

A background image showing a man and a woman in business attire looking at a tablet. The man is wearing glasses and has a beard. The woman has blonde hair. They are both smiling and looking at the tablet. The background is a bright, out-of-focus office setting.

## **Important Changes to your Evolution Health Plan (Asia Pacific)**

Effective from 1<sup>st</sup> January 2023

# 1

## Introduction

Effective from the 1st January 2023, a number of important changes will apply to your policy. These changes, where applicable, will take effect from your renewal date, as indicated on your Certificate of Insurance.

The purpose of this document is to inform you of any material changes or enhancements, and to offer an explanation of the changes where appropriate.

## Benefit Changes

We have introduced the following cost savings options:

- New area of cover for residents of Bangladesh, Brunei, Myanmar (Burma), Cambodia, India, Indonesia, Laos, Malaysia, Pakistan, Philippines, Sri Lanka, Taiwan and Vietnam (this new South East Asia and Indian Subcontinent area is typically 10% cheaper than the current ww excl USA, Hong Kong and Singapore area of cover).
- Family discounts for policies with multiple insureds from the same family as follows:
  - Couple : 5% (eligibility : minimum 2 adults)
  - Family of 3 : 10% (eligibility : minimum 2 adults)
  - Family of 4 : 15% (eligibility : minimum 2 adults)
  - If the family has 5 members, they will still receive the 15% discount on 4 members (two parents/two children) but the fifth child will be normal premium
- Standard Plan discounted by 10% - before this years increases shown below apply.



## Premium Increases - continued

### Claims Cost

Country	Average Out-Patient Claim cost	Compared to average of all OP claims	Number of claims as percentage of the Portfolio total
China	\$ 164.00	134%	3%
East Timor	\$ 220.00	180%	0%
Hong Kong SAR	\$ 219.00	180%	15%
Indonesia	\$ 76.00	62%	36%
Japan	\$ 95.00	78%	7%
Laos	\$ 102.00	84%	1%
Malaysia	\$ 45.00	37%	2%
Philippines	\$ 101.00	83%	2%
Singapore	\$ 234.00	192%	8%
Thailand	\$ 112.00	92%	16%
Vietnam	\$ 87.00	71%	6%
ALL	\$ 122.00		

Country	Average In-Patient Claim cost	Compared to average of all IP claims	Number of claims as percentage of the Portfolio total
Cambodia	\$ 3,701.00	86%	1%
China	\$ 9,404.00	218%	2%
East Timor	\$ 1,287.00	30%	1%
Hong Kong SAR	\$ 12,466.00	289%	4%
Indonesia	\$ 3,468.00	80%	33%
Japan	\$ 1,143.00	26%	2%
Laos	\$ 586.00	14%	1%
Malaysia	\$ 2,582.00	60%	6%
Singapore	\$ 9,294.00	215%	6%
Thailand	\$ 3,975.00	92%	41%
Vietnam	\$ 4,268.00	99%	2%
ALL	\$ 4,315.00		

## Premium Increases - continued

What these table show is that when compared to the average across the region some countries may be better or worse, but that when taken as percentage of the overall cost that may change. Using Thailand as an example, on In-Patient claims the cost is on average 92% of the regional average BUT that more than 41% of ALL in-patient costs in the region are from there which has an adverse effect on the overall portfolio.

### Inflation

Using the leading insurance analysis of inflation rates shows typical inflation rates across the region of between 7% and 9% in 2022. 2023 is predicted to be higher. This is before we look at overall performance of the portfolio.

Country	2022
China	8.34%
Hong Kong SAR	8.22%
Indonesia	7.40%
Malaysia	16.18%
Philippines	14.36%
Singapore	9.00%
South Korea	2.67%
Thailand	9.20%
Vietnam	9.00%

Taking a typical claim for 2022 and applying this rate of inflation for say Thailand would then mean that the following year that claim would immediately cost 9.2% more. So \$1000 becomes \$1092.

\*Source WillisTowersWatson report 2022

### Claims Payment rates

Part of the review into premium increases includes a utilisation and payment rate review. This is looking at how many claims are successful and how many are denied. This is also a gauge as to whether or not the policy provides fair value – if over 90% of claims are paid and less than 5% denied then we believe that this indicates the policy provides fair value.

Claims made	2022
Total Paid	90.73%
Rejected	4.97%
Deductibles applied	4.16%
Copays	0.14%



## Changes to your Policy Wording

The benefits of your policy are largely unchanged. We have however changed the insurer of our plans following feedback from our customers. The Know Your Customer (KYC) requirements for the old insurer were extremely onerous and very difficult for many of our Asia based customers to comply with. Normal proof of identity (passport / residence card / picture identity card) were often not enough and needed to be supplemented with unnecessary proof of address which for transient expatriates is often not possible. Our new Insurer is called Antea International Insurance Limited, and your policy is still reinsured 100% by GenRe, a Berkshire Hathaway Group Company with \$17.2bn of capital. You cannot get a much better partner than that. Their ratings are A M Best A++ Superior and Standard and Poors AA+.



**Thank you for your custom and we look forward to providing you with a great service going forward.**

If you have any queries regarding any of the changes above please do not hesitate to contact your broker/ intermediary or us directly at [info@morgan-price.com](mailto:info@morgan-price.com) or on +44 (0) 1379 646730.