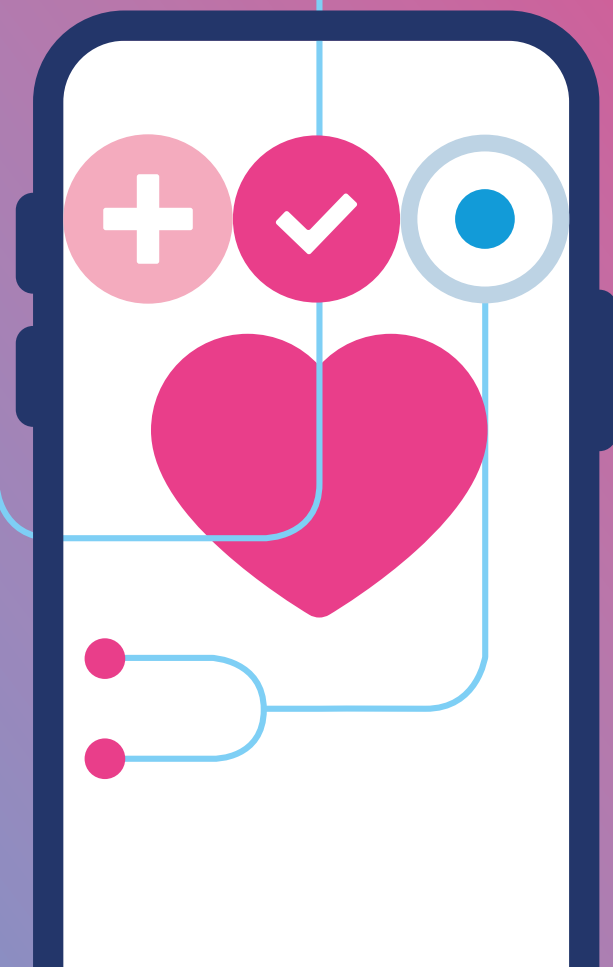


Global insurer report

MMB health trends

Managing the cost and risk of
employer-provided healthcare
in a changing world

benefits that truly benefit



While the course of the COVID-19 pandemic remains unpredictable, it is clear that its impact on employer health programs will persist for years to come.

Mercer Marsh Benefits (MMB) surveyed 210 insurers across 59 countries¹ to find out more about the top trends shaping the future of employer-provided healthcare.

These trends are important for employers to consider as while many employers have latitude in designing their benefit plan to meet their needs, insurers play a key role in shaping the benefits landscape. They do this through their standard practices and policy language, their willingness to adopt new provisions, and their access to large pools of claims data.

While this research was undertaken before the impact of the COVID-19 Omicron variant was felt, we expect these trends to continue.

Top trends shaping employer-provided health and benefits

- 

1 Medical trend rates and claims are increasing
- 

2 COVID-19 is impacting claims experience
- 

3 Prevention and self-care are needed to mitigate health risks
- 

4 Health equity in medical plans is a growing priority

¹ Fielded in September/October 2021.

Top trends shaping employer-provided healthcare

MMB's Health trends survey of 210 insurers across 59 countries identified four key trends driving the future of employer-provided healthcare.



Medical trend rates and claims are increasing

According to the insurers surveyed, medical trend rates rebounded in 2021 and are expected to stay at similar levels in 2022, but pandemic-related uncertainties and geographic differences remain.

9.5%

global medical trend rate for 2022.²

Employer implication

Employers should anticipate that renewal premiums will increase to compensate for the volatility.



COVID-19 is impacting claims experience

Insurers identified COVID-19 and emotional or mental risk as top influencers of employer-provided medical plan costs.

2 in 3

insurers expect to cover inpatient COVID-19 care in 2022.

Employer implication

Employers will need to leverage a combination of private and public coverages to meet their employee needs. They should also brace for the impact of factors such as long COVID and deferred care. Opportunities to fill the gaps in medical plans and to provide mental health care to the workforce will continue during 2022.



Prevention and self-care are needed to mitigate health risks

Metabolic and cardiovascular risk, along with cancer and circulatory diseases, were top areas of concern for insurers.

#1

the rank of metabolic and cardiovascular risk in a list of risk factors influencing employer-sponsored group medical costs.

Employer implication

The pandemic impacted people's well-being behaviors and their interactions with the healthcare system. It is important to encourage employees to continue with preventive care, such as annual health screening, and to ensure they respect local guidelines and restrictions.



Health equity in medical plans is a growing priority

Insurers are making changes to facilitate more inclusive medical plan designs.

30%

percentage of insurers reviewing medical networks to ensure the diversity of providers.

Employer implication

Employers have an opportunity to support a diverse, equitable and inclusive workforce by recognizing that employees have different needs and values, and that care must be affordable to all. As technology evolves, embracing self-care and at-home solutions will improve convenience and access.

² Unweighted average.

Section 1

Medical trend rates and claims are increasing



Defining 'medical trend'

Medical trend is the year-over-year cost increase for claims under a medical plan on a per-person basis. It reflects a variety of factors including:

- Medical inflation (increase in per unit costs for the same service/supply)
- Altered treatment mix (e.g. moving to more expensive treatments)
- Utilization patterns (e.g. people not accessing services due to COVID-19 related restrictions)
- Regulatory changes

Insurers saw global 2021 rates return close to pre-pandemic (2019) levels, and expect rates to stay at that level in 2022. It is important to note that 2022 rates will change over the course of this year as the pandemic and the health risk/care landscape evolves.

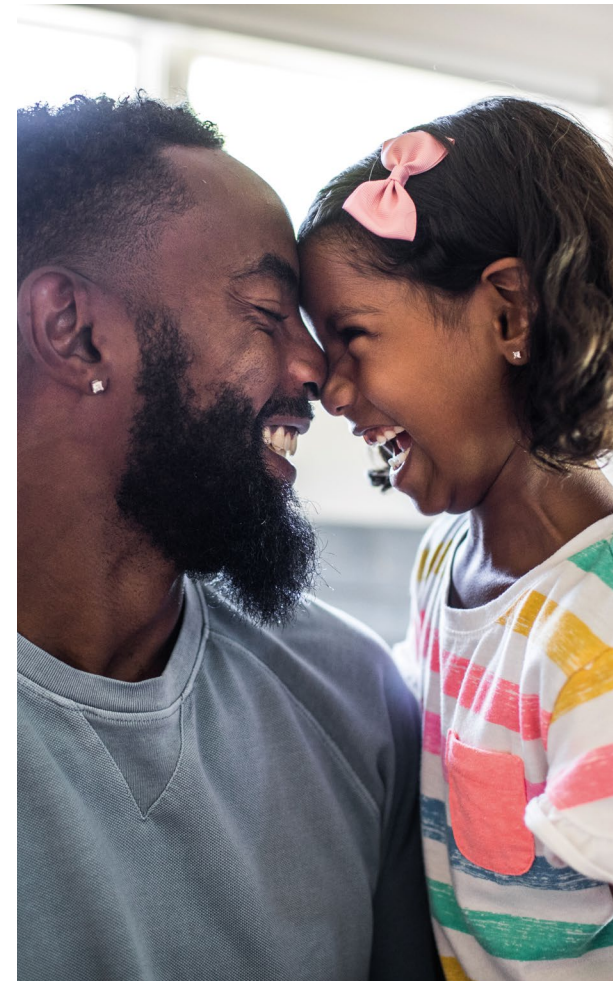
Medical trend rates, 2018-2022³

Figure 1: 2018-2022 Medical Trend.

	2018	2019	2020	2021	2022
Global	9.7%	9.7%	5.7%	9.6%	9.5%
Canada	8.5%	6.9%	3.9%	8.0%	8.6%
Asia	10.4%	10.2%	3.5%	8.8%	10.0%
Pacific	6.0%	4.6%	5.2%	5.3%	5.3%
Europe	8.1%	8.0%	3.5%	9.9%	8.9%
Middle East and Africa	14.0%	11.1%	9.6%	9.5%	10.1%
Latin America and Caribbean	9.6%	13.4%	8.0%	10.2%	9.4%

See Appendix A for further detail.

³ Rates for 2018, 2019 and 2020 are retrospective. Rates for 2021 and 2022 are prospective.



Global medical trend vs. general inflation, 2018-2022⁴

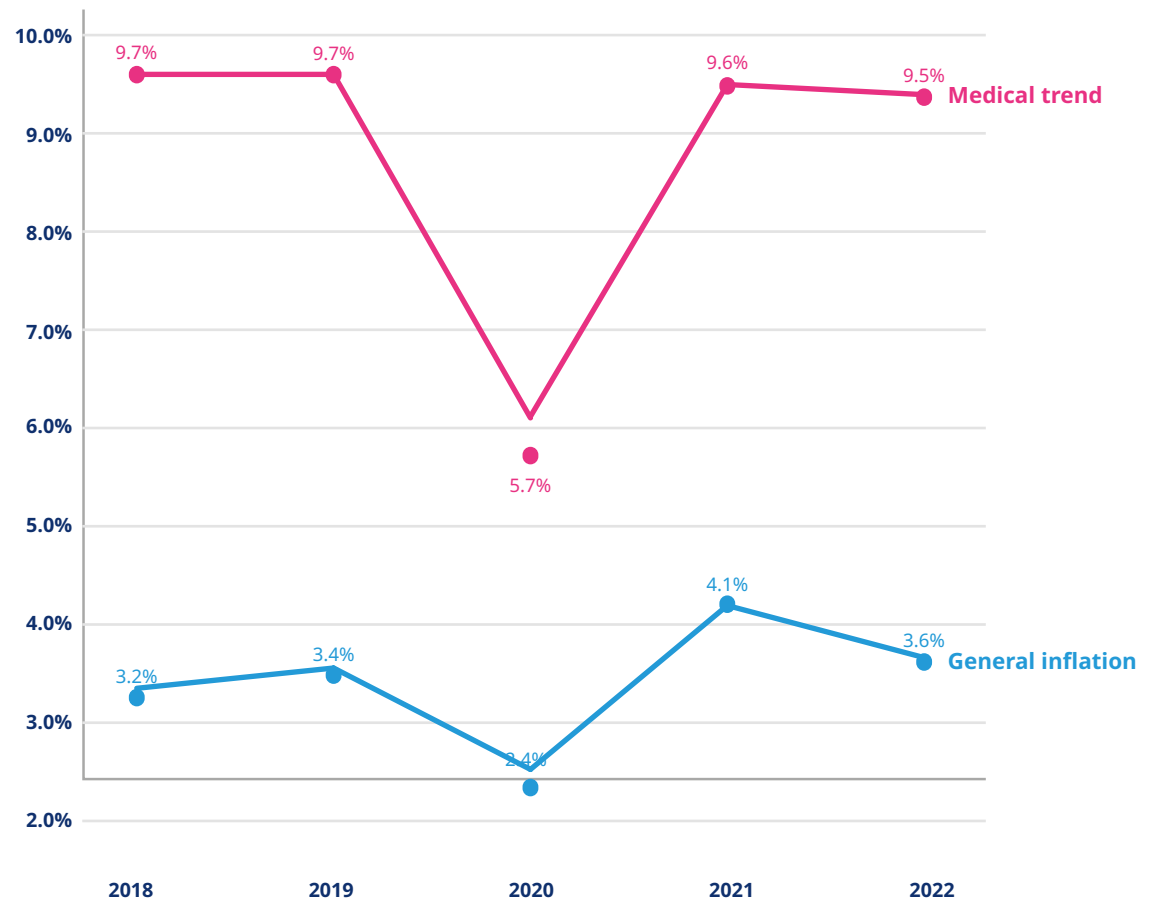
In recent years, medical trend has been approximately three times general inflation. Since the pandemic, we have seen this decrease to approximately two to two and a half times general inflation globally.⁵



US health update

To form a picture of developments in the United States, which is beyond the scope of this survey, Mercer conducts a comprehensive [US National Survey of Employer-Sponsored Health Plans](#). The average per-employee cost of employer-sponsored health insurance jumped 6.3% in 2021 as employees and their families started to access care again, after avoiding it the previous year due to the pandemic. Employers are projecting — on average — a fairly typical cost increase of 4.4% in 2022. However, a number of factors could result in ongoing cost growth acceleration, including higher utilization due to 'catch-up' care, claims for long COVID, extremely high-cost genetic and cellular drug therapies.

