Pacific Prime
Simplifying Insurance
20 Years Anniversary

Cost of International Health Insurance

For Individuals and Families

2020 - 2021

Hong Kong ■ Shanghai ■ Beijing ■ Singapore ■ Dubai
Bangkok ■ London ■ Los Angeles ■ Mexico City ■ Cebu

About the report

Based on IPMI premiums from 100 locations globally, Pacific Prime's annual report on the Cost of International Health Insurance compiles pricing data for both individual and family plans, as well as offers an in-depth analysis of the key drivers shaping health insurance costs.

In our 2020-2021 edition of the report, average IPMI premiums for individuals ranged from USD $1,934 in Thailand to USD $7,257 in the US. Likewise, average IPMI premiums for families ranged from USD $7,703 in Thailand to USD $21,817 in the US.

A standout feature this year has been the overall decrease in IPMI premiums: 57% of countries saw a decline in cost for individual plans, with the figure rising to 89% when it comes to family plans. Other notable trends include:

- The Americas remains a dominant region in the top 20 most expensive countries
  - Latin America may experience an increase in premiums for the next 5 years
  - The US remains the most expensive country for health insurance
- Hong Kong has reclaimed its place as the second most expensive location for health insurance
- Singapore is the second most expensive country for health insurance in Asia
- China's premiums are going through correction after years of increase
- Insurers are taking a closer look at their regional pricing strategies

Contextualizing our findings, we also look at the main drivers shaping premiums globally, such as the changing demand of healthcare, the cost of healthcare, increasing regulation, the impact of fraud, the rise of insurtech, and their implications for employers.

I hope that this report will provide you with insights into the cost of health insurance globally, serving as an informative and enjoyable read!

Neil Raymond
CEO AND FOUNDER

Pacific Prime

Table of **Contents**

Ranking the **top 20 and bottom 5 most expensive countries**

Ranking based on the average cost of international health insurance for individuals

2020 ranking of top 20 and bottom 5 countries based on average premiums				
Rank	Country	Average cost in 2020 - USD	Average cost in 2019 - USD	% difference
1	US	$7,703	$8,887	-15.37%
2	Hong Kong	$6,146	$5,738	6.64%
3	Singapore	$5,677	$5,458	3.86%
4	Canada	$5,230	$7,045	-34.70%
5	Dubai	$5,207	$4,666	10.39%
6	Israel	$4,978	$4,799	3.60%
7	Russia	$4,600	$4,373	4.93%
8	Bahrain	$4,461	N/A	N/A
-	Mexico	$4,461	$4,521	-1.34%
9	Switzerland	$4,454	$3,567	19.91%
10	Chile	$4,440	$4,213	5.11%
-	Argentina	$4,440	$4,213	5.11%
-	Grenada	$4,440	$4,213	5.11%
-	Colombia	$4,440	$4,213	5.11%
-	Peru	$4,440	$4,213	5.11%
-	Bolivia	$4,440	$4,213	5.11%

2020 ranking of top 20 and bottom 5 countries based on average premiums				
Rank	Country	Average cost in 2020 - USD	Average cost in 2019 - USD	% difference
10	El Salvador	$4,440	$4,213	5.11%
-	Uruguay	$4,440	$4,213	5.11%
11	UK	$4,431	$4,487	-1.26%
12	Indonesia	$4,405	$3,834	12.96%
13	Dominican Republic	$4,402	$4,156	5.59%
14	Oman	$4,378	$4,172	4.71%
15	South Korea	$4,341	$3,822	11.96%
16	Taiwan	$4,266	$3,745	12.21%
17	New Zealand	$4,229	$4,061	3.97%
18	Japan	$4,182	$3,752	10.28%
18	Iraq	$4,108	$3,982	3.07%
19	Greece	$4,103	$4,160	-1.39%
20	Turkey	$4,102	$4,031	1.73%
		-		
65	Ethiopia	$3,333	$3,444	-3.33%
-	Angola	$3,333	$3,444	-3.33%
66	Mozambique	$3,321	$3,440	-3.58%
67	Poland	$3,276	$3,320	-1.34%
68	Brazil	$2,972	N/A	N/A
69	Thailand	$1,934	$2,728	-41.05%

Source: Pacific Prime

In 2020, the average premium rate that individuals paid for international health insurance* ranged from **USD $7,703 in the US and USD $1,934 in Thailand**.

It perhaps comes as no surprise that the US has once again topped our ranking as the most expensive location for individual health insurance, with an average cost of USD $7,703 in 2020. This is mainly due to the notoriously high cost of healthcare in the US.

One key point to note here is that, unlike previous years where US health insurance costs increased year-on-year, the average cost has actually dropped significantly by over 15% in 2020 vis-a-vis 2019. When looking at the premium ranking table, it is also noticeable that a number of countries' average individual premiums have decreased in 2020, compared to the previous year. We explore the reasons and key forces behind this downward price trend in the Analysis section of this report.

Another standout finding is that both Hong Kong and Singapore have surpassed Canada in this year's ranking as the second and third most expensive countries for individual health insurance, with an average cost of USD $6,146 and USD $5,677, respectively. Their high ranking comes as no surprise, as these expat-popular city-states have long been the most expensive locations for private healthcare in the Asia region.

When comparing average global premiums in 2019 and 2020, it is also noticeable that many Asian countries have bucked the trend of falling premiums seen in a number of other continents. There are several explanations for this, one being that healthcare utilization in Asia has actually increased slightly in 2020 despite the ongoing pandemic. The main reason for this is the region's relatively successful suppression of the COVID-19 outbreak. For further analysis of healthcare utilization amid the pandemic, please refer to the Analysis section of this report.

On the other end of the spectrum, Thailand has once again been ranked as the least expensive location for individual health insurance in 2020, with an average premium of USD $1,934. Since the 2019 iteration of our report, we have utilized Thailand's onshore plans and insurers when calculating average premiums in order to create a more accurate snapshot of costs in the region. As some of the insurers used to calculate Thailand's average premiums are local providers, the rates are naturally on the lower side compared to the global insurers' plans we used to calculate averages for the other countries.

**For ease of analysis, as well as to present the most accurate data possible, we generated the data for individuals based on standard IPMI rates (inpatient and outpatient plan, with no deductible) for a 36-year-old male - the main target market for expatriate insurance products.*

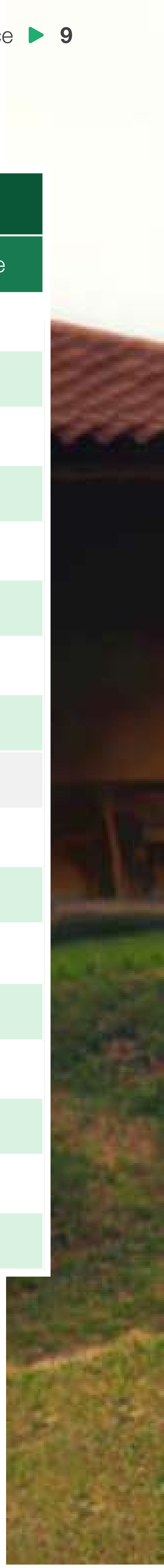
Ranking based on the average cost of international health insurance for families

2020 ranking of top 20 and bottom 5 countries based on average premiums				
Rank	Country	Average cost in 2020 - USD	Average cost in 2019 - USD	% difference
1	US	$21,817	$26,883	-23.22%
2	Hong Kong	$17,425	$17,140	1.64%
3	Singapore	$15,964	$15,055	5.69%
4	Dubai	$15,377	$14,147	8.00%
5	Israel	$13,614	$14,146	-3.91%
6	Russia	$12,671	$12,878	-1.63%
7	Mexico	$12,412	$13,400	-7.96%
8	Canada	$12,368	$18,264	-47.67%
9	Bahrain	$12,323	N/A	N/A
10	Chile	$12,262	$12,463	-1.64%
-	Argentina	$12,262	$12,463	-1.64%
-	Grenada	$12,262	$12,463	-1.64%
-	Colombia	$12,262	$12,463	-1.64%
-	Peru	$12,262	$12,463	-1.64%
-	Bolivia	$12,262	$12,463	-1.64%
-	El Salvador	$12,262	$12,463	-1.64%
-	Uruguay	$12,262	$12,463	-1.64%
11	South Korea	$12,182	$11,429	6.18%
12	Indonesia	$12,125	$11,476	5.35%

2020 ranking of top 20 and bottom 5 countries based on average premiums

Rank	Country	Average cost in 2020 - USD	Average cost in 2019 - USD	% difference
13	Oman	$12,055	$12,497	-3.67%
14	Dominican Republic	$12,053	$12,273	-1.83%
15	Turkey	$12,036	$12,221	-1.54%
16	China	$12,020	$13,422	-11.66%
17	Taiwan	$11,967	$11,194	6.46%
18	Japan	$11,777	$11,213	4.79%
19	UK	$11,556	$13,216	-14.36%
20	Australia	$11,551	$12,620	-9.25%
		-		
62	Netherlands	$9,196	$10,062	-9.42%
-	Norway	$9,196	$10,062	-9.42%
63	Romania	$9,159	$9,982	-8.99%
-	Croatia	$9,159	$9,982	-8.99%
-	Slovakia	$9,159	$10,079	-10.04%
64	Poland	$8,958	$9,765	-9.01%
65	Brazil	$7,611	N/A	N/A
66	Thailand	$7,257	$10,842	-49.40%

Source: Pacific Prime



The average cost of family health insurance** in 2020 ranged from **USD $21,817 in the US and USD $7,257 in Thailand**.

Hong Kong and Singapore have also surpassed Canada in this year's ranking as the second and third most expensive location for family health insurance in 2020, with an average cost of USD $17,425 and USD $15,964, respectively.

When comparing the individual and family premium rankings, one key finding is that a larger number of countries have seen a decrease in their average family health insurance premiums in 2020 vis-a-vis 2019. More specifically, 86 countries have witnessed a decrease in their family health plan premiums, whereas 55 countries in the individual premium ranking witnessed a decrease.

A potential explanation as to why a larger number of countries have seen a decrease in their family premiums (versus individual premiums) is that insurers have had a closer look at their pricing strategies for 2020, and applied different pricing methods for individuals and families. For example, amid intensifying competition in 2020, more insurers may have offered family discounts to retain and attract clients.

It is also rather apparent that there is a strong prominence of countries from the Americas in the top 20 rankings. Certain countries from this region also have the same exact average premium. For example, the average cost of a family plan in 2020 is USD $12,262 in Chile, Argentina, Grenada, Colombia, Peru, Bolivia, El Salvador, and Uruguay. It is a fairly common pricing strategy for insurers to group certain countries together and apply the same premium. We explore the reasons behind this strategy in the *Analysis* section.

***For ease of analysis, as well as to present the most accurate data possible, we generated the data for families based on standard IPMI rates for a 36-year-old male and 35-year-old female, plus two children aged 5 and 10 (inpatient and outpatient plan, with no deductible).*

Pacific Prime's **Analysis**

The Analysis section of our report includes two key parts. The first section provides an analysis of the 5 standout findings from the 2020 premium rankings, and the second section explores the core, macro drivers of health insurance costs globally.

Analysis of key findings

1. The Americas remains a dominant region in the top 20 most expensive countries
   - Latin America may experience an increase in premiums for the next 5 years
   - The US remains the most expensive country for health insurance
2. Hong Kong has reclaimed its place as the second most expensive location in the world for health insurance
3. Singapore is the second most expensive country for health increase in Asia
4. China's premiums are going through correction after years of increase
5. A number of countries' premiums have decreased in 2020
   - European countries have experienced dramatic premium decreases
   - Thailand witnesses a substantial decline in premiums
   - Canada's ranking and premiums have decreased
6. Insurers are taking a closer look at their regional pricing strategies

1. The Americas remains a dominant region in the top 20 most expensive countries

In our key findings, the Americas continue to top the chart for possessing the highest average IPMI costs. A total of 12 countries in the Americas ranked within the top 20 countries with the highest insurance cost in the world. As multiple Latin American locales share the same average IPMI cost, they thus share the same ranking. Brazil, however, is an outlier this year as it snatches one of the bottommost spots on the chart.

