

Pulse: South East Asia

What's New in Health



OCTOBER 2022 EDITION

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We are pleased to launch our first newsletter focused on the health insurance market in South East Asia. This edition covers developments during the period from 1 January 2022 to 30 June 2022.

We trust you find this edition informative. As always, we look forward to receiving your feedback, questions or comments.



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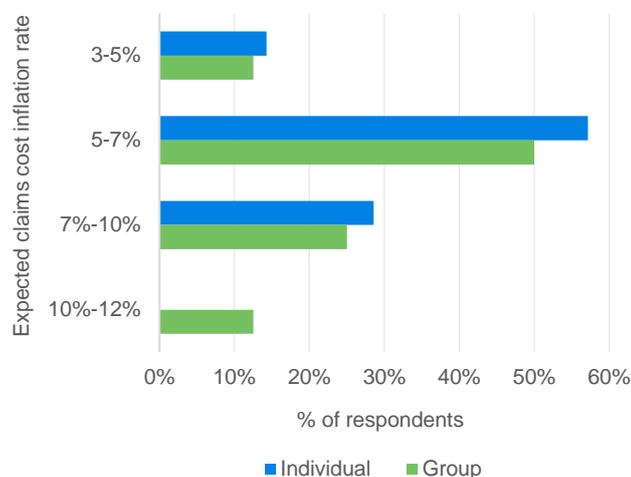
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Indonesia

FIGURE 1: EXPECTED INDONESIA MEDICAL CLAIMS INFLATION RATE IN THE COMING 12 MONTHS



Source: Milliman's survey with a pool of eight life and non-life insurers.

Market News

NEW PRODUCTS

PasarPolis partnered with Shopee Indonesia to sell an inpatient product underwritten by Sequis Life, via the Shopee app with premiums starting from IDR 90,000 for three months of coverage. This product provides an inpatient and surgical benefit up to IDR 17 million and hospital cash of IDR 50,000/day.

DISTRIBUTION CHANNEL

PT Mandiri AXA General Insurance (MAGI) partnered with PT Bank Neo Commerce Tbk (BNC/BBYB) to sell its health products, including hospital cash and health protection. The products are to be sold through BNC branches initially and digital channels thereafter.

INSURERS' INITIATIVES

PT Asuransi Cakrawala Proteksi Indonesia (ACPI) introduced a new feature in its app, ACP Health Telemed Grab Health by Good Doctor. This feature provides health insurance participants who have outpatient benefits access to online medical consultation services. The balance of the outpatient benefit limit, if any, can be used to cover the doctor's fee and drug costs (inclusive of delivery costs) on a cashless basis.

INSURTECH

- PT Maju Finansial Digital (Aigis), an insurtech company that was offering products for the general public, has pivoted to the business-to-business (B2B) segment by introducing group health insurance for businesses,

underwritten by Lippo Insurance and Ciputra Life, with monthly premium starting from IDR 93,000 to IDR 378,000. Aigis also provides two complementary benefits to its customers:

- Access to medical professionals for medical advice, and free prescriptions from doctors based on diagnosis.
 - Access to a dashboard within an app, to create and track reimbursements.
- PT Insurtech Technologies Indonesia (Aman) has raised IDR 18 billion (USD 1.2 million) in pre-seed funding, led by Global Founders Capital (GFC) and Trihill Capital. Aman is a technological platform that combines insurance, human resources (HR) and healthcare. It aims to streamline administration and claim processes for insurance benefits that companies provide for its employees.

MERGERS AND ACQUISITIONS (M&A)

