

MMB Health Trends: 2020 Insurer Survey

# benefits that truly benefit: insurer perspective

Formerly Medical Trends Around the World

benefits that truly benefit



# Introduction

**Since we released our fifth MMB Medical Trends report in 2019, the world has changed drastically. So much so, that our sixth edition has expanded beyond “Medical Trends” to “Health Trends.”**



Medical trend<sup>1</sup> has outpaced general inflation by close to three times for the past number of years, and this year a new factor came into play: the global COVID-19 pandemic. For employer plan sponsors, the impact of the pandemic on cost has varied based on factors such as the nature of expenses typically covered under the plans, the duration/scale of lockdowns affecting utilization, and supply-side factors like provider consolidation and pricing. So while much of the story includes geographic specific impact on plan utilization, a large part of the story remains unwritten. For those managing benefit plans, it will be vital to understand how different COVID-19 scenarios will impact the relevance and sustainability of health offerings as well as near-term budget planning.

What is more certain, however, is that a more expansive view of health is needed — that is, one that goes beyond medical insurance — and that the benefits community must collectively:

- Consider holistic physical, emotional, social and financial health and wellbeing as a critical asset to drive productivity, not just a cost.
- Elevate the importance of value to both the individual and the organization. Our new tag line — “Benefits that truly benefit” — means providing benefits for a diverse workforce and instituting a real culture of health, including access to basic pharmaceuticals, screening and other forms of preventive and primary care in order to reduce “crisis care” outcomes and costs.
- Recognize how business leaders can genuinely step up to the challenge of addressing inequities in care accessibility, affordability and quality in order to contribute to societal strength and prosperity.
- Be optimistic in embracing how digital developments will make health and wellbeing more personalized, convenient, secure and affordable.

The research in this report focuses on employer-sponsored health programs in several countries outside the United States. While we expanded the report to cover more than financial aspects of insurance coverage, we maintained the annual quantitative medical trends table, based largely on data provided by a broad set of insurers. We thank the 239 insurers across the globe who participated in this year’s survey, which ran from early June to mid-July 2020. Our clients tell us that data from the survey is a key input into benefit strategy and plan design decisions.

Your Mercer Marsh Benefits team is available to review these findings in more detail and discuss how you can take advantage of the reinvention window ahead and create benefits that truly benefit your organization and your workforce.

### **The Mercer Marsh Benefits Team**



<sup>1</sup>The medical trend rate typically accounts for per person increases in cost due to medical inflation, changes in utilization patterns and other factors like changes in government regulation.

# Section 1

**A seismic shift in market dynamics**



## Four key themes for the future

This year, our medical trends research highlights four key themes that could influence the way firms prepare for the post-pandemic world and how they build future health programs. In this report, we will explore each of these trends in more depth.



### Claim uncertainty

**Be on alert:** No crystal ball exists to predict the size and nature of utilization swings in medical plan claims as the COVID-19 crisis continues to unfold.

**Expect variation:** So far in 2020, the claim impact of COVID-19 has varied by country and region; this variation is expected to continue for the remainder of 2020 and into 2021. We also continue to expect claim spend volatility.

**Take a long term view:** The ripple-effect of the COVID-19 pandemic will change health benefits in the future; the crisis brings opportunity to reinvent.



### Cost control delivers value and manages risk

**Design for value:** This can be achieved through coverage provisions, network configuration and engagement.

**Manage health risks:** We encourage a data-driven, holistic approach that promotes a healthy workforce.

**Seize opportunities for efficiencies:** Key tactics include smart financing and placement.



### Benefits race toward “true” benefits

**Focus on employee benefits that truly provide value:** Benefits must bring value to the organization and to the entire workforce. This includes opening up access to workers who may not have access to benefits today.

**Prioritize digital health delivery and mental health:** The quest for productivity and performance means these will be high on the agenda.

**Encourage innovation:** What has delivered in the past won't work in the future, as workforces become more flexible, streamlined and more diverse.



### A challenging world requires a challenger mindset

**Embrace disruption:** In order to balance economics with empathy.

**Consider the full benefits ecosystem:** Insurance provides a foundation, but a holistic approach will need to be supplemented with other solutions including public health provisions, occupational health, onsite services, COVID-19 return to work programs and other health and wellbeing resources

**Question market practice:** As the rationale for benefits changes, market practice needs to keep up.

# 1. Claim uncertainty

## Medical trends around the world, 2019/2020

Just as there is a sentiment of uncertainty to the forecasting in the broader economy, our report revealed a great deal of concern when it comes to forecasting medical costs. Even within single countries, insurers varied in their views and were unsure about what will happen to medical trend rates as the COVID-19 crisis unfolds.

As Chart 1 (on page 9) shows, on aggregate, insurers only expect a slight dip in the 2020 medical trend rate, despite global widespread reductions in consumption of elective healthcare services. Here it is important to highlight that most of this data was collected in June and July and hence may reflect an optimistic “return to care” view. If care resumes less actively than contemplated, the figures below are likely to be overstated, with further catch up taking place in 2021 or perhaps beyond.

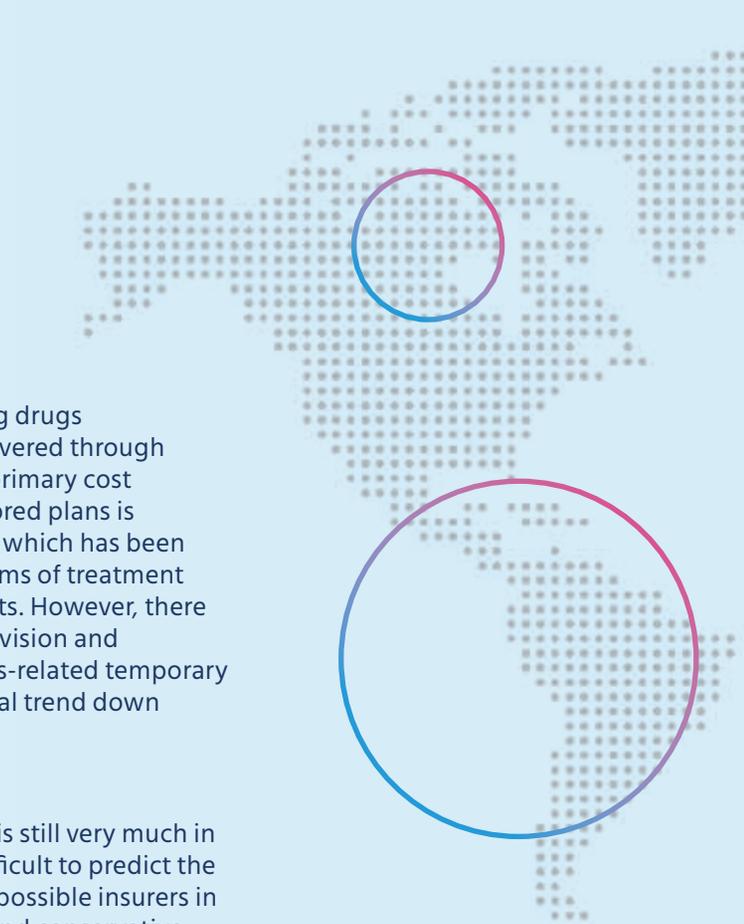
There are multiple factors at play that are affecting medical trend rates and these are worth examining on a regional basis:

### Canada:

Physician and hospital services (including drugs administered in a hospital setting) are covered through Canada’s public healthcare system. The primary cost associated with private employer-sponsored plans is pharmacy (outside of a hospital setting), which has been less impacted by COVID-19 than other forms of treatment that are more directly linked to office visits. However, there have been some reductions to claims for vision and paramedical expenses due to coronavirus-related temporary closures, bringing the 2020 rate of medical trend down compared to previous years.

### Latin America (LATAM):

At the time of the writing, Latin America is still very much in the midst of the pandemic so it is still difficult to predict the full impact on medical costs in 2020; it is possible insurers in this region are being the most cautious and conservative given the scope and duration of uncertainty. Increases expected in medical trend are resulting from currency depreciation and increased unit cost of care. Furthermore, in many geographies the employer-sponsored plans replace public coverage and hence private plans are assuming cost for COVID-19 specific treatment. In countries like Colombia and Peru where there is integration between private and public schemes the size of the impact of COVID-19 specific claims is less pronounced than places like Mexico and Brazil where there is low integration.



**Europe:**

Europe remains stable, experiencing only a small dip in rates, as the underutilization of deferred/foregone diagnostics/treatments due to COVID-19 is limited given employer-sponsored care for many countries focuses on top-up benefits vs. first payer comprehensive care. In some countries, such as Italy, there will be increases as employees turn more to private health systems due to factors like government waiting lists becoming longer due to the pandemic. In Eastern Europe, there have also been reports of medical providers increasing costs due to escalation in salaries for clinicians and other operating costs.

**Asia:**

COVID-19 hit Asia earlier than other regions of the world, and the region has been able to “bounce back” faster than many other regions given widespread containment efforts. The majority of the impact from COVID-19 claims deferral was felt in the first part of 2020, and a significant portion of medical spend, including inpatient and outpatient expenses generally covered under medical plans (employees heavily rely on employer-sponsored medical in some of the region’s countries), has resumed. The double-digit 2020 increase also reflects the increased unit cost of care due to providers passing on the cost of personal protective equipment (PPE) needed to safely perform services in their bills as well as the higher cost of supply imports due to exchange rate fluctuations.

**Pacific:**

Rates experience more stability than other regions given that medical coverage is provided by the government or through personal tariff rated schemes.

**Middle East and Africa (MEA):**

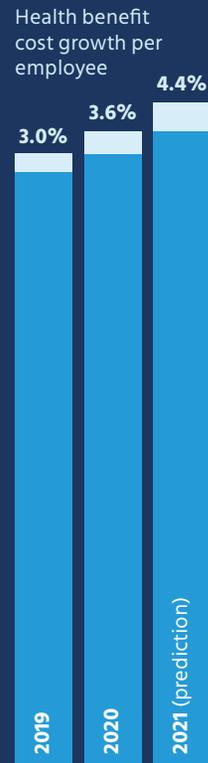
The rate of increase has tempered slightly in 2020. We are seeing a combination of factors at play including increased demand for care post-lockdown as deferred elective and non-emergency care backlog is caught up. In the Middle East we are seeing some part of the region absorbing COVID-19 specific claims due to changes in government policy on which plans should act as first payer, and also the increase in utilization of mental health benefits. In Africa, we expect to see ongoing deferred elective procedures, the increased utilization of virtual care and greater use of restricted provider networks.

## US Health Update

In the US, Mercer conducts a comprehensive employer survey, the National Survey of Employer-Sponsored Health Plans, which asks employers for their actual health benefit cost per employee for the current and prior year, and to provide an estimated change in cost for the upcoming year – both for the current plan design (“before changes”) and the change they expect to achieve after making any planned changes.

Cost growth has been relatively stable for the past eight years in the US. In 2019, employers experienced an actual cost increase of 3.0%, to reach \$13,046 per employee. They expected cost would rise by a similar amount – 3.6% -- in 2020. However, given the disruption in health care utilization this year, it’s not yet clear how self-funded employers will end up relative to their health care budgets for 2020. In responses from the first 1,100 employers to respond to the 2020 survey, collected in July and August, employers predicted an increase of 4.4% for 2021. Self-funded employers were asked to compare cost to adjusted 2020 cost, if available, or, if not, to their originally budgeted 2020 cost.

It’s important to keep in mind that there are many unknowns facing employer plan sponsors in 2021. In particular, assumptions about COVID-19-related costs (including for possible vaccines) and delayed or cancelled care are driving wide variations in predictions for next year.



