



The Healthcare- Pension Combo Trend

2016

Retirement Planning
and Healthcare of
Chinese HNWIs

Foreword

Over the past year, in spite of China's slowing economic growth, the number of high net worth individuals (HNWIs) in China continued to rise rapidly, alongside the sustained growth of housing prices in first-tier cities. As of May 2016, the number of HNWIs with CNY 10 million or more was approximately 13.4 million, up 10.7%. Those with CNY 100 million or more stands at about 89,000, up 14.1%. HNWIs have a more positive outlook towards life, family and wealth, as well as having higher requirements.

This is our second industry white paper on HNWIs' healthcare and retirement planning needs. We have conducted deep and original research, making comparisons between results from the past two years to define and understand the development trends and direction of the industry. At the same time, we have made our coverage more comprehensive by considering the funeral market, providing insight into an area set to play a landmark role in this industry.

The white paper shows that 95% of Chinese HNWIs have commercial life insurance, with average premiums of CNY 37,000 and total annual premiums of CNY 47 billion, up from CNY 40 billion last year, in a reflection of continued growth.

HNWIs are beginning to embrace the concept of retirement more openly. The concept of combining 'healthcare and retirement' has gained increasing prominence over the

previous year. HNWIs' recognition of new modes of retirement has increased, and our research shows that more and more HNWIs are interested in medium- to high-end elderly care homes.

In 2016, 'healthcare' became the topic that most interested HNWIs. The range of healthcare institutions they opt for is growing increasingly diverse, and their demand for new types of medical channels such as private hospitals and doctors and overseas medical treatment is on the rise.

Unsurprisingly given China's rapidly ageing population, HNWIs are beginning to take their funerary arrangements into consideration proactively, with demand for related services growing apace. Overcoming traditional Chinese taboos regarding funerals, combining healthcare and retirement planning with funerary arrangements, and providing products which meet HNWIs' needs are the new directions the market will take.

This white paper, presented by Taikang and Hurun Report, offers a comprehensive, data-based overview of the healthcare and retirement market for Chinese HNWIs. Questions considered include, what is their attitude towards commercial health insurance? What is their reaction to new developments in healthcare and pension integration? What is their view on funerals? We hope that you will find it informative, we look forward to receiving your feedback.

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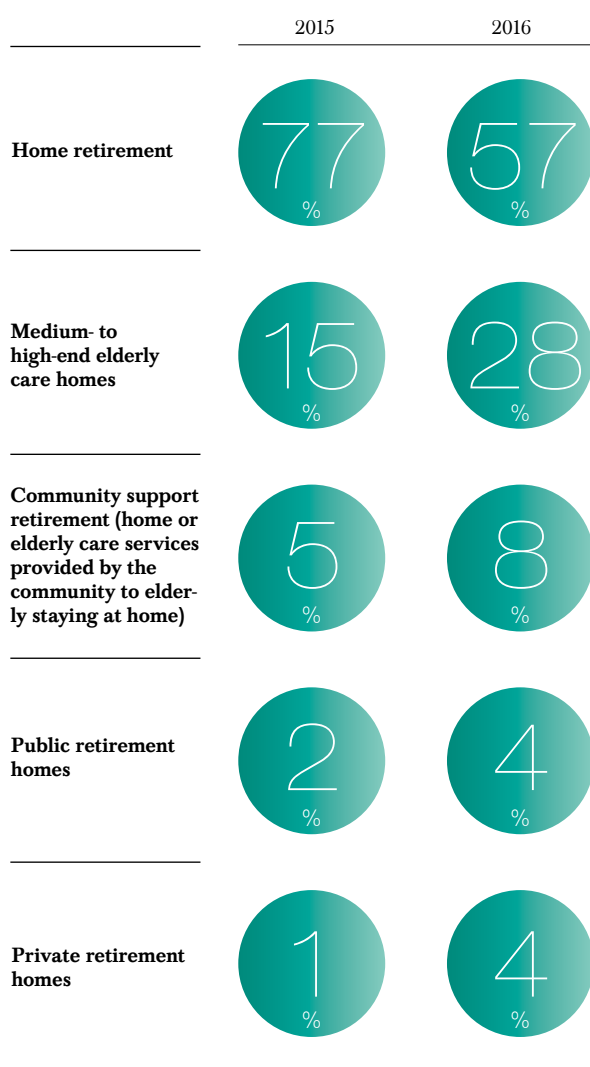
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Three Highlights of Retirement Planning and Healthcare of Chinese HNWI

Personal Retirement Method Plan



1 95% of HNWI believe that social insurance is unable to meet their current security needs

95% of HNWI buy commercial life insurance in addition to social insurance mainly because the latter has little relevance for them. Social insurance provides only basic coverage to the population as a whole, and consequently it is not capable of meeting the high standards HNWI require in terms of comprehensiveness of security, premium levels, investment returns, levels of satisfaction and personalization. Commercial insurance, however, offers an effective means of overcoming such shortcomings, allowing HNWI more comprehensive and satisfactory coverage.

In short, HNWI are attaching greater importance to commercial insurance due to the comprehensiveness of the security it offers. When evaluating the importance of commercial insurance, 78% of HNWI indicated that it is very important or quite important, giving it an average of 8.1 points on a 10-point scale.

59% of HNWI will proactively seek to learn about commercial life insurance, a much higher percentage than last year's 22%, further evidence of rising HNWI interest in commercial insurance.

2 In 2016, with the rapid uptick in HNWI's recognition of and demand for new types of elderly care homes, medium- to high-end elderly care homes are gradually becoming their preferred mode of retirement, with younger respondents most interested in them

In the retirement plans of HNWI themselves, 57% prefer to retire at home, followed by medium- to high-end elderly care homes, with 28%, and community-supported retirement with 8%. Significant changes in HNWI retirement plans are apparent this year. Though home retirement still accounts for more than half, the proportion opting for it fell by 26%. The proportion choosing medium- to high-end elderly care homes as an option climbed by 87%, especially among the under 35s, with the preference rate rising from last year's 17% to this year's 39%. When it comes to the age

at which HNWI plan to move into medium- to high-end elderly care homes, the preference for 70 years of age remains unchanged.

Factors affecting HNWI's retirement plans are similar to those of their parents. The main deciding factor are personal and spouse's wishes (60%), followed by state of health (49%) and retirement perceptions (47%). In terms of funding retirement, the main sources are personal savings/investment balances, with 33%, followed by commercial endowment insurance with 28% and social insurance at 21%. Compared with their parents, HNWI's personal expenditure has seen a significant increase.

From our interviews we find that HNWI attitudes towards retirement are becoming more open-minded and optimistic, as social perceptions alter. In retirement, they expect to lead colourful and relaxed lives, and to travel extensively. They are increasingly independent with regards to retirement planning, preferring to prepare through investment and insurance, rather than expecting their children to look after them. Accordingly, they expect to move into retirement communities or institutional care, not only to enjoy medical security but also to reduce pressure on their children, who already face tremendous social burdens due to the One Child Policy. Furthermore, with the rapid development of the retirement industries, choices are becoming more diversified, and expectations that filial offspring ought to provide for their aged parents are waning.

3 The creation of a 'one-stop' funeral services concept, with comprehensive coverage encompassing palliative care, religious beliefs and inheritance of family heritage and spirit is the future development trend for the HNWI funeral market

The funeral product envisaged for HNWI integrates various aspects including palliative care, psychological com-



fort and so on as part of an integrated 'one stop' package service to meet religious needs and the desire to successfully transmit values and legacies to the next generation.

Palliative care: this includes specialized and professional treatment, focusing on relieving pain and providing mental comfort, and the prevention of over-treatment. This method can not only reduce families' medical treatment expenses, but also calm patients' nerves and relieve unnecessary pain.

Funeral services to meet spiritual needs: this involves developing differentiated services in line with the religious beliefs of HNWI. According to Hurun Research Institute, more than 30% of HNWI are religious, with 23% of them Buddhists and 6% of them Christians. Religious convictions are more common the older respondents get and the more assets they have. More than 60% of HNWI with CNY 30 million or above have religious beliefs. In recent years, the proportion of religious HNWI has grown. These beliefs strongly affect their attitude towards and demand for funeral services, thus it is important for them to be taken into account.

Transmission of inheritance and values: it is envisaged that a combination of insurance and trusts will be used, to ensure that rules are in place to regulate inheritances, and to guide the values of the next generation in making use of their legacies. It is also hoped that the family's values and mission can be passed on.

Chapter 1

Scale and Characteristics of Chinese HNWIs

Key Topics

- 1.1 Total Figures for HNWIs
- 1.2 Family Structure of HNWIs
- 1.3 Characteristics of HNWIs' Living Status

1.1 Total Figures for HNWIs




1.1.1 The Number of Chinese HNWIs: About 1.34 million HNWIs with CNY 10 million yuan, and about 89,000 HNWIs with CNY 100 million

According to Hurun Research Institute data, valid as of May 2016, there are about 1.34 million HNWIs




Number and Growth Rate of China's HNWIs

Year	Number of HNWIs with CNY 10 million or more	Growth rate
2011	960,000	9.7%
2012	1,020,000	6.3%
2013	1,050,000	2.5%
2014	1,090,000	3.8%
2015	1,210,000	11.0%
2016	1,340,000	10.7%




Number and Distribution of Individuals with 10 Million Yuan

-  Number of individuals with CNY 10 million in 2016
-  Proportion
-  Growth rate

Gansu-Northwest China

 890  0.07%  -1.11%




Qinghai-Northwest China

 850  0.06%  6.25%

Xinjiang-Northwest China

 3,800  0.28%  2.70%

Tibet-Southwest China

 550  0.04%  10.00%

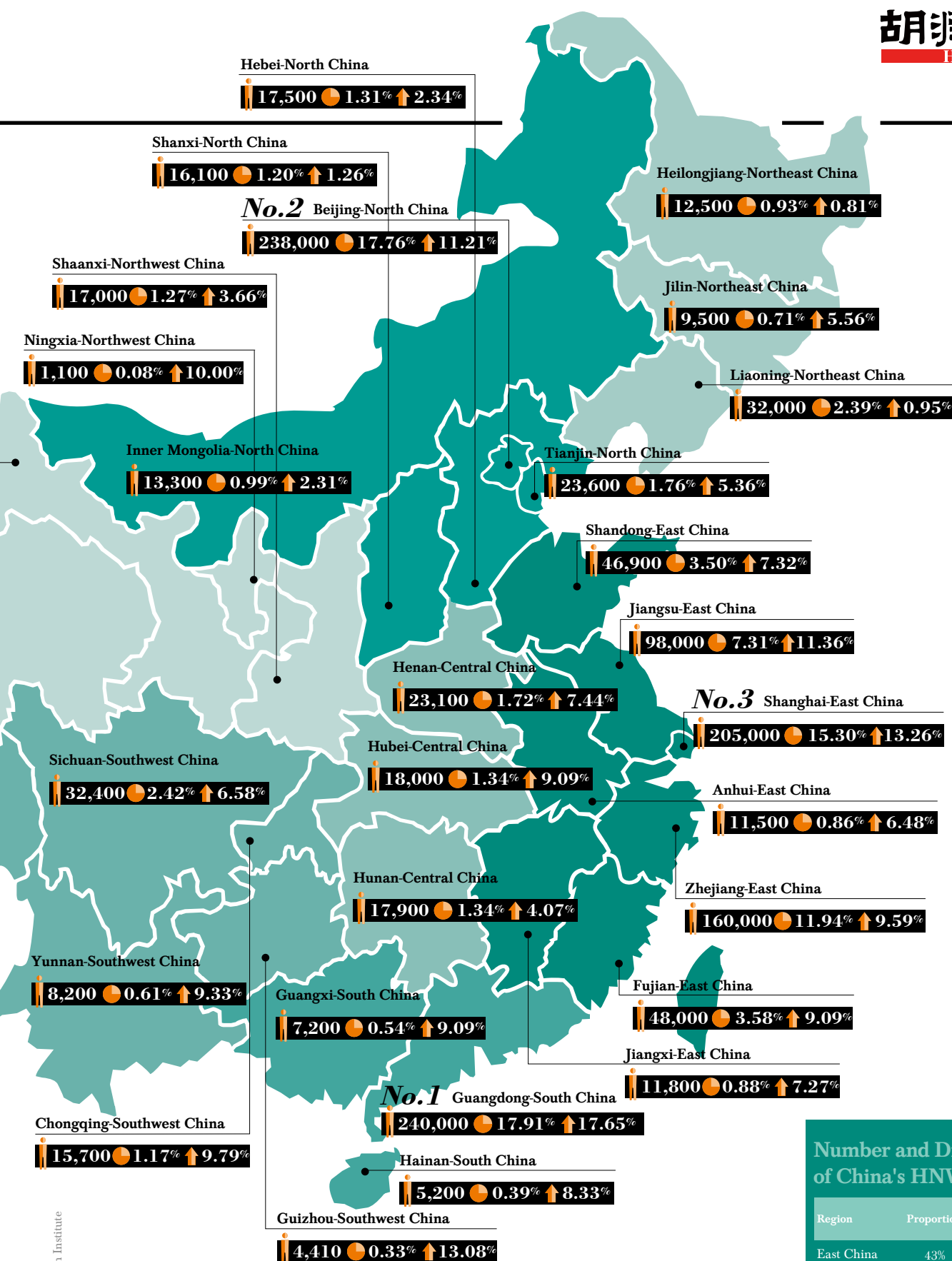
worth CNY 10 million or more in the Chinese mainland, which is 130,000 more than the number last year, with a growth rate of 10.7%. There are about 89,000 HNWIs worth CNY 100 million or more, up 11,000 on last year, with a growth rate of 14.1%.

1.1.2 Distribution of Chinese HNWIs: Guangdong has the largest population of HNWIs with CNY 10 million

In terms of the regional distribution of China's HNWIs, East China accounts for the highest proportion, with 43%; North China takes second place with 23%; South China comes in third with 19%, followed by Southwest, Central, Northeast and Northwest China, which account for 15% combined.

Among provinces and cities, Guangdong, rather than Beijing, has the largest number of individuals with CNY 10 million or more with a total of 240,000, and it also has the highest growth rate, 17.65%. Beijing takes the second place with an increase of 24,000, reaching 238,000 in total. Shanghai comes in third, increasing by 24,000 to 205,000. Zhejiang ranks fourth with an increase of 14,000 to reach 160,000.

These four provinces together have 843,000 HNWIs, accounting for 63% of the total. The number based in



Number and Distribution of China's HNWIs

Region	Proportion	Number of HNWIs with CNY 10 million
East China	43%	581,158
North China	23%	308,468
South China	19%	252,456
Southwest China	5%	61,238
Central China	4%	58,960
Northeast China	4%	54,002
Northwest China	2%	23,584

Jiangsu exceeds 50,000, and there are more than 30,000 each in Fujian, Shandong, Sichuan and Liaoning. Compared with last year, the number of HNWIs in all provinces has increased.

HNWIs with CNY 10 Million Fall into Four Occupational Categories



Survey based on provinces and cities, with HNW distribution as reference.

1.1.3 Composition of HNWIs

The Hurun Wealth Report 2016 focused on the number of individuals with CNY 10 million in mainland China. Their fixed assets consist of equities, and self-occupied and investment properties. Current assets include stocks, funds, bonds, deposits and insurance. The survey used to gather data classed provinces and cities as units to investigate the distribution of China's HNWIs, taking their permanent residences as the frame of reference. Hurun Research Institute also made use of micro and macro research methods. Micro research methods encompassed the number of high-end residences in each area, the growth rate of property prices, the sales index of luxury cars, individual income tax returns, enterprise registered capital and other related high-end consumption indicators. Macro research methods made use of data from China's latest GDP and GNP figures published by the National Bureau of Statistics, and utilized the Lorenz Curve model in analysis and accounting.



Business Owners

Business owners account for 55%, with no change on last year's figure. Enterprise assets make up 56% of their total wealth. This group owns an average of CNY 2,300,000 in investible assets (cash and marketable securities), cars with a value higher than CNY 200,000, and property with a value higher than CNY 1.9 million.



Gold-collar Workers

Senior corporate employees. Their company shares, big salaries and bonuses earn them high, stable incomes. The proportion occupied by this group was comparatively stable, at 20%. Cash and securities as a proportion of wealth rose to 25%. They own self-occupied property worth CNY 4.7 million+ and cars worth CNY 400,000+.



Property Speculators

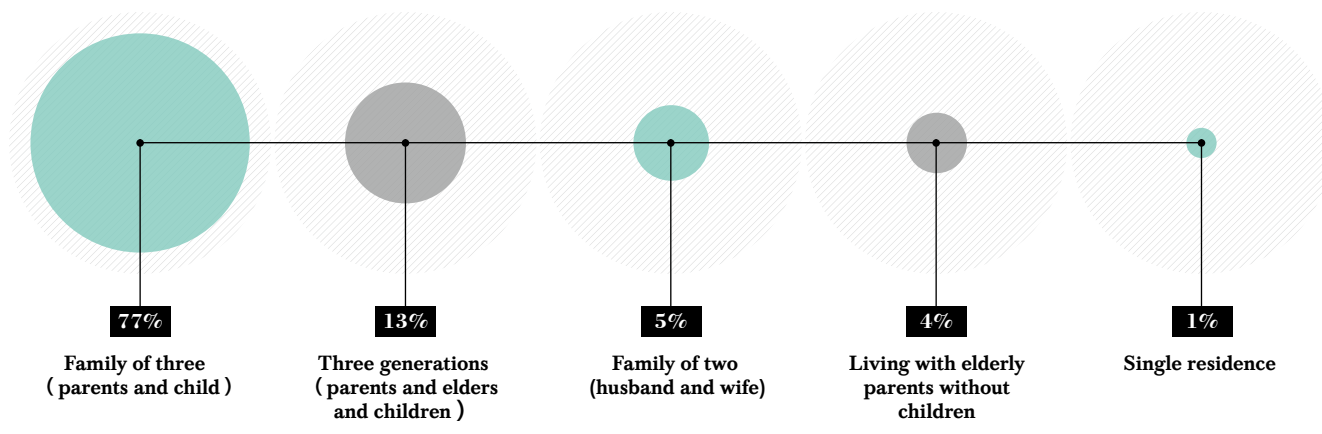
This category mainly refers to wealthy individuals who invest in property and own multiple properties. They make up 15% of the total, up 5% from last year, which is mainly attributed to the house price boom in first-tier cities. Investment in properties accounts for 89% of their total assets, while the proportion of cash and securities is 6%.



Professional Investors

Professionals engaged in stocks, futures and other financial investments. Their proportion fell to 10%, in the wake of the Chinese stock market slump. Cash and shares account for 43% of their total assets. They own self-occupied property worth CNY 3.7 million+, investments worth CNY 1.6 million+, and cars worth CNY 400,000+.

