SAS Health Innovation Series 3rd Edition

Hong Kong Market & MPCI Product Overview

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Agenda

1 Market overview

2 MPCI product development

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Hong Kong
Key facts as of 2024

7.5m
Population size

31.8%
Population over age 60

4.9%
Birth rate per 1000 population

1.7%
Inflation rate

10.3%
YoY medical cost growth

157
No. of Authorized Insurers

Sources
1) Insurance Authority
2) Census and Statistics Department
3) Health Bureau
4) European Commission
5) Marco Trends “Hong Kong Population” and “Hong Kong Birth Rate”
6) WTW Global Medical Trends Survey
7) The Hong Kong Federation of Insurers
8) Financial Services and the Treasury Bureau : Insurance and Risk Management

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Assuming New Business Premium = 10% * Single premium + Annualized premium.
Exchange rate of EUR/ HKD at 8.55 is used.

Hong Kong Market Overview

Figure 1: Premiums for In-Force and New Long-Term Business (EUR €bn)

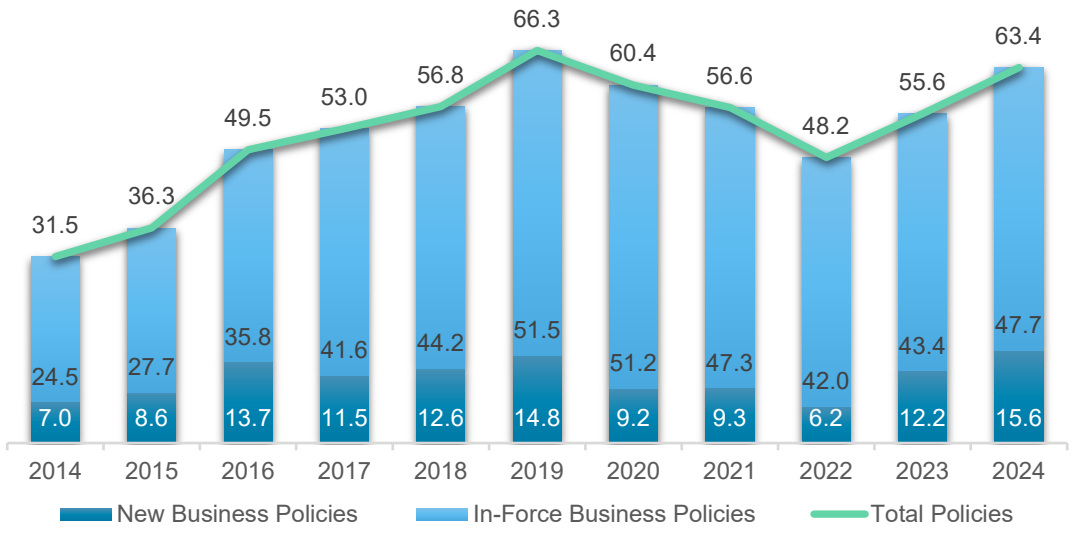


Figure 2: Number of In-Force and New Individual Life Policies (in 'm)

