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Evolving Frontiers, Exciting Prospects

16th Global Conference of Actuaries & 2014 AGFA

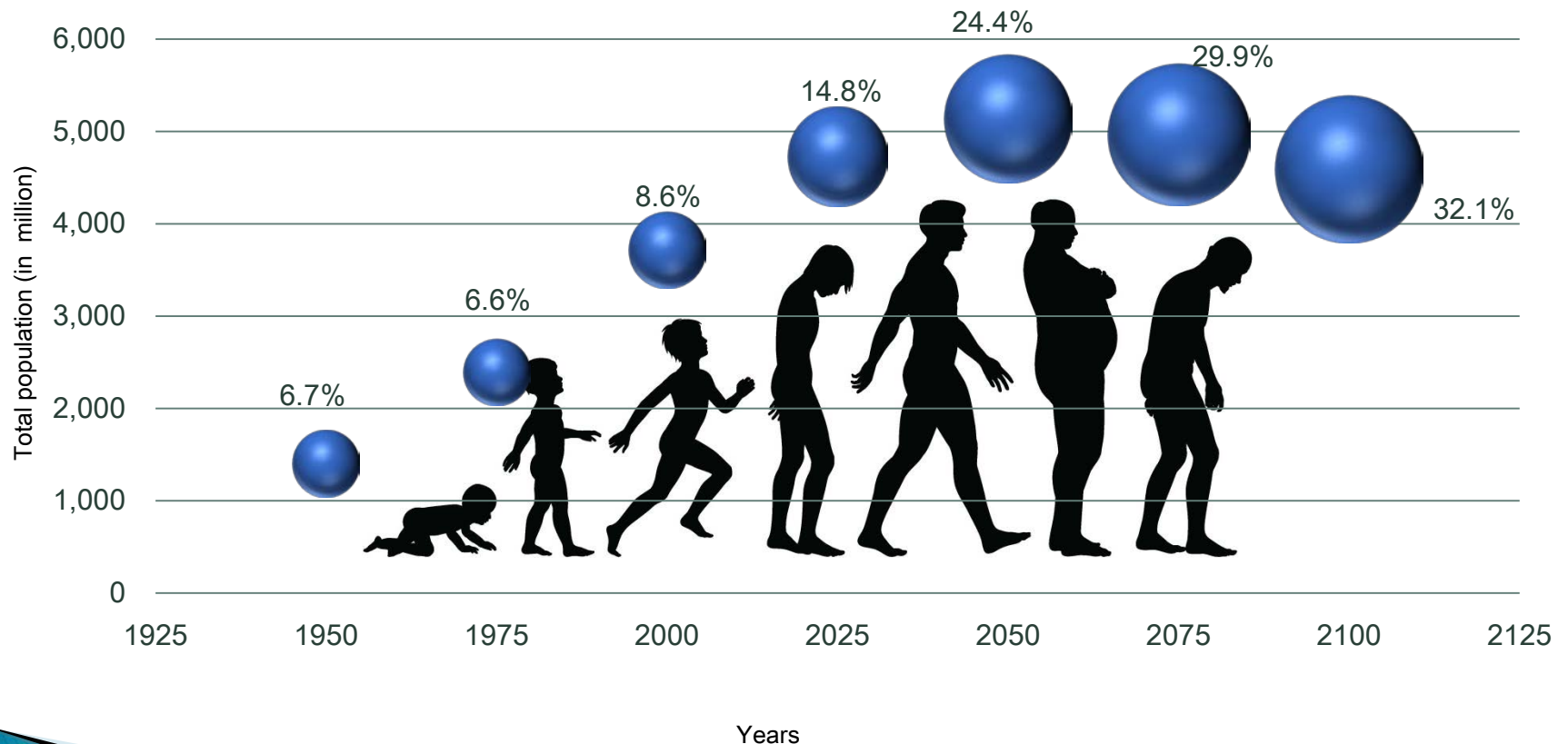
17th – 18th Feb, 2014 Mumbai - India

The life insurance industry has changed from
being concerned with the consequences of
premature death to those of **extended life**



Asian populations set to decline after 2050, BUT older age population will increase

