

Medical inflation and other premium adjustment factors

Innovations in the medical field are leading to better survival rates and improved outcomes for patients. However, advanced healthcare can be costly. Medical expenses are continuing to rise across the globe due to factors such as¹:

- **Aging population**, leading to greater pressure on public hospitals and higher demand for private medical care;
- **Rising costs**, as medical institutions regularly review and adjust their fees; and
- **Advances in medical technology**, giving rise to more expensive treatments and drugs.

Medical inflation in Hong Kong

In Hong Kong, we enjoy efficient and accessible healthcare through the public and private sectors. However, the cost of both public and private healthcare is rising year after year.

Public and private healthcare from 2019 to 2023²

Average medical cost rose by:

2019	2020	2021	2022	2023
8.3%	8.1%	5.3%	5.6%	7.0%

¹ Source: Food and Health Bureau - Your Health Your Life Healthcare Reform Consultation Document

² Source: 2020 Global Medical Trend Rates Report, 2022 Global Medical Trend Rates Report and 2023 Global Medical Trend Rates Report by AON.

Frequently asked questions

1. Why have premiums of medical plans been adjusted?

We regularly review the premiums of our medical plans to maintain the high quality of your protection.

We examine, including but not limited to, the following factors:

- the attained age of the insured person
- medical trends
- AXA's claims experience

Rest assured that the premium rates are carefully reviewed and adjusted across groups of plans, and not on an individual basis, regardless of any claims you may have made.

2. What is the latest trend in healthcare costs?

According to AON, the average medical cost rose by 5.3% - 8.3% per year between 2019 - 2023³. Therefore, we expect medical insurance premiums will continue to rise.

3. Will AXA raise medical plan premiums again?

One of the premium adjustment factors is the cost of medical care, which has been rising year after year. We take this into account, along with other relevant updates and actual circumstances, when we adjust premium rates at policy anniversaries.

4. Have other insurance companies raised premiums for their medical plans lately?

In general practice, medical plan premium rates are regularly reviewed and adjusted across the insurance industry. The timing and frequency vary from company to company.

5. Have my benefits changed with the premium adjustment?

Your protection under your existing policy will remain unchanged.

6. Why do I have to pay higher premiums if I have not made any claims?

We review and adjust premium rates across groups of plans rather than on an individual basis, regardless of any claims you may have made. Moreover, premium rates may also be adjusted according to the attained age of the insured person.

7. Why does my premium adjustment exceed medical inflation?

For some of our plans, the premium rate is adjusted according to the age of the insured person. As a result, the overall adjustment, which reflects both medical inflation and age-related adjustment, may exceed medical inflation rates.

8. How do I renew my policy?

We will automatically renew your policy on the renewal date unless we receive your written amendment or termination instructions before the renewal date.

9. Will I receive confirmation of policy renewal after the policy renewal date?

We will renew your policy on the policy renewal date. After renewal, we will send you the renewal documents and benefit schedule.

10. What should I do if I choose not to renew my existing policy?

Your medical needs will become more important from one life stage to the next, so comprehensive medical cover could provide valuable protection for you and your family. You should consider your personal medical needs, as well as the premium and procedure of applying for new cover, factoring in your attained age and any new health conditions.

Nonetheless, if you choose not to renew your existing policy after due consideration, please send us your written instructions not to renew your policy before the policy renewal date. For details, please contact your financial consultant or call the customer service hotline on (852) 2523 3061.

11. What are my options if I do not renew my existing policy?

We would be happy to review your insurance needs with you and share details on our other available products. Please contact your financial consultant or call our customer service hotline on (852) 2523 3061.

³ Source: 2020 Global Medical Trend Rates Report, 2022 Global Medical Trend Rates Report and 2023 Global Medical Trend Rates Report by AON.