

Publication: Channel NewsAsia

Date: 23 May 2014

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**MAS is taking measures to improve the quality of financial advice, which industry watchers say will improve transparency of information and enable consumers to make more informed decisions on insurance products.**

By Nicole Tan

POSTED: 23 May 2014



Monetary Authority of Singapore (MAS) building. (AFP/Roslan Rahman)

SINGAPORE: Consumers in Singapore will get more support in making informed decisions on insurance products.

The Monetary Authority of Singapore (MAS) said it is taking measures to improve the quality of financial advice, which industry watchers say will help to raise trust in financial advisers particularly after confidence was hit during the recent global financial crisis.

To enhance the sale of life insurance products, a website will be launched to allow consumers to compare and have direct access to basic insurance products without paying commissions.

The measures were first outlined in the Financial Advisory Industry Review consultation paper that was recommended last year.

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Experts say the measures will improve transparency of information and enable consumers to make more informed decisions.

"What is needed is to have very detailed information of financial products put on the web, and the information must be complete and reliable.

"The information must not only feature return statistics, but they must also highlight the risk of investing in those products -- so clients have confidence in the product, they'll know what are the attractive features and risks involved, then they can make an informed decision," said Benedict Koh, Associate Dean and Professor of Finance at the Lee Kong Chian School of Business at Singapore Management University.

However, amid increased accessibility, there are concerns about the impact of the measures on the role of financial and insurance advisors.

Industry players say the measures might cater to more independent investors.

"People who do not want to seek advice from advisors, who prefer to go direct to the insurer, who do their own research and then make their own decisions – these suit this group very well.

"But there will still be the majority who will need advice from advisers; I think this is where we continue to play a very important role in the industry and to serve this particular group," said Sani Hamid, director of Wealth Management at Financial Alliance.

MAS also plans to step up efforts to raise the financial literacy of Singaporeans.

In the long run, industry participants say the additional measures will help strengthen the quality of industry professionals, which will in turn help to raise consumers' confidence in the sector.

- CNA/nd