Total population and share of 60+ population in Asia

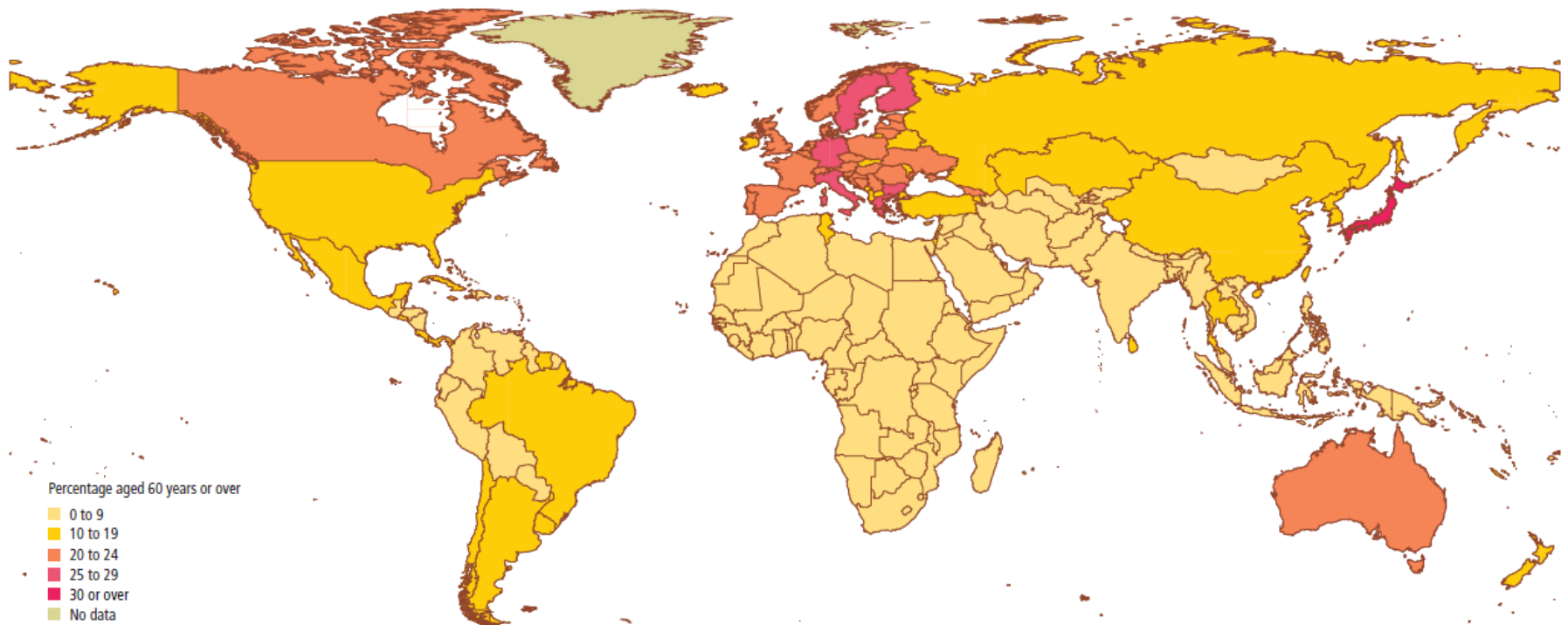


Asia is moving from the benefits of a demographic dividend

...