Family Structure



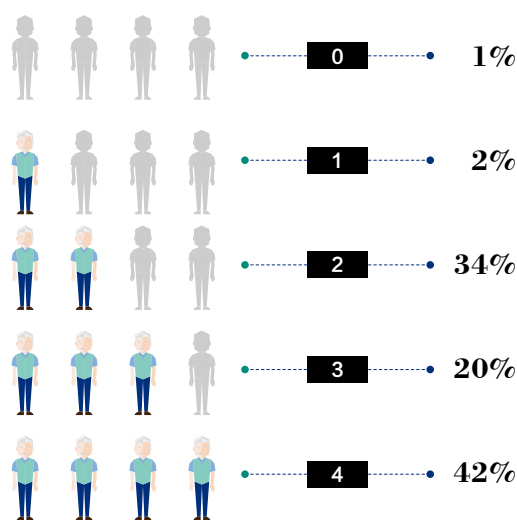
1.2 Family Structure of HNWI's

Nuclear families account for the majority of HNWI households, at 77%, followed by three generations living together with a proportion of 13%. Those living alone account for a mere 1%.

On average, HNWI's support three elderly family members, more than 50% of whom are aged between 70-79, while those aged 80 and over – a group in particular need of care and attention – account for 18%.

99% of the interviewed HNWI's have children. Children in primary school, middle school, high school, university/employment each account for 20% or more.

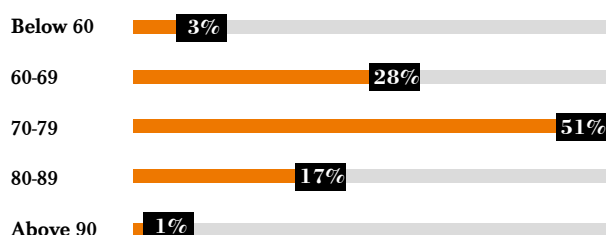
Number of Elders Supported by HNWI's



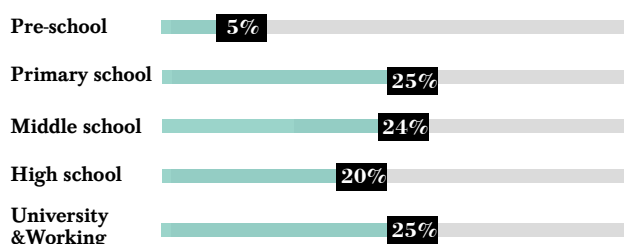
Average Number of Elders Supported by Family



Age Range of Elders Supported



Stage of Children



Level of Satisfaction with Life and Career Among HNWI

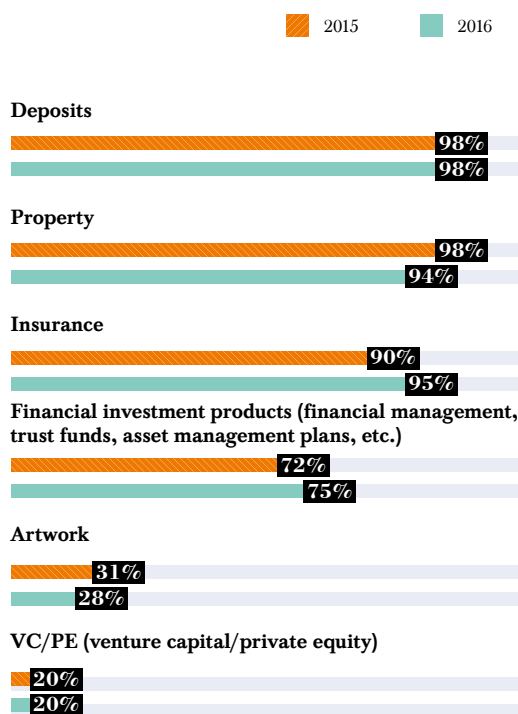
year	Possessing wealth	Job satisfaction	Family life satisfaction	Sense of security	Self health	Support of parents	Family health
2015	8.4 / 10	8.3 / 10	8.2 / 10	8.2 / 10	8.2 / 10	8.2 / 10	8.0 / 10
2016	8.1 / 10	7.9 / 10	7.9 / 10	7.8 / 10	7.8 / 10	7.7 / 10	7.8 / 10

1.3 Characteristics of HNWI's Living Status

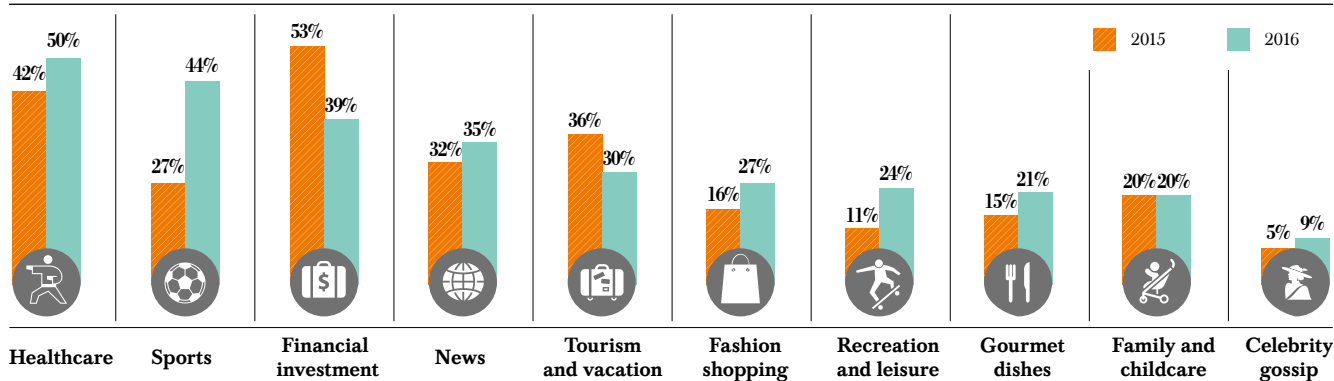
From the qualitative interviews conducted with HNWI respondents, it becomes evident that HNWI in different age groups possess markedly different attitudes towards life. Those under the age of 40 are focused on building their careers, with most of them dedicated to their work except for a minority of female respondents whose primary concerns are children and family. The main goal of this age-range is to generate greater wealth in order to guarantee their families a high quality of life. However, they pay less attention to issues such as their

families' health, their own health and their parents' pensions. Respondents between 40-50 gradually see their careers stabilize, but they face greater family and health pressures. They begin to face problems such as declining health, their parents ageing, the education of children and other family-related issues. As a result, this group is most deeply concerned about balancing family life with work, and is less purely focused on career alone. Those above 50 face less work and family-related stress, and turn their attention to their own health and retirement planning. In order to lead a more relaxed pace of life,

Financial Investments



Topics of Interest



living a comfortable and healthy life is their main demand, and consequently they attach more importance to travel, social networking, healthcare and pension security.

HNWIs have higher standards in order to feel satisfied with their working and living conditions than reported last year, with respondents generally indicating lower levels of satisfaction than last year across all indicators. HNWIs felt most satisfied with the amount of wealth they possess, followed by family life and career.

Bank deposits, property and insurance remain the three main avenues for financial investment. The proportion who invest in insurance

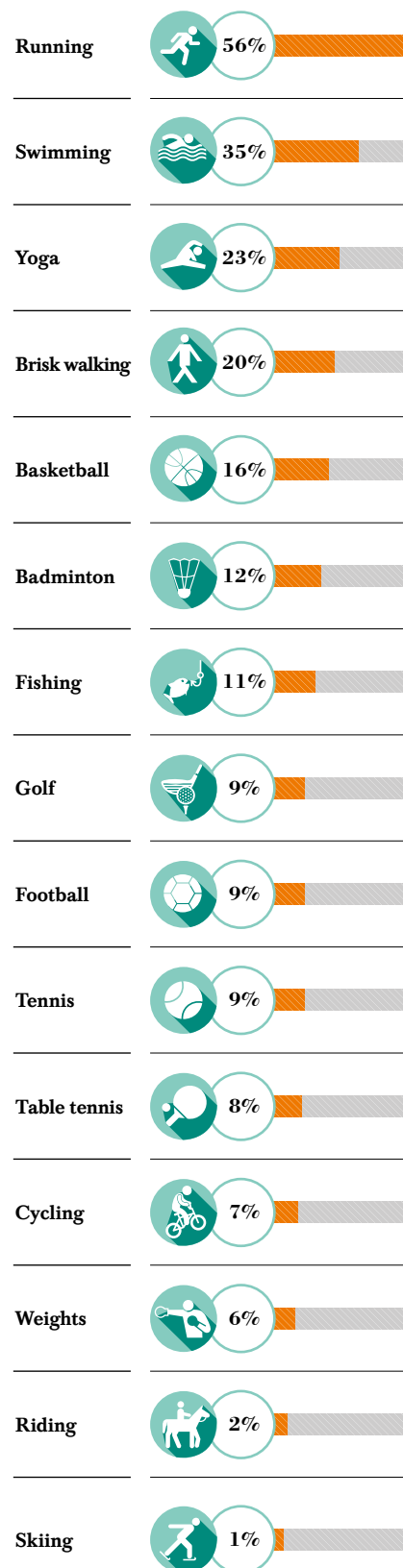
increased, while the proportion for property investment fell.

The topics interesting HNWIs in 2016 differ significantly from 2015. Healthcare takes first place, displacing financial investment, which fell to third. Sports come second, with 29%. The HNWIs also expressed an interest in news and tourism.

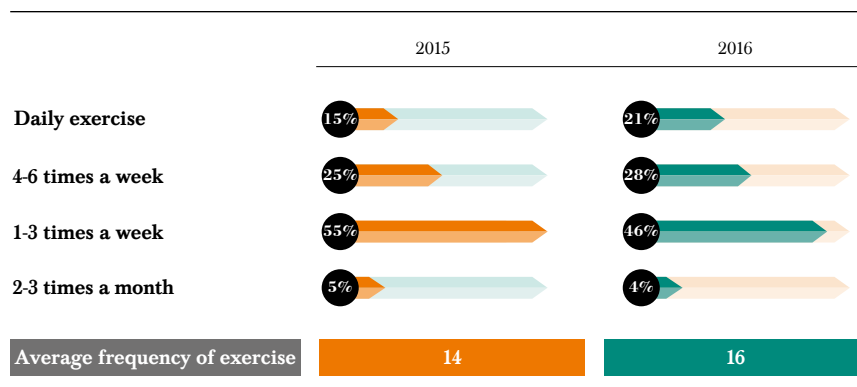
HNWIs are placing ever greater emphasis on keeping active. More time is being dedicated to it, with the number of times spent exercising per month rising from 14 to 16.

Running is still the favourite form of exercise among HNWIs, followed by swimming, yoga, walking and golf.

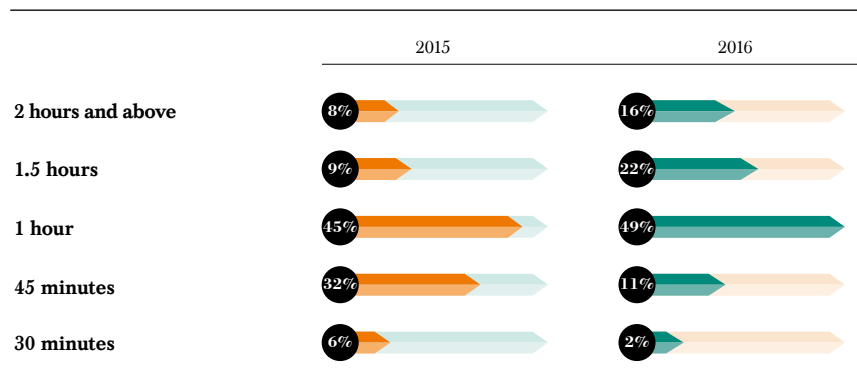
Forms of Exercise



Average Frequency of Exercise



Average Time Spent on Each Exercise



Chapter 2

Current State and Trend of Life Insurance Market for Chinese HNWIs

Key Topics

2.1

Scale of Life Insurance Market for HNWIs

2.2

HNWIs' Attitudes towards Life Insurance

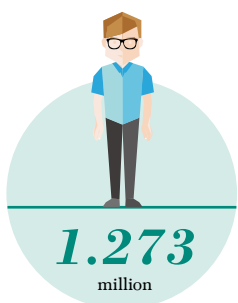
2.3

Current State of Life Insurance Purchases Among HNWIs

2.4

Life Insurance Purchase Demands and Trends Among HNWIs

Numbers with Commercial Life Insurance



2.1 Scale of Life Insurance Market for HNWIs

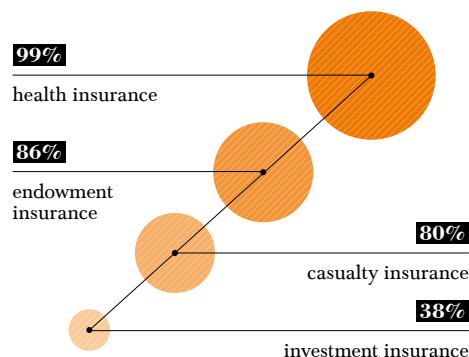
Life insurance, as form of investment which doubles up as a vehicle both for saving and for insurance, is being understood and accepted by ever-increasing numbers in China, who are coming to appreciate its capacity to help combat risks in pensions, healthcare and other areas.

According to statistics published by the China Insurance Regulatory Commission for the first half of 2016, the revenue garnered from primary insurance amounted to CNY 1.61 trillion, of which life insurance accounted for CNY 1.03 trillion. Such sums shed light on the extent to which China's life insurance market has grown over the past decade, becoming one of the biggest markets in the world in the process; however, it is still in an early stage of development, with low premium density and insurance density. Most of China's insurance companies suffer from a lack of innovation in terms of their product services, as well as poor operating management, high expenditure and low profitability.

According to the results of the survey, 95% of HNWI respondents with CNY 10 million or more, which is 1.273 million people, own commercial life insurance. The average premium paid by each individual is about CNY 37,000, and the scale of the yearly premiums paid by HNWIs reached CNY 47 billion, constituting about 4.6% of China's total life insurance purchases.

Among the 1.273 million HNWIs who have invested in commercial life insurance policies, 99% opted for health insurance,

HNWIs Insurance Coverage Purchases

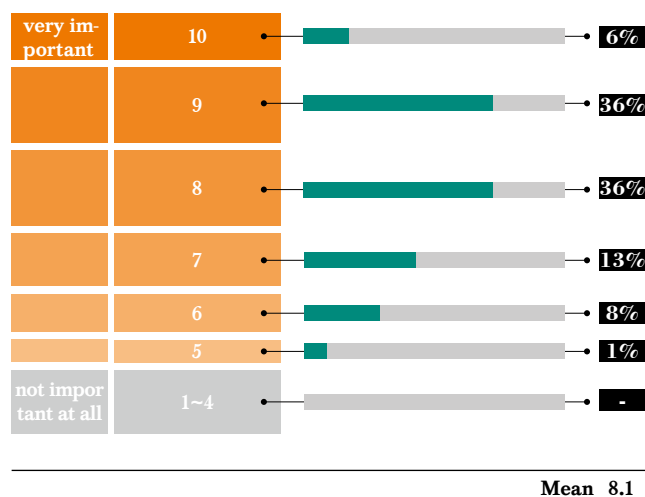


86% endowment insurance, 80% casualty insurance and only 38% investment insurance. This indicates that most HNWI buy insurance as a safeguard rather than an investment tool.

2.2 HNWI's Attitudes Towards Life Insurance

95% of HNWI buy commercial life insurance in addition to social insurance mainly because the latter has little relevance for them. Due to the minimal nature of the social insurance system, which provides only basic coverage to the population as a whole, it has little impact on the quality of HNWI lifestyle. Consequently, it is not capable of meeting the high standards HNWI require in terms of comprehensiveness of security, premium levels, investment returns, levels of satisfaction and per-

Importance of Commercial Insurance



Commercial Life Insurance Information Sources

	Main sources	Most trusted sources	Conversion rate
Friends and relatives' recommendations	75%	41%	55%
Insurance companies	60%	22%	37%
Official website of insurance companies	42%	10%	24%
Website reviews	34%	7%	21%
Web Portals	31%	4%	13%
Bank	24%	6%	25%
TV	20%	1%	5%
Third-party financial institutions	19%	4%	21%
Outdoor media	16%	3%	19%
WeChat	15%	-	-
Weibo	12%	1%	8%
Newspapers	6%	1%	17%
Radio broadcasts	3%	-	-
Magazines	2%	-	-

sonalized design. Commercial insurance, on the other hand, offers an effective means of overcoming the shortcomings and deficiencies of social insurance, allowing HNWI more comprehensive and satisfactory coverage.

In short, HNWI are attaching greater importance to commercial insurance due to the comprehensiveness of the security it offers. When evaluating the importance of commercial insurance, 78% of HNWI indicated that it is very important or quite important, giving it an average of 8.1 points on a 10-point scale.

59% of HNWI indicate that they will proactively seek to learn about commercial life insurance, a much higher percentage than last year's 22%, further evidence of the manner in which HNWI interest in commercial insurance is on the rise.

When it comes to obtaining information about commercial life insurance, HNWI are most likely to obtain it from others in their social circles; therefore the recommendations of friends and relatives are the most important and trusted factor influencing their choices, and as their age increases, so too does their level of trust in and reliance on this source. Another important source of information consists of recommendations from salespeople, which ranks second. For

those under 35, insurance firms' new media channels such as official websites, Weibo and WeChat accounts are comparatively popular. However, these media channels are used primarily to understand and gain information about products, with the levels of trust and the conversion rates associated with them relatively low, due to the lack of interactive communication and intuitive interaction.

2.3 Current State of Life Insurance Purchases Among HNWI

In terms of the channels through which respondents purchase life insurance, insurance company sales representatives remain dominant

(87%), followed by banks (26%). Compared with last year, the younger respondents are, the more likely they are to make use of online sales channels, while the proportion cited for telesales decreased significantly.

The period of time from first intending to buy to completion of purchase fell on average from 3.6 months last year to 2.8 months, as HNWI take greater initiative in purchasing life insurance.

2.4 Life Insurance Purchase Demands and Trends Among HNWI

As awareness and understanding of life insurance grows among HNWI, so to does their demand for basic and

value-added services offered by insurance companies and the products they provide.

In terms of basic services, HNWI attach the greatest importance to timeliness of insurance claims, professionalism of sales representatives in their explanations, and underwriting promptness.

