

5th Webinar on Life Insurance
13th June 2025

Critical Illness: Learning from Other Markets and the Way Forward for India

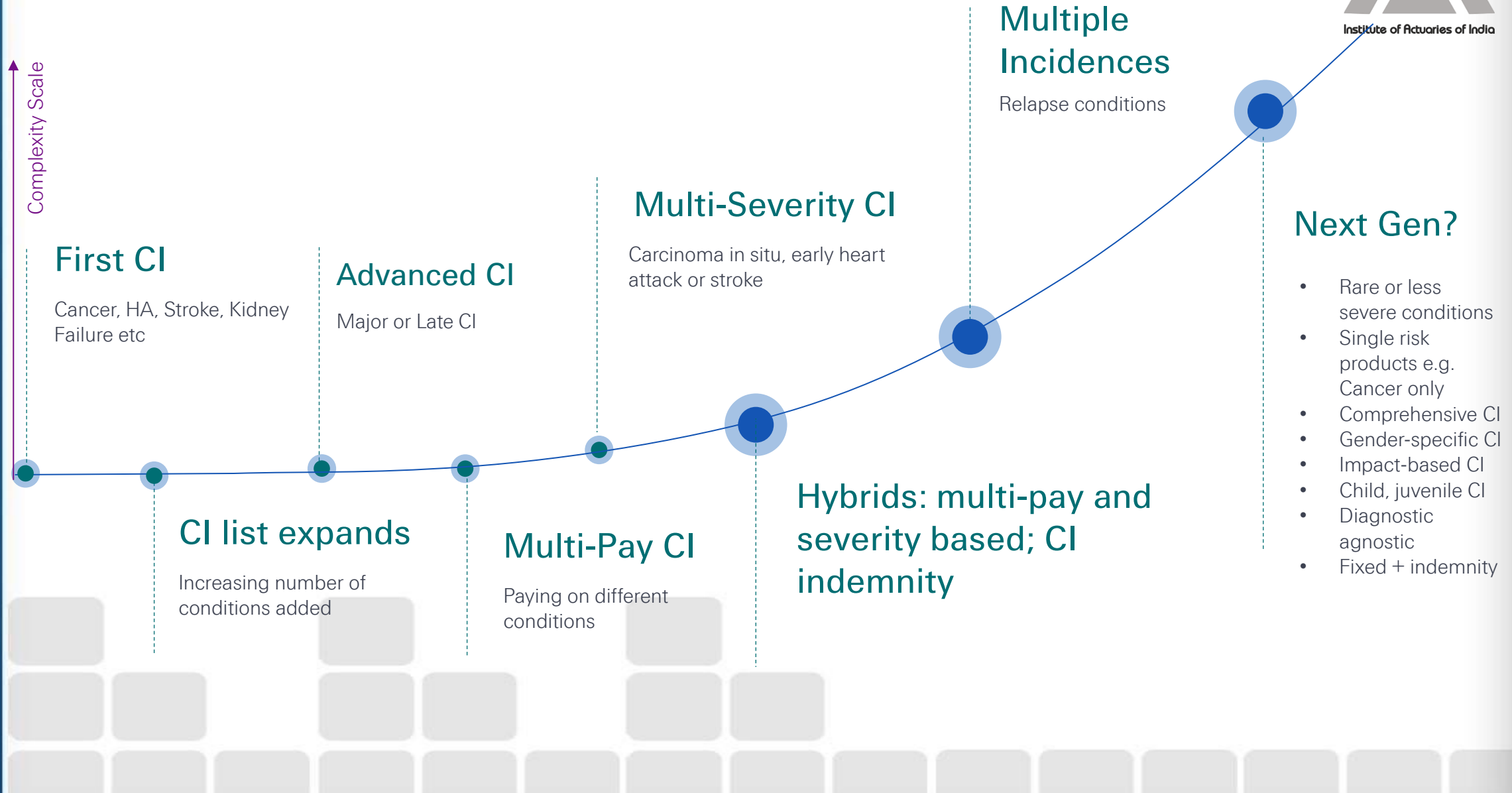
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Ivan Lee, Head Pricing L&H Re Southeast Asia and India



Introduction

01

Asia is the forefront for the evolution of Critical Illness



Strong consumer demand fuels growth and drives product design



Consumer demand

- Gap in social/government health coverage
- Increase awareness of protection needs
- Preference for whole of life/ guaranteed protection



Regulator push

- Meeting increasing social needs via private insurance
- Strong push for protection products



Strong distribution

- Insurers push for protection products as sustainable value



Why CI is less popular in India?

