



THE LONG INTERVIEW | CHANGE-MAKERS

CEO Tan Suee Chieh wants to turn NTUC Income into Singapore's most ethical insurer and a world-acclaimed social enterprise. He reveals to **Susan Long** his greatest ambition yet – to redefine how insurance is bought and sold.

Doing well not good enough

IT WAS a journey of change that ended up changing Mr Tan Suee Chieh too.

Two years into his job of transforming NTUC Income, he went to see NTUC secretary-general Lim Swee Say in 2009. He was triumphant, armed with a stellar report card boasting impressive financial results.

But Mr Lim, though pleased, asked him a question that threw him: "You're doing well, but how are you doing good?"

That set him thinking that doing well was not nearly good enough. He began a year-long journey of soul searching and investigation into the role of cooperatives and social enterprises.

He and his staff looked under the hood of cooperatives like British retailer John Lewis, non-profit film-makers organisation Sundance Institute, philanthropic set-ups like Bill and Melinda Gates Foundation and even values-driven companies like Ikea.

"So should we make a lot of money and then give it to a foundation to spend it on the poor? Is that good enough? Or should we try to price products moderately across all products?" they wondered.

How best should they express their "social purpose" of being, which was to make insurance affordable and accessible for all? This was the reason NTUC Income was founded in 1970 by the National Trades Union Congress – to insure labourers who worked in risky, low-wage jobs, which no other insurer would serve.

Fast forward four decades. The world's biggest insurers like Aviva and AXA, and banks are falling over themselves to cover Singapore's affluent mass market here, once NTUC Income's monopoly.

"The children of our first supporters are now drinking Starbucks coffee, eating Italian spaghetti and they are not of the same mindset altogether."

Value, it was clear, was less important in modern Singapore. "You see, you don't buy the cheapest shirt or drink, right? You buy something which has brand affinity, which relates to you," says the 53-year-old.

His conclusion: NTUC Income's social purpose for being had to go beyond value and accessibility and extend to its service delivery.

"There's no one single factor which will differentiate us from other commercial companies. Being cheaper doesn't mean you're a social enterprise. It's actually a whole series of attitudes and mindsets about wanting to maximise value for the customers and acting in their best interests," says the intense, brooding man, who doodles diagrams and paces the room during the interview.

That was how NTUC Income arrived at its new ambition – to be Singapore's most ethical insurer selling "honest insurance". He did it to address the shady reputation of the insurance industry, dimmed by commission-hungry sales people and feet-dragging when it came to paying claims.

He plans to get there through four ways – fair dealing, transparency, writing contracts in plain English and honouring the intention of contracts, instead of relying on technicalities to refuse payment. Earlier this year, NTUC Income made an exceptional payout of \$15,000 to the family of the late Lee Yu Heng, the Primary 4 pupil who was hit by a car outside his school in Sembawang, even though his Student Protection Plan was not yet finalised at the time of the accident.

It is also the first insurer in Asia to undertake the Crystal

Mark accreditation for contracts written in plain English.

Not a PR campaign

NO DOUBT, this quest to be Singapore's most ethical insurer will be put to the test by Singaporeans ever ready to complain about real and imagined slights. But the chief executive says he personally welcomes the "intense public scrutiny and potentially more complaints". "We want to set the gold standard for fairness in the industry, especially in sales and settling claims. So it is a price that we are happy to pay."

But being fair in customer dealings does not mean bowing to pressure. "So when a policyholder threatens to write to the press, I would say, 'It is your choice, I welcome it'... We do not aim to please everyone. We aim to be seen to be fair by the average reasonable person," he says, adding that NTUC Income now receives over five times more compliments than complaints every month. In 2007, the average number of complaints each month was 274. Now, it is 71.

He stresses that he is a "literal man" and ethical insurance is not a "PR campaign" but an earnest endeavour. "Is it something that other companies are not doing? I can't say but I can say we're doing it authentically and hopefully it goes into our DNA."

But can honest insurance – just stringing these two words together raises eyebrows – be possible? He maintains it is, at least for his company.

"Me and my whole management team are not paid to maximise profits. That is not our main accountability as a social enterprise. I have to make enough profits for the business to sustain itself. But I'm told by my board to maximise value for our customers subject to the premium rates being sustainable and enough being left behind for solvency purposes."

Beyond doing good, as Singapore's insurance market matures, he thinks honest insurance might be a "strategic source of competitive advantage" going forward. "Doing good is not just good for the customer; doing good could be good for business." Tackling head-on the industry's direst problems, such as aggressive sales people and an opaque product, might be the best way to compete.

On a wider scale, he hopes this will eventually "change the rules outside the company, and change the way the game is played in the insurance industry".

