

Chia Der Jiun: Unlocking opportunities in a changing risk landscape

Official keynote address by Mr Chia Der Jiun, Managing Director of the Monetary Authority of Singapore, at the 21st Singapore International Reinsurance Conference 2025, Singapore, 3 November 2025.

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Mr Kenrick Law, Chair of the Singapore Reinsurers' Association

Distinguished guests,

Ladies and gentlemen,

A very good afternoon. A very warm welcome to Singapore, in climate and in spirit.

Introduction

My congratulations to the Singapore Reinsurers' Association for bringing together reinsurers, insurers and brokers from around the world for this year's edition, the 21st Singapore International Reinsurance Conference (SIRC). The SIRC has become a key event in the international insurance conference calendar, and I understand there has been a particularly strong turnout this year of more than 3,800 participants.

Thank you for inviting me to join you at this important event. We have much to reflect on. Earlier in the year, we were faced with substantial uncertainty over the likely path of the global economy. As the year draws near to a close, it is clear that the global economy has demonstrated greater resilience than previously envisaged. We know the reasons. US reciprocal tariff rates have been lower than announced in April. The tariffs' implementation was delayed and a long period of front-loading of exports lifted global economic activity. AI-related investments, and generally accommodative financial conditions have also been supportive of economic activity.

Now, early signs of softness have begun to emerge. Labour markets in the advanced economies are beginning to weaken, while export growth in Asia is slowing following the implementation of tariffs since August.

Global GDP growth could moderate further in 2026 as the lagged impact of tariffs work through. There are also uncertainties ahead such as the potential for renewed trade conflicts and the risk of a correction in AI-driven investment.

Against a backdrop of global uncertainty, growth in Southeast Asia has been relatively resilient. The IMF expects our region to grow 4.3% next year, a similar pace to this year.

The opportunities for serving the protection needs in our region will continue to expand.

- From a large and growing middle class;
- From a growing physical capital stock as economies industrialize and urbanize;
- And from increasing climate stress.

Singapore's insurance market has grown with the region's protection needs.

- The industry saw robust growth over the past five years (2019-2024), employing a workforce of around 19,000 individuals. Over this period, total life, general insurance and reinsurance premiums grew at an average of over 8% annually, to reach about S\$78 billion at the end of last year.
- Leading global players are anchoring high value adding capabilities and activities in Singapore.

a) Insurers are growing their headquarters or regional functions in Singapore, driven by structural and strategic considerations.

b) Specialty insurance lines and reinsurance capacity are growing, to cover large & complex risks in the region.

c) Global brokers are also anchoring capabilities in analytics and advisory, risk modelling and sustainability in Singapore.

MAS will continue to collaborate with the industry, to exchange views and co-develop new risk solutions for our region.

Today, I will touch on three specific areas of opportunity where we hope to further collaborate with the industry:

- Harnessing AI and Data;
- Infrastructure financing opportunities in the region; and
- Growing need for climate risk coverage.

Harnessing AI and Data

First, on AI and Data. In today's digital and hyper-connected world, organisations that collect, organise and use data well, can unlock value and create a competitive advantage.

- Many companies in the insurance industry are applying AI to enhance and even transform their processes. Let me give two exciting examples.

a) The Aon Impact Forecasting team, comprising members from Singapore and across its four other global offices, has developed an AI algorithm, to create stochastic event sets for tropical cyclones. This has been applied to the APAC region, including cyclone-prone countries such as Japan and Vietnam, and will enhance catastrophe modelling. This generates new insights and potentially more accurate pricing.

b) A second example. Zurich Insurance, through its regional innovation hub in Singapore, has developed and deployed a commercial insurance agentic AI platform that supports underwriters in assessing risk in real time. A suite of AI agents has been built, with plans for more. The platform has been deployed as a pilot in their Singapore business unit. The firm also aims to double the number of quotes that they are able to process, increase renewals capacity and grow new business. This has the potential for significant productivity uplift.

