



Balancing Growth and Risk in the Fast-Changing SEA Insurance Market

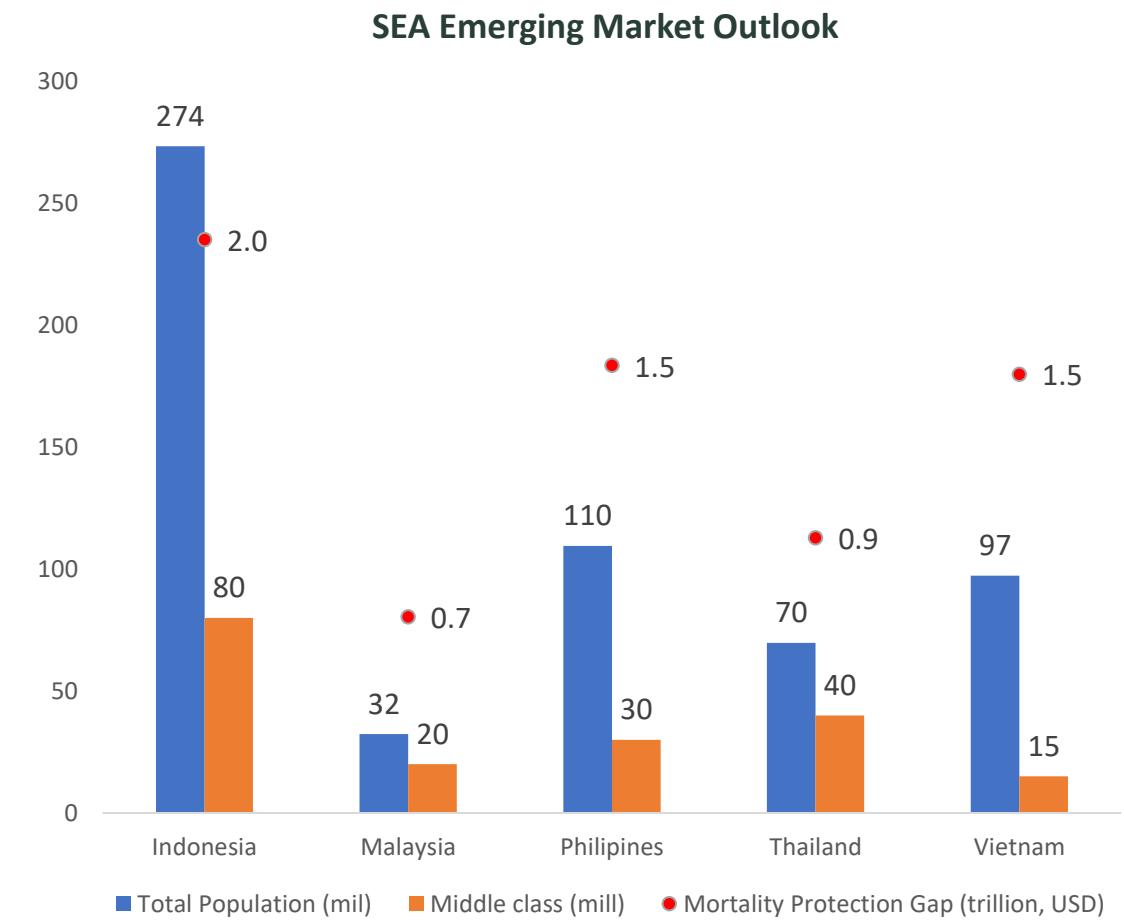
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Welcome

Pulse Check

On a scale of 1 to 5, where 1 is the least concern and 5 is the most concern, how many of you rate your concern about experience deterioration. (raise your hand)

SEA will be the growth engine - regional growth is expected to outcompete world average



Key Insights from the report

Over the next decade, Southeast Asia will likely grow faster than the last decade, with higher GDP growth and higher total (Foreign Direct Investment) FDI than China...



Source: [bain_report_navigating_high_winds_southeast_asia_outlook_2024_34.pdf](#)

Are we prepared
to navigate the
risks and achieve
growth?



Reflecting on the Past

01

India is one of the largest growth opportunities in Emerging Asia

Rapidly growing (re)insurance market



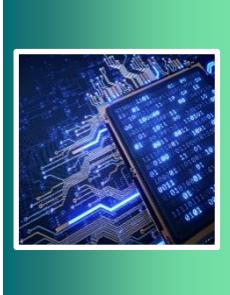
The most populous country in 2025

~90% households with unmet protection needs

Low insurance penetration

Growth

Growing digital distribution opportunities



Digital infrastructure and large ecosystems

1bn mobile internet users by 2030

Data availability and enabling policy

Market development of India term business

2009/10 Term life first introduced, targeted affluent internet users

2010-2015 Sales primarily online, risk assessments matching target segment

2016 Sales skyrocketing, distribution expanded to other channels

2019 Quality of risk management compromised due to increase volume

2020 Increasing demand and further shift to digital driven by COVID-19

2009

2016

2021

But so far the trend is not going in the direction we expected...

