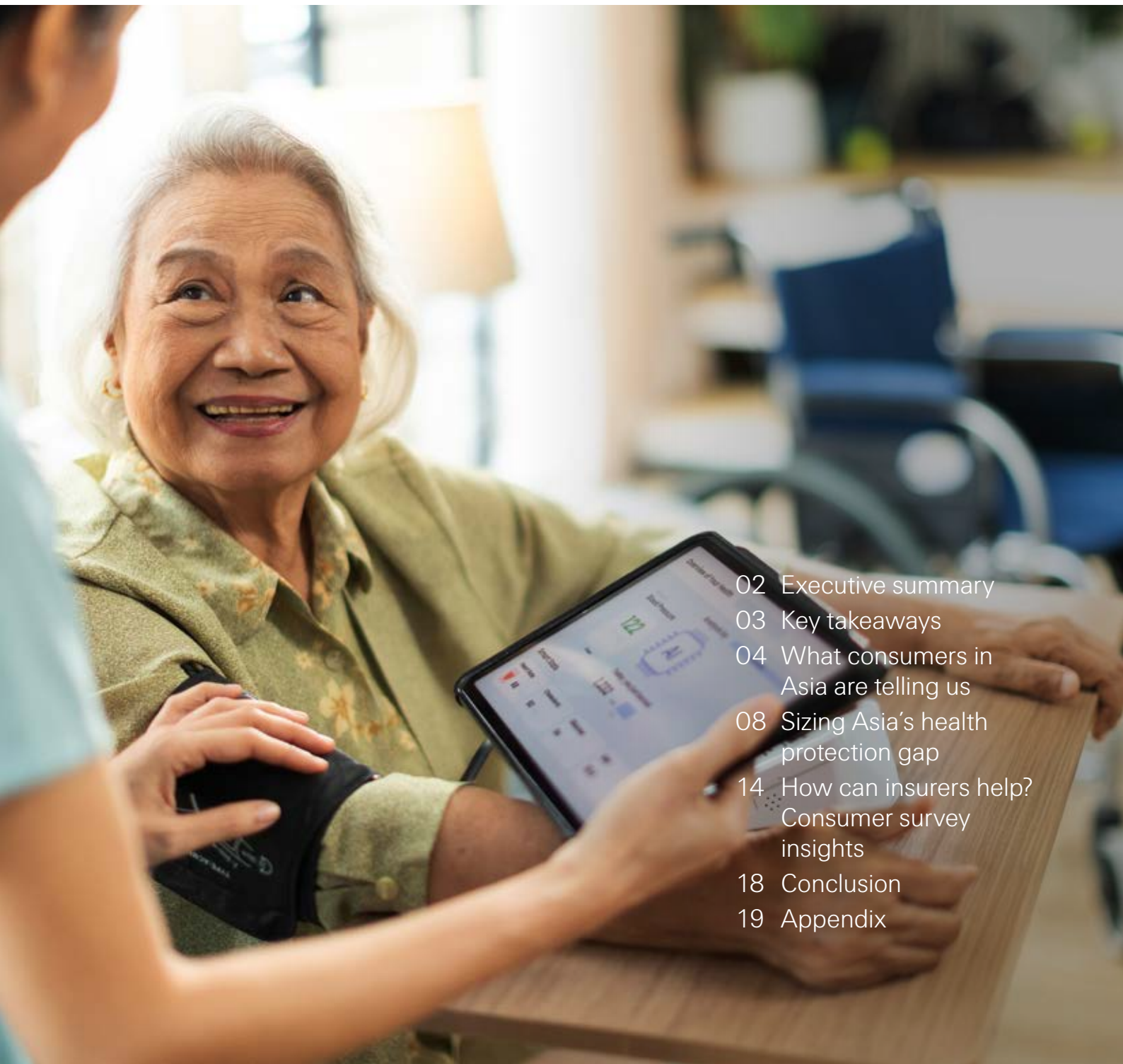


# Asia Life & Health consumer survey 2025:

Insights into consumers' risk concerns to help  
narrow the health and mortality protection gaps



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04	What consumers in Asia are telling us
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# Executive summary

Economic uncertainty, rising health costs and longer lifespans are driving demand for more affordable, relevant and reliable financial protection.

Interest in insurance is strong, but economic pressures and limited consumer understanding hold back purchases, especially in emerging Asia.

The Asia health protection gap continues to grow, reaching an estimated USD 258 billion in premium terms in 2024.

Public healthcare efforts are expanding but many households still face financial strain, particularly from the costs of treatment for chronic and critical illnesses.

Asia's widening USD 132 billion mortality protection gap reflects fast-growing household incomes while uptake of life insurance remains low.

Bundled plans, severity-based coverage and preventative care add-ons would better match consumer needs and help narrow the protection gaps

Asia's consumers are navigating an era of growing economic uncertainty. Job insecurity, increased costs of living, chronic health burdens and longer life spans are reshaping how people think about financial protection. To better understand how people perceive risk and protection, this year Swiss Re Institute conducted a survey of more than 12 000 consumers across 12 Asian markets (including both advanced and emerging economies). The findings offer a detailed look into shifting attitudes, unmet needs and what consumers want from life and health (L&H) insurance. For insurers the message is clear: aligning with consumers' evolving preferences through product innovation is not only a competitive imperative, but also a path toward closing Asia's persistent protection gaps.

Survey respondents showed strong interest in L&H products, particularly in emerging Asia where 60% said they intend to buy life insurance in the next year. Yet barriers like perceived high price, lack of consumer knowledge and awareness, and product irrelevance were frequently cited reasons to not buy cover. Broader concerns over job security and cost of living present further barriers. Unemployment is the biggest worry for about 60% of respondents in emerging Asia. In the region's advanced economies, 45% cited cost of living as their main concern.

Purchasing barriers have real consequences. We estimate the health protection gap (HPG) across the 12 surveyed Asian markets reached USD 258 billion in premium equivalent terms in 2024. This is based on the share of healthcare costs that households find financially stressful, derived from our survey and World Health Organization (WHO) data. Compared to 2017 when we conducted our last consumer survey on stressful out-of-pocket (OOP) healthcare expenditure, the gap increased by 21%. Most of the gap stems from emerging Asia. In absolute terms, China accounts for over half the region's HPG. This is due to its large population as well as growing household healthcare spending on more modern treatments. However, our HPG estimates do not include the non-treatment gap due to affordability and availability issues and likely understate the level of vulnerability in all countries such as India, where many households cannot afford healthcare or it is not even available.

Our survey confirms that OOP healthcare spending remains a key driver of financial stress across Asia. In most markets, respondents reported feeling more burdened by medical expenses in 2024 than in 2017, a trend more pronounced in emerging economies like India. Government schemes to increase public healthcare coverage have expanded in several countries, including large-scale public insurance initiatives in Indonesia, India and Thailand. Nevertheless, gaps remain in coverage adequacy and accessibility. For many households, chronic conditions and critical illnesses are the leading sources of stress-related spending, highlighting areas where better insurance protection is urgently needed.

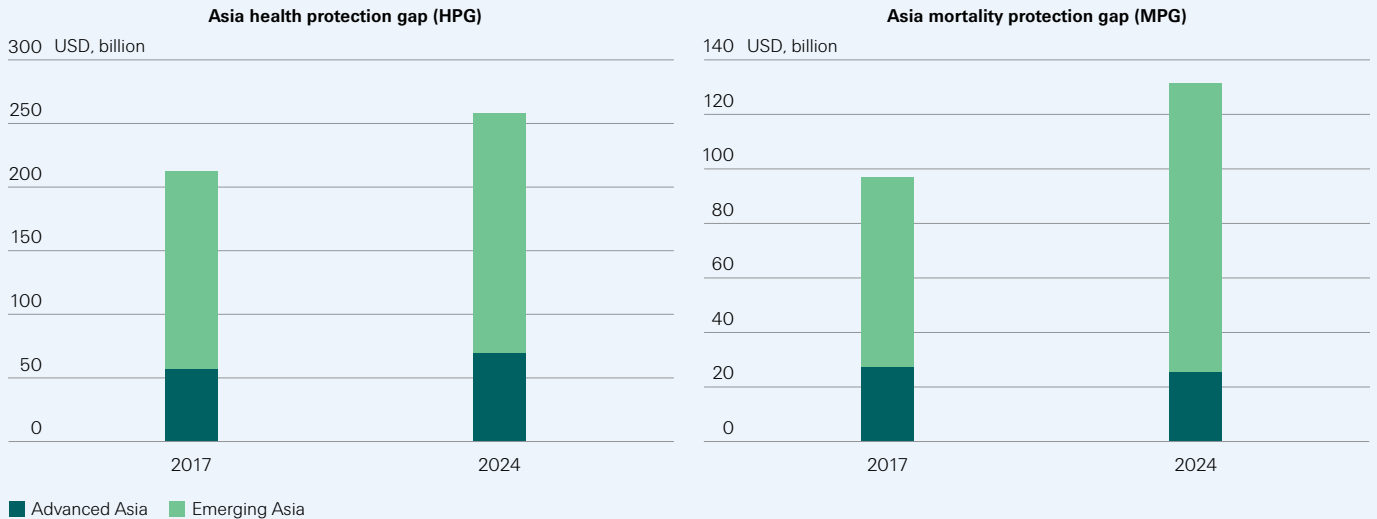
In parallel, we estimate that the mortality protection gap (MPG) for the same Asian markets was USD 132 billion in premium equivalent terms in 2024, a 35% increase from 2017. This reflects the rising income replacement needs of an expanding middle class and relatively low uptake of life insurance, especially in emerging markets. Household incomes and therefore protection needs have surged, but insurance uptake has not kept pace. These unmet insurance needs call for more targeted, inclusive insurance solutions.