- PT Bahana Pembinaan Usaha Indonesia (IFG), a state-owned holding company for underwriting and insurance companies, entered into a conditional sales and purchase process with its subsidiary, PT Asuransi Jasa Indonesia (Jasindo), for a 10% stake in Asuransi Jiwa InHealth Indonesia (Mandiri InHealth), one of the largest private group medical insurers in Indonesia. Post-acquisition, Mandiri InHealth's shareholders are PT Bank Mandiri Tbk (80%), PT Kimia Farma Tbk (10%) and IFG (10%), where all are state-controlled.
- PT Hanwha Life Insurance Indonesia (HLII) is acquiring 47.7% of PT Lippo General Insurance Tbk (LPGI) shares from PT Inti Anugerah Pratama (IAP) and PT Star Pacific Tbk (LPLI). Hanwha General Insurance Co., Ltd. (HGI) will be purchasing another 14.9% of LPLI's shares in LPGI. Both HLII and HGI are subsidiaries of Hanwha Life Insurance Co., Ltd. LPGI is the second-largest underwriter of medical policies by direct written premium among non-life insurers. Post-transaction, Hanwha Life will become the new controlling shareholder of LPGI, with 57.7% of shares.

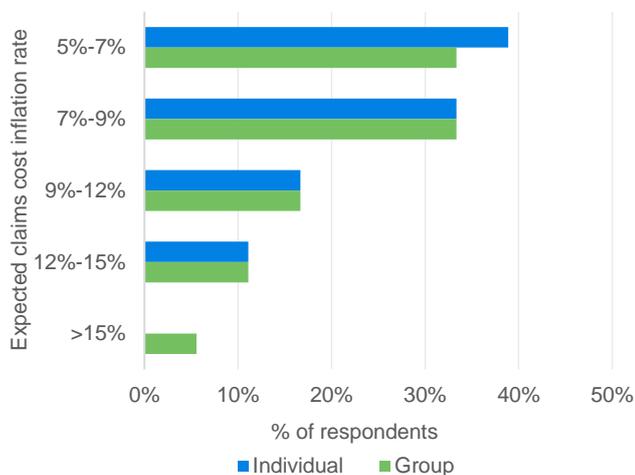
REGULATORY UPDATES

The national Health Care and Social Security Agency, BPJS Kesehatan, announced that it is merging its class system into a single class for all participants, through the Standard Inpatient Class (KRIS) programme. They started the pilot implementation on 1 July 2022 with five government-owned hospitals. It is believed that implementing one standard class will be able to:

- Ease hospitals' operations.
- Make it easier for health insurers to estimate the claim exposure in excess of BPJS coverage.

Thailand

FIGURE 2: EXPECTED THAILAND MEDICAL CLAIMS INFLATION RATE IN THE COMING 12 MONTHS



Source: Milliman’s survey with a pool of 18 life and non-life insurers.

Market News

NEW PRODUCTS

- Allianz Ayudhya Life Assurance introduced a new health insurance product, Health Unlock Double Care, with three different plans which can insure policyholders up to age 90. The initial annual policy limit ranges from THB 8 million to 30 million. The annual limit doubles when the policyholder is diagnosed with one of the 10 serious diseases covered by the policy. This increased limit applies for the next four policy years and only once per serious disease. Medical expenses such as X-rays, lab fees, surgery, dialysis and chemotherapy can also be reimbursed.
- Krunghthai-AXA Life Insurance launched a new health insurance model, iHealthy Ultra, and a new medical rider, Extra Medical Expenses Contract Extra (MEA Extra). The iHealth Ultra model has six coverage plans with benefits including coverage for medical expenses up to THB 100 million per policy year. The benefits mainly cover inpatient and outpatient treatment costs. As for the MEA Extra rider, there are five plans with additional coverage up to age 90. The benefits mainly cover the cost of hospitalisation and will cover 70% of the medical expenses and surgery fees in excess of the maximum benefit limit.

INSURERS’ INITIATIVES

- Muang Thai Life Assurance (MTL) has partnered with 38 hospitals to provide doctors' online consultations and medications delivered to patients via telemedicine. All MTL customers with an outpatient (OPD) benefit can use this service via MTL Click Application. In order to use this service, the insureds with chronic illnesses must be patients with a record of treatment in partnered hospitals, with chronic diseases that require continuous medications. This service is offered for both individual and group insurance until 31 December 2022.
- Ocean Life's customers can now submit their claims for inpatient and outpatient daily income compensation online without having to send their original documents unless requested.

