



**THE REAL LIFE  
COMPANY**

## Media Release

### **AIA Survey Shows Employee Benefit Plans Don't Meet Employees' Needs.**

#### ***Employees Demand Critical Illness as Core Cover***

**Kuala Lumpur, 6 December 2013** – Employees in Asian countries including Malaysia consider Critical Illness coverage one of the most desirable elements in the Employee Benefits (EB) schemes offered by their employers, a survey commissioned by AIA Group shows, shedding insight on how companies could differentiate themselves as they compete to attract and retain talent in the markets. Yet less than 10% of employers offer Critical Illness as part of their employee benefits scheme. Are companies' benefit programmes really keeping up with the real needs of their employees?

The survey, conducted by independent research company Honeycomb, interviewed 821 employees in Malaysia, Hong Kong, Singapore and Thailand and 413 multi-national and domestic companies in those markets. The top concern, mentioned by 4 in 5 employees, is the rising cost of medical care, followed by the financial position of their family if they cannot work due to serious illness, underlining the lack of protection in the Critical Illness area. It is not surprising therefore that employees rank Critical Illness as the most appealing benefit after Hospitalisation cover.

The majority of employers said they are concerned about benchmarking against competitors, because they believe Employee Benefits programmes play an important role in attracting and retaining talent. However when it comes to adding Critical Illness coverage to their schemes, they see cost as the most significant constraint - on average employers think it will add 38 per cent to their premiums. In reality, it may add less than 10 per cent to their overall premium – or less than 1% of their annual payroll. At this cost, 73% of employers say they are interested in adding Critical Illness to their Company Scheme.

“Employers think highly of EB Schemes as an incentive to attract and retain talent but far over-estimate the actual cost implication,” said Bill Lisle, CEO of AIA Bhd., a leading provider of EB schemes in Malaysia. “Companies looking to offer Critical Illness coverage while staying within their budget constraints can consider restructuring their EB schemes to provide a different mix of benefits that enable them to offer Critical Illness cover while keeping cost increase to a minimum.”

The survey follows AIA's recent launch of the Real Life Company brand position, reflecting the Company's deep understanding of customers' lives and the role AIA plays in helping families across the region plan for life's ups and downs. Companies can play a key role, with 82% of employees believing that Employee Benefits schemes are important in making them feel valued.

Bill Lisle added: “As a market leader in Corporate Solutions, we believe this is the right thing to do and AIA is serious about taking the lead to advise clients on how best to incorporate Critical Illness coverage into their core Employee Benefits programme. We can provide expert advice to employers on how to redesign their existing scheme to address the real life needs of employees.”

## **About AIA Bhd.**

AIA Bhd., formerly American International Assurance Bhd., is a leading insurer in Malaysia, where we have been privileged to do business since 1948. We offer a suite of high quality products including Protection, Health, Personal Accident, General Insurance, Employee Benefits, Retirement and Family Takaful options to meet our customers' protection and financial security needs at every life stage. Through our wide and diverse distribution footprint which comprises a tied agency force of close to 17,000 members, our exclusive bank partner's branches nationwide as well as corporate sales teams and brokers, we give our customers the choice of deciding how, when and where they connect with us.

Part of the AIA Group, the largest independent publicly listed pan-Asian life insurance group, AIA Bhd. in Malaysia has the financial strength, experience, service centre network as well as a well-trained team of more than 2,000 staff to serve its over 2.6 million customers nationwide. As at end 2012, AIA Bhd.'s total asset worth was RM23 billion, with a paid-up capital of RM242 million.

## **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 operations in 17 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, a 97 per cent subsidiary in Sri Lanka, a 26 per cent joint venture in India and a representative office in Myanmar.

The business that is now AIA was first established in Shanghai over 90 years ago. 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\$147 billion as of 31 May 2013.

AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement savings plans, life insurance and accident and health insurance. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents and employees across Asia-Pacific, AIA serves the holders of more than 27 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").

**Media Contacts:**

**Darshini M. Nathan**

**Head, Corporate Communications**

Tel: 03-2058 4838 (ext 2689)

Email: [Darshini.Mahendranathan@aia.com](mailto:Darshini.Mahendranathan@aia.com)

**Karen Yoong**

**Manager, Corporate Communications**

Tel: 03-2058 4838 (ext 1191)

Email: [Karen.Yoong@aia.com](mailto:Karen.Yoong@aia.com)

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