Making insurance more affordable, accessible and sustainable is essential to close Asia's protection gaps. Bundling L&H insurance simplifies administrative process and consumers appear to welcome protection combinations. For example, more than 90% surveyed said they do not want to buy a pure life policy. Still, bundling makes policies more complex and consumers need clear explanation of terms and conditions at the point of sale. Preventative care value-added services are also popular and can avoid or contain the high costs of future complications. Finally, severity-based designs<sup>1</sup> can match payouts with consumers' actual medical and financial needs over their lifetimes more accurately than traditional critical illness insurance. To complement such product innovations, insurers must also improve how the details of coverage are communicated, ensuring consumers are aware of and understand the real value of financial protection.

<sup>1</sup> Severity-based health insurance payouts are based on how severe the illness is (rather than just whether the illness has been diagnosed or not).

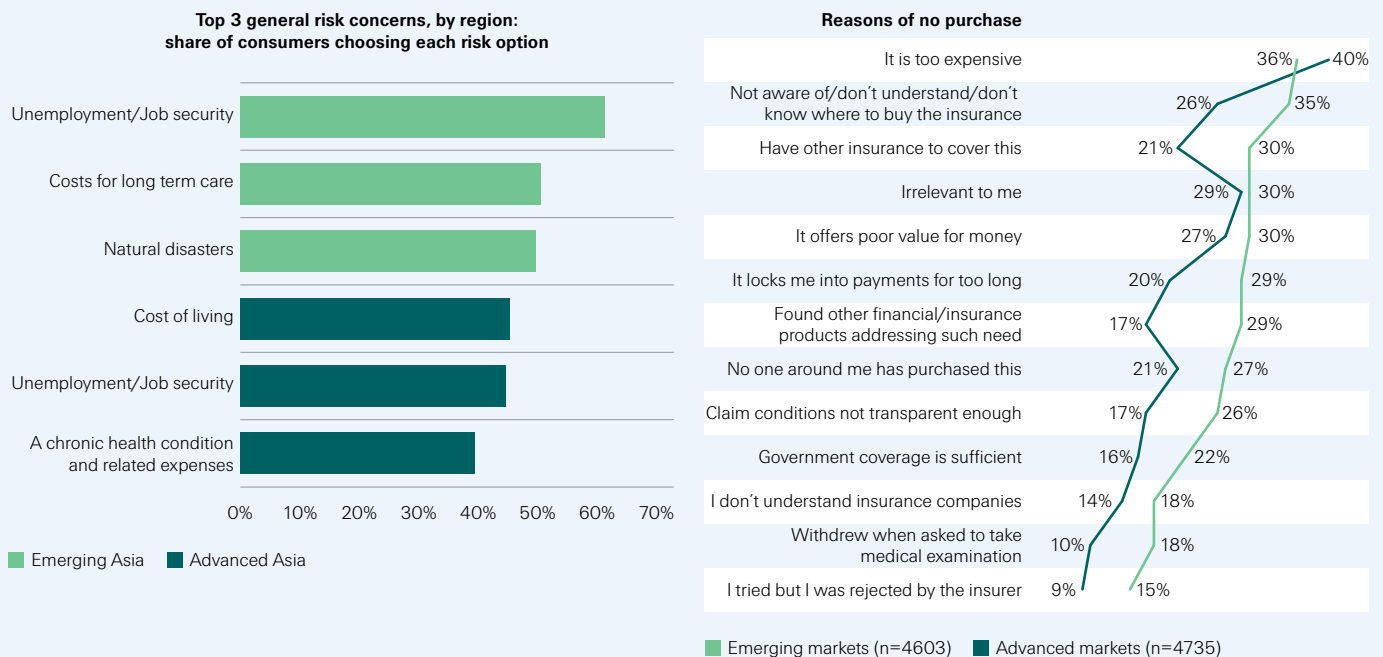
# Key takeaways

Asia’s emerging markets account for the largest share of widening health and mortality protection gaps. This reflects large populations and low levels of insurance coverage relative to that in the advanced markets of the region.



Note: Emerging Asia includes China, India, Indonesia, Malaysia, Thailand, Vietnam; and advanced Asia includes Japan, South Korea, Australia, New Zealand, Hong Kong and Singapore. The same set of countries are considered as part of both MPG and HPG.  
Source: Swiss Re Institute

Survey respondents cite economic risks as their greatest concerns, from unemployment to cost of living. Price, lack of knowledge and lack of product relevance are the main reasons why consumers do not buy insurance.



Source: Asia health protection gap survey 2025, Swiss Re Institute

# What consumers in Asia are telling us

Swiss Re Institute’s consumer survey offers insights into consumers’ risks concerns, insurance buying experiences and preferred product features.

Consumers’ top worries include economic conditions and healthcare expenses.

## Survey overview: understanding consumers across Asia

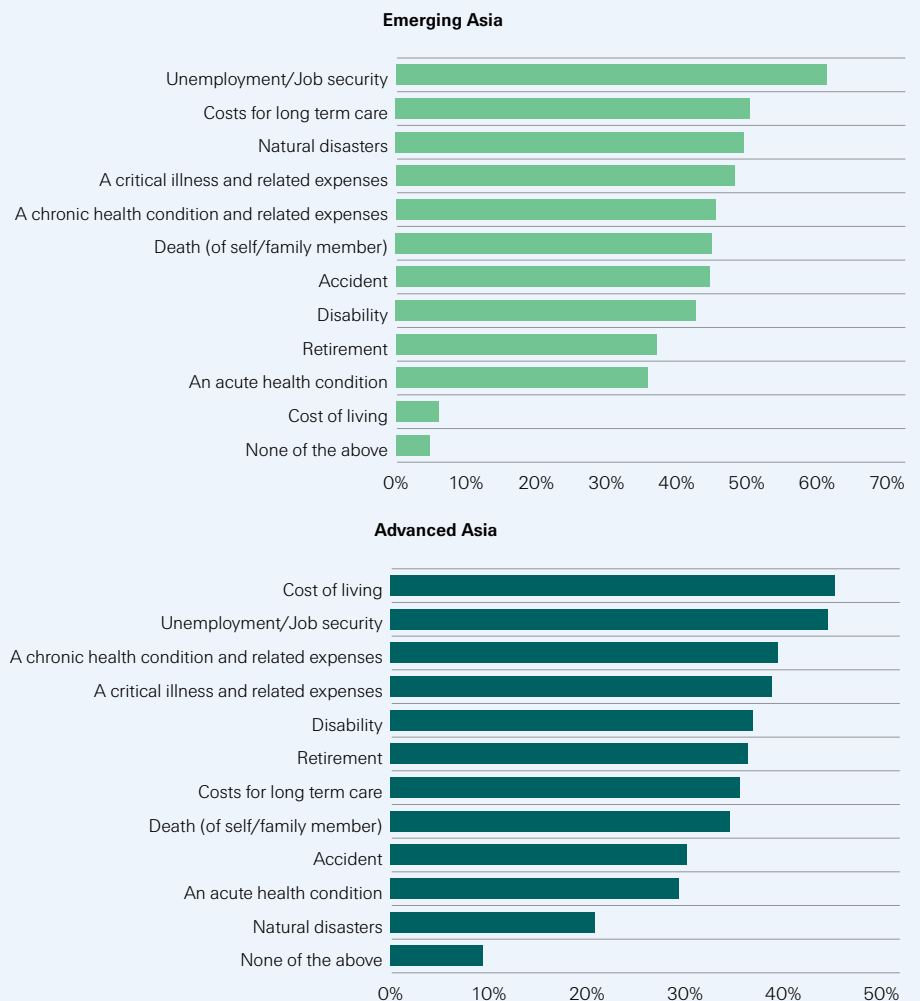
Swiss Re Institute has conducted a consumer-based survey in 2025, covering more than 12 000 respondents across 12 key Asian markets. The markets surveyed were China, India, Indonesia, Malaysia, Thailand, and Vietnam (emerging) and Japan, South Korea, Australia, New Zealand, Hong Kong, and Singapore (advanced). The survey explored consumers’ insurance ownership, buying intentions, perceived financial risks, health and retirement concerns, and preferences for L&H product features. It provides unique insight into how people perceive and prioritise protection in a fast-changing environment. The survey also helped us update our estimate of Asia’s health protection gap (HPG) by providing the share of healthcare costs that causes financial stress to households.