Figure 2: Global Medical Trend vs. General Inflation, 2018-2022



Unweighted global averages used.

⁴ Rates for 2018, 2019 and 2020 are retrospective. Rates for 2021 and 2022 are prospective.

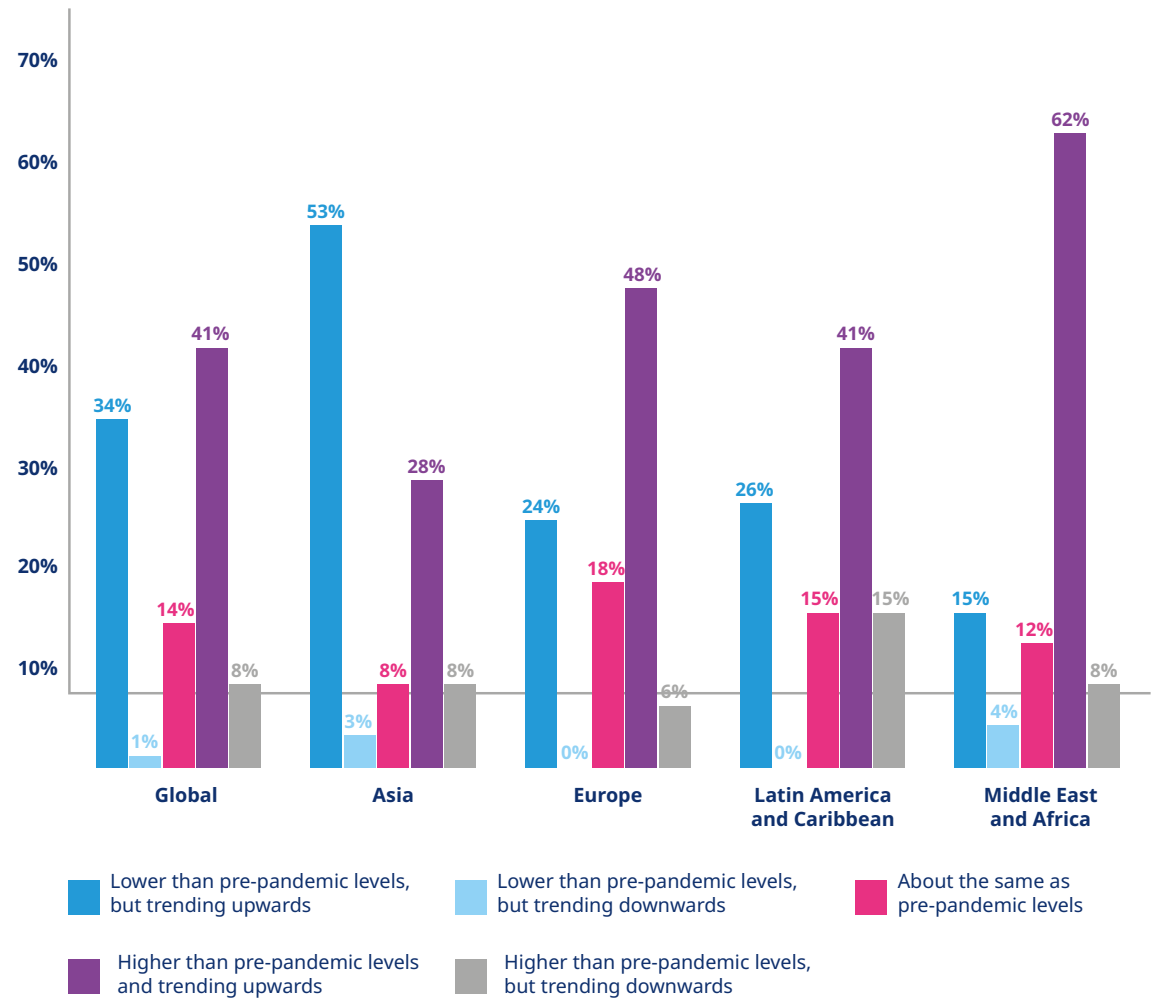
⁵ Unweighted global averages used.

Medical claims activity

Globally, three-quarters (75%) of insurers say that medical claims activity is trending upwards, with one in two (49%) insurers reporting claims activity that is higher than pre-pandemic levels. Over half (53%) of insurers in Asia are still seeing medical claims activity at lower than pre-pandemic levels, primarily due to the ongoing impact of national responses to the pandemic. All other regions are reporting higher claims activity than before the pandemic and that is trending upwards.



Figure3: How are current medical claims trending?

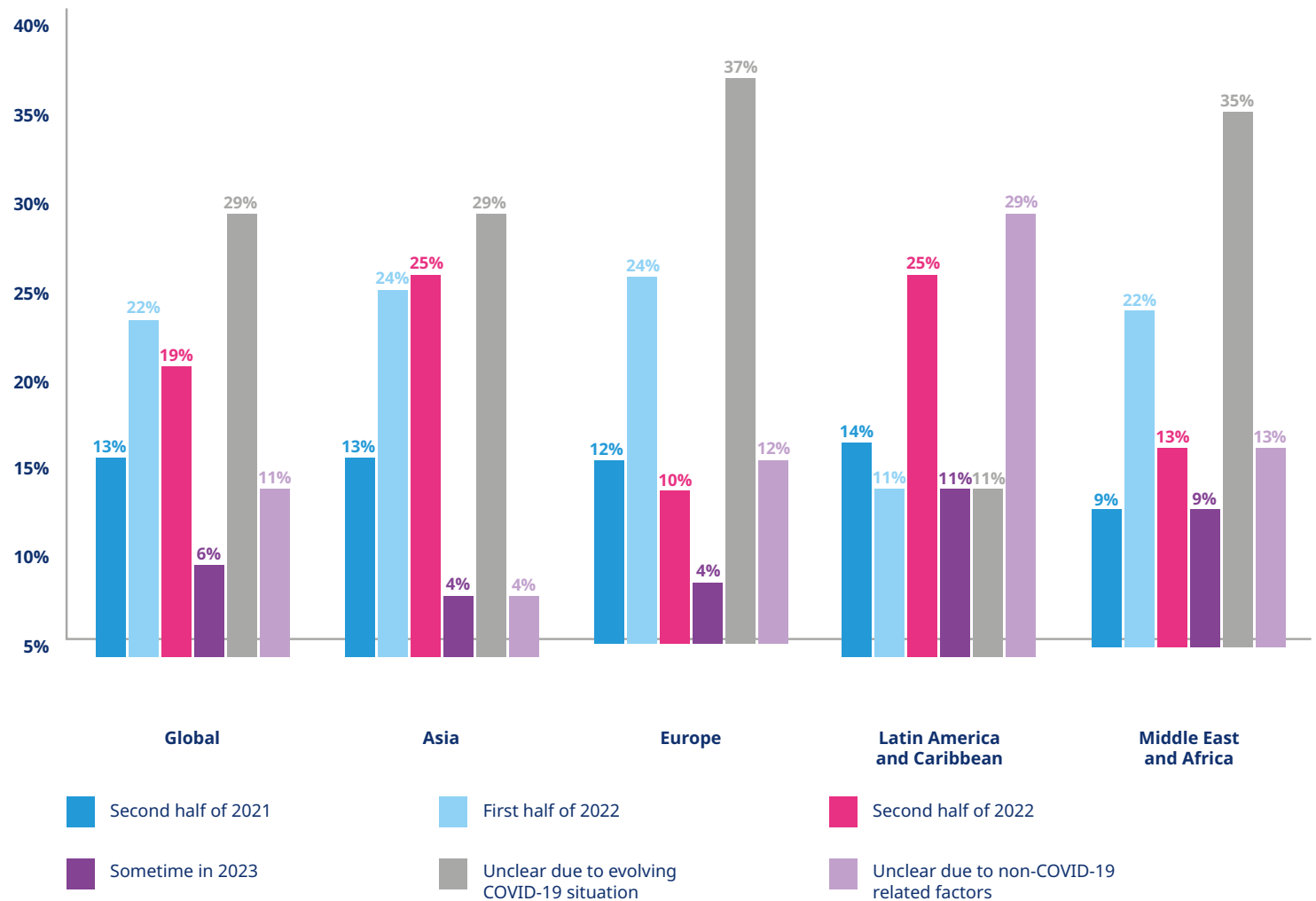


Above excludes "not applicable" responses.

Ongoing claims uncertainty

Insurers who have yet to see a return to pre-pandemic levels remain cautious about predicting when medical claims will return to 'normal'.

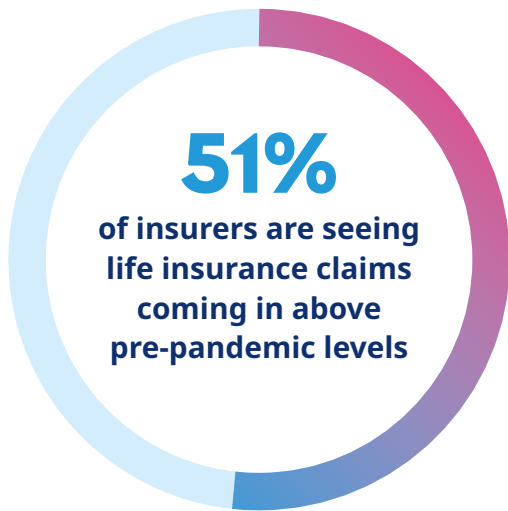
Figure 4: When do you assume paid monthly medical claims (\$) will return to pre-COVID-19 levels?