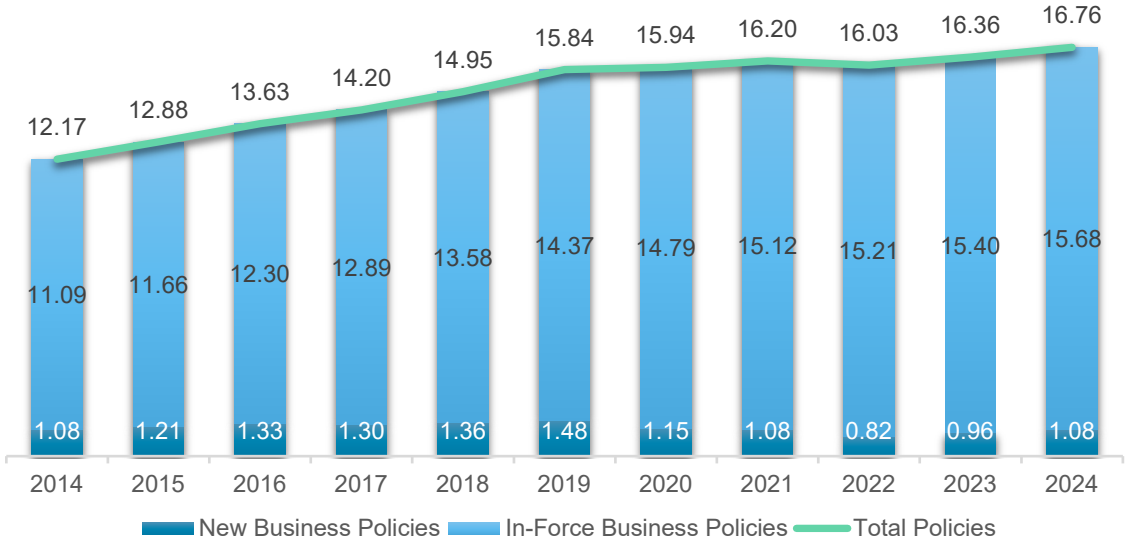
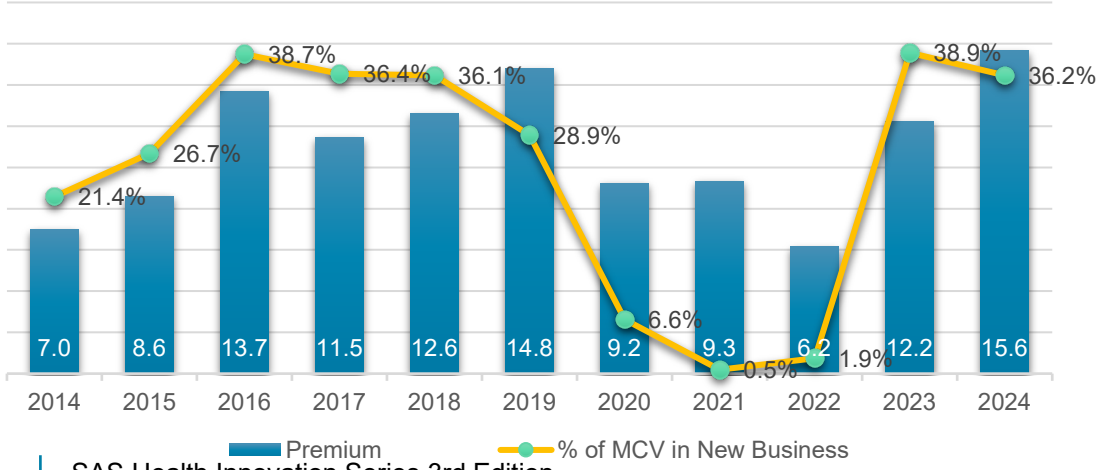


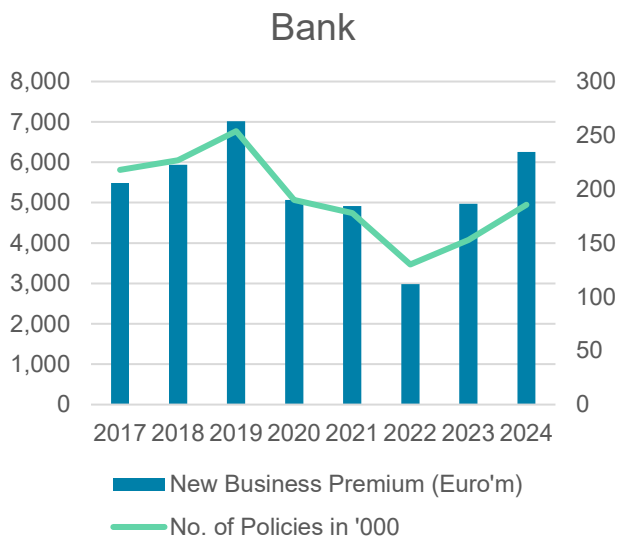
Figure 3: Percentage of Mainland Chinese Visitors in New Business Premiums (EUR €bn)