For more details of the survey, please refer to the Appendix.

### Consumers’ top risk concerns are economic and health-related

Our survey revealed that economic and health-related anxieties dominate the minds of consumers across Asia. In emerging markets, the top concern is job security, cited by 60% of respondents. In advanced markets, 45% of consumers point to the rising cost of living as their primary concern. While these pressures may dampen consumers’ willingness to buy insurance, concerns around long-term care and chronic disease expenses continue to highlight the need for adequate protection.

**Figure 1**  
Share of consumers choosing each option as their risk concerns, %



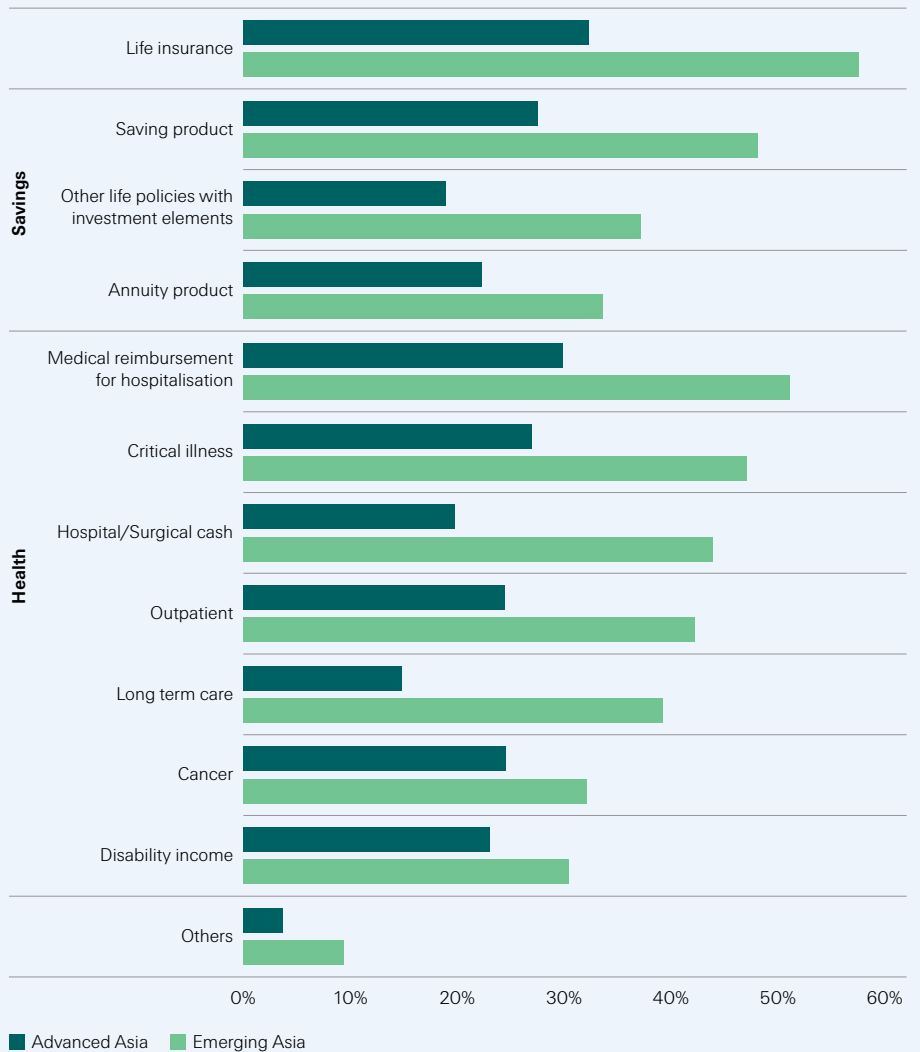
Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

Consumers in Asia show a clear willingness to buy life and health insurance in the next year.

**L&H insurance purchase intentions are high...**

Interest in purchasing L&H insurance is high across the region, especially in Asia’s emerging markets. According to the survey, around 60% of respondents in emerging Asia said they plan to buy life insurance in the next year, compared to about one-third in advanced markets. Around half of respondents in emerging markets also expressed interest in savings products and medical reimbursement for hospitalisation costs (see Figure 2). This high level of interest signals a large untapped market for insurance, especially in countries where coverage remains low along with less comprehensive government programmes.

**Figure 2**  
Share of consumers (%) willing to buy insurance in the next year, by product



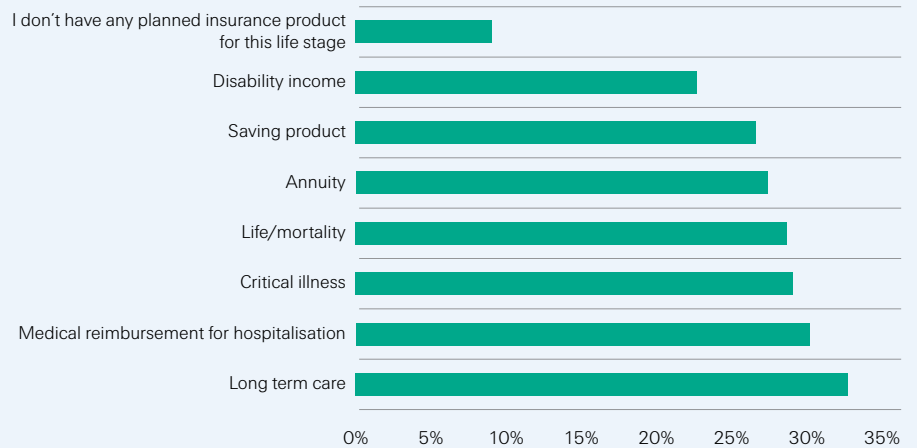
Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

90% of respondents expect to need insurance for life after retirement.

**...and perceived as needed for retirement planning**

As they age, consumers recognise the importance of insurance for financial security in retirement, particularly to cover unpredictable out-of-pocket healthcare expenses. The most preferred products for retirement are long-term care (LTC), medical reimbursement and critical illness (CI) covers (see Figure 3). The findings suggest that longer retirement periods, driven by rising life expectancy and declining family support structures, are creating a growing demand for L&H coverage in later life.

**Figure 3**  
Share of Asian consumers choosing each product that will help to satisfy their insurance need in retirement, %



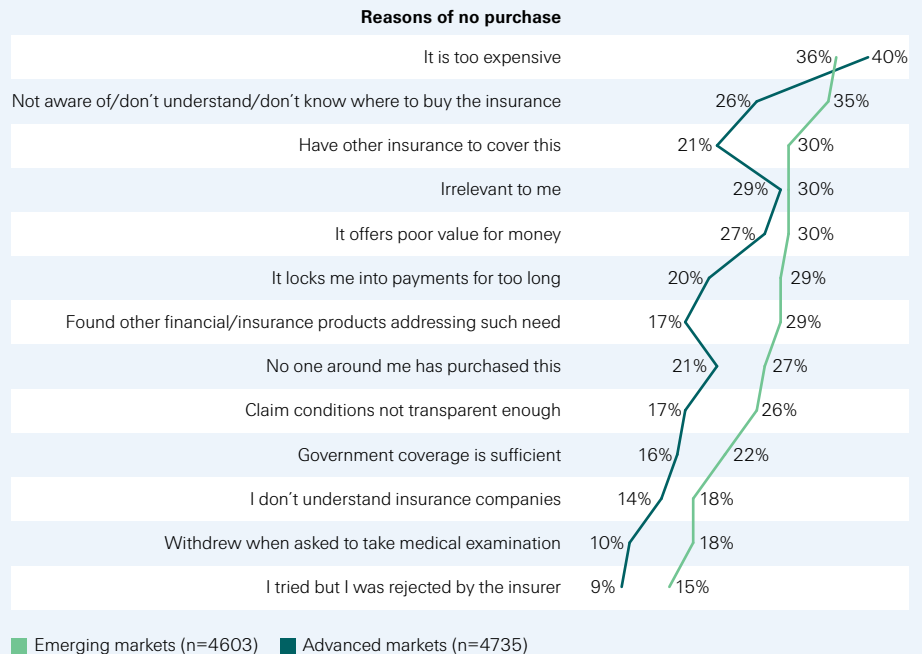
Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

High price, and lack of knowledge and awareness are main barriers for consumers in Asia to purchasing insurance products...

**Reasons consumers don't buy insurance**

Despite consumers expressing interest in buying insurance, especially in the emerging markets, we see several barriers to purchasing insurance products. In emerging Asia, after price, limited understanding/awareness is the second most cited reason for not purchasing insurance. Poor value for money and products that are not relevant to consumer needs are other main reasons consumers do not buy insurance. In advanced Asia, the findings from our survey show that respondents are more sensitive to price rather than product relevancy when they consider buying insurance.