Share of population aged 60+ years in 2012

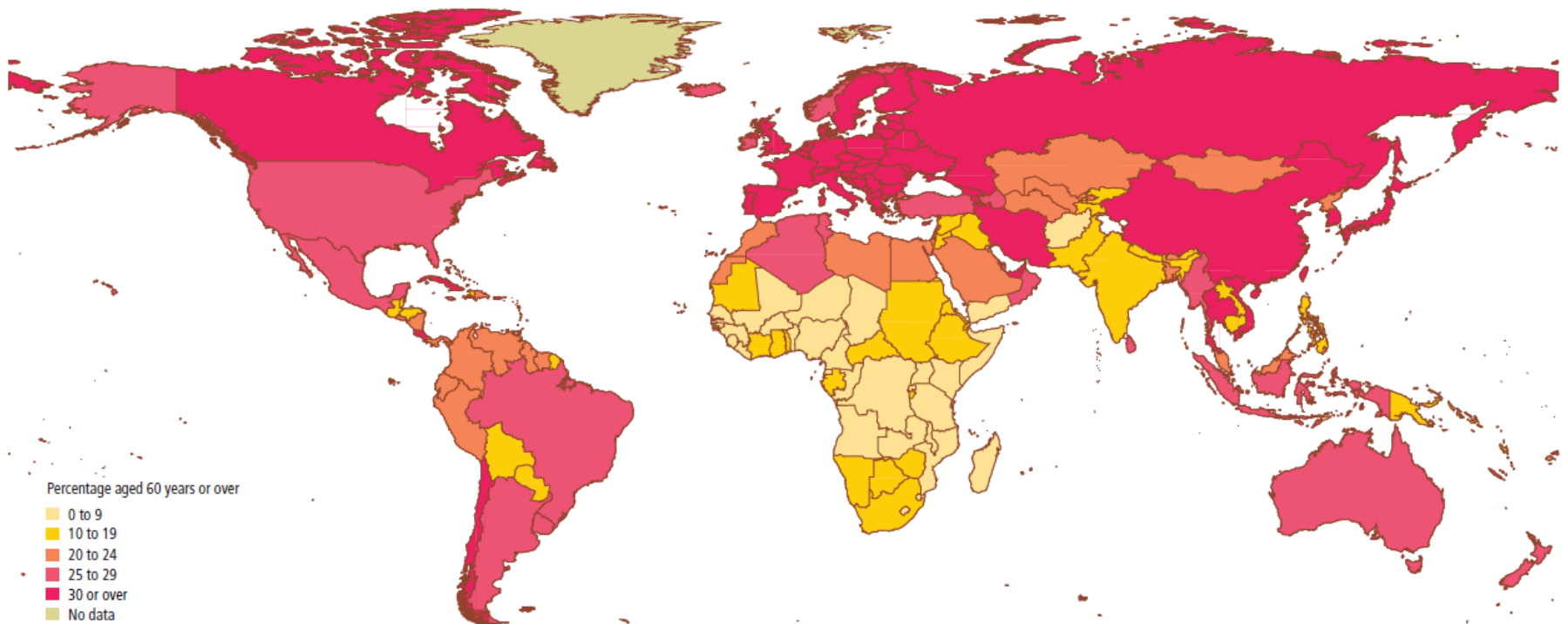
2012



... to suffering a demographic tax

Share of population aged 60+ years by 2050

2050



Every section of society will be impacted by rapid ageing

"Impact of ageing"