Figure 1 - Of the below locations, nearly half (12) are from the Americas:

Rank	Country	Average cost in 2020 - USD	Average cost in 2019 - USD	% difference
1	US	$7,703	$8,887	-15.37%
4	Canada	$5,230	$7,045	-34.70%
8	Mexico	$4,461	$4,521	-1.34%
10	Chile	$4,440	$4,213	5.11%
-	Argentina	$4,440	$4,213	5.11%
-	Grenada	$4,440	$4,213	5.11%
-	Colombia	$4,440	$4,213	5.11%
-	Peru	$4,440	$4,213	5.11%
-	Bolivia	$4,440	$4,213	5.11%
-	El Salvador	$4,440	$4,213	5.11%
-	Uruguay	$4,440	$4,213	5.11%
13	Dominican Republic	$4,402	$4,156	5.59%
68	Brazil	$2,972	NA	NA

Source: Pacific Prime

If we check the performance of other regions based on this criteria, we find that the region that is the second most represented in the top 20 most expensive countries for IPMI was Asia-Pacific, with seven, and followed by the Middle East (five), and Europe (four). Africa had no countries in the top 20. However, a number of African countries are present at the bottom of the ranking.

So, why does it seem that the Americas have such a disproportionate number of expensive countries when it comes to the cost of international health insurance? We believe this is primarily due to the factors below:

Higher costs of care in North America

Strikingly, the US, Canada, and Mexico are ranked first, fourth, and eighth, respectively, on our chart. As mentioned in previous reports, the US is well-known for sky-high medical inflation across the board. It spends double per capita of what other Western countries are spending on healthcare. On the other hand, Canada is home to the most expensive prescription drugs costs anywhere in the world. These issues will be further explored within the in-depth analysis section of North America below.

Healthcare costs are markedly cheaper in Mexico. However, healthcare from private hospitals in the country is still quite expensive. Case in point: the cost of healthcare this year is 13.1% according to AON's 2020 Global Medical Trend Rates, compared to only 6.0% and 6.5% in the US and Canada respectively.

Latin America may experience an increase in premiums for the next 5 years

Brazil has seen a steady reduction in its cost of care rate since insurers are taking a more active role in the management of costs by negotiating directly with the medical providers. Nonetheless, healthcare in Mexico remains expensive mostly due to hospitalization claims and the introduction of new equipment and technology to a number of Mexican hospitals.

Mexico is well-known for having excellent, and relatively inexpensive, healthcare. However, 61% of all hospitals in Mexico are private, according to the OECD and the INEGI. Mexico's average IPMI decreased by a mere 1.34% in 2020, whereas most Latin American countries experienced a solid 5% increase.

While costly, mental health coverage is offered more extensively in Latin American than any other region. In Brazil, mental health treatments are even considered as part of the mandatory coverage. However, neither mental health nor substance abuse treatments are covered by IPMI in Mexico.

Behavioral and mental health conditions are now the third most costly medical condition behind pharmacy and inpatient care. Despite the fact that mental health coverage does not account for a particularly high number of claims being processed, most experts foresee a moderate increase in premiums in the next 5 years.

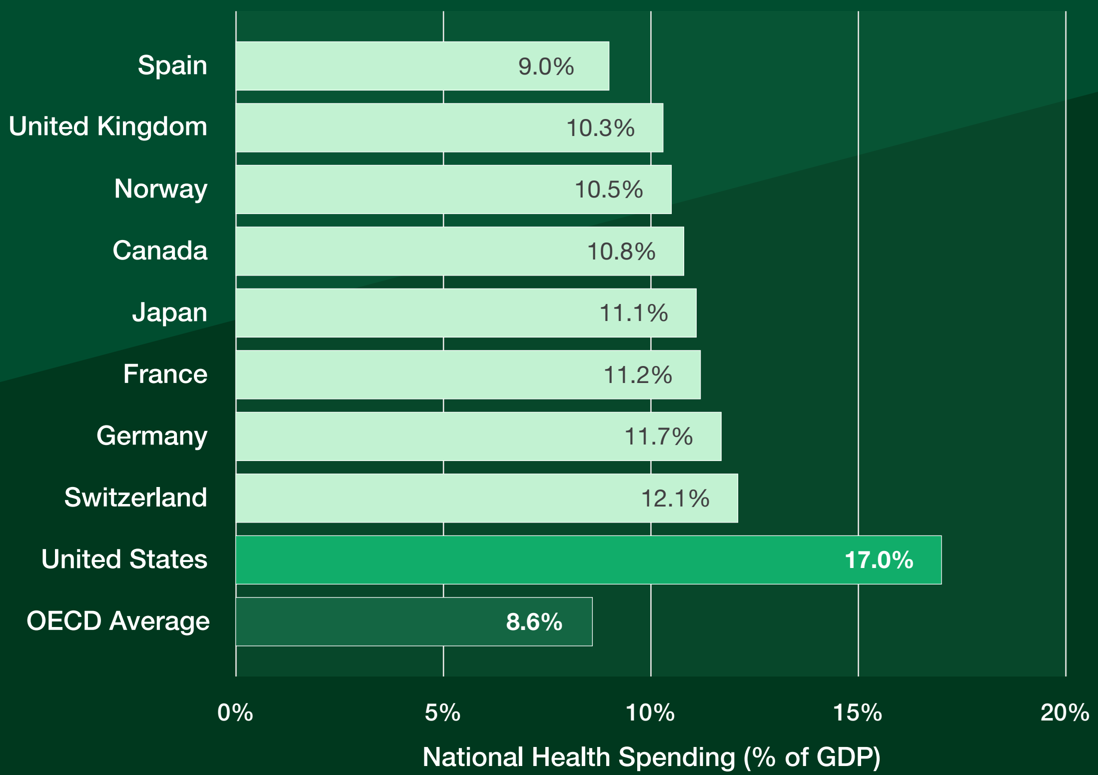
The US remains the most expensive country for health insurance

The United States continues to be affected by high medical costs. Both the COVID-19 pandemic and the presidential election result will also have a huge impact on the cost of IPMI this year. Despite the huge drop in price in 2020, premiums are expected to increase again in 2021. The drop in premiums in 2020 is mostly due to the postponement or cancellation of regular clinical services and elective procedures due to the virus. According to one estimate, Americans may spend anywhere from USD $75 billion to USD $575 billion less than expected on healthcare in 2020.

Higher costs of healthcare in America

The US spent nearly double per capita of what other Western countries spent on healthcare. In the US, healthcare costs are inflated across the board. These include hospital services, diagnostic tests, and also administrative fees, such as planning, regulating, as well as the management of medical services. It's commonly thought that drug companies and health insurers are the primary reasons behind the sky-high costs of healthcare. In fact, the US government does not regulate or negotiate the prices of new prescription drugs when they come onto the market at all. However, these are not the main reasons. Most of these costs are incurred through care by doctors and hospitals.

Figure 2 - Healthcare expenditures in the United States are significantly higher than those of other developed countries



Source: Organization for Economic Cooperation and Development (OECD)

Medical costs post-COVID-19

Over half of the population in the US is covered by private health insurers, though the industry is just starting to estimate the cost of COVID-19. The medical bills for policyholders diagnosed with COVID-19 tend to be hefty as they also suffer from lingering, chronic conditions. Nonetheless, it is too soon for health economists to study medical claims and make accurate assessments of costs because some of these long-term effects have only just recently emerged.

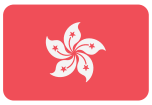
Health insurance premiums to increase

Higher insurance premiums are expected in 2021. In fact, some commercial insurers could increase their 2021 premiums anywhere from 4% to 40% due to the coronavirus. The City University of New York estimated that the one-year cost of an American COVID-19 patient after discharge from the hospital is USD $4,000. Note that 40% of COVID-19 patients suffer from ARDS, a chronic disease. Patients who don’t need hospitalization, on the other hand, will be paying roughly USD $1,000.

The total costs to test, treat, and care for COVID-19 patients will range from USD $34 billion to USD $251 billion in 2020, as predicted by Covered California, a health insurance marketplace. A study conducted by the same organization projected that premiums will increase nationally between 4% to 40% or even more. Case in point: Aetna has filed for an average increase of 7.4% for HMO plans in addition to a 38% increase for PPO plans.

However, these are just rough estimates that are dependent on whether there will be a second or even a third wave of coronavirus in the US.

2. Hong Kong has reclaimed its place as the second most expensive location in the world for health insurance



This year, Hong Kong is back to its original position as the second most expensive location for IPMI for individuals and families, averaging USD $6,146 and USD $17,425 respectively, a 6% and 1.64% increase from last year. The city-state has a long history of high medical inflation - so much so that it has nearly always held its position as the second most expensive location for overall health insurance (with the only exception in 2019) since we first published the COHI report in 2016.

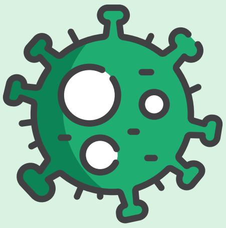
This growing cost of insurance in Hong Kong is due to several different factors:

Overuse of insurance

Similar to Singapore, Hong Kong is home to a large expatriate and high net worth population, as well as a rapidly growing middle class. Naturally, there is a strong demand for quality medical services. Some medical practitioners may take advantage of the patients' heightened expectations of healthcare outcomes by recommending a slew of unnecessary tests and procedures; while at other times it is the patients themselves who want to "make the most of their insurance plans" by opting for the latest and most expensive treatment. Consequently, insurers have to increase the premiums to tackle the increase in claims with large payouts due to medical overuse or misuse.

Aging population

Hong Kongers have enjoyed the longest life expectancy in the world since 2011. The city's public healthcare system has to bear the weight of an aging population as the frequency of utilizing healthcare facilities, as well as rates of chronic ailments and non-communicable diseases such as diabetes and heart diseases go up. The continued inflation of healthcare costs will force insurers to reassess coverage options or raise insurance premiums.



COVID-19

The COVID-19 crisis has put countless people under huge pressure as more companies have laid off their employees and adopted social distancing measures. This leads to an increased predisposition towards mental health issues among citizens in an already fast-paced city. The epidemic has also disrupted the diagnosis and treatment process for chronic conditions and thus has led to more serious cases.

3. Singapore is the second most expensive country for health insurance in Asia

Singapore has once again retained its ranking as the second most expensive country for health insurance in Asia. The IPMI for individuals and families averaged USD $5,677 and USD $15,964 respectively, a 3.86% and 5.69% increase from 2019. The increase in IPMI premiums has been linked to a myriad of factors that have influenced medical inflation in the city-state as shown below.

Inflated medical charges

During 2020, the city-state continued to experience overcharging, overservicing, and inappropriate medical intervention by doctors and medical practitioners. The effect of these needless treatments and inflated medical charges have contributed to the higher than normal IPMI premiums for individuals and families. To tackle these issues, special benchmark guidelines for surgical procedures are available from the Ministry of Health that aim to promote price transparency, and is a preferable reference point for insurers when reviewing if the medical costs being claimed are reasonable and customary.

Lifestyle factors

In Singapore, lifestyle factors have contributed in part to the rise in the cost of IPMI as witnessed in 2020. Non-communicable diseases such as diabetes, heart (circulatory), as well as other chronic diseases, are largely associated with poor lifestyle choices. As a result, individuals suffering from these diseases tend to make the most claims, resulting in overuse of medical care and increasing IPMI premiums. To ensure IPMI premiums are kept in check, the Health Promotion Board (HPB) hopes to address unfavorable lifestyle factors by educating the population in Singapore on the importance of healthy living.

An aging population

Across the city-state, many senior Singaporeans are living longer, which not only puts pressure on the healthcare system, but also increases healthcare costs. In turn, IPMI premiums increase to accommodate the cost of treating senior members of the population as they develop health conditions associated with living longer. Community support can reduce the frequency of visits to hospital and medical facilities, and also keep healthcare costs down in the long run.

