Actuary of Prudential Malaysia, Chief Executive of Prudential Singapore and Managing Director, Established Markets of Prudential Asia.

In 1994, he became the youngest (at age 34) and the first Asian CEO of Prudential Singapore. During his tenure, he led the company through rapid growth and innovation. Under his charge, Prudential Singapore achieved pioneering success and market leadership in investment-linked business, and won national and regional awards such as the National Productivity Award in 1994 and Asia Best Life Insurer Award in 2010.

Mr Tan has a first class honours degree from the London School of Economics. After a twenty year financial services career, Mr Tan decided to pursue his passion for psychology and how its effective use can bring about positive and measurable change in an organisation. He took a sabbatical from June 2001 to December 2002 to complete his Masters in Organisational Psychology at the Columbia University in New York and other related programs in the United States, with particular interest in group dynamics, conflict resolution, and personal and organisational change.

He is a Fellow of the Royal Statistical Society and Institute of Actuaries, and was a Past President of the Life Insurance Association of Singapore as well as the Actuarial Society of Malaysia. He received the “Leader of Tomorrow” award in Malaysia (1976) and “Outstanding Young Malaysian of the Year” by the Jaycees and Business Times (1987).

Mr Tan Suee Chieh sits on several external boards including the International Co-operative & Mutual Insurance Federation based in the UK. He is the Co-chairman of the Institute of Service Excellence of the SMU Governing Council, a member of the Board of Governors of the Asia Pacific Risk and Insurance Association, Advisory Board Member of the Centre for Strategic Leadership at NUS and Sim Kee Boon Institute for Financial Economics at SMU, and a Trustee of the Singapore LSE Trust.

An appointment that he is very proud of is that of Vice Chairman of the Executive Committee of the Singapore Children’s Society. His involvement with the charity began in 1992 and he has been a member of its EXCO and its Appeals Standing Committee. For his contributions, Mr Tan received the Silver Service Award in 2008 and the Gold Service Award in 2011.

Since his appointment as Chief Executive of NTUC Income in February 2007, Mr Tan Suee Chieh has made several significant contributions to the company. Under his leadership, the co-operative underwent an extensive process of change and transformation resulting in NTUC Income posting unprecedented business results and maintaining leadership positions across all the major lines of business.

While NTUC Income has become a higher performing organisation, it remains true to its social mission to put people before profits and to make insurance affordable and accessible.

Company background

NTUC Income is a domestic life and general insurance company based in Singapore, established in 1970 by Singapore’s National Trades Union Congress with an initial capital of \$1.2 million to provide affordable insurance for workers in Singapore.

As a social enterprise, its mission is to provide value for customers above maximising profits for shareholders. Its insurance plans benefit large numbers of people from all strata of society.

NTUC Income is now the leading composite insurer serving over 2 million customers with about 3.8 million policies and assets of \$30.8 billion. 22% of all private cars or more than one in five, and 49% of all motorcycles or one in two, are insured by NTUC Income.

A co-operative with a heart, NTUC Income contributes about \$4.5 million annually towards the labour movement, charity and community projects. 1% of the company's operating profits, amounting to more than 1.9 million in 2012, goes into this budget to be set aside for OrangeAid, the CSR vehicle launched in 2010 to help underprivileged children and youth.

When the global financial crisis struck in 2008, companies reduced their spending and contributions to CSR and community projects. NTUC Income bucked the trend by stepping up on its assistance programmes. The staff and sales force of NTUC Income came together in December 2008 for Project Love to raise \$375,000 for various charities. To help families cope with the reverberations of the continuing financial crisis, the company committed \$1 million to help families of retrenched and low income workers under the NTUC's Labour Movement U Care Fund in 2009.

The \$1 million "Income Cares Fund" was also implemented in 2009 to assist annuitants, while the \$6 million IncomeShield Assistance Scheme was launched to help the less well-off policyholders cope with their premiums and a free IncomeShield upgrade was made available for children from low-income families.

2011 saw the introduction of the Income Family Micro-Insurance Scheme to assist some 13,000 low-income and disadvantaged families when their main caregiver passes away.

To address the serious issue of under-insurance in Singapore, the Value Pack was introduced in 2012. The pack offered term insurance and health insurance at special rates to Singaporeans and Permanent Residents residing in 3-room or smaller HDB flats, or in a household whose monthly income is \$3,500 or below, as well as those without any life insurance policy.

NTUC Income differentiates its brand by making insurance simple, honest and different. It follows this motto across the company and emphasises on people more than profits.

The Cultural Revolution

When Mr Tan took over as CEO of NTUC Income in February 2007, the company was facing intense competition from overseas commercial insurers who wanted a bigger share of the Singapore insurance market.

The company was also facing a declining market share, an escalation of conflict among the various distribution channels, and a shrinking sales force, among other issues. Mr Tan led the new management team in implementing a five-phase process of transformation of the corporate culture, processes and systems.

