



RGA Asia Seniors Survey, Part I: Asia's booming senior market awaits tailored insurance solutions

By Queenie Choi, Edison Liu, Ryan Hultzer, Jae Ho

As the senior population rapidly grows across Asia, older adults are eager to access private insurance products for post-retirement protection. That is one of numerous key findings from RGA's newly released report, "**Aging in Asia: Inclusive Insurance Study on Seniors.**"

Key takeaways

- RGA's recent study reveals the sizeable untapped opportunity in Asia for insurers to develop and market simplified and affordable health, critical illness (CI), and life insurance products for elderly consumers.
- Hong Kong seniors showed high interest in CI and long-term care (LTC) insurance products, with demand for CI plans increasing with age. More than 40% are willing to purchase digitally if the products are affordable and easy to understand.
- In China, a significant coverage gap persists, with health insurance for impaired lives accounting for only 5% of total health premiums in 2020. Top barriers include perceptions that senior products are too complicated and expensive, and that seniors anticipate underwriting difficulties for pre-existing conditions.
- Taiwan will have the third-largest aging population percentage globally by 2045. Insurers are finding success with redesigned senior products featuring simplified underwriting and new distribution channels, including selling to the children of seniors

For the past few years, RGA Asia has recognized an increased demand for specialized insurance products tailored to the needs of underinsured seniors, including private health insurance, critical illness insurance, and life insurance.

To better understand these needs, in early 2024, RGA completed online quantitative research of consumers from eight key Asian markets: China, Hong Kong, Japan, Taiwan, India, South Korea, Thailand, and Vietnam. More than 1,600 respondents aged 55–80 years with mild health impairments participated in the research.

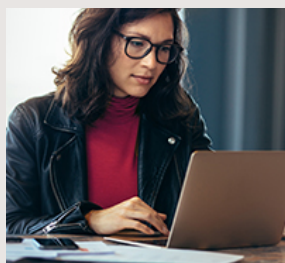
Across the geographic spectrum, the seniors surveyed reported that despite their relatively good health, they have trouble accessing insurance products. Seniors say they are frustrated by high premiums, face challenges in the underwriting process, and encounter insurance products that do not meet their needs or are too difficult to understand.

With the right product design and underwriting process, these challenges can be effectively met by insurers willing to connect with the burgeoning senior population across Asia.

This article shares findings from RGA's study and drills down into the landscape for insurance offerings tailored to the elderly population across Hong Kong, mainland China, and Taiwan.

Aging populations and the need for insurance

More than 30% of East Asia's population and almost 20% of Southern and Western Asia – more than 1.2 billion people – are projected to be older than 65 by 2060.¹ Persistent low birth rates across Asia have pushed several markets, including Japan, Korea, Taiwan, and Hong Kong, over the “super-aged” tipping point. This advanced stage of population aging, where more than 20% of the population is older than 65, presents significant economic and social challenges related to providing sufficient healthcare, pensions, and caregiving support. These challenges are compounded as medical advances enable people to live longer with chronic disease.



RGA can help insurers seize prime growth opportunities in Asia by developing insurance solutions to meet the needs of the senior segment through coordinated medical R&D efforts, underwriting expertise, and the innovative use of data and technology.

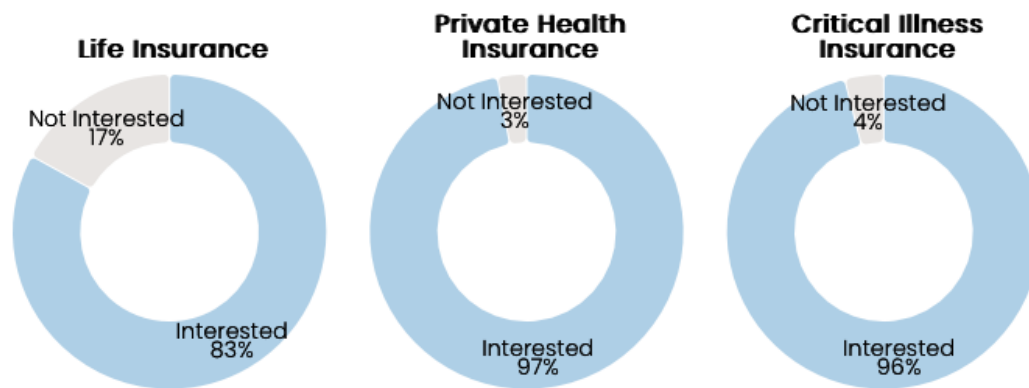
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Despite a growing need, insurance penetration among seniors remains low in Asia, a fact confirmed by RGA's study and other industry sources. For example, in Hong Kong, only 21% of people aged 65 and above are covered by employer, company, or private medical insurance.²

The same group recognizes the need to secure additional insurance, in part prompted by the COVID-19 pandemic. Market research shows that seniors fear experiencing a major illness that could bankrupt or negatively impact their families. Seniors are also concerned about their ability to look after themselves and about having to rely on others, especially following health issues such as stroke, cancer, or chronic conditions.

When examining the desirability of specific insurance products, nearly all those surveyed expressed interest in life insurance, private health insurance, and CI products if they could find meaningful coverage at an affordable premium.

Seniors' expressed interest in purchasing insurance products



Source: "Aging in Asia: Inclusive Insurance Study on Seniors," RGA, 2024

Spotlight on super-aged markets

The rapidly graying populations of Hong Kong, China, and Taiwan present unique challenges and opportunities for insurers designing protection solutions for the elderly. Key takeaways from RGA's survey point to shifting priorities around health management, income protection, and legacy planning as seniors in the region reassess their financial and insurance needs.