Economic

Social

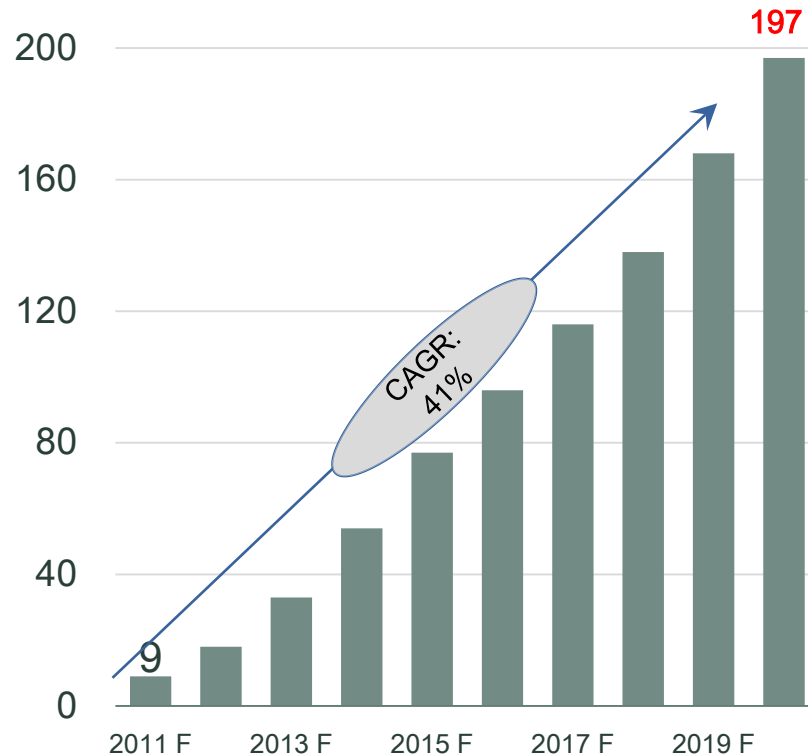


Political

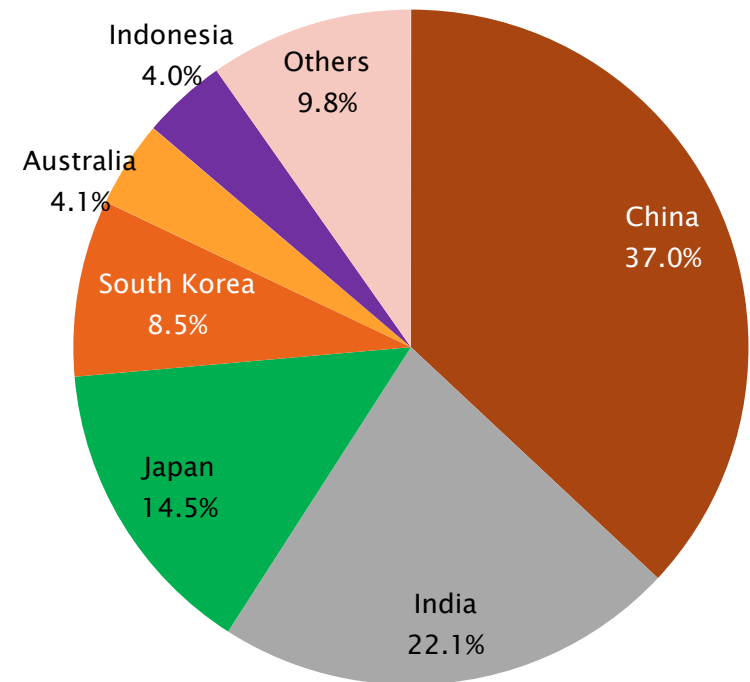


Even if healthcare expenditure remains a stable share of GDP, the Health Protection Gap will reach USD197 billion by 2020

Health Protection Gap (in USD billion)