**Chart 1.**

**Based on your block of group or overall medical insurance business, what actual medical trend rate did you experience in 2019? What actual medical trend rate are you projecting for 2020?**

(Regional answers. See Appendix A for country answers)

All aspects of healthcare, including hospitalization, outpatient, medications, maternity and vision, can be included in your assessment but where possible, please exclude dental. The trend rate should account for per person increases in cost due to medical inflation, changes in utilization patterns and other factors like changes in government regulation.

Again, we expect that when this research was fielded, there was likely optimism around a strong “return to care” and hence more normal claim utilization in the second half of 2020. Sadly, this may not be the reality for many. For example, while for France an estimate of 2.4% has been provided (as outlined in Appendix A), claims from July and August suggest an even lower figure. Similarly for Spain, a 2020 trend of 2.0% was estimated when the survey was fielded but as part of our ongoing analysis and dialogue with insurers, we continue to see claim amounts that are about 5% lower than last year. We expect some insurers may also be applying an additional sentiment of conservatism given anxiety around higher capital requirements and lower investment returns.

Region	2019 Medical Trend Rate Experienced <sup>1</sup>	2019 estimated inflation rate <sup>2</sup>	2020 Projected Medical Trend Rate <sup>1</sup>	2020 forecast inflation rate <sup>2</sup>
Global <sup>3</sup>	9.7%	3.4%	9.5%	2.6%
Canada	6.9%	1.9%	2.5%	0.6%
Asia	10.2%	1.9%	10.7%	1.4%
Pacific	4.6%	1.6%	4.5%	1.3%
Europe	8.0%	2.6%	7.5%	1.6%
LATAM	13.4%	8.1%	13.4%	6.6%
MEA	11.1%	3.0%	10.9%	2.9%

<sup>1</sup> Important notes: The above medical trend rates reflect insurer survey results with some adjustments to address variation of views. They may not be MMB’s view. This material is being provided for your information only and should not be relied upon as a representation of expected medical trends or used as the sole data point for anticipating medical trends. In addition to variations that can be expected based on the scope and timing of the information provided, there are significant differences in how COVID-19 will affect medical inflation locally, regionally and globally. See Appendix A for further details.

<sup>2</sup> Sources for inflation rates include:

- For all countries unless otherwise noted: International Monetary Fund, World Economic Outlook Database, April 2020.
- For Latin America: Mercer’s Latin America Economic Trends, July 2020.

<sup>3</sup> Average of 59 countries.

## Looking ahead to 2021

Almost two-thirds of insurers globally expect medical trend rates to be higher in 2021 than 2020 (as shown in Chart 2 on the next page) and we agree that this is a realistic scenario.

We expect there are a number of factors going into this prediction:

- **Rebound in elective diagnostics and treatments.** As discussed in the 2020 predictions, we expect to see a further rebound in some elective treatments when it is safe to resume these procedures in 2021. On the other hand, some elective procedures that were postponed will never be rescheduled as people end up taking a different non-surgical course and ideally recover from their ailment or use lower cost of care virtual services.
- **Delays leading to greater need for care.** Delays in treatment for serious conditions, such as cancer, and exacerbation of other chronic conditions, like diabetes, may require more invasive and expensive care.
- **New claims linked to remote working.** We expect a higher incidence of conditions relating to remote working and sedentary lifestyle, including musculoskeletal and mental health issues.
- **COVID-19 specific claims.** 68% of insurers expect there to be a claims increase due to the cost of COVID-19-related diagnostics, care and treatment.
- **Ongoing COVID-19 concerns.** The long-term physical and mental health effects on survivors of COVID-19 are largely unknown.
- **Greater usage of local private systems.** More treatments (including those related to COVID-19) are being assumed by private systems as the public system, which often already lacked capacity pre-COVID-19, has been overwhelmed with the pandemic. Similarly, in geographies where people previously went overseas for care, they are now turning to care locally, further driving up demand.
- **Increases to unit prices.** Prices for a wide range of services are increasing as demand increases and/or to offset revenue lost due to COVID-19.
  - Our study showed that 68% of insurers expect costs will rise in 2021 because of health providers charging more to offset revenue lost due to COVID-19 (64% of insurers also expect to see a cost increase in 2020 for this reason).
  - If private treatment facilities like hospitals are asked to reserve some capacity to help address future COVID-19 outbreaks, this will inevitably increase the cost of services that can be performed.
- **New PPE costs.** The unit cost of care is also being driven up by the cost of personal protective equipment, which is being added to many treatment bills.
- **Exchange rate depreciation.** This is making care more expensive in countries where supplies are largely imported.



These claim specific factors will all influence how medical premium rates are calculated. Other inputs to premium rates, such as lower interest rates and investment returns, may also have an unfavorable impact on premium rates. Changes to the risk profile of the group, for example due to layoffs and headcount reduction, will also impact premium rates. For 2021, 47% of insurers expect there to be a factor for such an adjustment, most often in the 3%–5% range, for this reason. The figure is similar for 2020 (45% of insurers).

Another item to note is how COVID-19 is impacting workers' compensation plans, sometimes resulting in a double exposure for employers and additional complexity. For example, some countries in Latin America have issued regulations to recognize COVID-19 as a work related condition, when it is transmitted at the workplace, with medical expenses covered under the workers' compensation plan. However, the situation in other countries is that medical plans will cover COVID-19 cases, regardless of whether they are work related.

## Chart 2.

Do you expect the 2021 medical trend rate figure will be higher, lower, or the same?

Region	% of insurers who think 2021 trend will be higher than 2020	% of insurers who think 2021 trend will be the same as 2020	% of insurers who think 2021 trend will be lower than 2020
Global	63%	27%	10%
Asia	58%	28%	14%
Europe	65%	29%	6%
LATAM	65%	25%	10%
MEA	71%	21%	7%

In Appendix B, MMB has provided some country predictions for 2021 for 12 major markets.

Ongoing cost pressures coupled with uncertainty are creating a challenging environment — with employers choosing not to target benefit cuts in an environment where health programs are more valued than ever, cost control must be managed in a new way.



## 2. Cost control delivers value and manages risk

### The three main elements of a cost containment strategy

Globally, sponsors have tried to manage costs, often in conjunction with the annual renewal of insured benefits. However, while modest year-to-year changes are important for keeping plans within budget, they will not make a long-term impact on cost growth.

Benefit costs are highly complex, driven by such issues as changing lifestyles and demographics leading to chronic illness, advancing medical technologies and a lack of regulation and mechanisms to control practices such as referral-for-profit that lead to unnecessary diagnostics and hospital stays. The three main elements of a cost containment strategy are:

### 3 elements of a truly effective health and benefit cost containment strategy:



## Element 1: Design for value: through coverage provisions, network configuration and engagement

Actively managing plan designs is crucial to contain costs. If plans do not provide meaningful coverage or encourage the right health behaviors, both employers and employees lose out.

### Some key findings from this year's research:

- With respect to virtual health consultations/telemedicine, we saw an increase in the percentage of insurers stating, "This is an active part of our current plan management approach," from **38% in 2019** to **59% in 2020**. Overall, we were pleased with how many insurers were agile in this space at the start of COVID-19; some of this may be related to regulatory changes to allow and encourage virtual care.



- We saw less adoption in preferred/narrow provider networks (in **2019 68%** said, "This was an active part of our current plan management approach" versus **61% in 2020**)...



...but a greater use of centers of excellence (**35% in 2019** increasing to **43% in 2020**).



We actively promote the use of narrow networks and centers of excellence when these enhance healthcare quality and reduce wastage.

We also urge employers to invest in low-cost healthcare services with proven long-term value that can prevent escalation to crisis care. Ensuring people have access to basic medication, screening and other forms of preventive and primary care can reduce crisis care outcomes and costs. We were encouraged in this year's findings that 55% of insurers utilize preventive health initiatives, such as coverage for screening, as an active part of their current plan management approach, with an additional 20% indicating they are experimenting and/or have developed plans to initiate this within the next 24 months.



## Element 2: Managing health risk: through a data driven approach that promotes a healthy workforce

Understanding and managing the health risks of your plan members, through data-driven initiatives and personalized support focused on changing behavior, can enhance outcomes and make your plans more sustainable in the end. A wellbeing strategy that addresses physical, mental, social and financial health, all critically important in a COVID-19 era, can also lead to a more engaged and productive workforce with a favorable impact to the employer’s bottom line.

The following are some findings from this year’s research, as shown in Chart 3:



The top three health risks facing insurers continue to be metabolic and cardiovascular risk, occupational risk, and dietary risk, all of which are inextricably linked.



Emotional/mental issues are as much of a risk as smoking. The study showed that there was a far higher emotional/mental risk in Europe and Latin America, including alcohol and drug abuse, than in other regions.



Childhood and maternal undernutrition was a top risk in the MEA region, and it is an area in which businesses have a great opportunity to make a meaningful health impact on the region.



Traffic, violence and safety was a considerable concern in Latin America, which we would expect to exacerbate mental health issues.

**Chart 3.**

**On a scale of 1 to 5, with 5 being the most significant, how much do the following risk factors influence employer-sponsored group medical costs?**



### Element 3: Seizing opportunities for efficiencies through smart financing and placement

Managing financial wastage is a critical component of cost containment as insurance premiums can involve components that have no value, such as risk charges for predictable expenses. In addition, there are many ways to obtain economies of scale in your program: strategies here include multi-year premium commitments, adoption of regional/global purchasing approaches, full or partial self-insurance (including the use of captives) and automation of administrative activities like eligibility management.

We have been pleased with the flexibility provided by insurers to help employers address cash-flow issues that arose during COVID-19. Our findings show that insurers adopted a number of commercial approaches in response to client concerns (see chart 4).

The lower prevalence of premium reductions/credits/refunds due to COVID-19 in Latin America is not surprising given the COVID-19 claims impact described above and the need for a more conservative approach. We are finding that parties are actively monitoring 2020 loss ratios as 2021 premiums are set and are starting to see financing terms that include mutually agreeable provisions to adjust premiums mid-year depending on certain 2021 claim thresholds being met.

**Chart 4.**

**What premium payment flexibility options are you currently offering to group benefit clients?**  
(Respondents could select more than one option)

	Global	Asia	Europe	LATAM	MEA
Premium reductions/credits/refunds due to reduced claims	53%	61%	59%	23%	52%
Grace period extensions	58%	65%	47%	66%	60%
Holds on cancellations due to non-payment of premiums	40%	43%	41%	20%	52%
Special coverage reinstatement provisions post coverage lapse	18%	19%	15%	17%	16%
Premium payment deferral	47%	43%	56%	43%	36%
Reduction to late premium penalties	18%	20%	18%	11%	20%

## A watershed moment

Despite the uncertainty, COVID-19 will be a watershed moment for all involved in public and private systems, including employers, insurers and governments. Many new ways of working have emerged including care delivery and closer dialogue with employees regarding their needs and concerns. Changes to public systems as they reinvent and try to do more with less will have further implications on employer-sponsored plans.

Organizations that can adapt when faced with a crisis tend to weather the storm more successfully and create situations in which they can thrive. The current pandemic is no different. Benefits managers will need to be agile as they drive to a more sustainable future. That means planning for volatility and the potential need for more budget if claims spike early in 2021.

To bend the cost trend, companies should consider multi-pronged and multi-year strategies that try to address the following three main elements of a cost containment strategy simultaneously: designing for value; managing health risk; and driving efficiency. However, successfully keeping costs under control requires planning for different scenarios, such as a claims spike. To get ahead of such a spike, firms may wish to introduce levers now: for example, substituting spending accounts for planned expenses like dental checkups under open-ended plans.

The current crisis has also highlighted the fragility of many employers' existing employee benefits systems, many of which were not designed to be accessed or managed remotely. Employers without future-ready digital solutions will find it increasingly difficult to cope with the demands of a global workforce — they need platforms that are more flexible, more adaptable and more resilient.