Impact on life insurance

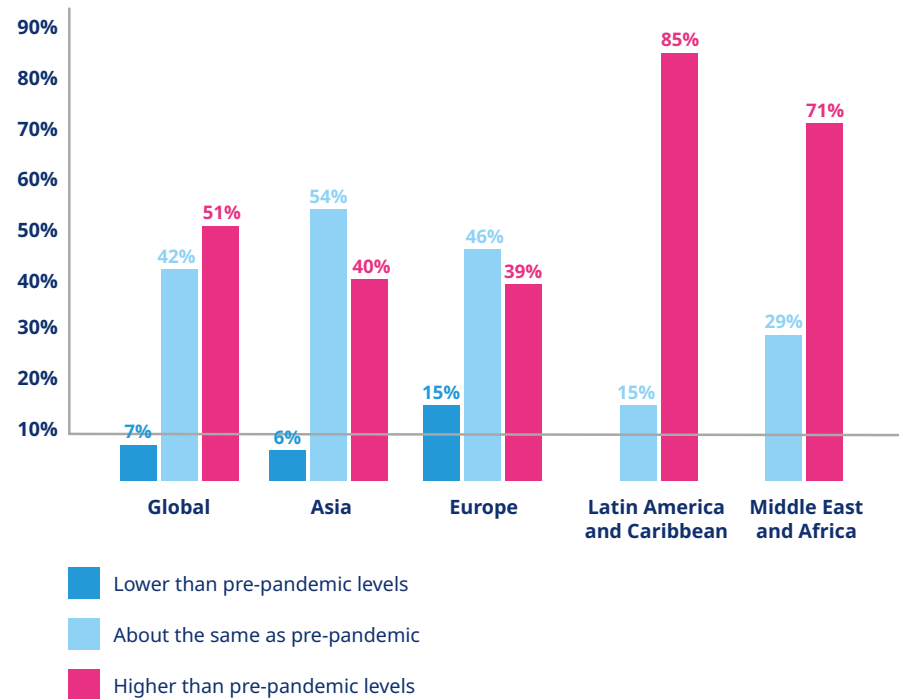
At the time the survey was undertaken (September/October 2021), in Latin America and the Caribbean, 85% of insurers reported seeing higher life insurance claims, especially in Colombia, Mexico and Panama.

In Europe, 39% of insurers saw an increase in claims. This figure is lower than other regions likely reflective of strong health and social safety nets.



If the crisis continues, increases in life insurance claims could lead to higher premiums, tighter underwriting practices or exclusions. For example, in India, we have seen insurers reduce product availability, and require vaccine records for covered lives before offering renewal terms.

Figure 5: Over the last 6 months, how have incurred life claims been trending?





Employer actions

1

Plan for medical trend rates to return to pre-pandemic levels, but remain agile in the face of volatile claims and new variants, and if the pandemic is protracted.

2

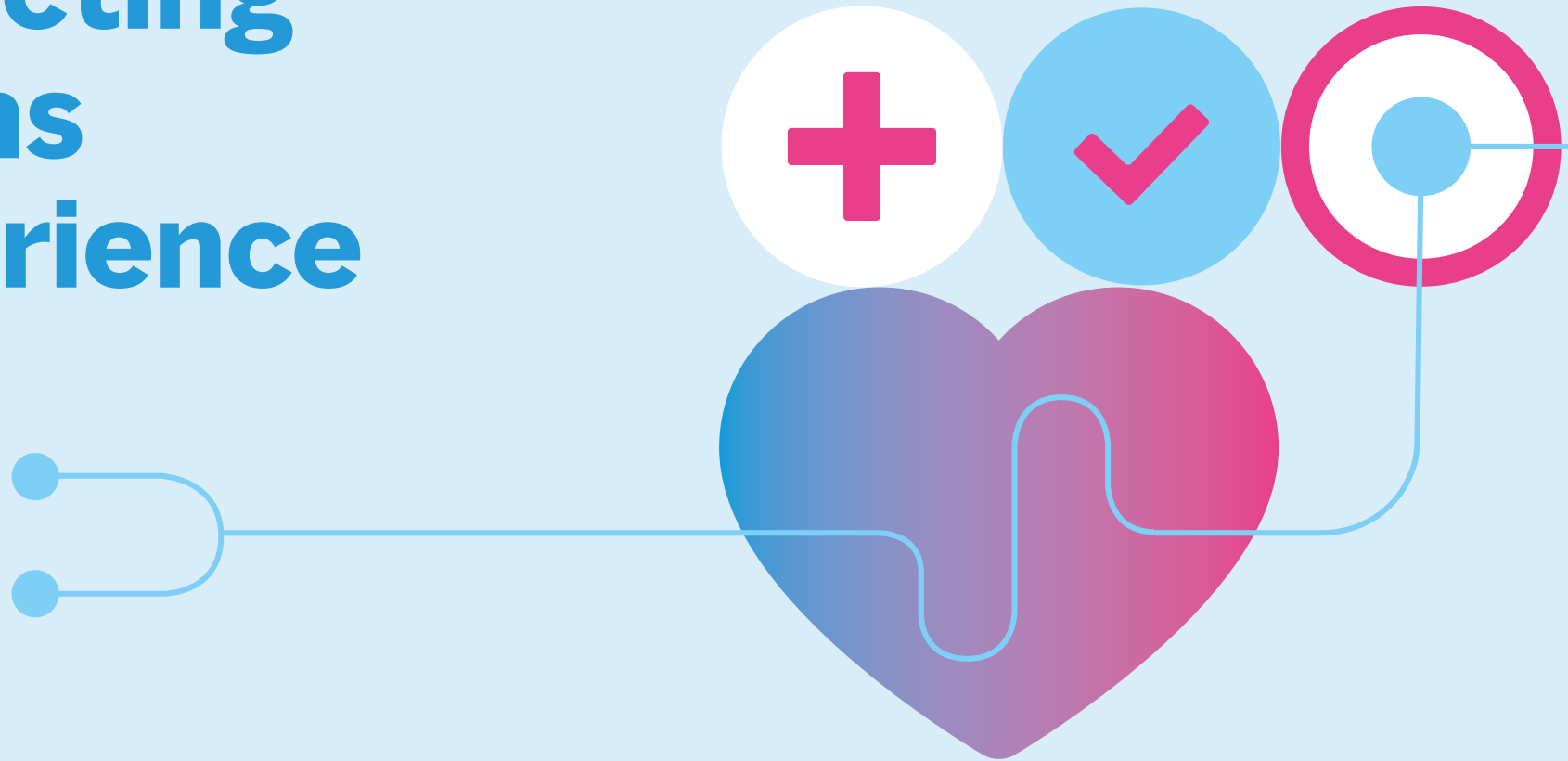
Review your medical plan claims experience regularly to 'get ahead' of changing claims activity.

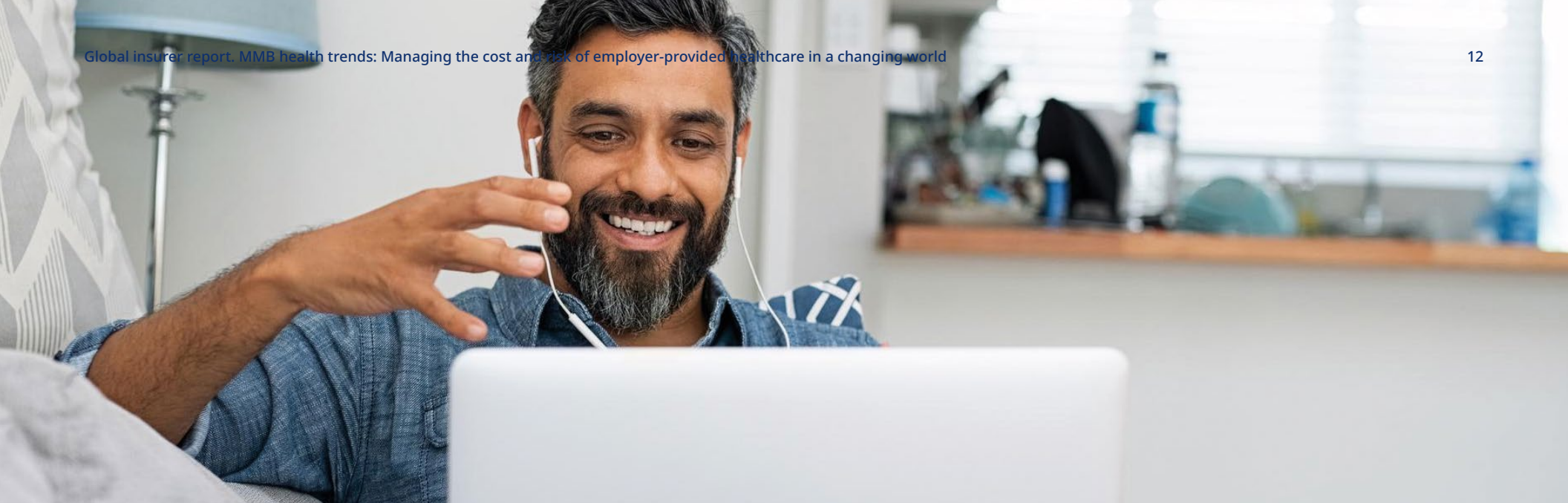
3

Update cost-containment strategies to balance economics with empathy and to position benefits as an investment, not an expense.

Section 2

COVID-19 is impacting claims experience

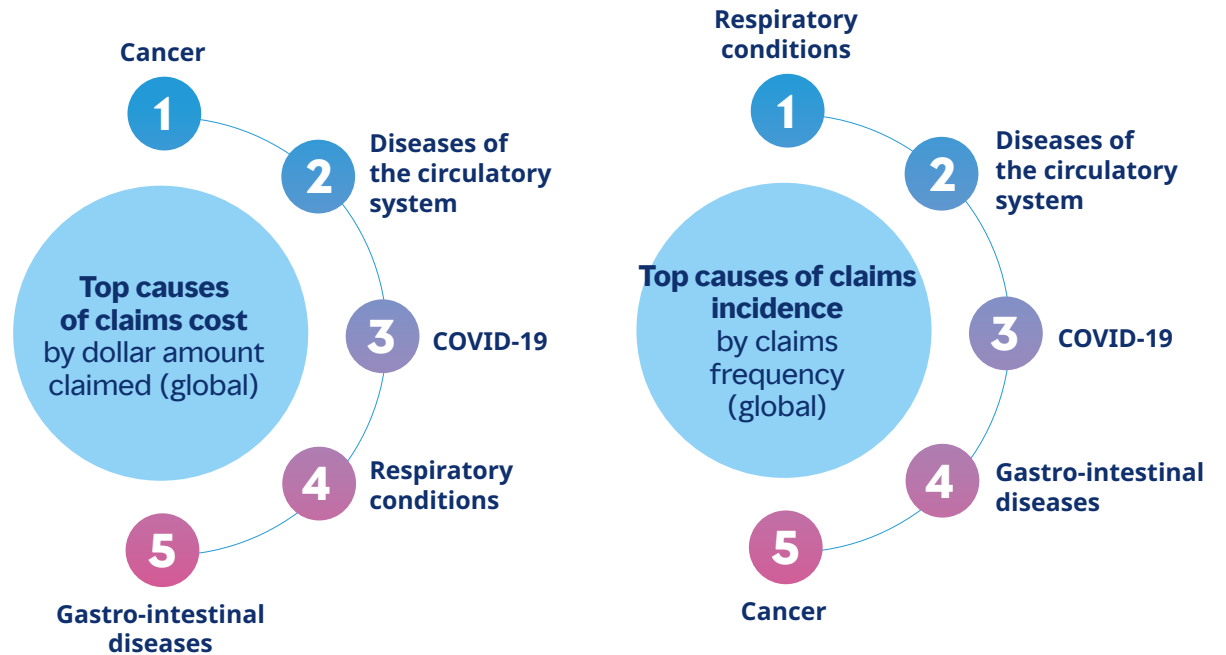




Measuring the true cost of COVID-19

According to insurers surveyed, globally, COVID-19 is now the third highest cause of claims by both dollar amount and frequency. However, its impact has almost certainly been under reported, as insurers have struggled to update their systems to fully capture data about a condition that was unknown before late 2019.