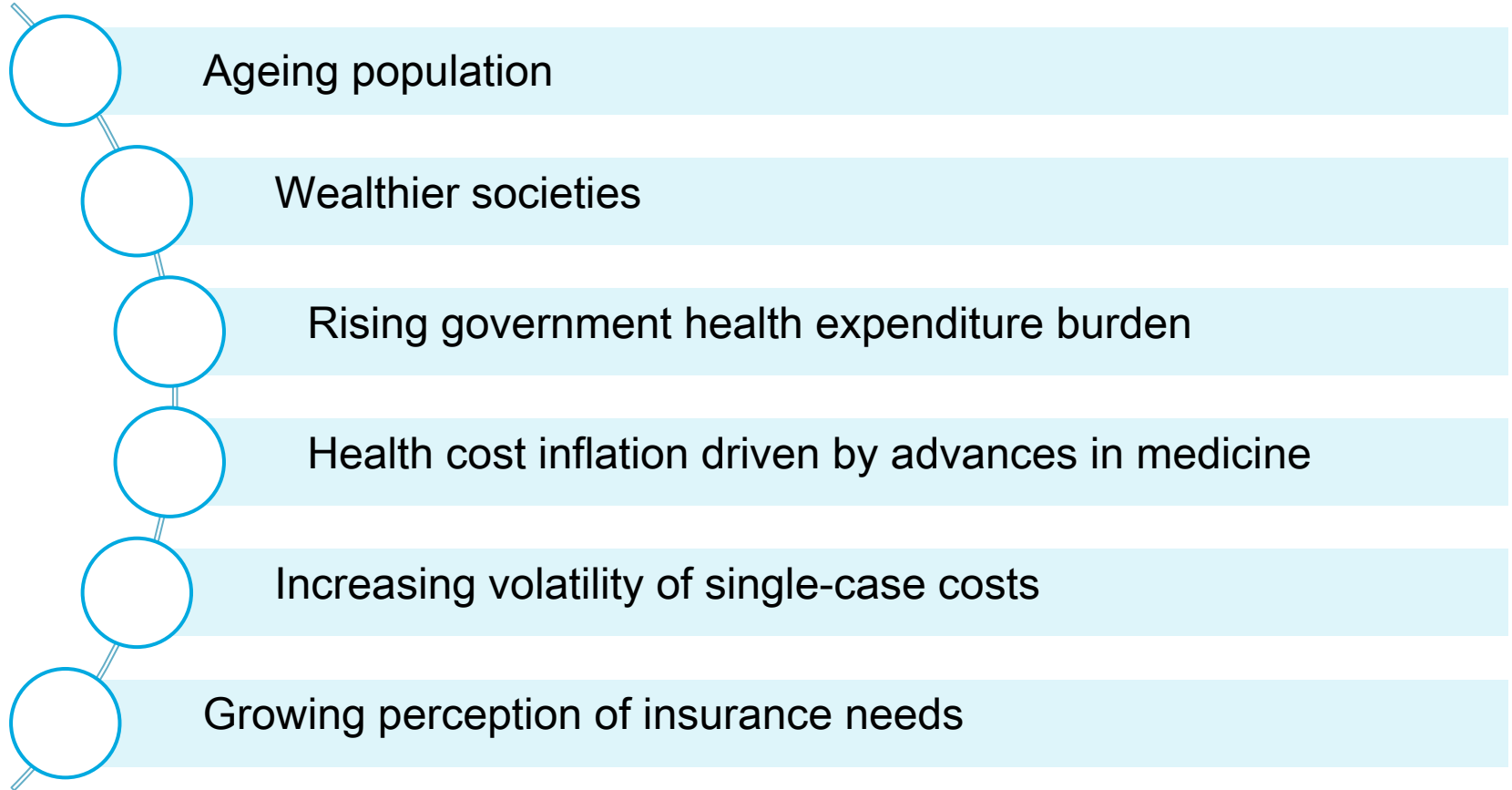


Health Protection Gap by market (2020)