~USD 2.1bn

Life insurance companies have so far received 2,18,084 COVID claims amounting to Rs 16921.70 crores, according to data provided to Business Today by Life Insurance Council, an umbrella body of life insurers. Insurers say the death claims rose drastically in 2021 amid deaths during the second COVID-19 wave.

A new paper based on insurance policy claims data estimates 0.56 million excess deaths in India in 2020 and 4.15 million excess deaths in 2021, or a total of 4.71 million excess deaths in the pandemic years.

Source:

1. Life insurance industry received 2.18 lakh COVID claims so far worth Rs 16,921 cr, data shows – BusinessToday
2. Published paper based on insurance claims pegs excess deaths in 2020 & 2021 at 4.7 million - Times of India (indiatimes.com)

There is no magic to predict the future



 Market competition



 Change of customers' profile



 Change of behaviour



 Growing market with limited experience for pricing

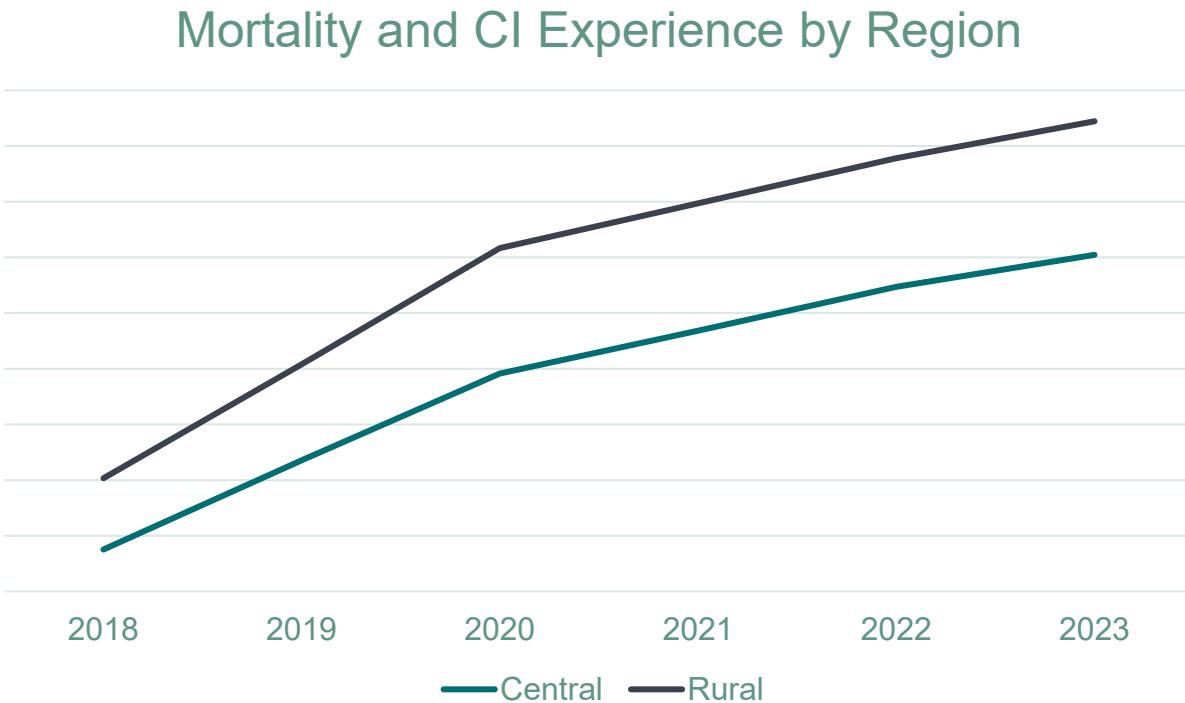


