

News Release

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HONGKONGERS MOST CONCERNED ABOUT HEALTH BUT NOT SUFFICIENTLY PREPARED FOR UNEXPECTED EVENTS, SAYS HSBC SURVEY

****Over two in five say they are financially unprepared to meet their health concerns****

****Three in five take no responsibility for ensuring family's financial stability****

****HSBC Insurance launches its Critical Illness Protection Plan to help ease people's concerns and meet their needs****

About seven in ten (69%) Hongkongers say what they worry most about in life is their health, followed by quality of life (44%), their home (36%) and their job/career/business(34%), according to HSBC's new global report, the Power of Protection: Confidence in the Future. There are four main health-related areas of concern: costs (63%), aging (55%) which covers long-term care, family's health (61%) and timely access to healthcare provision (48%).

However, our survey show that over two in five (42%) say they are financially unprepared to meet their health concerns. Although the remaining 58% claim to have either insurance or savings in place to cover them, this does not mean individuals are well-prepared as the measures in place might not be sufficient at all.

According to a report issued by a reinsurer¹, Hong Kong's mortality protection gap in 2014 is approximately HKD4,196 billion (USD538 billion), up from HKD3,050 billion (USD391 billion) in 2010; the protection gap per working person with a dependent in 2014 is approximately HKD2.24 million (USD 287,000)¹. Our survey also show that more than three in five (63%) people with self-paid life cover do not know what the pay-out from their policy would be nor do not think it is enough.

Candy Yuen, CEO of HSBC Insurance (Asia), said, "According to HSBC research, 70% of our customers have a protection gap and requires on average around three times of their current coverage to achieve adequate protection. Insufficient protection means one might have to use the savings set aside for other purposes to pay for expenses incurred by unexpected events. For example, it could impact their ability to pay for their children's education or save for retirement. It is important for our customers to continually review their protection needs, as the cost to achieve their financial goals including buying a property, getting married, having a child change through life."

While health is the main concern for many, 53% of Hongkongers think that someone else should take responsibility for funding the cost of their personal healthcare. Nearly a quarter (23%) say that it should be the government, 14% believe it should be their families, and a further 16% point towards their employer. And in case something happens and they are no longer able to earn, an even higher percentage (60%) of people in Hong Kong believe someone else should be responsible for ensuring their family's financial stability.

This information is issued by

HSBC Life (International) Limited

HSBC 
Insurance

“We need to be aware of the limitations of protection plans offered by employers as they usually only provide a basic level of protection. Our survey show that people who plan most actively are more confident in their future than those who do not. It is important to have your own planning and a regular financial “check-up” with your trusted advisor - a sound financial plan with insurance as the foundation should help secure your financial well-being and bring peace of mind, allowing you to look to the future with confidence,” Candy added.

Apart from the dependence on others, misunderstanding insurance is another common barrier that influence Hongkongers’ decision to put financial protection in place for the future. Of those who are considering health insurance but have not yet purchased it, the main barrier is cost-related; 61% of people in Hong Kong state they either know or expect it to be too expensive while 38% say they do not know how to go about it or are concerned about exclusions or pay-out.

Candy said, “Insurance can provide cover in the event of death, illness or accident, and disability. People sometimes find insurance complex and at times form misconceptions about the costs involved. I encourage you to seek financial advice from a trusted provider to help identify the right solution for you.”

HSBC’s new critical illness protection plan: comprehensive coverage on 128 diseases & up to four times recurring claims of different critical illnesses

HSBC understands health is a key concern for Hongkongers. To help fulfill customers’ goals and needs with peace of mind, HSBC continuously expands and enhances the range of services with the launch of the HSBC Comprehensive Critical Illness protection plan. Features² of the plan include:

- **Comprehensive coverage** – covers death and up to **60 critical illnesses³**. Provides **optional coverage of 68 early stage critical illnesses** with assistance to fund medical treatment or other expenses at customers’ discretion
- **Multiple critical illness benefit** – provides multiple critical illness benefits with **the maximum aggregate claim amounts of up to 200%** of sum insured amount for each illness Groups respectively (i.e. Cancer group and Non-Cancer Illness Group).
- **Tailored to diversified needs** – **guarantees premium rates** from policy inception, and **waives future premiums** upon the payment of critical illnesses benefit⁴
- **Easy application** with no medical checkup required (for purchase up to HK\$5M sum assured)

Candy continued, “We all strive to achieve goals throughout our lives, and staying healthy is the key. However, people of Hong Kong often lead a rather hectic and stressful lifestyle, which increase the risk of developing common critical diseases. According to the Hong Kong Cancer Registry, there was a 35% increase in new cancer cases between 2003 and 2013, where 10% of these patients are under the age of 44, showing a significant proportion of younger sufferers. A critical disease not only affects your physical health but your financial health as well, ultimately affecting you and your family’s quality of life. We hope to offer our customers a comprehensive critical illness insurance plan that provides flexible protection with peace of mind.”

Apart from the new critical illness insurance plan, HSBC provides a suite of products and solutions that helps protect our customers and their families from the financial loss due to unfortunate life events.

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| Goal Access Universal Life Plan (Protection) | - Provides protection and saving features, plus the flexibility to adjust the sum insured to fit |
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| | your changing needs |
| Lifestyle Wealth Protection Plus | - Provides comprehensive lifetime protection and distributes guaranteed cash bonuses, amounting in total to 54% of the sum insured, at the 6th policy anniversary and every three years onwards to the 24th policy anniversary. |
| WholeLife Protection Plan | - Offers protection for the duration of the policy with guaranteed savings |

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Notes to editors

1. Asia-Pacific 2015 Mortality Protection Gap, Swiss Re (Exchange rate US to HKD (1:7.8) (<http://media.swissre.com/documents/Mortality+protection+Gap+Asia+Pacific+-+FINAL.pdf>)
2. Please refer to the respective product brochure, fact sheet and policy provisions for details of the above product features and their associated risks which are subjected to terms and conditions.
3. Including cancer, heart attack and stroke.
4. Any outstanding future premiums under the Basic Plan and Supplementary Benefits will be waived once the Total Claims Paid is equal to or more than 100% of the sum insured.
5. Source: "Top Ten Cancers in 2013" from Hong Kong Cancer Registry (<http://www3.ha.org.hk/cancereg/Statistics.html#cancerfacts>) data generated from Cancer Statistics Query System (CanSQS).

Disclaimer

The policyholder is subject to the credit risk of HSBC Life (International) Limited. If the policyholder discontinues and / or surrenders the insurance plan in the early policy years, the amount of the benefit he / she will get back may be considerably less than the amount of the premium he / she has paid. Past, current, projected and / or potential benefits and / or returns (e.g. bonuses, dividends, interests) presented herein are not guaranteed and are for illustrative purposes only. The actual future amounts of benefits and / or returns may be lower than or higher than the currently quoted benefits and / or returns.

Notes to editors

The Power of Protection is an independent consumer research study into global protection needs and trends, commissioned by HSBC. This report, *Confidence in the future*, is the inaugural report and represents the views of 11,496 people in 12 countries and territories (Argentina, China, France, Hong Kong, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom, United States). The findings in Hong Kong are based on a representative survey of 1,050 people aged 25 and over. The findings are based on a nationally representative survey of people of working aged 25 and over in each country or territory. The research was conducted by TNS in October and November 2015, online in 11 countries.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 46 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 4,400 offices in 71 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,608bn at 30 June 2016, HSBC is one of the world's largest banking and financial services organisations.

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