

**AIA NEW ZEALAND CONSUMER SURVEY REVEALS A SWING
TOWARDS INSURANCE AS 50% OF NEW ZEALANDERS HAVE LESS
THAN THREE MONTHS' WORTH OF FUNDS IN RESERVE**

The recession has had a dramatic effect on New Zealanders' attitudes to personal insurance, an independent, nationwide survey of more than 1,000 Kiwis suggests. This year's Life Matters survey, conducted biannually by AIA New Zealand, found that 54% of New Zealanders now have life insurance, up from 48% in 2007 and just 38% in 2005.

With respondents rating redundancy as a higher risk overall than any health risk, take-up of income protection insurance has risen exponentially – 23% of respondents now have this policy, compared with only 13% in 2005 and 2007. There has likewise been a dramatic increase in take-up of trauma / critical illness insurance: 31% of respondents have this protection, against 15% in 2007 and 9% in 2005.

The decision to increase risk protection apparently stems in large part from a widespread concern among New Zealanders about their financial position in the current economy: 26% of Life Matters respondents said their funds would last for less than one month if their main source of income stopped. This represents a nearly four-fold increase on the 7% of respondents to the 2007 survey who said the same.

A further 23% of 2009 respondents said they would be able to live for one to three months without their main income (up from 13% on 2007) – meaning that half of all New Zealanders could, at present, survive for three months or less on existing funds if their income stopped.

Two percent of respondents said they would have no alternative funds; 55% would turn to savings and investments (down from 71% in 2007); 56% would turn to family for help (up from 25% in 2007); and 28% would sell assets (a sizeable increase from the 7% of respondents who cited this option in 2007).

Twenty-six percent said they would release equity from their property, an increase from 19% in 2007 and 11% in 2005.

AIA New Zealand's Head of Marketing, Mike Loftus, said that the survey (conducted in May) revealed a great deal about New Zealanders' financial position in the recession and how they were choosing to respond. "Kiwis have clearly become acutely aware of risk as the economy has declined, and this is reflected in the level of take-up of personal insurance, particularly the types of insurance that have been previously under-used.

"Since the 2007 survey there has been a striking increase in the number of people taking on income protection and trauma and critical illness protection in particular, which suggests that people are becoming more conscious of areas of vulnerability, particularly their income and their health.

"New Zealanders have always been under-insured, and still are compared with many other countries, but this year's research indicates that factors such as the recession have caused something of a sea-change in New Zealanders' attitudes to risk protection. We seem to be thinking more about how to protect ourselves and our loved ones if the worst happens."

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For more information:

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About AIA New Zealand in New Zealand

AIA New Zealand is the trading name of American International Assurance Company (Bermuda) Limited, a member of the AIA group of companies. As a company we draw on our global expertise and unparalleled heritage of 90 years' experience in the Asia-Pacific region.

AIA New Zealand is based in Auckland with regional offices in Wellington, Hamilton and Christchurch. However, through our insurance consultant network, we reach every corner of the country.

AIA New Zealand is a member of the Investment Savings and Insurance Association (ISI), the Insurance and Savings Ombudsman Scheme (ISO) and the Health Funds Association of New Zealand (HFANZ).

On 2 March 2009, Standard & Poor's affirmed AIA New Zealand's A+ financial rating.

About the AIA group

The AIA group is a leading life insurance organisation in Asia Pacific. The AIA group has branch offices, subsidiaries and affiliates located in jurisdictions including Australia, Brunei, China, Hong Kong, India, Indonesia, Macau, Malaysia, New Zealand Singapore, South Korea, Thailand and Vietnam.

The AIA group has strong fundamentals. As at November 30, 2008:

- We have over 250,000 agents and 20,000 employees to serve our customers.
- We have a large base of over 20 million customers.
- AIA also serves 90,000 corporate clients covering over nine million members for group life and medical coverage, and over 38,000 corporate pension clients covering over one million members.
- With over 1,120 customer service centers and agency offices, AIA is easily accessible to our customers.
- AIA is active in reaching customers through banks. Currently, we have over 130 bancassurance relationships established with leading foreign and local banks.

About the Research Team

Perceptive specialises in market research to provide deep insights into its clients' businesses. Using innovative and traditional market research methodology, Perceptive provides its clients with intelligence to attract and retain customers and optimise performance and profitability.