MAS is partnering with the financial industry to support AI adoption and the anchoring of AI capabilities in Singapore.

- Over 30 FIs have established AI functions in Singapore, including insurers¹. A number of these Singapore-based AI hubs also operate as their Global AI Competency Centres.
- For example, Prudential's global AI Lab is integrating AI capabilities to drive predictive analytics and hyper-personalised customer engagement in its operations, services and products.
- We look forward to partnering with more insurers to build up their AI capabilities and competency centres here in Singapore.
- At the same time, we are enabling broad AI adoption through the Pathfinder Programme – PathFin.ai.

a) This Programme enables knowledge-sharing among participants. It creates a library of validated use-cases, proven solutions and implementation best practices. This reduces the time and effort for FIs to identify, select and effectively implement AI solutions.

b) We recently launched the PathFin.ai Knowledge Hub in early October. The Hub helps FIs to discover how their peers are applying AI, and receive guidance on AI skills and workforce transformation.

c) Among the insurance AI use-cases available in the Knowledge Hub, let me cite one example:

- A customer-facing adaptive AI agent that manages the client's entire claims journey – from processing the First Notice of Loss through to validation, decisioning, adjustment and follow-up;

d) This Pathfinder collaborative initiative started with 20 FIs in the middle of this year, and has grown rapidly to over 100 participating FIs.

- As AI adoption scales, we are also addressing industry feedback about strengthening governance in this area.

a) MAS is developing supervisory guidelines to establish clear expectations for AI risk management. This will cover oversight of AI risks, including risk management systems, policies and procedures, and AI life cycle controls.

b) Through an industry consortium, Project Mindforge, MAS works with partner FIs, including some insurers, to develop an AI risk management handbook to guide responsible AI deployment.

c) The handbook complements the supervisory guidelines. For example, the guidelines highlight key risk areas to consider in utilising third-party AI, while the handbook includes possible good practices such as information templates to obtain necessary information from third party providers.

MAS will continue to partner with and support the industry to adopt AI effectively and responsibly, while supporting the financial sector workforce to gain the skills to use AI to augment their jobs.

Infrastructure financing opportunities in the region

The second opportunity is the growing demand for infrastructure investments in Asia. The needs in our region are vast and diverse, and span the range of renewable energy projects, grid upgrades, urban development, transportation networks and climate-resilient infrastructure.

- The Asian Development Bank estimates that developing countries in Asia-Pacific will need to invest US\$1.7trillion annually in infrastructure through 2030 to maintain growth, address poverty and mitigate climate change².

We see opportunities for insurers to invest and support the large infrastructure financing needs in the region. Insurers hold significant investment capacity and balance sheets, and the long duration of infrastructure investments match well with the longer-term liabilities of life insurers.

As such, we intend to partner the industry to further the region's infrastructure needs by firstly, providing for differentiated capital treatment for qualifying infrastructure investments; and secondly, by introducing a time-bound pilot to provide some capital relief even for certain non-qualifying infrastructure investments.

On the first initiative, MAS has recently published our finalised proposals on the differentiated capital treatment for qualifying infrastructure investments under the RBC 2 framework. These proposals support insurers to better manage risks through improved asset-liability matching, whilst expanding their capacity to support long-term infrastructure financing needs in a risk appropriate manner.

We note that there may be infrastructure equity and debt funds that do not fully meet the qualifying criteria specified under the finalised proposals.

