



# Financial Literacy and Insurance

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# Hong Kong Strategy for Financial Literacy (HKSFL)

- Improve financial literacy of HK population through bringing together stakeholders from different sectors
- Empower people to make informed and responsible financial decisions
- Instil financial knowledge, skills, attitudes, motivations and behaviours as identified in the Financial Competency Framework
- IEC is Secretariat of HKSFL
- 110 supporting organisations

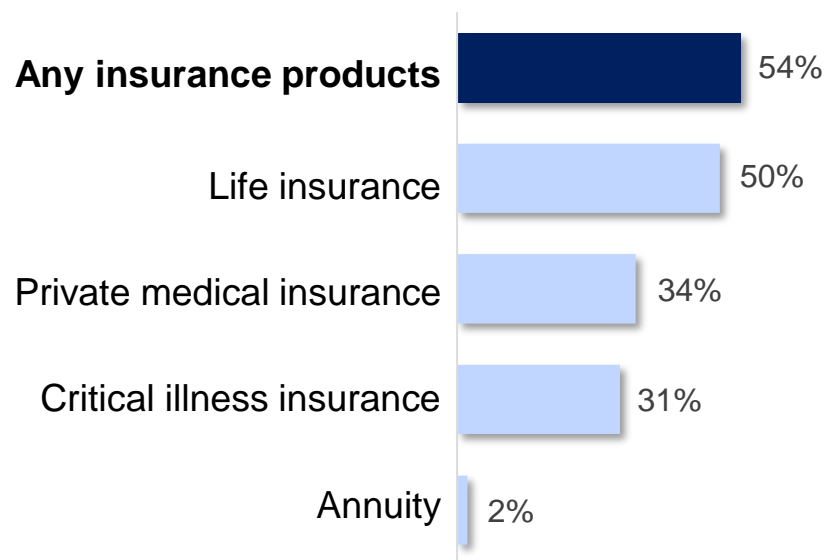
## Reference:

1. Hong Kong Strategy for Financial Literacy <https://www.hksfl.hk/>
2. Financial Competency Framework <https://www.thechinfamily.hk/web/iec/en/fcf/>



# IEC's research findings on insurance

## Penetration of common insurance products<sup>1</sup>



**Over half (53%) of insurance holders did not shop around when they purchased their insurance policies**

## From consumer focus groups<sup>2</sup>

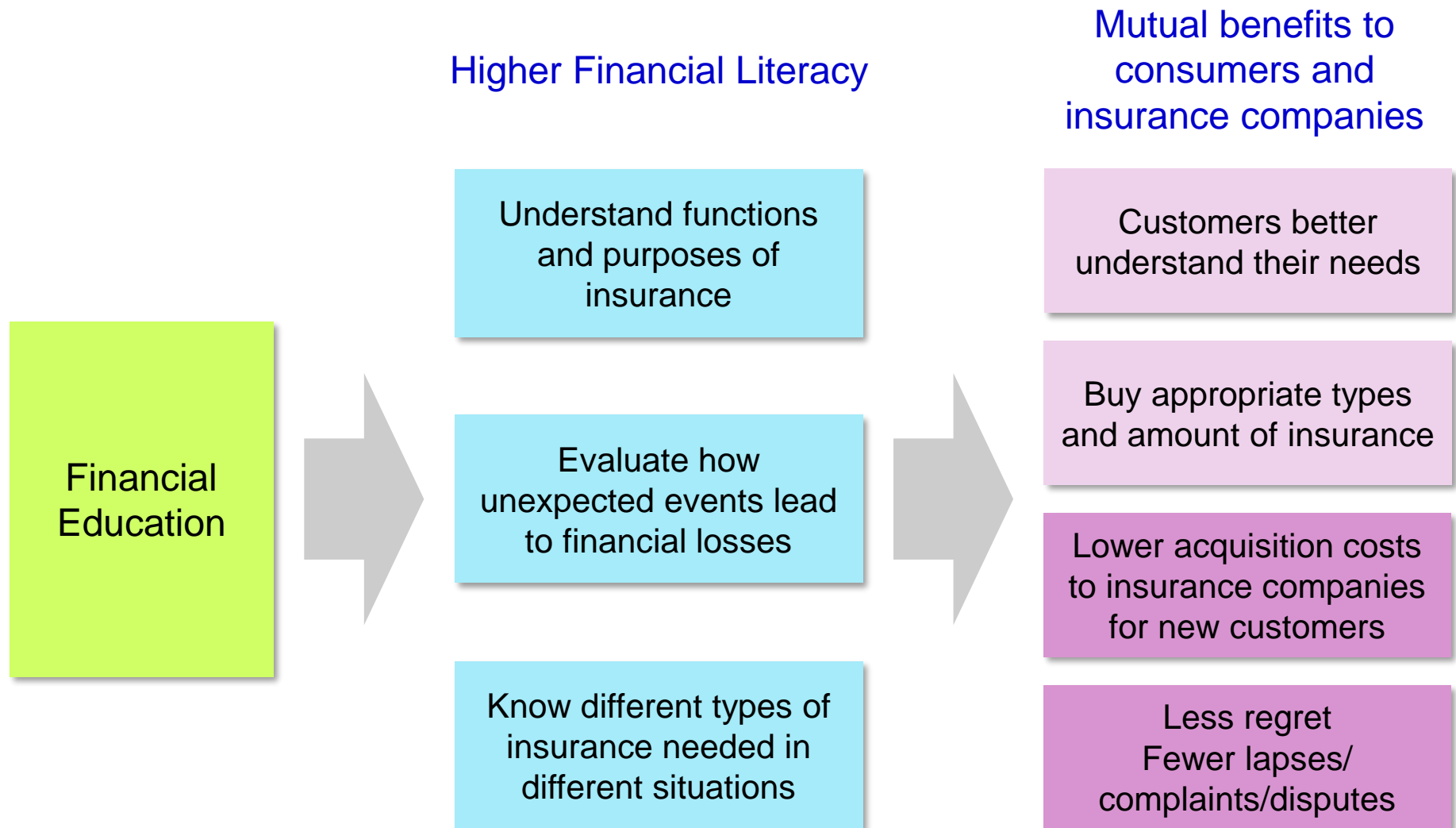
- Insurance commonly perceived as complicated product; many consumers admitted they didn't really understand terms of policies held
- Many reported difficulties in comparing insurance products
- Tend to associate insurance products with misconducts/scams

