

INSURANCE RANKINGS: HONG KONG



Avo Insurance offers customisable plans based on needs and ability to pay.

Hong Kong digital insurers catch up to traditional firms

Virtual insurers are getting out fresh products for underserved segments.

Hong Kong Business' annual review of the insurance sector revealed that the total assets of the city's 50 largest insurers rose 3.54% to \$643b in 2018 from \$621b in 2017.

AIA International remains the top Hong Kong insurer with \$139b in total assets, up from \$125b in 2017. Prudential Hong Kong Life retained second place at \$107b from 2017's \$99b. HSBC Life went up two places to third with \$63.9b, Manulife International placed fourth at \$58b, and China Life fell to fifth place with \$51.7b in total assets this year.

Even with the presence of these large firms, digital insurers are rising to gain a presence in Hong Kong, which still has one of the lower penetration rates amongst developed countries.

So far, two virtual insurance licenses have been issued to Bowtie in 2018 and Avo in 2019. One restriction for virtual insurers is that they are not allowed to accept any business from any channels other than their own proprietary system.

But digital insurers are undaunted. "We are able to create new insurance products that have greater



Winnie Wong



Fred Ngan

levels of customisation and can be more relevant to consumers, as well as introduce existing insurance products to new channels and underserved segments," said Avo Insurance's CEO **Winnie Wong**.

Since obtaining their virtual licence, Avo has been busy developing protection for uninsured risks and diversifying their coverage. The firm offers an e-wallet, as well as cancer and travel protections, which can be customised based on a client's preferences, needs and ability to pay. Protections start from \$79 per person annually for e-wallet, \$125 to \$159 for cancer coverage, and \$39 to \$69 for travel protection. Further, Avo is building their own virtual system that will provide a quick underwriting process with simple risk assessment questions. The system will be supported by automation, and will speed up the insurance process for the customer-side. It will also lower internal operational costs. The firm utilises social media to connect with customers, particularly on Facebook and LinkedIn, and a core group of partners to help them craft easy-to-understand insurance plans that fit

their clients' needs. Being a digital company is an edge over traditional insurers, Wong stated, since they have established themselves from the ground up and can offer a more affordable and personalised service to clients.

"We will continue to focus on enhancing our virtual insurance experience and engaging our customers through our value-added services such as an application, which is set to be launched next year."

Potential in pure protection

Another licensed digital insurer, Bowtie, has offerings geared towards life and health protection. "Penetration for digital channels is below 1% for the life and health business. Only 2% of premiums amongst the market provide pure protection. Thus, we see a very large market for pure protection products in Hong Kong," co-founder and co-CEO **Fred Ngan**, told *Hong Kong Business*.

"As a visual insurer, we eliminate commissions and sales intermediaries by going direct. Going direct allows us to keep our prices low without commissions, maximising the insurance value for customers and enables us to reinvest in the platform," he expounded.

Bowtie introduced the first fully online medical underwriting engine in Hong Kong, which instantly provides health evaluations for its users and gives fairer and more transparent insurance pricing. They have also offered a full end-to-end digital Voluntary Health Insurance Scheme (VHIS) which can be done through smartphones, streamlining operations and eliminating the need for paperwork. "With the automatic claim process, medical examinations or paper forms are no longer required, and application process is shortened from at least three days to as fast as ten minutes."

Just like Avo, Bowtie is reaching out to the younger generation looking for a hassle-free experience. "It reflected that most of our customers received smooth self-served experience, which 85% of applications and more than 70% claims submitted online didn't involve assistance from our dedicated support team," Ngan said.

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RANKINGS	INSURERS	CLASSIFICATION	TOTAL ASSETS IN 2018 (USD)
1	AIA International	LIFE OR LONG TERM BUSINESS	\$17.8b
2	Prudential (HK) Life	LIFE OR LONG TERM BUSINESS	\$13.7b
3	HSBC Life	LIFE OR LONG TERM BUSINESS	\$8.2b
4	Manulife (Int'l)	LIFE OR LONG TERM BUSINESS	\$7.4b
5	China Life	LIFE OR LONG TERM BUSINESS	\$6.6b
6	BOC LIFE	LIFE OR LONG TERM BUSINESS	\$3.9b
7	AXA China (Bermuda)	LIFE OR LONG TERM BUSINESS	\$3.5b
8	Hang Seng Insurance	LIFE OR LONG TERM BUSINESS	\$3.0b
9	FWD Life	LIFE OR LONG TERM BUSINESS	\$2.8b
10	Sun Life Hong Kong	LIFE OR LONG TERM BUSINESS	\$1.6b
11	TPLHK	LIFE OR LONG TERM BUSINESS	\$1.3b
12	FTLife	LIFE OR LONG TERM BUSINESS	\$1.3b
13	YF Life	LIFE OR LONG TERM BUSINESS	\$1.3b
14	Transamerica Life (Bermuda)	LIFE OR LONG TERM BUSINESS	\$683m
15	BEA Life	LIFE OR LONG TERM BUSINESS	\$675m
16	MetLife	LIFE OR LONG TERM BUSINESS	\$635m
17	AXA China (HK)	LIFE OR LONG TERM BUSINESS	\$566m
18	Chubb Life	LIFE OR LONG TERM BUSINESS	\$505m
19	AXA General	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$502m
20	Bupa	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$450m
21	CTPI (HK)	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$408m
22	"Generali Worldwide/ Generali Life (HK)"	LIFE OR LONG TERM BUSINESS	\$309m
23	Zurich Insurance	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$300m
24	Fubon Life Hong Kong	LIFE OR LONG TERM BUSINESS	\$275m
25	Hong Kong Life	LIFE OR LONG TERM BUSINESS	\$244m
26	BOC Group Insurance	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$240m
27	Zurich International	LIFE OR LONG TERM BUSINESS	\$237m
28	Friends Provident Int'l	LIFE OR LONG TERM BUSINESS	\$229m
29	AIG Insurance HK	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$226m
30	Generali	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$205m
31	Chubb Insurance	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$187m
32	QBE HKSI	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$185m
33	Asia Insurance	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$184m
34	AIA International	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$181m
35	Blue Cross	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$172m
36	Old Mutual International	LIFE OR LONG TERM BUSINESS	\$147m
37	AIA (HK)	LIFE OR LONG TERM BUSINESS	\$147m
38	AXA China (HK)	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$145m
39	MSIG Insurance	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$136m
40	Prudential (HK) General	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$129m
41	Allied World	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$128m
42	Aviva	LIFE OR LONG TERM BUSINESS	\$128m
43	CIGNA Worldwide Life	LIFE OR LONG TERM BUSINESS	\$128m
44	Liberty Int'l	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$124m
45	AGCS SE	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$118m
46	Standard Life Asia	LIFE OR LONG TERM BUSINESS	\$101m
47	Principal	LIFE OR LONG TERM BUSINESS	\$99m
48	AXA Wealth Mgt (HK)	LIFE OR LONG TERM BUSINESS	\$79m
49	"Dah Sing Insurance** (acquired by Tahoe Group)"	GENERAL - DIRECT AND REINSURANCE INWARD BUSINESS	\$55m
50	Generali	LIFE OR LONG TERM BUSINESS	\$27m
		TOTAL	\$81.8b

*Data derived from the Hong Kong Insurance Authority