HNWI prioritise the following three value-added services:

★ The most popular value-added services are those capable of improving quality of life, with a choice rate of 78%. Services related to healthcare and lifestyle such as private healthcare and private tourism are HNWI's favourites.

★ The second most popular val-

Commercial Life Insurance Purchasing Channel



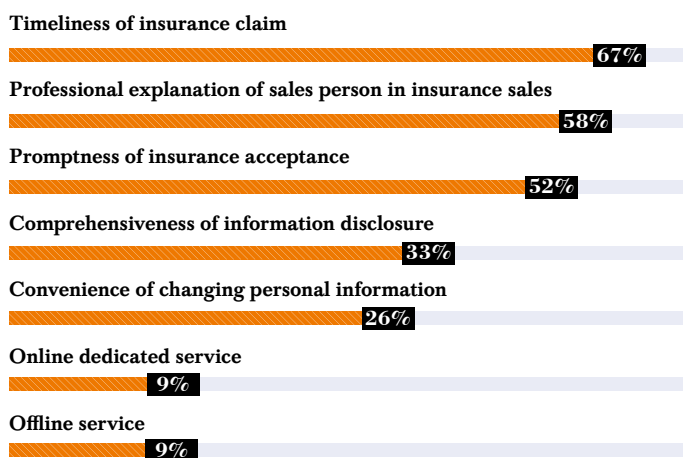
ue-added services are those which broaden and assist understanding, such as professional financial consulting and assisting children's overseas studies, with a rate of 48%.

★ Value-added services capable of extending social circles were chosen by 30% of respondents. Such services include the provision of regular communication platforms through the organisation of clubs for healthcare, culture, education, etc. 68% of HNWI's would accept other services such as public funds, private funds, trusts and other financial management services besides insurance products provided by insurance companies. They are most likely to choose non-automated service networks with human contact (71%) out of all service channels.

Likelihood of life insurance purchase in the next three years

HNWI's are highly likely to buy life insurance in the next three years. The likelihood has increased across the board, especially for endowment insurance and healthcare insurance.

Basic Insurance Services of Interest



Preferred Type of Insurance Value-added Services



Likelihood of Life Insurance Purchase in the Next Three Years

	Endowment insurance		Healthcare insurance		Casualty insurance	
	2015	2016	2015	2016	2015	2016
5 Very likely	17/100	28/100	16/100	29/100	16/100	27/100
4	52/100	54/100	49/100	57/100	47/100	45/100
3	26/100	17/100	30/100	12/100	31/100	23/100
2	1/100	1/100	1/100	2/100	6/100	5/100
1 Completely unlikely	4/100	-/100	4/100	-/100	0/100	1/100
Mean	3.8	4.1	3.7	4.1	3.1	3.9

Chapter 3:

Pension Attitudes and Endowment Insurance Among HNWIs

Key Topics

- 3.1 Description of Pension Market
- 3.2 Pension Attitudes and Current State Among HNWIs
- 3.3 Future Trend and Needs of HNWIs Themselves in Retirement
- 3.4 Demand for Medium- to High-end Elderly Care Homes and Accommodation Experience Evaluation
- 3.5 Commercial Endowment Insurance Purchases Among HNWIs

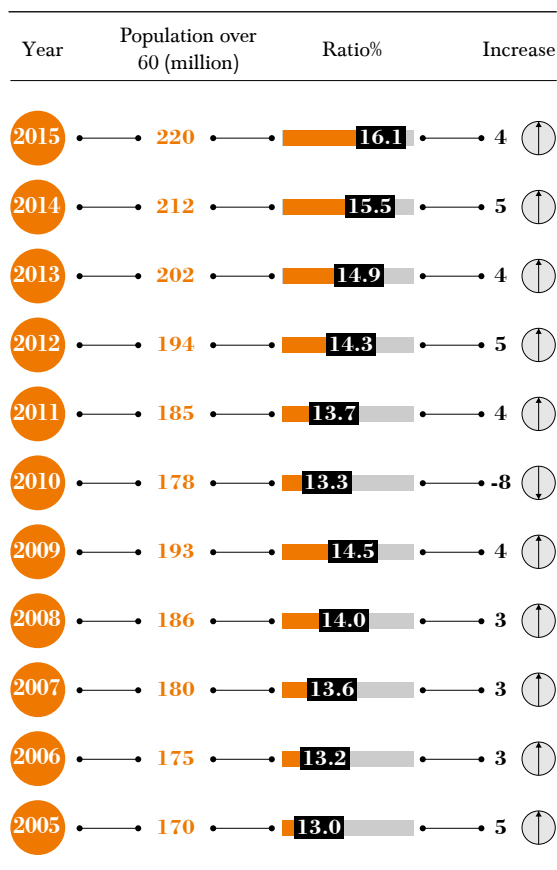
3.1 Overview of Pension Market

According to the National Bureau of Statistics, 16.1% of China's population are over 60 years of age, making China the first country home to more than 200 million elderly. It is predicted that they will account for 36.5% of the total population in 2050, which is higher than most developed countries.

China has one of the world's slowest population growth rates and most rapidly ageing populations, therefore the market potential of the 'silver economy' is considerable. In 2014, the market capacity of the Chinese pensions industry was valued at CNY 4.1 trillion, constituting 6.44% of GDP. It is predicted that in 2020, this figure will have risen to CNY 7.7 trillion, before climbing yet further to CNY 22.3 trillion in 2030. (data source: www.iincn.com)

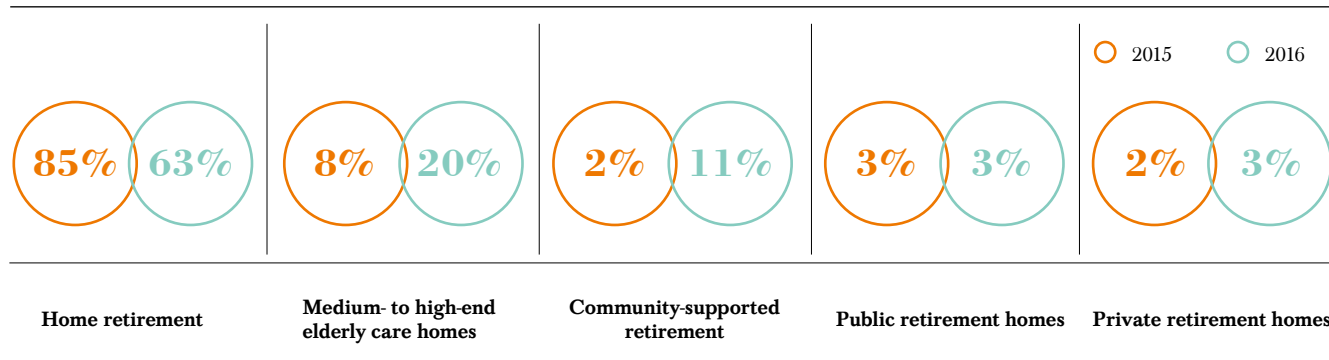
However, compared with demand, supply is relatively inadequate, with a lack of both pension institutions and professional talent. Therefore, promoting and developing the pension industry and creating a social and market-focused pension model have become important methods of positively dealing with the ageing population. Traditional means of home retirement and relying on state pensions are unable to meet the needs of the rapidly ageing population, especially those of HNWIs. In the future, therefore, there will be greater emphasis attached to the optimization, diversification and personalization of commercial pension services.

China's Population Ageing Increase and Proportion



Data source: Retirement Planning and Healthcare of Chinese HNWIs Survey 2016

Parents' Retirement Methods



3.2. Pension Attitudes and Current State Among HNWI

Pension preferences of Chinese parents have undergone significant alterations this year. The proportion of those preferring home retirement decreased from 85% to 63%. At the same time, the growth rate of medium- to high-end elderly care homes and community-supported retirement are both over 100%. HNWI choosing these forms of retirement are predominantly over 45 years old. The main rationale for this preference is that elderly parents are unable to access the health care services they require if they stay at home.

Parents' wishes are the most important factor influencing the choice of how to retire, accounting for 60%, followed by perceptions about retirement (45%) and parents' level of health (41%). Relatively, HNWI opting for home retirement are influenced more by 'retirement perception', while those who choose high-end elderly care homes make their decisions

Reasons for Choosing Parents' Retirement Methods

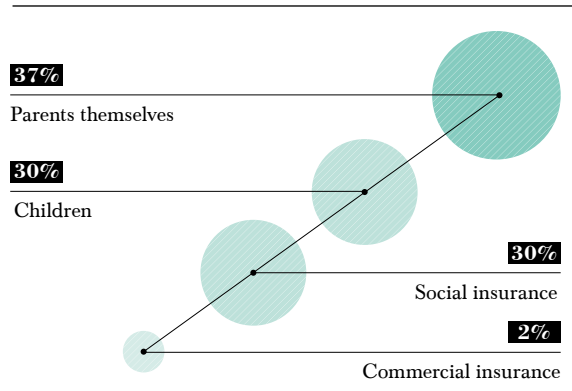
	General	Home retirement	Medium- to high-end elderly
Parents' wishes	60%	61%	71%
Retirement perception	45%	49%	34%
Level of health	41%	44%	52%
Medical situation	35%	36%	52%
Social environment	32%	34%	50%
Children's wishes	25%	25%	38%
Natural environment	23%	24%	9%

based mainly on the wishes of parents, parents' level of health, and medical situation, due to their optimal health-care provision.

Parents' retirement is usually paid for by the parents themselves, by their children and by social insurance, constituting more than 30% each, with commercial insurance constituting a mere 2%.

Parents are growing most satisfied, with average satisfaction levels with their current retirement situation rated 7.96 out of 10. Satisfaction with natural environment and medical situation are relatively low. In the latter's case, lower satisfaction arises over concerns about the limitations of chronic disease management, emergency treatment, rehabilitation and long-term care as well as flaws in the national healthcare system. Regarding

Source of Parents' Retirement Expenditure



Level of Satisfaction with Parents' Current Retirement Situation

	Retirement method	Natural environment	Medical environment	Social environment	Level of parents' overall satisfaction	Level of overall satisfaction by HNWI's themselves
10 very satisfied	8 / 100	9 / 100	8 / 100	12 / 100	11 / 100	9 / 100
9	29 / 100	21 / 100	25 / 100	25 / 100	28 / 100	25 / 100
8	28 / 100	30 / 100	28 / 100	30 / 100	30 / 100	35 / 100
7	18 / 100	23 / 100	23 / 100	17 / 100	15 / 100	16 / 100
6	10 / 100	9 / 100	9 / 100	9 / 100	9 / 100	11 / 100
5	6 / 100	5 / 100	6 / 100	7 / 100	5 / 100	4 / 100
1~4 totally unsatisfied	- / 100	3 / 100	- / 100	- / 100	1 / 100	1 / 100
Mean	7.90	7.67	7.80	7.92	7.96	7.89

natural environment, HNWI's are dissatisfied with life in the city center, because it means they have to rely on tourism to get close to nature.

3.3 Future Trend and Needs of HNWI's Themselves in Retirement

3.3.1 Future Retirement Trends

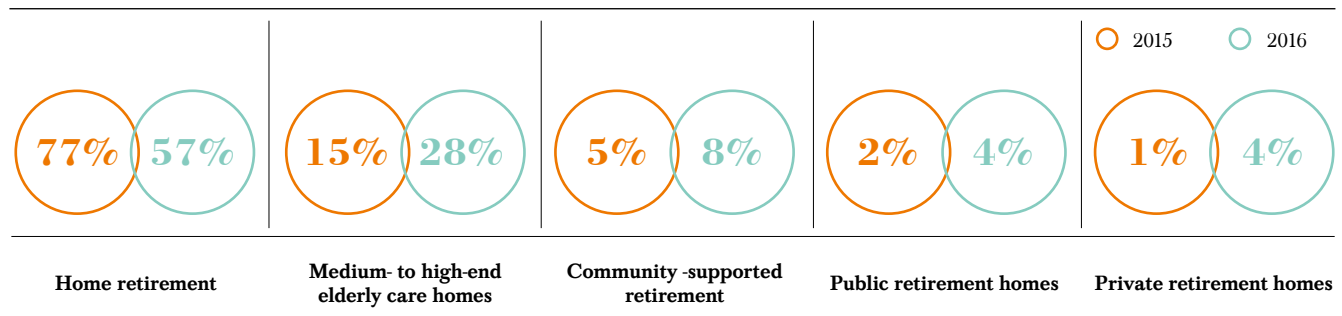
57% regard retiring at home as

their first choice, followed by medium- to high-end elderly care homes, with 28%, and community-supported retirement with 8%. Though home retirement still accounts for more than half, the amount of respondents opting for it fell by 26%. The proportion of those choosing medium- to high-end elderly care homes climbed by 87%, especially among those under 35 years old, with this option rising from

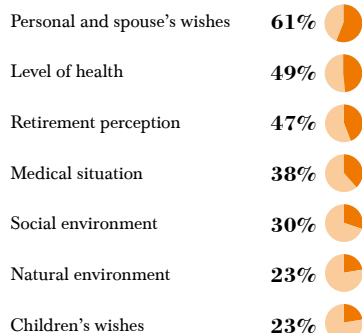
17% to 39%. When it comes to the age at which HNWI's plan to move into medium- to high-end elderly care homes, the preference for 70 years of age remains the same.

The factors affecting HNWI's retirement planning decisions are similar to those of their parents. The main deciding factor is personal and spouse's wishes, constituting 60%, followed by state of health with 49% and retirement

Personal Retirement Method plan



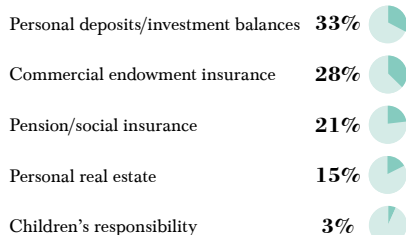
Reasons for Choosing A Particular Retirement Method for Themselves



perceptions at 47%. To fund retirement, the main sources are personal savings/investment balances, with 33%, followed by commercial endowment insurance with 28% and social insurance at 21%. Compared with their parents' means of funding retirement, HNWI's own individual expenditure has seen a significant increase.

From our interviews we find that HNWI attitudes towards retirement are becoming more open-minded and optimistic, as social perceptions alter. In retirement, they expect to lead colourful and relaxed lives, and to travel extensively. They are increasingly independent with regards to retirement planning, preferring to prepare

Source of Personal Retirement Expenditure

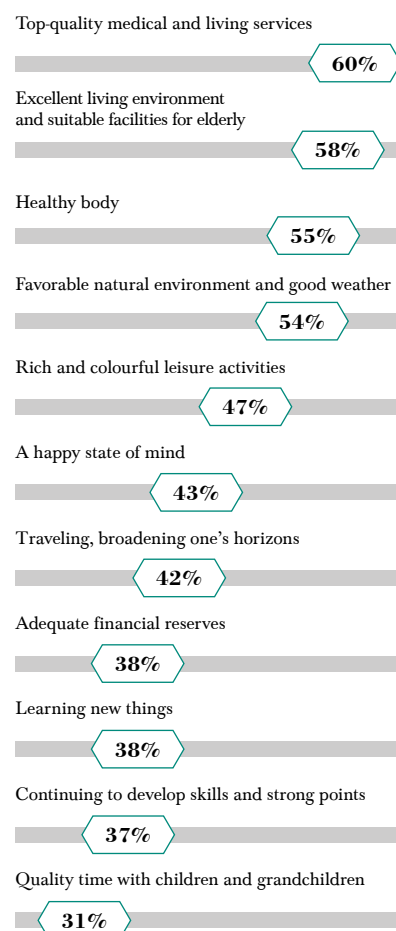


through investment and insurance, rather than expecting their children to look after them. Accordingly, they expect to move into retirement communities or institutional care, not only to enjoy medical security but also to reduce pressure on their children, who already face tremendous social burdens due to the One Child Policy. Furthermore, with the rapid development of the retirement industries, choices are becoming more diversified, and expectations that filial offspring ought to provide for their aged parents are waning

3.3.2 Future Retirement Needs

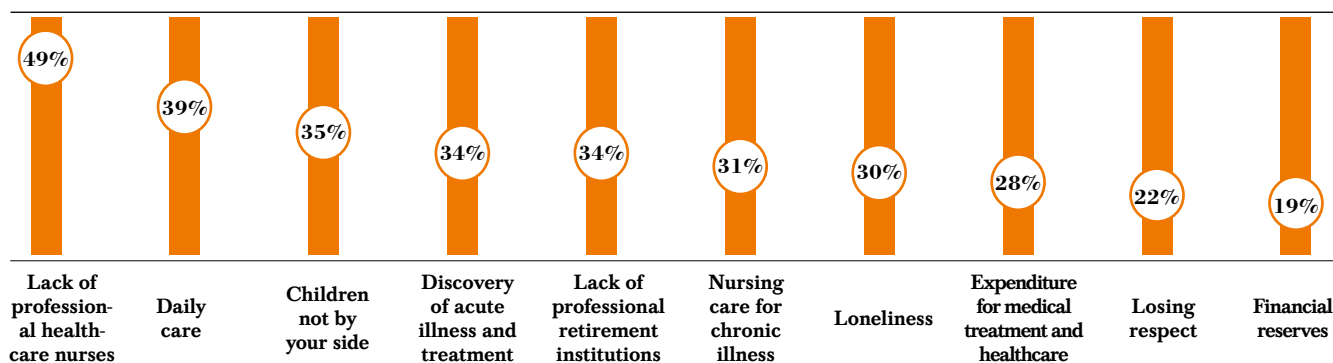
Lack of professional healthcare

Ideal Retirement Situations



nurses is the main retirement concern for the second year in a row. Being apart from children (35%) and loneliness (30%) are also significant

Personal Retirement Concerns



causes for concern, as are medical and insurance bills and financial reserves.

With regards to ideal retirements, not much has changed. Perfect medical and living services rank first with 60%, followed by excellent living environment and suitable facilities for the elderly (58%) and having a healthy body (55%). Generally, respondents do not place as great an emphasis on possessing adequate financial reserves and spending time with children and grandchildren, which have traditionally been the two predominant ideals, with spiritual and lifestyle concerns coming to the fore in their place.

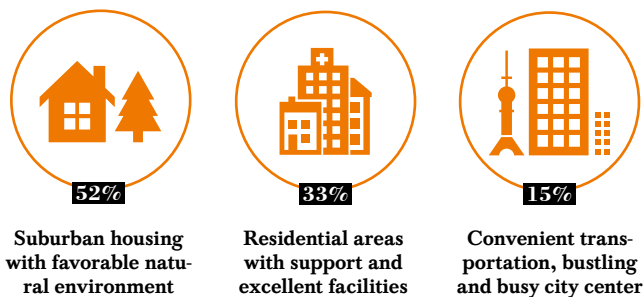
More than half of the HNWI respondents favour suburban accommodation as their ideal place to retire. The proportion choosing this form of residence, 52%, is up from 46%. Residential areas with excellent facilities came in second with a ratio of 33%.

