

## Friends Provident International survey shows UAE residents are confusing medical cover with Critical Illness insurance

Date: November 2016

A Friends Provident International (FPI) survey has revealed apparent confusion among UAE residents, between the cover provided by their medical insurance and critical illness insurance.

According to the survey - conducted by YouGov on behalf of FPI in August 2016 - only a fifth (21 per cent) of respondents said they have critical illness insurance in place to protect them and their families should they fall seriously ill. Females are less likely to have critical illness cover, with less than one in five (18%) having this type of cover as opposed to 23% of male respondents.

However, of the 21% of respondents who said they have critical illness insurance, almost two fifths (38 per cent) said it was provided by their employer as part of their overall benefits package. It is therefore highly likely these respondents are confusing their mandatory medical insurance cover with critical illness insurance

In addition, more than a third of the respondents (37 per cent) who do not have critical illness insurance said they were 'unfamiliar with the concept'.

### **Marcus Gent, Managing Director, Middle East and Africa at FPI said:**

"The apparent confusion between the different types of cover is alarming. Employers are unlikely to provide critical illness insurance as part of an employee benefits package, and people are probably not as well covered as they might think.

The UAE's health insurance regulation makes it mandatory for all employers to provide at least a basic medical coverage plan for their employees. While this will take care of an immediate need for medical treatment, it does not provide the same safety net as critical illness insurance, which goes beyond medical insurance and can provide a vital lifeline for families if the breadwinner should become seriously ill and unable to work.

I am concerned that a large percentage of respondents said they were not familiar with the concept of critical illness insurance; this is something the industry needs to address".

Critical illness insurance provides protection against the insured suffering from one or more of a wide range of critical illnesses and diseases.

### **Philip Cernik, Chief Marketing Officer, Middle East and Africa at FPI commented:**

"While health insurance pays for medical expenses as they arise, there are often limits to the cover provided, and if you stop working the cover may cease altogether. Critical illness insurance on the other hand pays out the full sum insured on the diagnosis of one or more of a range of serious illnesses, and the proceeds can be used in any way you choose.

For example, the payment could be used to make any alterations to your home that are required as a result of your illness, and you can choose when to return to work, rather than potentially having to return before you are ready.

Protection should form a cornerstone of any robust financial planning and I would encourage anyone without cover to speak with a financial adviser who will be able to explain the benefits; help them assess their situation and recommend a plan with a suitable level of cover."

- Ends -

Research conducted by YouGov between 3<sup>rd</sup> and 10<sup>th</sup> August 2016.

Results based on information gathered from 503 UAE based respondents.

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## Notes to Editors

### About Friends Provident International

Friends Provident International (FPI) provides life assurance, pensions and investment products in Asia, the Middle East, the United Kingdom – and other selected markets – and is part of the Aviva Group.

We have over 35 years' international experience, offices in Hong Kong, Singapore, the United Arab Emirates and the Isle of Man, and more than 500 staff worldwide.

See [www.fpinternational.com](http://www.fpinternational.com) for further information on Friends Provident International.

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## IMPORTANT INFORMATION

Friends Provident International is a trading name of Friends Provident International Limited and Aviva Group PLC (for business conducted outside the United Kingdom).

### **Friends Provident International Limited**

Registered and Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA.

Incorporated company limited by shares. Registered in the Isle of Man, number 11494.

Authorised by the Isle of Man Insurance and Pensions Authority.

Provider of life assurance and investment products.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Authorised by the Office of the Commissioner of Insurance to conduct long-term insurance business in Hong Kong.

Registered in the United Arab Emirates as an Insurance Company (Registration No. 76).

Registered with the Ministry of Economy as a foreign company (Registration No. 2013): Registration date 18 April 2007.

Authorised by the United Arab Emirates Insurance Authority to conduct life assurance and funds accumulation operations.

Registered in Singapore No. F06835G.

Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore.

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