



GBA has ample potential for insurance growth

A combination of factors is driving demand for and growth of insurance products in the Greater Bay Area for customers from mainland China. We asked **HSBC Life's Ms Winnie Ching** how insurers can continue to reap the benefits.

By Anoop Khanna



Opportunity knocks once again for insurers in Greater Bay Area (GBA) as the influx of visitors from mainland China gets back on track post pandemic. GBA insurers, specially in the life and health business, can reap significant benefits from demand for these covers that these mainland visitors bring.

A survey by Swiss Re published in 2022 found that the demand and growth potential of GBA remains substantial. This makes this region strategically important for insurers in Hong Kong. According to the survey, insurance penetration in the nine mainland GBA cities (3.46% of GDP as of 2022) is much lower than in Hong Kong (18%), though GBA is one of the richer areas of China, hence, the growing demand and the special attention by the Hong Kong insurers, specifically in the life and health areas.

Asia Insurance Review spoke to HSBC Life global chief product and in-force officer Winnie Ching about why despite China having its own

insurers, mainland customers buy in Hong Kong?

Geographical proximity

Ms Ching said, “The extensive geographic coverage in the region by the insurers is a significant advantage. For instance, we operate in eight locations within the GBA, including Hong Kong, Macau, Guangzhou, Foshan, Dongguan, Zhuhai, Shenzhen and Zhongshan.

“Additionally, being a bancassurer, it allows customers to access a comprehensive wealth management service - beyond just insurance - encompassing payment solutions, credit and debit cards, as well as various wealth products while they are in these cities.”

Professional benefits

Ms Ching said, “The GBA, particularly Hong Kong, has deep talent pools across intermediaries, underwriters and actuaries. Complemented with strong competition amongst international banks, brokers and insurers, as

well as well-capitalised insurance companies with strong credit ratings, these put the region in an advantageous position which is hard for any other markets to replicate.”

She said, “These qualities also instil trust in customers, encouraging them to choose established insurance companies in the region for high-quality insurance policies. The government’s support in developing GBA as a wealth financial hub is also a catalyst in luring mainland customers to GBA for wealth solutions.”

Customers’ needs

For protection, customers desire covers that offer medical insurance with support for both, in and outpatient benefits in the respective residency. Customers have the choices and flexibility to find suitable protection products in accordance with their circumstance. For education, customers are more interested in multi-currency proposition in Hong Kong, which allow GBA customers to gain

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exposure in foreign investment and currencies to save for their children education or even their future overseas retirement.

For retirement, more Hong Kong people plan to live or retire in GBA, and they look for an annuity product in GBA that would fulfil their need of having a stable income stream to support their living.

Ms Ching said, “Moreover, with borders now reopened and inbound travel on the rise, GBA cities are well-positioned to capture growing insurance demand. For instance, Macao’s government travel data reveals that in the second quarter of 2024, over 5m mainland visitors flocked to the city.

“While most visitors came from Guangdong province, a significant number also arrived from Shanghai, Zhejiang, Jiangsu and other cities. This influx of visitors has further fuelled the prosperity of GBA cities, as they increasingly seek out wealth management tools.”

She said, “All these factors have positioned the GBA as the preferred wealth management hub for customers from the mainland.”

Speaking about the types of medical, health and life solutions that the customers prefer most, Ms Ching said, “For life solutions, customers in the GBA, who are mostly in the affluent segment, prefer whole of life policies. When buying these policies, they are looking for the best and most appropriate vehicle to achieve wealth transfer and legacy planning instead of high return.

“Also, traditionally, these high-net-worth individuals often have significant investments tied up in illiquid assets such as properties and real estates or ‘indivisible’ assets. In this regard, insurance policies offer high liquidity, allow policy holders to name their beneficiary(ies) and structure the policy such as ‘compartmentalising’ or ‘dividing’ the benefits to meet their specific needs. As such, using insurance

policies as a wealth management tool has been on the rise in GBA.”

Ms Ching said, “While premium and coverage are crucial, customers in GBA also consider the convenience of taking out a policy. They also put significant emphasis on claims, because that is what really matters when it comes to choosing a health partner.”


She said, “To streamline the policy application process for customers, we introduced an underwriting passport which waives the need for a medical examination if customers have previously completed one with any of our insurance entities in mainland China or Hong Kong, enabling them to take out designated whole-of-life policies in either location more easily.”

GBA customer profile

Ms Ching said, “When it comes to customer experience, our investment in health technology enables us to build the most comprehensive health ecosystem, which can benefit our customers in the GBA. This includes paying claims digitally in five minutes using AI technology.”

Ms Ching said, “Given inbound visitors represent a significant customer demographic for the GBA, we see the same trend in the insurance sector and with the nature of insurance products, customers often consider insurance products within their allocation of lower-risk assets.”

She said, “While affluent GBA and Hong Kong customers have similar insurance needs, with both groups prioritising term life, personal accident, medical and critical illness insurance, GBA customers also focus on savings linked insurance products, protection for medical and critical illness, retirement planning, and legacy planning. On the other hand, Hong Kong customers place a higher emphasis on income protection, long-term savings, education planning, and financial goals.”

In addition, several insurers from Hong Kong have established after-sales service centres within the GBA, allowing direct customer engagement, cross-selling of insurance products and streamlined claims handling across the region. 

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