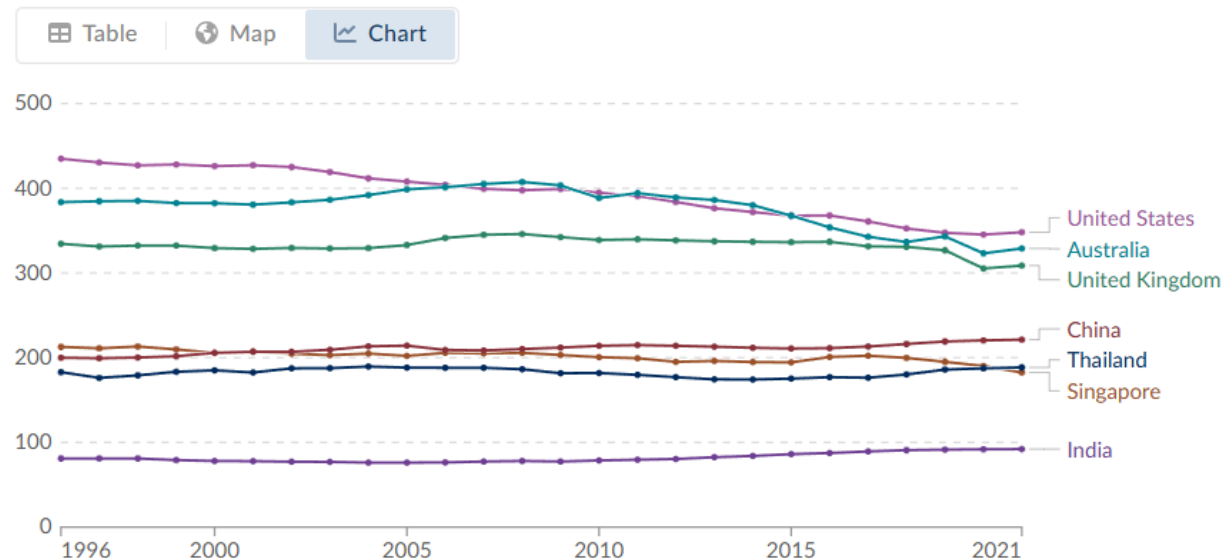
1. Customers prefer medical plans
2. CI is harder to understand and claim
3. Distribution lacks familiarity with CI

There are many factors affecting the incidence...

Cancer incidence rate, 1996 to 2021

Estimated number of new cancer cases per 100,000 people, in a given year.

Our World
in Data



- Obesity (BMI and Central Obesity)
- Smoking and Alcohol Consumption
- Hypertension (High Blood Pressure)
- Dyslipidemia (Abnormal Cholesterol Levels)
- Physical Inactivity
- Diet and Nutrition
- Family History and Genetics

...

Beyond these,
other factors also
influence incidence
rates

Learning from other markets - Korea

02

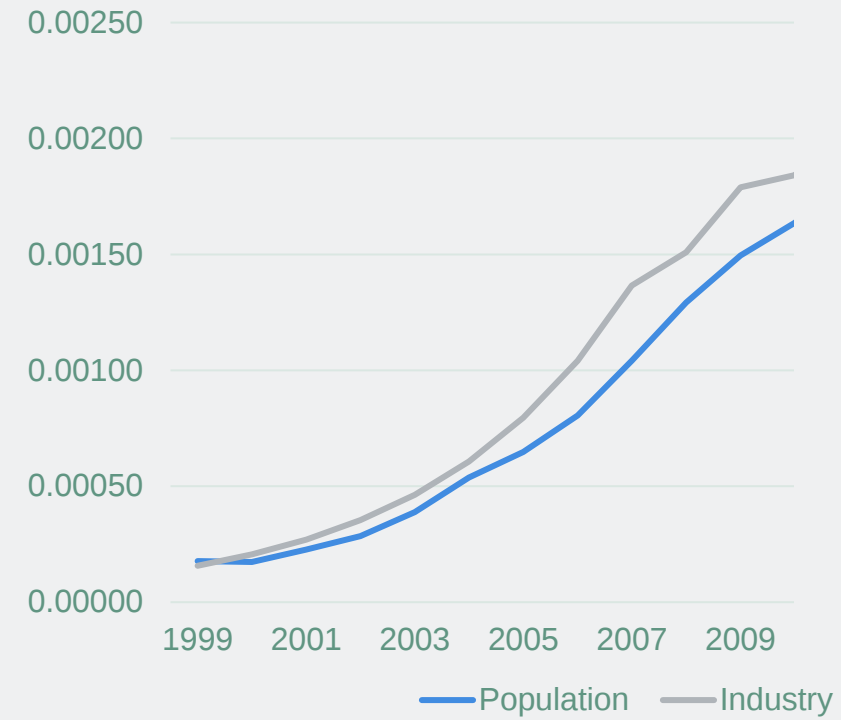
“Over diagnosis” or “Early diagnosis”?

