

One year on: how COVID-19 has impacted consumer views on insurance in APAC

Findings from 2021 survey

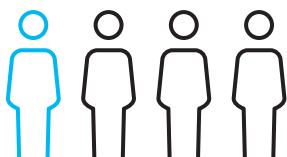


Since the start of the pandemic, Swiss Re has conducted two consumer surveys in the Asia Pacific (APAC) region, the first in April 2020 and the second in January-February 2021. The results provide valuable insights into how COVID-19 has affected consumer sentiment, the resulting impacts to Life & Health business, and how insurers can better respond to evolving needs. The second iteration was expanded to cover 7 000 respondents across 12 markets, including Australia, New Zealand, China, Hong Kong, India, Indonesia, Japan, Singapore, Thailand, Malaysia, Vietnam and South Korea.

What we discovered this year



One in four people in the APAC region continue to feel anxious and overwhelmed about their financial future, a slight decrease from what was expressed in 2020.



Financial impact:



- Amongst the countries surveyed, Japanese respondents felt most financial stress with almost 50% of them reporting feeling anxious about their financial future, an increase of 9% since the initial survey in 2020. By comparison, more than 1 in 3 people in South Korea, Thailand and Indonesia currently feel financial stress.
- China (46%), Australia (49%) and New Zealand (50%) reported the most positive financial outlook.

Health & social impact:



- More than one third of respondents in all markets surveyed reported feeling concerned about their health as a result of COVID-19. Respondents in Vietnam (89%) and Indonesia (87%) are the most concerned, while those in Singapore (51%), Japan (45%), Australia (37%) and New Zealand (31%) are the least worried

Health has become a primary concern for most people in APAC during the pandemic with management of mental wellbeing topping the list of health priorities.

- Management of mental wellbeing tops the list of health priorities, with 1 in 4 respondents indicating it as their top health concern.
 - Mental health is particularly important for people in Thailand (33%), Australia (30%) and New Zealand (29%), while managing sleep is also a big concern for those in Hong Kong (24%), Singapore (25%) and Japan (28%).
 - People in Vietnam (22%), South Korea (23%) and Australia (19%) are focused on getting enough exercise and those in Indonesia (34%) prioritise sufficient nutrition as their biggest health priority.

- Most respondents in APAC have established new routines to manage their health during the pandemic, including stricter personal hygiene (71%), a healthier diet (50%) and more exercise (48%).

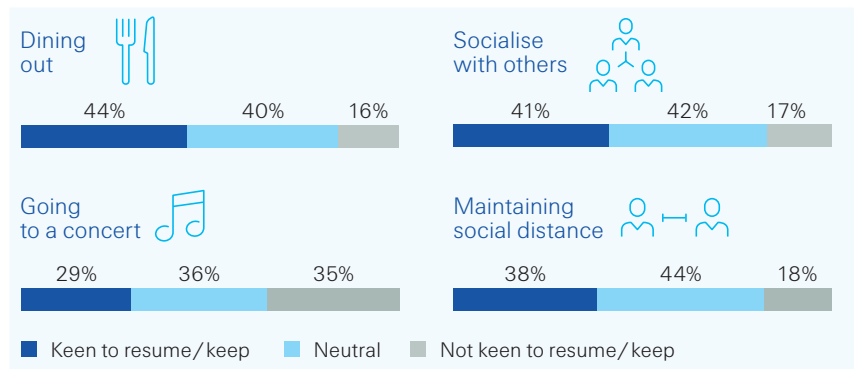
A third of all respondents are still keen to maintain social distancing.

- Those in India, Malaysia, Indonesia, Thailand and Singapore are most keen to maintain social distancing practices.
- Working from home is a polarising topic, with 2 in 5 wanting to retain flexible working arrangements and a similar proportion keen to resume regular working life outside of the home.
 - Employees in Singapore, India, Malaysia and Indonesia are more interested in keeping flexible arrangements.

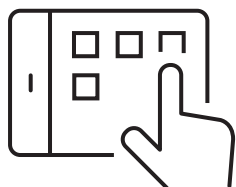
— In Japan, only 1 in 10 want to go back to working in the office.

- When it comes to travel, more people want to take a domestic trip (42%) than go overseas (35%).
- Generally, up to half of those surveyed are keen to dine out and socialise with others, however, only one third are open to attending a large gathering such as a concert or festival. A preference for online shopping is likely to continue post COVID-19.

What activities are people keen to resume or stop?



COVID-19 has led to an increased use of digital touchpoints amongst consumers, with the momentum expected to extend into the future.



- In the past six months, just as many people bought insurance online (39%) as those who used an agent or broker (38%). However, consumers are gravitating towards digital sources.
- Purchasing insurance online or via an app is likely to see an uptick in the future, with 1 in 2 respondents more likely to buy via online platforms. However, there is some appetite to return to agent/broker relationships in India, China, Malaysia, Singapore and Hong Kong.
- Since the start of COVID-19, one third of respondents on average across the region have used some sort of digital/

app for managing their health, with health and wellness apps being the most popular. The intention to continue using this type of tool is strong.

- The top digital touchpoints are online management of an insurance policy (67%), online research of new/additional policy (61%) and usage of health & wellness apps (66%).
- Interaction with insurance via video calls or insurance apps is low (with only 1 in 5 respondents saying they have tried these methods) and only half of those surveyed are open to using these in the future.

Health & insurance digital touchpoints usage

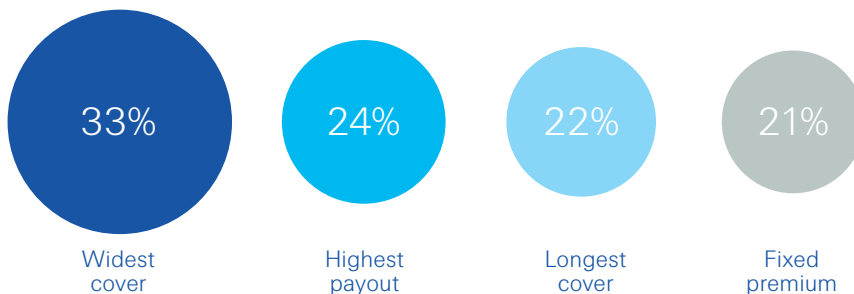


COVID-19 has exposed shortfalls in consumers' insurance protection and triggered reprioritisation of policy importance.



- Critical illness (31%) and medical insurance/reimbursements (30%) are considered the least adequately covered insurance for those who are insured.
- As a result of COVID-19, there has been a change in insurance priority.
 - Medical insurance/reimbursements have become top priority, especially in India
 - Critical Illness insurance is the next most important product, prioritised by 4 in 10 across APAC.
- Price is an important driver when choosing an insurer (80%) in all but one market, being Mainland China where a multitude of features are deemed to have equal importance when evaluating an insurer.
- When given the choice to prioritise, respondents chose having a policy with the widest coverage (33%). This element was particularly important for customers in Mainland China (41%), Hong Kong (40%) and Malaysia (39%).

Most preferred insurance element



- Faster claims processing/payment (58%) continues to be the top expectation for future service improvement, followed by more flexible conditions (52%) and digital access to contact/process transactions (48%).
- The influence of COVID-19 has resulted in almost half (45%) of respondents looking more closely at coverage details, led by customers in Malaysia (55%), Thailand (53%), Singapore (52%) and Vietnam (52%).

Expectation for improvement