Analyzing the Present

02



Thailand: Experience varies by regions



Increasing experience from the market, both mortality and critical illness



Significant differential between rural and central areas

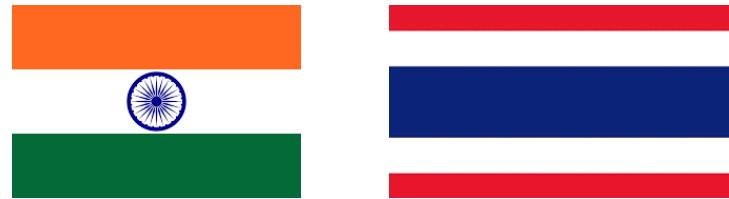


Causes of claims analysis indicate potential anti-selection or even fraud



The industry is taking action

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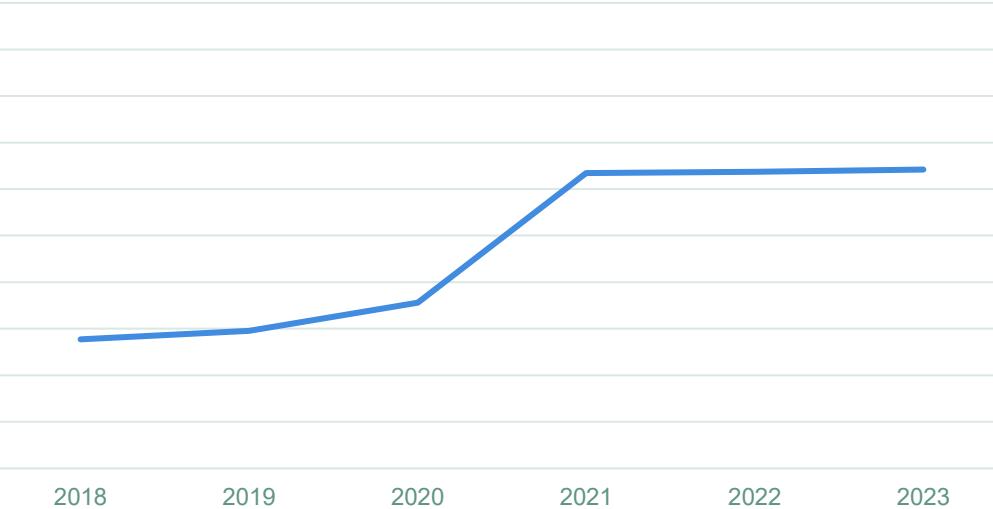


Malaysia: Deteriorating Mortality Experience - Potential Prolonged COVID Impact and Other Causes



Increasing experience in the mortality business since 2021

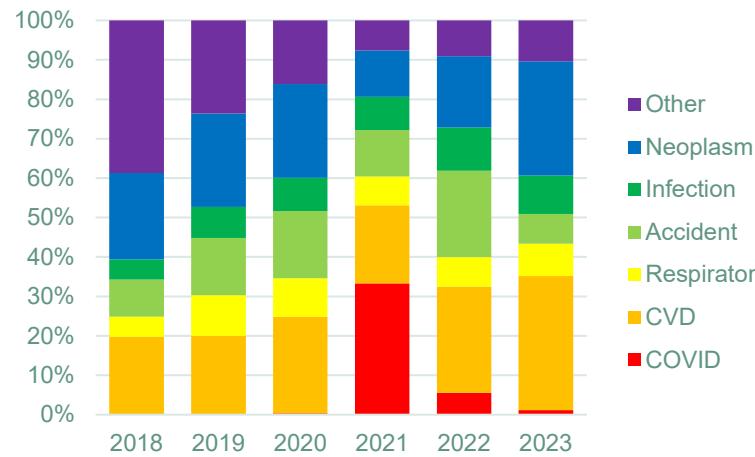
Experience by Exposure Year





Malaysia: Deteriorating Mortality Experience - Potential Prolonged COVID Impact and Other Causes

Cause of Death Claim



Increasing experience in the mortality business since 2021



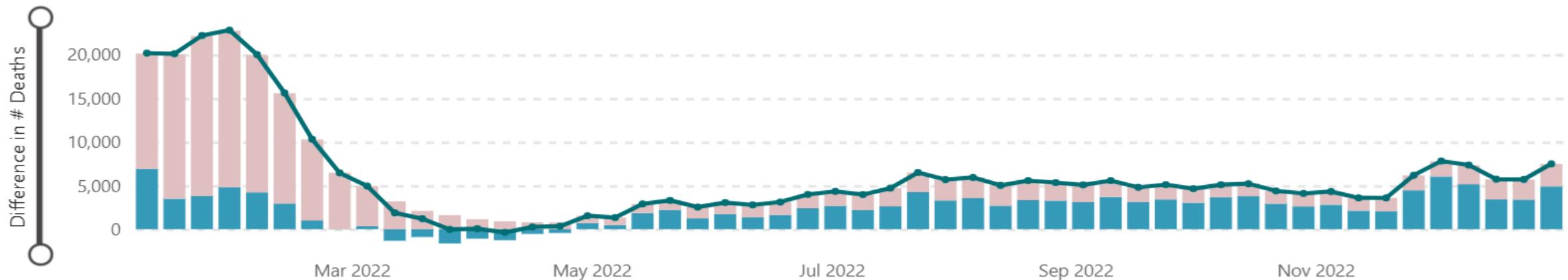
Growing portion of claims from respiratory and cardiovascular diseases (CVD)



