

EU-ASEAN BUSINESS COUNCIL PUBLISHES REPORT ON INSURANCE ECOSYSTEM IN ASEAN: MAKES RECOMMENDATIONS TO SUPPORT LONG-TERM INVESTMENTS, DIGITAL INNOVATION & SUSTAINABLE HEALTHCARE SUPPORT

Singapore, 30 April 2020: Supporting Vietnam’s Chairmanship Theme of a Cohesive and Responsive ASEAN, the EU-ASEAN Business Council (EU-ABC) has published a paper to help advance the discussion on how ASEAN can support growth in the insurance sector to provide improved coverage across the region and release funds to support long-term investments across Southeast Asia.

“Inclusive Insurance Ecosystem: Long-term Investment, Digital Innovation & Sustainable Healthcare” paper presents a top-level plan for the insurance industry to support ASEAN’s development – an **inclusive insurance ecosystem** built with three interlocking constituents: **Long-term investments** – to **grow insurance funds and their investment in infrastructure and corporations**; **Digital Innovation** – to provide better, additional services at lower cost to more people; and, **Health and Wellness** – to prevent and manage illness for longer, healthy lives. The paper notes that growth of the insurance sector drives sustainable economic growth:

- ✓ Provides long-term finance for infrastructure and corporations;
- ✓ Supports technology innovation, including technology start-ups;
- ✓ Generates extra tax revenue and reduces the burden on public healthcare & welfare budgets;
- ✓ Encourages healthy living and a more productive workforce.

Commenting on the paper, EU-ABC Chairman Donald Kanak said: “the impact of the COVID-19 pandemic on health, livelihoods and the economy highlights the important role that insurance can play in providing financial safety nets for citizens and businesses. Benefits and services provided by insurance reduces stress on public finances, and funds that insurance companies invest are important sources of long-term capital for governments and businesses. Supporting the development of ASEAN’s insurance sector will increase access to better health for millions of individuals and build more resilience for families and society.”

Speaking on the need for improved tax policies to support insurance, Clarence Wong, Chief Economist, Asia-Pacific at Swiss Re said: "We believe that an uptake in life and health policies by both consumers and businesses will be boosted by effective tax policies. As mentioned in the executive summary, improved wellbeing and productivity, and increased investment stimulates economic growth and that is what we always look for. Ultimately, government budgets will benefit both on the revenue and expenditure sides from this."

Andrew Wong, Chief Health Officer, Prudential Corporation Asia added: “ASEAN is facing rising healthcare costs, high out-of-pocket spending and a growing incidence of non-communicable diseases. Insurance innovation in digital technology and AI can help to make healthcare more accessible and affordable and empower consumers to take greater control of their health and wellbeing. It is important that a regional-wide approach is taken to enable regulators and insurers to work together to ensure that right environment is put in place to allow such digital innovation in the insurance sector to thrive.”



About the EU-ASEAN Business Council

The EU-ASEAN Business Council (EU-ABC) is the primary and sole voice for European business covering all of the ASEAN region.

It is recognised by the European Commission and the ASEAN Secretariat and is an accredited entity under Annex 2 of the ASEAN Charter. Independent of both bodies, the Council has been established to help promote the interests of European businesses operating within ASEAN and to advocate for changes in policies and regulations which would help promote trade and investment between Europe and the ASEAN region. The Council works on a sectorial and cross-industry basis to help improve the investment and trading conditions for European Businesses in the ASEAN region through influencing policy and decision makers throughout the region and in the EU, as well as acting as a platform for the exchange of information and ideas amongst its members and regional players within the ASEAN region.

The EU-ABC's membership consists of large European Multi-National Corporations and the nine European Chambers of Commerce from around Southeast Asia. The EU-ABC represents a diverse range of European industries cutting across almost every commercial sphere from car manufacturing through to financial services and including Fast Moving Consumer Goods and high-end electronics and communications. Our members all have a common interest in enhancing trade, commerce and investment between Europe and ASEAN.

The Executive Director of the EU-ASEAN Business Council is Mr Chris Humphrey, and its Chairman is Mr Donald Kanak. The Council is led by an elected Board consisting of corporate leaders representing a range of important industry sectors and representatives of the European Chambers of Commerce.

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