Increased use of digital technology

Telemedicine or virtual health consultations during the COVID-19 pandemic in Singapore has increased tremendously and can help contain medical costs, as policyholders don't need to visit a general practitioner in person. Moving forward, many insurers will be embracing digital health solutions to increase efficiency and cost containment. Large scale adoption of technology can lower costs and even increase utilization. That being said, investments in telemedicine systems and networks can increase the costs in the short run.

Overuse of health insurance

For Singapore, the overuse of insurance is regarded as one of the main contributors to higher IPMI premiums in 2020. Policyholders with rich benefits on their policies are more likely to make claims as they are drawn to the latest and most expensive treatment, some of which are procedures that are not medically required. To tackle this trend, measures such as co-pays have been reintroduced on the local integrated Medishield plans.

4. China's premiums are going through correction after years of increase

China's IPMI premiums for individuals averaged USD $3,623 this year, down by 19.35% from last year, while premiums for families averaged USD $12,020, down by 11.66% from last year, in what can be called a "correction phase" after years of big increases. In fact, this same trend was also seen in our 2019 COHI Report. The slump in premiums this year is exacerbated by the COVID-19 pandemic. At the same time, digitalization trends continue to transform the health insurance landscape in the country.

The world's second largest economy faces economic consequences from the COVID-19 pandemic

According to the World Bank's economic update, China's economy will grow by 1.6% this year, which is a slowdown of economic growth and the slowest yet since 1976. Even though supply-side constraints have been eased and economic activity has been revived, demand remains sluggish and holds back recovery, despite measures taken to deal with the economic fallout as a result of the pandemic.

Insight from Pacific Prime China's office: Fewer expats lowers demand for costly international plans

Given pandemic-related border closures, expats have also been unable to enter and live in China. As this group is a key market for IPMI, and local Chinese don't anticipate the need for it, demand for costly international plans has decreased. Instead, cheaper local or regional alternatives have become more popular, which focuses on Mainland China (or Greater China) coverage with restrictions on the type of medical facility accessible. Similarly, the high-end segment of the market is seeing less traction, in favor of entry level insurance products.

Digitalization makes waves in the insurance sector

According to the EY 2020 Asia-Pacific Insurance Outlook, Chinese consumers are very comfortable with digital innovation and, unlike their counterparts in many other countries, are less concerned with data privacy. To add to this, regulators in the country also support insurers in making digital offerings. From the insurer's perspective, they're not as burdened by legacy systems, which makes the digital transformation easier.

These factors have led to a wave of digitization in the insurance sector in China, especially with regards to big data and analytics innovation, as insurers create new offerings and experiences to engage with consumers. This also includes demand and usage-based insurance, where the products are targeted at specific consumer needs. While digitalization means investment, the use of technology serves to reduce costs and improve efficiency for insurers moving forward.

5. A number of countries' premiums have decreased in 2020

When analyzing the ranking tables (see 'Ranking based on the average cost of international health insurance for individuals and families'), we found that **10 countries** listed in the ranking table for individuals, and **26 countries** listed in the ranking table for families, **saw a decrease in health insurance premiums**. This is a significant finding, as, only three countries experienced a decrease in overall premiums; individual premiums in China (-7%), Switzerland (-2%), and Thailand decreased in 2019, whereas family premiums decreased in China (-3%), Indonesia (-4%), and Switzerland (-5%) in comparison to when we released our 2019 COHI Report less than a year ago.

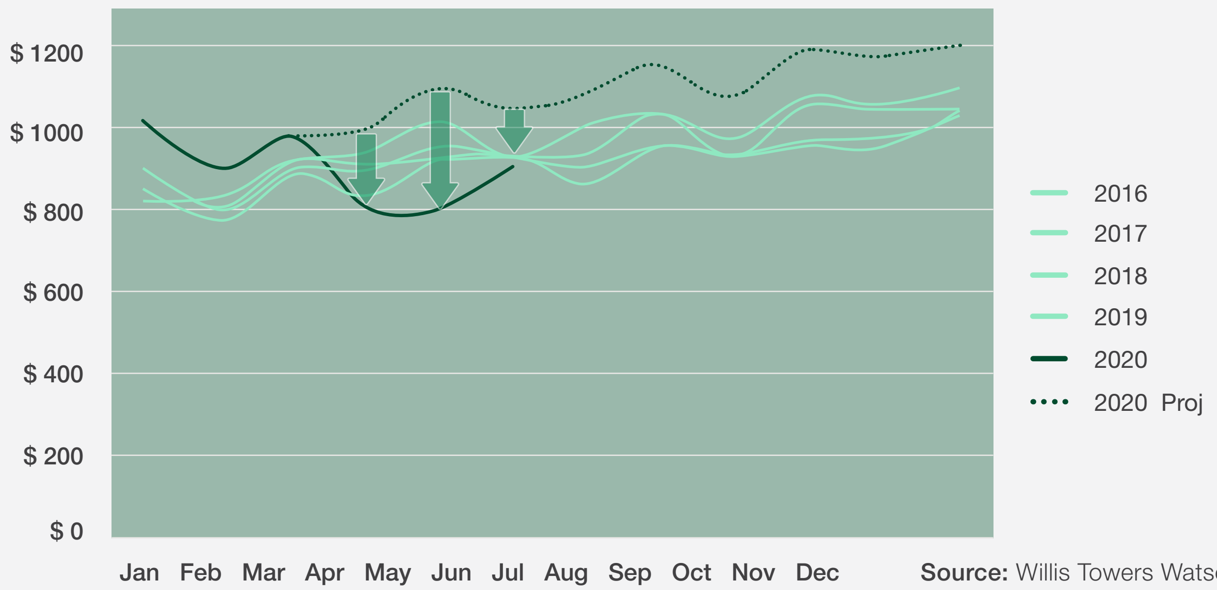
Why are premiums decreasing across the globe?

Unlike the key drivers of 2019, the main macro reason why premiums have decreased for many of these countries in 2020 is the overwhelming impact of the COVID-19 pandemic on healthcare systems around the globe. Two regions in particular stand out: the Americas and Europe, while Asia and Africa featured less in the ranking table.

Claims by employees have decreased in the second quarter of 2020

In the US, overall healthcare claims (or utilization) in the second quarter of 2020 were dramatically lower than in previous years, according to the Willis Towers Watson 2020 Health Care Financial Benchmarks Survey.

Figure 3 - Change in monthly paid claims per employee (April to June)



Source: Willis Towers Watson

The graph from the survey shows the actual 2020 paid claims per employee up to June for large employers compared with a seasonality-adjusted projection. The drop in health claims during the months of April, May, and June coincided with the height of the pandemic in the US. In fact, there are several possibilities why the utilization of healthcare services have been much lower in 2020 than in previous years:

CLOSED

Healthcare provider closures and mandated restrictions to limit the spread of COVID-19.

Patients deferring treatment due to fears of contracting COVID-19 in a healthcare setting.

Reduced or limited capacity and decreased medical staffing available for non-COVID-19 conditions.

No means of transport to see healthcare providers. E.g. public transport unavailable.

European countries have experienced dramatic premium decreases

Average family health premiums in European countries have shown the largest decreases as a result of the pandemic, including the UK (-14.36%), Slovakia (-10.04%), Poland (-9.01%), Norway (-9.42%), and the Netherlands (-9.42%). This is partly due to delayed treatment for non-emergency, as countries focused on treating and preventing the spread of COVID-19. Additionally, European countries are well-known for their social healthcare systems that typically provide the bulk of healthcare services for the public. In the UK, residents do not rely heavily on the private healthcare system as the NHS provides the majority of healthcare services. Therefore, insurers are relatively less incentivized to market as aggressively.

Thailand witnesses a substantial decline in premiums

In 2020, Thailand continues to retain its position as the location with the lowest average health insurance premiums. Yet, it has also witnessed a substantial decline in both individual health plans (-41.05%) and family health plans (-49.40%). Moving forward, the Kingdom's new mandatory health insurance law for foreign retirees on non-immigrant O-A and O-X visas may impact its premiums.

Canada's ranking and premiums have decreased

Canada experienced a **reduction of healthcare utilization** and **increased telehealth usage** as COVID-19 cases surged across the country. This resulted in a significant drop in average premium rates for individuals (34.7%) and families (47.67%).

Reduced healthcare usage in Canada

As COVID-19 spread across the country, Canada's healthcare systems prioritized treatment for infected patients, which meant non-urgent appointments and surgical cases were either canceled or rescheduled. This reduced the demand for healthcare treatment across Canada during the first two quarters of 2020 as patients avoided places of high-risk. With fewer patients claiming with their insurance plan, insurance companies lowered their premiums to reflect lower usage.

Increased telehealth usage

The move to virtual consultations proved popular for many patients in Canada as telehealth allowed patients access to medical services without having to leave the security and safety of home. The increase in telehealth usage has also helped health providers reduce their overall operating costs which is likely to reduce premiums in the near future. Initial investments into telehealth may be high to begin with but will reduce overtime as new technology arises and competition among health providers increase.

6. Insurers are taking a closer look at their regional pricing strategies

Given the impact of the COVID-19 pandemic, insurers are taking a closer look at their regional pricing strategies to ensure they can offer the right value to their clients while making sure they can sustain their operations, and also prepare for similar crises that could arise in the future.

Adjusting the pricing strategy at a regional level is important as it also stimulates competition, which is good news for consumers. The logic behind competition is that insurance providers are put under consumer pressure, theoretically forcing them to increase the value of their services and/or decrease premiums.

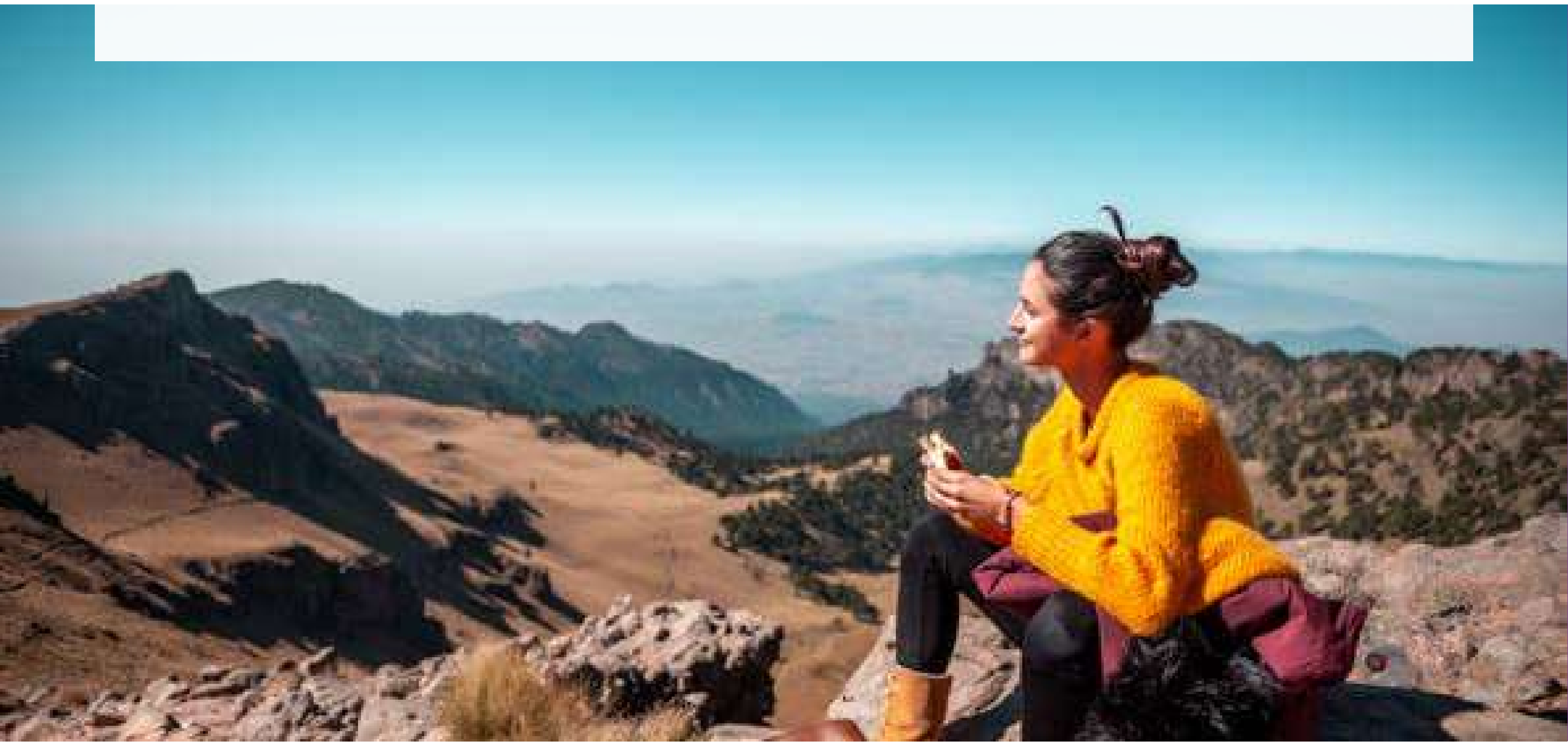
In the Americas, we noticed that many countries witnessed increased individual premiums, but decreased family premiums. This finding for families is reasonable as, during times like a pandemic, family members typically look out for each other more and are more likely to seek the health protection that family plans offer. So decreasing premiums by offering family discounts can help insurers stay competitive and attractive to families that fall into this category.