“Overdiagnosis is the diagnosis of a medical condition that would **never have caused any symptoms or problems.**”

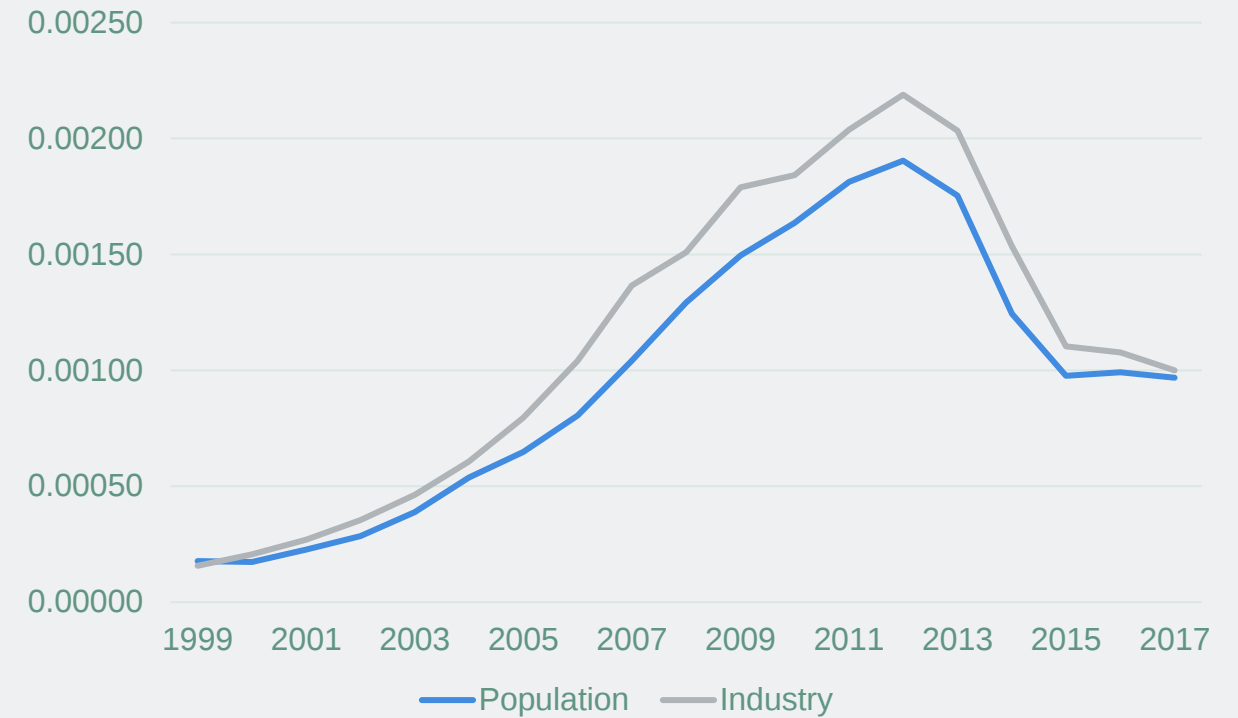


IQWiG(Institute for Quality and Efficiency in Health Care) U.S.
National Library of Medicine