MERGERS AND ACQUISITIONS (M&A)

- Allianz Ayudhya Capital PCL (AYUD) has agreed to acquire 100% of Aetna Health Insurance (Thailand) PCL to further expand its health insurance business in Thailand. Aetna Thailand is a prominent player in the Thai health insurance market, ranking top two consistently over the last five years in terms of Health gross written premium (GWP) along with Cigna.
- Chubb Limited has acquired the life and non-life insurance entities that house the personal accident, supplemental health and life insurance of Cigna in six Asia-Pacific markets, including Thailand and Indonesia, for a sum of USD 5.36 billion. The acquired business is approximately 80% accident and health. Notably, Cigna has been experiencing strong growth in Thailand in the last five years.

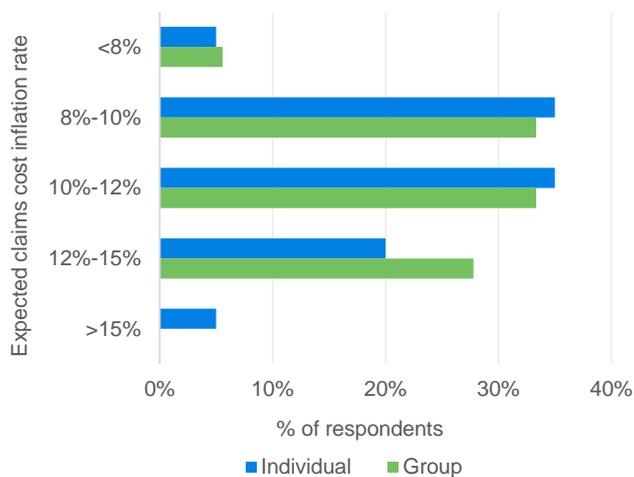
REGULATORY UPDATES

The New Standard Health Insurance regulations were introduced on 8 November 2021 by the Office of Insurance Commission (OIC) and will be fully enforced from 1 July 2022 onwards. They increase the health insurance demand by covering existing loopholes and expanding coverage. This includes guaranteed renewal except for proven fraud, while allowing insurers’ to implement copayments and deductibles.

Both life and non-life insurance must have 13 categories of coverage in their contracts. This eases the comparison of benefits among companies.

Malaysia

FIGURE 3: EXPECTED MALAYSIA MEDICAL CLAIMS INFLATION RATE IN THE COMING 12 MONTHS



Source: Milliman’s survey with a pool of 20 life and non-life conventional and takaful insurers.

Market News

NEW PRODUCTS

- AXA Affin Life Insurance Berhad (AAL) launched eMedic Plus, a standalone online medical card that can be applied online with instant approvals. Four plans are offered, with annual limits of up to MYR 150,000. Key features include increasing annual limit up to 150% of the initial annual limit, no lifetime limit, unlimited days for the room and board benefit and no-claim rewards. A family plan with 5% premium discount is also available.
- FWD Takaful Berhad (FWD Takaful) introduced FWD SpecialMed, an online medical plan targeted at persons with disabilities (PWD), from mild to moderate levels of learning disability. Disabilities covered include attention deficit hyperactive disorder (ADHD), intellectual disability (ID), autism spectrum disorder, dyslexia and Tourette syndrome. Two yearly-renewable plans are offered with annual limits up to MYR 50,000 and MYR 100,000, respectively, with no lifetime limit. The main benefits are medical care (hospitalisation, surgical and emergency accident outpatient treatment) and post-care (post-hospitalisation treatments and a subsidy of up to MYR 2,000 for rehabilitation and therapy). This is FWD's second product designed for people with learning disabilities, with the first one being FWD SpecialCare Direct, a term joint-life product.

INSURERS' INITIATIVES

Prasarana Malaysia Bhd is collaborating with AIG Malaysia Insurance Bhd to offer a hospital protection plan (HPP) on Rapid KL's PULSE mobile app. The plan is free for the first three months for the first 50,000 successful applicants. The plan offers a daily cash allowance of MYR 50 per day for up to 14 days when hospitalised due to certain diseases, including COVID-19. This initiative aims to quell public anxiety about contracting transmissible diseases when boarding public transport to improve ridership.