Additionally, we have noticed how insurers have grouped certain countries together and applied a blanket price, for instance, countries like Chile, Argentina, Grenada, Colombia, Peru, Bolivia, El Salvador, and Uruguay all have the same average premiums (individuals and families), even though they have rather different healthcare systems and associated medical costs.

Dubai insurers are adjusting pricing strategies due to the pandemic's economic fallout

In 2020, average health insurance premiums in Dubai have increased for both individual plans (10.39%) and family plans (8.00%). However, the rate of increase is lower than previous years. Across the emirate, this year has been characterized by the pandemic's devastating impact on the economy, leading companies to tighten budgets or go bust, which has impacted the pricing strategies of insurers.

Many companies have been forced to downsize, opting for lower tiers of insurers. Likewise, they have suspended coverage for employees' dependents, which increased demand for individual health plans. Further to this, significant job losses have also led to a number of requests for short-term cover for residents. Insurers may especially need to adjust their pricing strategies for consumers looking for 1-2 months stop-gap cover as they explore new career options.



The importance of pricing in the health insurance industry

For health insurers, pricing is no longer a cost-plus game, whereby the cost of a premium is determined by adding a specific markup. Today, insurers must seize the opportunity to closely evaluate whether the countries they operate in are profitable or unprofitable. This approach can highlight the changes needed, if any, to their services, plans, or even delivery.

As well as reviewing the regional situation, insurers must effectively adopt new technology disruptors like big data, predictive data analytical tools, or even AI to monitor consumer experience and respond quickly to sudden changes. Swift action could allow insurers to exploit new opportunities within the market and remain competitive going into 2021.

Key drivers shaping **IPMI premiums**

There are numerous factors that influence IPMI premiums, both regionally and globally. Even so, we have identified five primary factors that we believe have influenced IPMI premiums on a global scale. While we mostly focus on IPMI in this report, these factors can also influence the pricing of other insurance types, such as local insurance, in certain situations.

In this year's report, we look at the following five key drivers of IPMI premiums:

- Changing demand for care
- Cost of care
- Increased regulation
- Continued challenges related to fraud
- The rise of insurtech

Based on our observations in the premiums of both individual and family plans in 100 countries, it is evident that many regions' premiums have decreased in 2020, in comparison to 2019. COVID-19 is seen as a big game-changer but in the insurance sector, it may rather accelerate existing trends, namely the digital transformation in Asia.

Changing demand for care

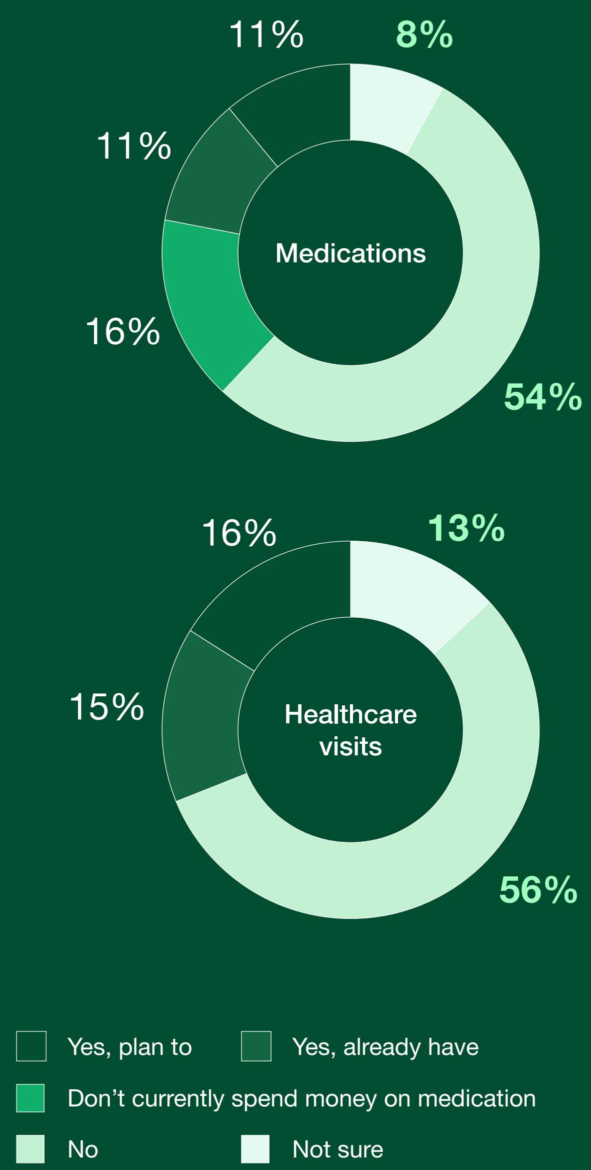
Increases in healthcare utilization and expenditure are to be expected during a pandemic, at least in some respects. With hundreds of thousands of hospital admissions for COVID-19 patients across the globe, the novel coronavirus has not only affected people's health, but their health behavior as well.

COVID-19's significant impact on consumer health behavior

Social distancing measures, fears of contracting the coronavirus, and concerns over placing more burden on hospitals and healthcare workers have resulted in the delay or foregoing of some other healthcare services. Healthcare providers have pushed back elective surgeries during this time, thereby causing health costs to drop in the short term. According to The EIU report, global healthcare spending in 2020 will reduce by 1.1% in dollar terms. Spending on non-urgent care has dropped rapidly, with much of this form of care either reduced or canceled entirely.

In other circumstances, patients may be the ones who are reluctant to go to clinics or hospitals, and avoid seeking care as a result. Many doctors' clinics, emergency departments, and hospitals have witnessed significantly fewer patients than normal. In countries under lockdown, visits to the dentists are virtually impossible. In places where dentist visits are possible, there is concern about the risk of COVID-19 transmission.

Figure 4 - As a result of the impact of COVID-19, have you already or do you plan to adjust your spending on healthcare visits or medications?



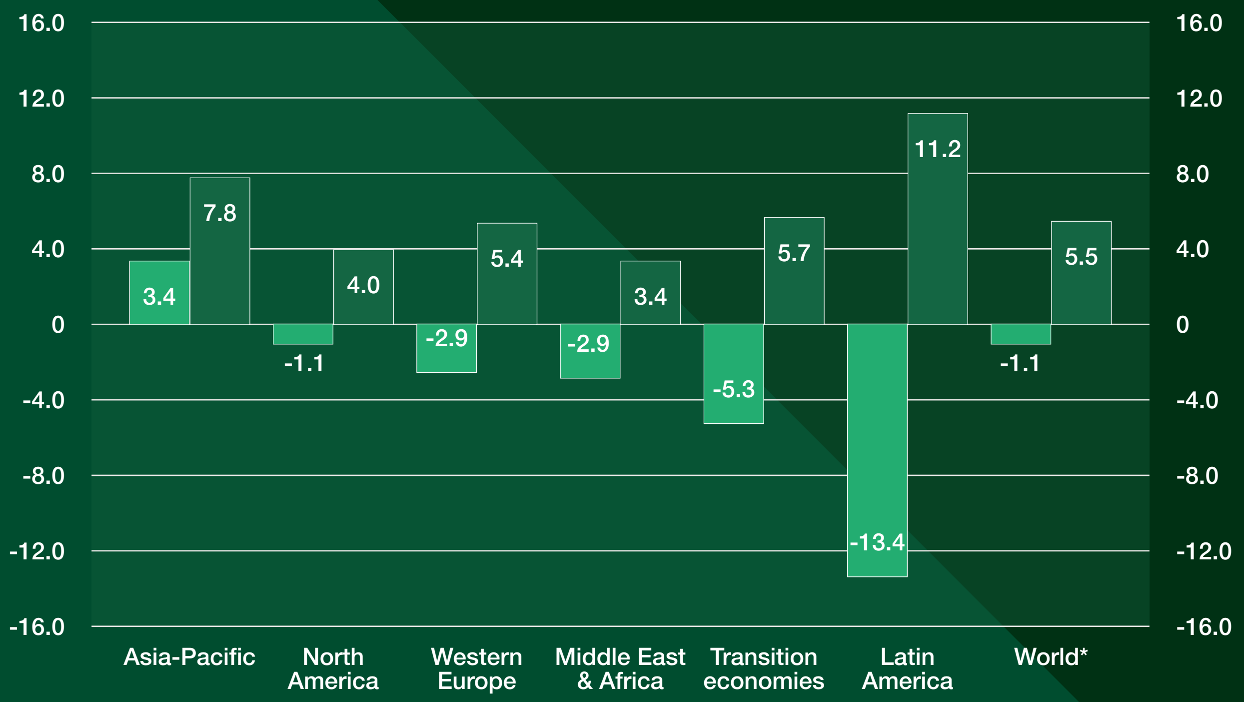
Source: PWC

Data from Henner Group revealed that the consumption of medical services dropped 67% in France during lockdown. Likewise, medical service consumption in 2020 so far has declined by 22% from 2019. Similar trends have been witnessed in other countries severely affected by COVID-19. It's important to note that reduced spending also means reduced claims spend. Consequently, insurers are reporting better health insurance plan performance, though claims spend is likely to increase as lockdowns ease.

Aside from concerns about putting an extra burden on the healthcare system, consumers are also worried about the pandemic's impact on their wallets. Many have already made adjustments to their healthcare spending due to COVID-19, while others are planning to. For example, some are choosing to skip check-ups or recommended screenings, and others hope to stretch their medication by skipping doses. Generally, consumer behavior seems to be shifting towards being more cautious when seeking and spending on healthcare.

Figure 5 - Healthcare spending in 2020-21

(% change in US$)



***60 biggest economies only**

Source: The Economist Intelligence Unit

While global healthcare expenditure is predicted to decline, there are regional variations in this trend. Asia Pacific is the only region to witness an increase in healthcare spending this year. Despite the apparent reluctance to spend on healthcare at present, healthcare spending is forecasted to recover into 2021. In fact, 2021 will see a 5.5% rise in healthcare spending in dollar terms. Treatments for COVID-19 and vaccines will likely become available in 2021, and result in additional healthcare spending.

Upward trend in telehealth demand and usage

The fear of contracting the virus or passing it onto others are some factors affecting the way consumers approach healthcare during the pandemic. One trend that has become mainstream during COVID-19 is telehealth.

What is telehealth?

