



HSBC Commercial Banking
Hong Kong Small Business Insurance Survey
November 2007

Albert Chan

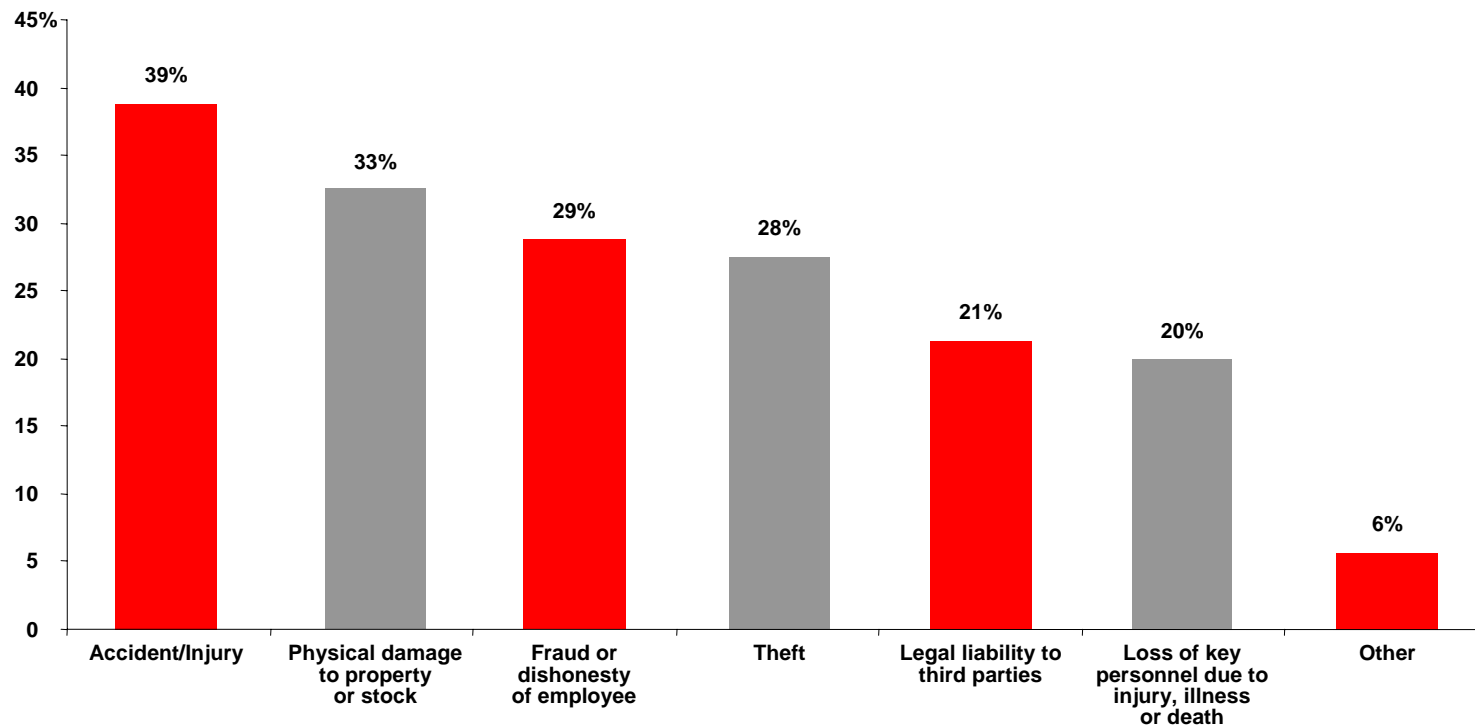
Senior Executive Commercial Banking
The Hongkong and Shanghai Banking Corporation Limited

The HSBC Commercial Banking Small Business Insurance Survey in Hong Kong

- **Survey of small businesses on the type of insurance they have, their attitudes towards insurance and the extent of their contingency planning**
- **500 SMEs surveyed by telephone in the third quarter of 2007, including HSBC customers and non-customers**
- **SME defined as a private company with staff of 50 or less for non-manufacturing, and 100 or less for manufacturing**
- **We believe there is huge potential for the business insurance market to grow in Hong Kong**