The creation of a 'long chain' product mode and the provision of a comprehensive service concept combining healthcare, retirement and trusts products are key future trends in the field of high-end retirement planning

From our interviews it can be seen that more comprehensive services, including healthcare, pension, hospices, trusts and others will be required to meet HWNI needs.

Ideal resources include health tracking management, emergency treatment, rehabilitation, chronic disease management, long-term disability care, terminal and palliative

Ideal Retirement Location



treatment and hospice services. Comprehensive retirement resources are perceived to include daily care services, mental and psychological services, safe and suitable facilities, precise health management, and colourful leisure activities. Professional trust resources include management and appreciation of existing property and the planning and inheritance of estates.

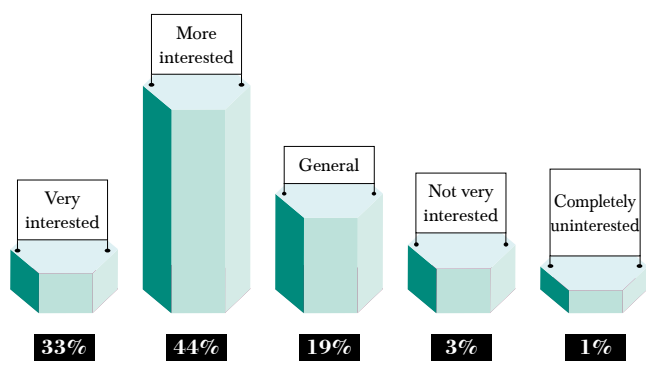
With healthcare the primary retirement concern of China's HNWI's, the provision of a perfected medical security system, advanced and reliable medical equipment and professional nurses constitute the core requirements. It will be necessary to combine retirement, trust and other resources to develop an integrated, high-end retirement system.

3.4 Demand for Medium- to High-end Elderly Care Homes and Accommodation Experience Evaluation

Probability of Moving in



Interest in Medium- to High-end Elderly Care Homes



3.4.1 Medium to High-end Elderly Care Home Requirements

‘Medium- to high-end elderly care homes’ refer to the retirement communities that meet international standards increasingly opening up nationwide. They possess top-quality facilities, and provide services catering for independent living, dependent living, professional healthcare and memory care. They are also equipped with specialized geriatric rehabilitation institutions, offering disease prevention and treatment, health promotion, nutritional supplements, chronic illness management services, medical care, and so on.

HNWIs show a higher level of enthusiasm towards them, with 77% expressing an interest. Respondents who indicate that they will definitely or possibly move into them constituted 59%, up from last year’s 45%.

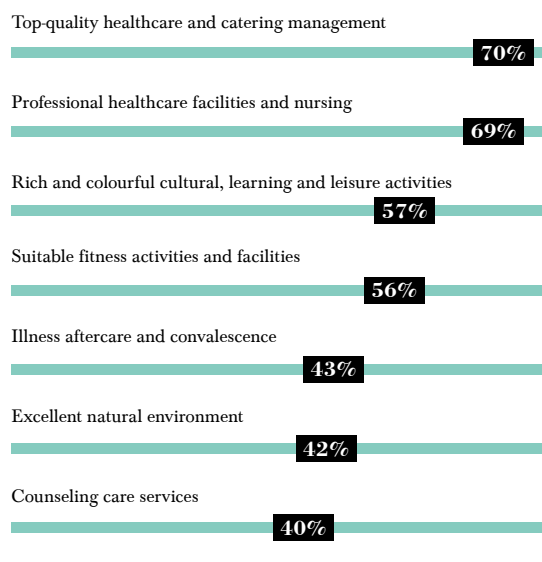
Top-quality healthcare and catering management and professional healthcare facilities and nurses are what HNWIs cite as attracting them to these communities. Leisure activities and fitness facilities also find favour.

Inadequate healthcare facilities, low quality healthcare providers and questionable doctor skills are HNWIs’ biggest worries about such homes, followed by loneliness.

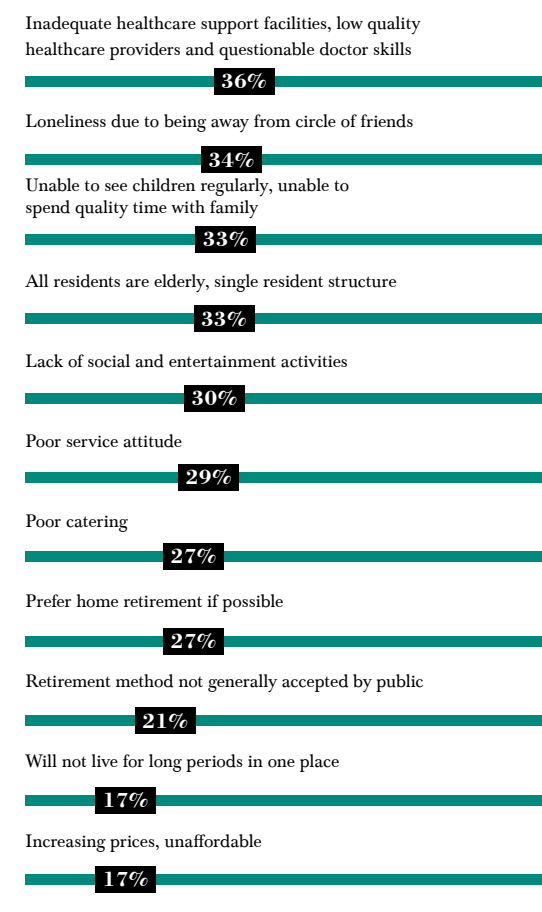
59% of HNWIs prefer them to be built in the city they currently live in, followed by favourable travel destinations (34%). These preferences remain unchanged from last year. City outskirts are most widely favoured for location, due to their convenience and proximity to nature.

The architectural design favoured is modern minimalist style, followed by classical Chinese style. If HNWIs approve

The Most Attractive Areas of medium - to High-end Elderly Care Homes

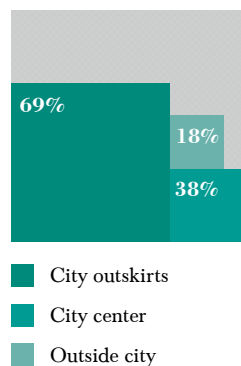


Concerns of Moving into Medium - to High-end Elderly Care Homes

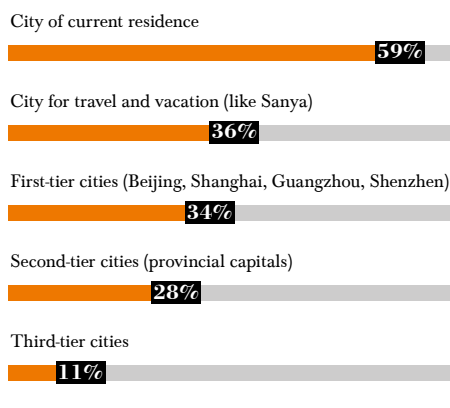


Ideal Geographical

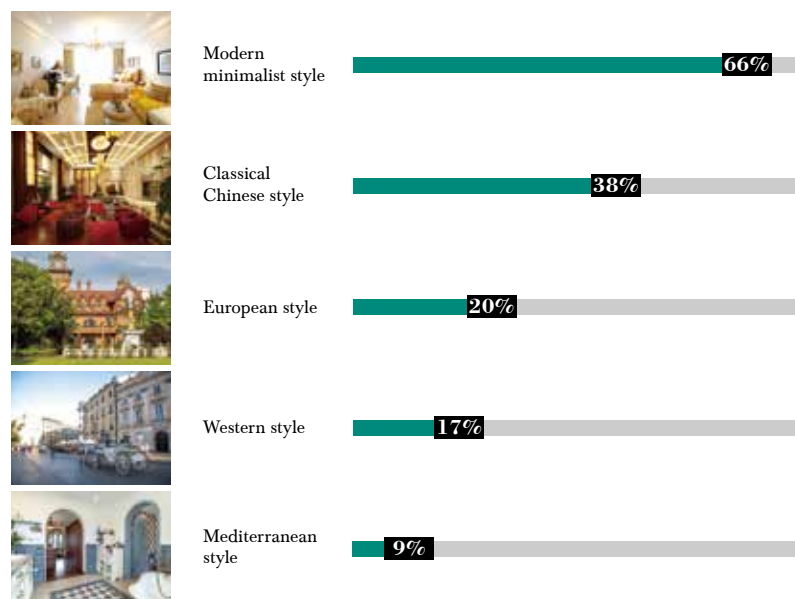
Location



Ideal City Types



Preferred Architectural Styles



of these homes, they are very willing to recommend them to relatives and friends, with more than 70% willing to do so.

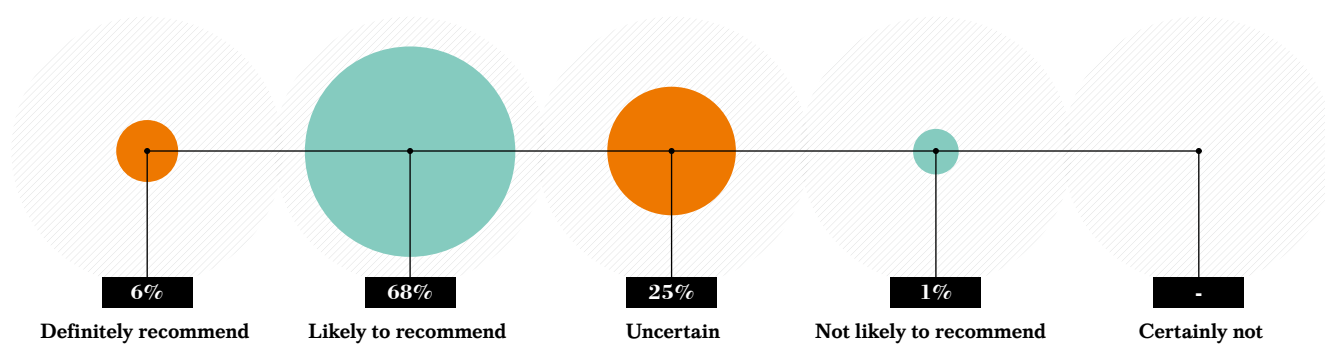
3.4.2 Evaluation of Accommodation Experience in Medium- to High-end Elderly Care Homes

From the interviews with current residents in such homes, we find that the evaluation and satisfaction levels of these residents are relatively high, with such communities becoming capable of meeting their expectations. The professional facilities and hardware, friendly and high-quality service staff, and convenient and all-encompassing lifestyles and activities on offer all receive high satisfaction levels.

However, there are also deficiencies, mainly with regards to medical resources. The average age of 75 leads to the interviewees attaching more importance to the comprehensiveness of healthcare. Support facilities in these communities are still in the primary stage. Residents are not fully satisfied with the professionalism of doctors and level of medical technology.

3.5 Commercial Endowment

Likelihood of Recommending to Others



Insurance Purchases Among HNWIs

3.5.1 Current State of Commercial Endowment Insurance Purchases

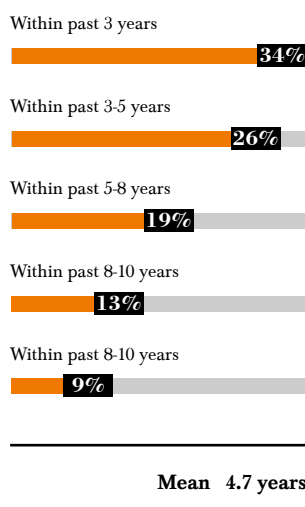
The percentage of HNWIs who purchased such insurance has increased from last year's 74% to 82%. The main reason for the increase is that the percentage of HNWIs under 35 years old who purchased it is significantly higher, reflecting growing awareness among HNWIs. The main reason for buying it is to obtain improved retirement resources. Creating a source of retirement income is another common reason.

On average, HNWIs bought commercial endowment insurance within the past 4.7 years. The highest proportion, 60%, bought it within the past 5 years. Among these, HNWIs below 35 bought within 3.1 years on average, a lower figure than last year, due to the larger numbers of young HNWIs starting to invest in it. HNWIs older than 45 on average made purchases within 5.5 years.

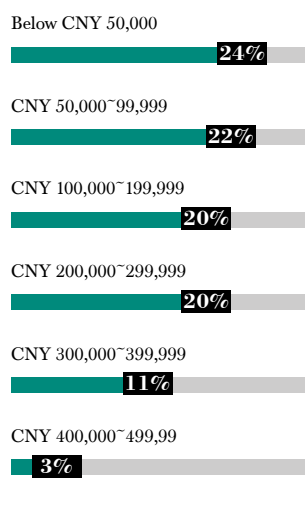
On average, 2.7 persons in each family have already bought it, which is the same as last year. The HNWIs themselves are the main beneficiaries of commercial endowment insurance, constituting 80%, followed by spouses with 64%, parents with 32% and children with 23%.

Currently, families on average pay total yearly premi-

Time Commercial Endowment Insurance Purchased



Total Yearly Premiums Paid by Family



Statements from Residents in the Medium- to High-end Elderly Care Homes

1

Mr. & Mrs. Li

85 years old, retirees from the Ministry of Foreign Affairs, period of residency in medium to high-end elderly care homes: 6 months

"Life here is very easy and comfortable. Its high-end nature and the fact that all aspects are taken care of makes us feel relaxed and relieved. There are many entertainment activities on offer. For example, we take part in Chinese painting class, classical music class, yoga meditation class, and sometimes we do exercises. We have much to talk about with the teachers here, and they are all skilled, warm and careful with high levels of accomplishment. Life here is more relaxing and colourful than our previous retirement at home. We don't need to consider much about the basic necessities of life, because they are well managed. The high-quality, young, lively and vigorous community staff and the scientific management are very beneficial to our physical and psychological condition."

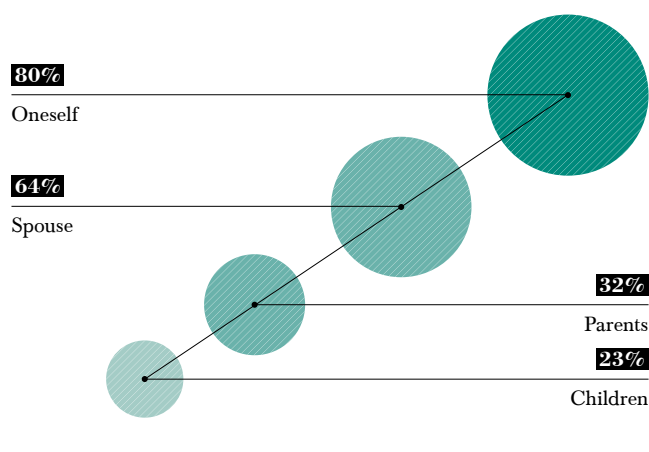
2

Ms. Pan

94 years old, retiree from Ministry of Civil Affairs, period of residency in medium to high-end elderly care homes: 4 months

"I feel very good when living here. In fact, I refused to come here at first. I thought that life at home would be more free and familiar, but my children persuaded me to give it a try, and in the end, I just don't want to leave. There's an excellent environment and perfect facilities, as well as suitable design for the elderly such as large spaces and no obstacles. We can enjoy life without worrying about falls or bumps. The neighbourhood is harmonious and I make a lot of new friends here. It's interesting and relaxing to drop across and chat with friends. In addition, the community staff are warm and polite. They always nod and smile when we meet and make you feel warm, as if they are your close friends. The diet here is nutritious, with meat and vegetables and comprehensive nutrition. A slight deficiency is the inadequate medical treatment in the community, which is still undergoing improvement. At the moment there are only basic doctors and rehabilitation department services on offer. These can't cover a lot of medical requirements and the expenses can't be covered by medical insurance."

Annuity Beneficiary of Commercial Endowment Insurance



ums of more than CNY 160,000. Based on the average of 2.7 persons buying endowment insurance per family, the average per-person yearly premium stands at CNY 59,000.

The satisfaction level of HNWI received a score of 7.84 in a 10 point system, which is lower than last year's 8.20. The decrease is a result of higher standards. Satisfaction with product design and the ease

and simplicity of processes scored relatively low.

With regards to the current situation of the Chinese commercial endowment insurance market, HNWI think that the risks brought by narrowness of insurance products and a lack of comprehension of terms caused by insufficient information prevent their needs being satisfied. More than 40% HNWI expressed their dissatisfaction with such problems.

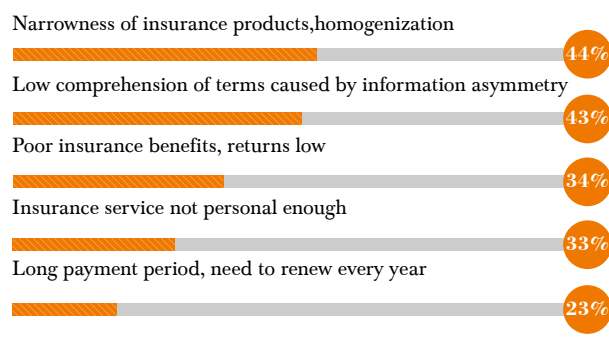
3.5.2 Future Trend of Commercial Endowment Insurance Purchases

29% of HNWI expressed their intention to buy within the next year. With regards to repeat purchases, the combination and quality of insurance products is the top deciding factor at 40%. Next come credit guarantees and relatives and friends' recommendations. HNWI are especially keen on the diversified combination of insurance products offered by single providers in order to avoid the problems associated with a lack of familiarity with complex products and processes of different companies. They tend to buy different products through a process of one-stop shopping to save

Satisfaction Level Towards Commercial Endowment Insurance

	Overall satisfaction level	Quality of service	Professionalism of sales representatives	Reputation of insurance companies	Premium rate	Product design	Simplicity of process
10 very satisfied	9 / 100	7 / 100	6 / 100	7 / 100	8 / 100	7 / 100	7 / 100
9	24 / 100	27 / 100	28 / 100	25 / 100	26 / 100	25 / 100	24 / 100
8	31 / 100	31 / 100	31 / 100	31 / 100	29 / 100	30 / 100	26 / 100
7	21 / 100	18 / 100	18 / 100	22 / 100	21 / 100	21 / 100	26 / 100
6	9 / 100	10 / 100	10 / 100	10 / 100	10 / 100	11 / 100	11 / 100
5	6 / 100	6 / 100	5 / 100	4 / 100	7 / 100	7 / 100	5 / 100
1~4 totally unsatisfied	1 / 100	- / 100	- / 100	- / 100	- / 100	- / 100	- / 100
Mean	7.84	7.84	7.82	7.82	7.78	7.73	7.73

Inadequate Areas of Commercial Endowment Insurance



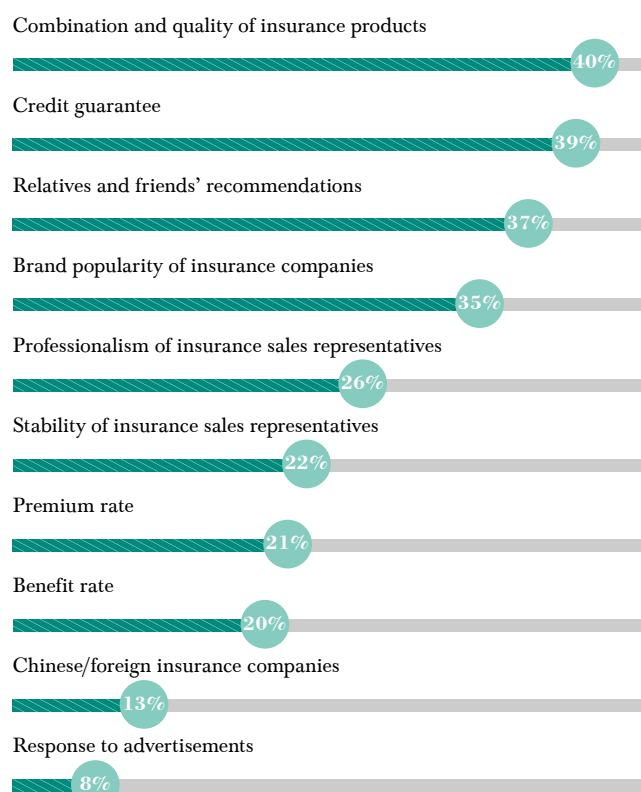
time. HNWIs are gradually paying more attention to the products on offer rather than insurance company brands, as the industry grows more standardized. This trend is likely to encourage insurance companies to develop more attractive, optimized products in future.