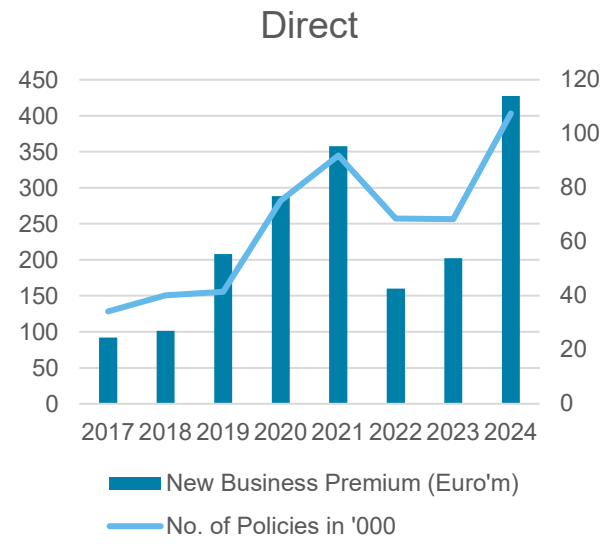


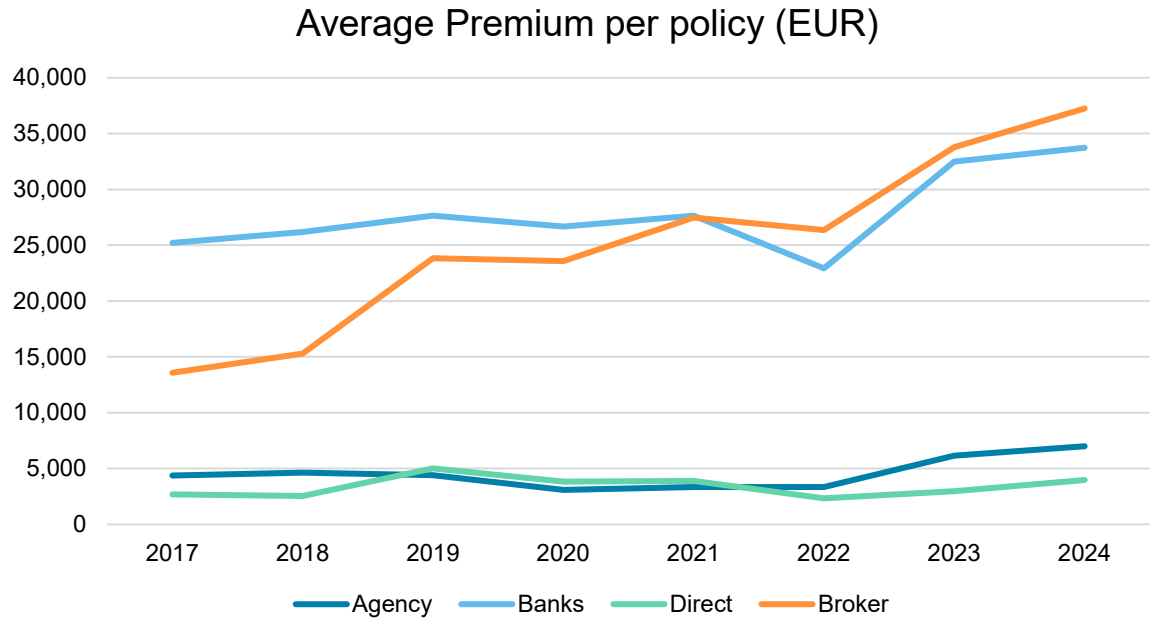
- Steady market growth in premiums.
- Mainland Chinese Visitors (MCV) contribute a significant portion in New Business premiums.

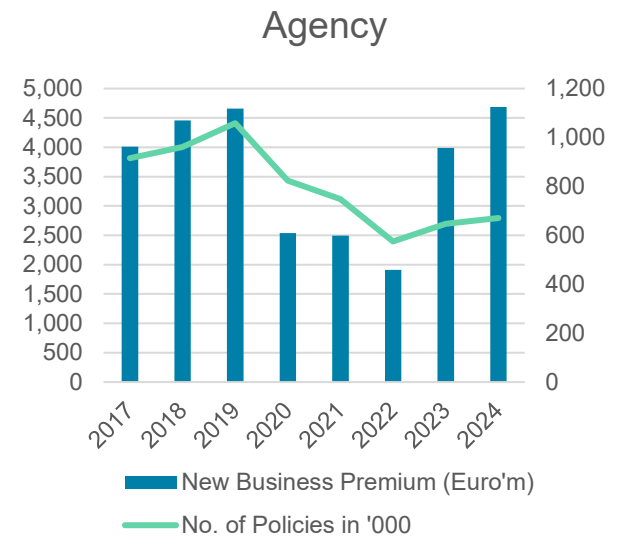
Source: Insurance Authority "Quarterly Release of Provisional Statistics for Long Term Business"