Business disruption

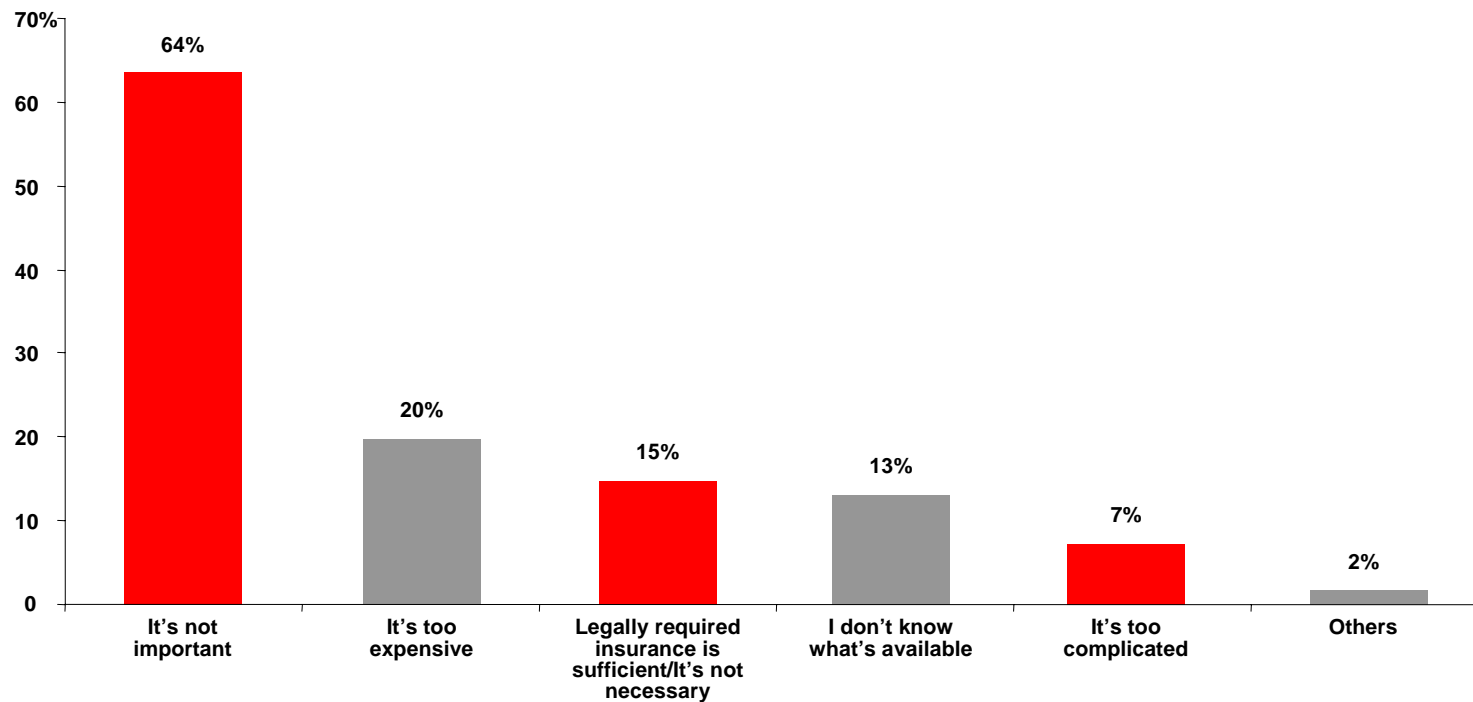
1 in 3 SMEs say they have experienced a significant disruption to their business.