Excess Mortality in US

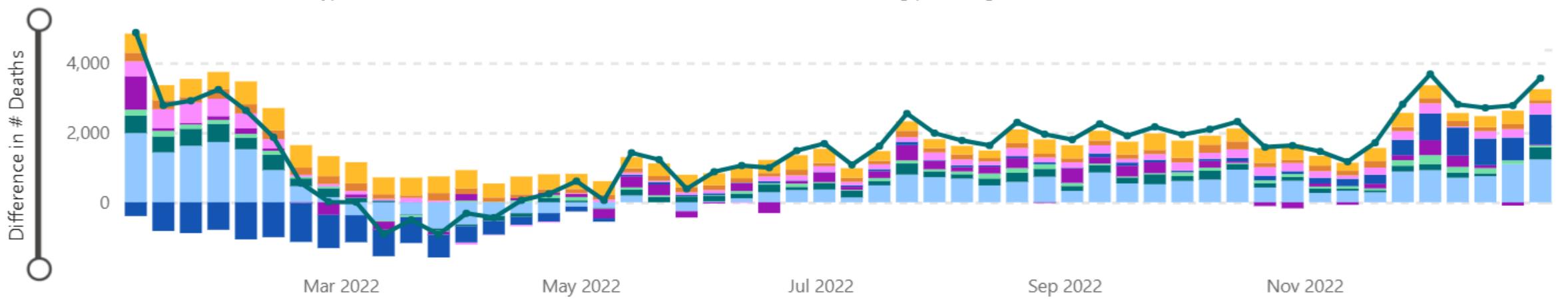
Excess # of Deaths for 2022 based on Trend by COD

