

Asia is a patch work of numerous Insurance markets each with their own regulatory pressures and market considerations. These range from the highly developed, through to the truly nascent.

Broadly speaking penetration rates are still low in Asia and there is still strong projected growth for at-least a further decade.

Specific skills such as Compliance, Operational Change, Digital, Product Development and Risk have been in high demand which has been reflected in these specialists earning potential.

## Q & A WITH LUKE HAWKINS



### **HOW HAS THE INSURANCE JOB MARKET BEEN IN HONG KONG DURING 2015-16?**

In the past year Life Insurer's regional offices have continued to expand rapidly. This is in response to the higher level of importance and scrutiny that their Asia businesses are gaining. This has not led to droves of new hires, but has created new highly specialised hires into areas such as Risk, Operational Change, Compliance, Digital Distribution and Product Strategy/Distribution.

2015 saw the introduction of new Agency disclosure rules which heavily affected a number of Life Companies sales teams' performances. This did not have a direct tangible impact on the need for all support staff in BAU functions so the loss of revenue did not directly create job losses.

In contrast the P&C market has been hampered by the continued restructure of some of the largest players in the market, leading to uncertainty and a number of highly skilled and experienced individuals seeking employment.

So far in 2016 there has been the traditional demand for recently Qualified Actuaries for both Local and Regional Life Companies.

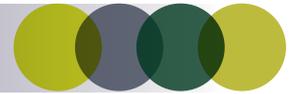
Reinsurers have continued to hire Client Relationship focused individuals while Consulting firms seek Prophet Modellers and other Valuations professionals to help their clients meet changing regulatory requirements.

### **HOW HAS THE INSURANCE JOB MARKET BEEN IN CHINA DURING 2015-16?**

Continued rapid expansion, mainly by local players. C-ROSS has led to a massive demand for Risk professionals, especially due to the regulatory requirement for a defined CRO for each business. The heavy interest in overseas M&As has created a strong demand for advisory services and the growth of internal teams.

### **VERY BRIEFLY, HOW HAS THE BROADER INSURANCE JOB MARKET IN ASIA BEEN DURING 2015-16?**

In Indonesia, market pressures and regulatory changes have weakened the previously very strong growth of this market. A number of changes in senior leadership within various Insurance businesses have led to some turbulence. This has created restructuring and the need for external hires in Risk, Finance and Operations.



Japan has been the engine room for a number of multinationals and their presence in Asia. As a saturated market without major regulatory changes that requires significant additional expertise, there hasn't been a surge in demand in the last year.

Malaysia has seen continued double digit growth in new business APE Group Life sales, while Individual Life and P&C sales have been weaker. This is a sustainable level of growth which has not led to a high demand for new hires.

In Singapore Zurich Life closed its doors to new business creating a wave of job-seekers. Manulife's new arrangement with DBS created a vast number of new hires and has realigned itself to better serve that bancassurance relationship.

Taiwan has continued to be a flat market with limited prospects for growth. We have assisted a number of Insurance professionals move away from this market to locations with higher potential for expansion.

Thailand and Vietnam are both markets that have continued to grow strongly in the last year, with a strong focus on local talent being promoted up through the ranks.

## LOOKING AT THE HIRES OVER THE PAST YEAR, HOW HAS THE MARKET EVOLVED?

A number of Insurers have responded to market conditions by seeking ways to optimise their performance. This has led to a renewed focus on Product Development, Distribution Strategies and the ways in which Insurance Companies invest their funds.

## TELL US ABOUT THE SALARY AND BONUS PATTERNS IN ASIA?

ALM and Investment professional's compensation remains geared towards bonuses, with the majority of respondents expecting 25%+. Product, Risk, Finance and Valuations were mainly in the 10-20% range.