INSURTECH

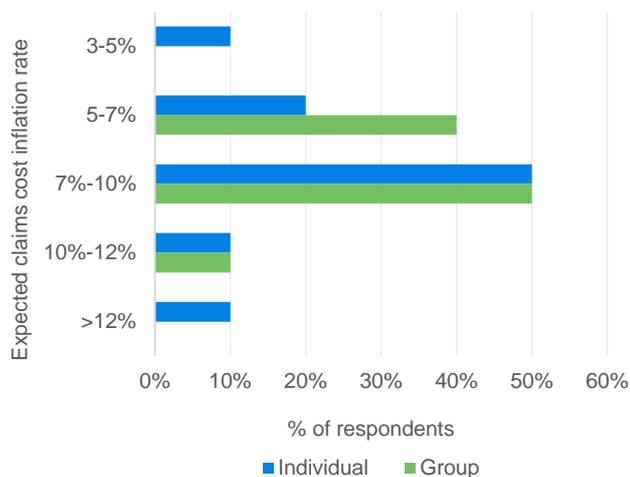
AXA Affin General Insurance Berhad (AAGI) has partnered with Fi Life, a Malaysian insurtech startup, to distribute online two existing medical policies offered by AXA: SmartCare Optimum and SmartCare Optimum Plus. The full medical underwriting process is incorporated in Fi Life's online application system, allowing customers to purchase the medical insurance and an e-medical card immediately after answering an online questionnaire on their medical history. The online underwriting system is able to offer acceptance with exclusions, or an acceptance with a premium loading in addition to a straightforward acceptance or decline. Customers with certain prior medical issues will be considered by AXA underwriters on an individual basis instead of being automatically rejected.

REGULATORY UPDATES

Health Minister Khairy Jamaluddin signalled intentions to introduce social health insurance with copayments in a bid to shore up Malaysia's public healthcare system. Contributions into the scheme will be on a sliding scale based on income, with contributions waived for low-income earners. The introduction of copayments is a marked departure from the current system, where approximately 98% of healthcare cost at public facilities are subsidised. A previous attempt at setting up a social health insurance was shelved due to public opposition over high rates of contribution by employees.

Singapore

FIGURE 4: EXPECTED SINGAPORE MEDICAL CLAIMS INFLATION RATE IN THE COMING 12 MONTHS



Source: Milliman’s survey with a pool of 10 life and non-life insurers, including four of the MediShield Integrated Plan providers.

Market news

MERGER AND ACQUISITIONS (M&A)

HSBC Insurance Singapore Pte. Ltd. (HSBC Life) has acquired 100% of the issued share capital of AXA Insurance Pte Limited (AXA Singapore). Based on gross premiums, the integrated entity will then be the fourth-largest retail health insurer in Singapore. AXA Singapore is notably one of the seven MediShield Integrated Plan providers.

KEY APPOINTMENTS

Now Health International, an international private medical insurance provider, appointed Matt Pinckard as General Manager of its Singapore operations. Pinkard was previously Senior Manager at Singlife with Aviva with 16 years of industry experience.

INSURERS’ INITIATIVES

Prudential’s Pulse app is now expanding its services to include monitoring customers’ daily health and stress levels through a face scan. This is a product of a collaboration between Prudential and Nervotec, a Singapore-based digital health company, and is available to Prudential’s Singapore and Philippine customers. The app will show users’ vital signs such as heart rate, heart rate variability and oxygen saturation levels and will be able to check their daily stress levels, emotional well-being and general fitness.

INSURTECH

Singapore based health-tech startup Smarter Health has raised SGD 5.15 million in Series A funding led by East Ventures. The proceeds will be used primarily for product development and market expansion in South East Asia. The company provides solutions for key stakeholders in the healthcare ecosystem: insurers, hospitals and doctors. For example, insurers can provide policyholders with specialist doctor recommendations, appointment scheduling and patient registration services through Smarter Health’s Patient Concierge solution.