CODs Selected: ● All CODs (excl COVID) ● COVID ● Total of Selected



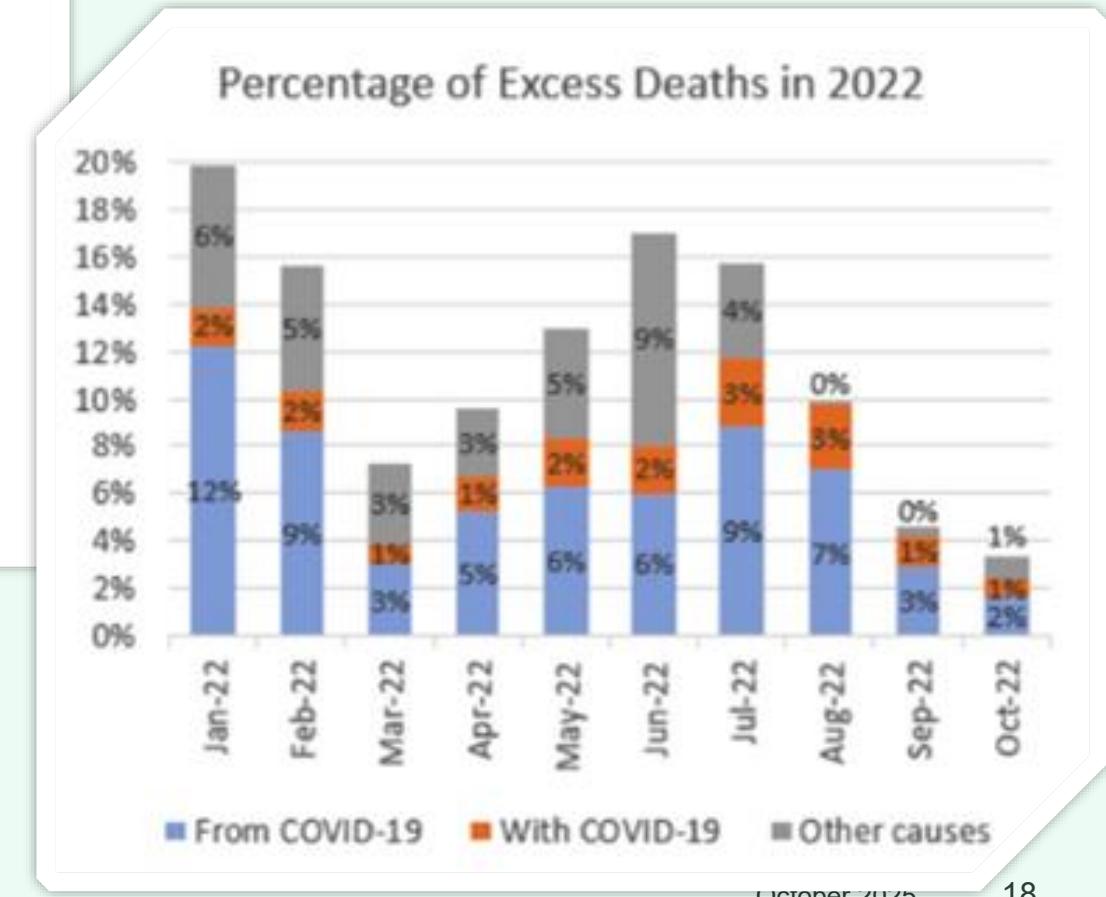
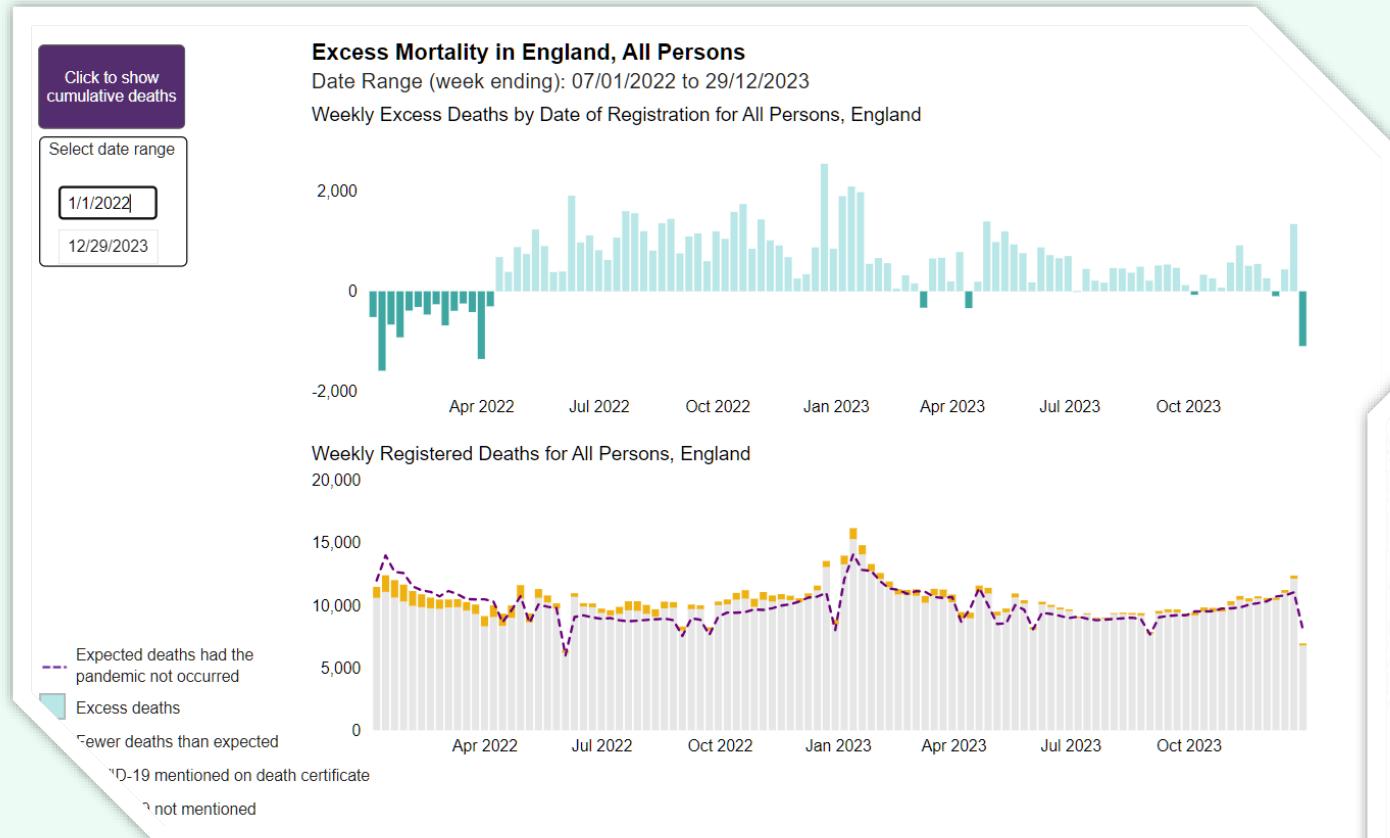
Excess # of Deaths for 2022 based on Trend by COD

CODs Selected: ● Heart ● Stroke ● Hypertension ● Cancer - All ● Flu/Pneumonia ● Diabetes ● Liver ● Drug poisoning ● Total of Selected



Source (February 22nd): CDC Wonder – expected determined by trending 2015-19 and adjusting for normal lags

