



## What if this happen to my **INSURER?**

### What if a “Robinsons” happened to my insurer?

*By David Choo, PromiseLand Independent*

A household name, Robinsons’s liquidation recently came as a shock to many. It was one of the many victims of COVID-19 and consumers’ changing behavior.

Robinsons had survived the Japanese occupation in World War II and a big fire in 1972 but now surrendered to an invisible enemy. Customers with paid outstanding orders now ask the question of whether their orders would be fulfilled. As COVID-19 rages worldwide, one wonders which big-name may be the next to fail. Being in financial services, I am asked whether insurance companies are equally vulnerable.

Are my insurers really “insured” against failure?  
Is my money going to be safe and will my claims be paid?

The safe answer is it depends on what risks we are talking about. Insurance companies are just as exposed to the same extreme political risks like major wars but life insurance companies arguably ride economic cycles and pandemics better because of the nature of contracts and regulatory governance. Claims are expected to go up especially for medical and death in certain countries during a pandemic but insurers in Singapore, who are managing the situation well, are relatively safe. For the insured, there is extra protection for their money at all times.

There is protection under the Policy Owner’s Protection (PPF) scheme where protection is given up to \$500,000 sum assured or \$100,000 surrender value on whole life, term life, and endowment policies per life assured per insurer. This applies to individual life and voluntary group life policies.

This is for the extreme situation where the life insurance firm goes under. Most likely, as it has happened for isolated past instances, another insurer will take over the entire business of the insurer which fails.

In Singapore, there is the Singapore Deposit Insurance Corporation (SDIC) which will step in to take over and run off the existing policies until all policies have matured or expired. All-existing policies may be

terminated and policyholders compensated an amount up to the protection limits mentioned above and all outstanding claims are paid off.

To check if your policy is protected under the Policy Owner's Protection scheme, get in touch with your advisers.

*This article was prepared by David Choo in his personal capacity. The opinions expressed in this article are the author's own and do not reflect the view or position of PromiseLand Independent Pte Ltd.*

“Hindsight is a wonderful thing but foresight is better, especially when it comes to saving life, or some pain.”  
William Blake

If you are reading this, you are already taking or have taken steps to seek wisdom in making good choices in your finances. At PromiseLand, our ethos is "Trusted Advice, Trusted Advisor". It means that we will walk the journey with you to make those choices which protect what you value most. For more information about PromiseLand Independent, click [here](#).



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“When it comes to professionals, we need to look no further than PromiseLand. The feedback from our employees regarding their services are very favourable”  
Ms Lucy Lim, HR Manager of Vopak Terminals Singapore Pte Ltd

“PromiseLand has been my preferred insurance and financial adviser for my personal and company matters for more than 16 years. I trust their peoples's integrity and unbiased advice”  
Dr Koh Poh Kian, Paediatrician of Mount Alvernia Hospital

## PromiseLand's History

- <sup>19</sup> **86** Founded as Composite Broker
- <sup>19</sup> **91** Singapore's **First** Independent Life Insurance Broker
- <sup>20</sup> **03** Independent Financial Advisory (IFA)

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