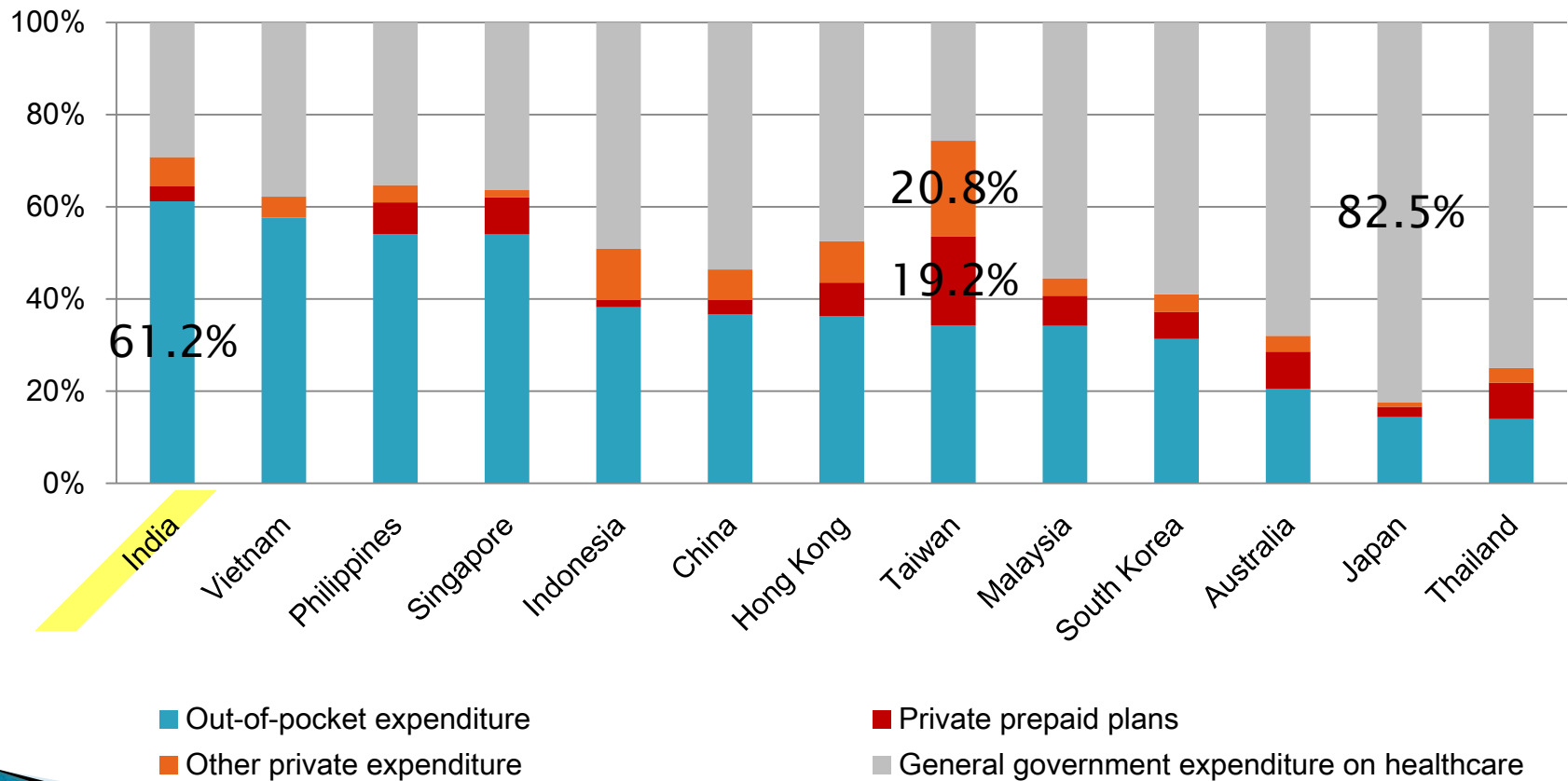
Challenge or **Opportunity?**

Major trends will continue to increase the need for health and medical insurance



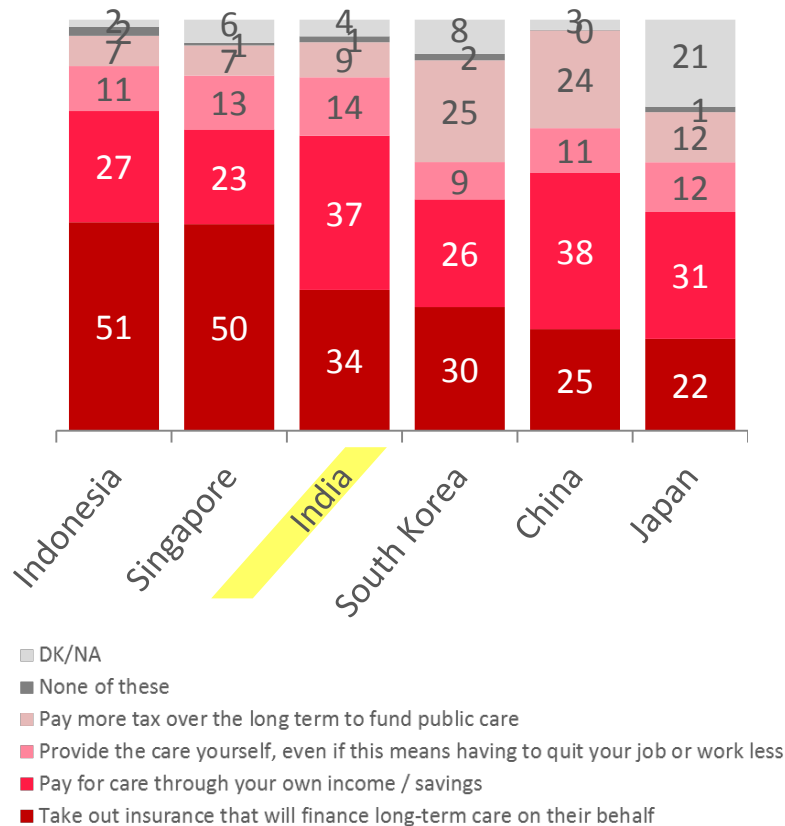
The composition of healthcare expenditure across Asia-Pacific shows a material amount of "out-of-pocket" expenditure

Total healthcare expenditure breakdown in 2010

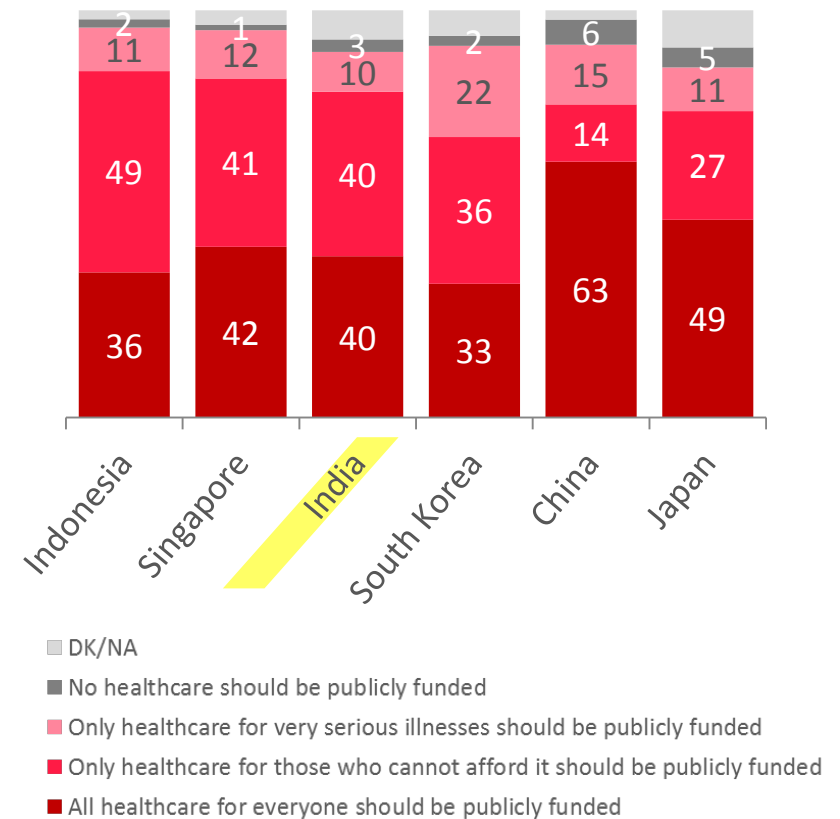


While consumers in India expect to fund their own long-term care they also see the state playing a key role in the provision of public healthcare funding