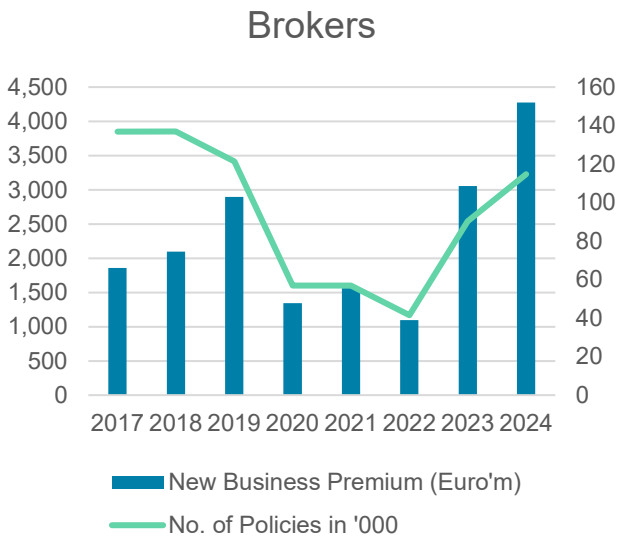
Hong Kong Market Overview – Distribution Channel











- **Bank channel** continues to be the major driver for new business premiums, accounting for 40%. **Agencies** have the highest number of policies, with lower average premium per policy.
- **Broker channel** has a noticeable increase in average premium per policy over years, reaching the highest level among all four channels.
- **Direct Channel** sees post-covid 19 growth in both total new business premiums and number of policies.

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Source: Insurance Authority "Quarterly Release of Provisional Statistics for Long Term Business"

Product Trend in Hong Kong

A high level view

Voluntary Health Insurance Scheme (VHIS)

Qualifying Deferred Annuity Plan (QDAP)

Protection Linked Plan (PLP)

Indexed Universal Life (IUL)

Multi-Currency Saving Plan

Multi-Pay Critical Illness (MPCI)

Other hot topics

Greater Bay Area (GBA) / MCV

Elderly / Substandard lives

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Hong Kong Critical Illness Market
Characteristics

Par WLCI

Best selling CI product type in HK. A combination of protection, saving and investment.

Short product cycle

Frequent product revamp to reflect the changing investment environment

Flexible product design

Flexibility on number of CI, CI definitions and UWQ

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Par MPCI Product examples

Features	MPCI Product A	MPCI Product B
Premium term	10/ 15/ 20/ 25 years	
Premium structure	Limited pay at a level rate	
Benefit period	Until age 100	
No. of Major CI (100%SA)	63	71
No. of Early Stage CI (20% SA)	75	117
Incl. Juvenile diseases	15	27
Maximum payout	**1000%**	**700%**
Guaranteed Return Ratio (GCV/ premiums paid)*		
10th Policy Year	5.1%	5%
20th Policy Year	9.7%	50%
30th Policy Year	71.7%	**100%**
Projected Return Ratio (TCV/ premiums paid)*		
10th Policy Year	10.1%	13.1%
20th Policy Year	50.7%	84.7%
30th Policy Year	**193.1%**	**192.1%**

*Age 0, male, 25-pay, USD

One-stop financial planning solution

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Unborn baby version
Concept illustration

	Normal policy	Unborn baby version
Earliest Entry Age	N days **after birth**	**Before birth** - 18th gestation week (Expectant mom aged 18-45)
Underwriting	Full underwriting on baby	**Simplified underwriting** on Mom
Waiting Period	N days after policy issue	• Coverage starts from the date of birth • Lien period - **reduced benefit** to 20% of covered illness within N days after birth • Full cover afterwards
Congenital Conditions	Known congenital conditions will be **excluded**	• **Covers ALL congenital conditions from birth**