**Figure 4**  
Reasons why consumers have not bought L&H insurance products in emerging and advanced Asia

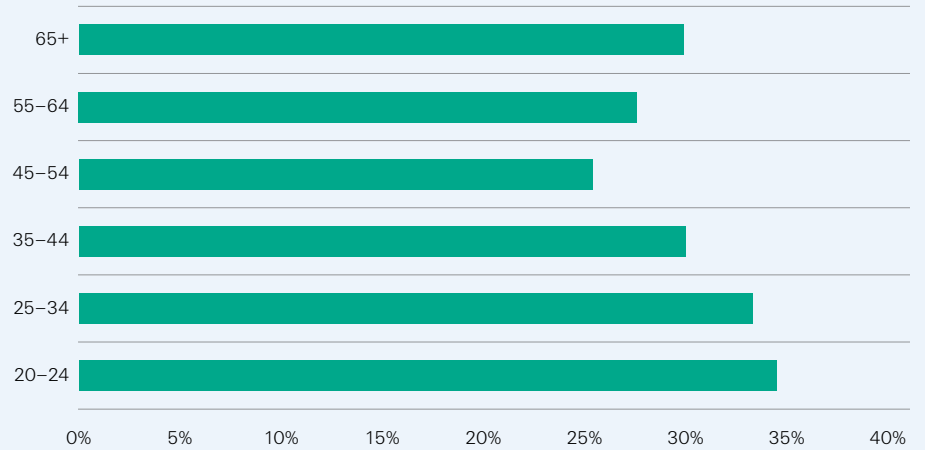


Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

...especially among the younger consumers.

According to our survey, over 30% of consumers who did not purchase insurance cited limited product knowledge or awareness as main reasons (see Figure 5). We see modest differences in insurance knowledge by age, the gap more pronounced among younger consumers (aged 20–34) who may have not yet seen life events (eg, parenthood) that typically trigger insurance purchases. Other age groups may face different challenges in understanding insurance options. For the older generation (65+), these include difficulties in navigating more complex insurance products or new digital platforms.

**Figure 5**  
Share of consumers (%) who did not purchase insurance in the past due to lack of product knowledge/awareness, by age

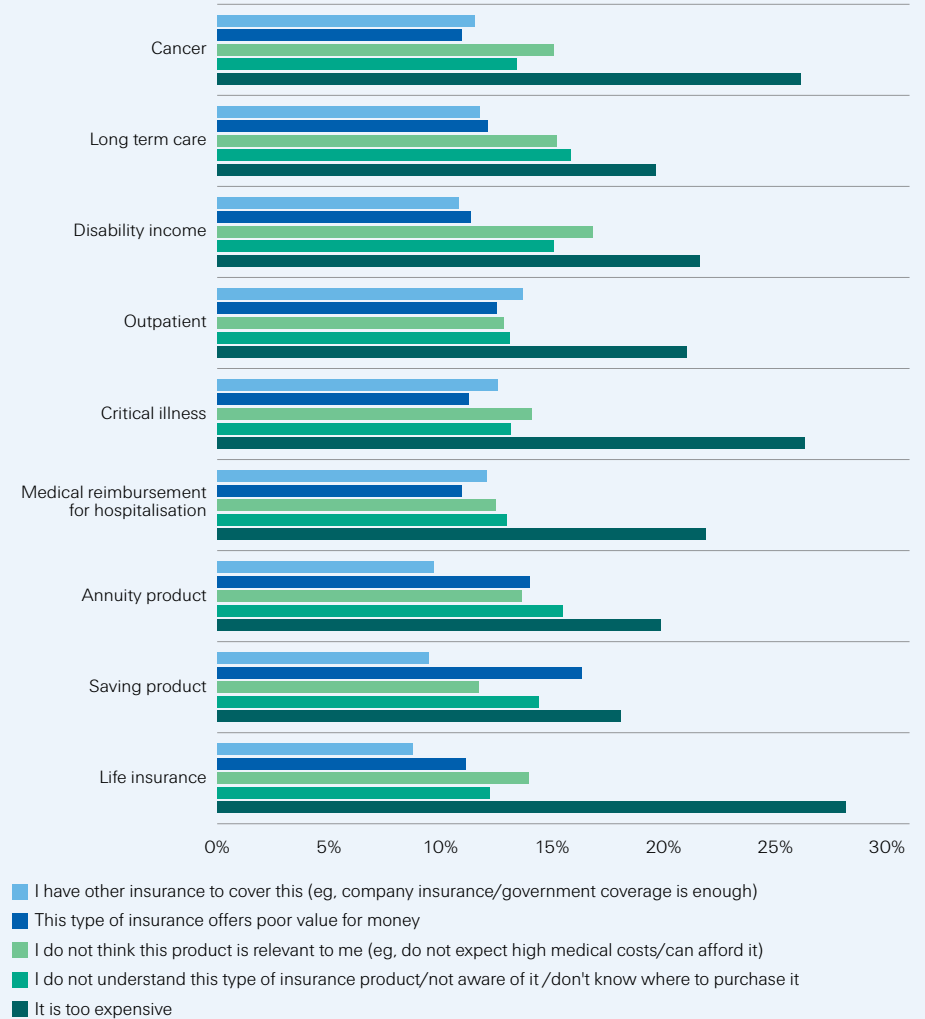


Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

Saving product demand is notably impacted by concerns over poor value for money, compared to other product types.

By product, lack of understanding or awareness is a significant barrier for not buying insurance, particularly LTC, disability income, annuity and saving products (see Figure 6). And perceived irrelevance is another factor discouraging consumers from buying disability, LTC and cancer protection. Demand for saving products is notably impacted by concerns over poor value for money compared to other product types. This could reflect lack of understanding of the product.

**Figure 6**  
Share of consumers choosing each reason for not having purchased insurance in the past, by product, %



Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

# Sizing Asia’s health protection gap

## Asia’s HPG: USD 258 billion market potential

Our HPG quantifies stressful OOP spending by households on healthcare.

We draw on our consumer survey findings and WHO data.

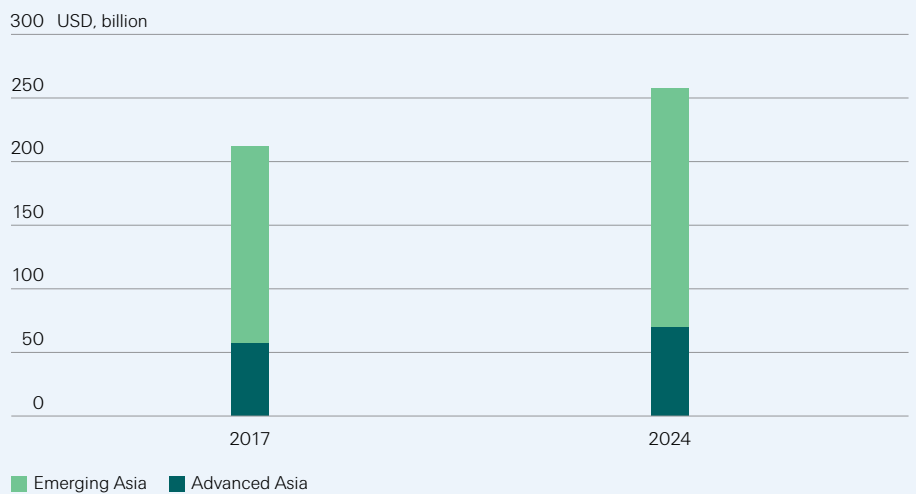
Asia’s HPG across markets surveyed reached USD 258 billion in premium equivalent terms in 2024.

Health shocks can be a painful reminder that access to quality care is not guaranteed. For households lacking sufficient coverage or savings, the costs of hospitalisation and medical treatment can quickly become a major source of financial stress. To understand this risk, we define the health protection gap (HPG) as the share of individual out-of-pocket (OOP) healthcare expenditure (HCE) not covered by insurance or government schemes that causes financial strain to households (see Appendix for methodology).<sup>2</sup> This definition captures financial vulnerability in accessing care but does not include the non-treatment gap (ie, the need for healthcare that goes unmet due to affordability or availability issues).

Our estimates of the HPG draw on two main sources: the responses to our consumer survey that quantify what portion of OOP healthcare expenditure are perceived as stressful, and country-level OOP spending data (ie, direct spending by households on healthcare) is from the WHO. In this report, we use premium equivalent terms to facilitate comparison with other risk areas. The main focus of this chapter is HPG. However, we also include a small section with our estimate of the mortality protection gap (MPG), in order to present a more complete view of Asia’s protection needs.

We estimate the combined 2024 HPG across the 12 Asian markets surveyed to be at USD 258 billion in premium equivalent terms. This represents the amount needed to relieve the financial stress experienced by households due to OOP healthcare spending. The gap has increased by 21% since our previous survey round in 2017, when it stood at USD 212 billion. The widening reflects multiple factors including rising medical inflation, growing demand for healthcare services, and demographic changes such as population ageing. Both the emerging and advanced markets of the region saw a widening of the HPG, with emerging Asia accounting for 73% of the total gap (USD 188 billion, see Figure 7) in 2024. The remainder, USD 70 billion, came from the advanced markets. The larger gaps in emerging markets reflect relatively low insurance penetration and much larger populations.

