



# Cigna Healthcare Global Individual Health Pricing Strategy Explained

February 2025





# Cigna Healthcare Rate Reviews

With roots going back more than 230 years, Cigna Healthcare has constantly evolved through time to meet people's changing health care needs and adapting to the medical trends we experience in the sector.

Cigna Healthcare is an advocate for better health through every stage of life. We remain committed to empowering our customers to make the best choices for improving their health and vitality.

For almost 15 years, our dedicated global individual health business unit has provided specialised individual health insurance in almost 200 countries and jurisdictions worldwide.

Cigna Healthcare Global Individual Health regularly review the insight we have within the Cigna group and review our proposition in alignment with medical inflation and market forces.

All reviews are not done in isolation. As part of the process, we validate our internal analysis with trusted third parties to ensure rate review outcomes provide sustainable pricing for our customers.







At Cigna Healthcare, we understand that many of your clients may raise concerns when they see an increase to their annual premium. To help you discuss these increases, we've created a guide that features information on price increases and why we must make changes during certain periods of the year.

Our strategy is reflective of current market trends, observed data, and other strategic lenses or considerations. There are many factors that drive an increase in cost – not only for Cigna Healthcare, but for much of the health care industry.

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# Deeper dive: The impact of medical inflation

Medical inflation trends are separate from global price inflation trends and can usually be much higher due to factors specific to the health care industry, such as advances in medical technology and overburdened health care providers.

Medical inflation trends continue to be projected at double-digit increases once again during 2025. The average projected annual medical trend across the globe is more than 10%, though this does vary by country.

## Global trends

Globally, we've observed a higher level of musculoskeletal, cancer, and mental health claims than we experienced prior to the COVID-19 pandemic. Conversely, levels of respiratory claims have reduced, most likely due to people becoming more aware of the importance of personal hygiene for physical and mental health.

Several major factors are driving continued high medical costs and trends, with variations across different territories.

### United Kingdom

In the UK, current challenges within the public health care system are driving increased usage of the private health care sector. This is having a significant impact on the increasing trends that we're experiencing in this region.

### Europe

Across Europe, increasing levels of musculoskeletal issues, including chronic back pain and joint arthritis has meant that this condition is now consistently one of the top three most common conditions for the last few years.

### United States

In the US, there is a significant rise in high-cost cancer treatment claims, accompanied by growing demand for GLP-1 medications, both of which are driving an increase in medical costs.

### Asia

Throughout Asia, we're seeing an increase in the incidence rates for cancer treatments as one of the main drivers for medical inflation.

# Other drivers of medical cost increases

## Cutting-edge medical technology

- Medical technology can account for up to 50% of medical inflation increases. Every year health care technology changes – usually for the better for Cigna Healthcare customers, as it gives them access to new treatments. The downside to this though, is that it's always at a higher cost. Pioneering technology is constantly evolving which is now curing more diseases and illnesses than ever.
- We continue to see new and specialised medications in the pharmaceutical market which are being used to treat more complex conditions. These high-cost drugs are also becoming available for other diseases with broader patient populations, leading to increased utilization and cost of care.

## Location

- Location is a factor that impacts our pricing. Most customers would prefer to travel back to their home country to receive care, particularly for major health issues. However, this may not always be the case. If a customer's home country lacks certain medical facilities, they may decide to receive treatment elsewhere.

## Aging population

- An aging global population means that prices for health insurance have increased slightly during recent reviews. Increases may vary depending on the customer's current age, for example, toddlers and adults will see different age-related increases.

## General inflation

- This year, we have seen general inflation increasing in many countries around the world. From historic levels of around 1-2%, many countries are now experiencing inflation at 10%.
- As well as introducing additional affordability features to our products, such as cost-sharing and deductibles, we are working pro-actively with health care providers to continue to offer affordable, comprehensive products to your customers. As a result, we have decided not to introduce a specific rate action linked to general inflation as part of our February 2025 rate update.



# Frequency of price updates

## Why price updates occur more than once a year:

Price changes usually occur at the point of renewal for existing customers and at a specified date for all new customers. Sometimes, health insurers update their pricing more than once a year, based on the following impacts:

- Product changes that result in changes to the price.
- Developing claim patterns that vary by region resulting in larger/smaller increases in certain parts of the world.

## Understanding Cigna Healthcare's rate review process:

Cigna Healthcare implements two rate reviews each year, but this does not mean that existing customers will experience a price update twice a year. Customers will only see a pricing update upon renewal of their policy. The premium agreed upon during the sales process is locked for the full 12-month period, as long as no changes are made to the policy.

The pricing update upon renewal of the policy is a combination of the two rate reviews that will have taken place during the 12-month period of cover. As a result, each rate review performed by the Cigna Healthcare team is not considered in isolation, but instead considers the previous rate review to minimize the impact for each renewing customer.





## New CGHO product enhancements alongside the rate update:

As part of our ongoing commitment to improving our health care solutions, we have made significant enhancements to the Cigna Global Health Options (CGHO) product which will become effective for new and renewing customers from 15th February 2025. These updates will address evolving health care needs and provide greater value for your customers.

These include:

**We're enhancing our prevention offering:** we're covering more genetic testing and making cancer preventative surgery more accessible.

**We're providing more value to our Gold plan customers:** the monetary allowances have been increased across a number of outpatient benefits.

**We're making our health plans even more inclusive:** we're providing more hormonal therapy treatment and have introduced a specific family planning and menopause guidance service.

Please see below for further details on each tier of our CGHO product suite.



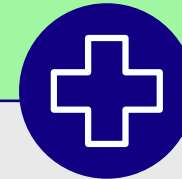
### Silver enhancements

- Genetic testing (\$1,000)
- Cancer preventative surgery (\$10,000)
- Hormone therapy (\$500)
- Footcare treatment (\$325)
- Bone densitometry test (\$325)



### Gold enhancements

- OP GP visits (\$7,500)
- OP Physio (\$15,000)
- Hospital accommodation (\$2,000)
- Inpatient cash benefit (\$150/night)
- Cancer preventative surgery (\$18,000)
- Cancer related appliance (\$250)
- Hormone therapy (\$1,000)
- Footcare treatment (\$650)
- Bone densitometry test (\$650)



### Platinum enhancements

- Hormone therapy (\$1,500)
- Cancer preventative surgery (\$20,000)
- Cancer related appliance (\$500)
- Fertility, Family planning & Menopause guidance (Carrot)



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