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From maternity to born of baby

	Pregnancy stage	After birth
Insured	Mother	Newborn child
Miscarriage/ stillbirth/ termination of pregnancy	105% Total premiums paid	N.A.
Pregnancy Complications	105% Total premiums paid	N.A.
Postpartum Depression	Reimbursement benefit	N.A.
Covered Illness (Major CI, Early Stage CI)	N.A.	• 20% of covered illness within N days after birth • Full cover afterwards
Death	105% Total premiums paid	

Focus of protection remains on the baby

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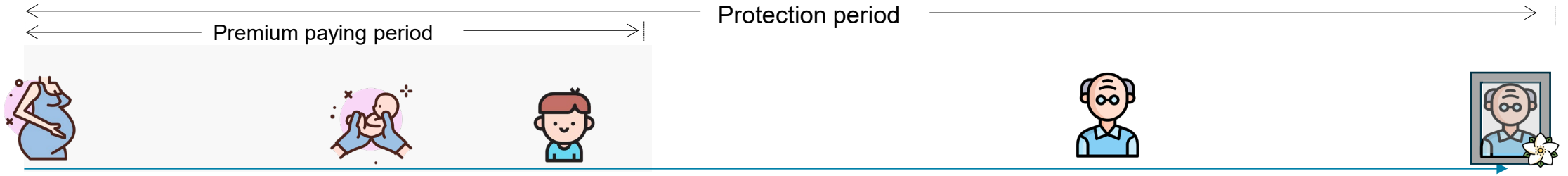
Concept illustration (Simplified example)



Mom | Whole life protection for child

Pregnancy Benefits

- Still birth/ miscarriage/ termination of pregnancy
- Pregnancy complications

Pre-CI benefit

3 pre-CI conditions

Major CI benefit

63 major illness
- Major ICU benefit

Multi-pay coverage

Max 9 claims up to age 85
- 5 x Cancer*
- 2 x Heart Attack/ Stroke
- 1 x Dementia
- 1 x Other

** or Cancer income*

Cancer income*

Monthly payout for 100 months

Stroke income

Monthly payout for 11 months

Dementias income

Annual payout for up to age 100

Postpartum depression

- Reimburse mental consultation fee

Early stage/ juvenile CI benefit

72 minor illness
- 15 juvenile diseases
- 51 critical surgeries
- Minor ICU benefit

Waiver of Premium

Upon 100% SA is paid

Along the maternity journey
Covers pre-natal and post-partum conditions

Pre-CI – Proactive prevention of common major diseases (Colorectal cancer, Breast cancer, Heart disease)
- Early Dilated Cardiomyopathy
- Colorectal Serrated polyps
- Precancerous Lesion of Breast

Continuous income to support the treatment and recovery journey
Cancer treatment - effective yet expensive.
Stroke - reversible but require intensive treatment for complete rehab.
Dementia - irreversible and requires years of long-term care