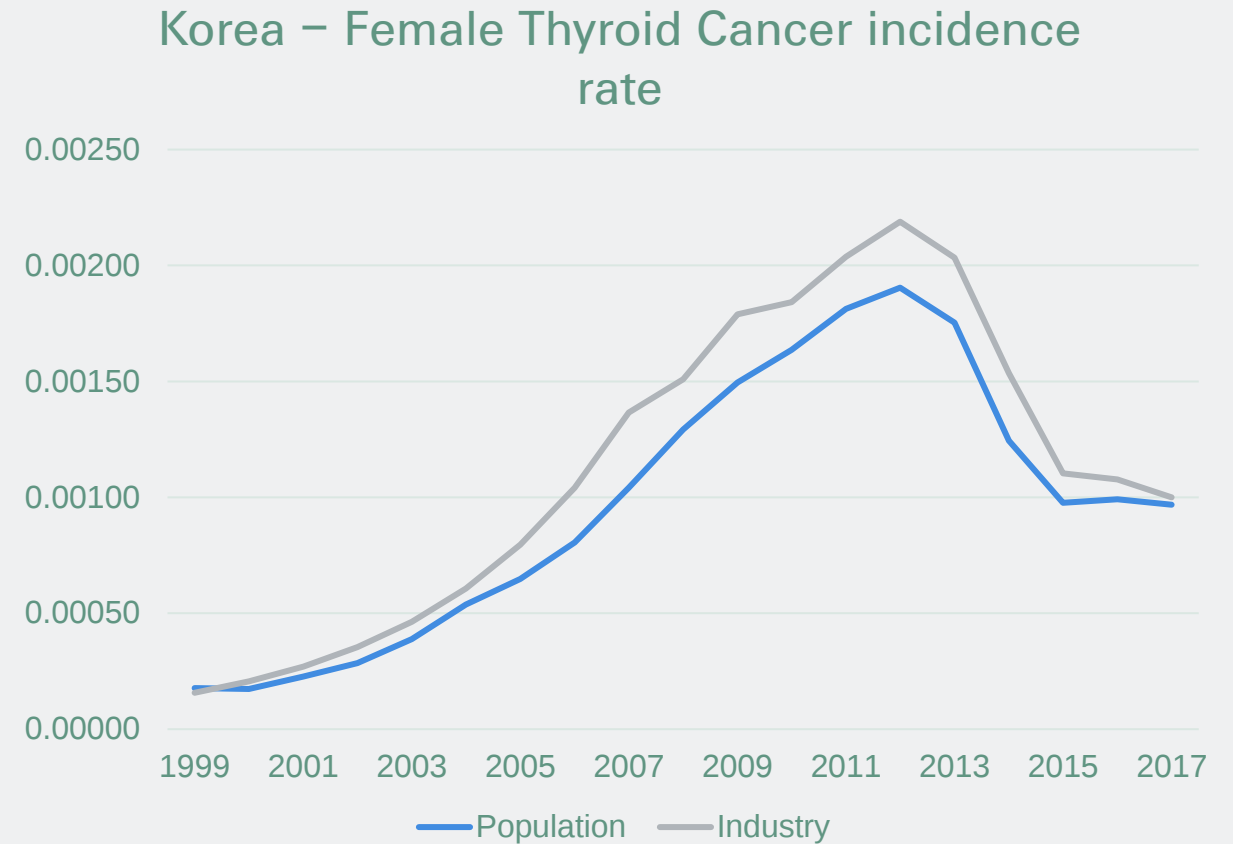
Korea – Female Thyroid Cancer incidence rate