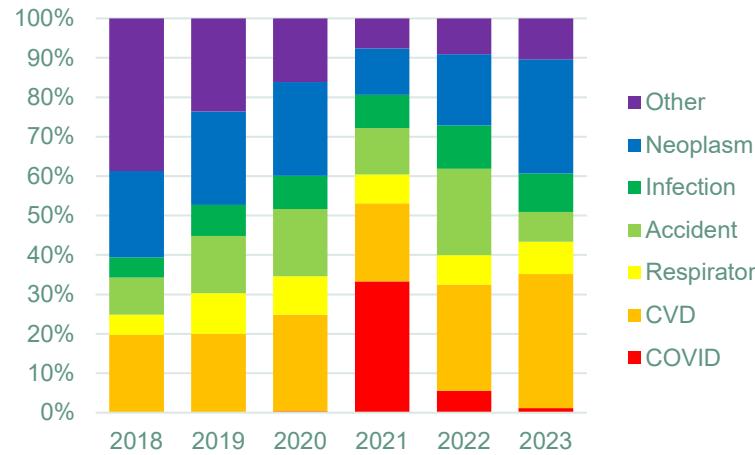
Excess Mortality in England and Australia





Malaysia: Deteriorating Mortality Experience - Potential Prolonged COVID Impact and Other Causes

Cause of Death Claim



Increasing experience in the mortality business since 2021



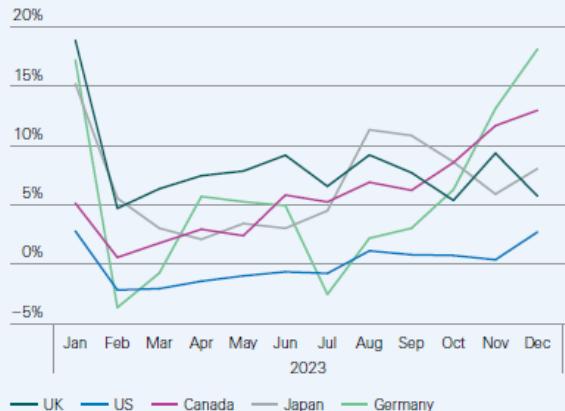
Growing portion of claims from respiratory and cardiovascular diseases (CVD)





Malaysia: Deteriorating Mortality Experience - Potential Prolonged COVID Impact and Other Causes

Figure 1
Reported excess mortality rates in developed countries in 2023



Officially reported statistics vary by country, reporting methodology and excess mortality quantification.
A degree of under-reporting and baseline adjustment is assumed.
Source: Our World In Data, accessed June 2024. Data subject to updates. Reproduced by Swiss Re Institute.

Country	2020–2023	2022	2023
Germany	6.3%	10.1%	5.3%
Canada	6.1%	10.1%	5.9%
Japan	3.6%	8.2%	6.8%
UK	9.4%	7.8%	8.2%
US	11.1%	9.1%	0.0%



Increasing experience in the mortality business since 2021



Growing portion of claims from respiratory and cardiovascular diseases (CVD)



Similar patterns to excess mortality observed in other countries, but Malaysia (MY) shows significantly higher excess mortality

Malaysia: Deteriorating Mortality Experience - Potential Prolonged COVID Impact and Other Causes



Table 4.4.1: Trends in the prevalence of overweight and obesity among those aged 18 years and above in Malaysia, 2011-2023

	2011 (%)	2015 (%)	2019 (%)	2023 (%)
Overweight	29.4	30.0	30.4	32.6
Obesity	15.1	17.7	19.7	21.8



Increasing experience in the mortality business since 2021



Growing portion of claims from respiratory and cardiovascular diseases (CVD)



Similar patterns to excess mortality observed in other countries, but Malaysia (MY) shows significantly higher excess mortality



Other potential causes include shifts in customer profiles during COVID and higher obesity rates in recent years