Note: Multiple responses allowed. Graph base=160

Insurance coverage

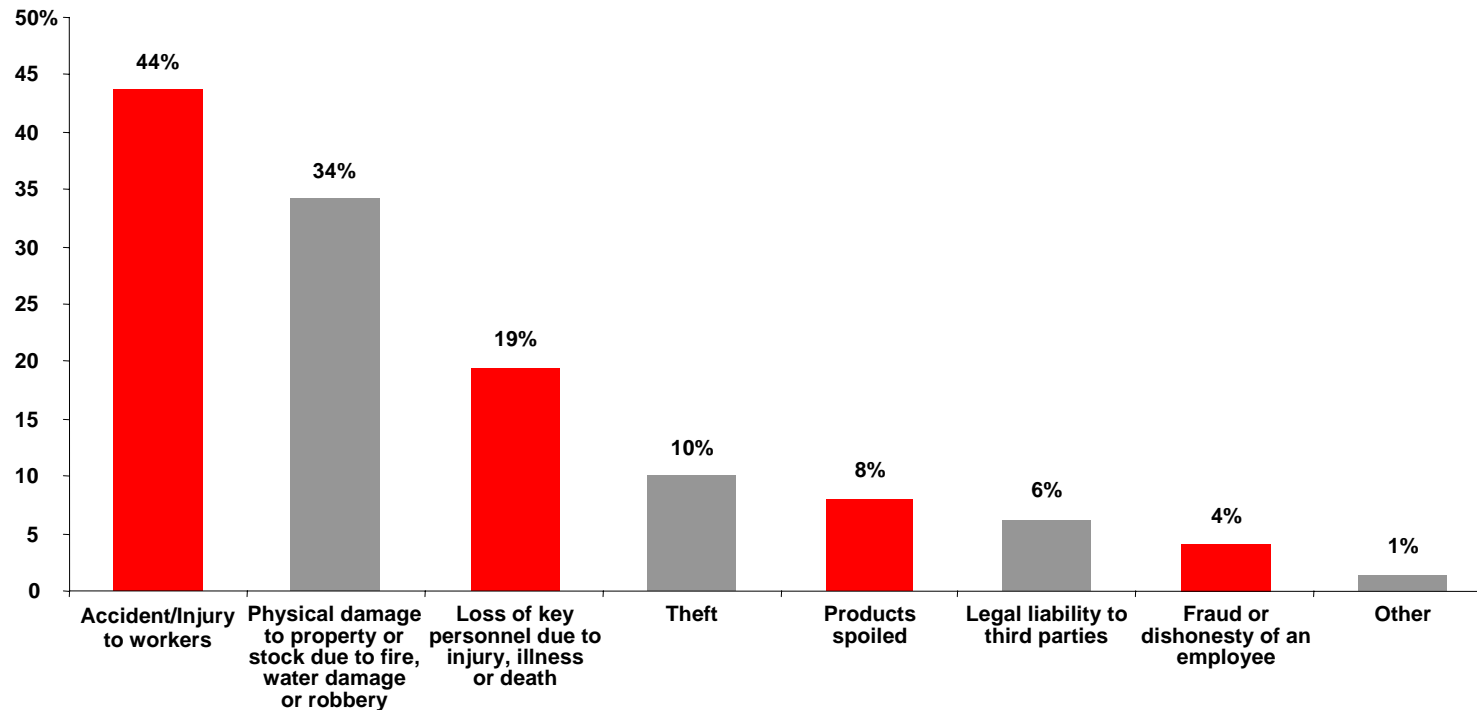
More than half of SMEs (54 per cent) do not have insurance coverage beyond the minimum legal requirements for employee compensation, motor insurance and Mandatory Provident Fund. The majority said it's not important.



