



AIA Hong Kong

AIA Hong Kong Tower,
734 King's Road,
Quarry Bay, Hong Kong
T: (852) 2881 3333

AIA.COM.HK

Media Release

AIA AND EY RELEASE NEW REPORT ON INSURANCE FOR HIGH NET WORTH INDIVIDUALS

72% of respondents believe insurance plays a significant role in creating and preserving wealth

Hong Kong, 24 June, 2020 – AIA together with EY today launched a new report providing new insights into High Net Worth Individuals (HNWIs) in the context of their views and adoption of insurance solutions. The report identifies specific challenges faced by HNWI's and explores how insurance solutions can help this segment with their overall wealth management.

Ms. Bonnie Tse, General Manager, Strategy and Wealth Management of AIA Hong Kong & Macau, said, "HNWIs in Asia are looking far beyond basic life insurance coverage towards healthcare support, estate planning, tax optimisation, business succession and debt risk mitigation. Early planning and holistic wealth management are critical to safeguard legacies well into the future and we hope that the research-driven insights this paper provides will be valuable to anyone interested in better understanding the role of life and health insurance in wealth protection and legacy planning."

She added, "AIA Hong Kong understands the protection, wealth management and legacy planning needs of HNWIs, and we have translated these insights into practical solutions by launching the industry-leading referral services of 'Standby Trust' and 'Tax & Legal Advisory' that aim to help selected premium customers in legacy and tax planning. By offering a comprehensive range of quality protection solutions and services tailored to customer needs, we are committed to supporting customers throughout their wealth management journey, and enabling them as well as their future generations to live Healthier, Longer, Better Lives with peace of mind."

Mr. Dustin Ball, APAC Insurance Strategy Leader at EY, said, "The findings show that HNWIs are a diverse segment and face specific challenges when managing their wealth. These challenges are well-suited to insurance solutions and there is an opportunity to increase the understanding and awareness of how insurance products can augment wealth planning."

Notable findings from the report include:

- 52% of respondents said that insurance comprises more than 10% of their wealth and legacy planning, reflecting the importance that HNWIs in Asia place on insurance solutions.
- 75% of HNWIs use insurance for succession and legacy planning, reflecting the relatively high financial security of insurance companies.

- 33% of HNWI's own medical or critical illness insurance policies, driven by a demand for coverage of medical costs as well as access to first-class healthcare support.
- 54% of HNWI entrepreneurs have business protection through insurance solutions, encompassing a range of areas including business loan protection, health and illness income protection, business transfer and legacy planning and inheritance equalization.
- 76% of HNWI entrepreneurs have previously heard about business wealth protection, but 52% of them do not have any kind of such protection in place.
- 92% of HNWI professionals consider retirement planning as an important part of overall wealth management and essential to ensure a successful transition from working to retirement.

The report produces a number of key conclusions in relation to the role of life and health solutions in protection and legacy planning for HNWI's, including:

- Protection of family wealth and legacy planning: insurance can play an important role in protecting HNWI's families from issues arising from illiquid estates or outstanding debt. It can also enable HNWI's to plan ahead to allow beneficiaries' to maintain their lifestyles.
- Portfolio diversification, leverage and growth: insurance solutions can help to diversify investment portfolio risk through tax deferred growth, stable returns and leveraging.
- Liquidity planning: life and health insurance can solve immediate liquidity needs through cash value withdrawal or policy loans.
- Tax benefits: Savings in tax for estate and legacy planning can be achieved through employing the appropriate life insurance propositions.

The report was developed based on proprietary research, interviews with relevant stakeholders including HNWI's and an analysis of qualitative and quantitative data. Customer research was conducted in Mainland China, Hong Kong SAR, Taiwan (China) and Singapore. Details of the report can be downloaded at aia.com.hk

About AIA Hong Kong and AIA Macau

AIA Hong Kong and AIA Macau are subsidiaries of AIA Group Limited. AIA Group Limited established its operations in Hong Kong in 1931. To date, we have over 18,700 AIA financial planners¹, as well as an extensive network of brokerage and bancassurance partners. We serve over 3 million customers², offering them a wide selection of professional services and products ranging from individual life, group life, accident, medical and health, mandatory provident fund, personal lines insurance to investment-linked products with numerous investment options. We are also dedicated to providing superb product solutions to meet the financial needs of high net worth customers.

¹ as at December 2019

² AIA Hong Kong internal data includes Hong Kong and Macau's individual life, group insurance and mandatory provident fund customers (as at 31 March 2020)

AIA Hong Kong
Ms. Esther Chan
+852 2100 1416

Bentley Communications Limited
Mr. Ian Li
+852 3960 1905