

Celebrities in the insurance limelight

When 24-year-old university student Daren Tan won Project SuperStar in 2007 – a Singaporean production similar to American Idol – his life was thrown into the spotlight. Not only was he faced with media engagements and offers by retail companies to endorse their products, but the insurance industry also came knocking. We take a look at the growing scenario of insurance companies in Asia signing up celebrities to brand and sell life policies, and whether it is an effective strategy for insurers.

By Min Yong

For nine months now, Mr Daren Tan fulfils his media engagements by day, and sells life insurance products by appointment. Manulife had recruited Mr Tan as an insurance agent shortly after his Project SuperStar win. Manulife was not the only insurer approaching him, Prudential and AIA Singapore had offers for him too.



Mr Daren Tan

So far, it has been “pretty interesting and rewarding”, said the now 27-year old, who mainly sells investment-linked policies to 21-45 year-old working class individuals. He works on a commission-structure and rates his success at 40% for all the clients he meets – finding leads through his Manulife manager and networking events.

Tracing successful celebrity agents

Mr Tan is following the path of other celebrities to earn extra income or because they are keen to “help people financially plan for their long-term goals”, which is Mr Tan’s goal as a financial planner.

This is certainly the case of Ms Ritu Nanda, a self-made insurance-tycoon, and descendant of acting royalty in India’s Bollywood industry. Her father, Raj Kapoor, is considered as the forefather of Indian cinema.



Ms Ritu Nanda

Ms Nanda, herself a celebrated personality in India, stepped out of the acting limelight during her twenties to pursue an insurance career. Her many accomplishments include being a Guinness Book of Record holder for selling 17,000 pension policies in a single day, a novelist, and the Best Insurance Advisor of the Decade awarded by the Life Insurance Corp of India.

Furthermore, Ms Nanda is the CEO of both Escolife, an IT platform providing insurance-related services, and Ritu Nanda’s Insurance Services College of Insurance Management which has over 85 IRDA approved branches across India, and has trained over 1.4 million agents in the past 10 years.

She reminisced that when she first made the choice to enter the insurance industry, people meted out strong scepticism. “After all, the perception then was that people who couldn’t do anything else in life became insurance agents. And here was Raj Kapoor’s daughter and magnate Rajan Nanda’s wife all set to sell insurance policies. To say the least, the idea was outrageous for everyone,” she told The Hindu Business Line in 2004.

“I wanted to show people that this was a good career option as any. From day one, I made it a mission to change this perception,” she said, wanting to destroy the myth that only ‘losers’ became agents.

“Believe me, it’s a feeling of great satisfaction,” she said in a recent AIR interview, adding: “I firmly believe that when I sell an insurance policy, I have been able to provide security and protection not only to the individual but to their entire family. It benefits me as an agent, the individual and his family, and eventually the country.”

Elsewhere in Asia, Taiwan offers another worthy example of a ‘triple threat’ (a person who can sing, act and dance) who also sells insurance. Ms Chang Chi rose to fame during the 1960s, and it was said in her 1999 biography that, at that time, her media career was coupled with being a successful life insurance agent with a multinational-US life insurance company for 10 years. Though efforts to reach her for this story were not successful, it has been verified that she is now the manager of an insurance branch in Taipei, and still makes regular appearances on stage and on TV programmes.

21st century celebrity culture

The 21st century has spawned a deluge of ‘celebrities’ from classic movie stars and singers, to the fresh faced talents (or not-so-talented) who have graduated from reality TV. While it is expected that celebrities are used as brand ambassadors or as product spokespeople, it is less well known that they are also used for selling life insurance.

The trend to use celebrities as life insurance agents has been around for some time, and most life insurers in Asia have at least two celebrities on their books.

As people usually associate celebrities with being high-maintenance, divas/divos and prima donnas – how can they then sell insurance? Mr Darren Thomson, CEO of Manulife Singapore, however, refuted this, saying: “They are no more high-maintenance than your average high performer and are provided the same level of support and resources as other planners.”



Mr Darren Thomson

What’s in it for the insurer?

According to the CelebTrack report, celebrities are used for enhancing attention, increasing recall, inducing positive attitude change and portraying bigness to small brands, thus making them relevant alternatives.

The study conducted by Hansa Research and Percept Talent Management, both headquartered in Mumbai – a

market which is saturated with celebrity endorsements – also revealed that consumers make brand choices based on two broad appeals. “Celebrities-physical appeal (sexy, stylish, beautiful, macho, etc) and character appeal (trustworthy, intelligent, family oriented, etc). They classify, unknowingly, most celebrities in either of the two,” elaborated Mr Vineet Sodhani, Associate Vice President, Marketing, Hansa Research.