### 3. Benefits race toward “true” benefits

#### A modern concept of value

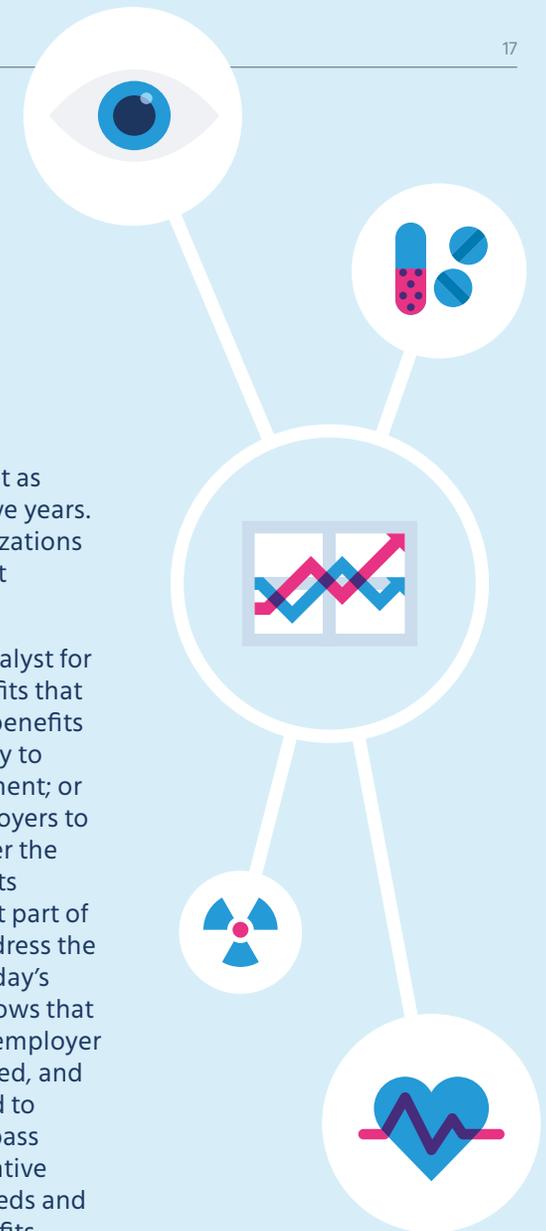
As medical costs rise and the potential for a deep recession looms, businesses will be more focused on value for money.

In the previous section, we discussed the importance of designing for value and ensuring access to basic medications, screening and other forms of preventive and primary care to reduce crisis care outcomes and costs. To this end, we encourage employers to review our [“Driving Healthcare Quality through Smart Benefit Design”](#) paper that touches on the importance of eliminating services that have little clinical value and may actually cause harm. Healthcare quality is about delivering the right care at the right time in the right setting. To improve outcomes and control cost, employers can seek ways to help employees decide if they can seek medical help over the phone or online rather than a more formal care setting to maximize clinical and financial outcomes. For example, should an individual go to the emergency room, visit a center of excellence offering good-quality, cost-effective care or go to another local provider?

From a broader benefits perspective, value means ensuring money is spent on resources that improve health, productivity and employee engagement. Our [“Health on Demand”](#) research released in February 2020 showed that

95% of corporate decision-makers expected to invest as much or more in health and wellbeing in the next five years. This is good news, but it is sustainable only if organizations are laser-focused on the benefits that make the most difference and deliver value for the business.

We believe that the COVID-19 pandemic will be a catalyst for fundamental changes in how we think about “benefits that truly benefit.” Approaches to employee health and benefits that have worked in the past, like aligning exclusively to market practice, may not apply in this new environment; or it could be that cost-containment may require employers to ensure they are investing only in benefits that deliver the expected value. Traditional insurance-based products provide a critically important foundation but are just part of the solution. It will take multiple stakeholders to address the plethora of health and wellbeing issues that face today’s organizations and their workforces. Our research shows that the more varied health and wellbeing resources an employer offers, the more workers feel energized and supported, and the less likely they are to leave.<sup>2</sup> Businesses will need to explore a more holistic set of programs that encompass digital benefits, mental health initiatives and preventive care. Listening to employees to understand their needs and expectations, as well as designing data-driven benefits programs as a result of that listening, will be key. This in turn may lead to disruption as firms seek partners that can offer cutting-edge, innovative solutions that are future fit.



<sup>2</sup> Source: Health on Demand.

Note that our Darwin tech report found that 62% of organizations would 'highly value' a benefit provider that had seamless and real-time integrations with a benefits administration system and would pay more for a provider with this capability.<sup>3</sup> We encourage employers to think about what digital front door to various benefit offerings is best suited to create a convenient experience for employees.

Beyond meeting the unique personal needs of the workforce, benefits programs must address people risks to the organization, including the threats posed to a business if the physical, emotional, social and financial health of its workforce is compromised. Safety was already the principal reason senior decision-makers invested in health and wellbeing programs prior to the pandemic.<sup>4</sup> In the COVID-19 era, this is more important than ever. Employers must rise to the challenge of sharing with governments their responsibility for keeping the workforce healthy, fit, present and resilient.



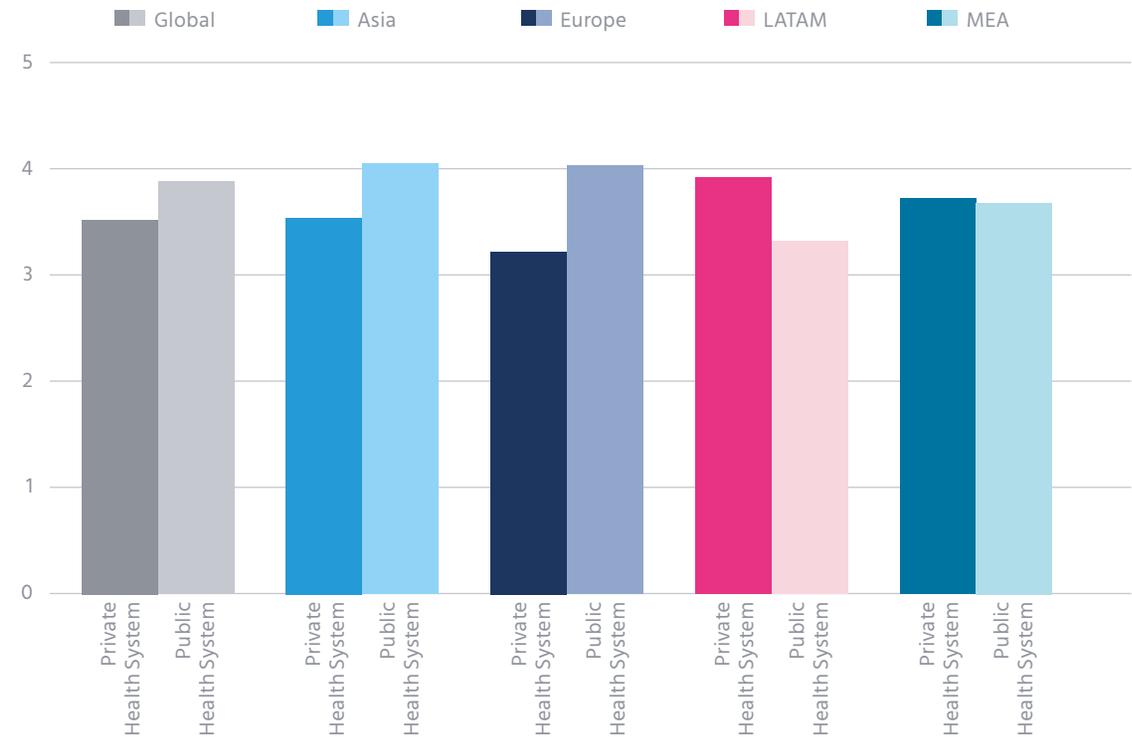
<sup>3</sup> Source: New age of agility: flexible, adaptable and resilient benefits.

<sup>4</sup> Source: Health on Demand.

## Public and private sector involvement in workforce health

From the perspective of surveyed insurers, employers play a material role in workforce health, beyond providing basic benefits. This reality must be acknowledged and (ideally) embraced. From the surveyed perspective of insurers, public health systems' effectiveness in managing the spread of COVID-19 was mixed (see Chart 5).

**Chart 5.** On a scale of 1 (least effective) to 5 (most effective), how effective have public and private health systems in your country been in providing the needed prevention, diagnostics and treatment of COVID-19?



In regions such as Asia and Europe, insurers felt that governments did a good job at controlling the virus and rated public health initiatives highly. Because those regions had strong public health responses, there was less reliance on private systems. Many multinationals received a crash course in the need to fill healthcare gaps in Latin America, the Middle East and Africa, where the insurers rated the private health system as more effective.

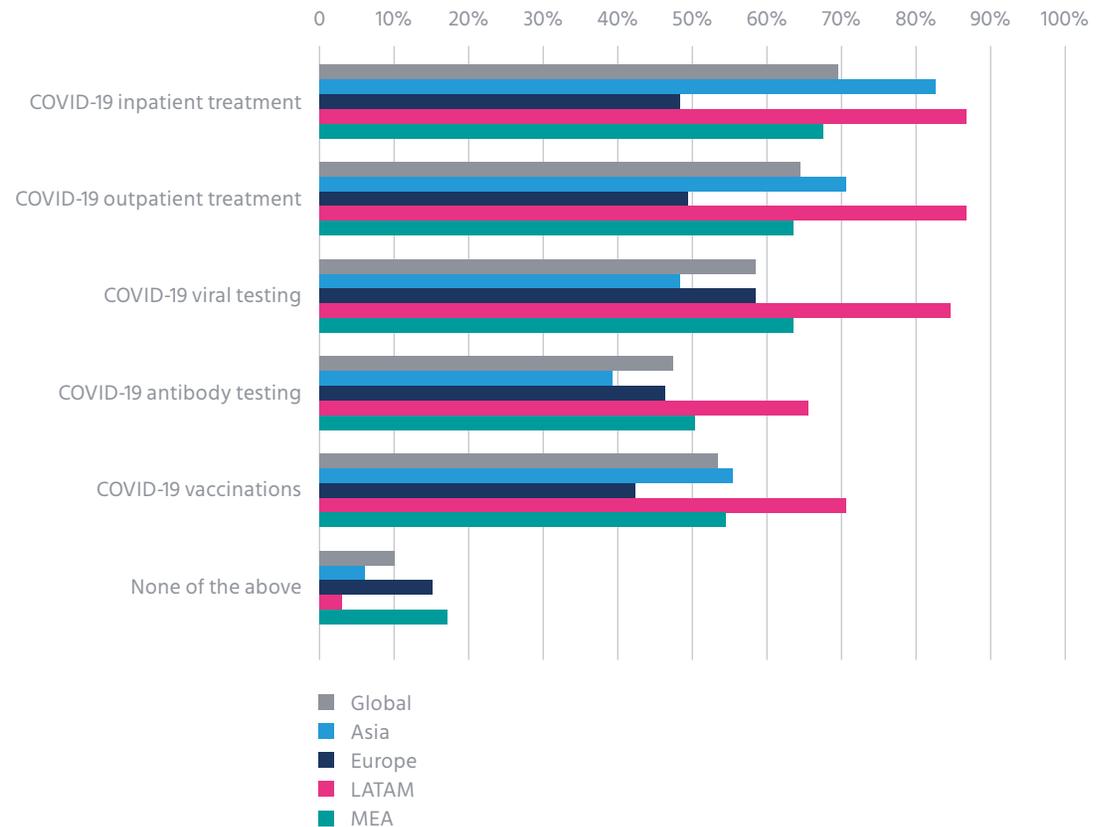
Going forward, to create benefits that truly benefit, employers will continue to have an important role to play in providing people with the health services they need. In many parts of the world, the combination of government plus employer-sponsored health programs is still grossly insufficient, particularly for lower-paid workers who often receive the fewest benefits despite needing them the most. Business leaders must decide whether they will move on from a long-held position of providing market-practice benefits and take a stand to enhance health and quality of life for society as a whole, inclusive of direct benefits to their bottom line.