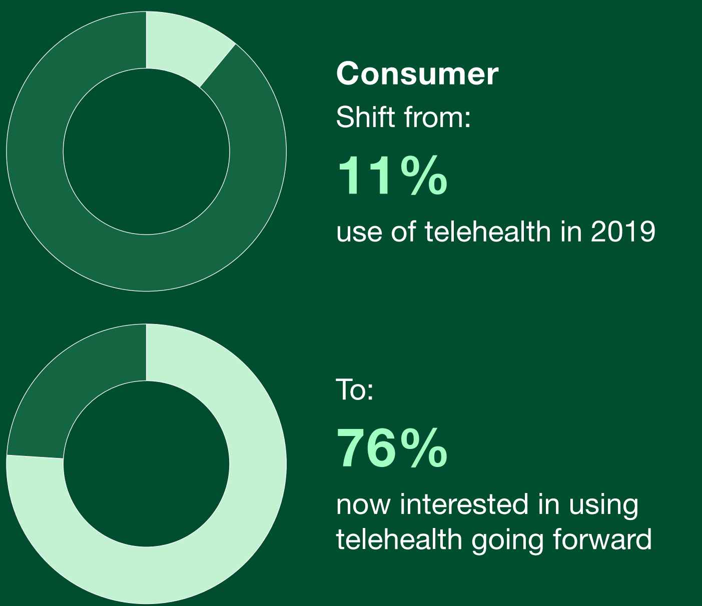
Telehealth is essentially a term used to describe the transfer and exchange of medical information. It encompasses technologically-driven services that allows individuals to address medical needs remotely, including:

- Telemedicine services/Virtual visits
- Health monitoring devices
- Health apps
- Online therapy services
- Testing kits
- Telepharmacy services and networks
- And more

Even though telehealth has gradually been advancing for years, the pandemic massively accelerated its adoption by consumers and medical professionals alike. Since the start of the year alone, telehealth was used for the first time by many people all over the world.

Telehealth has made access to care possible regardless of a person's location or limitations. In a relatively short time, consumers have become familiar with virtual consultations and interactions with healthcare technology. 76% of McKinsey Consumer Survey respondents indicated they were moderately or highly likely to use telehealth going forward.

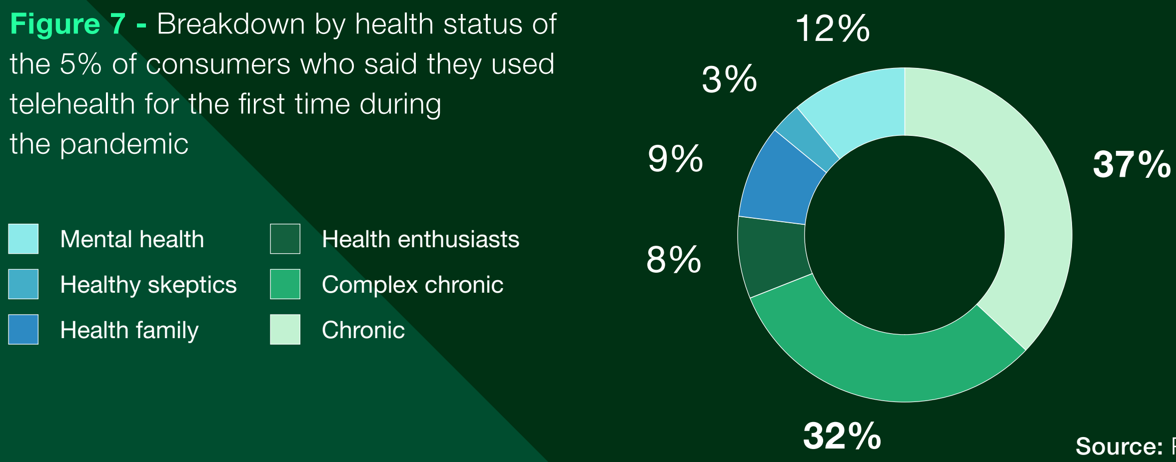
Figure 6 - How has COVID-19 changed the outlook for telehealth?



Source: McKinsey

According to PwC's HRI Consumer Survey, new telehealth users range from generally healthy individuals who require a quick sick-care visit to those looking to manage more complex health issues.

Figure 7 - Breakdown by health status of the 5% of consumers who said they used telehealth for the first time during the pandemic



Source: PwC

A Deloitte survey found that consumers are increasing their use of virtual visits, which rose by 4% (from 15% to 19%) from 2019 to early 2020. It then rose another 9%, reaching 28% in April 2020. Consumers plan to continue using virtual visits post COVID-19 as well, with 80% on average saying that future virtual visits are likely.

Consumers' willingness to share personal data has increased during the pandemic as well, with more consumers relying on technology to monitor their health, measure personal fitness, and order refills for prescription medication. This is reflected across a variety of measures, with more consumers willing to share personal health information with:

- Their health insurance provider (from 65% pre-COVID-19 to 71%)
- Their preferred local healthcare provider or system (from 71% to 73%)
- A leading national healthcare provider (from 47% to 53%)
- Tech companies (from 15% to 18%)
- Top retailers (from 14% to 15%)
- Top online retailers only (from 13% to 15%)

Key considerations for employers

As businesses have been forced to shift to remote working, the effects on employees cannot be understated and employers should go the extra mile to check in on their staff.

While there might not be healthcare service utilization in the short run, employers can find out the healthcare needs of their employees and come up with suitable policies to support them.

Considered in tandem with the organization's goals, this could be:

- Reasonable accommodation for high risk and pregnant women
- Emergency paid sick leave or family leave
- Telehealth services
- Mental health support services
- And more

Cost of care

According to AON's 2020 Global Medical Trend Rate report, the global average medical trend rate for 2020 is 8.0% (7.8% in 2019). When taking into account the general inflation rate, the average net medical trend rate for both years remains at 4.9%. Year-on-year, the medical trend rate outpaces general inflation, due to various cost drivers. These serve to increase healthcare costs, with a spillover effect on IPMI premiums.

What is medical trend rate?

Medical trend rate is the percentage of change in the cost of healthcare, before any cost-containment measures are put in place.

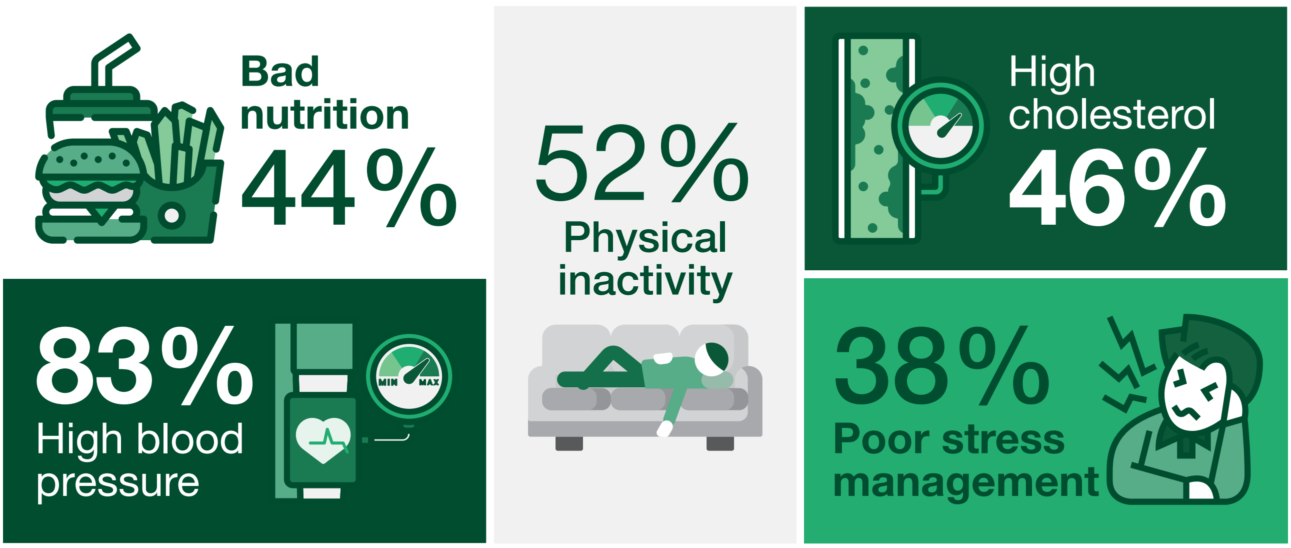
Rising cost of drugs

One of the main reasons behind the cost of drugs rising is that the majority of medications in the pipeline are specialty drugs, many of which have multimillion dollar price tags. As existing specialty drugs are also approved for an increasing number of conditions, the total cost associated with them are also set to rise.

Bad lifestyle habits are leading to an increase in chronic illnesses

Bad lifestyle habits around the world are also leading individuals to develop chronic illnesses such as cardiovascular diseases, cancer/tumor growth, diabetes, high blood pressure/hypertension, etc. These lifestyle habits include, but are not limited to:

Figure 8 - Top global risk factors (% of countries responding)



Source: AON's 2020 Global Medical Trend Rate report

Aging population

With global life expectancy on the rise, consequences on health systems will be huge. According to the National Council on Aging in the US, approximately 80% of older adults have at least one chronic disease, while 77% have at least two.

The COVID-19 effect: A global healthcare emergency marked by shockwaves to health systems and changes in patient behavior that drive up costs

Hospital costs directly related to the pandemic

Due to the nature of the virus, private hospitals need to spend more on personal protective equipment (PPE), isolation capacity, and supplies for respiratory illnesses - all of which increase the immediate cost for hospitals.

Mental health costs both directly and indirectly related to the pandemic

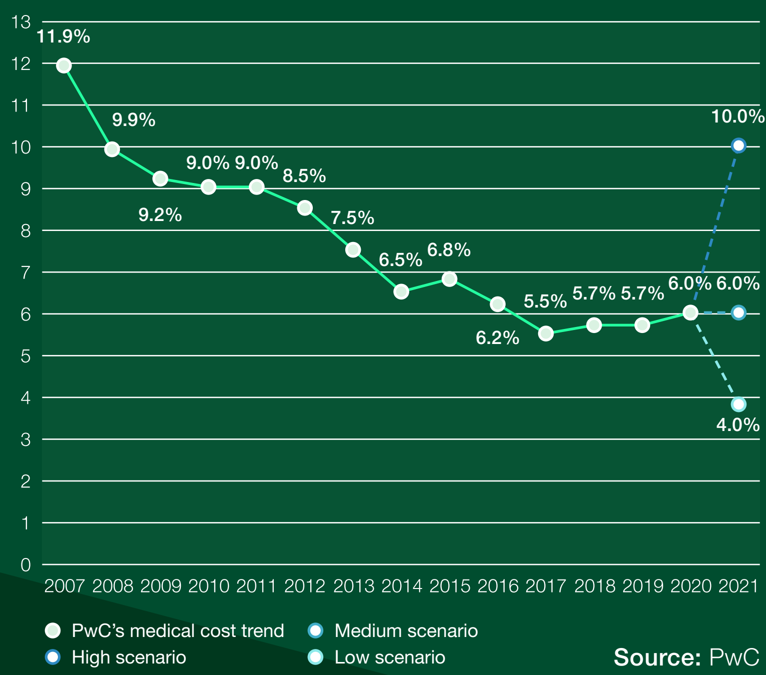
With lockdown measures, the pandemic is negatively impacting mental health, thereby increasing utilization of mental health services. In the long run, the "hidden" issues exacerbated by the pandemic such as relationship/personal issues and domestic violence will likely add to the cost.

Insurers have also reported an immediate spike in healthcare costs due to added safety protocols and social distancing measures, PPE equipment being used, as well as increased utilization of private healthcare facilities and mental health services. In addition to this, the pandemic has also discouraged patients from visiting hospitals for non-COVID related care in the short-term, which means a catch-up effect is to be expected when restrictions ease, leading to increase in claims spend.

But global economic downturn and popularity of telemedicine to potentially lower costs for insurers

As a consequence of the pandemic, telemedicine is also gaining popularity, as it is a safer and cheaper alternative to in-person hospital visits. This is expected to lower healthcare costs in the long run, although insurers will likely face high costs initially to set up their telehealth network. Moreover, the economic downturn has meant that a growing number of employers are opting for narrow provider networks to save on costs of group health insurance. This means that providers that want to be included have to address patient needs at the lowest cost-setting or give price concessions in the short run.

