

# Market announcement

## Swiss Re survey shows financial anxiety remains despite commencement of vaccine rollout, fueling demand for insurance products across Asia Pacific

- 1 in 4 respondents in Asia Pacific feel anxious and overwhelmed about the stability of their financial future, despite commencement of the global vaccine rollout.
- 1 in 4 respondents rank mental wellbeing as their top health concern today, with an increased focus on managing physical health.
- 1 in 2 respondents are interested in purchasing through insurers' online websites and apps in the future. In the past six months, 39% of total transactions completed were through insurers' online website and apps.
- Customers have become more price sensitive, with 80% of respondents indicating price as the most important decision factor in purchasing an insurance policy.

**SINGAPORE, 03 JUNE 2021 – More than a quarter of respondents in Asia Pacific (APAC) remain concerned about how they will recover financially from the COVID-19 pandemic, while the topic of mental health rises to the top of consumers' health concerns, as shown in Swiss Re's 2021 APAC COVID-19 consumer survey.**

Swiss Re commissioned two annual consumer surveys across markets in APAC, the first in April 2020 and a second in January to February 2021, to help insurers better understand consumer sentiment in the region. The results provide valuable insights into how COVID-19 has affected consumer behavior, implications for the insurance industry, and how insurers can better respond to evolving needs. This year's survey was expanded to cover 7,000 respondents across 12 markets, and includes Australia, New Zealand, Mainland China, Hong Kong, India, Indonesia, Japan, Singapore, Thailand, Malaysia, Vietnam and South Korea. The survey was compiled into our inaugural Swiss Re Institute publication titled "One year on: how COVID-19 has impacted consumer views on insurance in Asia Pacific".


"It is evident that despite the commencement of vaccine rollouts across the region, the level of financial anxiety remains high, consistent with what we heard when we first conducted this survey at the height of the pandemic." said Russell Higginbotham, CEO Reinsurance, Swiss Re Asia. "COVID-19 has exposed shortfalls in consumers' insurance protection, where increasing health concerns have translated into strong health insurance premium growth in several markets such as Thailand, Singapore and China."

Media Relations,

Singapore (Erica Ng)  
Telephone +65 6428 1837

Greater China (Philip Niu)  
Telephone +86 10 6563 8578

Australia (Katrin Porm)  
Telephone +61 2 8295 9575

[www.swissre.com](http://www.swissre.com)  
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As the Swiss Re Institute report highlights, an immediate area of concern has been health and financial stress brought on as a result of the global economic downturn from the pandemic. The COVID-19 experience has also prompted consumers in APAC to rethink their insurance needs.

"The rising awareness of health and mortality risks are key factors that drive strong growth in risk and health insurance premium, even in the middle of the COVID-19-triggered economic recessions." said Irina Fan, Head Insurance Market Analysis at the Swiss Re Institute. "For instance, in 2020, health insurance premium maintained double-digit growth of 10.5% in APAC, in contrast with previous the Global Financial Crisis, when health-related premium growth slowed down sharply."

Health insurance remains top of mind for consumers, with medical reimbursement and critical illness ranking as areas that consumers are keen to seek more protection in the future. The stress of the pandemic has also made insurance customers more price sensitive. Across all the markets, 80% of respondents said that price is the most important factor in insurance purchase decisions (up 5% from 2020). COVID-19 has also prompted greater attention to policy coverage. When asked, 33% of respondents in the region rated breadth of cover as the most important insurance element – this is of particular importance to buyers in Mainland China, Hong Kong and Malaysia. In addition, customers now see digital access to process transactions and speed of claim processing/payment as standard offering when looking for policies.

Swiss Re's survey also highlights how the pandemic has promoted more proactive management of personal health and increased emphasis on mental wellness. Across the region, 71% of respondents indicated they are practicing stricter personal hygiene habits, 50% implementing healthier diets, 48% getting more exercise and 40% practicing better sleeping habits.

"We are seeing clear evidence that lifestyle factors affect our health, and insurance companies play an important role in promoting wellbeing," said Michael Rolf, Head Solutions Groups Life & Health Asia, Swiss Re. "Mental wellbeing, sleep, exercise and nutrition were all highlighted in the survey. These are a few of the lifestyle factors we refer to as 'The Big Six' because they present many opportunities for our industry – alternative data use, better customer journey and engagement, an ability to improve customer health, and the possibility of underwriting in an entirely new way."

The increased use of health apps is an area where insurers can play a more important role in engaging consumers. Since the start of the COVID-19 outbreak, we have seen significantly higher acceptance of digital interactions with insurers and more frequent digital touchpoints for health management and insurance purchases, especially in emerging Asia. The survey shows in the past six months, 39% of the total insurance policy purchases were completed using insurers' online platforms or via an app. Going forward, we expect digital insurance purchases to continue to see

an uptick in APAC, with 50% of respondents interested in purchasing through an insurer's website or app in the future. As such, the insurance industry will need to continue to apply digitalisation throughout the insurance value chain to remain relevant and connected to customers.

This year's survey showed that many people are keen to return to some semblance of normal social life, although one third of respondents are still keen to maintain social distancing and avoid large gatherings such as concerts and festivals due to the uncertainty around COVID-19. With social behaviours evolving, there are opportunities for insurance companies to tailor new and more flexible solutions to meet evolving consumer needs – for example protection for consumers' increasing online transactions.

Heightened risk concerns around mental wellbeing and growing interest in non-traditional distribution channels have given rise to more innovative product offerings across the APAC region. The re/insurance industry is in a unique position to extend its offerings and help individuals and families to strengthen their resilience now, to ensure they are prepared for the future.

Note: please contact Media Relations for market-specific survey results.

### Swiss Re

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