

Asia's health protection gap

Insights for building greater resilience

Swiss Re conducted a survey to investigate the causes and implications of financial stress arising from out-of-pocket healthcare expenditure across Asia



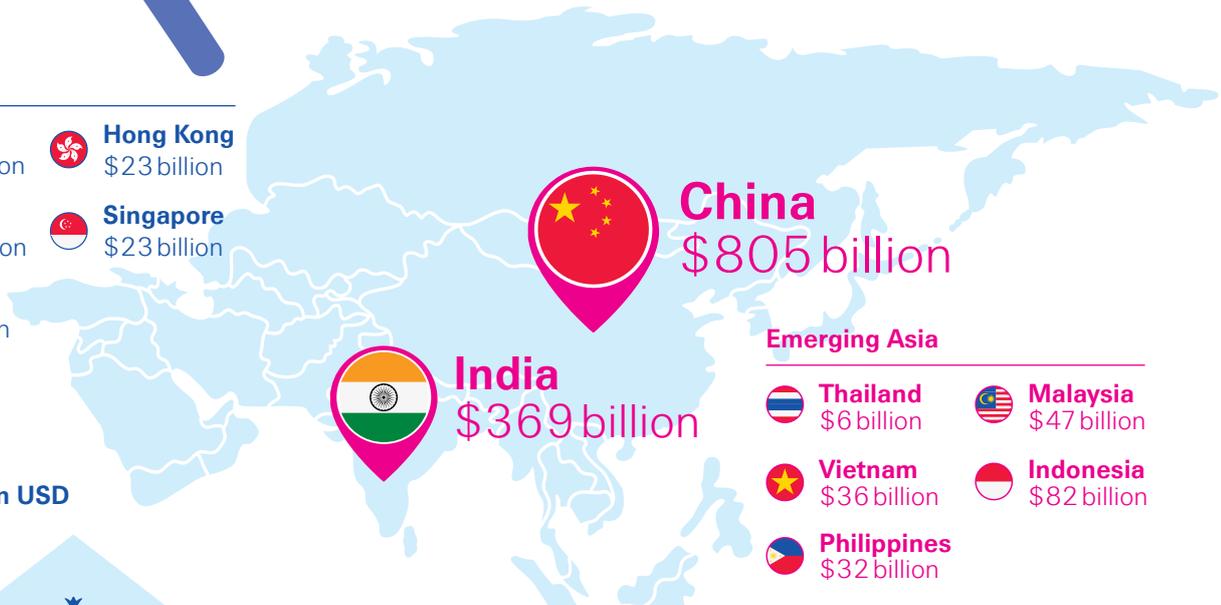
What is the health protection gap?

The amount of **financial stress** households in Asia are facing:



Mature Asia

- Japan** \$218 billion
- Hong Kong** \$23 billion
- Korea** \$144 billion
- Singapore** \$23 billion
- Taiwan** \$41 billion



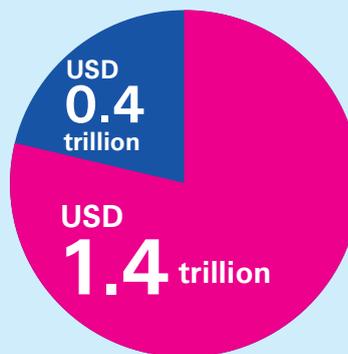
Emerging Asia

- Thailand** \$6 billion
- Malaysia** \$47 billion
- Vietnam** \$36 billion
- Indonesia** \$82 billion
- Philippines** \$32 billion

All amounts in USD



USD 1.8 trillion
Health protection gap across Asia



Emerging markets > 75%

Insurance can play a key role in closing the protection gap by providing financial resources at times of unexpected medical expenses

Financial stress and vulnerability

The burden of the health protection gap:

On average, the amount of **stressful medical expenses** amount to **around 10%** of household annual income