Actuary ambitions

HE PROFFERS his old diary with sepia-toned newspaper clippings of Malaysia's first actuary. Next to it in childish handwriting, he proclaims his determination to become one too.

The mathematics whizz grew up devouring motivational books in Semenyih in Malaysia, the sixth child of a rubber trader and housewife. For most of his childhood, his house had no electricity, water or indoor latrine. Looking out of his sardine-packed school bus window, he envied classmates who went to school in nice cars.

His parents scrimped to send him to the London School of Economics and he worked over summers in bingo halls and cinemas. Upon graduating in actuarial science with first class honours, he landed a plum job as trainee actuary at British insurer Prudential in 1981. He worked in Britain for another six years, before he was sent to Malaysia as company actuary.

By age 34, he became CEO and the first Asian appointed to lead



Mr Tan Suee Chieh, 53, wants NTUC Income to be Singapore's most ethical insurer selling "honest insurance" and plans to do this through fair dealing, transparency, writing contracts in plain English and honouring the intention of contracts, instead of relying on technicalities to refuse payment. In transforming the culture of the company, he finds he himself has undergone metamorphosis. ST PHOTO: KEVIN LIM

Tan Suee Chieh on...

Why ethical insurance is possible

The heart of doing good is in your business model, day in, day out, how you run your business based upon social anchors. It's not about what you do additionally. It's not CSR (corporate social responsibility). It should be part of business – how you set premium rates, how you pay claims, how you treat customers... And you can only do good if your DNA is like that.

How this is a real departure for him

I worked in commercial companies for 25 years. My job as a CEO of a listed company has always been to maximise profits. And my obligation is to give as little as possible to the customer, subject to market share and profit considerations. But my job at NTUC Income is to give as much as possible to the policyholders as a group. It's two different mindsets.

Why his eyes are kept on the bottom line

Every business must make social sense and every social enterprise must make business sense.

Prudential Singapore.

Peaking early burnt him out. At 40, he quit and headed to Columbia University in New York to do his master's in organisational psychology, with his new bride in tow, for an extended honeymoon with homework.

The Singapore permanent resident returned here as president of the Asia-Pacific region at British-based human resource consultancy SHL Group, which was bought out when NTUC Income came calling in 2007. He had served on the NTUC Income board for four years as a non-executive independent director since 2003 and grabbed the job because of the chance to transform a "household name".

He took over from Mr Tan Kin Lian, who was asked to step down after 30 years at the helm. What struck him when he arrived was the prevalent hierarchical, collectivist culture, where people preferred the "safe" way of doing things. "I knew we needed radical change. It was not just about uniforms, processes, or buildings or structures but the minds and values of our people."

He recounts how he drove to Ang Mo Kio Hub then to look for NTUC Income's new outlet but couldn't find it. "The branding was so poor. They used old recycled furniture in a new mall... I had to ask for it to be torn down, redone. That day, I cried."

Soon after, he announced a cultural revolution that called for greater ownership, independence of thought, dynamism and a more commercial approach to running the business. He stemmed the outflow of disgruntled insurance agents by telling them publicly he loved them. He made pay scales more competitive to spur performers and lure executives from top-flight multinational corporations.

He shaved his head for charity to demonstrate to his team how to venture outside their comfort

zone. He coaxed them to embrace new media by setting up his own Facebook page and Twitter account. He started training for a marathon to be fighting fit for the future.

By last year, the revolution ended victoriously. Premium revenues surged from \$2.5 billion in 2007 to \$4.2 billion last year. Today, NTUC Income is Singapore's leading composite insurer, serving over two million customers with some 3.8 million policies, and enjoys pole positions in life, health and motor insurance.

He is not done yet. Next stop: to make social enterprises "cool". And he knows exactly what he wants the finish line to look like: "A company where people will queue to join, competitors will regard us as a standard bearer, even the very well-off will buy from us because they know it's a smart thing to do, and business schools from afar will cite us as an icon to emulate."

On a personal level, the fine living connoisseur who is into jazz, classical music, fine wines, haute cuisine and yoga has also redefined his own goals. The Buddhist and father of two, who is married to an art therapist, admits the first 30 years of his life were all about pursuing success. Now, he's thinking deeply about legacy.

"American author Jim Collins said good is the enemy of great. Most people will look back and realise they did not have a great life because it was too easy to settle for a good life. A good life is about food and wine, travelling and success. A great life is about doing something quite meaningful... But I don't want to be measured against it too harshly because I have many shortcomings," he adds cautiously.

Doing good at work has led to his own metamorphosis. Almost sheepishly, he says: "I came in to convert and change the culture, but I myself got changed."

✉ suelong@sph.com.sg