

# Risky Business?



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In this edition of Indochina Research's I-TRAK™, we have tried to measure impact of "Perception of Insurance" in the Indochina Region.

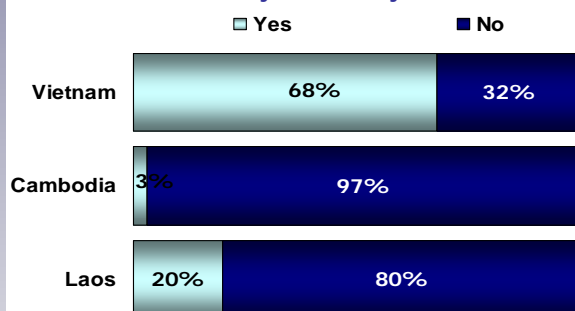
I-TRAK™ Research Design: Random selection of 600 respondents aged 18-45 in 2 age segments: 18-29 year olds and 30-45 year olds, split evenly between males and females. Survey was conducted in March 2010 among residents of Hanoi & HCMC (Vietnam), Phnom Penh (Cambodia) & Vientiane (Laos).

Though the insurance industry in Vietnam, Cambodia and Laos is relatively new in comparison to other countries in the region, insurance is increasingly playing an important role for residents of these countries. Over 90% of all people in each market stated that insurance is 'important', with primary reasons being; to minimize financial risk during certain unforeseen events and as a "protection mechanism".

## Incidence and Perceptions

Although, people in each of these markets have said that insurance is important, Vietnam was the only country where the majority of people said that they currently own insurance.

Do you have any insurance?



The most prevalent type of insurance in each country differed. In Vietnam, 'health' and 'vehicle' insurance are most often purchased by themselves, whereas in Cambodia, insurance is often provided by the employer. Laos was also similar, with insurance and social security a work place benefit, particularly for civil servants.

Owing to high rates of usage in Vietnam, all were aware of at least one insurance company. In contrast, the number not knowing of a particular company was high in Cambodia and Laos.

What is the first company name that comes to mind? (TOM – Top of Mind)

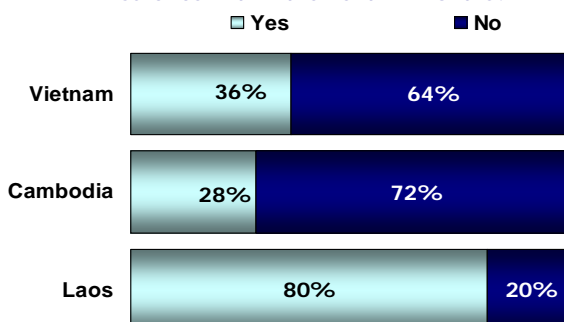
Vietnam		Cambodia		Laos	
Company	TOM	Company	TOM	Company	TOM
Prudential	36%	CAMINCO	23%	Lao Insurance (AGL)	65%
Bao Viet	32%	Infinity Insurance	18%	TOKO	2%
AAA	12%	Forte Insurance	1%	LVI	2%
Manulife	11%	Asia Insurance	1%	Social Security	1%
Bao Minh	5%	Cambodia Vietnam	1%	DK (do not prompt)	32%
PJICO	3%	DK (do not prompt)	57%		
ACE life	3%				
AIG	1%				
Bảo Việt Fund	1%				
DK (do not prompt)	-				

## Potential Demand

Currently, when people in this region deal with expenses related to health issues, injuries, property loss, etc, they use money from family savings.

However, there are worries about future risk. For example, those in Cambodia and Laos are most concerned about health problems, while those in Vietnam were primarily worried about injuries/accidents. Those in Laos were much more inclined to address these worries by intending to purchase insurance within the next 12 months.

Are you going to purchase any insurance within the next 12 months?



The top three types of insurance that people in this region are looking to subscribe in the next 12 month are:

- 1<sup>st</sup> Health or Injury/Accident Insurance,
- 2<sup>nd</sup> Life Insurance,
- 3<sup>rd</sup> Vehicle Insurance (car/motorbike)

## What does this mean?

People in Indochina do perceive that there are potential risks in the future, with many expecting insurance to protect them from any impact.

However the full benefits of insurance are still relatively unknown to people in the region. Those companies that move quickly to not only build name recognition but also educate the consumer, should benefit in the long term.

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