In addition, insurers surveyed reported that the top cause of claims by frequency and the fourth highest cause of claims by dollar amount have been respiratory conditions. It is likely that some of these conditions may have been COVID-19-related, but incorrectly coded as pneumonia or another respiratory illness.



See Appendix B for a full list of claims drivers by region.

Over half of insurers reported that they are not planning to add pandemic or COVID-19 related exclusions

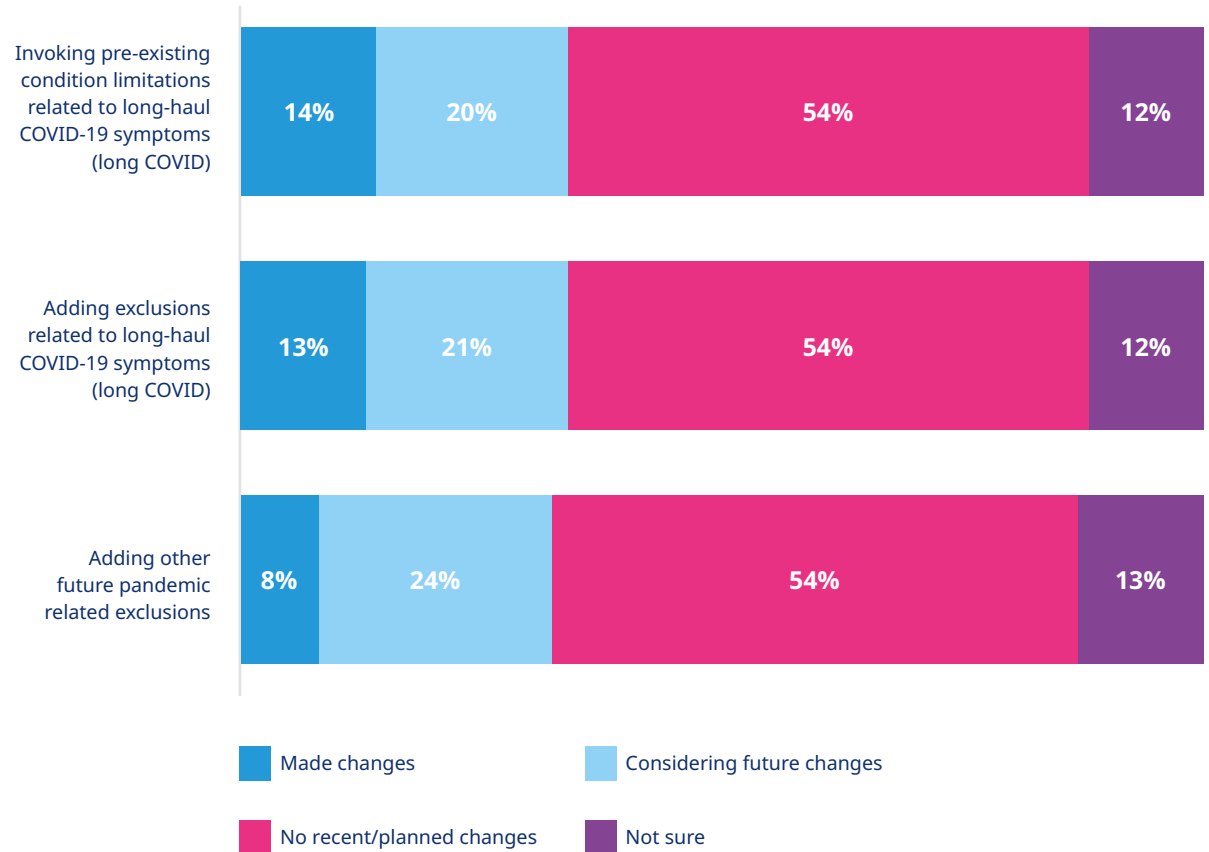
Most insurers opted to waive pandemic-related exclusions during the height of the pandemic, following pressure from clients, advisors and regulators. However, some are now looking to better protect themselves and give themselves greater control over future crises.

A third of insurers (34%) are considering invoking pre-existing condition limitations relating to long COVID (or have made changes to do so). One in five (21%) are considering new long COVID exclusions. 8% have already made policy changes to add future pandemic-related exclusions.

The reluctance of many insurers to take on unknown risks related to long COVID and future pandemic developments means that employers need to review their policies carefully.

While we are encouraged that a minority of insurers have adopted such provisions, we expect that some governments and self-regulating bodies may seek to eliminate them. Expect to monitor developments in this area over the coming year.

Figure 6: In response to the changing benefits landscape, what actions are you taking?



Varying levels of coverage for COVID-19 related claims reflects variation in government-funded schemes across the globe.

23%

Close to a quarter report they will not cover any COVID-19 inpatient, outpatient, testing or vaccination costs.

85%

Almost 9 in 10 insurers in Latin America expect to bear the costs for inpatient COVID-19 treatments.

30%

Fewer than one third of European insurers expect to cover inpatient COVID-19 treatment, as government funded healthcare is largely available.

>50%

Insurers in Asia (56%) and the Middle East (71%) expect to cover outpatient COVID-19 treatments.

See Appendix C for a full list of COVID-19 treatments expected to be covered by typical group medical insurance plans.

Mental health and COVID-19

The COVID-19 pandemic has disrupted the delivery of mental health services globally.⁶ Measures such as self-isolation and quarantine have led to increases in loneliness, anxiety, depression, insomnia, self-harm and domestic violence.⁷ Many employees are experiencing new stressors in their everyday life, with Gen Z and Millennials particularly affected.⁸ One in two employees say they would value insurance coverage to reduce the cost of mental health treatment.

According to survey respondents, the number of insurers providing mental health support has increased. Just one in four (26%) insurers do not provide any mental health cover, compared to one in three (32%) last year. However, employers need to ensure that mental health solutions are provided that cover the full care continuum (on the next page).

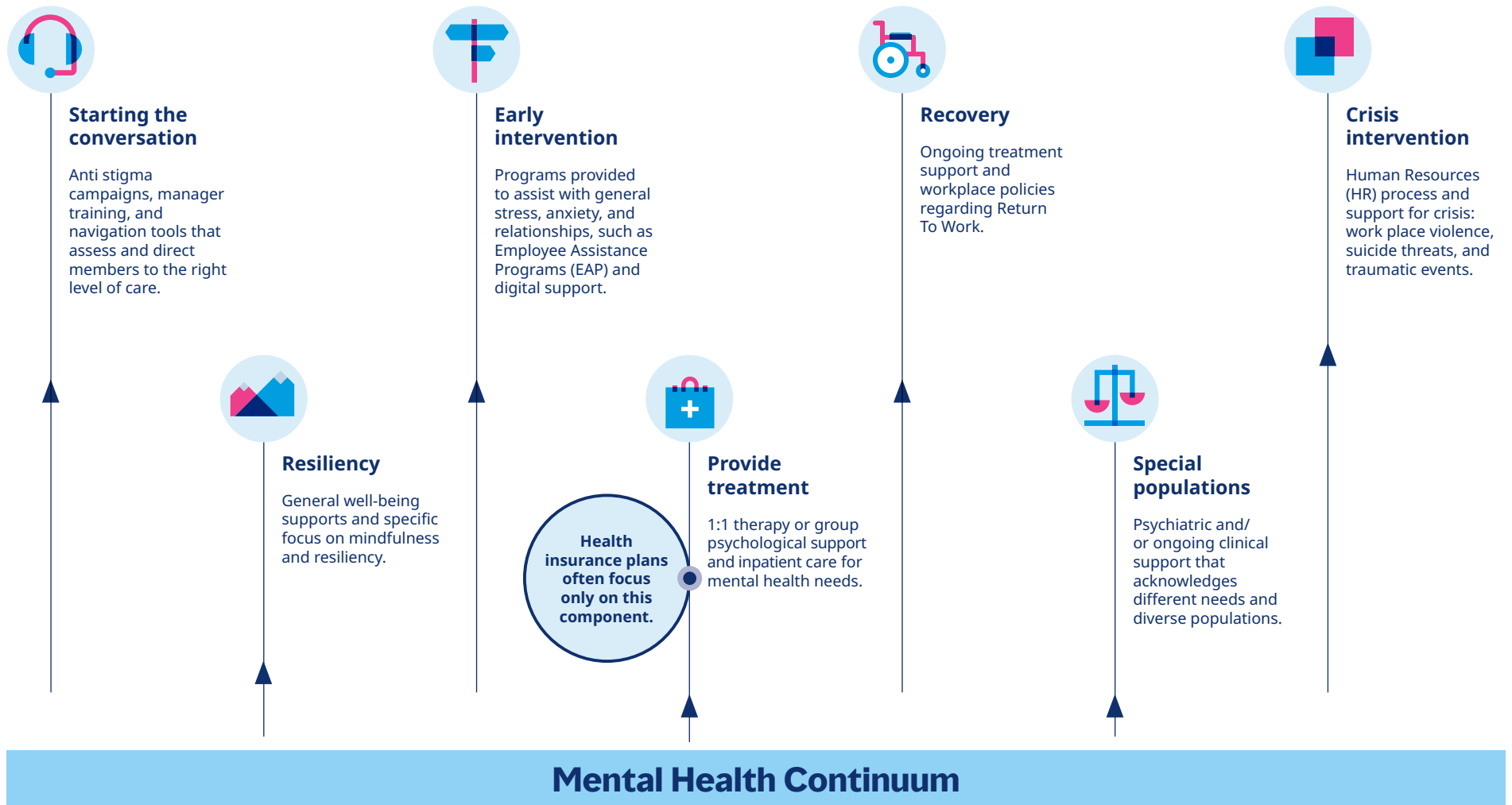
⁶ Kola L. "Global mental health and COVID-19," *The Lancet. Psychiatry*, 7(8), (2020), pp. 655–657.

⁷ Kumar, A. and Nayar, K. R. "COVID-19 and its mental health consequences," *Journal of Mental Health*, 30(1), (2021), pp. 1-2.

⁸ Mercer Marsh Benefits. *Health on Demand*, 2021.



Mental health care strategy should address the full care continuum



Employers need to be aware of regional variations and gaps in mental health offerings

For example:



Employers who provide interventions to support the mental health of employees will be more likely to benefit from a better managed claims experience going forward. Providing such solutions also helps with the important process of destigmatizing mental health in the workplace.

What are you doing to provide access to mental health prevention, management and treatment as part of your insured medical plans?

33%
of insurers provide or cover virtual mental health counselling⁹, but

47%
of employees rate this “highly” or “extremely” valuable¹⁰.

Figure 7: What are you doing to provide access to mental health prevention, management and treatment as part of your insured medical plans?