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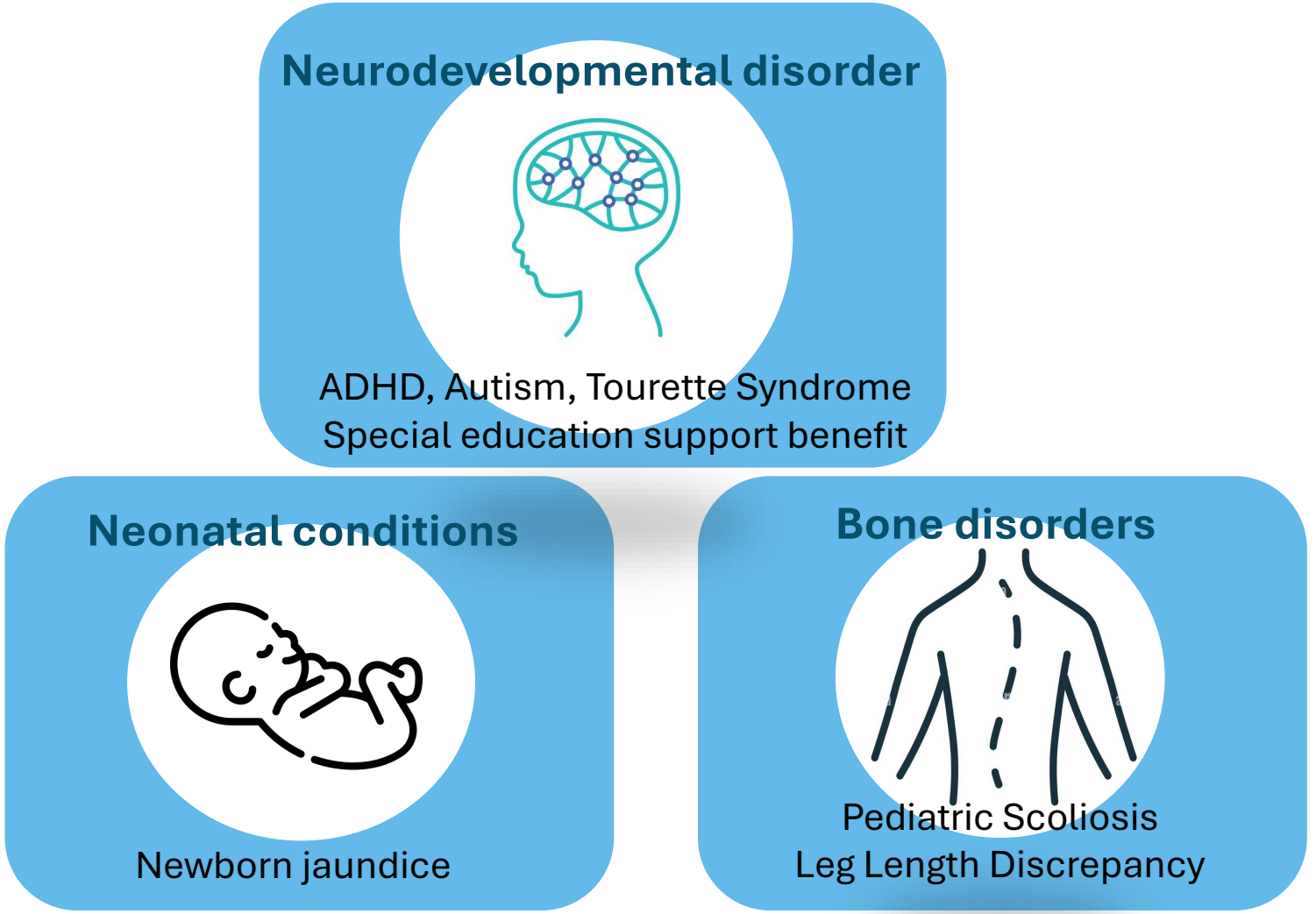
Protection for youngsters



Child policy benefits

- **Parental premium waiver**

  Waive premiums till child insured's age 25 upon the death of parent (owner).

- **Caregiver benefits**

  Extra monthly payouts if child insured is diagnosed with major CI

Cancer reimbursement product

- Medical plan specially designed for cancer with high per cancer limit and overall lifetime limit
- Inpatient and Outpatient coverage thought different stages of the patient journey.
  - Diagnostic stage: consultation and lab test, x rays, CT scan, MRI
  - Treatment stage: Hospitalization and surgery, medication, reconstructive surgery, non-surgical cancer treatment eg hormonal therapy/ radiotherapy and target therapy, pre/post treatment consultation, palliative treatment
  - Monitoring stage: cost of follow up evaluation eg physical exams/ lab tests
- Additional benefit: TCM/ dietician consultation, physiotherapy, psychological counselling, home nursing.

(HKD)	
Lifetime limit	1.5M / 3M / 9M
Per Cancer Limit	0.5M/ 1M/ 3M
Geographical cover	worldwide
Room Type	Ward/Semi-private/Private
Benefit items	
Diagnostic Benefits	Fully Covered
Treatment Benefits	Fully Covered
Monitoring Benefits	Fully Covered
Additional Benefits	Limited per-visit payout xxx-x,xxx per visit/day Max N visits

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Thank You

Synergy & Inspiration

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Source: Insurance Authority “Quarterly Release of Provisional Statistics for Long Term Business”