Note: Multiple responses allowed. Graph base=237

Insurance claims

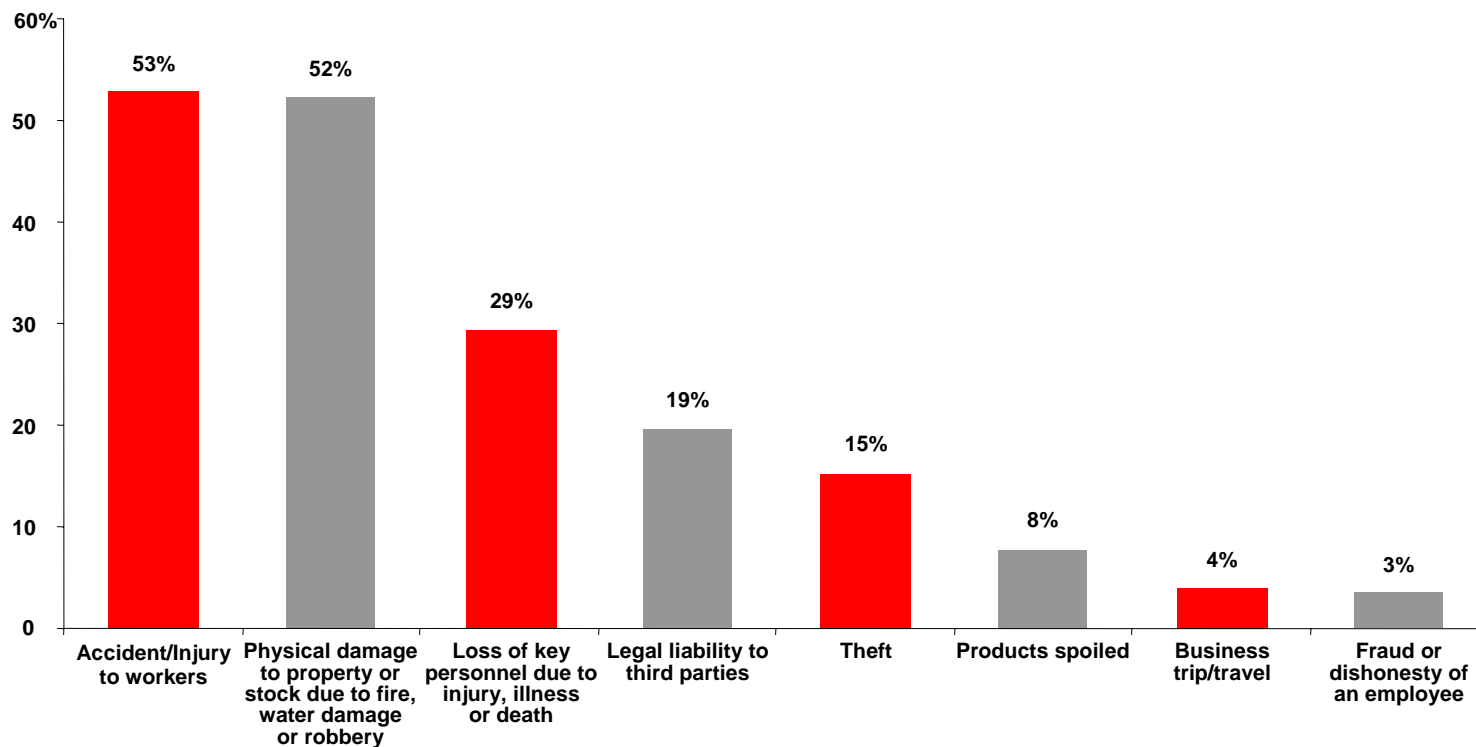
3 in 10 SMEs have filed an insurance claim for their business.



Note: Multiple responses allowed. Graph base=149

Types of insurance coverage

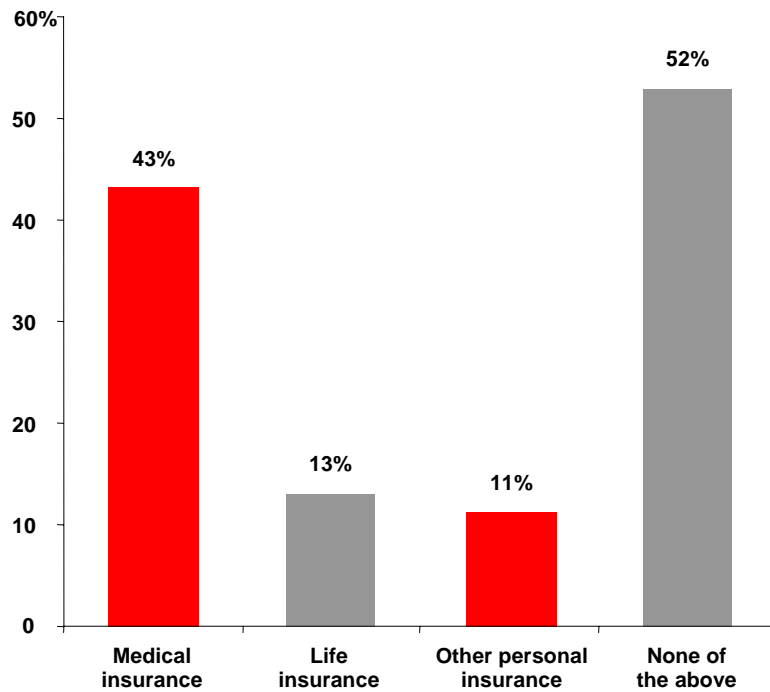
Insurance for accidents or injuries to workers and physical damage to property or stock are the most popular. But third-party liability coverage is also important.