	Global	Asia	Europe	Latin America and Caribbean	Middle East and Africa
Covering outpatient treatment for mental health (psychological and/or psychiatric counselling)	58%	34%	71%	73%	56%
Covering inpatient treatment for mental health	51%	56%	40%	58%	56%
Covering outpatient treatment for mental health (prescription medication prescribed)	43%	36%	31%	45%	64%
Covering preventative mental health measures (resilience or mindfulness coaching)	28%	21%	31%	33%	24%
We do not provide plans that cover mental health services	26%	32%	22%	24%	32%

⁹ According to this year's MMB Health Trend survey results.

¹⁰ MMB Health on Demand 2021.



Employer actions

1

Monitor coverage for new COVID-19 prevention and treatment regimens, such as new medications, to understand employee access.

2

Develop a mental health strategy for your workforce that not only looks at supporting those off sick but also enhances overall well-being.

3

Review, monitor and influence changes to policy language.

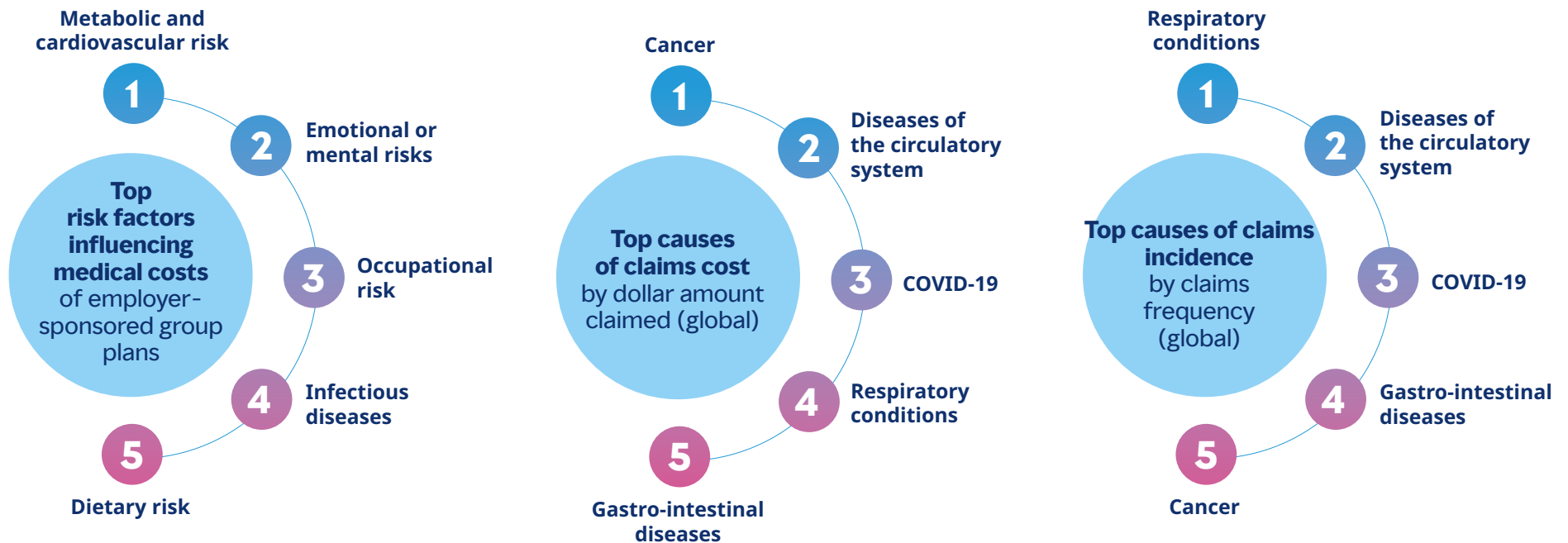
Section 3

Prevention and self-care are needed to mitigate health risks



Non-communicable diseases

Non-communicable diseases (NCDs), also known as chronic diseases, are not passed from person to person.¹¹ NCDs kill 41 million people each year, amounting to 71% of all deaths globally.¹² Reducing NCDs remains a key priority for employers and insurers, for both the health of their employees and their businesses.



¹¹ <https://www.who.int/news-room/fact-sheets/detail/noncommunicable-diseases>.

¹² Mercer Marsh Benefits. Health on Demand, 2021.



Metabolic and cardiovascular risk

- Insurers surveyed reported metabolic and cardiovascular risk as the number one risk factor driving group medical costs.
- Reports show that patients with diabetes and COVID-19 are at an increased risk for developing severe complications including multi-organ failure and death.¹³
- A majority of studies examining changes in physical behavior during COVID-19 found decreases in physical activity and increases in sedentary behaviors in several populations.¹⁴



Cancer

- Insurers surveyed reported cancer as the top cause of claims costs by dollar amount globally and in the Asian, Latin American and European regions.
- A study of breast cancer detection in Taiwan found that the percentage of early breast cancer diagnoses decreased from 71% to 49% once the COVID-19 pandemic hit.¹⁵
- A UK study found that approximately 45% of those with potential cancer symptoms did not contact their doctor during the first wave of the pandemic.¹⁶



Diseases of the circulatory system

- This includes hypertension, acute myocardial infarction and cerebrovascular events.
- Insurers surveyed reported diseases of the circulatory system as a top driver of claims by dollar amount and frequency, and the top cause of claims by dollar amount in the Middle East and Africa.
- Studies have found that people are susceptible to sustaining acute myocardial infarction due to lockdowns and their associated psychological stressors.¹⁷



¹³ Rajpal, A., Rahimi, L., & Ismail-Beigi, F. (2020). Factors leading to high morbidity and mortality of COVID-19 in patients with type 2 diabetes. *Journal of diabetes*, 12(12), 895–908.

¹⁴ Stockwell, S., Trott, M., Tully, M., Shin, J., Barnett, Y., Butler, L., ... & Smith, L. (2021). Changes in physical activity and sedentary behaviours from before to during the COVID-19 pandemic lockdown: a systematic review. *BMJ Open Sport & Exercise Medicine*, 7(1), e000960.

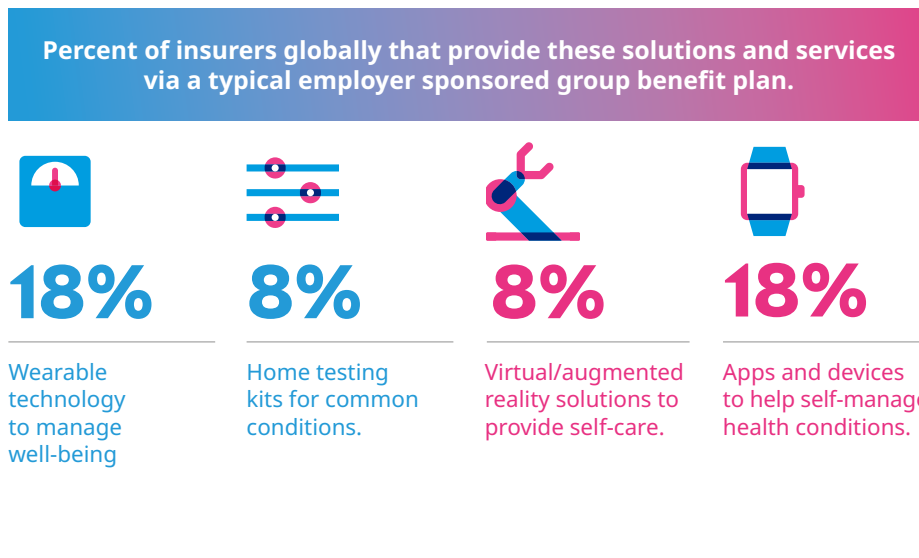
¹⁵ Chou, C. P., & Lin, H. S. (2021). Delayed Breast Cancer Detection in an Asian Country (Taiwan) with Low COVID-19 Incidence. *Cancer management and research*, 13, 5899–5906. <https://doi.org/10.2147/CMAR.S314282>.

¹⁶ The Lancet Oncology (2021). COVID-19 and cancer: 1 year on. *The Lancet. Oncology*, 22(4), 411. [https://doi.org/10.1016/S1470-2045\(21\)00148-0](https://doi.org/10.1016/S1470-2045(21)00148-0).

¹⁷ Hammoudeh, A. J., Madanat, E., Tabbalat, R., Ibdah, R., Makhameh, H., Fakhri, M., Khader, Y., Mansour, O., & Alhaddad, I. A. (2021). Acute cardiovascular events triggered by the COVID-19 pandemic-related stress in non-infected individuals. *The Jordan COVID-19 Acute Cardiovascular Events (JoCORE) study. Reviews in cardiovascular medicine*, 22(4), 1677–1683.

Combatting NCDs during the pandemic

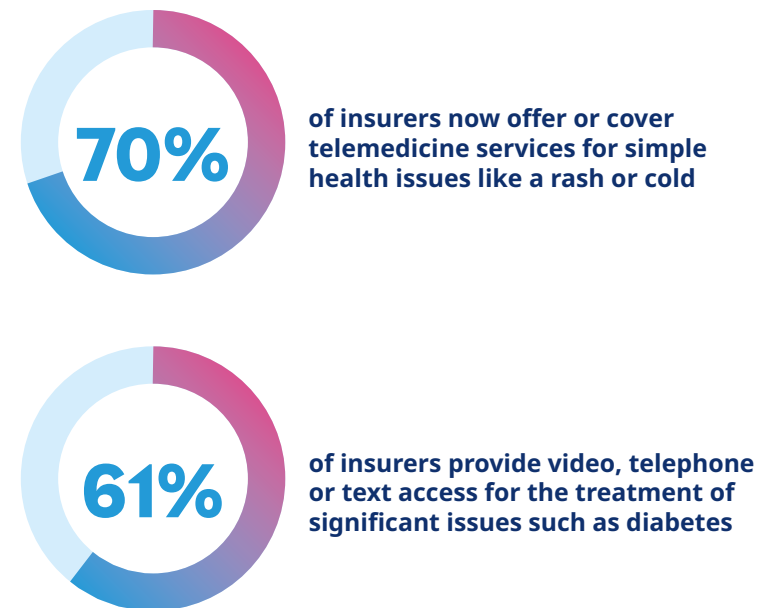
Exploring how to embed self-care products into benefit plans is a useful tactic for employers to consider.



Self-care solutions are highly valued by employees, with one in two employees finding both home testing kits and wearables to manage health conditions 'highly' or 'extremely' valuable.¹⁸ Almost one in ten insurers (8%) now cover or provide home testing kits, such as blood tests for diabetes. Just under a fifth of insurers (18%) also now offer or cover the cost of wearable technology that helps self-manage well-being issues, up from 13% last year.

Digital health solutions help employers provide care and are more available than ever before

Our 2021 [Health on Demand](#) research found that employee confidence has grown significantly when it comes to talking to a doctor or nurse online about healthcare issues. Many insurers now provide digital health solutions as part of their employer sponsored benefit plans.



¹⁸ Mercer Marsh Benefits. (2021). Health on Demand.

1 in 2

employees find wearables to manage health conditions like diabetes and heart failure “highly” or “extremely” valuable.¹⁹



1 in 5

insurers offer or cover the cost of wearable technology to help self-manage well-being issues.²⁰

¹⁹ MMB Health on Demand 2021.

²⁰ MMB Health Trends Survey report 2021.



Employer actions

1

Run communication campaigns to educate about the risk of delaying preventive care.