Korea – Female Thyroid Cancer incidence rate

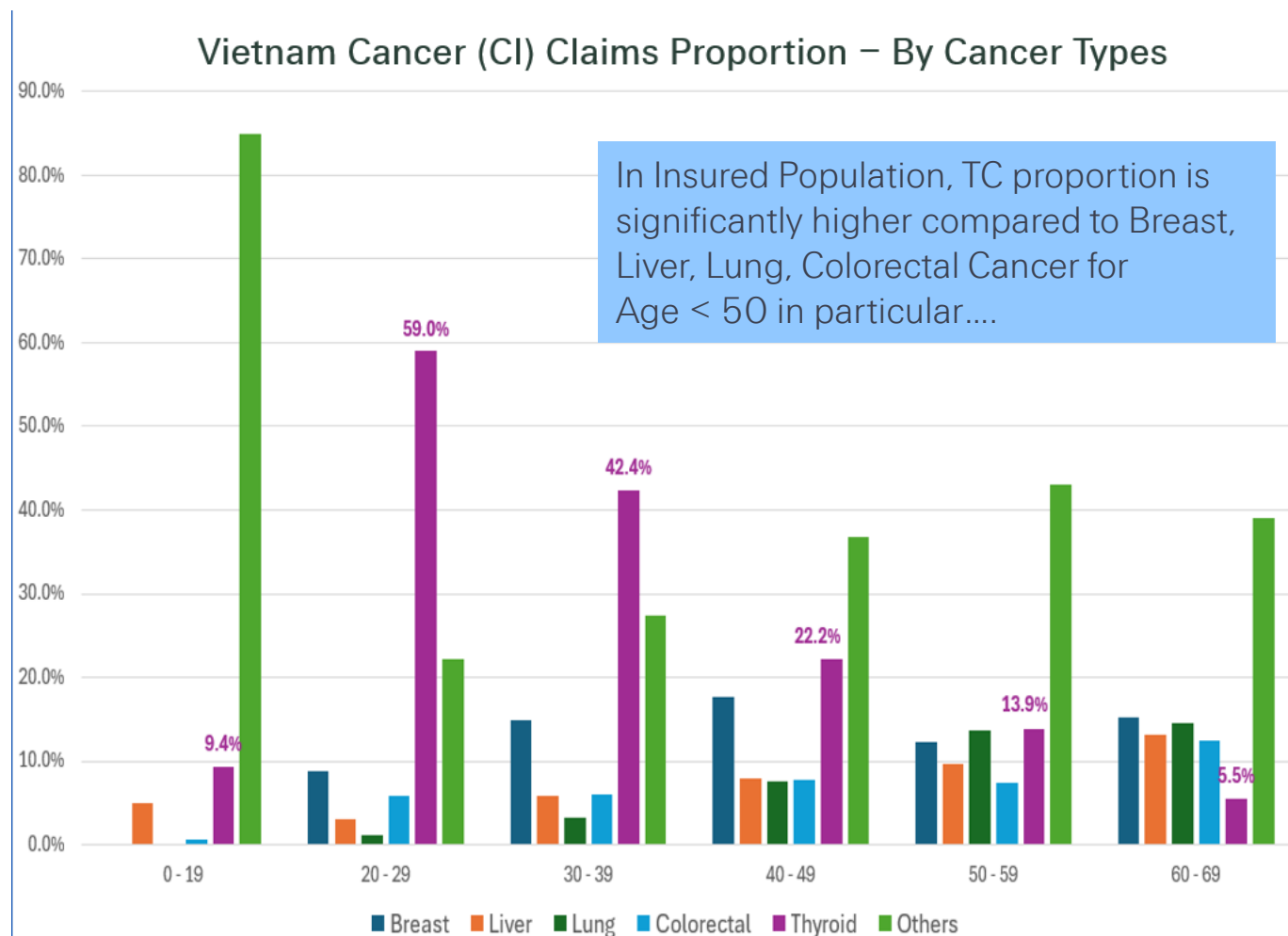


History showed that the peak would appear when there is change in medical and public opinions, but not change in products design – **an example from Korea Thyroid cancer**



Another example - Thyroid Cancer in Vietnam

Insured Population is much higher than General Population



Source : Swiss Re

However, Thyroid Cancer is **not within Top 5 Cancers** in **Vietnamese Population** between age 20-49. Within **insured population** however, the proportion is **significantly higher**.

Source : Globocan

Further examples - Korea is NOT an isolated case

Previous over-diagnosis cases:



United States

Prostate cancer $\uparrow >50\%$ in
1990-2000s



China

Thyroid cancer in Beijing $\uparrow 40\%$
from 2011 to 2012



United Kingdom

Breast carcinoma-in-situ
 $\uparrow >200\%$ since 1988



Australia

Non-melanoma skin cancer
 >100 times of other countries



Strengthen product design and definitions to reduce cancer over-diagnosis

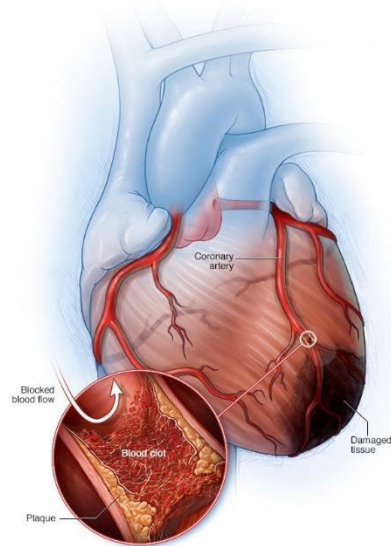
Learning from other markets - China

03

What is a heart attack?

