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Media Release

AIA AND EY RELEASE NEW REPORT ON INSURANCE FOR HIGH NET WORTH INDIVIDUALS; 90% OF SINGAPORE RESPONDENTS LEVERAGE INSURANCE SOLUTIONS AS PART OF WEALTH AND LEGACY PLANNING

78% of respondents in Singapore believe that insurance plays a significant role in creating and preserving wealth

SINGAPORE, 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. Ho Lee Yen, Chief Customer and Marketing Officer of AIA Singapore said, "High-Net-Worth Individuals in Singapore are starting to look far beyond basic life insurance coverage towards more holistic protection offerings including healthcare support, estate planning, tax optimisation, business succession, and debt risk mitigation. Early planning and holistic wealth management are critical in helping safeguard legacies, especially during times of economic uncertainty, and smart insurance solutions can provide a source of passive income streams as well as the asset diversification required to buffer against market volatility."

"More critically, for many entrepreneurs struggling to maintain business continuity during this trying period, insurance solutions such as keyman insurance are now being considered as a form of long-term wealth protection for their business regardless of size and scale," she said.

Mr. Dustin Ball, Partner and APAC Insurance Strategy Leader at EY, said, "The findings show that HNWI individuals are a diverse segment and face specific challenges based on the source of 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:

- 70% of HNWI respondents in Singapore said that insurance comprises more than 10% of their wealth and legacy planning, compared with the 52% indicated by their peers across Asia. This reflects the understanding that HNWI's in Singapore have on how insurance solutions play an important role in wealth management.
- 75% of HNWIs across the region use insurance for succession and legacy planning, reflecting the relatively high financial security of insurance companies.
- 86% of Singapore-based HNWIs 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.
- 48% of HNWI entrepreneurs in Singapore 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, falling short of the regional average of 54%.
- 84% of HNWI entrepreneurs in Singapore have previously heard about business wealth protection, but 52% of them do not have any kind of such protection in place.
- 96% of HNWI professionals in Singapore consider retirement planning as an important part of overall wealth management and essential to ensure a successful transition from working to retirement, compared to 92% in Asia.



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

- Protection of family wealth and legacy planning: insurance can play an important role in protecting HNWIs' families from issues arising from illiquid estates or outstanding debt. It can also enable HNWIs 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 HNWIs and an analysis of qualitative and quantitative data. Customer research was conducted in Mainland China, Hong Kong SAR, Taiwan (China) and Singapore.

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About AIA

AIA Group Limited and its subsidiaries (collectively "AIA" or the "Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong SAR, Thailand, Singapore, Malaysia, Mainland China, South Korea, the Philippines, Australia, Indonesia, Taiwan (China), Vietnam, New Zealand, Macau SAR, Brunei, Cambodia, Myanmar, a 99 per cent subsidiary in Sri Lanka, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai a century ago in 1919. It is a market leader in the Asia-Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$284 billion as of 31 December 2019.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia-Pacific, AIA serves the holders of more than 36 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

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