Perceptions about long-term care

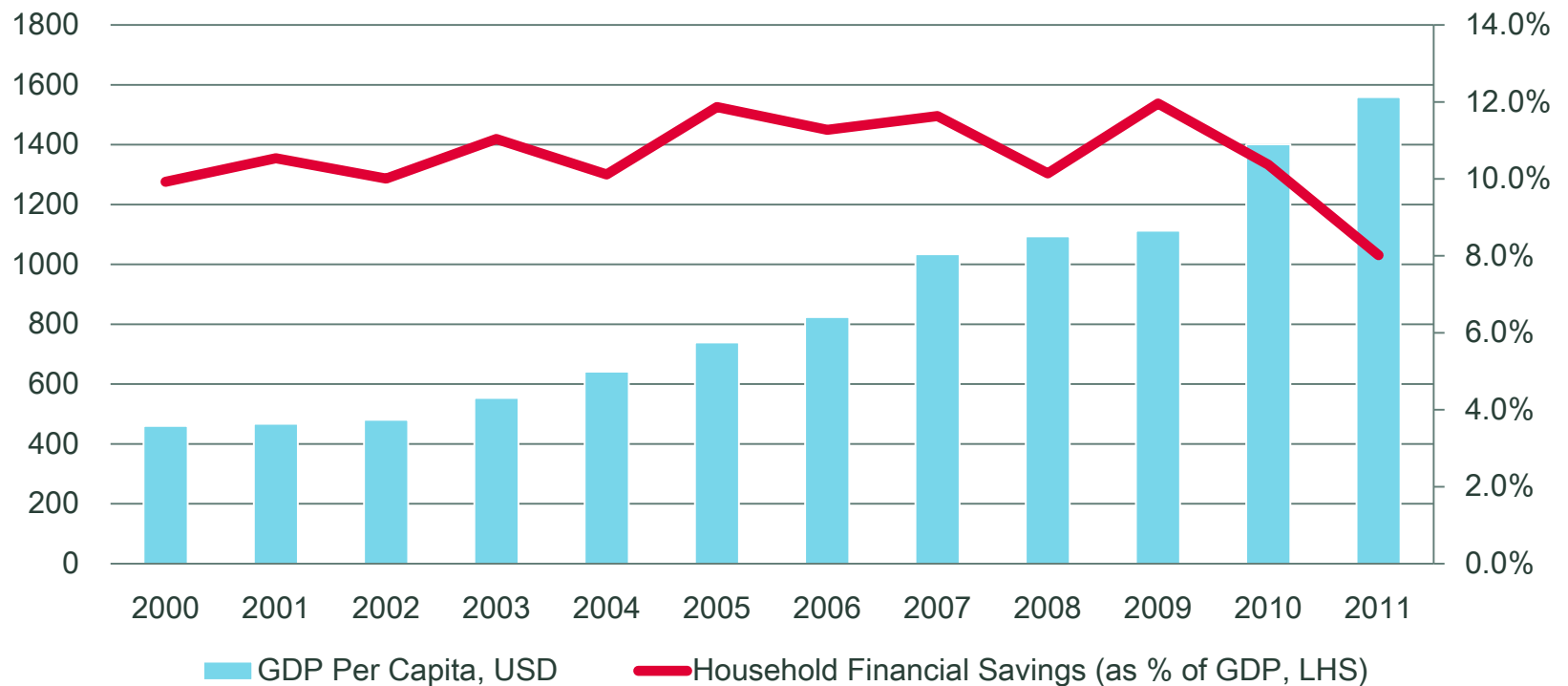


Perceptions about publicly funded healthcare



However, will savings be enough?