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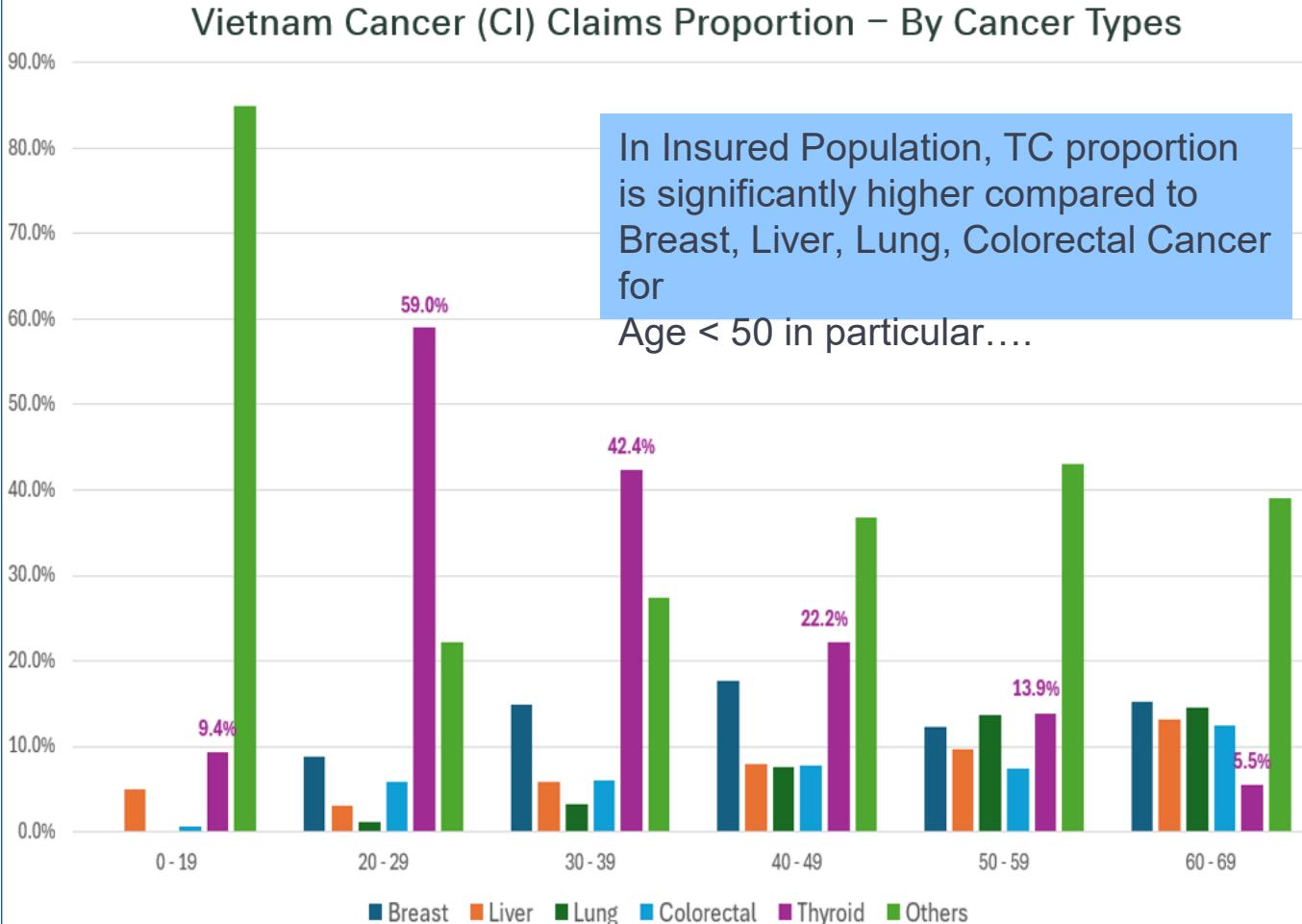
 Growing market with limited experience for pricing



Anticipating the Future

03

Vietnam: Customer Behavior Meets Definition Gaps in TPD



Thyroid Cancer is **not within Top 5 Cancers** in Vietnamese Population between age 20-49. Within **insured population** however, the proportion is **significantly higher**.

Source : Globocan



A) Presumptive Basis

Irrecoverable loss or complete paralysis of function of one of the following combinations:

Both arms, or both legs, or one arm and one leg,

Both eyes, or one arm and one eye, or one leg and one eye.

Loss of function is defined as the complete and irreversible loss of use from the wrist upward (for arms), ankle upward (for legs), and total blindness (for eyes).

B) Loss of Bodily function

The Life Assured suffers **bodily injury of 81% or more**, as certified by:

A provincial or centrally governed medical examination council, or

A legally recognized medical assessment organization approved by the insurance company