Through the 1,500 day long “**The Cultural Revolution**” from August 2007 to September 2011, Mr Tan called for greater ownership, independence of thought, dynamism and a more professional approach to running the business.

The corporate governance framework and investment strategy were substantially strengthened to meet the objectives of the co-operative. He made compensation and benefits more competitive to motivate and reward performers and to attract the right talent, including executives from top-flight multinational corporations. He coaxed his team to embrace new media by setting up his own Facebook page and Twitter account.

By end of 2009, NTUC Income began to see the results of the Cultural Revolution. Besides the unveiling of a new corporate logo, colours and brand values, the company posted business results that were unprecedented in its over 40 years’ history.

NTUC Income’s life insurance business saw its market share double from 10.2% in 2006 to 20.8% in 2010, in terms of weighted premium insurance. Seeing how critical a multi-channel strategy would be to NTUC Income’s business success, Mr Tan expanded resources to develop the various channels. The financial advisors channels consequently saw a growth in market share from 5% in 2006 to 20.3% in 2009, while the bancassurance business went from zero in 2006 to capture 19.2% of the market share in 2010. In 2010, NTUC Income record underwriting profits in its motor insurance business, bucking the industry trend.

Even as the company achieved commercial success, it remained strongly committed to its original social purpose to provide affordable, accessible and sustainable insurance.

The Orange Revolution

Having achieved stellar financial results at NTUC Income, Mr Tan decided to look at the state of the industry of co-operatives and social enterprises as a whole. He felt that just as businesses must make social sense, social enterprises must make business sense. He and his staff looked under the hood of co-operatives like British retailer John Lewis, non-profit film maker organisation Sundance Institute, philanthropic set-ups like the Bill and Melinda Gates Foundation and even values-driven companies like Ikea, to achieve a balance between profits and social responsibility.

NTUC Income, like co-operatives, mutuals and social enterprises everywhere, has all along provided value. But in a world transformed by the global financial crisis, a new customer-centric proposition had to be offered. This was how NTUC Income arrived at its new ambition – to be Singapore’s most ethical insurer embodying the philosophy of

“honest insurance” and acting in the best interests of customers. There were four main elements in “honest insurance” - fair dealing, honouring the intention of contracts instead of relying on technicalities to refuse payment, contracts in plain English, and transparency.

“Honest insurance” is a strategic source of competitive advantage. Says Mr Tan, "Doing good is not just good for the customer; doing good could be good for business."

Such a customer-centric strategy would also go a long way in addressing the reputation of the insurance industry, dimmed by commission-hungry sales people and feet-dragging when it came to paying claims.

“**The Orange Revolution**” was therefore launched in October 2011, with the bold and ambitious objective of changing the insurance industry by taking the lead in redefining how insurance is bought and sold. The focus has been on strongly incentivised distribution channels, with aggressive sales forces and opaque products on sale. There is also an asymmetry of knowledge between the insurer and their customer, which means that policyholders often do not have the understanding to know what is in their best interest. The bottom line is that the insurance industry is not meeting the consumer's real needs.

“The Cultural Revolution was about excellence and doing things well. The Orange Revolution is about doing things differently. It's about changing the rules outside the company, and change the way the game is played in the insurance industry,” Mr Tan Suee Chieh says.

The Orange Revolution's Orange Projects

Six projects come under the banner, “The Orange Revolution”.

The **Orange Force**, a fleet of highly-trained staff motorcyclists in distinctive orange outfits who are able to ride, within twenty minutes, to the assistance of a distressed policyholder who has had a motor accident.

Mr Tan Suee Chieh says, “The Orange Force was conceived as a very functional model in trying to reduce the incidence of fraud. At the point of first contact at the accident site, we would have a better chance to negotiate a direct settlement. Not only would this help save some costs for the policyholder, but we would also be able to avoid interferences by any unscrupulous workshops, lawyers or doctors.”

He adds, “But we had what I call an ‘orange moment”.

What was initially a fraud-reduction initiative could be turned into a much larger and novel customer service and branding. By creating a visible presence and generating

goodwill through a high level of customer service, the Orange Force would be a strong differentiator, setting NTUC Income apart from its competitors.

As at the end of 2012, the Orange Force had handled more than 10,000 engagements on the road and received in excess of 400 quality compliments from customers. More than half of the people they assisted were non-policyholders.

Last year, the Orange Force was the cover story of VOICE, a global publication for the International Co-operative & Mutual Insurance Federation (ICMIF) and was also the Singapore Management University's case study, "NTUC Income's Orange Force: Powering On to Innovative Paths of Customer Excellence."

Orange Speak aims to ensure that customer contracts are written in plain English to help customers make informed decisions on insurance.