Figure 9 - Medical cost trends 2007-21



Uncertainty looms into 2021

The medical trend rate in 2021 is uncertain and will depend on healthcare spending. For instance, PWC's Health Research Institute found that in the US there are three possible scenarios for healthcare spending: high, medium, and low. Reasons for high spending may be the cost of developing a COVID-19 vaccine, as well as non-COVID-19 procedures that were delayed in the previous year. On the other hand, implementation of telehealth will bring down spending, while COVID-19 treatment may not be necessary with a vaccine available.

Key considerations for employers

The economic downturn has meant that a growing number of employers will struggle with budgets. Yet, employers should be wary of switching to low-cost providers, as this could lead to administrative, claims, and other issues later on.

Instead, employers are encouraged to consult a benefits specialist for advice on lowering costs. Holistic wellness programs, which focus on the overall physical and mental health of staff, could also be the way forward as it is a preventative approach.

Increased regulation

In 2020 and the years to come, insurers in the IPMI space will continue to grapple with the mounting cost of compliance. Requirements differ across jurisdictions, though regulators in virtually every region are more closely scrutinizing a wide range of regulatory issues, ranging from tax reporting and anti-money laundering, to consumer protection and data privacy. As such, it has become more important than ever for insurers to take a proactive approach in considering the implications of tightening regulations when making decisions around distribution, product strategies, and service.

Regulators are paying closer attention to conduct risk

A number of key IPMI markets have been dealing with significant regulatory changes in 2020. One key area being addressed by regulators is conduct risk. Two prominent bodies proposing new guidelines and rules in this area include the Haynes Royal Commission in Australia and the Financial Conduct Authority in the UK. The actions around conduct risk typically involve these common themes:

- Ensuring that all insurance plans create value for consumers
- Promoting optimal customer outcomes
- Setting clear limits around the handling, use, and storage of customer data

Data privacy takes the spotlight in 2020

Emerging global standards are causing a rippling effect across local markets and regulations. For example, since the roll-out of the EU's GDPR in May 2018, data privacy policies the world over have shifted their focus from guidance to stepped-up enforcement.

Widely recognized as the golden standard, the GDPR treats data privacy as a fundamental human right and penalizes organizations that process and collect personal data without a legal justification. The CCPA, which came into effect on January 1, 2020, also bears many similarities to the GDPR. Like the GDPR, the CCPA has inspired other jurisdictions - like Hawaii, New Jersey, and Puerto Rico - to propose privacy bills. It has become increasingly apparent that the influence of the CCPA is rippling through the US, as mammoths like Microsoft choose to apply CCPA rules for all of their US customers.

44%

of CEO respondents rank ***data privacy*** among top 3 policies most impactful to their business

Source: PwC US

Major markets in the Far East, such as Singapore and Thailand, have also been quick to review their data privacy policies so that they are more in line with the EU and other jurisdictions that have strictly regulated the handling of personal data. For example, Singapore is planning a number of updates that will come in the form of amendments to their existing personal data protection regulations. In Thailand, the implementation date of the Kingdom's PDPA has been set for May 31, 2021.

The cost of compliance with data privacy regulations can be astronomical; for example, it is predicted that the direct cost of compliance with the CCPA will reach anywhere between USD $467 million and USD $16.5 billion by 2030. Beyond the cost burden of compliance, data privacy regulations may also hinder insurers' ability to collect all of the data that they require to launch new solutions. While the introduction of such regulations are generally for the benefit and protection of consumers, sweeping regulatory changes will generally have an upward impact on premiums, due to the high cost of ensuring compliance.

The roll-out of compulsory health insurance

The past few years have seen an upsurge in the number of regions implementing mandatory health insurance in a bid to help their residents cope with ever-rising medical costs. Taking the US as an example, earlier this year California joined Massachusetts, New Jersey, Rhode Island, Vermont, and Washington, D.C. in setting up state individual mandate laws that require nearly all residents to have MEC in place for themselves and their dependents.

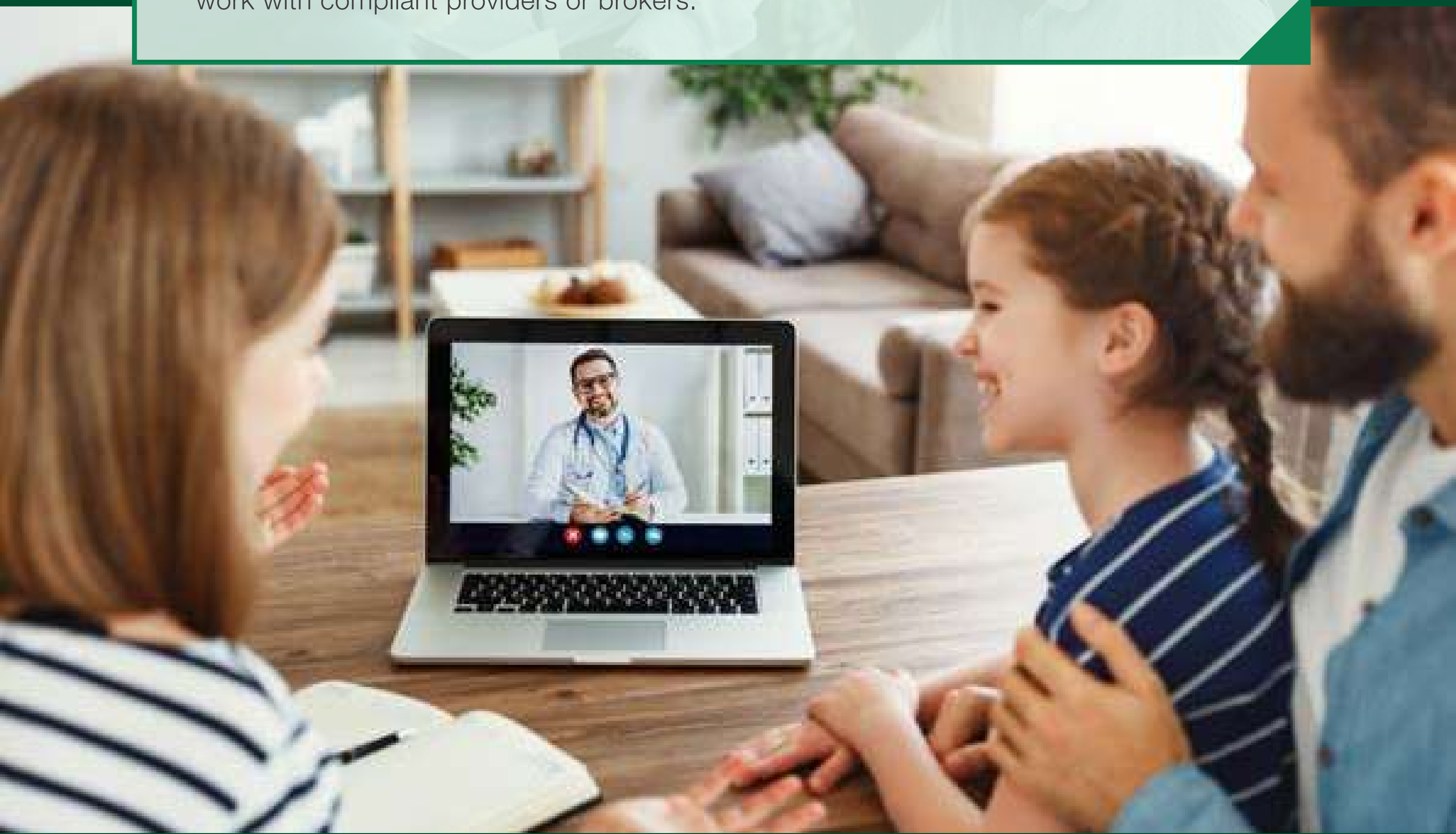
Government-driven mandatory insurance initiatives are particularly commonplace in the Middle East, a region that features fairly prominently in our rankings of the most expensive countries for IPMI. For example, Abu Dhabi is widely recognized as the pioneer for mandatory health insurance in the UAE due to the successful roll-out of their compulsory health insurance law back in 2007. Dubai is another successful example; after the final roll-out of Dubai's mandatory health insurance scheme in 2017, the Emirate now has approximately 5.1 million policyholders - compared to just 600,000 policyholders in 2013.

The trend towards mandatory health coverage is also growing in the Asia region. For example, Thailand now requires all foreign retirees aged 50 and above applying for - or renewing - the O-A or O-X visas to secure compliant health insurance for themselves and their dependents. Long-stay visa insurance plans must meet a minimum level of coverage, i.e. no less than THB 40,000 for outpatient treatment, and no less than THB 400,000 for inpatient treatment.

While mandatory insurance schemes vary across the jurisdictions, there are several common themes that can apply to almost all of the regions, chief among them being that expensive benefits like pre-existing conditions and maternity are usually compulsory. While government-backed mandatory insurance schemes are indeed laudable in ensuring that populations have more equitable access to healthcare, such initiatives are also often associated with an upsurge in healthcare utilization. From what we have observed in locations that have implemented mandatory health coverage (e.g. Dubai), the continued upsurge in healthcare claims have led a number of insurers to raise their clients' premiums in order to spread the cost of payouts.

Key considerations for employers

Staying compliant should be a top priority for employers, as not doing so can be damaging. Given that data privacy laws are taking the spotlight, employers must be transparent in their handling and processing of employees' personal data, as well as work with compliant providers or brokers.



Continued challenges related to fraud

Common types of health insurance fraud

To tackle health insurance fraud, one must have an idea of the common types of fraud in the sector, which include, but are not limited to:

What is health insurance fraud?

Health insurance fraud occurs when misleading information is provided to a health insurance company in an attempt to have them pay unauthorized benefits.
The offense can be committed by the insured individual or the provider of health services.

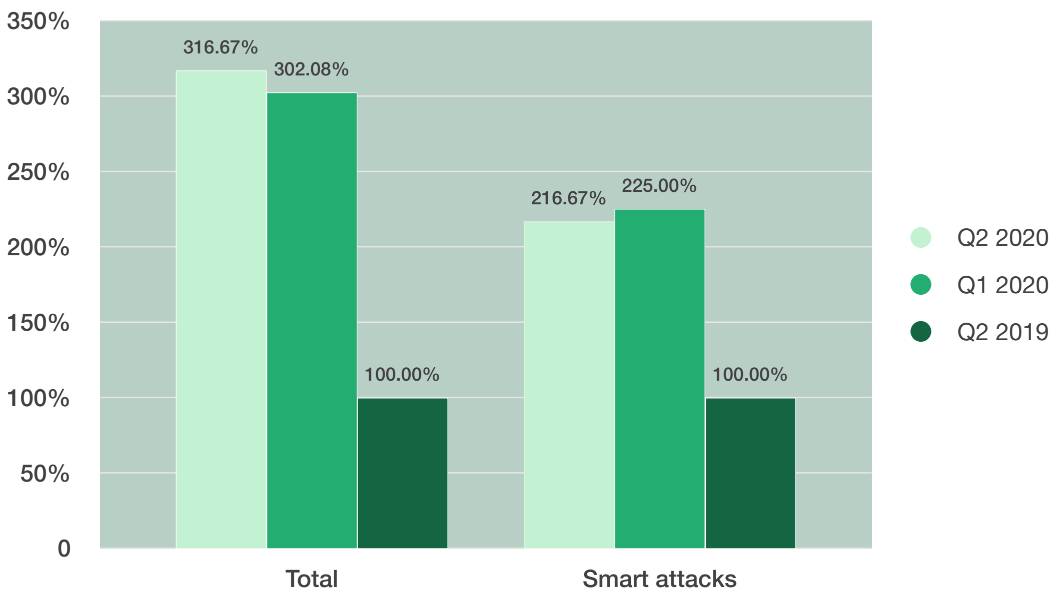
- Performing unnecessary tests, surgeries, or treatments to get higher insurance payouts.
- Submitting fraudulent provision of sickness certificates, and evasion of medical charges.
- Waiving patient payments (co-pays or deductibles) and applying these costs to the insurer or benefit plan.
- Upcoding, which is billing for more expensive services or procedures than those that were actually provided.
- Misrepresenting non-covered treatments.
- Billing a patient for more than their co-pay or deductible amount.