Sources:

1. Financial Capability Monitor 2018 (soon to be published on IEC's website <https://www.thechinfamily.hk/web/iec/en/research/>)
2. From various qualitative consumer research (focus groups) conducted by IEC for resource development (2015-17)



# Financial Education and Insurance



# Challenges to financial education - insurance

- Wide variety of products
- Each product involves various features and concepts - some product features may not be easy for educators to explain
- Perceived product complexity - tend to over-rely on insurance agents/brokers
- Some people are cautious towards financial education initiatives by insurance companies
- Many stakeholders not knowledgeable regarding insurance

- ✓ Neutrality
- ✓ Relevant and user-friendly information
- ✓ Collaboration

# HKSFL Enablers

| Enablers                           | Purpose  | Reference   |
|------------------------------------|--|---|
| Hong Kong Money Month              | Territory-wide campaign to raise awareness on FE                           | <a href="https://www.moneymonth.hk/en/">https://www.moneymonth.hk/en/</a>   |
| Financial Competency Framework     | Common reference of what FE should cover                                   | <a href="https://www.thechinfamily.hk/web/ec/en/fcf/">https://www.thechinfamily.hk/web/ec/en/fcf/</a>   |
| Shareholder sharing workshops      | Opportunity for stakeholders to share ideas and good practices             | <a href="https://www.hksfl.hk/en/news-and-activities/activities/act-20161116.html">https://www.hksfl.hk/en/news-and-activities/activities/act-20161116.html</a> |
| Financial Literacy Forum           | High level stakeholder sharing on financial literacy issues and directions | <a href="https://www.hksfl.hk/en/financial-literacy-forum/2017/introduction.html">https://www.hksfl.hk/en/financial-literacy-forum/2017/introduction.html</a>   |
| Money Learning Directory           | Portal to increase visibility of stakeholders' FE efforts                  | <a href="https://www.hksfl.hk/money-learning-directory/public/en/index.html">https://www.hksfl.hk/money-learning-directory/public/en/index.html</a>             |
| Financial Education Champion award | Recognition for stakeholders' FE efforts                                   | <a href="https://www.hksfl.hk/en/news-and-activities/activities/act-20180301.html">https://www.hksfl.hk/en/news-and-activities/activities/act-20180301.html</a> |

# IEC's financial education initiatives

## 1. The Chin Family website

- Dedicated section on insurance

<https://www.thechinfamily.hk/web/tc/financial-products/insurance/index.html>

- Interactive Life Protection Coverage Calculator

<https://www.thechinfamily.hk/tools/lifeprotection/tc/main/index.jsp>



# IEC's financial education initiatives

## 2. Education programmes

- Targeted at students, adults, retirees

<https://www.thechinfamily.hk/web/en/programmes/index.html>



## 3. Collaboration

- Collaborated with Insurance Authority and produced “Tips on Buying Insurance”

<https://www.thechinfamily.hk/web/common/pdf/publication/en/tips-buying-insurance-en.pdf>





Thank you!