HNWIs who make repeat purchases made their children the main annuity beneficiaries, at 57%. In addition, more than 40% of the users buy for their parents, while 30% buy for themselves and their spouses.

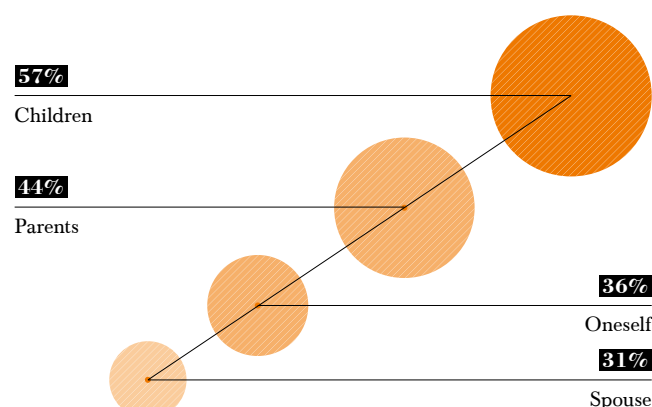
High-end endowment insurance should attach importance to personalized value-added services and a diverse, rich and full range of product combinations.

Given the higher standards demanded by HNWIs in terms of personalized experience and the gradually widening age range of high-end endowment insurance buyers, high-end endowment insurance in the future should not only emphasize benefits, but also provide a diversified and full range of products, consider HNWIs' personalized demands, and improve the provision of product combos and value-added services. Healthcare, pensions, services, financial trusts and psychological needs should be considered to provide professional and segmented services and products, and to realize long-term tracking services. Convenience, timeliness and simplicity are all considered very important by HNWIs, and consequently they prefer to purchase insurance product combos in a 'one-stop' process from single providers, to reduce time and effort.

Deciding Factors for Repeat Purchases



Annuity Beneficiary in Repeat Purchases



Key Topics

- 4.1 Description of Healthcare Market
- 4.2 Healthcare Attitudes and Current State Among HWNI
- 4.3 Future Healthcare Demand Trends Among HWNI
- 4.4 Commercial Health Insurance Purchases Among HWNI

Chapter 4

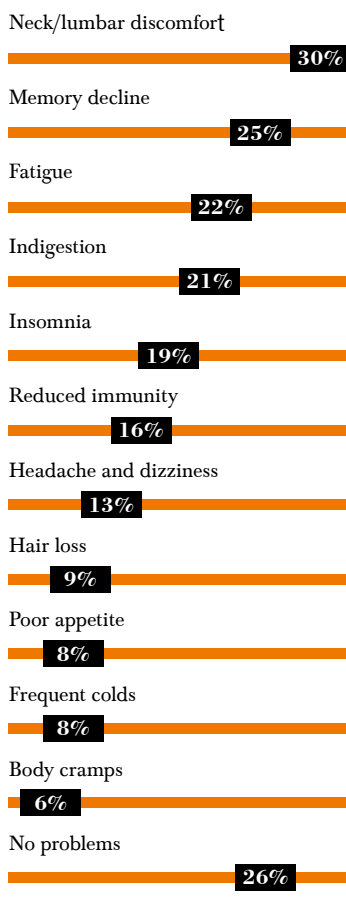
Healthcare Attitude and Health Insurance Among HWNI

4.1 Description of Healthcare Market: large scale, rapid development, extensive demand

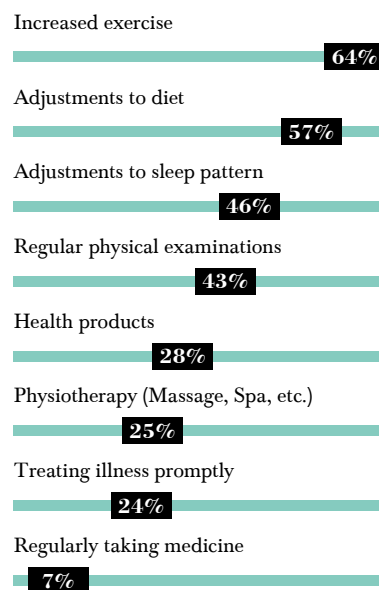
China's large-scale healthcare market has expanded rapidly in recent years, driven by factors such as an aging population, urbanization, increased prosperity and the basic nature of the medical insurance system. According to the National Health and Family Planning Commission, from 2011 to 2015, China's healthcare service market grew from CNY 1.65 trillion to CNY 3.25 trillion, with an average annual compound growth rate of 18.5%. By the end of 2015, China had 990,200 medical and health institutions, including 27,200 hospitals. China's healthcare service market has great potential for further growth, and indeed its market scale is expected to reach CNY 6.2-6.7 trillion by 2020.

The elderly and HWNI groups represent the main sources for future healthcare consumption demand growth. The elderly have a high incidence rate, more need of long-term treatment and higher rates of chronic diseases, so they have significant need for long-term nursing and medication, and depend more

Health Issues



Means of Addressing Health Problems



on the healthcare system. HNWIs' healthcare market is mainly based on the family unit. They have higher and more diversified healthcare demands, and they expect advanced medical technologies, equipment and management.

4.2 Healthcare Attitude and Current State Among HNWIs

4.2.1 Health Conditions Among HNWIs: health problems increase in proportion with age, with stronger demand for physical examination among the older.

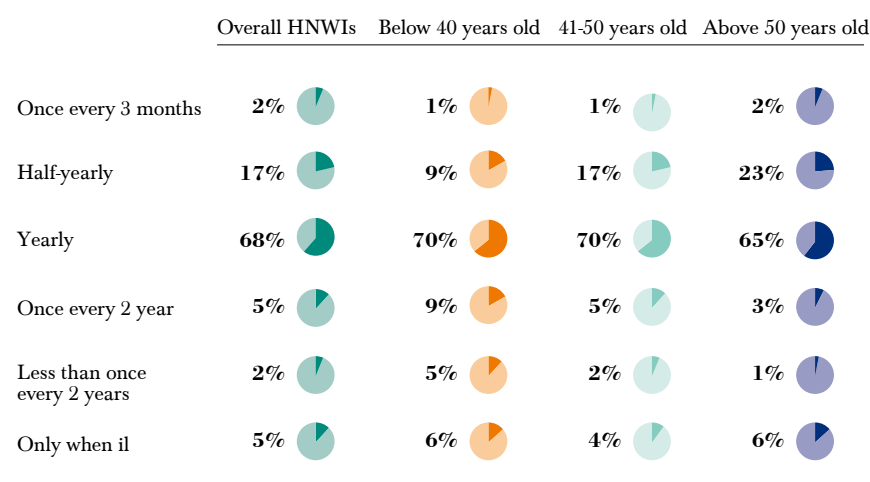
With their high-pressure lives, HNWIs suffer from a variety of health complaints. These problems become more apparent with ageing. 50% of those below 35 have such problems, compared with 80% of those over 45.

The main way in which HNWIs boost health is through exercise, something which 64% of respondents opt for. Other strategies including adjustments to diet and sleep and regular physical examinations all exceed 40%. The percentage of females using health products and physiotherapy is higher than males. People older than 45 pay more attention to physical examinations.

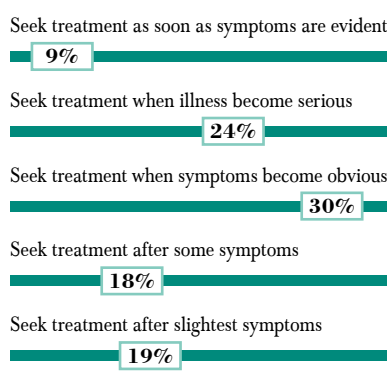
4.2.2 Current State of HNWIs' Healthcare Situation

68% of HNWIs have yearly physical examinations, while 17% have them biannually. The HNWIs place more emphasis on examinations as they get older. More than 20% of people above 50 have biannual check-ups,

Frequency of Physical Examinations



Mentality Towards Seeking Treatment



a much higher rate than those below 50. Generally speaking, HNWIs are paying more attention to their health, and they hope to address various issues through physical examinations. When it comes to the nature of their check-ups, certain specific areas (such as bone density, EEG, screening for cancer, etc.) are favoured in addition to routine examinations. Genetic testing has become a new hot spot, and it is believed that advanced technology can make sure problems are nipped in the bud.

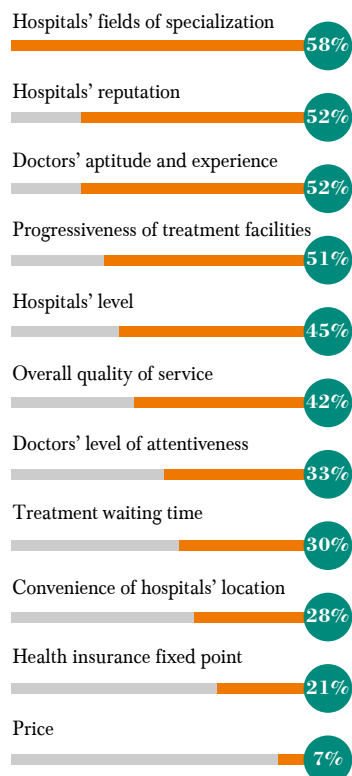
At the same time, respondents emphasise long-term, ongoing personalized healthcare management, to provide personalized healthcare programs and 'precision medicine'.

On the whole, HNWIs are becoming more proactive about seeking treatment than last year. The proportion of those who only seek medical attention when their symptoms become serious, fell from last year's 43% to this year's 33%. The proportion of those seeking treatment after experiencing only slight symptoms increased from last year's 17% to 19%.

In choosing medical institutions, the most important deciding factor is 'hospitals' fields of specialization', at 58%. Next come 'hospital reputation', 'doctors' aptitude and experience' and 'the progressiveness of the treatment facilities', which were all selected by more than 50% of respondents.

At present, public hospitals boasting advanced facilities and highly qualified staff are the first choice when seeking medical help. More respondents are choosing to 'seek

Important Factors When Seeking Treatment

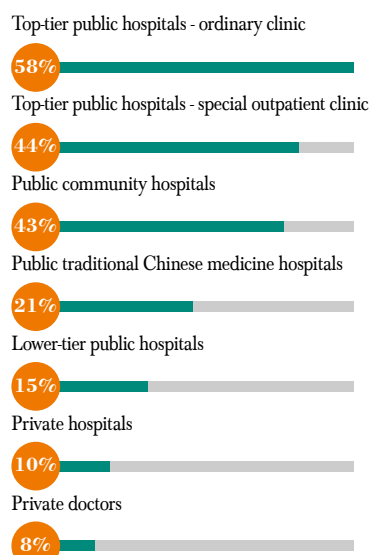


medical treatment for mild symptoms' than before. As a result, those choosing more convenient public hospitals with shorter lines has increased, while top-tier public hospitals' special outpatient clinics has decreased significantly. Demand for chronic disease treatment and traditional Chinese medicine practitioners has increased, while the numbers opting for public traditional Chinese medicine hospitals have risen significantly. More are opting for private healthcare due to the personalized treatment and convenience, and the quality of private doctors. However, due to the lack of effective supervision of private healthcare and a lack of trust in its medical ethics and professionalism, HNWIs are loath to fully trust such institutions.

The survey found that satisfaction with the current system is relatively

low, with levels of satisfaction falling below 8 out of 10 in all categories. There are four chief reasons for this. The first is supply and demand imbalance. Top-tier public hospitals suffer because of their excellent reputations, which lead to them becoming overcrowded and chaotic. The second is asymmetric information; undesirable phenomena such as over-treatment and unsafe medication occur due to the monopoly held on information by doctors, and patients being insufficiently informed. The third is the treatment process. Doctors follow overly formal, standardized processes in making a diagnosis, have insufficient time for a thorough diagnosis and lack targeted medical treatment plans, making it difficult to create long-term tracking services. The final reason is dissatisfaction with the training and service

Preferred Treatment



Level of Satisfaction with Treatment

		Progressiveness of treatment facilities	Accuracy of diagnosis	Doctors' specialization	Price	Service quality	Treatment environment
10	very satisfied	13 / 100	14 / 100	13 / 100	12 / 100	12 / 100	11 / 100
9		18 / 100	22 / 100	22 / 100	19 / 100	17 / 100	18 / 100
8		29 / 100	28 / 100	28 / 100	26 / 100	26 / 100	24 / 100
7		18 / 100	18 / 100	17 / 100	19 / 100	21 / 100	19 / 100
6		11 / 100	8 / 100	9 / 100	11 / 100	10 / 100	12 / 100
5		9 / 100	9 / 100	8 / 100	9 / 100	9 / 100	9 / 100
1~4	totally unsatisfied	3 / 100	4 / 100	2 / 100	5 / 100	5 / 100	6 / 100
Mean		7.66	7.76	7.74	7.53	7.47	7.40

quality among medical practitioners. Young doctors are viewed as lacking professionalism and a warm bedside manner, while it is perceived that older doctors are unable to keep up with medical technologies. Satisfaction differs according to choice of medical institution. Generally, HNWI's use top-tier public hospitals, and those receiving treatment at special outpatient clinics are more satisfied with doctors than those being treated elsewhere.

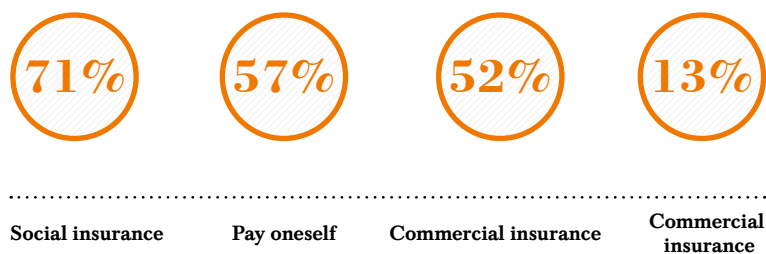
71% of respondents pay for treatment through social insurance, while more than 50% pay by themselves and through commercial insurance. The average treatment expense is CNY 6,483 per capita, a significant increase on last year's CNY 5,069.

4.3 Future Healthcare Demand Trend Among HNWI's

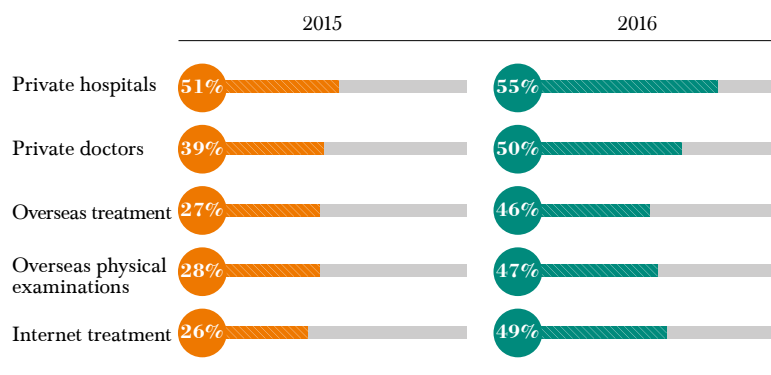
A. Choice of medical institutions diversified, increased demand for new medical channels, tremendous potential for future market

Respondents would consider using 2.5 different kinds of medical institutions on

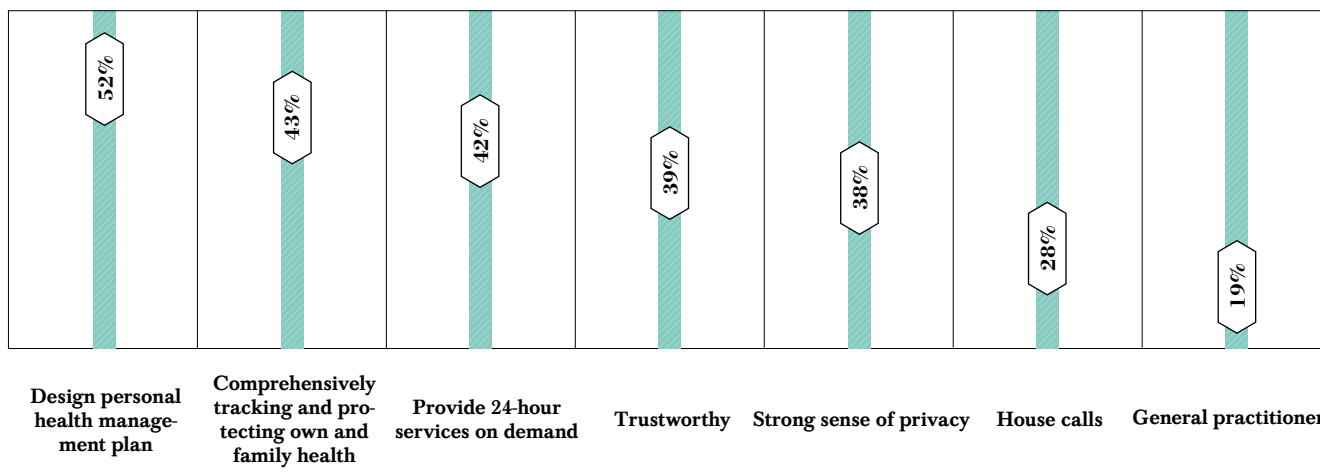
Payment Method for Medical Treatment



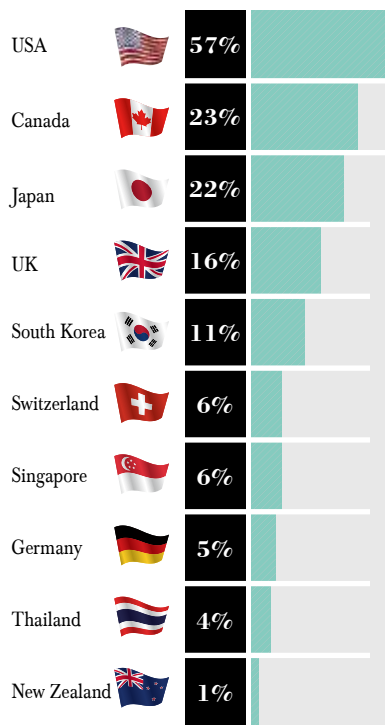
Future Likelihood of Choosing Medical Institutions