COVID-19 pandemic - An inflator of health insurance fraud

Healthcare fraud has increased significantly during the COVID-19 pandemic as a greater number of people began working from home or even using unsecure networks remotely.

According to the Kaspersky Q2 2020 DDoS attacks report, global DDoS attacks tripled in the second quarter of 2020 in comparison to Q2 2019 - an increase of 217%. Experts from Kaspersky have deduced that the rise in malicious activity can be attributed to the impact of COVID-19.

Figure 10 - Q2 2020 DDoS attacks report



Source: Kaspersky

Health insurance scams

As long as the COVID-19 pandemic remains, fraudsters look to exploit consumers through many malicious activities, most notably so far in calls, emails, or phishing schemes. Medical identity theft in particular ranks highly by fraudsters. Details such as the name or even health insurance numbers can be used to get prescription drugs, file claims with the victim's health insurance provider, or even receive treatment.

Countering fraud using technology - Deflating health insurance costs

As health insurance claims increase due to the COVID-19 pandemic and people begin undergoing deferred treatments for their existing health problems, global health insurers are harnessing technology and data science to buffer against fraudulent actions. By utilizing the right technology to combat fraud, health insurers can also prevent health insurance costs from escalating even further.

Case Study: Aetna International against healthcare fraud

“Healthcare fraud is one of the most significant financial threats to businesses in the industry.”

- Aetna International

aetna®

Aetna International, a global health insurance company, coordinates with several of their Aetna counterparts who handle US domestic private medical insurance fraud. The close relationship helps bolster their international commitment to cracking down on fraud.

To keep fraud at bay, Aetna International commits to the following:

- Trains all their sales consultants, healthcare affiliates, and internal members of staff in detecting unusual patterns of behavior and how to spot red flags.
- Has an in-house fraud detection agency, the ISIU, which uses advanced technology, data sharing, and specialized computer programs to tackle fraud directly.

Key considerations for employers

Employers have a duty to combat fraud and abuse in the insurance sector. They can educate staff on what this means, how to spot it, and its impact on health insurance benefits. Moreover, employers should also invest in secure online systems and train employees on cyber security matters.

The rise of insurtech

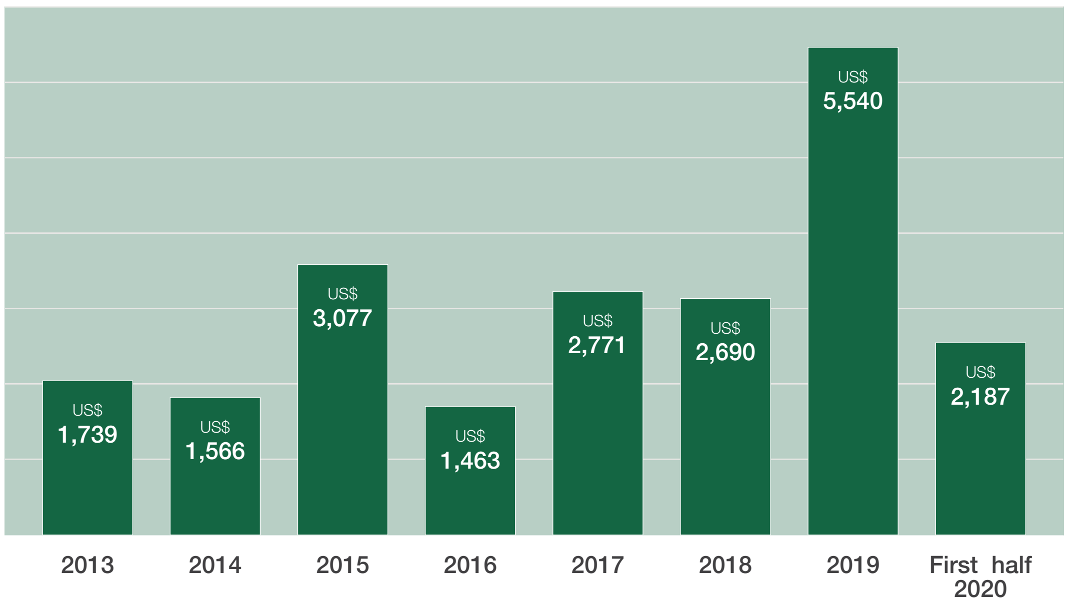
Insurtech emerged a decade ago as an offshoot of “fintech” - a similar phenomenon occurring in the finance sector. As digitalization trends gradually spread across the insurance sector over the years, mainstream insurers have been playing catch up with technology. Under normal circumstances, these trends would have taken many years to fully materialize, but the COVID-19 pandemic has served to accelerate this, forcing insurers to quickly adopt digital measures across their ecosystems.

What is insurtech?

While “insurtech” is a portmanteau of “insurance” and “technology”, the term encapsulates far more than the use of digital technology by insurers. It has developed into an industry in itself, characterized by technology-led insurers making innovations in the areas of product development, as well as underwriting, claims, and administration.

According to data collected by research firm Venture Scanner and analyzed by Deloitte’s Center for Financial Services, investment in insurtechs during the first half of 2020 remained a robust amount at nearly $2.2 billion, despite the economic fallout and general uncertainty amidst the pandemic. It seems to be as robust as last year’s figures when the funds soared to record levels of $5.5 billion. As per the following graph, the total investment for this year is on track to reach at least the second-highest amount in the last couple of years.

Figure 11 - First-half 2020 funding puts Insurtech on track for at least second-highest annual total



Source: Deloitte

Due to movement restrictions and lockdown measures, the pandemic has resulted in a surge of online platforms and remote interactions. As such, this has created opportunities for insurtechs to increase virtual interactions in sales and claims, as well as boost efficiency and reduce expenses. What's more, there are many other areas where insurtechs are making strides to enhance the customer experience and transform the insurance service model, thereby having an impact on IPMI premiums.

Insurtech trends that are poised to have a significant impact on IPMI premiums:

Big data and AI	Big data describes large and diverse sets of information that grow at ever-increasing rates. It allows the creation of algorithms to classify, analyze, and draw predictions from data.

Insurers can harness the power of digital technology for the purposes of:

Targeting

Big data from connected devices and social media enable insurers to identify and target customers with personalized insurance products.

Communication

AI-powered chatbots can answer customers' queries promptly, as well as provide real-time quoting.

Underwriting

Advanced behavioral models can help insurers set risk groups and premium levels more effectively. Likewise, low-risk customers benefit from cheaper premiums.

Plan enrollment

Virtual enrollment is transforming how digitally-savvy customers enroll into a new policy, bringing a myriad of benefits like ease and convenience.

Claims management

AI-based tools like text and image recognition can automate the claims process. It enables claims to be handled more accurately, consistently, and rapidly.

Fraud detection

Fraud in the insurance sector can also be combatted using AI-based tools like voice and speech recognition, which can be used for authentication purposes.

In addition to the aforementioned uses of technology, the insurance sector is also seeing widespread adoption of telemedicine, as the pandemic urges patients to avoid healthcare providers in favor of virtual solutions. Insurers are collaborating with different players to offer services like video consultation, along with wellness coaching and access to health products. Through this, insurers will be able to:

- Boost their revenue through value-added services by providing customers with a convenient, personalized, and holistic service.
- Collect valuable data about customer’s behavior for predictive analytics, which can be used for more accurate risk assessment and premium setting.
- Promote a healthy lifestyle, which will reduce the likelihood of claims and save insurers money.

Case Study: Singapore as Southeast Asia’s insurtech hub

Singapore is leading the way with AI and Big Data innovation, which helps insurers offer hyper-personalized services and boost the customer experience. The Lion City is now home to about 80 insurtech startups, according to the Singapore Fintech Association’s insurtech directory.

Many insurers have benefits from Singapore’s conducive regulatory environment, as the Monetary Authority of Singapore has been launching initiatives to promote digital innovation. For instance, a regulatory sandbox was introduced in 2016, allowing companies to create innovative financial products and services.

Once such insurtech is PolicyPal, Asia’s first independent app that uses AI to digitize insurance. The insurtech was able to test their technology in Singapore through the 6-month sandbox trial, and will now focus on scaling their offerings elsewhere in the region to individuals and SMEs.

While the use of digital technologies will result in long-term cost savings for the insurer, translating into cost-savings for customers, investment in such technologies can be very costly in the short-run. In fact, as per the findings of Venture Scanner and Deloitte's Center for Financial Services, investment has been dominated by a handful of insurtechs, while a sizable number may struggle to raise additional funds due to the pandemic. Given this, it remains to be seen how innovative the majority of insurers can be during this time, as well as how significant the impact will be on IPMI.

Key considerations for employers

Employers can look for a broker with tech solutions, and utilize employee benefits management softwares, such as the Prime Care Portal (PCP). This will help them better understand their plans, and streamline the administration process.

What's more, utilizing technology allows employers to offer employees' flexible and personalized benefits. In addition to this, employers can also ride the insurtech wave by including telehealth services as part of their benefits compensation package.

Appendix A - List of acronyms and abbreviations

Abbreviations	Meaning
ACA	Affordable Care Act
AI	Artificial Intelligence
ARDS	Acute Respiratory Distress Syndrome
COHI	Cost of Health Insurance
CCPA	California Consumer Protection Act
COVID-19	Coronavirus Disease 2019
EIU	Economist Intelligence Unit
GDPR	General Data Protection Regulation
HMO	Health Maintenance Organization
HRI	Health Research Institute
INEGI	Instituto Nacional de Estadística y Geografía
ISIU	International Special Investigatory Unit
MEC	Minimum Essential Coverage
NHS	National Health Service
IPMI	International Private Medical Insurance
PDPA	Personal Data Protection Act
PPE	Personal Protective Equipment
PPO	Preferred Provider Organization
UK	United Kingdom
US	United States

Appendix B - Ranking of individual IPMI premiums for all countries

Rank	Region	Country	2020 Average	2019 Average	% difference
1	The Americas	US	$7,703	$8,887	-15.37%
2	Asia	Hong Kong	$6,146	$5,738	6.64%
3	Asia	Singapore	$5,677	$5,458	3.86%
4	The Americas	Canada	$5,230	$7,045	-34.70%
5	The Middle East	Dubai	$5,207	$4,666	10.39%
6	The Middle East	Israel	$4,978	$4,799	3.60%
7	Europe	Russia	$4,600	$4,373	4.93%
8	The Americas	Mexico	$4,461	$4,521	-1.34%
8	The Middle East	Bahrain	$4,461	N/A	N/A
9	Europe	Switzerland	$4,454	$3,567	19.91%
10	The Americas	Argentina	$4,440	$4,213	5.11%
10	The Americas	Bolivia	$4,440	$4,213	5.11%
10	The Americas	Chile	$4,440	$4,213	5.11%
10	The Americas	Colombia	$4,440	$4,213	5.11%
10	The Americas	El Salvador	$4,440	$4,213	5.11%
10	The Americas	Grenada	$4,440	$4,213	5.11%
10	The Americas	Peru	$4,440	$4,213	5.11%
10	The Americas	Uruguay	$4,440	$4,213	5.11%
11	Europe	UK	$4,431	$4,487	-1.26%
12	Asia	Indonesia	$4,405	$3,834	12.96%
13	The Americas	Dominican Republic	$4,402	$4,156	5.59%
14	The Middle East	Oman	$4,378	$4,172	4.71%
15	Asia	South Korea	$4,341	$3,822	11.96%
16	Asia	Taiwan	$4,266	$3,745	12.21%