2

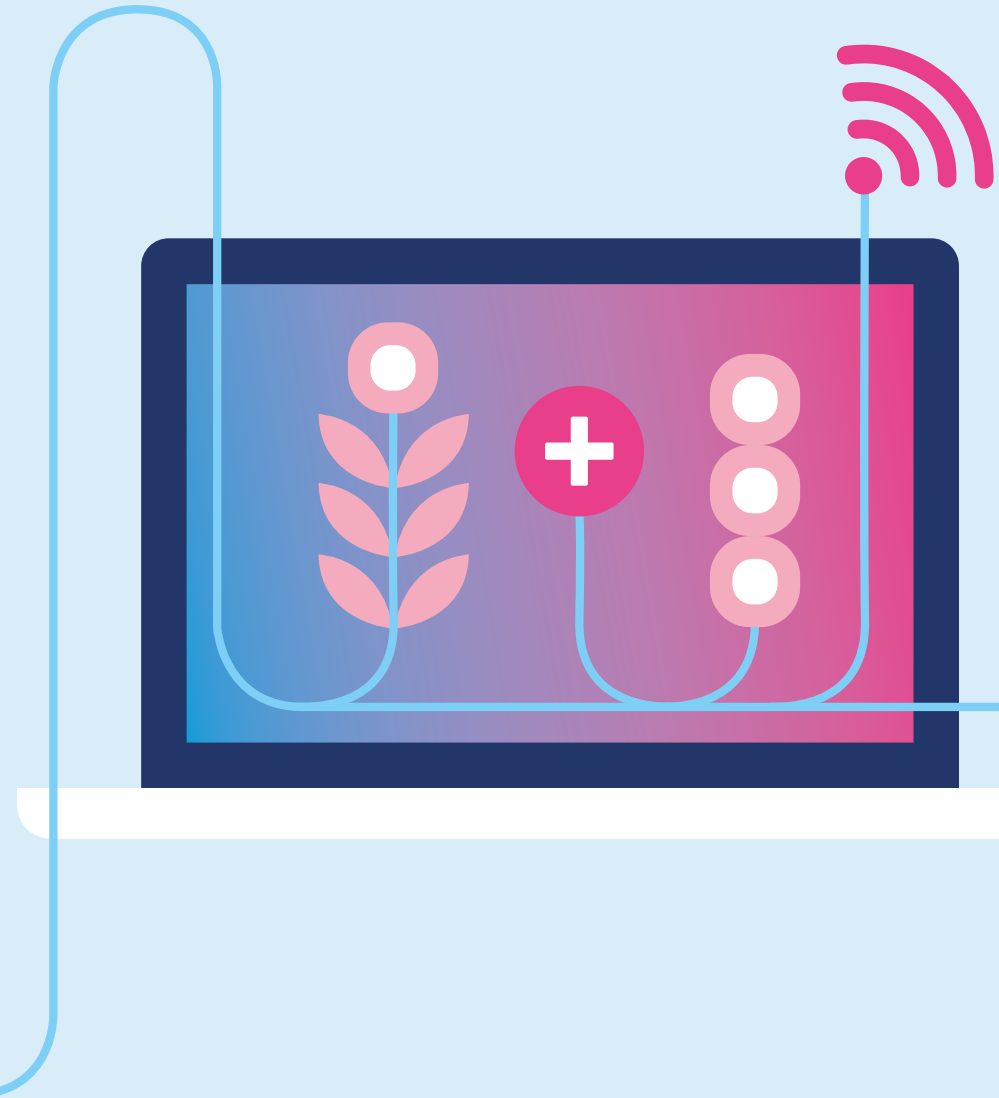
Listen to employees to better understand which of their unmet needs are of greatest concern.

3

Explore opportunities to embed self-care and digital health into your benefit plans.

Section 4

Health equity in medical plans is a growing priority

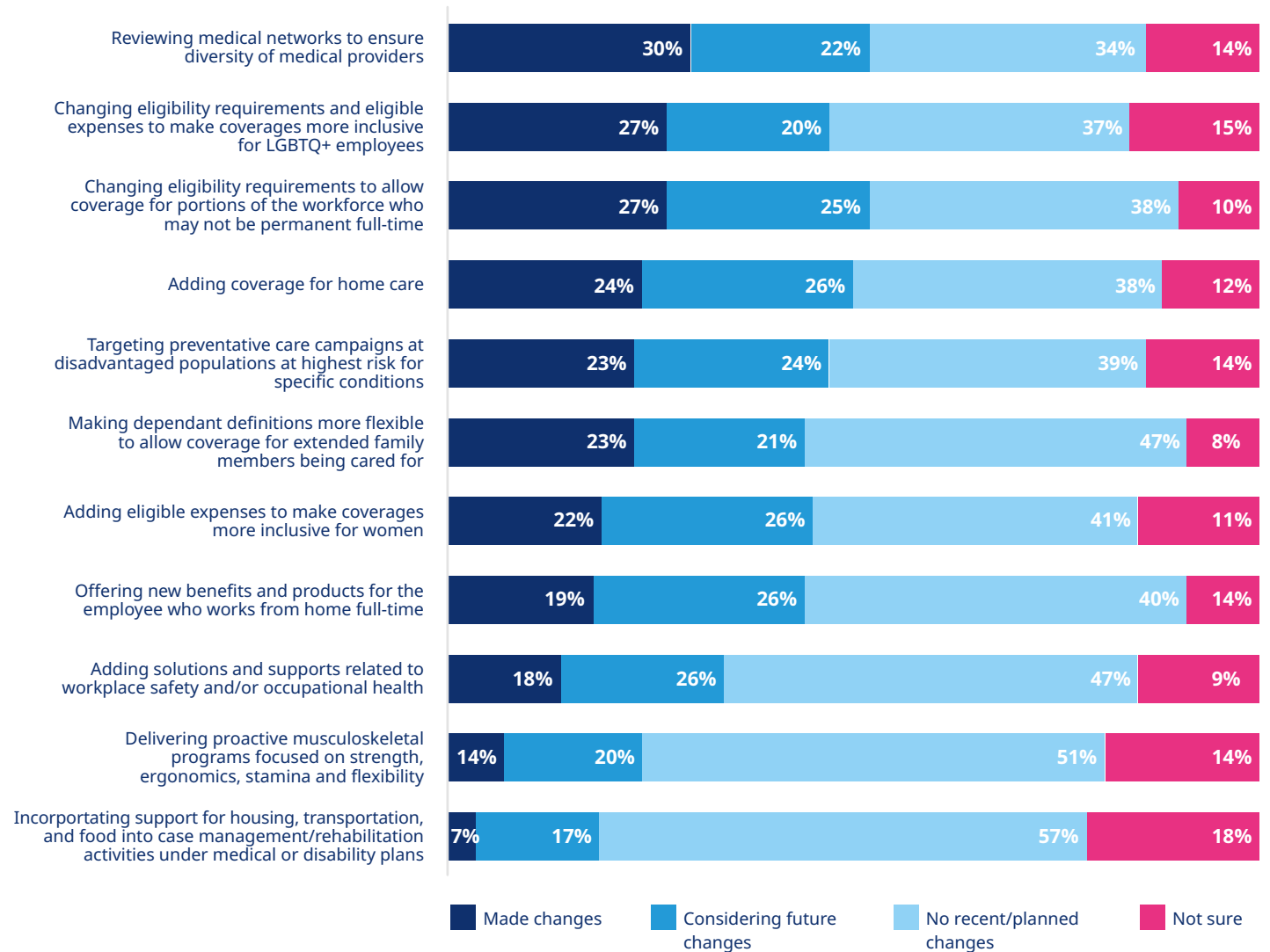


Increasing diversity, equity and inclusion

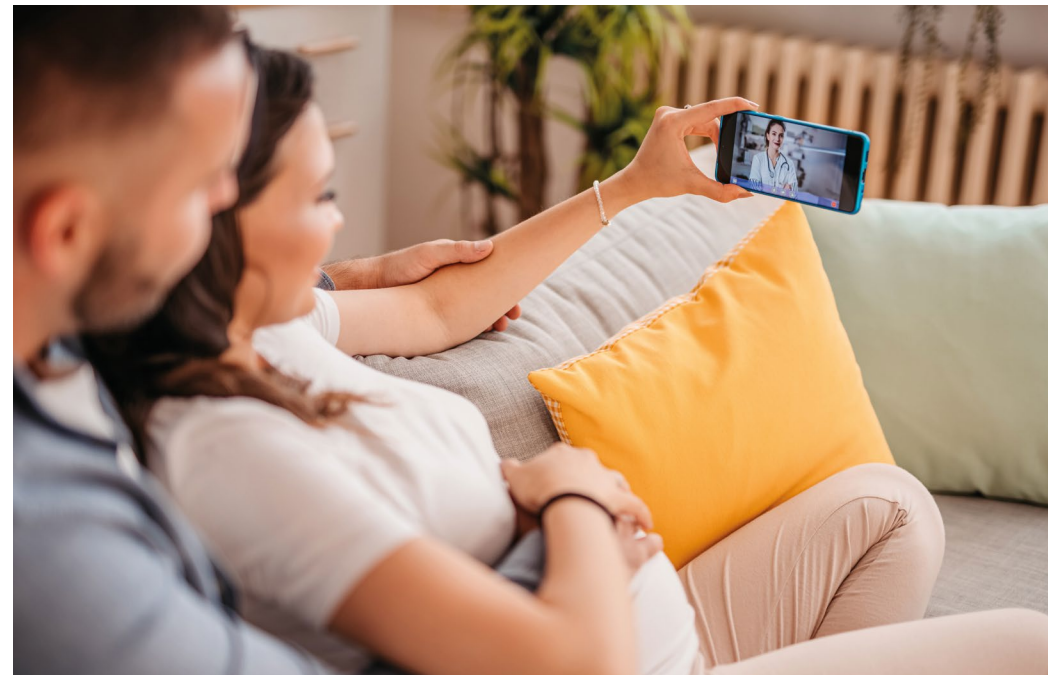
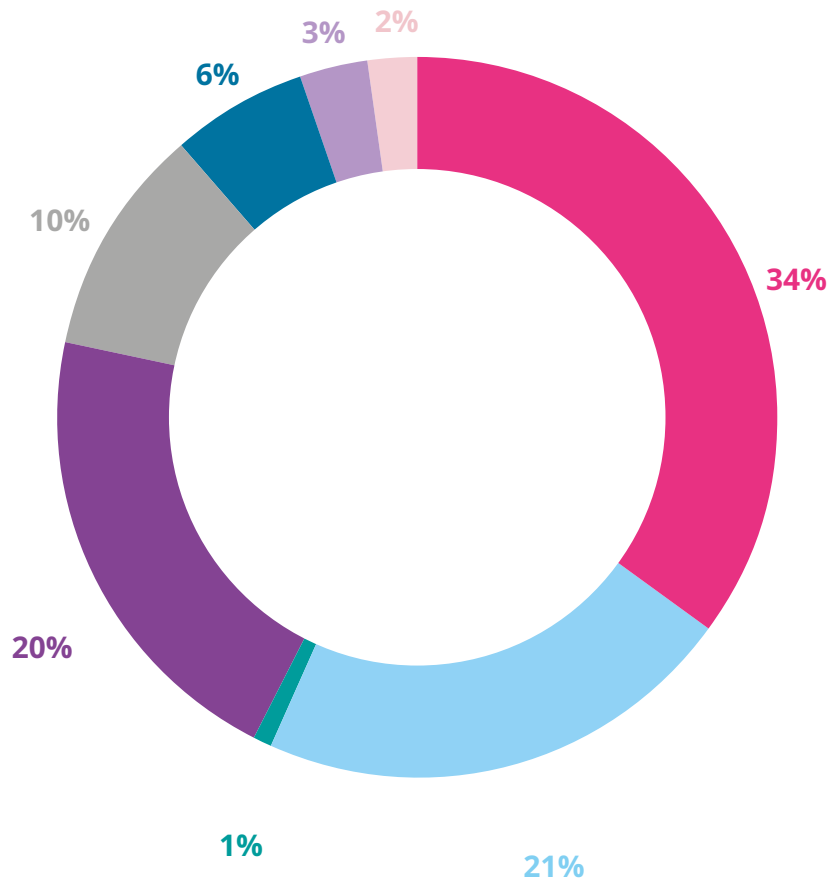
Insurers are increasingly making changes to facilitate the design of more inclusive medical plans. For example, a third (30%) of insurers have made changes to ensure there is diversity among the medical providers within their networks. This will impact the 'employee experience' as individuals can more easily choose to see a doctor who shares their ethnic background and gender.