Once they are available, COVID-19 vaccines will also raise many practical and ethical issues regarding access, distribution, cost and coverage, and further highlight existing health inequities. Our research showed that insurers in Western Europe are more confident that they will not need to provide coverage for vaccinations (likely assuming the government will provide those), whereas in Eastern Europe insurers expect the private system will need to play a greater role.

**Chart 6.**

**For 2021, assuming availability, do you expect your typical group medical insurance plan to cover the following:**

(Respondents could select more than one option)



## The importance of digital health

There is optimism, however, that digital health innovations will open up health access, affordability and quality. During periods of lockdown, many people experienced first-hand the value of remote care options as a way to avoid the risk of exposure and ease the burden of local health services struggling to cope with the virus. In our [Health on Demand](#) survey, 40% of workers stated they are less likely to change jobs if their employer promotes or sponsors digital health solutions. Pre-COVID-19, 68% of employers said that they were likely to invest more in digital health in the next five years and 57% said they believe digital health solutions will aid in staff retention.

Our [Health on Demand](#) research already showed that employers and employees alike were keen to adopt digital healthcare initiatives. Around 40% of workers and half of employers said they were open to different types of telemedicine and virtual interventions. Now, COVID-19 and subsequent lockdowns have made virtual care a necessity rather than a “nice-to-have.”

In our post-COVID-19 survey of insurers, telemedicine for health issues is now covered by half to two-thirds of the insurers. However, virtual mental health counseling is still not widespread, with two-thirds of insurers not offering it globally (see Chart 7).

**Chart 7.**

**Digital health innovations featured in the [Health on Demand](#) research, and the percentage of insurers that offer these innovations globally.**

Health innovation	Percent of workers globally pre-pandemic that found this health innovation highly or extremely valuable	Percent of employers globally pre-pandemic that found this health innovation highly or extremely valuable	Insurers covering this health innovation globally	
Tele-medicine (remote video-chat, text with a doctor or nurse) for a simple health issue like a rash or a cold	42%	53%	Typically covered / offered	60%
			Not covered / offered but considering	34%
			Not covered / offered and not considering	6%
Tele-medicine (remote video-chat, text with a doctor or nurse) for a significant health issue like diabetes	42%	51%	Typically covered / offered	51%
			Not covered / offered but considering	38%
			Not covered / offered and not considering	11%
Virtual mental health counseling via video chat to address issues like anxiety, stress, mild depression	41%	48%	Typically covered / offered	36%
			Not covered / offered but considering	43%
			Not covered / offered and not considering	21%

Our [Health on Demand](#) research also showed the top five health innovations valued by employees and their families (see Chart 8). These are more important than ever in today’s post-COVID-19, virtual-first world.

However, not all insurers are providing these digital resources. While around half of insurers globally provide “an app that helps individuals find the right doctor or medical care when and where they need it,” the other four resources are provided by less than half of the insurers surveyed. While many are considering offering them, the demand is here and now and hence other third party vendors may be needed to deliver these services if relevant.

**Chart 8.**  
**Top 5 health innovations that workers & employers found valuable in the [Health on Demand](#) research, and the percentage of insurers that offer these innovations globally.**

Health innovation	Percent of workers globally pre-pandemic that found this health innovation highly or extremely valuable	Percent of employers globally pre-pandemic that found this health innovation highly or extremely valuable	Insurers covering this health innovation globally	
An app that helps me find the right doctor or medical care when and where I need it	51%	60%	Typically covered / offered	49%
			Not covered / offered but considering	35%
			Not covered / offered and not considering	15%
An app that helps me find an expert doctor based on my diagnosis anywhere in the world	49%	57%	Typically covered / offered	15%
			Not covered / offered but considering	38%
			Not covered / offered and not considering	47%
Personal individual and family medical records that are electronic and portable	47%	55%	Typically covered / offered	24%
			Not covered / offered but considering	41%
			Not covered / offered and not considering	34%
Self-managing health conditions using wearable technology, e.g. diabetes, heart failure	45%	53%	Typically covered / offered	11%
			Not covered / offered but considering	48%
			Not covered / offered and not considering	41%
Self-managing wellbeing using wearable technology, e.g., fitness, sleep, blood pressure, diet, fertility	43%	52%	Typically covered / offered	13%
			Not covered / offered but considering	51%
			Not covered / offered and not considering	36%

## The digital experience really matters

The normalization of on-demand services means that digital health solutions will play a growing role in delivering the personalized and convenient experiences they have come to expect from top social media, consumer health and gaming applications. Fun, social, gamified community-building experiences will be even more important as more people work remotely. Most employers (81%) rank “achieving a globally consistent employee experience” as a “high priority.”<sup>5</sup>

Employers looking to build a workplace culture of engagement, especially those with remote, onsite and blended workforces, should not only consider offering digital health investments, but also how these investments are delivered to employee populations. They should consider bringing digital health investments together using a social experience that builds trust and makes health fun, or they risk being outperformed by their competitors.



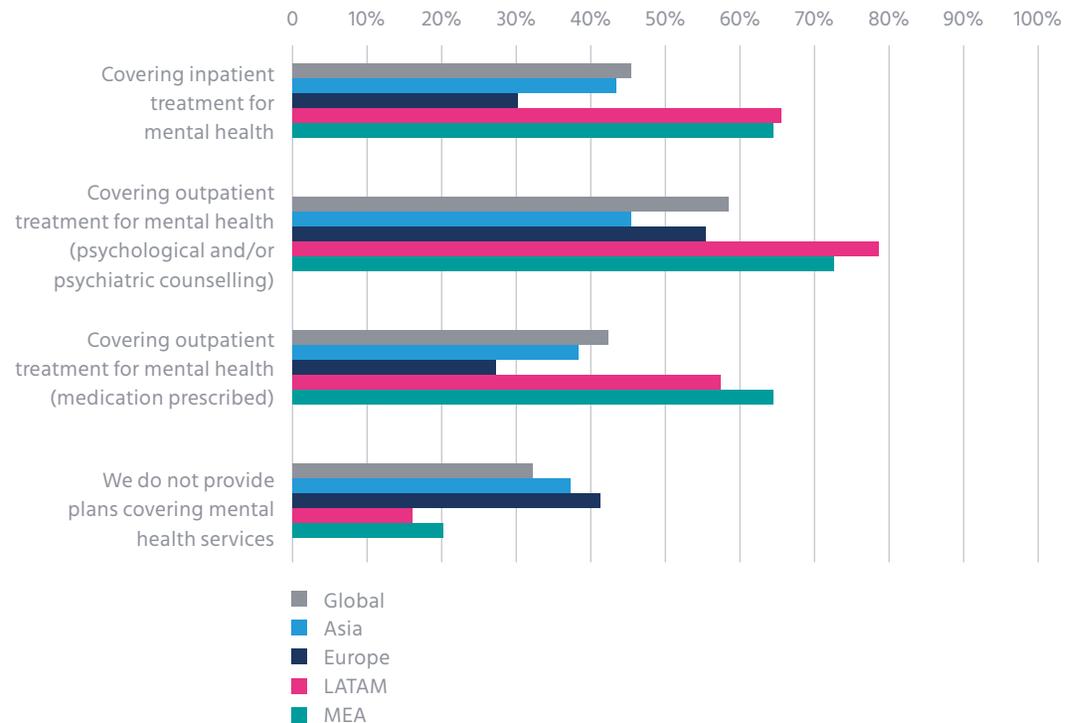
<sup>5</sup> Source: New age of agility: flexible, adaptable and resilient benefits.

## The importance of mental health

The mental health issues that have arisen or been exacerbated during the pandemic are leading employers to think about value more strategically. In the past, it may have seemed sufficient to simply have an Employee Assistance Program (EAP) or meet “healthy workplace” statutory requirements. The current crisis has more clearly exposed the dangers of isolation and how difficult the dual role of caregiver and breadwinner can be. According to one recent study conducted in the US, findings suggest that prevalence of depression symptoms has been more than three-fold higher during COVID-19 compared with before the pandemic<sup>6</sup>. We do not expect that the end of the pandemic will reduce the need for mental health support; in fact, it may worsen as people experience post-traumatic stress disorders and long-term effects of substance abuse. Employers may have the best intentions, but in many cases, their efforts to support employees have fallen short. While 71% of senior decision-makers in our global *Health on Demand* survey believed their company cared “mostly” or “a great deal,” about employee health and wellbeing, only 50% of the workers surveyed felt the same. More HR teams are now seeking programs that help people care for dependents, deal with isolation and protect their mental health. However, our research showed that 32% of insurers do not provide plans covering mental health services.

**Chart 9.**

**What are you doing to provide access to mental health prevention, management and treatment as part of your insured medical plans?**  
(Respondents could select more than one option)



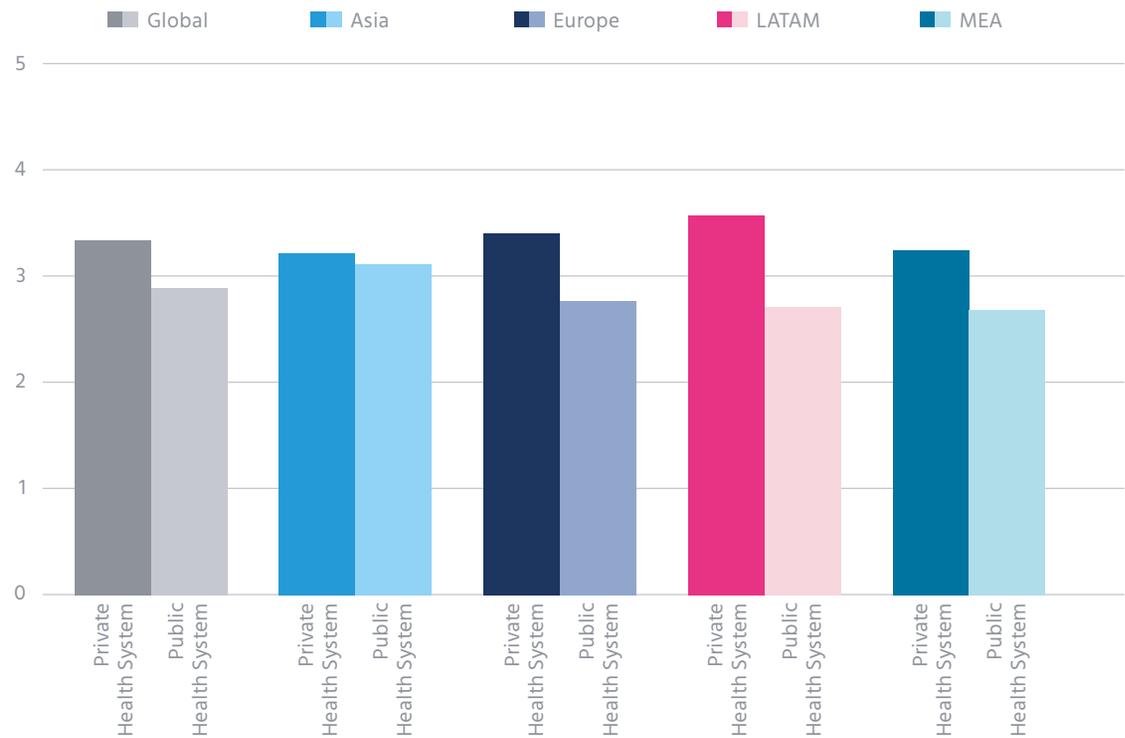
<sup>6</sup> Ettman, C. K., Abdalla, S. M., Cohen, G. H., Sampson, L., Vivier, P. M., & Galea, S. (2020). Prevalence of depression symptoms in US adults before and during the COVID-19 pandemic. *JAMA network open*, 3(9), e2019686-e2019686.