**Figure 7**  
Asia HPG in the survey periods, 2017 and 2024 across emerging and advanced Asia, in premium equivalent terms



Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

<sup>2</sup> Swiss Re Institute has published global health protection gap estimates, including Asia, since 2019 annually. That analysis is done on a developed benchmark model based on country-level macro data, in contrast to this report which uses consumer survey data for the perceived stress portion of OOP HCE.

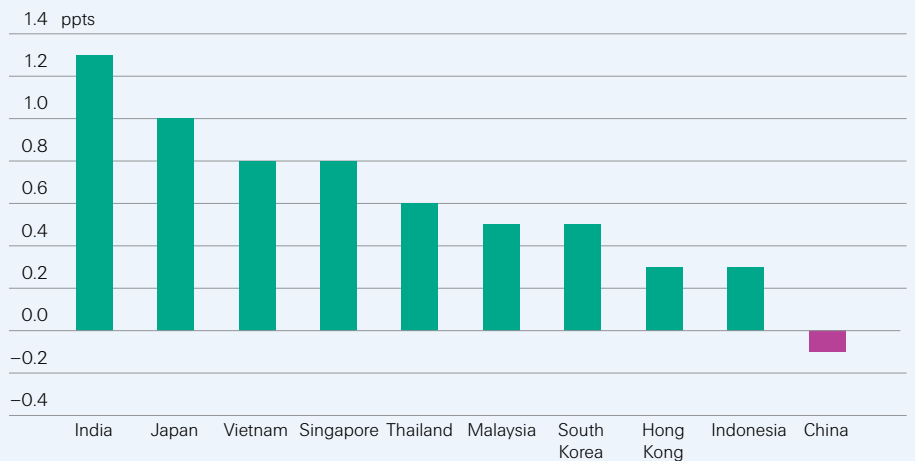
In absolute terms, the HPG is largest in China.

In *absolute* terms, the HPG was largest in China last year, at around USD 143 billion in premium equivalent terms. However, as our HPG estimate does not include the non-treatment gap due to affordability and availability issues, it likely understates the true level of vulnerability in all countries. Including those such as in India, where many households cannot afford healthcare or it is not even available. This China HPG estimate reflects both the highest number of households in the region and growing household OOP healthcare spending, in absolute terms. The growth in healthcare expenditure is due to rapid modernisation of the healthcare sector (thus increased use of more advanced treatments), a lower share of public healthcare funding compared to countries in advanced Asia, and rising demand from an ageing population with a growing chronic disease burden.<sup>3</sup> In advanced Asia, Japan, where ageing and the growing burden of chronic illness continue to drive long treatment durations and high medical costs, has the largest estimated HPG in premium equivalent terms (USD 24 billion).<sup>4</sup>

In all markets except China, OOP spend on HCE in 2024 was more stressful for households than it was in 2017.

**In most markets, consumers say OOP HCE spending has become more stressful**  
 Another drive for increased HPG is the higher share of stressful OOP HCE. In all markets except China, households reported more stress paying OOP HCEs in 2024 than they did in 2017. The highest change happened in India as low disposable income and inadequate public health insurance may be causing financial stress for the large of segment of uninsured households. In China, households reported being under less financial stress from OOP HCE in 2024 than they did in 2017 (see Figure 8). This is likely due to healthcare reforms and increased insurance coverage, which are improving the affordability and accessibility of health services in China.

**Figure 8**  
 Change in reported financial stress by consumers, 2024 vs 2017



Note: Financial stress score is constructed based on stress conditions reported by respondents. See table 3 in Appendix for specific stress scenario descriptions.  
 Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

Chronic disease and critical illness are equally important in driving OOP healthcare expenditures.

**Chronic disease and critical illness are driving wider health protection gaps**  
 In our survey, we asked consumers which conditions lead to the associated treatment costs causing them financial stress. The survey results indicate the total HPG is almost equally caused by chronic diseases (47%) and critical illness (50%). Unfortunately, CI insurance products today are still generally binary in nature, with payouts following diagnosis (eg, whether cancer is detected) rather than being based on the severity of the disease or overall health impact. This can mean that insurance protection is not well matched to consumers' actual needs, contributing to both large protection gaps and high claims –and ultimately less affordable insurance cover. We discuss how insurance design linked to critical function impairment can be a more sustainable solution for both insurers and consumers in the last section.

<sup>3</sup> *Implications for household health expenditure in China's ageing population: based on Red Herring hypothesis*, BMC Public Health, 28 October 2024.  
<sup>4</sup> *Japan's healthcare delivery system: From its historical evolution to the challenges of a super-aged society*, National Institutes of Health, 29 February, 2024.

Non-treatment costs due to lack of affordability are a large burden for emerging markets.

### The cost of non-treatment due to unaffordability

We also asked consumers about the cost of treatment foregone due to unaffordability in the survey, another indicator of under-protection, and estimated such cost for the 12 Asian countries covered in this study (see Appendix for details). The non-treatment cost due to unaffordability amounted to USD 130 billion in 2024. This is equivalent to an additional 22% on top of the aggregated OOP HCEs (about USD 590 billion) across those countries. Over 80% of foregone treatment costs originated from emerging Asia, due to the high number of households and lower incomes, while advanced Asia accounted for the remainder of the total. Our survey results show that chronic diseases account for 56% of total non-treatment costs, and critical illnesses roughly about 37%. This suggests people are more likely to skip care for ongoing but manageable conditions like diabetes or arthritis than for acute or life-threatening illnesses. Still, the scale of non-treatment costs highlights the real consequences of financial barriers to care and underscores the need for more inclusive insurance solutions.

Total OOP HCEs as a share of total healthcare expenditure has declined in almost all countries.

### Share of government health expenditure and insurance coverage has risen

Despite our survey reporting higher levels of financial stress from OOP HCE in 2024, the share of OOP HCE as a percentage of total HCE declined in almost all countries of the region last year relative to 2017 (see Figure 9). The decline comes as a result of healthcare system development, including the swift take-up of private health insurance and more comprehensive government programmes. Health insurance penetration for emerging Asia stood at 0.3% in 2024 (vs 0.2% in 2017), and for advanced Asia at 0.6% in 2024 (vs 0.5% in 2017).

Typically, in higher income countries a greater share of HCE spend is financed through public or mandatory insurance.

Generally, higher income countries have a greater share of healthcare spending financed through public or mandatory insurance schemes. According to WHO data for 2022, public health spending in Japan accounted for around 10% of GDP (about 23% of government expenditure), while in Malaysia was around 2% of GDP (about 8% of government expenditure).<sup>5</sup> On average, in 2022, the public health spending in advanced Asia was 7% of GDP compared to only 2% in emerging Asia.

Governments in emerging Asia have increased public healthcare coverage.

Nonetheless, over the last decade, governments in emerging Asia have sought to improve public healthcare coverage. For example, in India, programmes like Ayushman Bharat launched in 2018 and various state-level insurance schemes have made healthcare more accessible to economically vulnerable populations.<sup>6</sup> In Indonesia, the government launched the National Health Insurance scheme Jaminan Kesehatan Nasional (JKN) in 2014, covering over 260 million people (more than 95 percent of the population).<sup>7</sup> For Thailand, the inclusion of citizens in one of three public health insurance schemes: the Civil Servant Medical Benefit Scheme (CSMBS), Social Health Insurance (SHI), or the tax-financed Universal Coverage Scheme (UCS) (covers 75% of the population) has helped to lower the OOP share of total HCE.<sup>8</sup>

<sup>5</sup> Global Health Expenditure Database

<sup>6</sup> The Decline in Out-of-Pocket Expenditure (OOPE) in Health in India, GOI press release, 10 November 2024.

<sup>7</sup> Indonesia's success in achieving 90 percent coverage and minimizing out-of-pocket expense, WHO.

<sup>8</sup> Social Protection in Action: Building social protection floors for all, ILO, December 2021.

**Figure 9**

OOP expenditure as % of total health expenditure time comparison (first chart); and health expenditure by financing source as % of total health expenditure, estimated for 2024 (second chart)



Note: 2024 values are forecasted due to unavailability of data and are forecast from 2022 WHO values. For India, 2022 value is taken from the press release and is used for forecasting the 2024 estimate.<sup>9</sup> The category 'Others' represents voluntary pre-payments, external health expenditure and the portion of private health expenditure that is covered by health insurance.

Source: The Global Health Observatory, WHO, Swiss Re Institute

<sup>9</sup> GOI press release, op. cit.

Many households are vulnerable to financial distress in the case of death of a breadwinner

We estimate that the Asia MPG widened to USD 132 billion in 2024.