Medical definitions

A heart attack, also known as a myocardial infarction, happens when the flow of blood that brings oxygen to a part of your heart muscle suddenly becomes blocked. Your heart can't get enough oxygen.



CI Definition (Singapore Example)

Death of heart muscle due to obstruction of blood flow, that is evident by at least three of the following criteria proving the occurrence of a new heart attack:

- History of typical **chest pain**;
- New characteristic **electrocardiographic changes**;
- **Elevation of the cardiac biomarkers**, inclusive of CKMB ...or Cardiac Troponin T or I at 0.5ng/ml and above;
- Imaging evidence of **new loss of viable myocardium** ...

Recent China
industry
experience shows
fast deteriorating
HA claims rates



The current risk factors trend can't explain the deteriorating trend

Risk Factors



Obesity ↑



Hypertension ↓



Dyslipidemia ↓



Smoking / Alcohol ↓



**The current
heart attack
rates might
not reflect the
true rates**



Patient End:
Improving economic level
increased promoting
early detection and
treatment





Hospital End:
Improving hospital
facilities and emergency
support





Technology End:
Improving diagnostic
sensitivity and extending
peak time window





Doctors End:
Increasing Doctors'
awareness of insurance
claims standards

The way forward

04

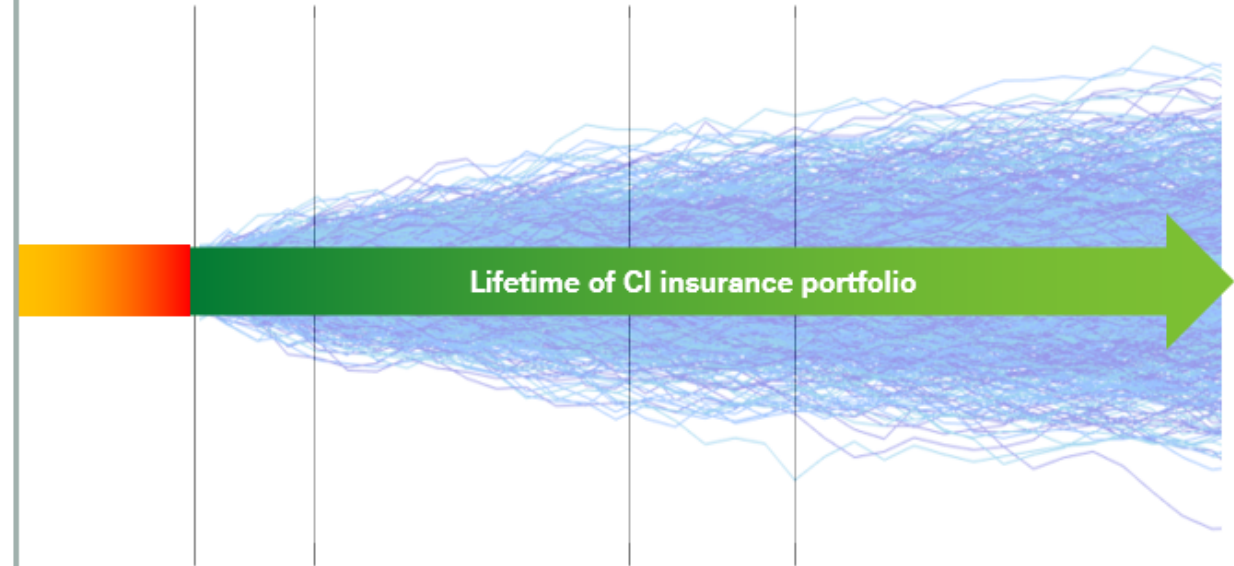
Long duration, high future uncertainty

China Industry Table 2020 vs 2013, incl thyroid



50-100% incidence rate increase in less than 10 years

Past Today 5 years 15 years 20+ years



Whole of life coverage with average duration +30years

Towards a Sustainable Critical Illness Product

Attractive

to customers and distributors

**Needs-
Based**

adequate but not excessive
coverage

Resilient

able to absorb unexpected
shocks

Push for sustainability

1) Enhance risk understanding

Cross-disciplinary collaboration – beyond “traditional” actuarial

- Advanced data analytics
- Early warning systems
- Forward-looking assumption setting
- R&D, medical expert opinions, academic partnerships