40 million

households in Asia cannot afford treatment



3%
Mature Asia

97%
Emerging Asia

✔ Simple health insurance products can go a long way to build a baseline of resilience

The health protection gap – Key trends

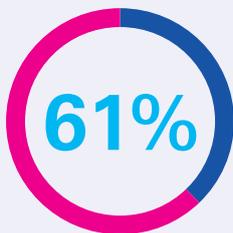
1
Overconfidence in health perception

2
Increasing health and wellness behaviours

3
Prevalence of chronic conditions

Overconfidence

Overconfidence in health perception leads to households underestimating their insurance protection needs, exposing them to financial stress arising from out-of-pocket health expenditure



of consumers who think they are **healthy** contribute to **>50%** of the health protection gap

44%
Mature Asia
73%
Emerging Asia



61% 
of **everyday smokers** think they are **healthy**

Over **1/3** of consumers **exercise**¹ **no more than once a month**

¹ Exercise is defined as physical activity 20 minutes or more

✔ This calls for more effective health education to raise awareness of financial risks impacted by actual behaviours

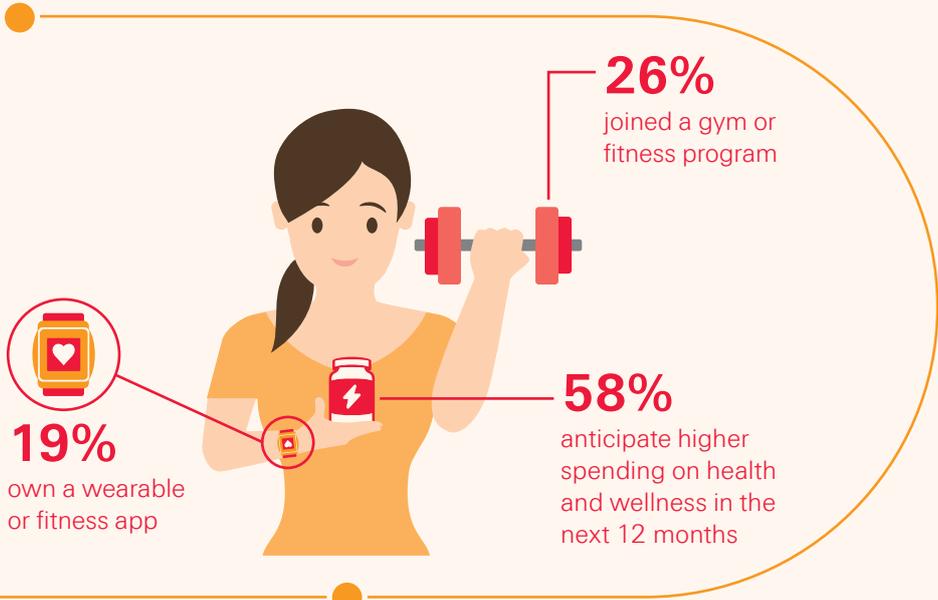
Health and wellness behaviours

Insurers who play an active role in their customers' health and wellness have an opportunity to not only increase engagement but also improve the "health and wellness" of their business

80%



of consumers engage in health and wellness activities



19%

own a wearable or fitness app



Wearables and fitness apps provide the opportunity for consumers to share their data; will they be willing to share with insurers and at what cost?



33%

at no cost

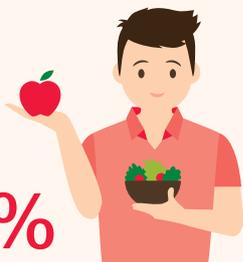
50%

expect premium discount (30%+)

83% "Yes! I will share"

How consumers invest in health and wellness:

> 60%



of health-conscious consumers are more likely to purchase insurance

70%
in Emerging Asia

52%
in Mature Asia



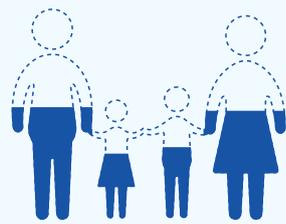
of consumers expecting an increase in health and wellness spend are more likely to purchase insurance