Employers have also realized that including mental health coverage in a plan may not actually translate to adequate mental healthcare for employees. Drilling down into the details reveals significant gaps, particularly if care access does not include digital solutions. For example, in Latin America our view is that even if there is some coverage in the plan as noted in chart nine, it is still insufficient. We encourage employers to consider enhancing mental health coverage within a broader mental health strategy. In addition to adequate care, an overarching strategy should consider items like removal of stigma, consistent mental health policies and training for supervisors and employees.

We are encouraging HR and benefits directors to question whether they are paying for a benefit of value, or just window dressing. Access to mental healthcare is critical for a healthy and productive workforce. Again, the public system cannot be universally relied upon to address mental health. In fact, the private system may be better in many cases based on insurer feedback (see Chart 10).

**Chart 10.**

**On a scale of 1 (least effective) to 5 (most effective), how effective have public and private health systems in your country been in providing the needed prevention, diagnostics and treatment of mental health disorders?**



## 4. A challenging world requires a challenger mindset

### Developing a health culture and providing holistic benefits

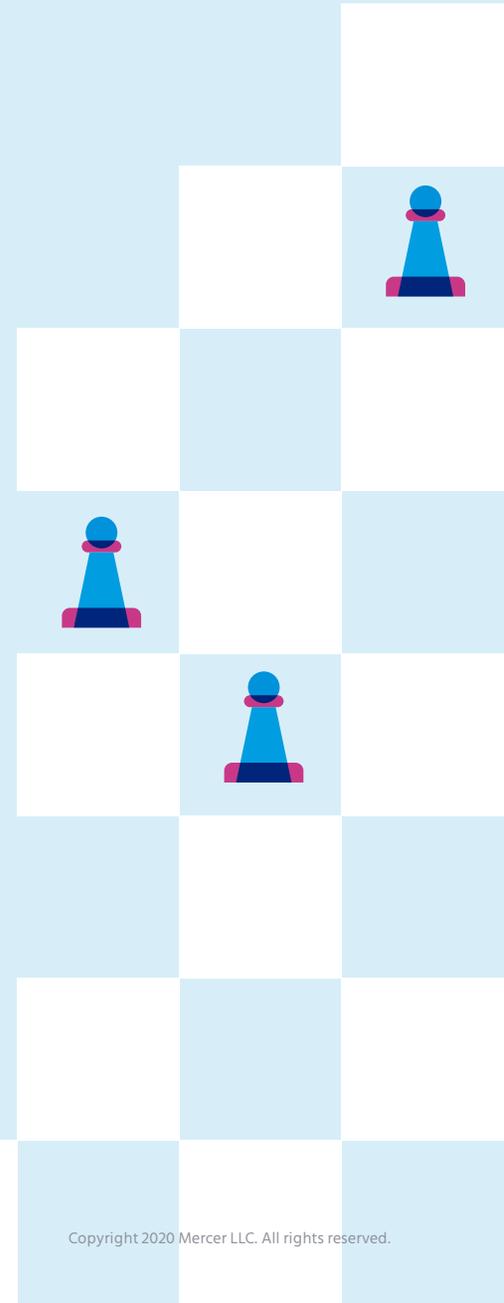
As we hope is clear by now, it is our firmly held view that creating a well-rounded health program is about more than buying insurance. To create “benefits that truly benefit,” employers must work to create a culture of health: according to Health on Demand, when asked “What could your employer do to help workers better engage with their health and well-being” the top response given by both workers and employers was to “create a more favorable work environment for health”.

That will require not only leveraging high-value insurance solutions, but also working with other ecosystem partners. This may lead to significant disruption as employers seek providers that offer mental health solutions, preventive care, social engagement, digital services, caregiving, and supervisor training — the list goes on!

Businesses need to be bold and willing to push boundaries beyond market practice. They must challenge providers to offer modern, digital solutions that will simultaneously improve the health and wellbeing of the workforce, while also keeping costs under control.

Executives are swiftly adopting future-of-work strategies to compete and stay relevant, while coping with an economic downturn. These strategies will speed up the changes we are seeing in how we trade goods and services, operate our businesses and connect with one another. Healthcare plans and initiatives will have to adapt accordingly.

The good news is that necessity leads to invention and, as a result, we are on the cusp of finding new ways to work, live and care for each other. We are being challenged to rethink our collective and individual responsibilities to one another, to the institutions we work for, and to the societies and environments we live in.



## Addressing health inequities

A key message in our diversity, equity and inclusion point of view is that employers are significant influencers of societal norms. They play a pivotal role in remaking our society into a more fair and equitable place where people can thrive. Inclusive benefits address the gaps and disparities in healthcare, wellbeing, and financial protection for minorities and underrepresented groups. We continue to see more interest from employers in building programs that provide equal access, opportunities, and development for every employee within the organization.

Few employers will have copious resources and organization-wide leadership commitment to modernize plans overnight. For example, while some progressive multinationals have begun to address social drivers of health (social conditions responsible for most health inequities — factors like access to education, housing and transportation as well as ethno, racial and cultural considerations), meaningful progress in broadening benefits and addressing inequities will require the combined and concerted efforts of employers, healthcare providers and the insurance industry.

Smaller, incremental steps addressing areas like women's care, tailoring LGBTQ benefits and ensuring advanced care for people with disabilities can lead to long-term impact. For example, we are seeing some employers question the extent to which care management activities lend assistance to those in need or address barriers that result from health networks that are insufficiently diverse based on the diversity of the covered population. If there is a broader health and insurance industry commitment, along with employer buy-in, to offering benefits that truly benefit, we expect that a more equitable global healthcare system will emerge.



## Conclusion

We expect to see medical cost growth in 2020, even if the rate of growth is moderately tempered by avoidance of care during the COVID-19 pandemic. Given the longer-term underlying trend, cost will bounce back in 2021 as plan members resume seeking the care they need and elective treatments they may have delayed.

Ultimately, our future healthcare strategies must address not only rising costs, but also plan members with higher expectations and a changing insurance industry landscape. Disruption and digital transformation are sweeping the insurance and healthcare systems, from digital startups to big data and supply chain integration. COVID-19 has accelerated this change with telemedicine becoming a necessity rather than a nice-to-have. The opportunity has never been greater: disruption provides an opening to reflect, reset, and reinvigorate. Now is the time for reinvention and for employers to consider bold new measures to deliver maximum value. This must be done in a way that balances expenditure concerns with empathy and employee engagement.

MMB can help you develop a multi-pronged strategy to protect your employees — and your bottom line. Clearly, the future of work demands healthy, focused employees, and as medical costs continue to rise, we believe employers have an important opportunity to embrace innovative services that focus on mental health, virtual care and social engagement. This will require both understanding what your workforce wants — and which partners can help you deliver.



# Appendices



# Appendix A

## Medical Trend around the World, 2019/2020

### Chart 12.

Based on your block of group or overall medical insurance business, what actual medical trend rate did you experience in 2019? What actual medical trend rate are you projecting for 2020?

All aspects of health care including hospitalization, outpatient, medications, maternity, vision can be included in your assessment but where possible, please exclude dental. The trend rate should account for per person increases in cost due to medical inflation, changes in utilization patterns and other factors like changes in government regulation.

Country / Region	2019 Medical Trend Rate Experienced <sup>1</sup>	2019 estimated inflation rate <sup>2</sup>	2020 Projected Medical Trend Rate <sup>1</sup>	2020 forecast inflation rate <sup>2</sup>
<b>Global<sup>3</sup></b>	9.7%	3.4%	9.5%	2.6%
<b>North America</b>	6.9%	1.9%	2.5%	0.6%
Canada	6.9%	1.9%	2.5%	0.6%
<b>Asia</b>	10.2%	1.9%	10.7%	1.4%
China	10.1%	2.9%	9.8%	3.0%
Hong Kong	7.9%	2.9%	9.0%	2.0%
India	9.5%	4.5%	11.5%	3.3%
Indonesia	11.1%	2.8%	13.8%	2.9%
Malaysia	13.8%	0.7%	13.5%	0.1%
Philippines	9.3%	2.5%	10.1%	1.7%
Singapore	10.0%	0.6%	9.5%	-0.2%
South Korea	8.0%	0.4%	10.0%	0.3%
Taiwan	11.4%	0.5%	9.6%	0.5%
Thailand	8.6%	0.7%	9.2%	-1.1%
Vietnam	12.0%	2.8%	12.0%	3.2%
<b>Pacific</b>	4.6%	1.6%	4.5%	1.3%
Australia	3.3%	1.6%	2.9%	1.4%
New Zealand	6.0%	1.6%	6.0%	1.2%
<b>Europe</b>	8.0%	2.6%	7.5%	1.6%
Azerbaijan	10.0%	2.6%	7.0%	3.3%
Belgium	2.0%	1.2%	2.5%	0.3%
Bulgaria	15.0%	2.5%	12.5%	1.0%
Cyprus	0.6%	0.6%	1.5%	0.7%
Denmark	3.1%	0.7%	3.0%	0.7%
France	4.0%	1.3%	2.4%	0.3%
Greece	4.3%	0.5%	4.7%	-0.5%
Hungary	13.8%	3.4%	14.0%	3.3%

Country / Region	2019 Medical Trend Rate Experienced <sup>1</sup>	2019 estimated inflation rate <sup>2</sup>	2020 Projected Medical Trend Rate <sup>1</sup>	2020 forecast inflation rate <sup>2</sup>
Ireland	4.5%	0.9%	4.5%	0.4%
Italy	5.5%	0.6%	7.0%	0.2%
Latvia	11.7%	2.7%	8.3%	-0.3%
Lithuania	12.5%	2.2%	10.0%	-0.3%
Luxembourg	2.0%	1.7%	3.0%	0.7%
Netherlands	5.2%	2.7%	5.5%	0.5%
Norway	8.0%	2.2%	8.0%	2.4%
Poland	10.1%	2.3%	9.0%	3.2%
Portugal	1.5%	0.3%	2.0%	-0.2%
Romania	18.2%	3.8%	18.4%	2.2%
Russia	8.0%	4.5%	10.0%	3.1%
Serbia	7.0%	1.9%	13.5%	1.4%
Spain	5.1%	0.7%	4.2%	-0.3%
Sweden	3.5%	1.7%	4.0%	0.5%
Turkey	25.0%	15.2%	16.5%	12.0%
Ukraine	11.7%	7.9%	12.0%	4.5%
United Kingdom	7.1%	1.8%	4.0%	1.2%
<b>MEA</b>	<b>11.1%</b>	<b>3.0%</b>	<b>10.9%</b>	<b>2.9%</b>
Bahrain	6.0%	1.0%	6.5%	2.6%
Egypt	18.0%	13.9%	15.0%	5.9%
Morocco	2.0%	0.0%	2.5%	0.3%
Mozambique	10.0%	2.8%	10.0%	5.2%
Nigeria	17.0%	11.4%	18.5%	13.4%
Oman	19.5%	0.1%	20.0%	1.0%
Qatar	11.6%	-0.6%	10.0%	-1.2%
Saudi Arabia	7.0%	-1.2%	5.0%	0.9%
South Africa	8.3%	4.1%	9.0%	2.4%
United Arab Emirates	12.0%	-1.9%	12.5%	-1.0%

**<sup>1</sup>Important Notices**

The above medical trend rates reflect insurer survey results and may not be MMB's view.

You accept this document on the understanding and agreement that it does not form the basis of any contract, and Mercer and Marsh shall have no liability in respect of any reliance on, or decisions based on, the content of this document.