As part of the revision of contracts, NTUC Income has undertaken the Crystal Mark initiative. This is a globally recognised standard for plain English and guarantees that a document offers simple, clear and concise information. NTUC Income is the first insurance company in Asia to undertake a major contract overhaul and has achieved more Crystal Marks than any other business in Asia. NTUC Income has over 50 Crystal Marks and over 95% of NTUC Income's customers will now have their contracts issued with Crystal Marks.

Mr. Tan Suee Chieh says, "We are making our contracts as clear and as fair as possible, to demystify insurance and to give customers a fair deal. We will not hide behind legal technicalities and use them as excuses not to pay claims. Instead, we will always honour the intentions of our contract."

Alongside Orange Speak is **Orange First**, which emphasises the importance of fair dealing and trustworthiness among the sales force of NTUC Income. A special, non-commission based The "Orange Heart Awards" was introduced in 2012 to recognise financial advisers who reach out and help those who need insurance the most, but who, for a variety of reasons, do not have even the most essential insurance protection.

While Orange First is essentially an internal campaign, it is supported by a major campaign on TV, in print, outdoor and on digital platforms. The campaign reinforces NTUC Income's commitment to being upfront and transparent and depicts how the use of jargon, overcomplicated phrases and terms and conditions puts customers at a disadvantage.

There are three more orange projects in the works - **Orange Prime, Orange Deal** and **Orange Settle**.

Financial highlights

Premium revenues surged two-fold from \$2.1 billion in 2006 to \$4.3 billion in 2011, though it decreased to \$3.4 billion in 2012 as a result of NTUC Income's strategic decision to scale down its Single Premium insurance portfolio last year.

Total assets also grew exponentially within a short time frame of six years, from \$18.8 billion in 2006 to \$30.8 billion in 2012.

Its capital adequacy ratio, an indicator of an insurer's financial strength, increased from 187% in 2006 to 271% in 2012, the highest in NTUC Income's history.

	2006	2007	2008	2009	2010	2011	*2012
Financial Results							
Revenue Premium (\$' mil)	2,118.7	2,524.1	2,745.3	3,135.6	3,813.5	4,320.6	3,422.2
Total Assets (\$' mil)	18,793.1	21,333.8	20,046.2	23,131.0	26,356.9	27,563.6	30,843.0
Insurance Operating Profit (\$' mil)	NA	22.1	65.7	152.6	166.0	195.6	81.0
Gross Surplus (\$' mil)	257.9	163.0	(216.3)	359.9	227.8	200.8	213.7
Capital Adequacy Ratio (%)	187%	189%	191%	203%	234%	215%	271%
Motor Market Share (%)	23.9%	23.0%	26.2%	21.9%	20.8%	21.1%	20.6%
Life WPI Market Share (%)	10.2%	13.3%	14.8%	19.3%	20.8%	18.7%	13.7%

**2012 figures are unaudited at the time of preparing this document*

Recent Developments

NTUC Income's inaugural bond issue in August 2012 for its \$600 million 15-year notes received a \$9 billion order, making the issuance 15 times oversubscribed and the biggest order ever received for a Sing dollar bond issue. The encouraging response was a testament to the trust and confidence that investors place in NTUC Income, while the high "A+" debt rating by Standard & Poor's, affirmed its strong financial capacity.

In 2012, NTUC Income was conferred the #1 - Best Car Insurer by the AsiaOne People's Choice Award. NTUC Income also attained the top position in health and medical insurance, life insurance, and motor and other insurance in the Customer Satisfaction Index of Singapore.

In 2007, the average number of complaints that NTUC Income received each month was 274, now it is 71. At the same time, NTUC Income now receives three times more compliments than complaints every month.

NTUC Income was featured prominently in Ron Kaufman's New York Times, USA Today and Amazon.com bestseller, "Uplifting Service: The Proven Path to Delighting Your Customers, Colleagues, and Everyone Else You Meet".

September 2012 saw the biggest NTUC Income Kite Festival Singapore to date. The festival, the co-operative's flagship branding event, touched some 60,000 children in 44 schools and culminated with the grand weekend finale at the Promontory at Marina Bay, which saw an attendance of 30,000 people.

In 2012, Mr Tan Suee Chieh was conferred the "Lifetime Achievement Award" by the Institute of Advertising Singapore in recognition of his revolutionary approach to championing NTUC Income's brand of honest insurance and in placing customers before profits.

Tan Suee Chieh – Final Words

But Mr Tan is far from being done. He wants to make NTUC Income "cool": "A company where people will queue to join, competitors will regard us as a standard bearer; even the very well-off will buy from us because they know it's a smart thing to do, and business schools from afar will cite us as an icon to emulate."

On the question of legacy, he says, "Professionally, the legacy I want to leave behind will be defined by how different Singapore's insurance industry is because of NTUC Income. Personally, it's about not settling for the good life. It's about going after a great life - doing something meaningful that positively impacts the lives of others."