Note: Multiple responses allowed. Graph base=231

Insurance benefits for staff

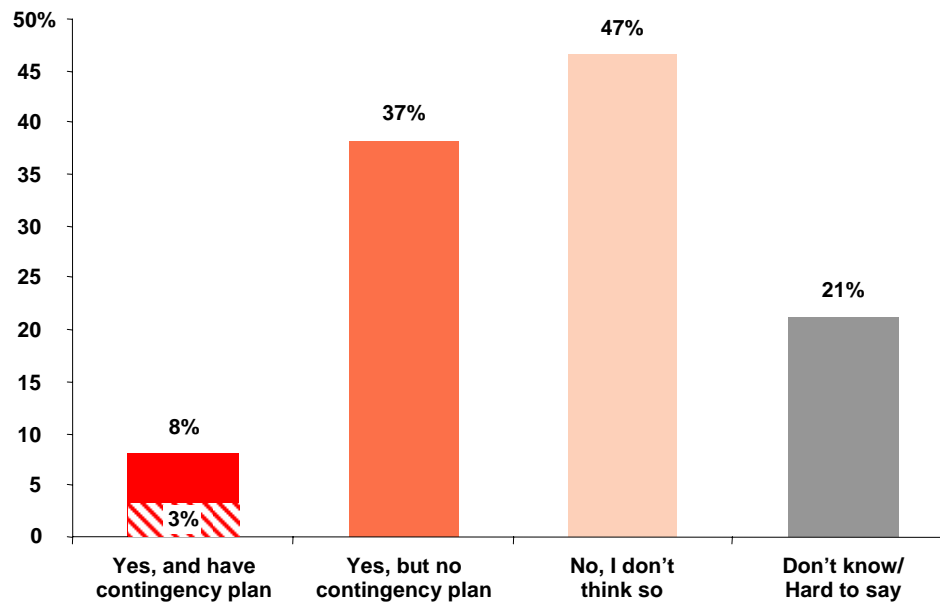
Less than half of SMEs (48 per cent) offer insurance benefits to employees, but 62 per cent of those say benefits help to attract and retain staff.



Note: Multiple responses allowed. Graph base=500

Contingency planning

Nearly half of SMEs think Hong Kong could be hit by a pandemic in the next 10 years, but only eight per cent have a contingency plan for their business – and less than half of those plans include insurance.



Note: Graph base=499

Agnes Choi

General Manager and Head of Corporate Insurance
HSBC Insurance (Asia-Pacific) Holdings Limited

FlexiCommercial Insurance

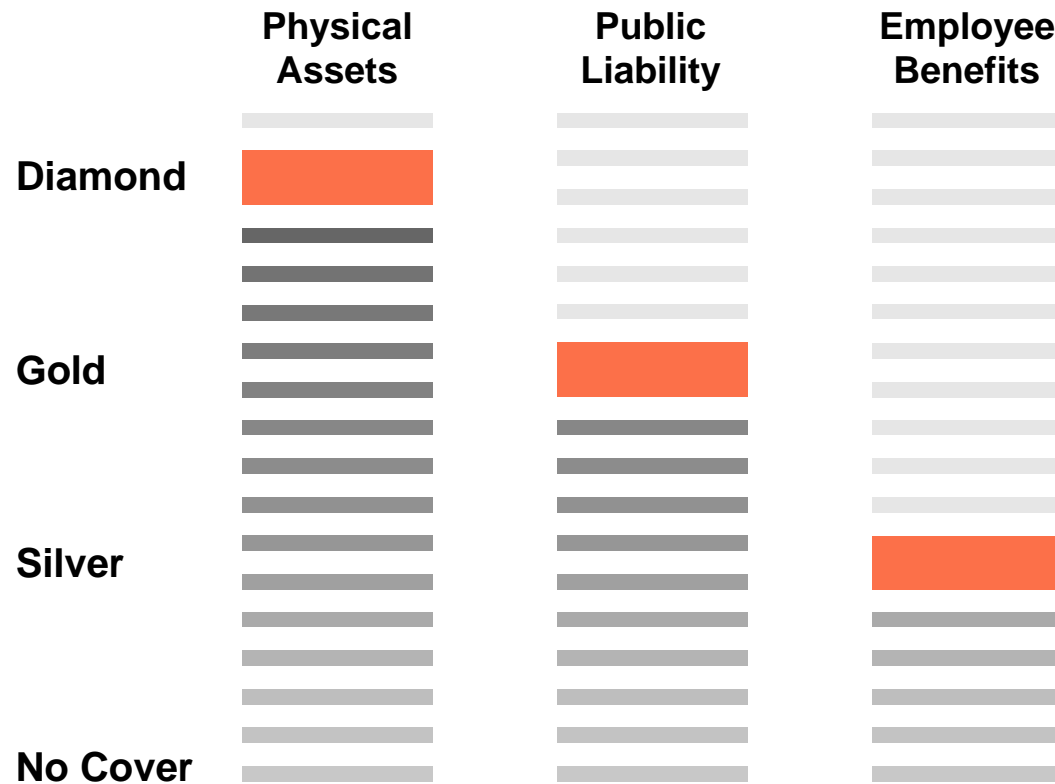
- **Innovative**
- **Flexible**
- **Simple**
- **Instant cover upon purchase**
- **Enhanced coverage**

