

News Release

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CONCERNED BUT NOT COVERED - THE HEALTH INSURANCE & FINANCIAL SECURITY GAP

Sixty-five per cent of people say that what they worry most about in life is their health and for almost 47%, it is their long-term financial security, yet many do not have anything in place to protect it, according to a new HSBC report, *The Power of Protection Confidence in the future*.

In the survey of over 11,000 people in 12 countries around the world, HSBC found that there are four main health-related concerns: ageing (65%), cost (57%), family (55%) and access to healthcare (51%). The survey also found the impacts of long term poor health on people's lives are wide-ranging, most affecting quality of life (79%), state of mind (70%), ability to earn a living (66%), impact on families (65%) and relationships with spouse / partners (64%).

Of those who say their health is their biggest concern, 41% say they are financially unprepared should something happen to their health; of these 34% are not prepared at all and a further 7% say they could manage but admit they do not have anything specific in place.

49% of those who worry for their long term financial stability say they could not manage well financially if something unforeseen were to happen to their long-term financial security; of these 38% say they are not prepared at all and a further 11% say they would manage financially but admit they have nothing specific in place.

Also according to the survey, 60% of people say that someone other than themselves should be responsible for ensuring they and their family are financially stable if something were to happen and they were no longer able to earn. Among this, 26% say the responsibility should lie with the State or government, 20% say their family and a further 14% say it should be their employer, leaving 40% admitting financial stability is their own responsibility. People in the USA are most likely to take responsibility for themselves (54%) while those in China (77%), the UAE (71%) and Argentina (70%) are the most likely to say someone else (State, employer or family) should be responsible.

In relations to health, which is the main concern for many, 57% think that someone else should be responsible for the cost of their personal healthcare; the State / government (26%),

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employer (16%), family (15%). People in China are most likely to think someone else should be responsible for funding their personal healthcare (71%) with 35% expecting this to be funded by the State. People in the UK (39%) and France (37%) have the highest expectations of State support.

More than half (53%) of people who are actively considering taking out insurance but have not yet done so say cost-related issues are the main barrier; they either expect or know the product to be too expensive. Other reasons for not taking out insurance are that they do not know how to go about it or are concerned about exclusions or pay-out (38%), they haven't needed it so far or it hasn't been a priority (31%) or relying on someone else to arrange it or have been too busy (20%).

In Vietnam, according to Ministry of Finance, 2015 sees an impressive growth of life insurance. Total revenue of regular premium payments jumped at 29.5% relative to 2014 and the revenue of the new contracts rised at 39.7% y-o-y, marking the highest growth in 5 year *.

Kris Werner, Head of Retail Banking and Wealth Management, HSBC Vietnam commented: "This shows an improvement of people's awareness of the need for insurance. However, through our interactions with customers, we observe that they are generally still hesitant to insurance due to the common thought that their income cannot afford such products. On the other hand, they tend to focus on saving benefits more than risk and protection while the latter should be the key element of an insurance contract. This may explain an estimation that only 8% of the population purchase life insurance".

"People's number one worry is that poor health could one day stop them being able to look after themselves or their family. It's vitally important to have a plan in place to make sure you have financial contingency when it really matters. It's never too late to check you have the right amount of cover in place to ensure you're financially protected", Kris Werner concluded.

HSBC's research identified four actions that may help people to better prepare for the future:

1. Identify your biggest concerns

Review the financial protection you have in place today. See if it is enough to cover any concerns you have about providing for you and your family's lifestyle, home, health and future, if something unexpected should happen.

2. Know your future aspirations

Think about your aspirations for the future. Seeking professional advice could help you understand what protection you may need to put in place to achieve them.

3. Have an action plan

Once you understand what protection you have and what you need, explore the options available and take action to bridge the gap.

4. Review it regularly

Employer and state provision may not be sufficient for all your needs, and your circumstances will change over time. Review your plan regularly so you can take corrective action early.

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Notes to editors

*2015 Insurance market overview (Dated 1/2/2016), ISA, Ministry of Finance.

The Power of Protection is an independent consumer research study into global protection needs and trends, commissioned by HSBC. This report, *Confidence in the future*, is the inaugural report and represents the views of 11,496 people in 12 countries and territories (Argentina, China, France, Hong Kong, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom, United States). The findings are based on a nationally representative survey of people aged 25 and over in each country or territory. The research was conducted by TNS in October and November 2015, online in 11 countries and by face-to-face interviews in the UAE.

For more information visit www.hsbc.com

HSBC Holdings plc

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HSBC Vietnam

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