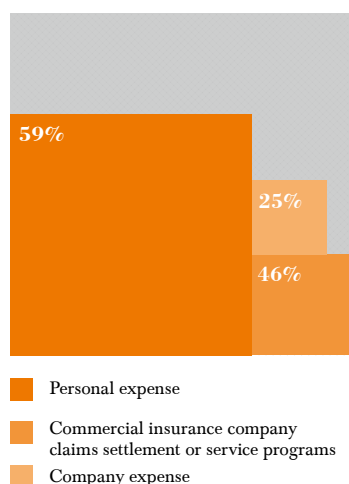
Reasons for Using Private Doctors



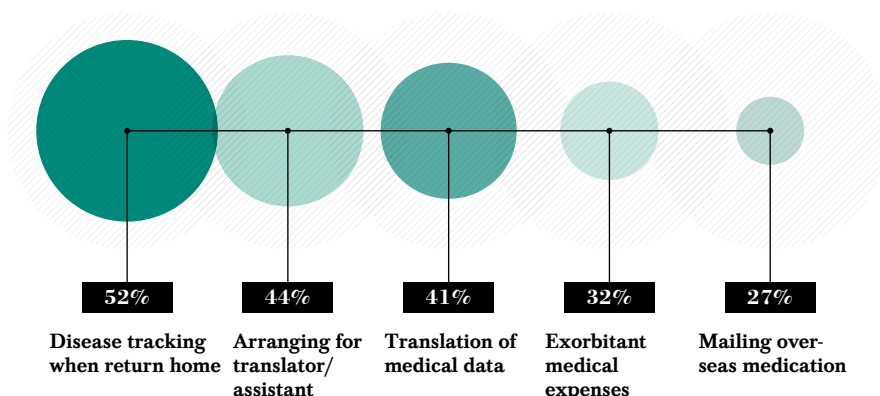
Overseas Medical Treatment Destinations



Methods of Payment for Overseas Medical Treatment



Concerns Regarding Overseas Medical Treatment



average this year, up from 1.7, reflecting a diversification in choice. Compared with last year, as HNWI's understand medical information in greater detail, their attitudes are becoming more open, and the range of their choices more diverse. Many more are willing to use new medical treatment methods, with all categories witnessing increases. However, demand outstrips supply.

Private Doctors

Though the percentage consulting private doctors is very low at just 8%, this represents a 60% year-on-year increase, a trend is likely to remain on an upward trajectory. Satisfaction is high, with a score of 8.01, higher than overall satisfaction levels with medical institutions.

Private doctors' ability to draw up personal health management plans is the most important deciding factor for using them, with 52%. Comprehensive tracking and protection of health and service on demand also

attract many. Presently, due to government policies and the lack of qualified general practitioners, China's private doctors are mainly only able to provide healthcare management and consultancy services.

Overseas Medical Treatment

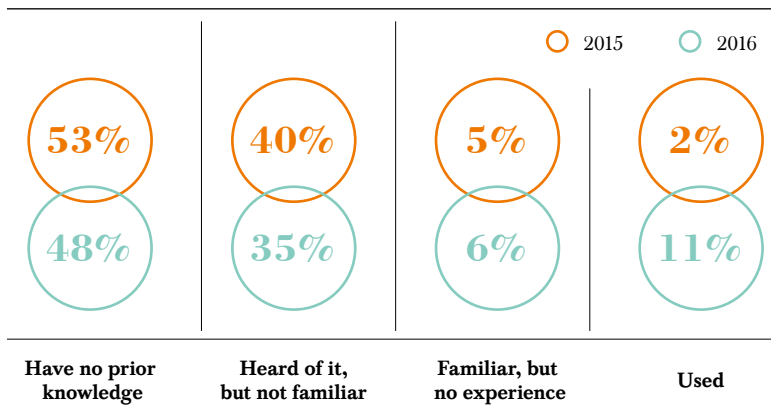
10% of HNWI's have previously sought it in one form or another. The proportions choosing it have changed little since last year, and it remains uncommon, due to concerns with cultural differences, different and unfamiliar medical processes and habits, and communication problems. In terms of preferences, they favour additional services such as physical examinations to be offered when they travel abroad as part of overseas tourism programs.

Among those with experience of it, the satisfaction level is very high with a score of 8.39. At the same time, they indicate worries about disease tracking after returning to China, arranging for translators and healthcare

assistants during their treatment overseas, and translation of medical data. The US is still the first choice for overseas treatment at 57%, followed by Canada at 23%, up from last year. Japan takes the third place at 22%.

59% pay for overseas medical expenses themselves. As commercial insurance companies pay greater attention to value-added services, they provide certain services and claims for overseas medical treatment. The proportion of payments made by commercial insurance companies for overseas treatment increased to 46%, up 70% year-on-year. The satisfaction level of HNWIs who use overseas medical treatment service provided by commercial insurance companies is very high, with the proportion of very satisfied reaching 75%, while only 2% are unsatisfied.

Knowledge of Internet Medical Treatment



As HNWIs focus more on their health, demand for personalized health care is on the up.

Internet Medical Treatment

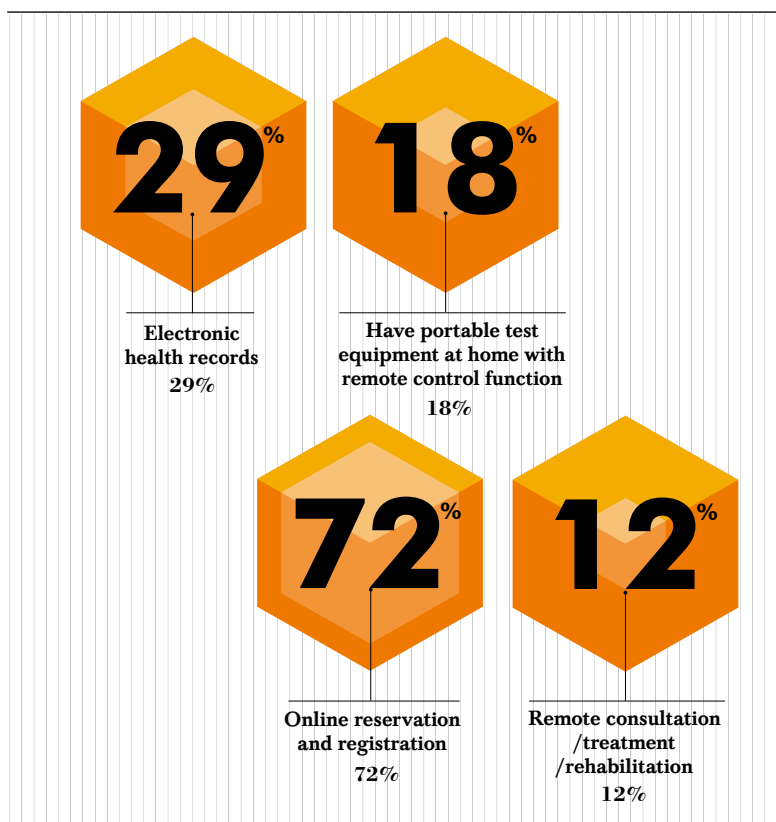
Its popularity is comparatively low, with about half of respondents never having heard of it. However there has been a significant increase in the proportion of those who have used it compared with last year, with the rate rising from 2% to 11%, reflecting a higher conversion rate among users, and reflecting a degree of market potential. Convenient online reservation and registration is the main reason cited for using it. Other reasons include the availability of electronic health records and making use of portable testing equipment at home.

This field will aid the development of the private doctor model, for instance by providing online communication platforms for doctors and patients.

B. Demand trends for personalized medicine

Personalized medicine refers to customized medical treatment programs, according to genetic test results and personal characteristics. Growing demand is evident, including precaution, treatment and rehabilitation stages.

Internet Medical Treatment Functions Used

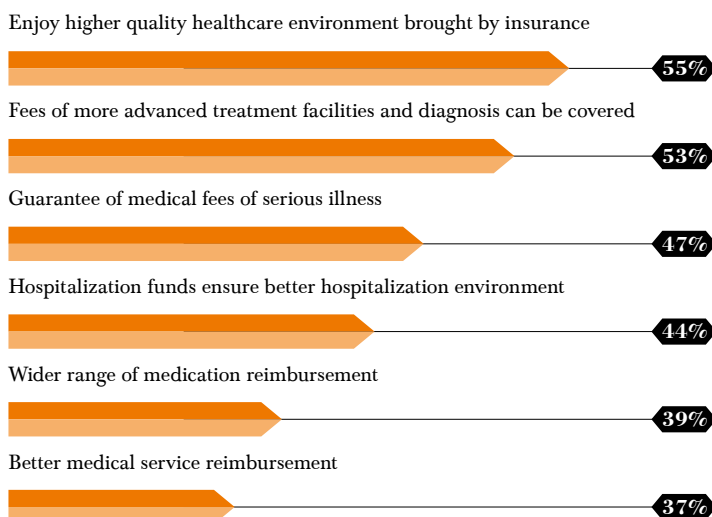


1 Precautionary health management: management according to genetic data and family genetic history, customized programs of personalized physical examinations and healthy lifestyle, the recording of results, continued tracking management and periodic adjustments of services after each physical examination.

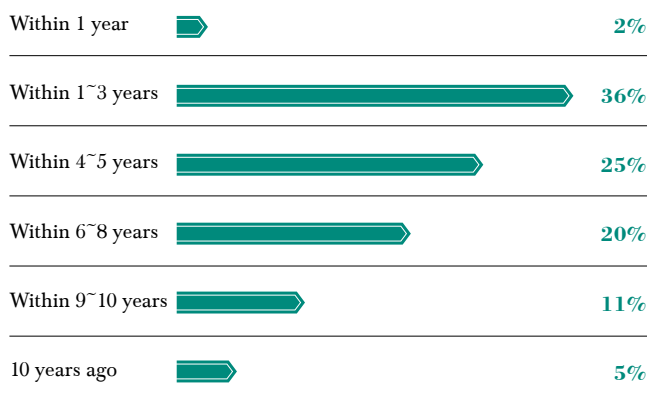
2 Disease treatment program: being able to choose highly effective treatment methods and medicine according to genetic characteristics as soon as symptoms appear, and preventing high-risk diseases.

3 Rehabilitation management: being able to carry out personalized rehabilitation according to individual characteristics in order to accelerate convalescence.

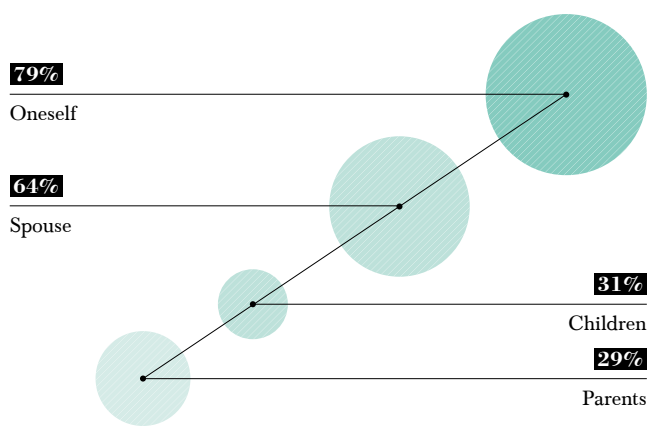
Reasons for Buying Commercial Health Insurance



Time Span of Purchase of Commercial Health Insurance



Beneficiary of Commercial Health Insurance



4.4 Commercial Health Insurance Purchases Among HNWI

This includes sickness insurance, medical insurance, income protection insurance and nursing insurance.

4.4.1 Current State of Commercial Health Insurance Purchases Among HNWI

The percentage buying it has increased from 80% to 94%. To enjoy a better healthcare environment is the main deciding factor in choosing commercial insurance, followed by the coverage of fees for more advanced treatment, and the coverage of medical fees for serious illnesses.

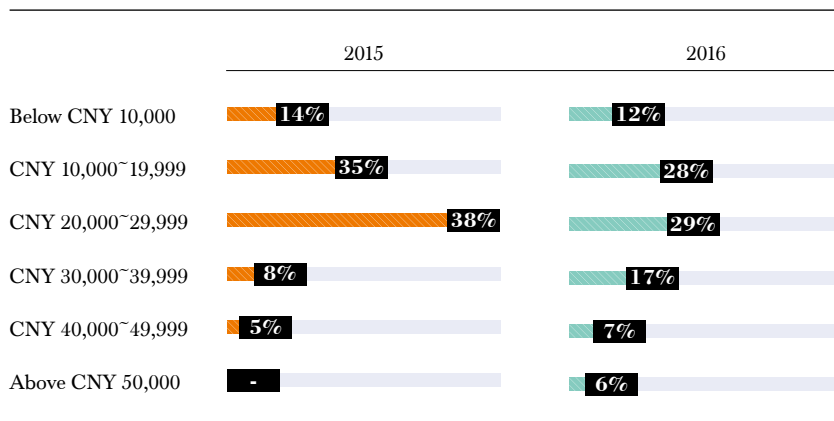
More than 50% make their purchase by consulting with sales representatives, as HNWI take greater initiative.

On average, purchases were made within the past 4.8 years, with 60% among them making the purchase within the past 5 years. Those purchasing 10 years ago are mostly above 45 years of age.

On average, 2.7 people in every family have it. The beneficiary is usually oneself and one's spouse, followed by children and parents.

HNWI households pay a yearly premium of CNY 26,000 on average, and about 60% of them pay CNY

Total Annual Premium



10,000-30,000 on average, while each family member pays yearly premiums of CNY 8,944, with all of these figures up year-on-year.

Overall satisfaction levels with commercial health insurance got 7.86 points, lower than last year's 8.20, a reflection of higher expectations.

HNWIs are most concerned by the narrowness of insurance products. More than 40% expressed their dissatisfaction with such problems.

4.4.2 Future Trend of HNWIs' Commercial Health Insurance Purchases

35% stated that they will buy within the next year. Credit guarantees and the combination and quality of insurance products are the top deciding factors for repeat purchases, both accounting for more than 40%. Repeat purchases are

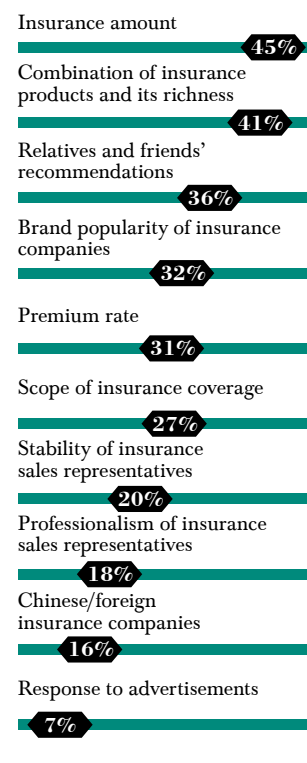
made mainly for children's sake, constituting more than 60%.

High-end health insurance trend: attach importance to value-added services, provide personalized healthcare management, improve convenience of experience for medical treatment

① High-end health insurance will further integrate with top-tier hospitals, provide advanced services and personalized health management including genetic testing technology and long-term tracking systems, while also focusing on each of the precision medicine stages.

② High-end health insurance should cooperate with a range of medical institutions, provide extensive high-quality resources, improve treatment convenience, and add value-added services.

Factors Considered When Planning Repeat Purchases



Satisfaction Level of Commercial Health Insurance

	Overall satisfaction level	Professionalism of sales representatives	Reputation of insurance companies	Scope of claims settlement	Quality of service	Speed of claims settlement	Premium rate	Product design	Simplicity of process
Mean	7.86	7.89	7.87	7.81	7.80	7.77	7.77	7.74	7.73

Chapter 5

Current State and Trend of HNWI Funeral Market

Key Topics

5.1 Description of Funeral Market

5.2 Attitudes and Current State of HNWI Funerals

In the research conducted for Retirement Planning and Healthcare of Chinese HNWI 2016, we found that in addition to the topics of healthcare and retirement, respondents are also beginning to mull what happens at the end of their lives. There are mainly two reasons for this. The first one is that due to the burden their children face because of the One Child Policy, parents wish to avoid placing an extra burden on them. Additionally, other factors such as greater awareness of overseas funeral culture and worries about the scarcity of land resources have also contributed to HNWI's greater willingness to consider end of life arrangements.

With this in mind, Hurun Report has added in-depth analysis of the current state of affairs and attitudes of HNWI's regarding funerals, taking them into consideration when conducting research this year.

5.1 Description of Funeral Market

5.1.1 Analysis of China's Funeral Industry

At present, China's funeral industry has a reputation for profiteering. Due to the lack of uniform standards of service quality and price supervision, the market is small-scale and disorganized with regards to supply. The industry is seen as being closed, with limited openings. The family-owned business model that dominates this industry leads to a situation in which prices and processes are supply-driven. Consumers remain passive, with little choice available, and they are unable to outline their requirements. The information for this industry is untransparent and asymmetric. Furthermore, most Chinese people still regard funerals as a relative taboo, and they are unlikely to share resources with each other. As funerals are inevitably a very emotional affair, it is hard to anticipate rational consumption behavior.



A Case Study for the International Funeral Industry:

Arlington National Cemetery

Arlington National Cemetery is the United States' most famous cemetery. It is located in Arlington County, Virginia, situated in grounds totaling 612 acres, and it has very high standards to be interred there. As a result, to be buried in Arlington is regarded as a supreme honour. In addition, funerals at Arlington are accompanied by grand, solemn military ceremonial etiquette, in order to show respect to the dead and their families, and to embody a unique sense of decency and spiritual heritage.