**<sup>2</sup>Sources for inflation rates include:**

- For all countries unless otherwise noted: International Monetary Fund, World Economic Outlook Database, April 2020
- For Latin America: Mercer's Latin America Economic Trends, July 2020

**<sup>3</sup>Average of 59 countries**

Country / Region	2019 Medical Trend Rate Experienced <sup>1</sup>	2019 estimated inflation rate <sup>2</sup>	2020 Projected Medical Trend Rate <sup>1</sup>	2020 forecast inflation rate <sup>2</sup>
<b>LATAM</b>	<b>13.4%</b>	<b>8.1%</b>	<b>13.4%</b>	<b>6.6%</b>
Argentina	53.5%	53.8%	55.7%	42.2%
Brazil	13.6%	3.4%	11.5%	1.9%
Chile	6.0%	2.3%	4.5%	2.7%
Colombia	7.3%	3.6%	6.5%	3.3%
Dominican Republic	10.3%	3.7%	11.0%	2.0%
Mexico	12.0%	2.9%	13.0%	3.3%
Panama	6.9%	-0.4%	7.6%	0.4%
Peru	5.8%	2.0%	4.5%	1.6%
Puerto Rico	6.5%	0.5%	6.5%	-1.5%
Uruguay	12.5%	8.8%	13.0%	9.6%

# Appendix B

## How COVID-19 will potentially impact 2021 rates

### Chart 13.

MMB advisor country-by-country predictions for 2021 (select markets 2019 and 2020 based on insurer survey).

Country	2019 Medical Trend Rate Experienced	2020 Projected Medical Trend Rate	2021 Rate Prediction	Rationale for 2021 Prediction
Brazil	13.6%	11.5%	11.5%	In August 2020, the Brazilian National Health Agency declared that premium readjustments for health policies will be suspended until January 2021.  This delay, coupled with an extremely unstable Brazilian market, makes it difficult to accurately predict future trend rates. However, what we have seen in the market is that insurers are predicting a much lower index for the ongoing renewals because of COVID-19.
Canada	6.9%	2.5%	15.0%	We are expecting a material increase to the medical trend rate for 2021 over 2020 given the expected further "recovery" in claims in 2021 to a more normal state of claims. There is also a view that there could be higher demand in areas like mental health therapies or physiotherapy due to the macro environment. In addition, we expect to see further costs for some paramedical practitioners who require additional personal protective equipment.
China	10.1%	9.8%	10.0%	While the medical inflation rate in China has been stable in recent years, direct COVID-19 claims impacted the first half of 2020. In 2021, we expect the trend rate to will align to rates similar to what we have seen in the past few years.
Colombia	7.3%	6.5%	7.8%	At the time of the writing of this report, Colombia's peak is expected in September. Health companies in Colombia have had to invest a lot to prepare hospitals and care facilities for COVID-19 and to provide telemedicine services. These investments are further affected by currency devaluation. While some medical services have been postponed in 2020, insurers are predicting trend rates to bounce back in late 2020, and we are expecting a further increase in 2021.
France	4.0%	2.4%	2.0%	As no major regulation change is planned so far, we expect a typical trend rate for 2021.

Country	2019 Medical Trend Rate Experienced	2020 Projected Medical Trend Rate	2021 Rate Prediction	Rationale for 2021 Prediction
India	9.5%	11.5%	13.4%	Employer sponsored plans in India focus on hospitalization, often due to lack of coverage for primary care. In 2020, there have been deferrals of treatments, which will further exacerbate a scenario of untreated cases, worsening of conditions, and a subsequent high claim cost. COVID-19 testing and mandatory protective gear for all hospitalizations is also likely to inflate costs. Therefore we predict the medical trend rate for 2021 will be even higher than 2020.
Italy	5.5%	7.0%	7.0%	During the second quarter of 2020, many public hospitals in Italy stopped non-urgent therapies to focus on the pandemic. Many people faced long waiting lists for care, even as hospitals began to reopen, and instead turned to private healthcare. As a result, we expect that medical claims will increase abnormally in the second half of 2020. We expect 2021 to follow a similar pattern as the country continues to grapple with the effects of COVID-19.
Mexico	12.0%	13.0%	16.0%	COVID-19 claims have driven an expected claims increase of 3% to 5% based on claims to the end of July 2020. At the same time, the variation in the exchange rate compared to USD has caused hospital costs to increase. All major insurers expect the deterioration of claims experience to continue for the near future.
Singapore	10.0%	9.5%	9.5%	There will be some increase in outpatient costs as individuals return to care in the second half of 2020. We could also see a rise in inpatient claims as waiting lists for inpatient treatment are cleared. We expect this trend to continue through to 2021.
Spain	5.1%	4.2%	5.0%	While medical spend decreased in 2020 due to COVID-19, we expect spending to return in 2021 at a higher rate. Specific areas of spending increase in 2021 include urgent care and inpatient hospitalization, as private hospitals will transfer the costs from additional protective equipment and security to the insurers.

These estimates were assembled in October 2020 and are subjective in nature, and actual rates may vary from these estimates for a variety of reasons and factors, including reasons and factors not discussed in this document. We make no representation, warranty or guarantee that these estimates will reflect actual rates. No reliance shall be placed on these estimates, and you should obtain the advice of a financial advisor before making any decisions based on such rates. Depending on the rate at which individuals "return to care" in 2020, these 2021 estimates could include the deferral of some of the 2020 trend included in Appendix A if deferred to 2021.

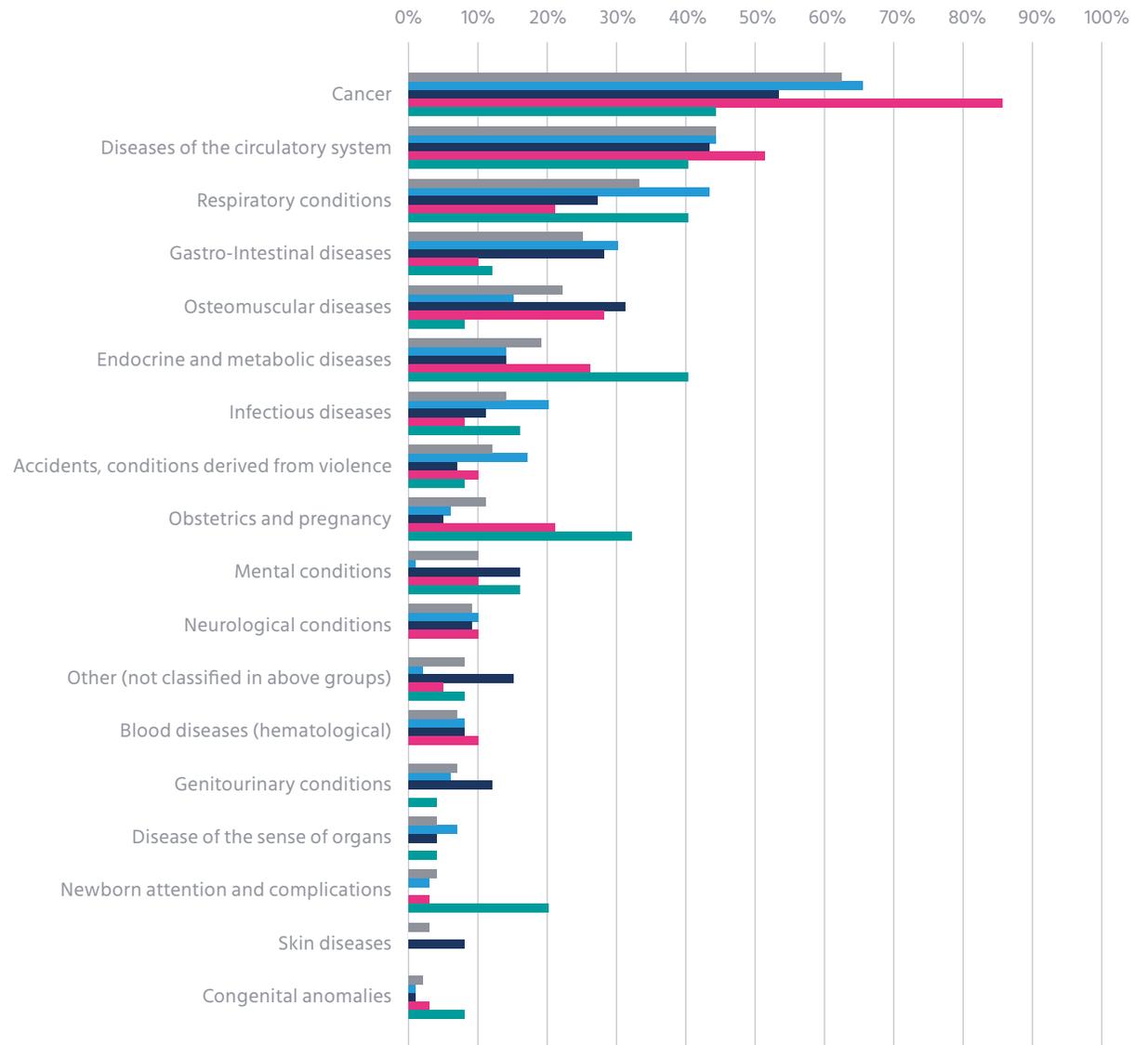
Country	2019 Medical Trend Rate Experienced	2020 Projected Medical Trend Rate	2021 Rate Prediction	Rationale for 2021 Prediction
United Arab Emirates	12.0%	12.5%	12.0%	Going into 2021, we expect to continue to see claims relating to cases that were previously untreated due to the earlier lockdown. In general, while some elective treatments commenced in late Q2 2020, some restrictions continue to occur in outpatient services which could actually slow the rate of 2020 growth from what is indicated. There is variation in circumstances across each of the Emirates, including restrictions impacting "return to care" and the extent to which COVID-19 specific claims are paid for under private plans instead of by the government. We expect more could shift to private plans as we've seen in Dubai and the Northern Emirates already; In Abu Dhabi COVID-19 related treatment is currently still covered by the government.
United Kingdom	7.1%	4.0%	8.5%	In 2020, medical treatment has been affected by the temporary closure of private hospitals for several months (the NHS temporarily took over use of them), resulting in a lower than normal 2020 medical trend rate. Furthermore, the NHS has limited (for example) cancer screening to high-risk individuals only and various waiting lists are growing. We anticipate that there could be an abnormal surge in hospital usage claims later in 2020 and in well into 2021.

# Appendix C

## Causes of claims cost in 2019 based on dollar amount claimed and incidence of claims

**Chart 14.** Based on (dollar) amount claimed, what were the top 3 causes of claims cost in 2019 based on your book of group or overall business?