Mr Vineet Sodhani

For the insurance industry, Mr Sodhani described that the chosen celebrity is usually a successful person in real life, and not a “struggler”, adding that: “He/She should be considered trustworthy and financially savvy among the junta since they talk about financial investments and not household cleaners.”

What does a potential buyer think?

As to what a layman thinks about celebrity agents, Melbourne-based Arthur Chung, an Institutional Sales Executive, said: “I would hesitate to purchase any life insurance product based purely on celeb recognition.” He reasoned that for a product like life insurance, his first and foremost requirement would be that the person must have an in-depth knowledge of what he or she is selling. “My initial stereotype would be that a celebrity would not have deep knowledge and relies on their popularity, but if knowledge was equal between a celeb and a normal life insurance agent, then I would be more inclined to buy from a celebrity,” he said.

Celebrities gone wild

In spite of the celebrity allure, not all twinkles in the world of showbiz and endorsements. “Fame is a double-edged sword, said Mr Tan, as their lives are constantly under the watchful eye of the public and media.

This has been demonstrated by the Tiger Woods scandal, where a tarnished celebrity image can cause collateral damage. Backlash usually falls on the reputational heels of those associated with the star, while endorsements dwindle or vanish all together. This is an area insurers’ should be mindful of when selecting the right people to represent their brands.

MDRT members vs celebrity appeal

Turning to an alternative class of producers, the Million Dollar Round Table (MDRT) is an international association of financial planners known for their high sales figures and promoting excellence in selling insurance.

According to Ms Anne-Marie Lee, Zone Chair for South East Asia, MDRT, the earned income for an ‘average’ life insurance agent ranges between S\$30,000-\$50,000 (US\$21,000-\$36,000) a year, which includes first year and renewal commissions while top agents earn between the range of S\$150,000-\$250,000 per year.



Ms Anne-Marie Lee

Can the enchantment and lure of a celebrity selling insurance upstage the high scores of MDRT sales agents?

“Being a celebrity does not necessarily translate to a higher chance of closing a deal, as opposed to an MDRT agent,” said Ms Lee. “It cannot be denied that a celebrity can leverage on his network of contacts and this could help

one to attain short-term success... Whether one can close a sale, provide professional and competent advice, and subsequently sustain a long-term relationship with a client, depends not on one’s celebrity status but one’s knowledge, professionalism, service level and ethical conduct.”

If by measuring the top production of agents, for example in Singapore, Ms Lee said the ones who would qualify for this elite group would have Earned First Year Commissions of S\$103,000. This equated to only 4% (out of the 14,100 registered agents in Singapore) who have this success rate.

Sales process is stringent and has to be followed

So how does a celebrity like Mr Tan compare to the MDRT cream of the crop? Unfortunately, he was not able reveal his gross written premiums for his nine months since being with Manulife, however, Mr Thomson said that Mr Tan has been consistently among the highest performers for the Singapore Group. Numbers aside, Mr Thomson asserted that: “No sale is made until a thorough fact find has been completed and the clients’ future goals, dreams and aspirations clarified and understood” and the sales process is stringent, much like any other transaction.

And while most would think that these celebrities are hired to tap into the high net worth market, Mr Thomson reiterated that this is not the case for Manulife Singapore: “If there was an opportunity to do so, for all the ‘right’ reasons”, then this would materialise.

Mr Craig Ellis, Regional Life & Health Manager Allianz Asia Pacific, believed that every agent must become a “true ambassador” of the company and customers’ core values, and his vision is projected across the agent board, famous or not.



Mr Craig Ellis

“A celebrity status can ensure an initial contact. But securing life insurance business is an entirely different ball game. There are no shortcuts and only perseverance and after sales, pays,” Ms Nanda said.

And Mr Tan agreed. Being a celebrity does help to “open the doors easier” he acknowledged but the ingredients to a sale are still hard work, knowledge and professionalism.

India’s “Brand Wagon”

India perhaps provides the best example for celebrity life insurance endorsements. In 2000 when the Indian government opened up the insurance sector, the market was suddenly flooded with brands. “With more brands comes more clutter and as celebrity endorsements are known to break clutter, more and more Indian brands have started using celebrities,” said Hansa’s Sodhani.

Here are some recent examples:

- Aviva Life Insurance Co: Sachin Tendulkar (famous cricketer)
- Bajaj Allianz Life Insurance Co: Vijender Singh (boxing Olympic medalist); Winners of Pantaloons Femina Miss India 2009 pageant
- Birla SunLife Insurance Co: Kapil Dev (former cricketer)
- Max New York Life Co: Rahul Dravid (famous cricketer), Vijay Bachhan (actor)
- Reliance Life Insurance: Steve Waugh (ex-Australian cricket captain)
- Tata AIG Life Insurance Co: Naseeruddin Shah (award-winning actor and director)