Asia's health protection gap
Insights for building greater resilience

Spotlight on Hong Kong

Size of the gap:
USD $23 billion

Gap as % of average household income:
11.9%

Impact of financial stress arising from out-of-pocket healthcare expenditure:
By age group:
- 18-24: 14%
- 25-34: 5%
- 35-44: 12%
- 45-54: 6%
- 55+: 26%

By household income segment:
- Low: 11%
- Medium: 11%
- High: 21%

The health protection gap - Key trends

Overconfidence
Overconfidence in health perception can lead to households underestimating their insurance protection needs

52% are neutral about their health status, contributing to >58% of the health protection gap
32% of everyday smokers think they are healthy
>40% of consumers exercise¹ 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

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

48% of households have chronic conditions in the family
53% of the health protection gap
21% Critical Illness
28% Medical Reimbursement

Insurers offering health management programs can help customers with chronic conditions improve their health outcomes
Health and wellness behaviours

Are insurers ready to engage with consumers active in health and wellness programmes?

23% joined a gym or fitness program

>25% own a wearable or fitness app

57% anticipate higher spending on health and wellness in the next 12 months

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?

83% “Yes! I will share”

26% at no cost

57% expect premium discount (30%+)

How consumers invest in health and wellness:

63% of health-conscious consumers are more likely to purchase insurance

65% of consumers expecting an increase in health and wellness spend are more likely to purchase insurance, 2 times more than those not expecting any spending increase

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

How do we close Asia’s health protection gap?

Simple targeted products to achieve a baseline level of resilience

Solutions to broaden and deepen coverage for more customers

Closing the gap for the “overconfident” and those with chronic conditions

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