Although consumers receive low-quality and unreasonable products and services, they are unwilling to probe further or to publicize their experiences.

From the current state of affairs we can see that the funeral industry and related supporting demands are likely to experience a trend of swift growth, and that tremendous market potential exists. First of all, Chinese culture has a long history of ‘grand funerals’. To hold one has long been regarded as the ultimate sign of respect to the departed, and the level of grandeur is seen to represent the extent of one’s filial piety in some areas. Secondly, China is a rapidly aging society. According to statistics, the number of Chinese citizens over 60 years old has already exceeded 200 million, with a growth rate of 16.5%. Thirdly, there are about 10 million deaths every year, and the death rate is growing constantly at a speed of 7% every year. As a result, the funeral industry will undoubtedly become a ‘blue ocean’ market in China. According to the predictions of the China Funeral Association, the consumption of China’s funeral industry will reach CNY 600 billion by 2020, and it will arrive at a trillion yuan-scale by 2023.

5.1.2 Current State of Chinese and Western Cemeteries

In China, most cemeteries use plots of land that have been used historically, and uniform development plans are lacking. As things currently stand, problems arise for cemeteries in areas such as a lack of funds, a lack of management personnel and weak regulations. At the same time, urban cemetery construction is proving unable to provide a sufficiently pleasant environment, with issues arising such as a lack of variety in the trees planted, a lack of green space, unreasonable planning and poor lawn maintenance. With the shortage of land resources, demand for cemeteries with good Feng Shui outpaces supply, with a saturation point already having been reached, and prices are on the rise as finding a decent plot becomes harder. What makes matters even trickier is the taboo nature of cemeteries within Chinese culture, in which open discussion of these ‘dark and ominous’ places is avoided.

The development of cemeteries in western countries has a long history, with longstanding, deep traditions associated with them. Under strict government regulation, garden-like cemeteries were built to reflect cherished religious beliefs and ideals of inheritance, and they became important places able



to purify the spirit and allow visitors to commune with nature with their exquisite design and natural scenery, losing their dark and forbidding reputation in the process. For example, in France, cemeteries have established themselves as a favoured location for meditation and recreation. In certain cities, ‘memorial gardens’ are integrated into the urban fabric. In Japan, cemeteries on the outskirts of Tokyo usually contain a fountain set in a square, flower beds and avenues of trees according to the key elements of western landscape design, and they act not only as solemn ‘spirit gardens’, but also as places of recreation for urban residents.

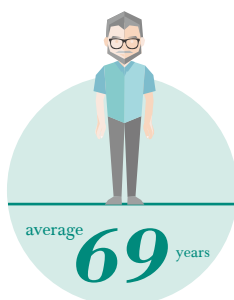
Modern cemeteries in the USA take numerous factors into consideration, including art, philosophy and ecological values, incorporated into a variety of styles ranging from green country cemeteries to war memorials, making it a leader in modern cemetery construction.

5.1.3 Strategies for China’s Funeral Market in the Future

China should refer to the development seen in western countries in the future development of its funeral market, intensify supervision, and in the meantime, attempt to change the negative tone associated with the industry and change cultural perceptions of funerals as a taboo subject, in the following 2 aspects:

- 1 Increase the necessary financial investment, rectify disorganization in the industry, allow the government to take the lead, strengthen and introduce laws and regulations regarding price management mechanisms and service control standards;
- 2 Improve the funeral system gradually, enhance the publicity of relevant new trends, improve the overall tone of the industry structure, alter social values and cultural associations gradually in a positive direction.

Age at Which One's Funeral Arrangements Are Considered



5.2 Attitudes and Current State of HNWI Funerals

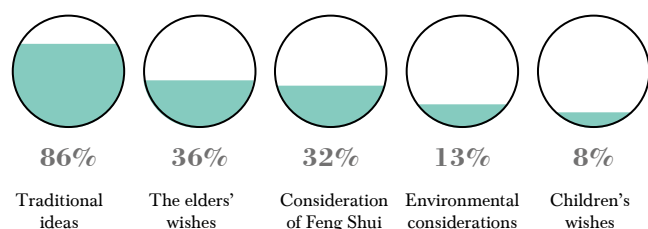
5.2.1 Current State of HNWI Funerals: cemetery choices influenced by traditional ideas

Traditional cemeteries are what most HNWIs opt for with regards to elderly family members, with more than 80% selecting this option, followed by ground burial with 12%, wall burial with 2% and sea burial with 2%. Traditional ideas (86%) are the main factor behind choice of funeral. One's elders' wishes and consideration of Feng Shui were both chosen by more than 30%.

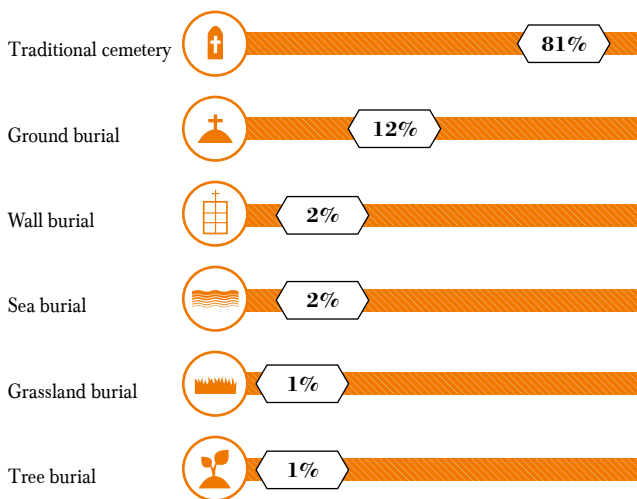
5.2.2 Attitudes and Future Choices for Funerals Among HNWIs: 91% of HNWIs prefer traditional cemeteries and Feng Shui is a main deciding factor

The respondents mainly rely on relatives and friends' recommendations to inform themselves about funerals, with a rate of 58%. Cemetery and funeral companies

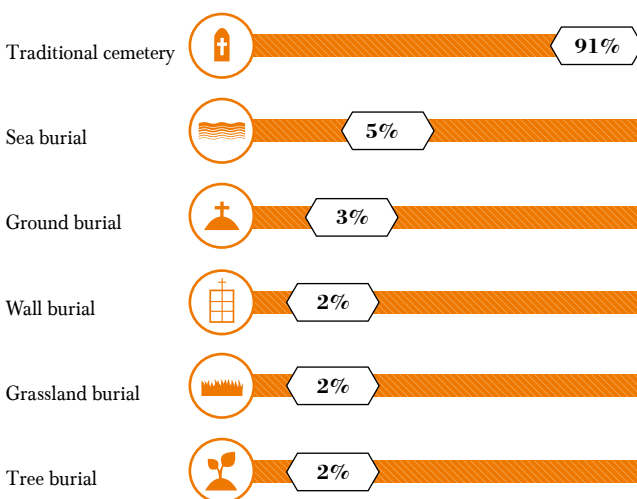
Reasons for Elders' Funeral Method



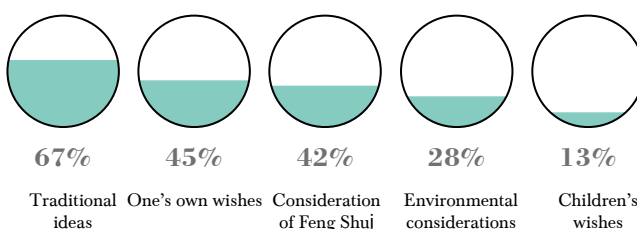
Funeral Method of Elderly Family Members



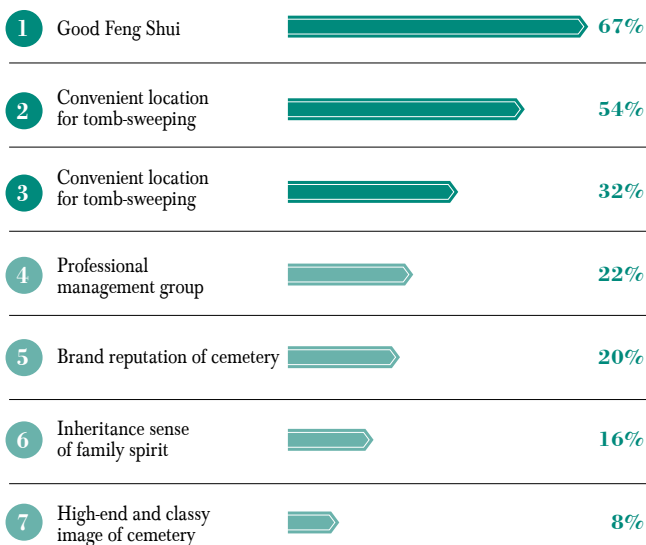
Plans for One's Own Funeral Method



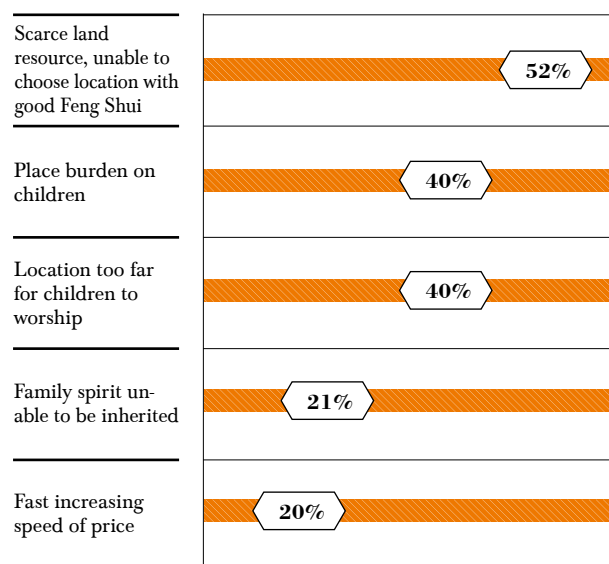
Reasons for One's Own Funeral Method



Burial Plot Purchase Considerations



Worries about One's Own Funeral



each account for 40%. Retirement institutions are also commonly used, at 34%, followed by TV, web portals, website reviews and other media channels.

One's city of current residency is regarded as the ideal location in which to be laid to rest, followed by one's hometown, and children's future place of residence, with each option attracting around 20%. With regards

to precise location, a suburban plot with good Feng Shui close to nature takes first place with 63%, followed by city outskirts allowing for convenience of worship and travel with 53%. In the vicinity of popular temples and ancestral graves were both chosen by 2%. Only 8% of HNWI's expressed no preference for location.

Due to the prevalence of traditional

cultural concepts, Feng Shui is the primary consideration in purchase of cemetery plots, constituting 67% of responses. Most respondents believe that good Feng Shui confers blessings on their children. Next comes convenience of the Chinese tradition of tomb sweeping and relatives and friends' recommendation, with proportions of 54% and 32% respectively.

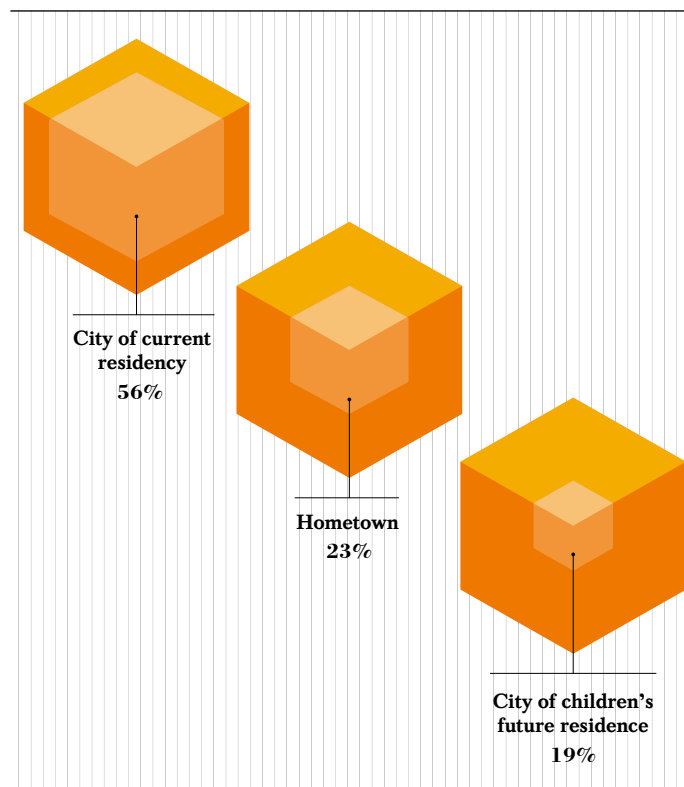
When it comes to concerns about funerals, more than 50% HNWI's indicate that they are mainly worried about scarcity of land preventing them from finding a burial plot with suitable Feng Shui, followed by burdening their children, and the location being too far removed for their children to visit.

With regard HNWI's own funerals, 36% of them have not considered them yet as they think it is too early to do so. However, for the HNWI's who have already done so, traditional cemeteries are their first choice, with more than 90% preferring them. Accordingly, although new kinds of funeral like wall burial and sea burial are being strongly promoted, traditional cemeteries are still likely to prevail as the main trend for the foreseeable future, in line with the traditional Chinese concept of 'being laid to rest'. They cite traditional methods and their own wishes as the main reasons behind their choice of funeral, and naturally Feng Shui is also a deciding factor. The average age at which HNWI's begin consider their funeral is 69 years old, the same age at which they tend to move into elderly care homes.

The development of 'one-stop' integrated products and package deals is the direction the funeral market will head in future.

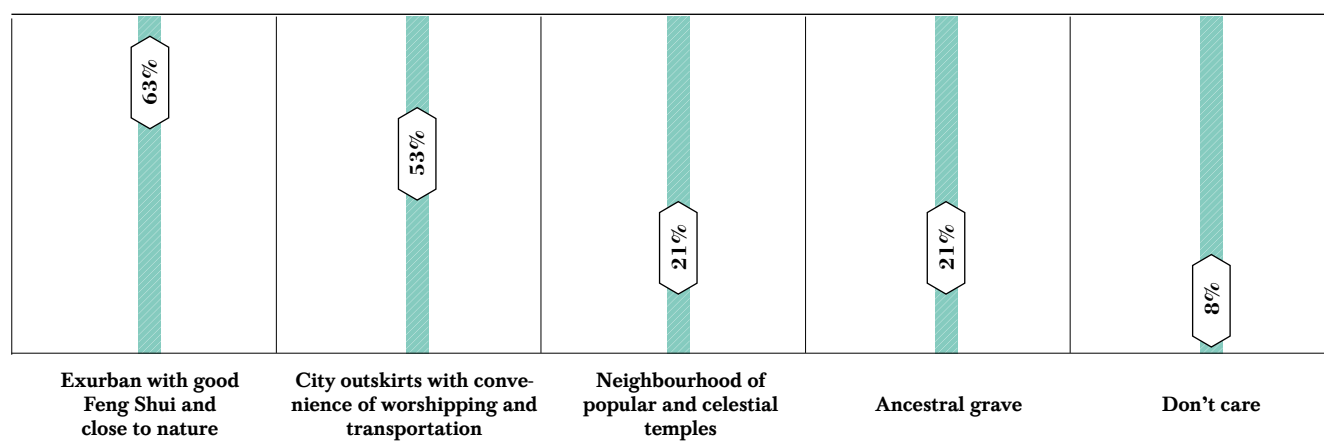
As the ageing of China's population accelerates, demand for funeral products is increasing. How-

Ideal City for Burial



ever, because of traditional Chinese cultural mores, there is an unwillingness to openly discuss them. Therefore, the main future development trend will be to skillfully integrate them into package deals including other medical and retirement products. Likewise, 'funeral' products include not only those directly related to funeral matters, but also others including palliative care, psychological comfort and so on as part of an

Ideal Burial Place





integrated ‘one stop’ package service to meet religious needs and the desire to transmit values and legacies to the next generation.

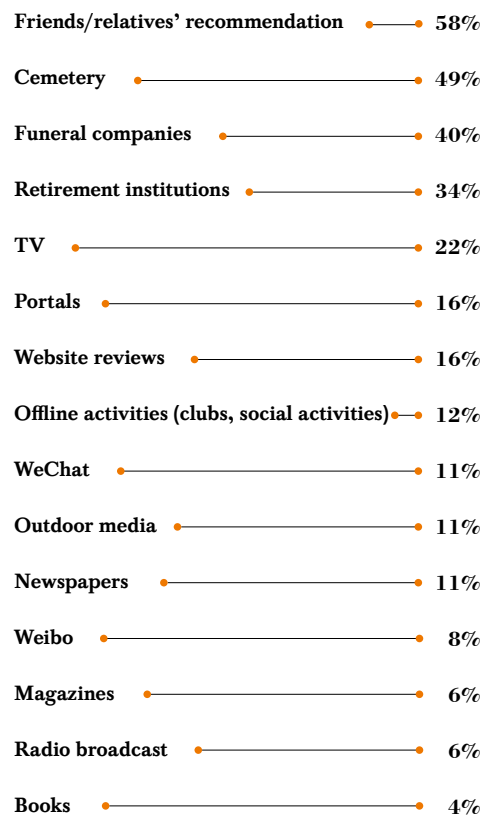
Palliative care: this includes specialized and professional treatment, focusing on relieving pain and providing mental comfort, and the prevention of over-treatment. This method can not only reduce families' medical treatment expenses, but also calm patients' nerves and relieve unnecessary pain.

Funeral services to meet spiritual needs: this involves developing differentiated services in line with the religious beliefs of HNWI. According to Hurun Research Institute, more than 30% of HNWI are religious, with 23% of them Buddhists and 6% of them Chris-

tians. Religious convictions are more common the older respondents get and the more assets they have. More than 60% of HNWI with CNY 30 million or above have religious beliefs. In recent years, the proportion of religious HNWI has grown. These beliefs strongly affect their attitude towards and demand for funeral services, thus it is important for them to be taken into account.

Transmission of inheritance and values: it is envisaged that a combination of insurance and trusts will be used, to ensure that rules are in place to regulate inheritances, and to guide the values of the next generation in making use of their legacies. It is also hoped that the family's values and mission can be passed on.

Funeral Information Sources



Appendix: experts' interviews

By name, in alphabetical order



Bo Weimin

Insurance specialist: Bo Weimin, CEO & chief insurance planner of Deyu Family Office, first FSA in Chinese mainland

Demands for high-end healthcare are higher, and personalized and convenient experience of products should be increased through value-added service

Q : What are Chinese HNWI's demands for high-end commercial health insurance products?