**Figure 10**

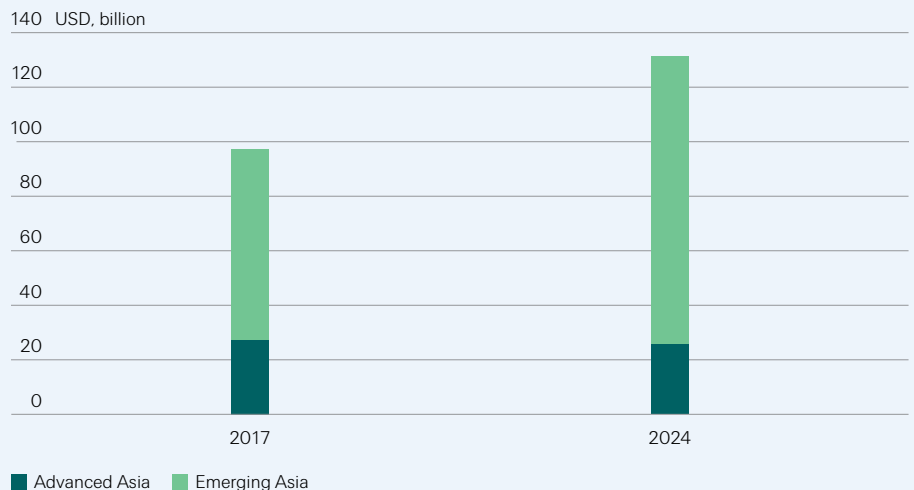
Mortality protection gap aggregates across emerging and advanced Asia markets, in premium equivalent terms

Emerging Asia's growing MPG reflects low uptake of life insurance.

**Asia mortality protection gap reached USD 132 billion**

Mortality protection is one of the key value propositions of life insurance, helping to absorb death risks and strengthen household financial resilience. We define the mortality protection gap (MPG) as the difference between the resources (or protection) needed to sustain a household's living standards (including repayment of debts such as mortgages) in the event of the death of a breadwinner, and the resources available. The latter include financial assets, proceeds from life insurance policies and social security benefits.<sup>10</sup>

We estimate the Asia mortality protection gap reached approximately USD 132 billion in premium equivalent terms in 2024,<sup>11</sup> up by 35% from USD 97 billion in 2017.<sup>12</sup> The increase was driven by the rapidly rising income levels of a fast-growing middle class across emerging Asia. This has raised the overall income replacement need in those countries by almost 50% since 2017. Household debt in emerging Asia economies has also almost doubled between 2017–2024, adding to protection needed. As a result, the emerging markets mortality protection gap increased more than 50% (see Figure 10). Emerging markets accounted for 81% of the aggregated MPG in 2024.



Source: Swiss Re Institute

**Uptake of life insurance in emerging Asia is relatively low**

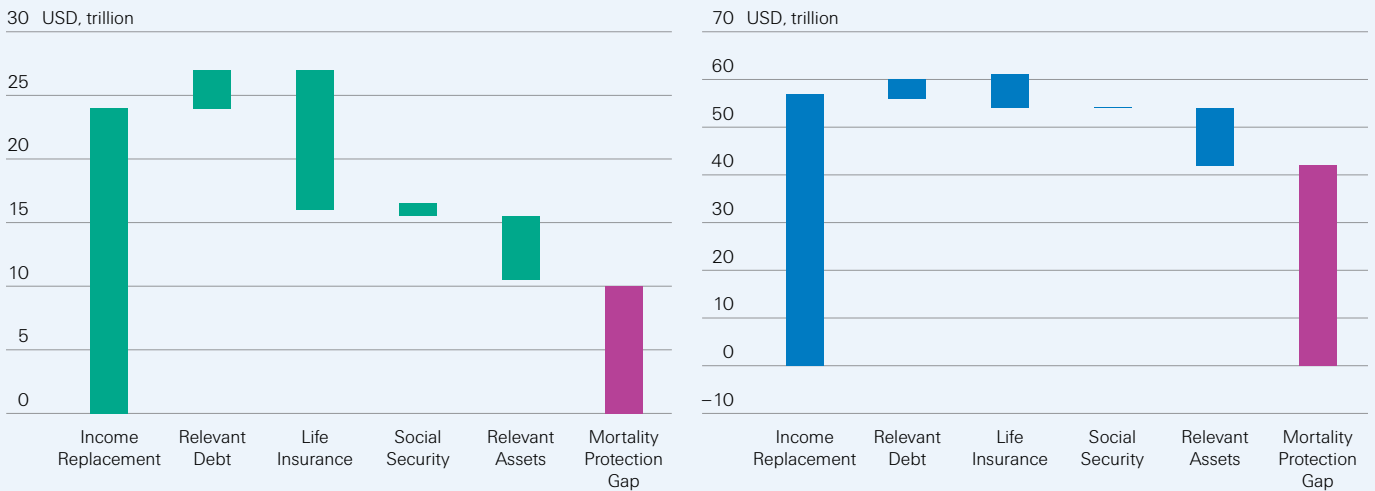
Emerging Asia's growing MPG also reflects low uptake of life insurance relative to advanced Asia (see Figure 11). Life insurance is a key component of protection availability: when take-up is low, households have less insurance as source of finance to cover their overall protection need. We estimate life insurance penetration in emerging Asia was less than half of advanced Asia in 2024, at 2.6% versus 5.4%. As a result, in emerging Asia, sums insured were just USD 7 trillion compared to USD 11 trillion in the advanced markets with a much smaller population.

<sup>10</sup> See Appendix for the full methodology, which follows the global sigma resilience research series.

<sup>11</sup> For the the 12 Asian markets described in previous chapter.

<sup>12</sup> We compare 2024 and 2017 numbers to run in symmetry with the health protection gap (HPG). The calculation of the HPG is based on consumer surveys, which we do not undertake on an annual basis.

**Figure 11**  
Composition of mortality protection gaps in emerging (left) and advanced Asia (right), USD trillion, 2024



Source: Swiss Re Institute

We expect new life business to come mainly from the emerging markets...

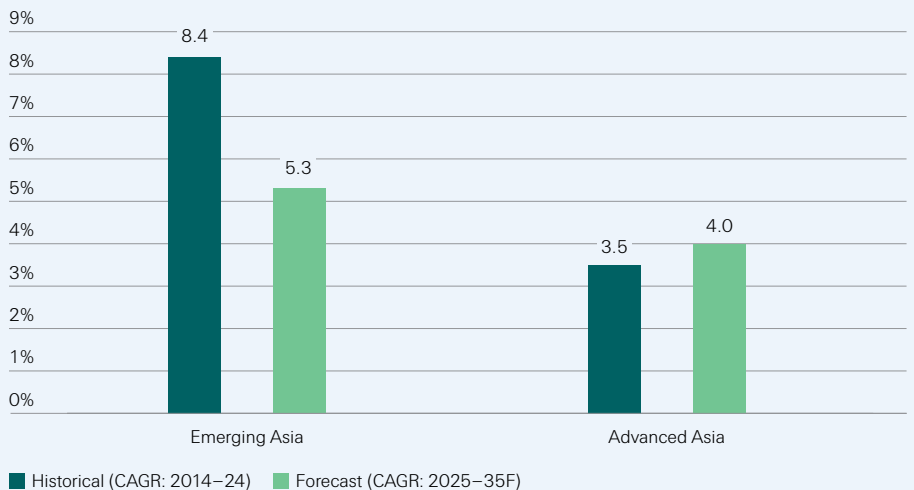
...but with divergent paths according to local demographics.

**Longer-term life insurance outlook: emerging Asia expected to drive growth**

We expect life insurance business to see faster growth in emerging Asia, given the higher economic growth potential of region and still low levels of resilience against mortality risks. In real terms, we project that mortality premiums in emerging Asia will increase by 5.3% on a compound annual growth basis (CAGR) between 2025 and 2035, outpacing the expected 4.0% gain in advanced Asia (see Figure 12).

Within generally higher growth rates in emerging Asia, however, there are strikingly different demographic paths. For instance, China and Thailand are already ageing rapidly, while the working-age population is still growing in India and Indonesia. A slow-growing or shrinking working age-population eventually tempers growth of life insurance premium volumes. At the same time, ageing leads to functional decline and greater need for tailored insurance solutions.

**Figure 12**  
Asia life premium growth for emerging and advanced Asia, in real terms



Source: Swiss Re Institute

# How can insurers help? Consumer survey insights

## Rethinking insurance design to close protection gaps

As economic pressures, healthcare costs and longevity risks increase, insurance offerings need to evolve, and better align with consumer requirements. Our survey findings suggest that while many consumers want to be covered by insurance, existing products often fall short in doing so, due to affordability, complexity, and/or perceived lack of value. By focusing on solutions such as L&H bundled plans, preventative care through value-added services, and severity-based insurance, insurers can help make protection more accessible and relevant and play a pivotal role in closing Asia's mortality and health insurance gaps.

