

Age, wealth, globalisation: the three main drivers of life insurance growth in Asia



Asia's life insurance sector is being reshaped by ageing populations, rising wealth, and growing globalisation, with digitalisation and macroeconomic uncertainty further accelerating demand for protection and wealth planning solutions, according to **HSBC's Mr Edward Moncreiffe**.

By Jake Dellosa

Asia is getting richer, getting older, and getting more globalised. According to HSBC CEO for Insurance Edward Moncreiffe, these are the three main drivers of growth in life insurance in the region. In an exclusive interview with *Asia Insurance Review*, he said that these “three structural tailwinds” are getting a boost from what he called a “one point-in-time” accelerator.

“I think we’ve spent the past 30 years talking about the West ageing, but now frankly the fastest rate of ageing that we see is in Asia. So, I think by the end of this decade the average age in North Asia would be 48, and that compares with 44 in Western Europe and 40 in the US. The rate of ageing in China is even more pronounced. “We had an average age of I think 29 at the turn of the millennium and it’s now over 40,” Mr Moncreiffe said, detailing the evolving demographic of Asia.

He said an older Asia is driving demand for retirement solutions

as people live longer outside of the workplace, leading to increased demand for annuities and demand for safe havens.

He also noted that Asia is getting richer. “Ultimately GDP growth per capita in Asia is the highest rate of growth in the world. All economic history would show that as people reach a certain level of affluence, they have things to protect, whether that’s their income, their family, their goods, properties, their retirement, their estate or their legacy, which is particularly interesting for us. We estimate roughly \$5.8tn of wealth and affluence will be transferred.”

Intention-action gap

A recent survey conducted by HSBC Life, titled *HSBC Life High-Net-Worth Legacy Planning Survey 2026: Bridging the Intention–Action Gap*, has found that life insurance has become the preferred legacy planning tool for high-net-worth individuals, surpassing traditional tools such as wills.

Commenting on the survey,

he said that to tap this potential, insurers must strengthen their advisory capabilities. “Even though we see the vast majority are very aware of their need to have a legacy plan to incorporate life insurance within their estate plan, the majority do not yet have a life insurance plan. So as always, how do we solve for that intention–action gap? That is ultimately around advice, and that ultimately means having the right intermediary and right capability to inform and advise high-net-worth individuals,” said Mr Moncreiffe.

Despite strong awareness levels, the survey found that nearly 60% of respondents do not have any legacy plans in place, with the ‘intention–action gap’ most pronounced in Mainland China, Hong Kong, Taiwan, and the UAE.

Markets driven by globalisation

The third of the three tailwind drivers is increased internationalisation of wealth planning. “We see kind of two international financial

centres, Singapore and Hong Kong, really driving to the forefront in capturing onshore and offshore demand. Historically for banking and investment services but now increasingly for insurers and for estate diversification. These markets have deep capital markets, very strong advisory pools, and are increasingly attracting wealth insurance demand from across the region,” he said.

All of these growth areas are getting a shot in the arm by what he described as “intense macroeconomic, geopolitical and financial market uncertainty”, which has spurred de-risking behaviour among consumers.

“We entered 2026 with equity markets at all-time high valuations and credit spreads at all-time lows, and that kind of positioning has then been further exacerbated by the conflicts in the Middle East, US–Iran conflict, which has led to significant volatility in financial markets and significant increases in commodity prices. So ultimately, of course, significant disruption to global supply chains and significant frictions in inter-country, inter-continental relationships. All these factors drive increased demand and increased willingness to pay for protection, whether that’s health or financial.

“In times of volatility, the value of assurance and certainty goes up. So,

I think it is a very supportive set of long-term and short-term dynamics,” he said.

Meeting increased demand with digitalisation

The insurance industry is approaching an inflection point, with a growing share of the population becoming willing to purchase a range of solutions digitally. According to Mr Moncreiffe, “I think we are close to reaching an inflection point of having a material part of our population willing to buy a range of solutions digitally.”

However, he cautioned that this should not be viewed as a simplistic shift, noting that “digitalisation is absolutely a prerequisite to meeting increased demand, but also ensuring their fair share of these demands vis-à-vis other financial sectors.”

He explained that digitalisation in insurance is evolving in two distinct ways. First, it is enhancing productivity and agility within traditional channels. Second, it is emerging as a standalone, end-to-end model that can attract, acquire, and service clients independently. As Mr Moncreiffe said, “We see digitalisation twofold: one is increasing productivity and agility within traditional channels, and secondly digitalisation as a channel within its own right as an end-to-end

attractor, acquirer and servicer of clients in its own right.”

He added that how insurers balance these two approaches will be “a key question for the next 10 years.”

It takes a village to solve rising healthcare costs

Most markets are facing higher healthcare costs, with Mr Moncreiffe saying that many economies have seen consistent double-digit health inflation and, in turn, consistent double-digit health insurance inflation. If the trend continues, insurance products will ultimately become “unaffordable to those who need it, and we’ll cease to offer good value”.

Also taking a hit are corporates, as health benefits become an increasingly large and inflated component of a company’s expenses, leading them to stop offering such benefits.

To solve this problem, he believes it should be a collective effort rather than the insurance industry solving it alone. Insurers, he believes, should also work with health organisations and the government to bring down healthcare costs.

“I really think this is a challenge for the industry that must be solved now. Two answers I’m giving: firstly, the industry can’t solve it on its own,” he said. “This is an ecosystem and requires significant and constructive collaboration with the healthcare industry, both primary, secondary and tertiary care, and with government and regulatory bodies to make sure that supply and demand for private healthcare are increasing.”

He said that these stakeholders also need to make sure inefficiency and abuse in the system is being targeted acutely, and to make sure all participants, including governments and the private healthcare sector, to have “skin in the game” in delivering more sustainable outcomes.

Despite the challenges, he is bullish on the outlook for the Asian life insurance industry, saying insurers can be confident in delivering growth, but he reminded that such growth should be of quality: “sustainable, generating economic profits for shareholders rather than chasing growth.”[▲]

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