A : They have higher demand for high-end commercial health insurance. Such products not only provide security and guard against risks, but also include value-added services liked by HNWIs, such as reservations, green channels, VIP treatment and direct hospital payment, which help them save time and get better service. Therefore they should cover more comprehensive and top-level services, such as international hospital coverage, better quality experts, medicine and medical resources, and authoritative overseas doctors' diagnoses and treatment planning for serious diseases.

Q : What are the future trends for high-end healthcare products?

A : The provision of more comprehensive services and experience, and the development of customization and the use of private doctors through the utilization of the internet. Specifically, setting up communication platforms for doctors and patients, via apps or video software. If it's necessary to go to hospital, treatment can be arranged. In other words, the provision of convenience. In addition, high-end commercial insurance products can provide higher-end personalized services using advanced technologies such as 'genetic testing'.

Q : What are Chinese HNWI's demands for high-end endowment insurance products?

A : I think most HNWIs do not have strong intentions to purchase it. This is because the purpose of buying high-end endowment insurance is different from others, and it is not so necessary as an investment. The endowment insurance we are talking about is mainly for 'life protection', to avoid running out of funds as a result of longevity. There are also some people buying them to save money and prepare for retirement. Regardless of perspective, the most important purchasing consideration is the benefits on offer. I think the definition of benefit and bonus in endowment insurance is ambiguous and there should be clear subject matter for reference. As for high-end endowment insurance design, my suggestion is that providers' primary consideration should be how to make purchase seem more necessary, by providing diversified and personalized product combinations and value-added services. These products and services should be practical, such as support facilities in elderly care homes, so as to encourage purchases. In operation, there should be detailed modeling considering the numbers of people who buy and move in to such accommodation, calculation of conditions required for their selection, in order to boost HNWIs' willingness to purchase.



Cao Yuanzheng

Chief economist of Bank of China & special researcher of Chinese Minsheng Research Institute

Endowment insurance should focus on providing services, research and developing products from customers' perspective, to make endowment insurance a necessity

Q : What are the current state and future trends of high-end endowment insurance?

A : Providers regard it in terms of a financial investment, emphasizing higher rates of returns and benefits. But in my opinion, high-end endowment insurance in the future should be considered in terms of consumption behaviour and service. Consumers should receive better experience and service, while the providers' role should shift to providing endowment services. Providers should consider and design products from the perspective of demand, and make insurance a necessity in consumers' lives.

Q : What are HNWI's high-end life insurance purchase demands?

A : HNWI's needs are direct and straightforward. They prefer to buy 'whenever and wherever possible' when buying life insurance products. Secondly, they expect more diversified products, to meet their needs in a personalized, comprehensive manner. Finally, asset al-

location is likely to gain more attention, such as family trust products which can safeguard inheritances.

Q : What are your ideas or suggestion for funeral services provided by insurance companies?

A : There are two aspects. The first one is to provide 'palliative care', that is to say, specialized and professional treatment at the end of one's life. This method can not only reduce pressure caused on the family by medical treatment, it can also relieve unnecessary suffering on the patient's part. The other aspect concerns cemeteries and funeral services. Although such matters are taboo, social attitudes are gradually changing, and some elderly individuals even consider such matters and demands quite proactively. Although demand is increasing, the taboo nature of this subject means proceedings need to be skillfully and sensitively conducted. This could include combining funeral products into package services as a value-added extra.



Lin Songbai

Executive deputy director of international medical department in Peking Union Medical College Hospital

Q : What are the characteristics of or changes in the healthcare demands for HNWI's?

A : As HNWI knowledge and demands increase, they are focusing more and more on front-end preventive healthcare, such as screening for serious diseases. For medical advice, most HNWI's prefer authoritative experts' suggestions. I believe this needs to change, because the scientific healthcare planning can't be managed by experts from a single field alone. Personalized

management planning should combine different perspectives, from a complete medical team.

Q : How is the current state of Chinese high-end healthcare market?

A : Private and foreign funded hospitals have expanded relatively rapidly in recent years. The reasons for this include flexible policies, increasing demand and higher profitability compared with ordinary healthcare. International departments and special clinics in public

Attention HNWI's pay to health is increasing, high-end healthcare should pay more attention to management of front-end healthcare customers and the subsequent tracking service

hospitals also serve HNWI's and high-end commercial insurance clients, although they do not fit into the former category. Public hospitals are stronger in the comprehensive expertise of their staff, basic medical treatment and nursing. Basic medical treatment and nursing in private and foreign-funded hospitals is lacking. These hospitals can solve simple conditions, but cannot provide comprehensive treatment for complex conditions. Private and foreign funded hospitals provide more proactive care, can provide personalized healthcare, and provide services attractive to HNWI's. Public hospitals are not as flexible in the forms and attitudes towards service they provide, which can lead to poor experiences. Now that managements are becoming aware of this problem, many hospitals are trying to improve through training and other solutions.

Q : What aspects of high-end healthcare can be improved or added to?

A : Public hospitals concentrate on treatment, but not front-end health management. With the increasing emphasis placed on front-end healthcare by HNWI's, establishing a uniform customer management system is necessary. This should start with the physical examination, and provide tracking and consulting services according to the conditions. This will allow customers to receive comprehensive personalized medical planning and services from prevention to treatment to rehabilitation, allowing for problems to be dealt with at all times. We have to establish a platform involving doctors, nurses, assistants and administrators, in which qualified experts from every field can provide a series of medical care services to customers, for a real high-end healthcare service.

Q : What do you think about the current state and development of the Chinese retirement market?

A : Humanity is entering the era of the health industry revolution, with some people able to live to beyond 100 years old. China's population is ageing rapidly, to a significant degree, without any preparation. Incomplete agricultural and industrial modernization means there are many poor elderly rural people and industrial workers. Also, as most of a family's money is spent on children, many elders need retirement services but there's a lack of effective demand. Insufficient supply coexists with insufficient demand.

There are four essential factors in

retirement service supply: land and environment (land rent), house and facilities (house rent), services and human resources (service charges including medical care) and daily supplies for the elderly (living expenses). The elderly population can be divided into 5 categories. The first one is 'three no' elders, for whom the government provides the four essential factors. The second one is low-income elders, for whom government provides all the factors except living expenses. The third one is middle-income elders, for whom the government provides the two factors besides living expenses and service charges. The fourth one is high-income elders, who pay for all factors themselves except land rent.



Yang Yansui

Doctoral supervisor, Professor of Institute for Hospital Management of Tsinghua University and School of Public Policy & Management of Tsinghua University, Director of Research Center of Employment and Social Security, Distinguished professor of School of Public Health of Johns Hopkins University

The fifth one is HNW elders, who pay everything themselves. If insurance can pay for the elderly's medical and nursing services, government purchasing can be decreased and the aging population dividend will be increased. Therefore, while social insurance covers basic risks, commercial insurance should provide better services, to promote higher-end development. Home retirement should be taken care of by the government and medium- to high-end elderly care homes covered by companies. The latter mainly provide services for wealthier retirees, with residents moving in at an average age of above 75 years old. The key to establishing such care homes lies in solving problems which can't be solved by home retirement, including emergency and palliative treatment. Home retirement is unable to solve such problems, which requires rich resources, professional staff and institutions. In addition, they should have excellent facilities suitable for the elderly, such as handrails and emergency alarms, in order to reduce risks. Recreational facilities should also be provided, to increase the sense of pleasure.

There is also urgent need in China's retirement market for financial development to provide integrated, diversified and personalized products and services, allocate family assets reasonably, meet the elderly's demands, improve the asset structure of the ageing population and develop the 'silver economy'.

Q : Do you have any other suggestions for development of high-end elderly care homes in the future?

A : There is already a model of how to combine insurance and community



healthcare services, such as Taikang's strategies, which can be regarded as an industry benchmark. They should promote new service programs such as including planning property trusts when the elderly are still mentally aware. Financial managers can make sure elderly clients' properties are used and passed on reasonably and ensure their continued everyday care. These care homes need streamlining to avoid excessive costs and create a best beneficiary model.

Q : Is there any developing market for 'provident' insurance products in China?

A : I think it is necessary. They can improve product provision, and strengthen industry standards. I suggest combining insurance and trusts, using products such as provident funds or legacy trusts to secure the elderly's properties, in order to oversee inheritances, and to plan for and guide the next generation to ensure they use their inheritance wisely.

Create diversified retirement products, integrate the industrial chain, provide comprehensive service concept combining healthcare, retirement and trusts products



Zeng Qiang

Director of Institute of Health Management of the Chinese PLA General Hospital, Vice President of the Chinese Geriatrics Society, designate chairman of Chinese Health Management Association

Personalized medical health management planning and diversified medical channels are the future trend of high-end medical treatment



Q : What are the healthcare demands of HNWI's?

A : HNWI's are willing to spend more on healthcare, but they have higher requirements, especially for service. Professionalism of medical institutions is the most important factor. Doctors need to give an impression of professionalism, which can be done by providing value-added preventative healthcare services based on advanced testing technology, such as genetic testing, to provide more detailed and comprehensive medical services. Secondly, when it comes to environment, HNWI's main requirement is for a comfortable, unstressful atmosphere, which is not too cold. There are certain other details too, including disinfection and service attitudes.

Q : What do you think about the future trends of high-end healthcare?

A : There is a clear trend of personal customization in the category of 'precision medicine', which can be used to create customized healthcare plans. For example, in physical examinations, a variety of customized plans can be developed taking hereditary factors into consideration. Precise nutritional requirements can be detected by genetic testing, and form the basis for developing comprehensive personalized plans for individuals. In addition, customized medical treatment can also carry out targeted drug treatment according

to genetics in order to improve efficiency, which is very attractive to many HNWI's. Another trend is to increase forms of available medical treatment, such as private doctors working in a mobile medical system, which can achieve bidirectional communication of information, making medical treatment more convenient and quick, while letting doctors understand and follow up patients' conditions directly and promptly.

Q : What is the difference between high-end healthcare industry in China and in developed countries?

A : The facilities in some Chinese high-end hospitals can fully meet international standards, but there is still a big gap between the concept of service and high-end technology in China and overseas. Personalized service in China is imperfect, especially in the high-end medical treatment area, where there are few top experts and resources, and overseas technology and medical treatment are more advanced.

Q : What do you think the medical concepts of HNWI's should be?

A : First of all, carry out a physical examination annually, and choose an examination centre with complete data management, tracking and consulting services. Secondly, find a suitable institution in advance, for a faster response and treatment in emergencies, as the current state of emergency medical treatment in China still has a lot of deficiencies. Third comes a healthy lifestyle. People can adopt effective methods of exercise and recreation, and nutritional supplementation based on reliable testing.



Zuo Xuejin

Executive vice-president of Shanghai Academy of Social Sciences and director of Institute of Economics, president of Gerontological Society of Shanghai

The elderly in the future will be richer and more independent, sub-categorise the needs of HNWIs, provide multiple choices service concept based on China's actual condition

Q : What are the characteristics and current state of high-end modes of retirement? What are the challenges and difficulties?

A : The Chinese market should learn from Europe and the United States, in which retirement communities are built close to nature with top-quality facilities and services. Residents are mainly healthy and socially active people below 80 years of age. Research shows that the elderly who live in such communities are happier and more active psychologically. However, there are certain challenges associated with the development of such a model in China. Firstly, most of China's elderly can't drive, and this kind of community is often located in remote areas lacking public transport, which can also limit children's visits. Secondly, basic support facilities in such areas are deficient. Residents' lifestyles mainly depend on services provided by the care homes, which reduces choice. In addition, top-level public hospitals are located downtown, and suburban hospitals suffer from deficiencies, such as slow emergency responses. As a result, there are still many limits faced by isolated retirement communities with few basic support facilities at present.

Q : What should be the future trend of high-end retirement market development in China?

A : I prefer the provision of diversified products subdivided according to different needs. We can also learn from the example of Japan and South Korea, in which housing is built for the elderly near the heart of the community downtown, and social activities and related facilities are provided, to create better

urban infrastructure capable of meeting the elderly's needs. Secondly, different service plans should be provided, such as daily care, home care service and short-stay facilities. Home retirement or living in care homes near where they lived previously can allow retirees to stay closer to their children, which can reduce loneliness. Finally, I think we need greater professional talent in a range of areas, qualified according to the relevant standards.

Q : What are the retirement perceptions, needs and behaviors of Chinese HNWIs with regards to retirement? What can be improved?

A : There are diversified perceptions and demands. With rising income and education levels, concepts of consumption and enjoying life will gradually increase among the elderly. They may devote one-third of their time to tourism. Those born in 1950-60s are gradually ageing, and having lived through the reform of China's economy, they are more independent and better off than their predecessors, with stronger and wider consumption demands. On the other hand, they still have a sense of 'loneliness', expecting emotional interaction with children. I believe China should promote healthy ageing. Health is not only important for the elderly's happiness, but also for sustainable development as the population ages. Control of chronic non-communicable diseases is lacking and should be improved through healthy diets, exercise, family and social participation. In future, the elderly will make better use of IT and the information available to improve their health.

Introduction of Taikang

Taikang Insurance is China's largest financial services group, managing assets worth CNY 830 billion and with total assets exceeding CNY 560 billion, which has been listed in the 'Top 500 Chinese Enterprises' for 12 consecutive years. Taikang owns a numbers of subsidiaries including Taikang, Taikang Asset Management, Taikang Pension & Insurance, Taikang Community, Taikang Health and Taikang Online, with three core business systems encompassing insurance, asset management and healthcare. The company has been fully engaged in construction of the 'Large Happiness Project', which integrates four elements of 'vibrant senior care, high-end medical service, premier wealth management and ultimate care for the senior' in the field of senior care business. Taikang provides customers with a full-range of services from 'cradle to paradise' with national networks and online platforms.

Taikang has grown into one of China's largest insurance providers, establishing itself nationwide. Taikang is devoted to innovation and exploration in online insurance, endeavoring to build the top 'Internet Insurance' brand.

Taikang Asset Management manages more than CNY 830 billion of assets, and it is the first company of its kind in China to have passed the GIPS examination. Taikang Pension is one China's largest specialized pension providers, offering package solutions including employee benefits plans for corporations. In 2010, Taikang Community was created, dealing with retirement community investment and operations.

★ 2015, All-China Federation of Industry & Commerce's '2015 Top 500 Chinese Private Enterprises', 19th

★ 2015, Financial Times, 'Business Model Innovation Insurance Company of the Year'

★ 2015, 21st Century Business Herald, 'Most Profitable Life Insurance Company' 'Top 10 Chinese Life Insurance Companies' (5th), 'Top Asian Life Insurance Companies' (8th)

★ 2015, Top 100 Employers in China's 'Best Chinese Employer of 2015' and 'Women's Favourite Employer'

Chairman Chen Dongsheng's honours:

★ 2011-2016, Fortune's 'Top 50 Most Powerful Chinese Business Leaders' for 6 consecutive years

★ 2008-2015, China Entrepreneur's 'Top 25 Most Powerful Chinese Business Leaders of the Year' for 8 consecutive years

★ 2015, 10th Asian Brand Ceremony's 'Top Ten Outstanding Leaders of Asian Brands'

★ 2015, Yabuli China Entrepreneurs Forum's Thought Leader Award



WeChat



Taikang Lifestyle

Important honours of Taikang in recent years:

★ 2014-2015, China Enterprise Confederation's 'Top 500 Chinese Enterprises'. 2015, 'Top 500 Chinese Enterprises', 146th

★ 2005-2015, China Enterprise Confederation's 'Top 500 Chinese Service Enterprises'. 2015, 'Top 500 Chinese Service Enterprises', 54th

About Hurun Report Inc.

Since 1999

Established as a research unit in 1999, Hurun Report Inc. has grown into a leading media group targeted at China and India's high net worth individuals. Its flagship is the Hurun China Rich List and, since 2012, the Hurun Global Rich List. Headquartered in Shanghai, Hurun Report has offices in Beijing, Guangzhou, Chengdu, Sanya, London, Los Angeles, Chicago and Cochin, Kerala in India.

Hurun Research

Hurun Research ('Nobody Knows China's Rich Better') has grown to become the world's leading authority when it comes to understanding the Chinese high net worth individual. Recent reports include partnering with some of China's most important financial institutions, local government, multinationals and luxury brands, including Bank of China, Taikang, Minsheng Bank, Minsheng Financial Leasing, Industrial Bank of China and the Changbaishan government.

Hurun Media

Hurun Media ('The Voice of Chinese Entrepreneurship') reaches between one and two million unique viewers a week through its digital platform and a further 485,000 a month through its print media. Digital media is made up of 7 WeChat social media, an online business talk show called MaShangHu, distributed through iQiyi, CBN and Ningxia Satellite, and Hurun.net. Our flagship WeChat media is Hurun Business, with others including Hurun Education, Hurun Art, Hurun

Horse & Sports, Hurun Health, Hurun Property and Hurun English.

Hurun Conferences and Training

Hurun Conferences and Training hosts over 100 events across China every year, led by its flagships in Beijing and Shanghai every year. Hurun Conferences and Training brings Chinese entrepreneurs abroad, to the US, London, Singapore, Australia and India.

Hurun International

Hurun Report Inc established its India business in 2012, which today is best-known for the Hurun India Rich List, Hurun India Philanthropy List and for hosting events with some of India's most respected entrepreneurs.

Hurun Investments

Hurun Investments includes a CNY 100m early-stage venture capital fund, and strategic investments in media, education, classic cars, financial services and luxury.



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Art are now online, we look
forward to you following us

Survey Methods

The results of Retirement Planning and Healthcare of Chinese HNWI's 2016 came from the cooperation between Taikang and Hurun Report. This is the second year this white paper on HNWI's retirement and healthcare has been published. In the interviews with HNWI's, we found that their funerary needs were increasing. Therefore HNWI's attitude towards and cognition of the funeral industry were newly added in the survey this year.

This project developed a special survey focused on UHNWI's in mainland China. Relying on Hurun Report's HNWI's database, the project team carried out stratified random sampling according to gender, age, area, total family assets and other dimensions. A quantitative study was carried out on 1125 UHNWI's in the form of a one-to-one questionnaire, and the sample covered 35 areas in China. At the same time, the project team conducted one-to-one interviews with 40 UHNWI's and experts in Beijing, Shanghai, Guangzhou and Shenzhen in order to conduct wider and deeper studies of the characteristics and needs of these people.

In addition, the project team also fully exploited ten years of Hurun Report research results and combined the historical data and the related public information from the Hurun Rich List, Hurun Wealth Report and the series of white papers published in recent years by Hurun Research Institute, using a large number of desk studies and statistical analysis methods, effectively ensuring and improving the accuracy of the survey. Through this report, we can understand the retirement and healthcare needs of HNWI's in China, thus creating huge brand and media value.

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