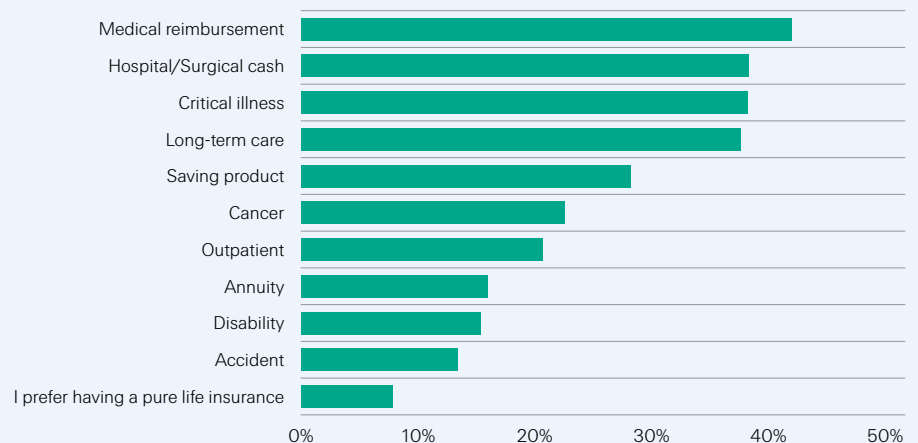
Product bundling can help keep insurance affordable.

### L&H bundled insurance

Bundling L&H policies could help lower premium rates by simplifying administrative processes for example, and consumers also appear to welcome protection combinations. More than 90% of consumers surveyed said they do not want just a pure life policy (see Figure 13). Health covers for medical reimbursement, hospital cash and critical illness are the most popular products to bundle with life policies. However, bundling increases product complexities and requires clear explanation of policies by agents at the point of purchase.

**Figure 13**

Share of consumers choosing each option in top 3 bundling preferences on life insurance, %



Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

Preventive care can be integrated with severity-based policies to contain costs for insurers and consumers.

### Encouraging preventive care through value-added services

Preventive care can help avoid costly complications and/or detect illness early to reduce HCEs and mortality rates.<sup>13</sup> Insurers can reduce claims severity by encouraging policyholders to adopt healthy living habits and to undergo regular screenings. Moreover, screenings can be integrated with severity-based policies that pay out benefits at the early stage of critical illness (to be discussed more later).

Consumers appreciate preventive care as a value-added service on top of their L&H insurance policies.

Our survey results show that consumers welcome value-added services enabling preventive care. Medical check-ups were the most chosen value-added services (see Table 1). Consumers are also willing to make healthier behavioural changes in exchange for monetary rewards, such as premium discounts or gym membership discounts. Insurers can therefore encourage insurance uptake by offering or bundling more preventative care services. In the long run, as ageing increases adverse chronic

<sup>13</sup> Early detections and effective intervention could reduce health spending related to breast cancer and colorectal cancer, while they can help avoid costly complications for disabilities. See: *Health and Economic Benefits of Chronic Disease Interventions*, National Center for Chronic Disease Prevention and Promotion

and critical health conditions, preventive care will help contain the cost of preventable health decline, and not only increase insurance viability but also societal resilience.

**Table 1**  
Share of consumers choosing the value-added services for life and health insurance, %

Insurance type	Value-added service	Share of consumers choosing the option (%)
Life	Medical check-ups (eg, preventive service and cancer screening)	46
	Health management services	36
	Rewards for healthy behaviour – premium discount, merchant discounts	25
Health	Medical check-ups (eg, preventive service and cancer screening)	34
	Rewards for healthy behaviour – premium discount, merchant discounts	30
	Post-hospitalisation treatments (eg, physiotherapy)	27

Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

Promoting the understanding of the benefits of protection can encourage insurance uptake.

We asked consumers to rank their preferences over different price points and schedules of benefit payouts.

Most prefer CI products that pay out more than once.

### Help consumers understand the value of protection

To reduce the knowledge gap, insurers should promote understanding of the benefits of insurance while managing consumers’ expectations. Tailored explanations for different age groups are needed. This could mean refining marketing communications in different sales and distribution channels (including online platforms). Training programmes on less-known insurance products (including severity-based insurance) will be important for staff involved in distribution, and also agents/financial advisors.

### Severity-based insurance design

In response to the increasing need for affordability and sustainability of critical illness (CI) insurance, our survey included several questions to assess consumers’ appetites for different kinds of CI products. We asked potential policy buyers to choose from a menu of different products including single-pay<sup>14</sup>, severity-based<sup>15</sup>, and multiple-pay<sup>16</sup> structures.

The responses first showed similar levels of willingness to buy severity-based policies and multiple claim policies, with both preferred to single lump-sum payment. Potential CI consumers indicated a narrow preference for purchasing multiple claim policies above severity-based policies (see Figure 14). However, younger consumers (age 20–34) and those in the lower income group<sup>17</sup> preferred severity-based CI over multiple- or single-claim CI. Such products can be better suited to the young with lower health risk concerns and greater financial constraints at their stage of life.<sup>18</sup>

<sup>14</sup> “Single-pay” pays a lump-sum payment once upon diagnosis of a covered critical illness. Once the payment is made, the policy terminates.

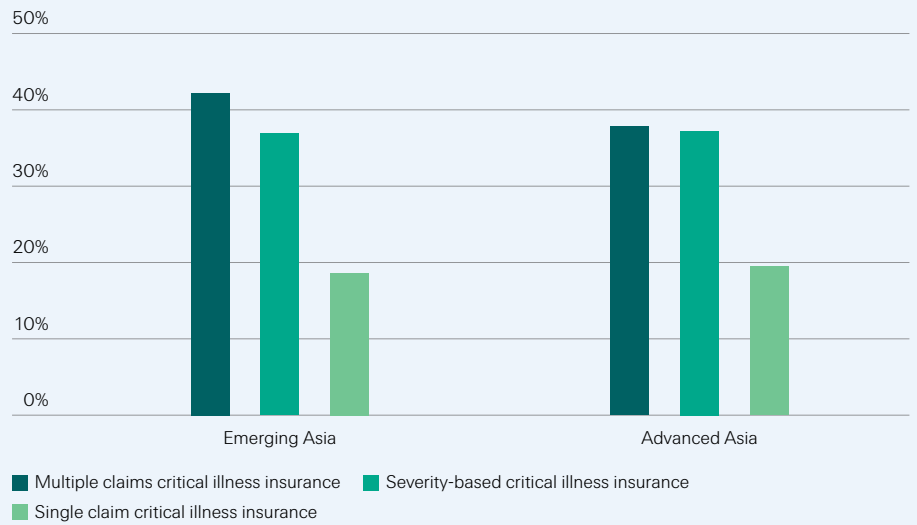
<sup>15</sup> “Severity-based” payout is based on the severity of the diagnosed illness which matches the treatment costs incurred and life-long impact to the insured. It might offer smaller payments for early-stage conditions (eg, early-stage I cancer and larger payouts for more severe stages like late-stage/stage 4 cancer).

<sup>16</sup> “Multiple-pay” allows for multiple claims for different or recurring critical illnesses during the policy term.

<sup>17</sup> We asked consumers to choose from nine income brackets in the survey. The income is denominated in local currencies and the thresholds for each group are different in each country. The bottom three bracket is defined as “the lower income group”. On average, households in the lower income group earned USD 1 114 per month in the past year at the time the survey was conducted in early 2025.

<sup>18</sup> For potential CI buyers aged 20–34, 40% chose severity-based policies vs 37% for multiple claim policies. For potential CI buyers in the low-income bracket: 38% chose severity-based policies vs 36% for multiple claim policies.

**Figure 14**  
Share of consumers willing to buy CI in the next year choosing each option as their favorite type, %



Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

Multiple claim CI was the most preferred product, despite its higher price.

When consumers were presented with different hypothetical premium and payout combinations instead of stated product definitions, multiple claims CI policies were substantially more popular than severity-based CI despite the higher illustrated cost of the former (see Table 2). Medical reimbursement policies that pay for potential medical costs were also popular. The popularity of high-cost, high-payout multiple CI products could conflict with consumers’ responses citing price as the most important factor preventing them from buying insurance. This is a challenge insurers must overcome to narrow protection gaps: how to sustainably provide products that satisfy consumers’ health needs and desire for value for money.

**Table 2**  
Share of consumers choosing each option as their most preferred hypothetical CI product considering premiums and payouts, %

Critical illness policy type	Price index	Payout	Emerging Asia share (%)	Advanced Asia share (%)
Multiple claim	150	Payout up to 300% of sum insured for different or recurring critical illnesses	33	34
Medical reimbursement	20	Reimburse up to 100% of sum insured for medical expenses incurred from treating a covered critical illness	25	25
Severity-based	60	Payout 25%–100% of sum insured based on severity of the diagnosis of covered critical illness	24	22
Single claim	100	Payout out 100% of sum insured for diagnosis of covered critical illness once	18	19

Note: Price indexes are hypothetical illustrations rather than based on any actual market price.  
Source: Swiss Re Asia health protection gap survey 2025, Swiss Re Institute

Different CI products can be tailored for different consumer groups.