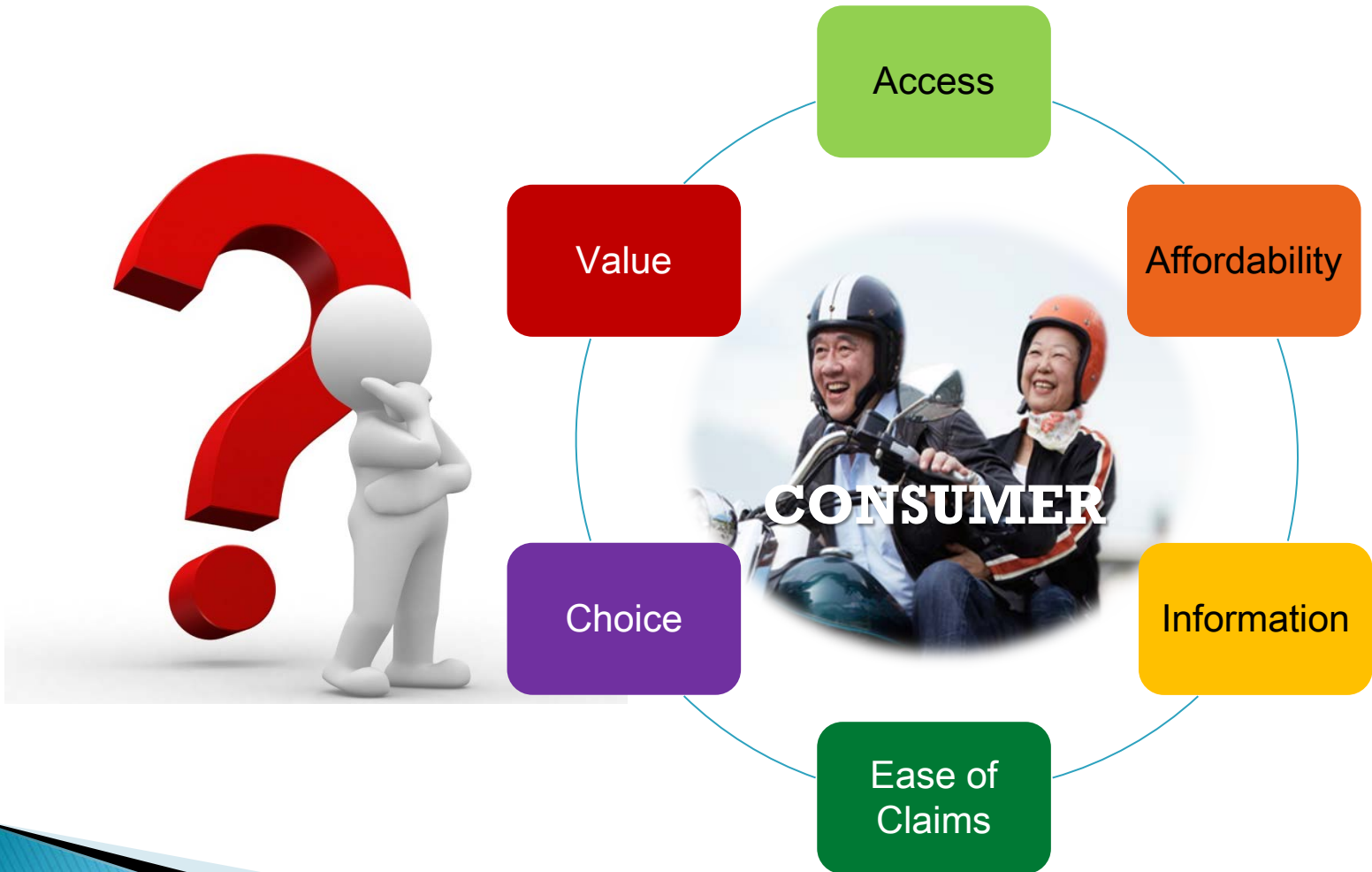
India: Per Capita GDP and Household Financial Savings



What might be the result if government health expenditure is not enough to catch up with demand?

- Increased tax burden from the government?
- Decreased level of utilisation and quality of medical and health consumption?
- Increased spending from savings when something serious happens?
- Increased purchase of health & medical insurance as protection from unexpected health events and illness?

Is our industry aligned with customer needs?



This is a call-to-action for the insurance sector, including insurance companies, distributors, reinsurers and the government

ReThink: Health strategy

Understand consumer needs ... and wants

ReThink: Product strategy

Clear, differentiated and affordable offerings at all stages of life

ReThink: Distribution strategy

Make products available through preferred and appropriate channels

ReThink: Communication strategy

Inform consumers about healthcare spend needs, affordability and availability



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