Rank	Region	Country	2020 Average	2019 Average	% difference
17	Asia	New Zealand	$4,229	$4,061	3.97%
18	Asia	Japan	$4,182	$3,752	10.28%
19	The Middle East	Iraq	$4,108	$3,982	3.07%
20	Europe	Greece	$4,103	$4,160	-1.39%
21	The Middle East	Turkey	$4,102	$4,031	1.73%
22	Asia	Australia	$4,097	$4,262	-4.03%
23	Asia	Malaysia	$4,073	$3,741	8.15%
24	The Middle East	Afghanistan	$4,072	$3,945	3.12%
25	Asia	Bangladesh	$4,058	$3,861	4.85%
26	The Americas	Panama	$4,052	N/A	N/A
26	The Americas	Costa Rica	$4,052	$4,213	-3.97%
27	The Middle East	Yemen	$4,051	$3,911	3.46%
28	Europe	Spain	$4,036	$3,959	1.91%
29	Asia	Laos	$4,024	$3,704	7.95%
29	The Middle East	Uzbekistan	$4,024	$3,704	7.95%
30	The Middle East	Kuwait	$4,004	$3,898	2.65%
31	Asia	Vietnam	$3,999	$3,861	3.45%
32	Asia	Cambodia	$3,980	$3,759	5.55%
33	The Middle East	Lebanon	$3,976	$3,772	5.13%
34	The Middle East	Kazakhstan	$3,957	$3,652	7.71%
35	Asia	India	$3,915	$3,735	4.60%
36	The Middle East	Jordan	$3,891	$3,772	3.06%
37	Asia	Philippines	$3,855	$3,552	7.86%
38	Asia	Pakistan	$3,833	$3,661	4.49%
39	Europe	Ireland	$3,810	$3,944	-3.52%
40	Europe	Portugal	$3,798	$3,788	0.26%
41	Asia	Myanmar	$3,770	$3,704	1.75%
42	The Middle East	Azerbaijan	$3,755	$3,694	1.62%

Rank	Region	Country	2020 Average	2019 Average	% difference
43	Europe	Italy	$3,737	$3,781	-1.18%
44	Africa	Libya	$3,670	$3,803	-3.62%
45	Asia	China	$3,623	$4,324	-19.35%
46	Europe	Austria	$3,574	$3,618	-1.23%
46	Europe	Finland	$3,574	$3,614	-1.12%
47	Europe	Germany	$3,565	$3,599	-0.95%
48	Africa	Egypt	$3,556	$3,516	1.12%
49	Africa	South Africa	$3,546	$3,665	-3.36%
50	Europe	France	$3,523	$3,635	-3.18%
51	Europe	Sweden	$3,501	$3,548	-1.34%
52	Europe	Bulgaria	$3,487	$3,517	-0.86%
52	Europe	Serbia	$3,487	$3,509	-0.63%
52	Europe	Ukraine	$3,487	$3,509	-0.63%
53	Africa	Democratic Republic of the Congo	$3,470	$3,697	-6.54%
53	Africa	Namibia	$3,470	$3,567	-2.80%
53	Africa	Senegal	$3,470	$3,567	-2.80%
54	Europe	Denmark	$3,434	$3,500	-1.92%
55	Africa	Algeria	$3,427	$3,547	-3.50%
56	Europe	Czech Republic	$3,420	$3,457	-1.08%
57	Europe	Hungary	$3,413	$3,443	-0.88%
58	Africa	Botswana	$3,403	$3,515	-3.29%
58	Africa	Cameroon	$3,403	$3,515	-3.29%
58	Africa	The Gambia	$3,403	$3,515	-3.29%
58	Africa	Guinea	$3,403	$3,515	-3.29%
58	Africa	Madagascar	$3,403	$3,515	-3.29%
59	Africa	Mali	$3,402	$3,444	-1.23%
60	Africa	Zimbabwe	$3,386	$3,712	-9.63%
60	Africa	Tanzania	$3,386	$3,528	-4.19%

Rank	Region	Country	2020 Average	2019 Average	% difference
60	Africa	Malawi	$3,386	$3,501	-3.40%
60	Africa	Sierra Leone	$3,386	$3,501	-3.40%
60	Africa	Tunisia	$3,386	$3,501	-3.40%
60	Africa	Uganda	$3,386	$3,501	-3.40%
60	Africa	Zambia	$3,386	$3,501	-3.40%
61	Africa	Nigeria	$3,382	$3,492	-3.25%
62	Africa	Côte d'Ivoire	$3,377	$3,687	-9.18%
62	Africa	Ghana	$3,377	$3,492	-3.41%
62	Africa	Morocco	$3,377	$3,492	-3.41%
63	Europe	Netherlands	$3,362	$3,419	-1.70%
63	Europe	Norway	$3,362	$3,419	-1.70%
64	Europe	Slovakia	$3,346	$3,423	-2.30%
64	Europe	Croatia	$3,346	$3,391	-1.34%
64	Europe	Romania	$3,346	$3,391	-1.34%
65	Africa	Angola	$3,333	$3,444	-3.33%
65	Africa	Ethiopia	$3,333	$3,444	-3.33%
66	Africa	Mozambique	$3,321	$3,440	-3.58%
67	Europe	Poland	$3,276	$3,320	-1.34%
68	The Americas	Brazil*	$2,972	N/A	N/A
69	Asia	Thailand*	$1,934	$2,728	-41.05%

Source: Pacific Prime

Appendix C - Ranking of family IPMI premiums for all countries

Rank	Region	Country	2020 Average	2019 Average	% difference
1	The Americas	US	$21,817	$26,883	-23.22%
2	Asia	Hong Kong	$17,425	$17,140	1.64%
3	Asia	Singapore*	$15,964	$15,055	5.69%
4	The Middle East	Dubai*	$15,377	$14,147	8.00%
5	The Middle East	Israel	$13,614	$14,146	-3.91%
6	Europe	Russia	$12,671	$12,878	-1.63%
7	The Americas	Mexico	$12,412	$13,400	-7.96%
8	The Americas	Canada	$12,368	$18,264	-47.67%
9	The Middle East	Bahrain	$12,323	N/A	N/A
10	The Americas	Argentina	$12,262	$12,463	-1.64%
10	The Americas	Bolivia	$12,262	$12,463	-1.64%
10	The Americas	Chile	$12,262	$12,463	-1.64%
10	The Americas	Colombia	$12,262	$12,463	-1.64%
10	The Americas	El Salvador	$12,262	$12,463	-1.64%
10	The Americas	Grenada	$12,262	$12,463	-1.64%
10	The Americas	Peru	$12,262	$12,463	-1.64%
10	The Americas	Uruguay	$12,262	$12,463	-1.64%
11	Asia	South Korea	$12,182	$11,429	6.18%
12	Asia	Indonesia	$12,125	$11,476	5.35%
13	The Middle East	Oman	$12,055	$12,497	-3.67%
14	The Americas	Dominican Republic	$12,053	$12,273	-1.83%
15	The Middle East	Turkey	$12,036	$12,221	-1.54%
16	Asia	China*	$12,020	$13,422	-11.66%
17	Asia	Taiwan	$11,967	$11,194	6.46%

Rank	Region	Country	2020 Average	2019 Average	% difference
18	Asia	Japan	$11,777	$11,213	4.79%
19	Europe	UK	$11,556	$13,216	-14.36%
20	Asia	Australia	$11,551	$12,620	-9.25%
21	The Middle East	Iraq	$11,425	$11,849	-3.71%
22	Asia	Malaysia	$11,393	$11,180	1.87%
23	Europe	Greece	$11,313	$12,247	-8.26%
24	The Middle East	Afghanistan	$11,309	$11,739	-3.80%
25	Asia	Laos	$11,283	$11,064	1.94%
26	Asia	Bangladesh	$11,268	$11,532	-2.34%
27	The Americas	Costa Rica	$11,252	$12,463	-10.76%
27	The Americas	Panama	$11,252	N/A	N/A
28	Asia	Cambodia	$11,173	$11,235	-0.55%
29	Europe	Spain	$11,154	$11,702	-4.91%
30	The Middle East	Yemen	$11,153	$11,682	-4.74%
31	The Middle East	Uzbekistan	$11,148	$11,064	0.75%
32	The Middle East	Kuwait	$10,998	$11,601	-5.48%
33	The Middle East	Kazakhstan	$10,959	$10,902	0.52%
34	Asia	New Zealand	$10,906	$12,012	-10.14%
35	Asia	India	$10,855	$11,146	-2.68%
36	Asia	Vietnam	$10,833	$11,546	-6.58%
37	The Middle East	Jordan	$10,693	$11,254	-5.25%
37	The Middle East	Lebanon	$10,693	$11,254	-5.25%
38	Asia	Philippines	$10,661	$10,594	0.63%
39	Asia	Pakistan	$10,613	$10,918	-2.87%
40	Asia	Myanmar	$10,522	$11,064	-5.15%
41	Europe	Ireland	$10,484	$11,668	-11.29%
42	Europe	Portugal	$10,455	$11,181	-6.94%
43	Africa	Libya	$10,323	$11,317	-9.63%

Rank	Region	Country	2020 Average	2019 Average	% difference
44	The Middle East	Azerbaijan	$10,309	$10,897	-5.70%
45	Europe	Italy	$10,294	$11,164	-8.45%
46	Africa	South Africa	$9,947	$10,931	-9.89%
47	Europe	Austria	$9,801	$10,670	-8.87%
47	Europe	Finland	$9,801	$10,657	-8.73%
48	Europe	Germany	$9,780	$10,616	-8.55%
49	Africa	Egypt	$9,721	$10,486	-7.87%
50	Africa	Democratic Republic of the Congo	$9,719	$10,963	-12.80%
50	Africa	Namibia	$9,719	$10,644	-9.52%
50	Africa	Senegal	$9,719	$10,644	-9.52%
50	Europe	Switzerland	$9,719	$10,644	-9.52%
51	Europe	France	$9,660	$10,718	-10.95%
52	Africa	Algeria	$9,600	$10,571	-10.11%
52	Europe	Sweden	$9,600	$10,456	-8.92%
53	Europe	Bulgaria	$9,549	$10,369	-8.59%
53	Europe	Serbia	$9,549	$10,345	-8.34%
53	Europe	Ukraine	$9,549	$10,345	-8.34%
54	Africa	Botswana	$9,530	$10,483	-10.00%
54	Africa	Cameroon	$9,530	$10,483	-10.00%
54	Africa	Guinea	$9,530	$10,483	-10.00%
54	Africa	Madagascar	$9,530	$10,483	-10.00%
54	Africa	The Gambia	$9,530	$10,483	-10.00%
55	Africa	Malawi	$9,484	$10,440	-10.08%
55	Africa	Sierra Leone	$9,484	$10,440	-10.08%
55	Africa	Tanzania	$9,484	$10,520	-10.92%
55	Africa	Tunisia	$9,484	$10,440	-10.08%
55	Africa	Uganda	$9,484	$10,440	-10.08%

Rank	Region	Country	2020 Average	2019 Average	% difference
55	Africa	Zambia	$9,484	$10,440	-10.08%
55	Africa	Zimbabwe	$9,484	$10,874	-14.66%
56	Africa	Côte d'Ivoire	$9,456	$10,932	-15.61%
56	Africa	Ghana	$9,456	$10,414	-10.13%
56	Africa	Morocco	$9,456	$10,414	-10.13%
56	Africa	Nigeria	$9,456	$10,414	-10.13%
57	Europe	Denmark	$9,411	$10,308	-9.53%
58	Europe	Czech Republic	$9,361	$10,183	-8.78%
59	Europe	Hungary	$9,348	$10,143	-8.50%
60	Africa	Angola	$9,329	$10,266	-10.04%
60	Africa	Ethiopia	$9,329	$10,266	-10.04%
60	Africa	Mali	$9,329	$10,266	-10.04%
61	Africa	Mozambique	$9,288	$10,255	-10.41%
62	Europe	Netherlands	$9,196	$10,062	-9.42%
62	Europe	Norway	$9,196	$10,062	-9.42%
63	Europe	Croatia	$9,159	$9,982	-8.99%
63	Europe	Romania	$9,159	$9,982	-8.99%
63	Europe	Slovakia	$9,159	$10,079	-10.04%
64	Europe	Poland	$8,958	$9,765	-9.01%
65	The Americas	Brazil*	$7,611	N/A	N/A
66	Asia	Thailand*	$7,257	$10,842	-49.40%

Source: Pacific Prime