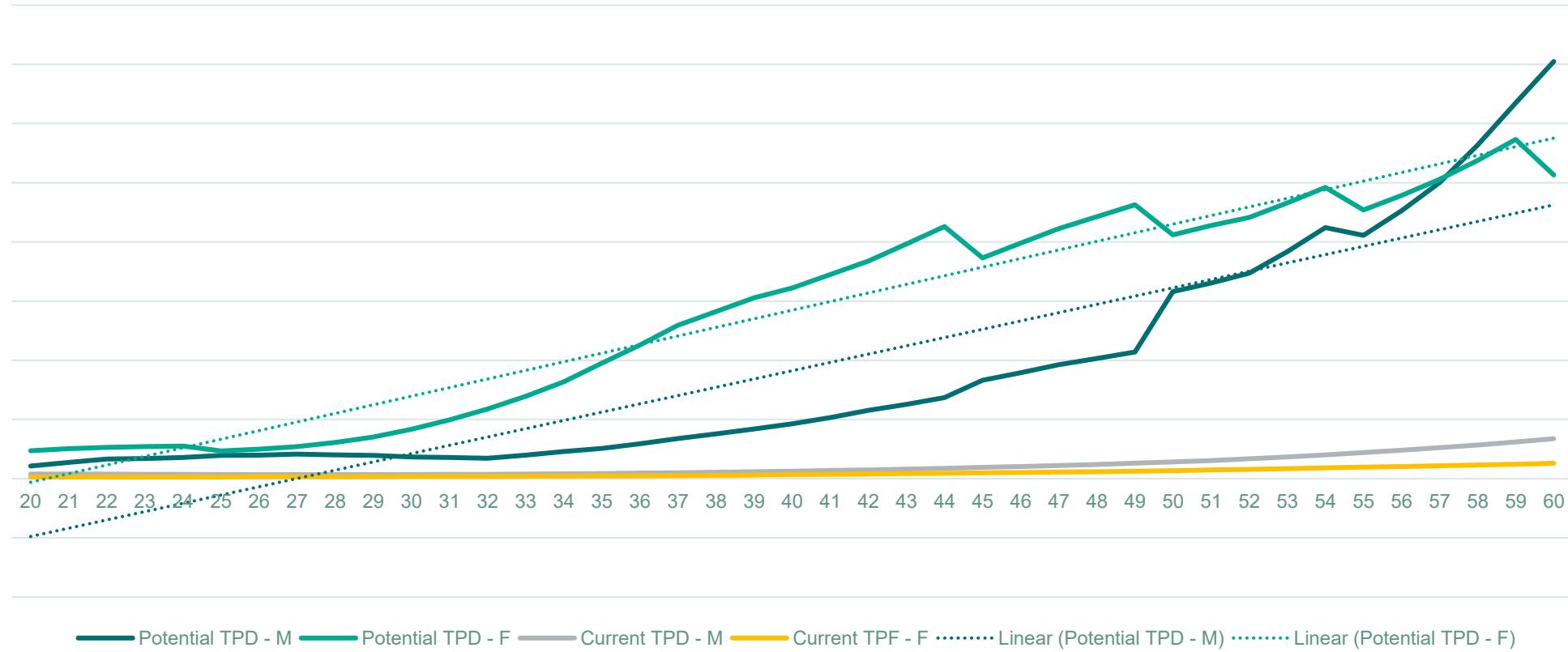
4.2. Thyroid Cancer	
4.2.1. Undifferentiated body ^I	71
4.2.2. Differentiation	81

4. Breast cancer	
4.1. Stage 0	31 - 35
4.2. Phase I, Phase II	41 - 45
4.3. Phase III	61 - 65
4.4. Stage IV	81

3. Acute myocardial infarction causes complications: ventricular septal defect due to perforation of the interventricular septum, arrhythmias, heart failure, cerebral artery occlusion, pericarditis, cardiac aneurysm,...

81 - 85

Where do you think the future incidence will land?



Overdiagnosis remains a challenge everywhere



United
States

Prostate cancer $\uparrow >50\%$ in
1990-2000s



China

Thyroid cancer in Beijing $\uparrow 40\%$
from 2011 to 2012



United
Kingdom

Breast carcinoma-in-situ
 $\uparrow >200\%$ since 1988

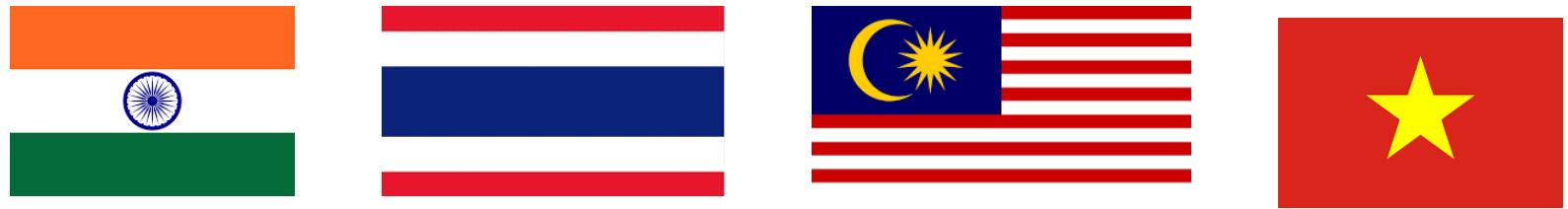


Australi

Non-melanoma skin cancer
 >100 times of other countries

From Early Detection to Excessive Claims: The Overdiagnosis Dilemma

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 Change of behaviour



 Growing market with limited experience for pricing



Use the early warning system to predict the movement



Signal



Triage Signal



Take Action

Enable **proactive** business decisions by **identifying** and managing relevant risks **faster** than ever before.

Together, we can
detect issues early
and act swiftly.





Any
questions?



Thank you!

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