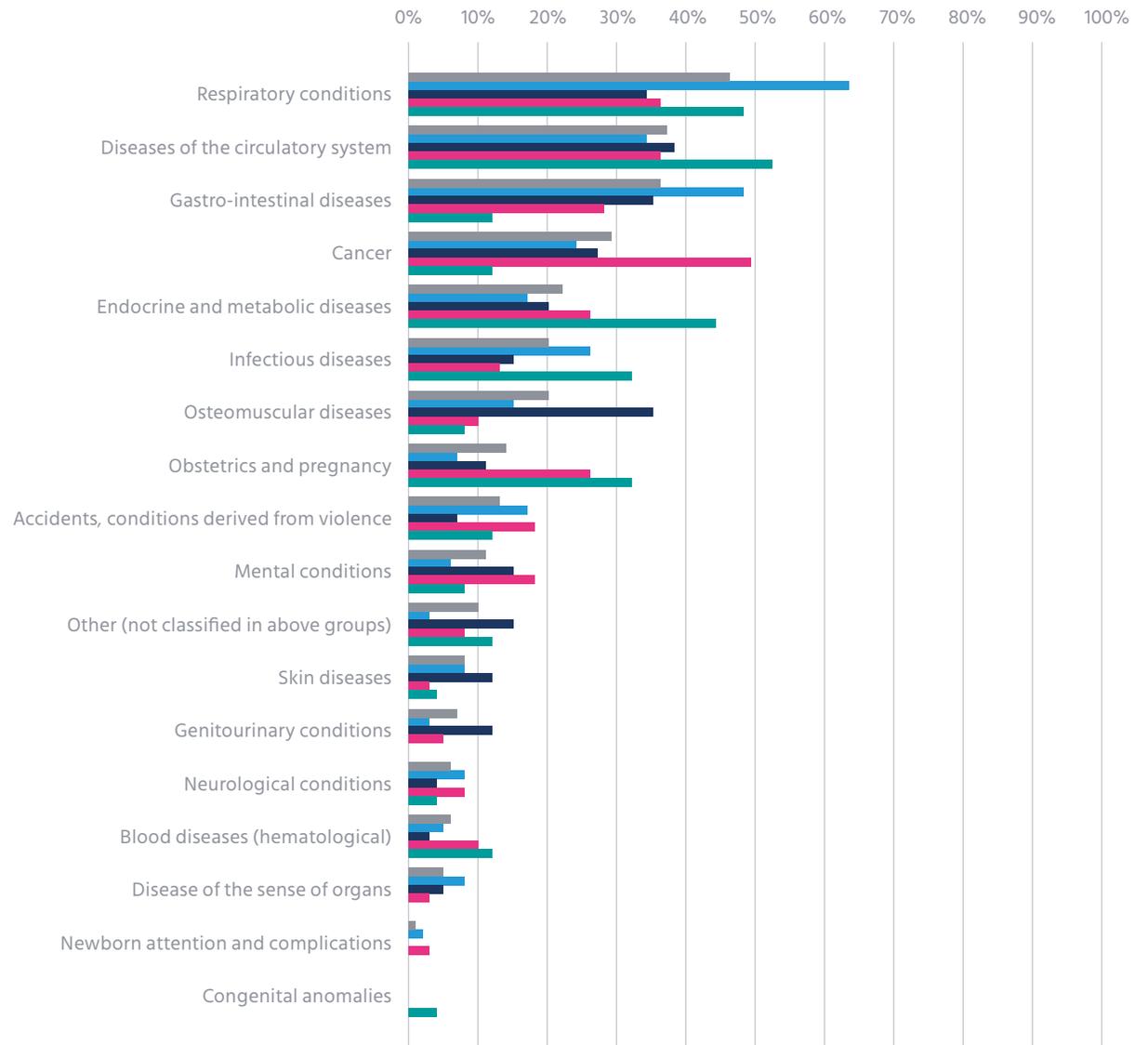
- Global
- Asia
- Europe
- LATAM
- MEA



**Chart 15.**

Based on (frequency) incidence of claims, what were the top 3 causes of claims in 2019 based on your book of group or overall business?

- Global
- Asia
- Europe
- LATAM
- MEA

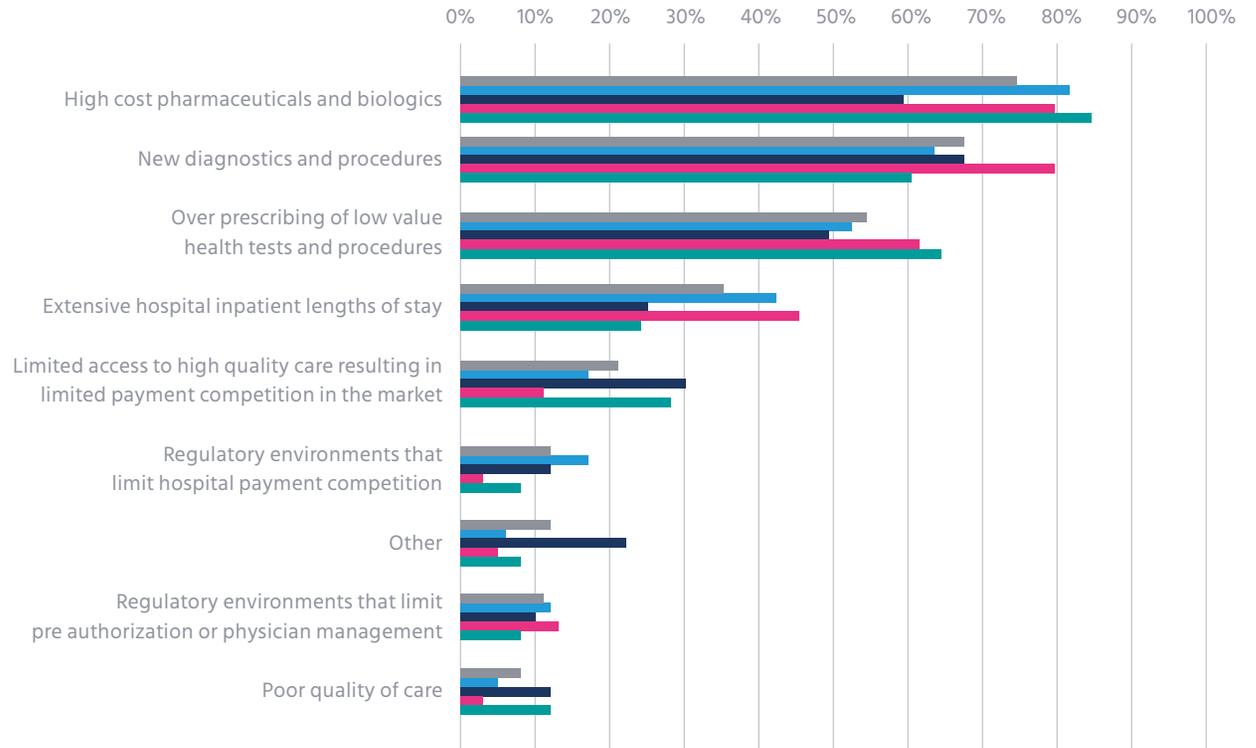


# Appendix D

## Top 3 supplier-driven reasons for cost increases

**Chart 16.**  
What are the top 3 supplier-driven reasons for cost increases?

- Global
- Asia
- Europe
- LATAM
- MEA



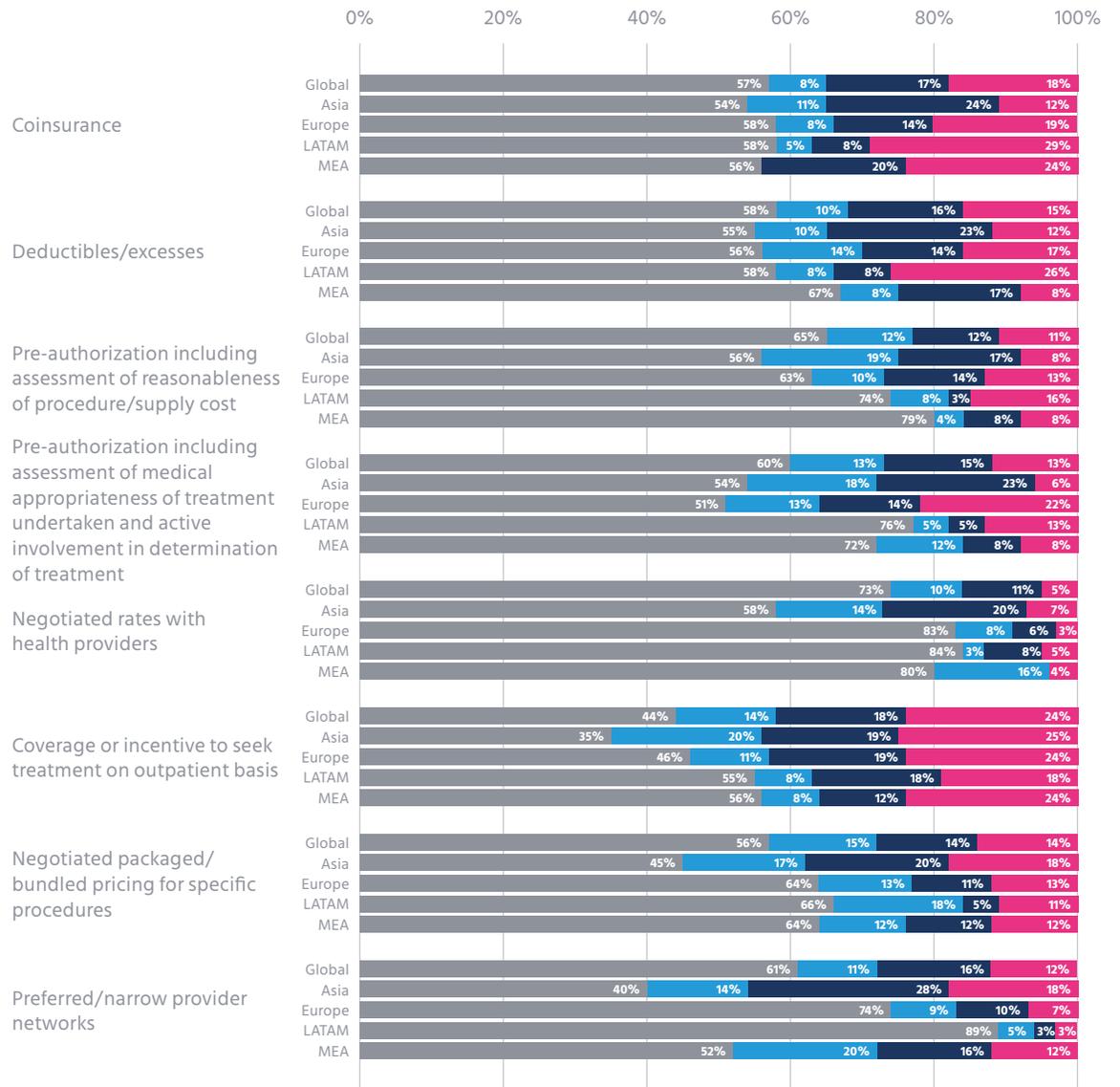
# Appendix E

## Managing plan member health & medical costs

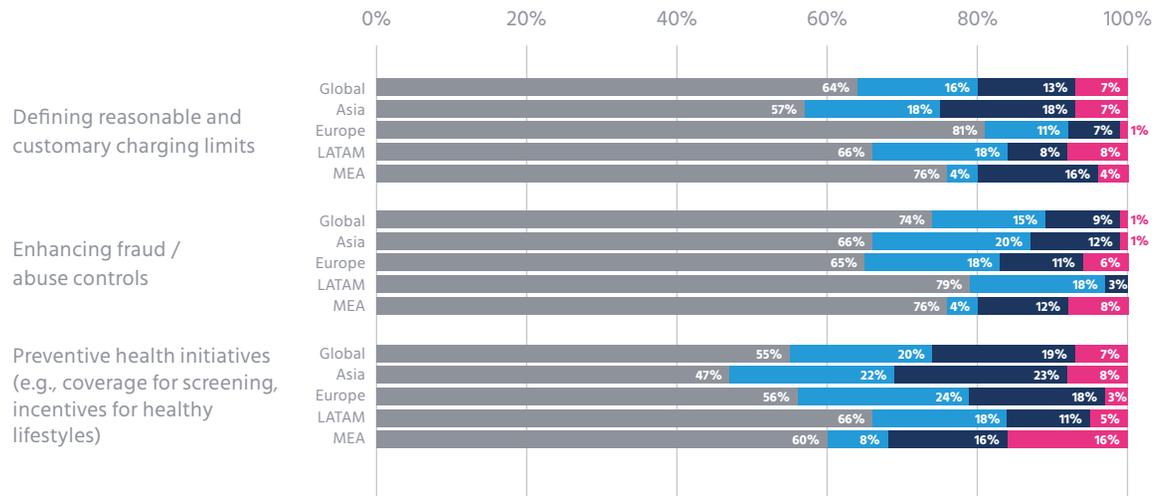
**Chart 17.**

To what extent does your organization perform the following to help manage plan member health and/or contain medical costs for employer-sponsored medical insurance?