Over a quarter (27%) of insurers have changed eligibility access to make coverage more inclusive of LGBTQ+ employees. This includes measures such as allowing partners of the same gender to be named on medical plans.

Figure 8: In response to the changing benefits landscape, what actions are you taking?



What is your insurance company's top strategic priority relating to group medical insurance?



34% **Data analytics**

21% **Provider management**

1% **Preparedness planning for pandemics and natural disasters**

20% **Quality care focused benefit design**

10% **Plan member technologies**

6% **Well-being programs**

3% **Mental health initiatives**

2% **Reducing fraud and waste within the network**

Insurers are setting their strategic priorities with equity in mind

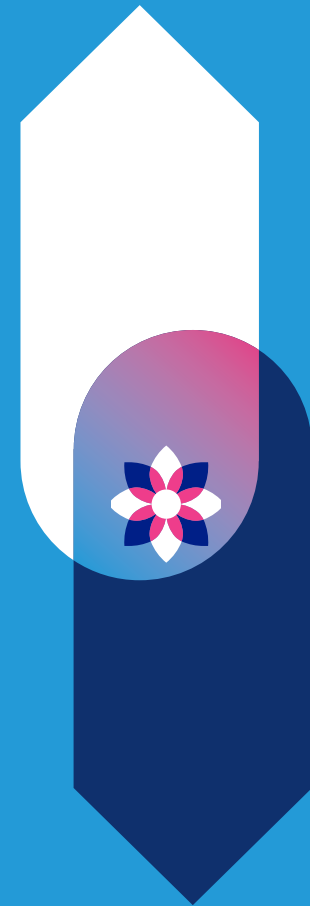
Top medical insurance priorities

- Insurers are being pragmatic and focusing on things that are within their control, with 'data analytics' the top strategic priority for a third (34%) of insurers. This is important, as there are growing demands from multiple stakeholders that they receive a better understanding of predicted claim trends.
- Insurers are increasingly recognizing that having vast networks of medical professionals isn't as important as ensuring providers have good outcomes. The better management of providers is therefore the top priority for one in five (21%) insurers.
- Promoting quality-focused measures is the top priority for a fifth of insurers (20%). Such steps include encouraging people to research and use facilities that specialize in treating their condition, rather than just using their local doctor. This improves both the quality of care and care outcomes.

Lower medical insurance priorities

- Despite the impact of the pandemic, just 1% of insurers see preparedness planning for high-risk events, such as future pandemics and natural disasters, as a top group medical insurance priority. This may be because many insurers underwrite multiple lines of coverage. They may therefore be looking at strategies for preparedness planning and cybersecurity across their entire insurance portfolios.
- Even though mental health was flagged as the second-biggest risk to employee health, just 3% of insurers see their mental health provision as a key priority. Many employers will therefore have to continue to advance their corporate mental health and well-being agenda independently of their insurers.

Insurers surveyed flagged emotional and mental health as the second largest risk factor influencing employer-sponsored group medical costs. However, only 3% of insurers said that mental health initiatives were a strategic priority for their group medical insurance plans.



**Insurers are
innovating and
diversifying
product offerings.**



Environmental, Social and Governance (ESG) Commitments

We are pleased to see that many insurers appear more open to approaches that drive diversity, equity and inclusion (DEI). In our opinion this is a critical component of being a socially responsible employer. As employers look to make meaningful changes and become more inclusive (changes that often have added costs but which bring added business benefits), we are optimistic that this will get easier as insurers offer more product options and underwriting flexibility.



Employer actions

1

As part of your ongoing vendor management activities, have ESG conversations with insurers and understand what they are doing in this field.

2

Determine to what extent you'd like your benefits to align to your DEI goals and refine your benefit strategy accordingly.

3

Continue to advocate for better collection and sharing of data to allow for anonymized and aggregated identification of workforce health trends, including coding for social factors that influence health and well-being.

Conclusion

By realigning benefits programs to support the workforce now and in the future, employers can address critical gaps and create an advantage.

Many are also reviewing provider networks to ensure a greater diversity of medical providers, and adapting policies to make them more accessible and inclusive for remote workers and non-permanent employees and to better serve the needs of minority populations.

However, ongoing uncertainty about future pandemic developments, and the unknown risks associated with long COVID, mean many insurers are also considering invoking policy protections that will give them contractual mitigation levers, if needed, against future crises.

While mental health provision has increased, this change has primarily focused on supporting people once

they get sick, instead of helping them to stay healthy. Insurers are instead choosing to focus their strategic efforts on improving their ability to collect data in this area (arguably an important first step) and on the better management of healthcare providers.

This leaves employers open to new risks including the deteriorating mental health of their employees, cardiovascular, diabetes and cancer issues as well as long COVID. These challenges will require employers to look closely at their policies to decide what elements they want to budget for and which exemptions they can and can't risk.



If you only do five things...

-  **1** | **Look at insurer outcomes on health, not just coverage.**
-  **2** | **Don't forget to look at policy terms of coverage closely.**
-  **3** | **Encourage the use of quality self-care tools and digital products.**
-  **4** | **Don't underestimate the risk of undiagnosed disease and the power of preventative measures.**
-  **5** | **Embrace opportunities to offer more inclusive coverages.**

Do you know if your benefits programs will support your workforce now and into the future?

Find out what the Health Trends survey can tell you about addressing the critical gaps in your health and benefits programs in your organization.

Reach out to one of our specialists to have a conversation around the actions that are right for your employees and your business.



Appendix A

Important Notices: The below 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 trend locally, regionally and globally. This document does not constitute or form part of any offer or solicitation or invitation to sell by either Marsh or Mercer to provide any regulated services or products in any country in which either Marsh or Mercer has not been authorized or licensed to provide such regulated services or products. 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. The availability, nature and provider of any services or products, as described herein, and applicable terms and conditions may therefore vary in certain countries as a result of applicable legal and regulatory restrictions and requirements. Please consult your Marsh or Mercer consultants regarding any restrictions that may be applicable to the ability of Marsh or Mercer to provide regulated services or products to you in your country

Mercer Marsh Benefits 2020-2022 Estimated Medical Trend Summary

Country/Region	2020 estimated medical trend rate	2020 estimated inflation rate ²¹	2021 forecast medical trend rate	2021 forecast inflation rate ²¹	2022 forecast medical trend rate	2022 forecast inflation rate ²¹
Global	5.7%	2.4%	9.6%	4.1%	9.5%	3.6%
Canada	3.9%	0.7%	8.0%	3.2%	8.6%	2.6%
Asia	3.5%	1.4%	8.8%	2.3%	10.0%	2.3%
China	2.1%	2.4%	11.6%	1.1%	8.7%	1.8%
Hong Kong	3.3%	0.3%	5.8%	1.9%	6.0%	2.1%
India	12.2%	6.2%	13.8%	5.6%	14.6%	4.9%
Indonesia	-5.6%	2.0%	10.2%	1.6%	13.6%	2.8%
Malaysia	-3.1%	-1.1%	8.3%	2.5%	11.6%	2.0%
Philippines	-5.0%	2.6%	9.0%	4.3%	11.5%	3.0%
Singapore	5.8%	-0.2%	8.1%	1.6%	8.8%	1.5%

Country/Region	2020 estimated medical trend rate	2020 estimated inflation rate ²¹	2021 forecast medical trend rate	2021 forecast inflation rate ²¹	2022 forecast medical trend rate	2022 forecast inflation rate ²¹
South Korea	7.0%	0.5%	7.0%	2.2%	5.0%	1.6%
Taiwan	5.0%	-0.2%	3.9%	1.6%	11.6%	1.5%
Thailand	6.3%	-0.8%	8.7%	0.9%	8.6%	1.3%
Vietnam	11.0%	3.2%	10.0%	2.0%	10.0%	2.3%
Pacific	5.2%	1.3%	5.3%	2.7%	5.3%	2.2%
Australia	3.0%	0.9%	2.7%	2.5%	3.0%	2.1%
New Zealand	7.5%	1.7%	8.0%	3.0%	7.6%	2.2%
Europe	3.5%	1.6%	9.9%	3.5%	8.9%	3.0%
Belgium	-11.6%	0.4%	3.5%	2.4%	1.0%	2.2%
Bulgaria	7.0%	1.2%	10.0%	2.1%	10.0%	1.9%
Denmark	17.5%	0.3%	11.0%	1.4%	5.0%	1.6%
Finland	5.0%	0.4%	6.0%	1.9%	6.5%	1.6%
France	-6.3%	0.5%	10.7%	2.0%	2.3%	1.6%
Greece	4.1%	-1.3%	4.0%	-0.1%	3.0%	0.4%
Hungary	13.8%	3.3%	14.3%	4.5%	12.5%	3.6%
Ireland	8.0%	-0.5%	8.0%	1.9%	10.0%	1.9%
Italy	3.6%	-0.1%	9.0%	1.7%	8.8%	1.8%
Lithuania	5.0%	1.1%	8.0%	3.0%	9.0%	2.8%
Netherlands	3.8%	1.1%	0.0%	1.9%	4.0%	1.7%
Norway	3.0%	1.3%	8.0%	2.6%	8.0%	2.0%
Poland	8.3%	3.4%	13.3%	4.4%	10.0%	3.3%