Opportunity for insurers to develop protection products for consumers focused on their health and wellness

Prevalence of chronic conditions

Households with chronic conditions make up a major proportion of the health protection gap



53%
of households have **chronic conditions** in the family = **46%**
of the health protection gap

Top three chronic conditions in Asia:

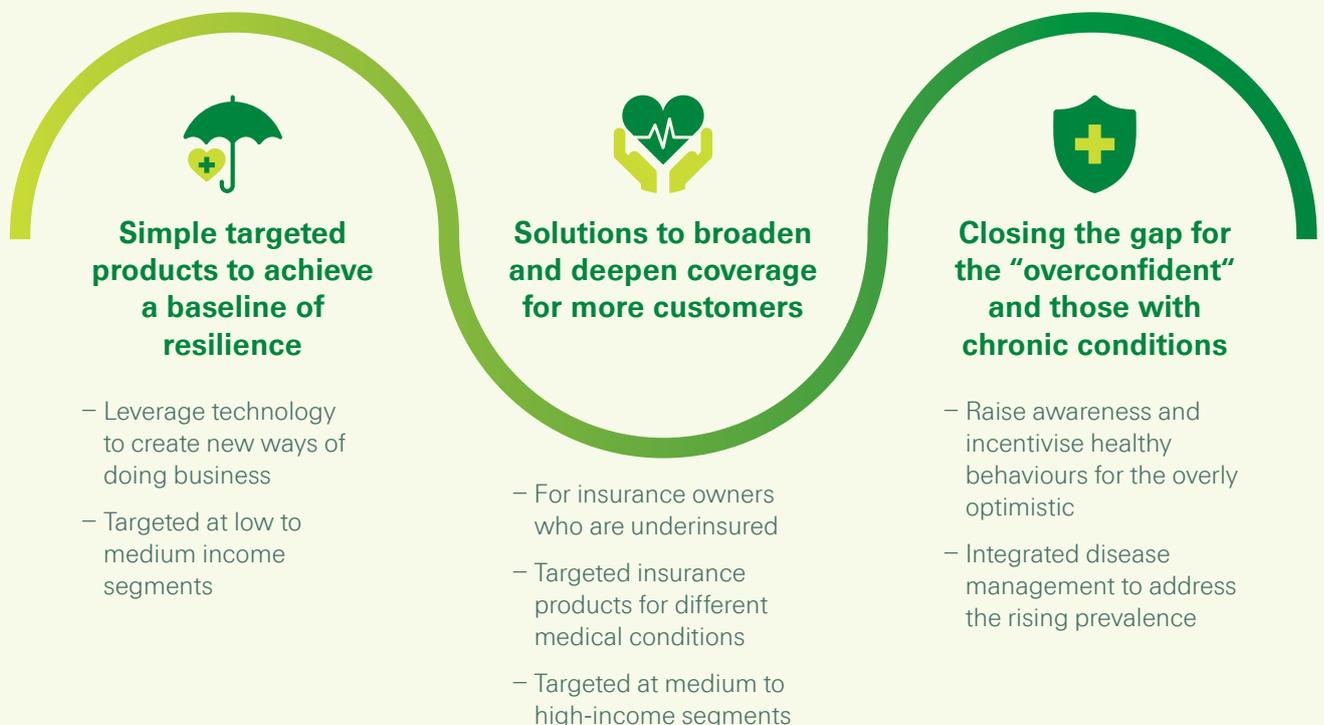


63%
of households with chronic conditions are more likely to purchase insurance

✔ Insurance products that focus on lifestyle-related chronic conditions can help address Asian households needs

How do we close the Asia health protection gap

By working together with government, healthcare providers, academia and communities to provide consumers with innovative financial protection solutions so they can afford the healthcare they need



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