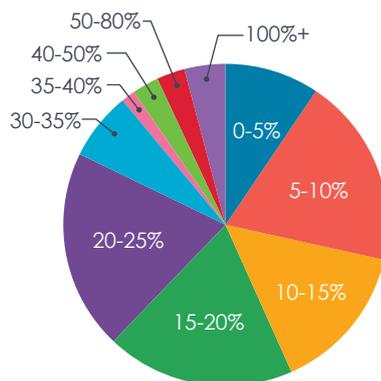
3-8 % was the average increase in earnings for those that did not receive a specific promotion. 8-12% was the average increase in earnings for those that did receive a promotion.

Unsurprisingly people within Consulting and Reinsurance found their performance targets most challenging, but also were most heavily incentivised to reach those goals.

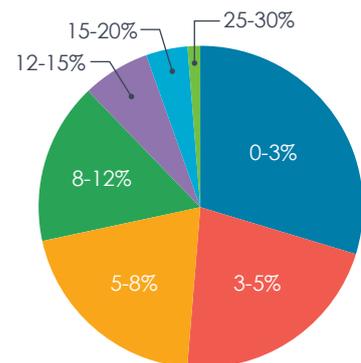
### If you are entitled to a bonus, how do you feel about the performance requirements?



### What percentage bonus payment did you get earlier this year?



### How much was your salary increment?





## WOULD YOU SAY THAT THE HONG KONG MARKET IS STILL ATTRACTIVE AS IT WAS BACK IN 2013/2014?

Definitely, although Cantonese or Mandarin is becoming a more strongly enforced criteria for many of our clients.

Depending on your skill-set, there is a continued demand for niche areas of expertise related to the Regulator, the advancement/improvement of Products, the improvement of Distribution or M&A.

With Hong Kong's low tax rates and high potential growth in careers, we have found that more and more returnees are looking to apply the skills they have gained in Europe and North America.

## WHAT ARE THE PROJECTIONS FOR 2016 FOR THE INSURANCE JOB MARKET ACROSS ASIA?

As regulations become more advanced across Asia, the demand for specialists from outside of Asia will continue to increase.

Areas such as Data Analytics and Digital Distribution will look to take best practice from the Retail Banking space.

The creation of the IIA will create further demand on a limited market, pushing up packages and providing people with a further potential avenue for their long term career.

## WILL SALARIES RISE?

Salaries will definitely be on the rise in 2016, with firms that are doing well. Within those that are not the salaries are likely to remain at the same level.

## WHAT WILL BONUSES BE LIKE?

This will depend heavily on sector and the level of guaranteed earnings. Areas that have a more easily quantifiable impact on the success of the business will be able to gain the lion's share of the bonus pool.

## CONCLUSIVE COMMENTS

It has been great to see such a high level of participation in our Salary Survey from contacts across the world. There will be a continued demand for Insurance professionals in Asia for many years to come. Within this sector there will however be clear winners who have positioned themselves with niche skills that are in high demand.

We are more than happy to arrange a confidential consultation session to discuss some of the findings in detail. In this regard, please contact us in our Hong Kong office to arrange such a discussion.

### Hong Kong Salary Guide (in USD)

Core Specialism/ Title	Analyst	Assistant Manager	Manager	Senior Manager	Director	Department Head	Function Head (e.g. CFO/ CRO)
ALM/Investment	40K – 60K	60K – 90K	90K – 100K	150K – 160K	130K – 140K	130K – 200K	230K+
Marketing/Distribution	30K – 50K	40K – 70K	60K – 80K	80K – 100K	100K – 130K	130K – 150K	200K+
Finance	40K – 50K	80K – 104K	110K – 130K	130K – 150K	130K – 180K	180K – 200K	200K+
Product Development	40K – 70K	70K – 80K	100K – 110K	120K – 130K	150K – 160K	160K – 280K	290K – 300K
Risk	40K – 50K	70K – 80K	90K – 100K	120K – 130K	130K – 160K	180K – 200K	200K+
Strategy/M&A	40K – 50K	60K – 80K	90K – 140K	140K – 160K	160K – 220K	190K – 200K	250K – 260K
Valuation	40K – 50K	60K – 70K	80K – 100K	110K – 120K	120K – 140K	140K – 200K	290K – 300K