Our survey found that severity-based insurance design can be attractive to those with lower health concerns and with greater financial constraints. A combination of price and financial pressures may preclude some potential customers from purchasing CI insurance, where the design was more binary (high-premium/high payout based on diagnosis). We also find that product demand can shift when the payout-premium trade-off is presented.

Traditional CI payouts are often too much too early, or too little too late.

**From diagnosis of pre-defined criteria to critical function impairments**

Traditional critical illness (CI) insurance provides lump-sum payments based on pre-defined criteria for diagnosis and treatment of diseases. It has shown to be an effective insurance solution for many years. However, the policies struggle to keep up with fast-evolving medical standards (eg, clinical diagnostic criteria and treatment regimen).

Payouts could be linked to impairment of vital organs.

What truly matters to consumers is impairment of vital organs that could be life-threatening, not the diagnosis of a pre-defined disease itself. Insurance payouts could be linked to vital organs' functional failure and disconnected from any pre-determined list of diseases and treatments. This approach combined with preventive care (which delays/avoids further impairments) can help policyholders live longer, healthier lives –and makes insurance more sustainable.

# Conclusion

Consumers in Asia are keen to buy more insurance.

Consumers in Asia are keen to have more insurance protection against potential financial losses related to illness, ageing and mortality. That is a clear takeaway from the findings of our recent consumer survey across 12 Asian markets. As they age, consumers recognise the importance of insurance for financial security in retirement, particularly to cover unpredictable out-of-pocket healthcare expenses.

There is strong interest in life cover, particularly in Asia's emerging markets.

Interest in L&H insurance is particularly strong in Asia's emerging economies, with 60% of survey respondents saying they intend to buy life cover in the next year. Around half of respondents in emerging markets also expressed interest in savings products and medical reimbursement for hospitalisation. This high level of interest signals still-large unmet demand for insurance, especially in countries with less comprehensive state-provided healthcare programmes and where insurance penetration is still low.

However, penetration levels in the emerging markets remain relatively low, accentuated by barriers to insurance uptake.

All told, barriers to the uptake of insurance remain. According to our survey findings, the main reasons why consumers do not buy insurance are perceived high price, lack of awareness or knowledge of insurance, and product (ir)relevance. These barriers likely accentuate existing health and mortality protection gaps. For instance, our latest estimates show that the health protection gap across the 12 markets covered by the consumer survey reached USD 258 billion in premium equivalent terms in 2024. This is based on the share of healthcare costs that households find financially stressful.

Insurers could implement different actions to encourage insurance purchase, such as offering bundled risk protection solutions and access to preventative care services.

Improving the affordability, accessibility, and sustainability of insurance will be important to encourage greater uptake of insurance, and in turn should help to narrow protection gaps. The survey findings give signals as to what kind of actions insurers can take to this end. For instance, one avenue would be to offer more bundled protection solutions, which seem to be popular among consumers. However, as bundling can make products harder to understand, insurers may also need advisors trained to help consumers fully understand the terms and conditions of the policies, and also the value proposition of specific covers to guide consumers to buy protection solutions that are relevant for their needs. Consumers also seem to like preventative care value-added services. These help contain high costs of future complications, which is a benefit for insureds and insurers alike. Finally, insurers can explore severity-based designs that better match payouts with consumers' actual medical and financial needs over their lifetimes, typically more so than traditional critical illness insurance does.

# Appendix

A total of 12 101 respondents, including 6 039 from emerging markets and 6 062 from advanced markets were interviewed as part of this study.

The survey provided key insights on the current health insurance landscape and helps understand what is likely to drive future APAC market product offerings.

## Consumer survey design 2025

The purpose of our 2025 survey was to estimate the HPG in Asia and reveal consumers' risk concerns and product preferences. The survey captured responses from 12 101 respondents aged 20+ years across 12 markets. We chose six markets each from emerging and advanced Asia with an equal market sample size. The 12 markets were: China, India, Indonesia, Malaysia, Thailand, Vietnam, Japan, South Korea, Australia, New Zealand, Hong Kong and Singapore. In comparison to the 2018 survey round, we have added Australia and New Zealand and re-estimated their HPG.

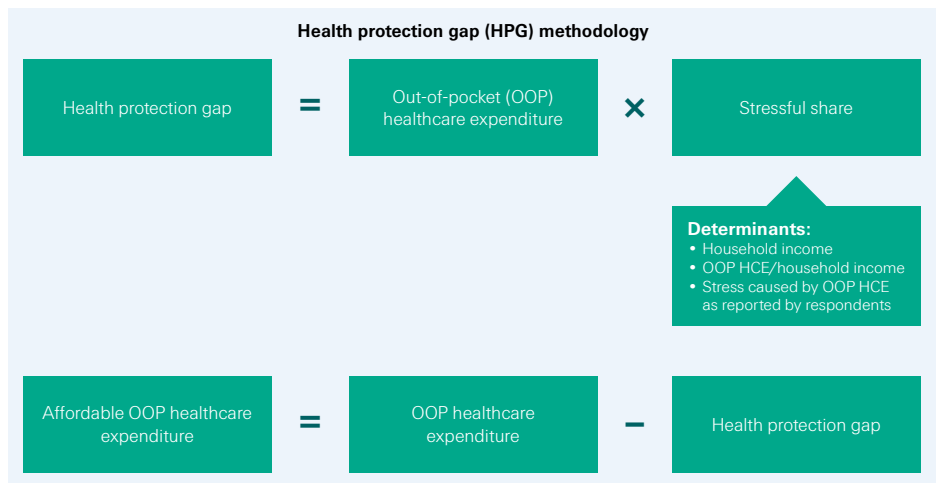
The survey collected information on financial stress faced by households due to higher OOP HCEs, awareness and ownership of insurance products, economic and health concerns, prevalence of diseases/ailment, purchase and lapse reasons, and future insurance purchase intentions. It further evaluated how consumers respond to preventive value-added services such as free health assessments; premium discounts; emergency services; and mental wellness apps.

## Protection gap methodologies

### Acronyms

MPG = mortality protection gap; HPG = health protection gap; OOP = out-of-pocket; HCE = healthcare expenditure

### Health protection gap (HPG)



$$\text{HPG} = [\text{OOP HCE}] * [\text{Stressful share}]$$

- **OOP HCE** is taken from Global Health Expenditure Database provided by World Health Organisation (WHO).
- **Stressful share** is indicated by the severity score derived from respondents' answers from the survey. The score ranges from 0 to 5. Stressful share = Severity score/5.
- **A country's severity score and the stressful share for that country is the average severity score reported by respondents of a country.**
- **Severity score** is a weighted average of sub-severity score based on 3 factors: 1) income level of the household; 2) OOP HCE as a % of household income; and 3) stress caused by OOP HCE (see Table 3) as reported by respondents. If more than one scenario is chosen, we take the sum of the assumed share of OOP that cause stress until the sum reaches 100%.

- In this report, we use premium equivalent terms to facilitate comparison with mortality protection gap.

**Table 3**

Stress scenarios and the assumed share of out-of-pocket expenses that create stress

Stress scenarios	Share of out-of-pocket expenses that can stress household financial position
Cut discretionary/luxury spending	20%
Cut savings contributions	30%
Borrow money from family and friends	50%
Borrow money from bank	60%
Cut back on essentials	80%

**Estimated of non-treatment due to affordability reasons** = [Average of estimated cost of forgone treatment reported by respondents] \* [Share of such respondents in the total sample] \* [Total number of households]

#### Mortality protection gap (MPG)

The MPG measures the difference between the resources needed and the resources available to maintain dependents' living standards for around 10 years on average after a primary income earner dies.

Resources needed include: 1) income replacement: salary, wage, or average earning of wage workers; 2) monetary resources to cover debt obligations (eg, mortgages).

Resources available include: 1) social security benefits; 2) household financial assets; 3) life insurance coverage (sum assured).

The protection gap estimates are based on the average of key data metrics for the working population with dependents. Our methodology uses national data relating to incomes, life insurance ownership, social security and financial asset holdings and is primarily sourced from central banks, the IMF, OECD, and World Bank.

The countries covered are the same as for the health protection gap.

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Swiss Re Management Ltd  
Swiss Re Institute  
P.O. Box  
8022 Zurich  
Switzerland

Email [institute@swissre.com](mailto:institute@swissre.com)

**Authors**

Caroline De Souza Rodrigues Cabral  
Drashti Dilip Shah  
Shuyang Wu  
Tiffany Yuen

The authors would like to thank the following  
for their contributions to this report:

Xin Dai, Vincent Eck, Sharon Kon, Li Hui Lee,  
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**Editor**

Paul Ronke

**Deputy managing editor**

Dr Thomas Holzheu

**Managing editor**

John Zhu  
Chief Economist APAC

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Swiss Re Management Ltd.  
Swiss Re Institute  
Mythenquai 50/60  
P.O. Box  
8022 Zurich  
Switzerland

Telephone +41 43 285 3095  
[swissre.com/institute](http://swissre.com/institute)