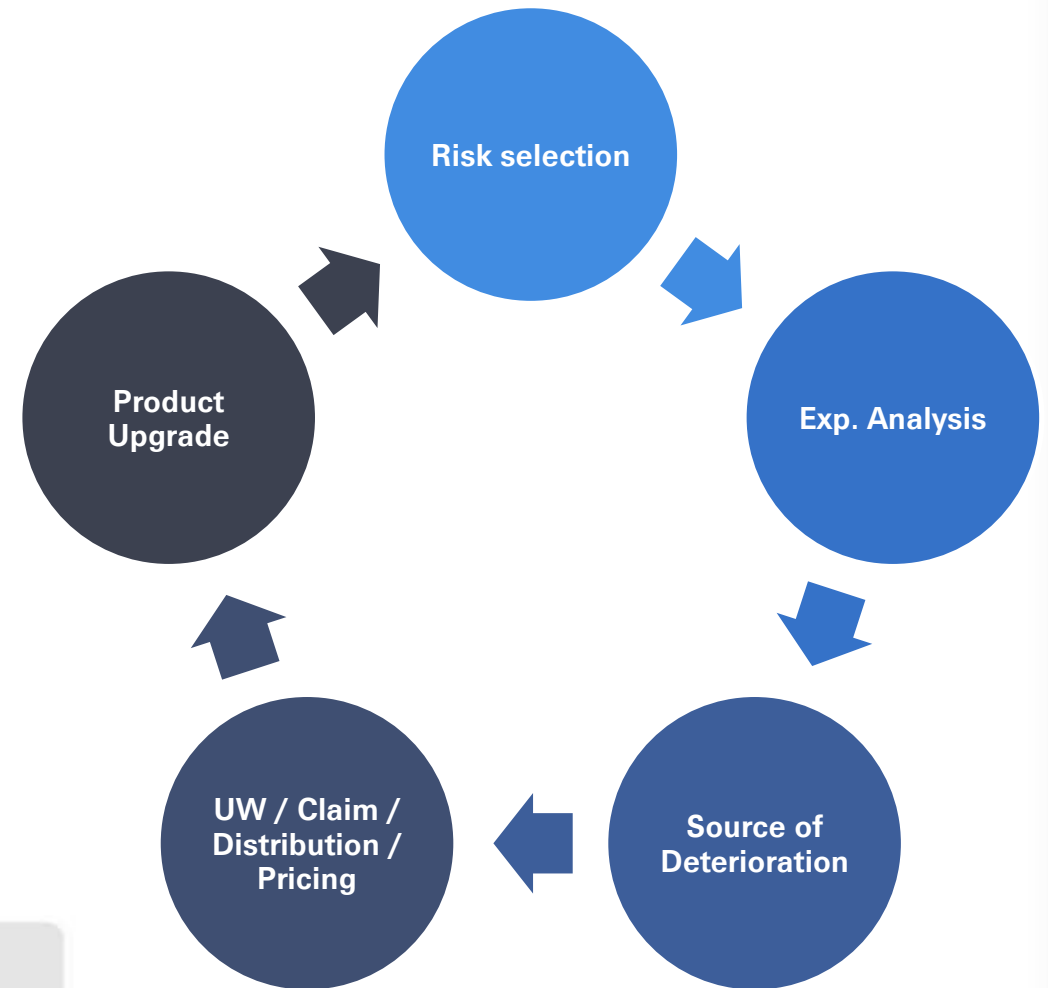


Push for sustainability

2) Strengthen control cycle

Cross-disciplinary collaboration –
beyond “siloes” actuarial

From risk prediction to risk selection
and prevention



Push for sustainability

3) Balance duration and premium guarantee

- Consider:
 - developed vs. emerging markets
 - base incidence risk, trend risk, or both
 - front loading vs. reviewability
 - novelty of design / coverage



Any questions?