Hong Kong

Already having a super-aged population, Hong Kong expects to see its 65+ community grow to 30% by 2031.³ The population aged 50 to 80, which could be

considered the target market for senior insurance products, currently comprises 41% of the population.

Hong Kong seniors have traditionally bought savings plans that provide guaranteed returns/dividends and fixed deposits, neither of which provide sufficient financial support for unexpected medical expenses. Hong Kong's agent-driven insurance market has shied away from CI products for seniors because of concerns about cumbersome underwriting processes. Seniors, most of whom have at least mild impairments, remain wary about medical exams and are loathe to consider products they deem not providing sufficient value for the premium charged.

Yet if products become simpler, more inclusive, and more affordable, Hong Kong could be the next great market for senior products.

Hong Kong survey highlights:

- Seniors have high confidence in their level of retirement savings (87% are somewhat confident or very confident) to cover day-to-day expenses but fear a devastating major illness that could financially impact their entire family.
- Along with China, Hong Kong seniors showed the highest demand for CI and LTC insurance across Asia. Their interest in buying CI plans increases with age, with those in their twilight years (age 70+) 50% more likely to be "very interested" in buying CI products than pre-retirees (ages 55-60).
- Interestingly, while more than half of Hong Kong seniors prefer to buy CI and health insurance through an agent or broker, more than 40% are willing to buy products digitally via an insurer or aggregator website – but only if the coverage is affordable and easy to understand.

For more insights into how behavioral science can increase customer understanding of life insurance products and improve the customer journey, explore RGA's exclusive study, "Searching for Simplicity," produced with the Society of Actuaries.

China

China's population is aging faster than any other country in modern history. The number of people older than 60 in China is projected to increase from 12% today to 26% of the total population by 2050.⁴ The proportion of these impaired lives who

can obtain insurance coverage remains very low, creating a significant coverage gap.

According to a McKinsey report, out-of-pocket medical expenditures for China's population older than 65 amounts to 2 trillion RMB. Commercial insurance compensation covers only about 7% of this, highlighting a significant market gap.⁵ Insurance penetration among this massive senior population is also stymied by perceptions that senior-focused products are overly complicated and too expensive.

Most of the China disease protection market is dominated by whole life products, which seniors deem too costly. Direct insurers serving the market have limited experience in developing and distributing suitable products.

Shortening coverage terms to 10 to 20 years can help reduce premiums. Another strategy insurers could explore is incorporating accumulated cash value into protection products, an extremely attractive prospect for Chinese seniors.

China survey highlights:

- When Chinese respondents who applied for insurance in the past were asked why they did not ultimately purchase coverage, 52% of life applicants and 45% of private health insurance applicants said they were rejected or declined partial coverage due to pre-existing conditions. For those who applied for a CI product, 54% said they were denied or offered only partial coverage.
- Chinese respondents reported their top barrier to pursuing all three types of insurance (life, private health, CI) is that policies are too difficult to understand.
- Chinese seniors said they feel more confident with in-person interactions with an agent, broker, or banker. But they also reported an openness to digital channels such as an insurer's website or app, or an online insurance platform. Word of mouth from family or friends is a top source of information for Chinese seniors.

Taiwan

Based on government forecasts, Taiwan will have the third-largest aging population percentage in the world by 2045, behind Japan and Korea.

Traditionally, the Taiwanese market viewed senior products as prohibitively expensive with strict underwriting, making them neither customer friendly nor easily accessible. This is a misperception. RGA launched Taiwan's first senior product in

2022 to great success. The product was specifically designed with seniors in mind, with inclusive underwriting. RGA also shifted its approach to distribution channels and explored new options for the product. Around 20% of product purchases were made by the children of the seniors.

Taiwan survey highlights:

- Affordability and ease of claims processing are among the top purchase drivers for Taiwanese seniors across all three insurance types.
- Seniors value the reputation and financial strength of insurers when seeking life and private health insurance.
- Apart from premium cost, Taiwanese seniors said complex and confusing policy language is their top barrier to purchasing CI, life, or private health insurance.

Conclusion

As Asia's populations rapidly age, insurers have a prime opportunity to tap into the underserved senior market with tailored solutions that provide health protection, income protection, and legacy planning benefits. By streamlining products and underwriting, using innovative distribution channels, and designing straightforward and affordable offerings, insurance carriers can meet the evolving needs of elderly consumers across Asia. With adaptations and an inclusive mindset, the insurance industry can play a vital role in supporting Asia's super-aged societies.

Check out the next two articles in this three-part series:

Part II: [Tailoring life and health insurance products for Asia's aging populations](#)

Part III: [Rethinking underwriting and claims for senior applicants](#)

Discover opportunities from RGA's analysis of 1,636 respondents in China, Hong Kong, Japan, Taiwan, India, South Korea, Thailand, and Vietnam. Don't miss this comprehensive look at the rapidly evolving senior market in Asia: "[Aging in Asia: Inclusive Insurance Study on Seniors.](#)"



AUTHORS

Queenie Choi
Chief Commercial
Officer, Asian Markets



Edison Liu
Head of Research and
Innovation
• RGA China



Ryan Hultzer
Executive Director,
Product Development
• RGA Hong Kong



Jae Ho
Deputy General
Manager
• RGA Taiwan

Additional Resources

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3. Hong Kong Population Projections 2022–2046, Census and Statistics Department, Government of the Hong Kong SAR <https://www.censtatd.gov.hk>
4. <https://www.prb.org/resources/china-aging-worlds-largest-population-older-people/#:~:text=No%20other%20country%20in%20the,for%20community%2Dbased%20health%20care>
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