Country/Region	2020 estimated medical trend rate	2020 estimated inflation rate ²¹	2021 forecast medical trend rate	2021 forecast inflation rate ²¹	2022 forecast medical trend rate	2022 forecast inflation rate ²¹
Portugal	-2.5%	-0.1%	10.0%	1.2%	7.5%	1.3%
Romania	17.5%	2.6%	12.6%	4.3%	12.0%	3.4%
Russia	6.0%	3.4%	14.0%	5.9%	12.0%	4.8%
Serbia	-7.5%	1.6%	18.0%	3.0%	18.0%	2.7%
Spain	-5.6%	-0.3%	8.1%	2.2%	4.5%	1.6%
Sweden	-2.0%	0.7%	2.2%	2.0%	3.0%	1.6%
Turkey	13.8%	12.3%	17.5%	17.0%	25.0%	15.4%
Ukraine	10.0%	2.7%	10.0%	9.5%	14.0%	7.1%
United Kingdom	-13.0%	0.9%	19.3%	2.2%	10.0%	2.6%
Middle East and Africa	9.6%	4.3%	9.5%	6.1%	10.1%	5.6%
Bahrain	5.0%	-2.3%	7.0%	1.0%	5.0%	2.7%
Egypt	14.0%	5.7%	17.0%	4.5%	19.0%	6.3%
Kenya	10.0%	5.2%	10.0%	6.0%	10.0%	5.0%
Angola	7.5%	22.3%	7.0%	24.4%	7.0%	14.9%
Ghana	20.0%	9.9%	10.0%	9.3%	10.0%	8.8%
Mauritius	5.0%	2.5%	7.0%	5.1%	7.0%	6.6%
Oman	-5.0%	-0.9%	-2.0%	3.0%	6.5%	2.7%
Uganda	17.0%	2.8%	18.0%	2.2%	5.0%	5.0%
Morocco	2.5%	0.6%	2.5%	1.4%	2.5%	1.2%
Nigeria	33.0%	13.2%	25.0%	16.9%	40.0%	13.3%
Qatar	7.9%	-2.7%	9.2%	2.5%	5.0%	3.2%
Saudi Arabia	5.0%	3.4%	7.0%	3.2%	10.0%	2.2%
South Africa	9.9%	3.3%	4.8%	4.4%	5.3%	4.5%
UAE	3.1%	-2.1%	10.6%	2.0%	8.8%	2.2%

Country/Region	2020 estimated medical trend rate	2020 estimated inflation rate ²¹	2021 forecast medical trend rate	2021 forecast inflation rate ²¹	2022 forecast medical trend rate	2022 forecast inflation rate ²¹
Latin America and Caribbean²²	8.0%	2.8%	10.2%	4.9%	9.4%	3.8%
Argentina	43.0%	42.0%	49.0%	-	46.0%	-
Brazil²³	12.0%	3.2%	9.4%	7.7%	8.3%	5.3%
Chile	4.0%	3.0%	5.4%	4.2%	6.0%	4.4%
Colombia	5.0%	2.5%	5.6%	3.2%	5.0%	3.5%
Dominican Republic	20.0%	3.8%	11.0%	7.8%	9.5%	4.5%
Mexico	15.6%	3.4%	18.1%	5.4%	16.5%	3.8%
Panama	-4.2%	-1.6%	11.3%	1.4%	11.6%	2.0%
Peru	1.0%	1.8%	12.5%	3.1%	8.5%	2.5%
Puerto Rico	6.5%	-0.5%	6.5%	4.0%	6.5%	1.9%
Uruguay	12.0%	9.8%	12.0%	7.5%	12.5%	6.1%

²¹ Inflation rates are sourced from the International Monetary Fund, World Economic Outlook Database, October 2021. Inflation rate information is strictly for general reference purpose; Marsh and Mercer give no guarantees as to their accuracy and will not accept liability for decisions based on them.

²² Venezuela is not included in the table due to current socioeconomic conditions. Argentina has been excluded from regional and global averages.

²³ Please note that for Brazil, the 2020 rate is indicative of the medical trend from July 2019 to June 2020; the 2021 rate is indicative of July 2020 to June 2021, and the 2022 rate represents July 2021 to July 2022. For the year commencing July 1, 2022, a 13.5% trend rate is predicted.

Appendix B

Top causes of claims by dollar amount claimed and frequency

Based on (dollar) amount claimed, what were the top three causes of claims cost in 2020 based on your book of group or overall business?

	Global	Asia	Europe	Latin America and Caribbean	Middle East and Africa
Cancer	52%	55%	48%	74%	31%
Diseases of the circulatory system	39%	43%	40%	29%	38%
COVID-19	34%	36%	18%	71%	31%
Respiratory conditions	28%	34%	25%	21%	31%
Gastro-intestinal diseases	22%	27%	25%	15%	8%
Osteomuscular diseases	19%	7%	30%	15%	15%
Mental conditions	13%	3%	18%	18%	8%
Infectious diseases	10%	16%	3%	6%	15%
Endocrine and metabolic diseases	10%	11%	3%	3%	19%
Obstetrics and pregnancy	10%	7%	12%	3%	23%

Based on (frequency) incidence of claims, what were the top three causes of claims in 2020 based on your book of group or overall business?

	Global	Asia	Europe	Latin America and Caribbean	Middle East and Africa
Respiratory conditions	37%	47%	25%	29%	54%
Diseases of the circulatory system	35%	28%	38%	26%	46%
COVID-19	33%	34%	25%	65%	23%
Gastro-intestinal diseases	29%	36%	23%	29%	15%
Cancer	28%	28%	27%	44%	15%
Infectious diseases	19%	32%	10%	6%	19%
Obstetrics and pregnancy	15%	9%	12%	24%	27%
Osteomuscular diseases	15%	12%	25%	9%	12%
Mental conditions	12%	4%	15%	18%	0%
Endocrine and metabolic diseases	10%	9%	5%	3%	23%

Appendix C

COVID-19 treatments expected to be covered by typical group medical insurance plans

	Global	Asia	Europe	Latin America and Caribbean	Middle East and Africa
COVID-19 inpatient treatment	61%	78%	30%	85%	75%
COVID-19 outpatient treatment	54%	56%	39%	73%	71%
COVID-19 viral testing	40%	42%	35%	55%	46%
COVID-19 anti-body testing	31%	33%	25%	48%	29%
Initial COVID-19 vaccinations	25%	41%	14%	18%	21%
None of the above	23%	10%	46%	6%	17%
COVID-19 booster / maintenance vaccinations	22%	37%	11%	21%	8%

Appendix D

Participating insurers²⁴

We would like to thank all insurer respondents for participating in this research. We are very grateful to them for sharing their important perspective, insights and outlook.

Country	Insurer
Argentina	Swiss Medical Medicina Privada
Bahrain	Bkic Gig-Bahrain
Belgium	Axa Belgium
Belgium	Dkv Belgium
Brazil	Unimed Fesp
Bulgaria	Zead Bulstrad Life Vienna Insurance Group Ead
Canada	Equitable Life
Canada	Green Shield Canada (Gsc)
Canada	Manulife
Canada	Medavie Blue Cross
Canada	Pacific Blue Cross
Canada	Rbc Insurance
Chile	Consortio
China	Icbc-Axa Life Insurance Co.Ltd.

Country	Insurer
China	New China Life Insurance Company Ltd.
China	Pingan Health Insurance Shanghai Branch
Colombia	Allianz
Colombia	Axa Colpatria
Colombia	Colmedica
Colombia	Colsanitas
Colombia	Medplus
Colombia	Pan American Life De Colombia
Denmark	Pfa Pension
Dominican Republic	Worldwide Medical Assurance
France	Ag2R
France	Axa France
France	Generali

Country	Insurer
France	Groupama Gan Vie
Ghana	Acacia Health Insurance
Ghana	Metropolitan Health Insurance Ghana Ltd
Greece	Groupama Asfalistiki
Greece	Nn Hellas
Hong Kong	Axa China Region Insurance Co. Ltd.
Hong Kong	Fwd Life Insurance Company (Bermuda) Ltd
Hong Kong	Generali
Hong Kong	Sun Life Hong Kong Limited
Hungary	Groupama Biztost Zrt.
Hungary	Union Vig Biztost Zrt.
India	Aditya Birla Health Insurance Company Limited
India	Care Health Insurance

²⁴ Only participants that indicated on the survey their company name could be published are listed here. Names are printed as they were reported in the survey response.

Country	Insurer
India	Hdfc Ergo
India	Manipalcigna Health Insurance
India	Royal Sundaram General Insurance Co Ltd
India	Sbi General Insurance Co. Ltd
Indonesia	Asuransi Reliance Indonesia
Indonesia	Lippo Insurance
Indonesia	Pt Aia Financial
Indonesia	Pt Asuransi Astra Buana
Indonesia	Pt Asuransi Jiwa Inhealth Indonesia
Indonesia	Pt. Asuransi Jiwa Astra
Indonesia	Pt. Central Asia Raya Life Insurance
Ireland	Laya Healthcare
Italy	Zurich Insurance Plc
Korea, Republic Of	Scor Global Life
Lithuania	Compensa Life Vienna Insurance Group Lithuanian Branch
Malaysia	Allianz Life Insurance Malaysia Berhad
Malaysia	Ammetlife
Mauritius	African Employee Benefits

Country	Insurer
Mexico	Grupo Nacional Provincial
Mexico	Mapfre
Mexico	Metlife Mxico
Mexico	Seguros Atlas, S.A.
Mexico	Zurich
New Zealand	Southern Cross Health Society
New Zealand	Unimed
Nigeria	Total Health Trust Limited
Norway	Fremtind Forsikring As
Panama	Cia Internacional De Seguros
Panama	Pan American Life Insurance De Panam
Philippines	Maxicare Healthcare Corporation
Philippines	Medicard Philippines Inc
Philippines	The Insular Life Assurance Co. Ltd,
Poland	Compensa Tu S.A. Vienna Insurance Group
Poland	Towarzystwo Ubezpiecze? Zdrowie Sa
Portugal	Victoria Seguros, S.A.
Qatar	Al Koot Insurance Co
Qatar	Allianz Care

Country	Insurer
Romania	Signal Iduna Asigurare Reasigurare Srl
Russian Federation	Allianz Life Russia
Russian Federation	Reso-Garantia
Russian Federation	Sogaz
Saudi Arabia	Axa Cooperative Insurance Company
Saudi Arabia	Saudi Enaya
Serbia	Triglav Osiguranje Ado
Serbia	Uniqa Neivotno Osiguranje
Singapore	Aviva Ltd
Singapore	Axa Insurance
Singapore	Great Eastern Life Singapore
Singapore	Raffles Health Insurance Pte Ltd
Singapore	Tokio Marine Life Insurance Singapore Ltd
South Africa	Stratum Benefits
Spain	Cigna
Spain	Dkv Seguros Sau
Spain	Sanitas (Bupa)

Country	Insurer
Taiwan, Province Of China	Aia International Limited Taiwan Branch
Thailand	Aetna Health Insurance (Thailand) Pcl
Thailand	Allianz Ayudhya Assurance Pcl.
Thailand	Fwd Life Insurance Public Company Limited
Thailand	Lmg Insurance Co.,Ltd.
Thailand	Luma Care Co., Ltd
Thailand	Mtl
Thailand	Muangthai Life Assurance Pcl.
Thailand	Tokio Marine Life Insurance (Thailand) Pcl
Uganda	Prudential Assurance Uganda Limited
Ukraine	European Insurance Alliance
Ukraine	Ingo
United Arab Emirates	Allianz Partners - International Health
United Arab Emirates	Qatar Insurance Company

Country	Insurer
United Kingdom	Axa Health
United Kingdom	Bupa
Vietnam	Baominh Insurance Corporation

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