

CEO WANTS TO INSURE FILIPINO MILLENNIALS

THE chief executive of a large insurance company is worried about the emerging lifestyle trend in the Philippines that leads to young call center agents and other professionals dying in their early 30s because of heart attack or stroke.

BPI-Philam Life Assurance Corp. chief executive Surendra Menon



"I have been here for four years now. And the number of people I have seen suffer heart attack or stroke in their 30s is quite substantial. No other country in the world have I seen so many young people [succumb to heart problems]," BPI-Philam Life Assurance Corp. chief executive Surendra Menon says in an interview in Makati City.

Menon, 59, heads BPI-Philam Life, which was recognized by the World Finance Global Insurance as the "best life insurer for the Philippines" in 2017. BPI-Philam Life is the bancassurance partnership of Bank of the Philippine Islands and Philam Life.

Menon, a Singaporean executive who is married to a Filipino entrepreneur from Los Baños, Laguna and has an 18-year old daughter, wants Filipino millennials to understand the concept of insurance. He says young Filipinos now sense the need to protect their health, as they see many of their friends suffer from unhealthy lifestyle choices.

Menon, who maintains 16 insurance policies between himself and his family, says the need for insurance policies is high especially among millennials, who are now more aware of the importance of fitness, health and social good.

"Their real need is pretty high. Because heart attack is happening in their 30s, their friends are also very cautious. One of the things causing it is the BPO lifestyle where they work at night. We can help them adjust their lifestyle. We have products for protection, mitigation and prevention," says Menon, who wears a medical wristband to monitor his heart, fitness level and the number of steps he takes everyday between his office along Ayala Ave. and his home at Raffles Makati near Glorietta shopping mall.

Menon, who attends five to six meetings a day, says he lost three kilograms and now carefully watches what he eats, after becoming a member of the Vitality wellness program of BPI-Philam Life last year.

Vitality is a science-backed health and wellness program that provides benefits such as premium discounts, additional coverage, incentives and rewards from partner establishments. It advocates nutrition and wellness programs designed to improve health.

Menon says the program, introduced in South Africa in 1997, has made a big difference in the lives of Vitality members. He says while life expectancy in South Africa was only 62 years, the average for the insured population was 68 years, while Vitality enrollees were expected to live up to 82 years.

He says BPI-Philam Life launched Vitality in the Philippines a couple of years ago as a wellness program, aside from protection and unit-linked products. "Insurance traditionally has been for death, sickness. Now, wellness is to prevent it. Statistics from other countries suggest that if you monitor your health, your life expectancy can increase by anywhere from 14 to 15 years. Getting people to monitor your health is the first step in moving up current life expectancy by 10 to 15 years. If you are really fit, it can go up to 20 years. And then there is a huge difference in productivity and quality of life," he says.

"We are putting together the traditional products, the unit-linked products as well as the prevention side which is the wellness. We call it the Philam Vitality. It is definitely a growth area. Nobody else has done prevention [in the Philippines] before. Philam Vitality is very scientific. It is based on something that has already been done overseas [South Africa]. We have a franchise in Asia. It goes along with both what you need to eat, what exercise you can do, how you manage even basic walking, basic habits, sleeping or water consumption. It looks at your overall wellness," he says.

"Just monitoring those with fitness devices help you understand whether you are deteriorating or getting better or what you might want to do. Giving people data helps them manage their health and they feel empowered. The issue is to empower the person to handle his own health," says Menon.

Menon, who has travelled all over the Philippines while overseeing more than 1,000 sales professionals of BPI-Philam Life with an average age of 29 years, says Filipinos need to understand the importance of how to manage income at a young age. He says he taught her daughter how to invest in the stock market when she was 10. Along with the education plan she bought for her, the proceeds from such stock investments can now send her to a college in London, he says.

Menon, who worked at DBS Bank before joining the AIA Group, the parent company of Philam Life, also believes that insurance holds the key to poverty reduction in the Philippines. "Insurance is protecting you from losing your future income," he says. "From my experience in other countries, usually people allocate between 5 and 10 percent of their income to insurance, and this is to protect their future income." **Turn to B2**

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Nearly 100 percent of the population in advanced countries such as Singapore are insured, he says. Data from the Insurance Commission showed the market penetration in the Philippines was below 50 percent in 2017.

"It is clear to us that the Philippine population requires a lot more insurance. The current amount of insurance does not compensate with the growth of the population. If the Philippines is going to go from a developing country to developed country, one of the big differences between them is actually insurance. The reason for that is insurance actually prevents poverty," he says.

Menon says in most cases in the Philippines, a family's money gets wiped out every time someone goes to the hospital. He says with insurance, one's ability to build savings and wealth and move from lower social structure to a higher one is protected. "If you don't have it [insurance], it [wealth] gets wiped out," he says.

"Insurance prevents your investment from being wiped out. It is protection for the investments. If you

ask any banks when customers pull out the most money, it is always when someone is sick or someone died. The only thing that prevents them from pulling it out would be insurance. That is the difference from moving up from developing to developed," says Menon.

The Philippine case is unique, he says, because the rich and the poorest are both insured. "A lot of insurance is bought by rich people, but in the middle-income [segment], not a lot of people are selling to them or talking to them. One of our missions is to get to them, to make sure they are sufficiently insured, so when they go up the socio-economic ladder, they can continue," he says.

"Current product designs really fit the high income. Expectations are that people pay once a year. To cover the middle one, you have to allow people to be paying every month, based on their cashflow. That is what is missing. What is ironic is that right at the bottom, there is insurance also. All the remittance centers offer insurance. The funny thing in the Philippines is that the rich has insurance, the poor has insurance, but the middle do

not. That's the biggest market. If the country is moving from developing to developed, the middle income must go up," he says.

Menon says the low penetration rate as well as the growing population provide growth prospects for the insurance industry in the Philippines. "Prospects are really good. It goes in line with demographics and the economy," he says.

"The Philippines' average age is 23, with a net reproduction rate of 3 [children per family]. To replace the population, a family needs 2.1 [children]. Almost any other country in Asia has less than 2, except the Philippines at 3. Population here is growing faster than people who are dying. That means it is going to drive demand, and to drive liabilities," he says.

"I think the industry will continue to grow substantially, simply because demand is growing. As more and more people get into working life, they will ask more how to make sure their family is okay. Per capita income will go up, because money is coming in," says Menon. **Roderick T. dela Cruz**