Features

- **Innovative and flexible:**
 - **Combination of life and non-life products**
 - **190 possible combinations covering 3 insurance categories**
 - **physical assets, public liability and employee benefits**
 - **3 levels of coverage**
 - **Diamond, Gold, Silver**
 - **Protecting SME business under 8 insurance lines**
 - **Property All Risks, Business Interruption, Money, Fidelity Guarantee, Public Liability, Group Medical, Group Life and Group Personal Accident**
 - **All of the choices are included in one single policy**
 - **Saves small businesses time and administration costs**

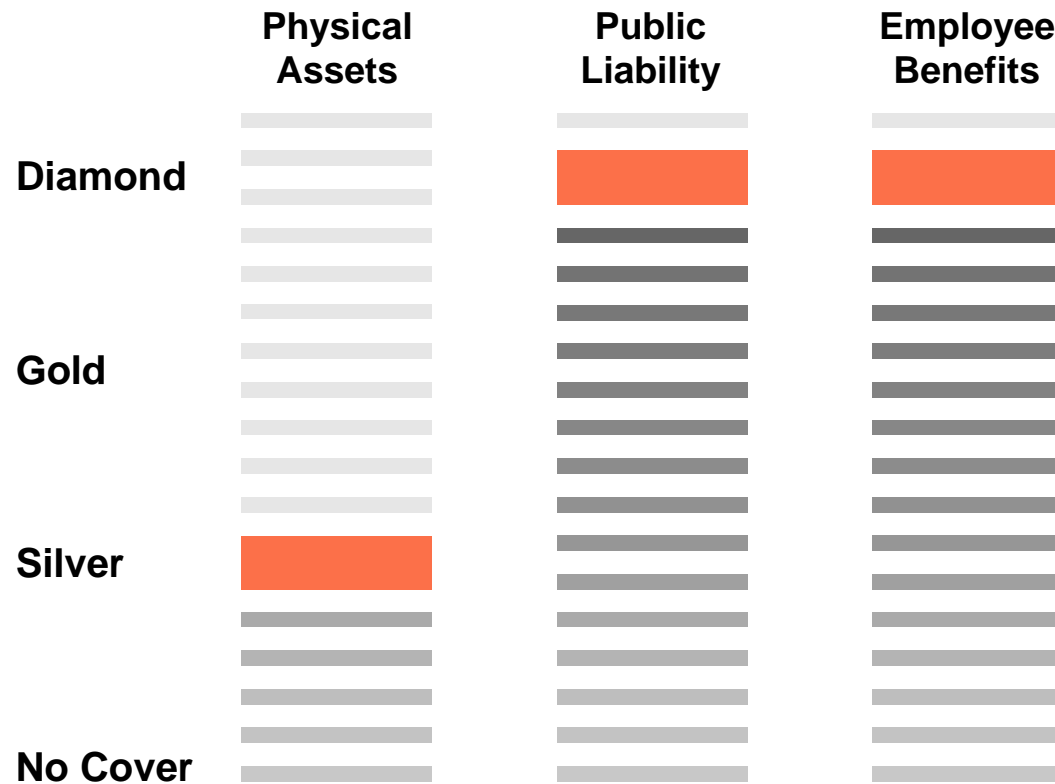
Example 1

Operations-oriented industries (eg retailers) are often exposed to risk of theft or damage to goods, business interruption and employee fidelity.



Example 2

People-oriented businesses (eg accounting firms) cannot afford to overlook employee benefits, public liability and other human resources needs.



Other features

- **Simplicity**
 - Easy to understand
 - Easy to choose
- **Instant cover upon purchase**
 - Simplified underwriting procedures
- **Enhanced coverage**
 - Operating on first loss basis
 - Claims amount can be reimbursed up to 100% of insured amount

Q&A