- This is an active part of our current plan management approach
- We are experimenting and/or have developed plans to initiate this within the next 24 months
- We are currently considering this
- We have no plans to invest in this area





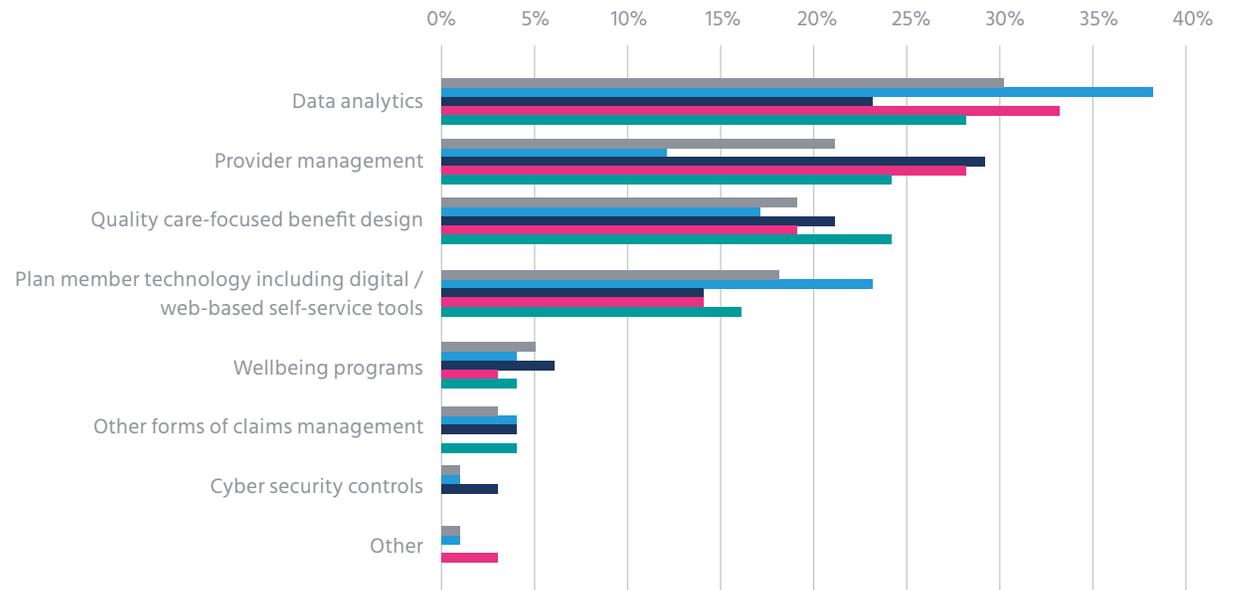


# Appendix F

## Top areas of strategic investment for group medical insurance

**Chart 18.**  
What is your top strategic area of investment relating to group medical insurance?

- Global
- Asia
- Europe
- LATAM
- MEA



# Appendix G

## Insurers participating in this year's survey

Participants that preferred to not be listed are not included here.

Country	Insurance Company
Argentina	Aca Salud Cooperativa de Prestación de Servicios Médico Asistenciales
Argentina	Acción Social Empresarios Obra Social
Argentina	ASE
Argentina	Galeno Argentina S.A.
Argentina	Hospital Aleman AC
Argentina	Medicus
Argentina	Obra Social de Direccion Luis Pasteur
Argentina	Swiss Medical Medicina Privada
Bahrain	Bahrain National Life Assurance Company
Belgium	DKV Belgium
Brazil	Care Plus
Brazil	Omint Saúde
Bulgaria	United Health Insurance Fund "Doverie" PLC
Canada	Medavie Blue Cross
Chile	Bupa
Chile	Seguros de Vida Sura
China	AIA
China	AXA TP
China	Bupa
China	CPIC-Allianz Health Insurance Company, Ltd.
China	Generali China Life Insurance Company, Ltd.
China	MSH China
China	Ping An Health

Country	Insurance Company
China	Taiping Pension Co., Ltd.
Colombia	AXA Colpatria
Colombia	Colmedica Medicina Prepagada
Colombia	Seguros Bolivar
Denmark	Danica Pension
Denmark	Dansk Sundhedssikring
Denmark	PFA
Denmark	Topdanmark
Dominican Republic	ARS Palic
Dominican Republic	Grupo Humano
Egypt	Allianz Insurance Company
Egypt	Orient Insurance Company
France	AXA
Ghana	Metropolitan Health Insurance
Greece	Generali Hellas
Greece	Groupama
Greece	Metlife Greece SA
Greece	NN Hellas
Hong Kong	AIA Hong Kong
Hong Kong	Assicurazioni Generali S.p.A.
Hong Kong	FWD General insurance Company Ltd.
Hong Kong	Liberty International Insurance Ltd.
Hong Kong	Sun Life Hong Kong Limited

Country	Insurance Company
Hungary	Groupama Hungary
Hungary	Union VIG Biztosító Zrt.
India	Aditya Birla Health Insurance Company Ltd.
India	Reliance GIC
Indonesia	Asuransi Jiwa Manulife Indonesia
Indonesia	Central Asia Raya Life Insurance
Indonesia	Great Eastern Life Indonesia
Indonesia	PT. AIA Financial
Indonesia	PT. Astra Aviva Life
Indonesia	PT. Asuransi Jiwa Inhealth Indonesia
Ireland	Irish Life Health
Ireland	Laya Healthcare
Malaysia	AIA Bhd.
Malaysia	Allianz Life Insurance Malaysia
Malaysia	AmMetLife
Malaysia	AXA General Insurance Berhad
Malaysia	MCIS Life Berhad
Mexico	Grupo Nacional Provincial
Mexico	Mapfre
Mexico	Seguros Atlas, S.A.
Mexico	Seguros Monterrey New York Life
Mexico	Zurich Vida Compañía de Seguros
Mozambique	Mediplus SA
New Zealand	Accuro Health Insurance
New Zealand	Southern Cross Health Society
Nigeria	AXA Mansard Health Nigeria
Norway	DNB Livsforsikring
Panama	Assa Compañía de Seguros, S.A.

Country	Insurance Company
Panama	Mapfre Panamá
Peru	Mapfre Peru
Peru	Rimac EPS y Seguros
Philippines	Etiqa Life & General Assurance Philippines, Inc.
Philippines	Generali Life Assurance Philippines, Inc.
Philippines	Insular Health Care, Inc.
Philippines	Maxicare Healthcare Corporation
Philippines	Medicard Philippines Inc.
Philippines	Pacific Cross Insurance Inc.
Philippines	The Insular Life Assurance Company Ltd.
Poland	Towarzystwo Ubezpieczeń
Portugal	Multicare Seguros de Saúde S.A.
Portugal	UNA Seguros
Qatar	Allianz Partners Life & Health S.A
Romania	Asirom Vienna Insurance Group
Romania	Generali Romania Asigurare Reasigurare
Romania	UNIQA Asigurari de Viata
Russia	AlfaStrakhovanie PLC
Russia	Allianz
Russia	IPJSC Ingosstrakh
Russia	JSIC "VSK"
Russia	MetLife
Russia	Renaissance Insurance Group
Russia	RESO-Garantia
Russia	Rosgosstrakh (RGS)
Russia	SOGAZ Insurance Group
Russia	SOGLASIE
Saudi Arabia	Allianz Saudi Fransi

Country	Insurance Company
<b>Saudi Arabia</b>	AXA
<b>Saudi Arabia</b>	Malath Cooperative Insurance Company
<b>Serbia</b>	Generali Osiguranje Srbija
<b>Serbia</b>	Triglav osiguranje ado Beograd
<b>Singapore</b>	AIA Singapore
<b>Singapore</b>	Aviva Ltd.
<b>Singapore</b>	AXA Insurance Pte. Ltd.
<b>Singapore</b>	Now Health International
<b>South Africa</b>	African Employee Benefits
<b>South Korea</b>	Kyobo Life Insurance
<b>South Korea</b>	Samsung Life Insurance
<b>Spain</b>	AXA Seguros Generales
<b>Spain</b>	Cigna
<b>Spain</b>	Sanitas
<b>Taiwan</b>	AIA Taiwan
<b>Taiwan</b>	Fubon Life Insurance Company, Ltd.
<b>Taiwan</b>	Shin Kong Life Insurance Company, Ltd.
<b>Thailand</b>	Bangkok Life Assurance PCL.
<b>Thailand</b>	Generali
<b>Thailand</b>	LMG Insurance Company, Ltd.
<b>Thailand</b>	Luma Health Insurance Company, Ltd.
<b>Thailand</b>	Muangthai Life Assurance PCL
<b>Thailand</b>	Tokio Marine Life Insurance PCL
<b>Tunisia</b>	COMAR
<b>Ukraine</b>	ARX
<b>Ukraine</b>	JSIC INGO

Country	Insurance Company
<b>Ukraine</b>	PROVIDNA
<b>Ukraine</b>	The Private Joint Stock Company "European Insurance Alliance"
<b>United Arab Emirates</b>	Abu Dhabi National Insurance Company
<b>United Arab Emirates</b>	Qatar Insurance Company
<b>United Kingdom</b>	AXA PPP Healthcare
<b>United Kingdom</b>	Bupa
<b>United Kingdom</b>	Vitality Health

# Appendix H

## ICD-10 Listing

Category	Conditions
<b>Infectious diseases</b>	Intestinal infectious caused by bacteria and parasites, viruses and fungi, including HIV infection.
<b>Cancer</b>	This group can include malignant tumors, of all body tissues, tumors "In situ" and benign tumors. Leukemia, myeloma and lymphoma should be considered part of this group.
<b>Endocrine and metabolic diseases</b>	Affections of the glands, metabolic conditions such as diabetes, obesity and lipid disorders.
<b>Blood diseases (Hematological)</b>	All types of anemia, thrombocytopenia, immunodeficiency NOT related to HIV, coagulation and hemorrhagic disorders.
<b>Mental conditions</b>	Organic mental disorders, behavioral disorders, alcohol and substance abuse, eating disorders and developmental disorders.
<b>Neurological conditions</b>	Meningitis, encephalitis, Parkinson, degenerative diseases, epilepsy, transitory cerebral ischemia, sleep disorders, affection of peripheral nerves including compression due to intervertebral discs, myopathy, cerebral palsy and hydrocephalus.
<b>Disease of the sense of organs</b>	Blepharitis, cataract, retinal detachment, glaucoma and blindness. Also otitis, hearing loss and vertigo.
<b>Diseases of the circulatory system</b>	Hypertension, acute myocardial infarction, rheumatic fever and cerebrovascular events.
<b>Respiratory conditions</b>	Respiratory tract infections, Chronic Obstructive Pulmonary Disease (COPD), emphysema and asthma.
<b>Gastro-intestinal diseases</b>	gastro-esophageal reflux disease (GERD), Crohn's disease, ulcer, gastritis, colitis, hepatic diseases, pancreatitis and cholelithiasis.
<b>Genitourinary conditions</b>	Chronic renal failure, urolithiasis, prostatic hyperplasia, pelvic inflammatory disease and infertility.
<b>Obstetrics and pregnancy</b>	Abortion, pregnancy, pregnancy-related complications, natural childbirth and termination of pregnancy, postpartum complications.

Category	Conditions
<b>Skin diseases</b>	Infections of the skin and subcutaneous tissue, acne, dermatitis and psoriasis.
<b>Osteomuscular diseases</b>	Arthritis, internal affections of the knee, disorders of intervertebral discs, back pain.
<b>Congenital anomalies</b>	Congenital malformations, deformations and chromosomal abnormalities.
<b>Newborn attention and complications</b>	Respiratory distress syndrome of the newborn, newborn sepsis, congenital pneumonia.
<b>Accidents, conditions derived from violence</b>	Injury, fractures, trauma, wounds, poisoning and certain other consequences of external causes.
<b>Other</b>	Not classified in above groups.

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