REGULATORY UPDATES

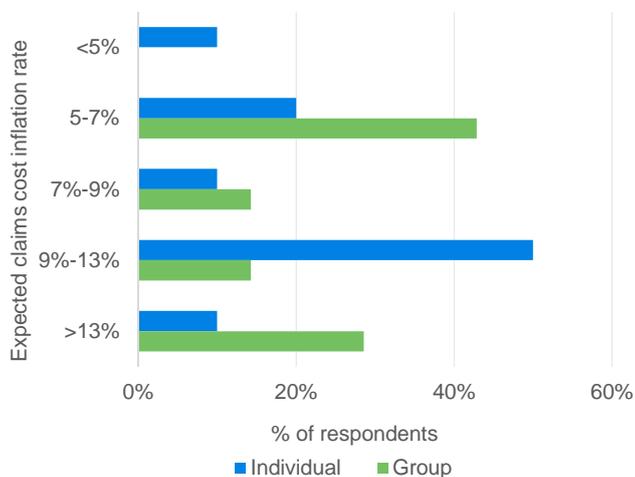
The Ministry of Manpower (MOM) has introduced new requirements on the coverage of the mandatory medical insurance (MI) for Work Permit and S Pass holders. The new requirements are effective end-2022 for all new Work Permit and S Pass applications and renewals. The coverage of MI is enhanced to include a copayment element for employers and insurers for amounts above SGD 15,000, up to an annual claim limit of at least SGD 60,000. Other requirements include standardising allowable exclusion clauses, introduction of age-differentiated premiums and requirement for insurers to reimburse hospitals directly upon the admissibility of a claim.

OTHERS

The Ministry of Health (MOH) has announced the Healthier SG enrolment programme. This initiative intends to pair each Singaporean resident with a dedicated family physician to ensure continuity of care for any health needs across the resident’s life-course. The enrolment is voluntary and will kick off in 2023, starting with older-age residents. Under the enrolment programme, healthcare institutions across Singapore will be divided into three clusters, covering 1.5 million residents each. The clusters will be financed using a "capitation" model, where a predetermined fee is paid for every resident enrolled by the cluster, instead of a workload-based model, where payment is determined by the volume of services provided.

Vietnam

FIGURE 5: EXPECTED VIETNAM MEDICAL CLAIMS INFLATION RATE IN THE COMING 12 MONTHS



Source: Milliman's survey with a pool of 10 insurers.

Market news

NEW PRODUCTS

BIDV MetLife Life Insurance LLC (BIDV Metlife) introduced Quà Tặng Sức Khỏe, a term endowment unit-linked product that comes with healthcare benefits. It claims to be the first and only product on the market that covers type 2 diabetes in the form of a lump sum payment upon diagnosis. Cancer, early or late stage, and the corresponding hospitalisation costs are covered as well.

BaoViet Insurance Corporation (BaoViet) launched its newest comprehensive medical insurance, Bảo Việt Tâm Bình. There are five plans offering up to VND 440 million in overall annual limit. Coverage includes inpatient, outpatient, dental, maternity, accident, death and cancer coverages. Customers can also purchase additional outpatient or personal accident (PA) coverages. This product can be purchased by individuals, families and even businesses.

FWD Assurance Vietnam Company Limited (FWD) and Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) partnered to launch FWD Modern Woman, a healthcare plan designed specifically for women. The plan offers payouts for late-stage cancer, orthopedic reconstructive surgery and skin grafting. Treatment of depression, both outpatient and inpatient, is covered as charged up to an annual limit. Coverage can be expanded to include uterine fibroids, ovarian cysts and common maternity complications.

DISTRIBUTION CHANNEL

Manulife (Vietnam) Limited (Manulife) has collaborated with lifestyle super-app MoMo to offer healthcare products digitally to customers. MoMo users can now purchase Manulife's Max-Health medical insurance by applying and paying in the app. It is standalone medical insurance sold at an annual premium of VND 560,000. The policy term is three years and provides inpatient and outpatient benefits with a direct billing network of 300 hospitals nationwide.

Liberty Insurance Vietnam (LIV) has collaborated with APRIL International to offer MyHealth, a global healthcare insurance product through LIV's local agency sales force. Customers are offered the ability to design their own plans. Among the benefits offered are hospitalisation, surgery, accident, outpatient, cancer and worldwide emergency evacuation and repatriation. This is a new distribution channel for APRIL's flagship individual product after launching successfully with PTI four years ago.



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