- For example, sustainable infrastructure investments in carbon capture and renewable energy projects that are in the greenfield or construction phase. Such investments do not meet the criterion of being in the operational phase for a minimum number of years.
- Hence, MAS is introducing a second initiative. Through a time-bound pilot, insurers can participate in such non-qualifying sustainable infrastructure investments with some reduction in the capital charge.
- To qualify for the pilot, these infrastructure assets will need to meet internationally recognised sustainability principles, standards or guidance.
- The calibration of the capital charge will depend on the extent of risk mitigation offered by asset suppliers to address the unmet risk criteria.
- We are glad that asset managers such as BlackRock, Brookfield, Clifford Capital and Macquarie Asset Management have indicated interest to participate in this initiative.
- We welcome other asset managers and insurers in Singapore to partner us on this pilot and give us your feedback. The pilot will start in January next year. More details will be provided soon.

Growing need for climate risk coverage

The third opportunity I would like to raise is climate risk. With the increase in frequency of high impact disaster events, there is an increasing need to ensure that we have the right capacity to meet protection needs.

- Between 2000 and 2023, natural disasters have led to annual average losses of almost US\$50 billion across the APAC region. These losses are driven mainly by floods, earthquakes and cyclones³.
- Asia, in particular, is disproportionately exposed to the rising frequency and severity of natural catastrophes. Just last month, following heavy rain from Typhoon Matmo, Vietnam recorded the highest flood levels on three northern rivers in nearly 40 years. This led to tens of thousands of people stranded or displaced and the loss of some lives.

Governments and businesses are increasingly sensitised to the need for protection against these risks. As a result, there is a growing need for risk coverage, including in climate events.

MAS continues to support the growth of the mainstream insurance market to service the region's needs. We support international insurers and reinsurers to scale capacity and deepen their operations and underwriting expertise here, undergirded by a robust regulatory framework that facilitates innovation.

At the same time, the alternative risk transfer (ART) market can play a complementary role. The alternative risk transfer market expands the overall capacity and strengthens resilience to large-scale shocks.

- Insurance-linked securities (ILS) are increasingly being used to allow capital market participants to share the risks of insurance perils.
 - a) In the US, ILS has become an important source of risk capacity, particularly to help manage the financial impact of hurricanes.
 - b) Comparatively, the ILS market in Asia remains nascent. The current ILS penetration in the region is modest, with limited issuance and adoption by insurers, reinsurers and investors.

Singapore's deep and diverse risk management ecosystem allows us to serve as the regional centre for risk financing and alternative capital. MAS has supported the issuance of 29 catastrophe bonds to date, covering perils such as storms, earthquakes and floods globally and in the region.

- As financial markets in the region continue to grow, the potential investor base for ILS is broadening. ILS provide attractive, stable returns that are typically uncorrelated with other asset classes. This makes it an attractive instrument for institutional investors seeking to diversify their portfolios in the region.
- ILS also provides a way to align investments with climate-resilient goals, making it an increasingly attractive investment in Asia's growing focus on green finance and sustainability.
- With climate risks growing globally, including in Asia, we expect continued momentum in the growth of ILS alongside reinsurance capacity in our region, as more countries and businesses seek greater protection from catastrophic risks.

Hence, to support the growing demand for risk transfer solutions, particularly in Asia, MAS has refreshed the ILS Grant Scheme to offset issuance costs. To encourage broader market participation and innovation, we will extend our support to cover non-APAC risks and renewals, while continuing to prioritise support for issuances that directly address protection needs within APAC.

MAS will also work with the industry to attract and catalyse demand for ILS in Singapore. We welcome sponsors and asset managers and owners that are keen to establish ILS structuring or investment teams here to engage MAS directly.

Conclusion

In closing, as we look ahead, while risks will continue to evolve, within these challenges lie significant opportunities. The insurance industry will continue to play a vital role, to meet the region's growing demand for protection across lives, wealth, and assets.

With that, I wish you a fruitful conference ahead.

Thank you.

¹ Examples for insurance include Prudential, which has an AI COE in Singapore, whilst FWD, Great Eastern and Income have AI teams in Singapore.

² [Meeting Asia's Infrastructure Needs](#). ADB, 2017

³ Protection Gaps in Insurance for Natural Hazards and Retirement Savings in Asia, OECD (Jul 2025)